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SKAMANIA CO. WASH
BY SKAMANIA CO. TITLE

Dec 8 4 20 PM '93

P. Sturges
AUDITOR

GARY M. OLSON

OPTION TO PURCHASE REAL PROPERTY

118159

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In consideration of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) paid to BERNARD J. HEAVEY, JR., a single man, hereinafter called "Seller", receipt of which is hereby acknowledged, Seller hereby gives and grants to IRVING G. SNYDER, JR., a married man dealing in his separate estate, hereinafter called "Purchaser", his heirs and assigns, the exclusive option to purchase the real property of Seller situated in Skamania County, State of Washington, and particularly described as:

Lots 1 and 3 of the HEAVEY SHORT PLAT, recorded in Book 3 of Short Plats, Page 164, Skamania County Records, located in the Southeast Quarter of Section 36, Township 3 North, Range 7½ East of the Willamette Meridian, in the County of Skamania, State of Washington;

Registered	
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together with the buildings and all other improvements thereon, all easements, rights of way, and appurtenances thereto, and all of Seller's right, title, and interest in all public ways adjoining the property, hereinafter sometimes referred to as "the property".

This option is given on the following terms and conditions:

SECTION ONE

Price and Terms of Payment

The purchase price for the property shall be Three Hundred Twenty-Five Thousand and No/100 Dollars (\$325,000.00), on which the sum hereby received shall apply. The balance of the purchase price shall be paid by Purchaser in cash at closing.

SECTION TWO

Period of Option and Extension

The period of duration of the option is three hundred sixty-five (365) days from the date hereof, hereinafter referred to as the primary term.

Exercise of the option to purchase, or to extend the option, is at the sole discretion of Purchaser.

At any time prior to the end of the primary term, Purchaser may elect to renew his exclusive option to purchase for an additional three hundred sixty-five (365) day period beyond the primary term, hereinafter referred to as the second term, by

Glenda J. Kimmel, Skamania County Assessor

Parcel # 3-75-36-4-1801
3-75-36-4-1800

Purchaser giving Seller written notice of extension and payment to Seller of an additional One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) at any time prior to the termination of the primary period. Such additional sum shall be applied to the purchase price if the option is exercised.

At any time prior to the end of the second term, Purchaser may elect to renew his exclusive option to purchase for an additional three hundred sixty-five (365) day period beyond the second term, hereinafter referred to as the third term, by Purchaser giving Seller written notice of extension and payment to Seller of an additional Seventy-five Thousand and No/100 Dollars (\$75,000.00) at any time prior to the termination of the second term. Such additional sum shall be applied to the purchase price if the option is exercised.

Upon failure of Purchaser to extend his option to purchase the property or to exercise his option to purchase as provided herein, the entire sum paid to Seller shall be the sole property of Seller, and there shall be no further liability of the parties under this agreement, one to the other.

SECTION THREE Title

If the option is exercised, Seller shall within fifteen (15) days after the delivery to him of the notice of exercise, secure and submit to Purchaser for examination by his attorneys evidence of merchantable title in the property by preliminary title report of a qualified title insurance company doing business in the State of Washington. Within fifteen (15) days thereafter Purchaser shall give notice to Seller of any defects in or objections to the title as so evidenced, and Seller shall clear the title of the defects and objections so specified.

If Seller fails to clear title to the extent herein required or to submit evidence of his ability to do so prior to closing, and such failure continues for forty-five (45) days after the date of exercise of the option, Purchaser may clear title to the extent so required and charge the cost of clearing to Seller or, at his option, may terminate this agreement by giving fifteen (15) days' notice to Seller.

Title to be conveyed as herein provided shall be by warranty deed and shall be merchantable title, free and clear of all liens, encumbrances, restrictions and easements, except the following:

1. Easement for pipeline including the terms and provisions thereof recorded October 30, 1909 in Book M, Page 77, Skamania County Deed Records.
2. The rights of fishing, navigation and commerce in the State of Washington, the Federal Government, and the public in and to that portion thereof lying below the ordinary high water mark of the Columbia River.
3. Rights of others thereto entitled in and to the continued uninterrupted flow of Nelson Creek, and rights of upper and lower riparian owners in and to the use of the waters and the natural flow thereof.
4. Any adverse claims based upon the assertion that Nelson Creek or the Columbia River has moved.
5. Flowage Easement to the United States, including the terms and provisions thereof recorded in Book Z, Page 456, Skamania County Deed Records.
6. Flowage Easement to the United States, including the terms and provisions thereof recorded December 13, 1973, in Book 65, Page 961, Skamania County Deed Records.
7. Private Roadway Agreement including the terms and provisions thereof recorded July 5, 1990, in Book 119, Page 637, Skamania County Deed Records.
8. Easements as shown on the recorded Short Plat in Book 3 of Short Plats, Page 164.

