

When recorded return to:
Bradley Stoddard
726 N. Shepherd Rd.
Washougal, WA. 98671

LEASE AGREEMENT WITH OPTION TO PURCHASE

OK
This Lease Agreement ("Lease") is entered by and between BRADLEY A. STODDARD ("Landlord") and TED F. NEWTON AND RUBY E. CAMPBELL ("Tenants") on July 27th, 2007. Landlord and Tenants may collectively be referred to as the "Parties". This Lease creates joint and several liability in the case of multiple Tenants. The Parties agree as follows:

PREMISES: Landlord hereby leases the Premises located at: 131 Daniel Road, Washougal, Washington 98671, Parcel No. 02053242010400, LOT 10 SHON-TAY-RILL BK A/PG 139, Skamania County, Washington to Tenants. *8-1-07*

LEASE TERM: The lease will start on December 21, 2007 and will end on December 20, 2027.

LEASE PAYMENTS: Tenants agrees to pay to Landlord as rent for the Premises the amount of \$5,000 ("Rent") due every six months in advance on December 21st and June 21st each year to: 726 North Shepherd Road, Washougal, WA 98671 or at any other address designated by Landlord.

LATE CHARGES: If any amount under this lease is more than 30 days late, Tenants agrees to pay a late fee of \$25 dollars.

INSUFFICIENT FUNDS: Tenants agrees to pay the charge of \$25 for each check given by Tenants to Landlord that is returned to Landlord for lack of sufficient funds.

SECURITY DEPOSIT: At the signing of this Lease, Tenants shall deposit with Landlord, in trust, a security deposit of \$ 0 as security for the performance by Tenants of the terms under this Lease and for any damages caused by Tenants, Tenants' family, agents and visitors to the Premises during the term of this Lease. Landlord may use part or all of the security deposit to repair any damage to the Premises caused by Tenants, Tenant's family, agents and visitors to the Premises. However, Landlord is not just limited to the security deposit amount and Tenants remains liable for any balance. Tenants shall not apply or deduct any portion of any security deposit from the last or any month's rent. Tenants shall not use or apply any such security deposit at any time in lieu of payment of rent. If Tenants breaches any terms or conditions of this Lease, Tenants shall forfeit any deposit, as permitted by law.

OPTION TO PURCHASE: Landlord grants Tenants the exclusive right to an option to purchase ("Option") the Premises herein for a gross sales price of \$360,000 dollars beginning and terminating with the end of this lease, or, if the lease is earlier terminated, at that time. The purchase price shall be reduced by the amount of rent paid to the date, less taxes and insurance paid from rent payments. Tenants shall notify Landlord in writing, prior to the termination date of the option, of Tenant's intent to exercise the option to purchase. When exercising the option, Tenants shall also deposit with Landlord the sum of \$500 dollars as a deposit towards the purchase price of the premises. Upon exercise of this option by Tenants, a closing shall take place within 60 days. Before the closing date, Tenants shall make all reasonable efforts to obtain financing to purchase the Premises. In the event Tenant's reasonable efforts were unable to procure financing, the deposit shall be returned. All expenses relating to the sale and to the closing shall be borne equally by both Parties. The Landlord shall convey the Premises to the Tenants by warranty deed with a merchantable title. Until the written exercise of the option, the relationship between the parties shall be solely that of landlord and tenants. The option to purchase shall be assignable by the Tenants upon completion of the 10th year of tenancy.

DEFAULTS: If Tenants fails to perform or fulfill any obligation under this Lease, Tenants shall be in default of this Lease. Subject to any statute, ordinance or law to the contrary, Tenants shall have seven (7) days from the date of notice of default by Landlord to cure the default. In the event Tenants does not cure a default, Landlord may at Landlord's option (a) cure such default and the cost of such action may be added to Tenant's financial obligations under this lease; or (b) declare Tenants in default of the Lease. In the event of default, Landlord may also, as permitted by law, re-enter the Premises and re-take possession of the Premises. Landlord may, at its option, hold Tenants liable for any difference between the rent that would have been payable under this Lease during the balance of the unexpired term, if this Lease had continued in force and any rent paid by any successive Tenants if the Premises are re-let. In the event Landlord is unable to re-let the Premises during any remaining term of this Lease, after default by Tenants, Landlord may at its option hold Tenants liable for the balance of the unpaid rent under this Lease if this Lease had continued in force. The failure of Tenants or their guests or invitees to comply with any term of this Agreement is grounds for termination of the tenancy, with appropriate notice to Tenants and procedures as required by law.

QUIET ENJOYMENT: Tenants shall be entitled to quiet enjoyment of the premises, and Landlord will not interfere with that right, as long as Tenants pays the rent in a timely manner and performs all other obligations under this Lease.

POSSESSION AND SURRENDER OF PREMISES: Tenants shall be entitled to possession of the Premises on the first day of the Lease Term. At the expiration of the Lease, Tenants shall peaceably surrender the Premises to Landlord or Landlord's agent in good condition as it was