Seller warrants that no notice from any county, state, or other governmental authority of a building code violation which existed in the aforesaid premises before this option was executed has been issued and received by the Seller or his agent. During the period of this option Seller agrees to take such action, at his sole expense, as may be necessary to correct any situation on the premises for which a notice of violation may be issued, and further agrees to hold and defend Purchaser harmless therefrom. In the event that Seller fails to perform in accordance with the provisions of this paragraph within sixty (60) days of the date a notice of violation is received, Purchaser may elect to remedy the violation at his expense and may deduct the cost of same, together with interest thereon at the legal rate from the date the cost is incurred, from any remaining payments to be made by Purchaser hereunder.

During the period of this option Seller shall not sell, convey, mortgage, or otherwise encumber the property herein described or any part thereof, or enter into any new lease or

letting of the property, or any part thereof.

Seller warrants that the premises are not subject to any leasehold interest which extends beyond January 1, 1994, and Seller further agrees that Seller will not enter into any lease of the premises or any part thereof which extends beyond January 1, 1994, without first securing the written approval of Purchaser.

If Seller is unable to remove or cause to be removed the title defects appearing in the preliminary title report and reported to them by Purchaser, Seller shall refund any payments theretofore made hereunder by Purchaser. In lieu thereof, Purchaser may, but shall not be obliged to, accept title with such defects and apply as credit on the purchase price the reasonable cost of clearing such defects, including reasonable attorneys' fees.

SECTION FOUR **Waste**

During the time that Seller is in possession of the property during the existence of this option agreement, he shall maintain the property in the same condition as at the commencement of the option, reasonable and normal wear and deterioration excepted, and shall not commit any act of waste. If he does commit waste, Purchaser shall have the sole discretion to terminate this option, and in such event the entire consideration, including consideration given for any extensions, shall be returned to Purchaser.

SECTION FIVE **Presence of Hazardous Substances**

Seller warrants and represents that, to the best of his knowledge, the Premises have not been used for the disposal, treatment, generation, storage or sale of any substances designated as, or containing components designated as hazardous, extra hazardous, dangerous, toxic or harmful (collectively referred to as "Hazardous Substances"), and/or which are subject to regulation by any federal, state or local law, regulation, statute or ordinance.

With respect to any Hazardous Substance as may in the future be found to be present on the Premises or in the soil thereof at the time of sale, Seller covenants and agrees that he shall, at his sole cost and expense, remove same from the Premises or the soil thereof and otherwise comply with all governmental rules,

regulations and requirements regarding the proper and lawful removal and disposal of Hazardous Substances and contaminated soil; and shall defend and hold Purchasers harmless from any liability arising from the presence, removal or disposal of Hazardous Substances and contaminated soil, including attorney fees.

The provisions of this paragraph shall survive the closing of this transaction.

SECTION SIX
Removal of Personal Property

In the event Purchaser exercises his option to purchase, Seller agrees to promptly remove from the premises all personal property not necessary to the operation of the facilities located thereon. Such removal shall be accomplished not later than the time of closing. In the event such removal is not accomplished by time of closing Purchaser may, at his sole discretion, elect to either delay closing until such removal is accomplished to his satisfaction or cause such removal to be done and deduct the reasonable cost thereof from the purchase price.

SECTION SEVEN
Escrow; Closing

An escrow shall be opened with Skamania County Title Company of Stevenson, Washington, within five (5) days after exercise of this option. All necessary documents shall be delivered to the escrow agent, and all payments required hereunder, including payment of the balance of the purchase price, shall be made to the escrow agent. Seller and Purchaser shall execute such escrow instructions, not inconsistent with the terms of this option, as may be requested by the escrow agent from time to time.

The sale transaction shall close as soon as practicable after the escrow agent is able to comply with the provisions hereof, but in any event not later than ninety (90) days from the date of exercise of this option. If closing is not accomplished within ninety (90) days from the date of exercise of this option, at the election of either party the escrow shall be terminated, all payments made hereunder by Purchaser shall be returned to them, and all deposits made on the account of the purchase price and instruments deposited in escrow shall be returned to the respective parties entitled thereto.

The parties agree to use their best efforts to ensure that closing is accomplished within the time limits provided for in this agreement.

If the transaction fails to close through the fault of the Seller, including the inability of the Seller to provide marketable title, the entire sum paid to Seller as consideration for the option, or any extension, shall be refunded to Purchaser within ten (10) days following demand by Purchaser for refund. If Seller fails to refund all or any portion of the option money paid, the sum unpaid shall be a lien against the real property which is the subject of this option, which lien may be foreclosed in the manner of a mortgage. In such action, or in any action arising under the terms of this agreement, the prevailing party shall recover costs and reasonable attorney fees.

SECTION EIGHT
Possession and Risk of Loss

Seller shall continue in possession of the property until close of escrow, and shall maintain the same in its present condition, reasonable wear from ordinary use excepted. Possession shall be transferred to Purchaser upon closing.

Seller shall bear risk of loss from fire or other casualty to the property until transfer of possession as herein provided. Seller shall maintain adequate insurance against loss, including extended coverage, during such period. All policies of insurance on the property shall be transferred to Purchaser at close of escrow, at his option, and the cost thereof prorated.

SECTION NINE
Closing Costs

Purchaser's Closing Costs. Purchaser shall pay the following closing costs:

- A. Recording fees; and
- B. One-half (1/2) of the closing fee to Skamania County Title Company.

Seller's Closing Costs. Seller shall pay the following closing costs:

- A. Real Estate excise tax;
- B. Premiums for title insurance;
- C. One-half (1/2) of the closing fee to Skamania County Title Company.

SECTION TEN
Notices

Any notice hereunder shall be given in writing to the party for whom it is intended in person or by certified registered mail at the following address, or such future address as may be designated in writing:

To Seller: Bernard J. Heavey, Jr.
P. O. Box 832
Stevenson, WA 98648

To Purchaser: Irving Snyder, Jr.
3677 Sunset Way
Sanford, MI 48657

and to any successor or assignee of either party, at the address stated in the notice of succession or assignment. Notices shall be deemed given at the time of mailing.

SECTION ELEVEN
Assignment and Succession

This option and the contract resulting from the exercise thereof shall bind and inure to the benefit of the heirs, administrators, executors, successors, and assigns of the respective parties. All rights of Purchaser hereunder may be assigned without restriction, but notice of each assignment shall be given in writing to Seller.

EXECUTED this 26th day of ~~XXXXXX~~ November
~~XXXXXX~~ 1993.
~~XXXXXX~~

SELLER:

Bernard J. Heavey, Jr.
BERNARD J. HEAVEY, JR.

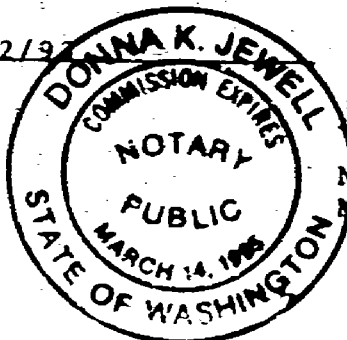
PURCHASER:

Irving G. Snyder, Jr.
IRVING G. SNYDER, JR.

STATE OF WASHINGTON)
) ss.
County of Skamania)

I certify that I know or have satisfactory knowledge that BERNARD J. HEAVEY, JR. is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 11/22/93



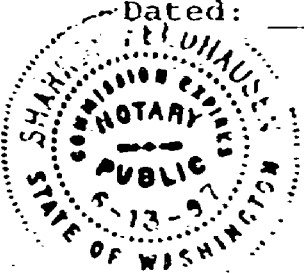
Donna K. Jewell
Notary Public
My appointment expires: 3/14/95

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STATE OF WASHINGTON)
) ss.
County of Skamania)

I certify that I know or have satisfactory knowledge that IRVING G. SNYDER, JR. is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: October 25, 1993



Sharron Feldhausen
SHARRON FELDHAUSEN
Notary Public
My appointment expires: 6-13-97

Unofficial Copy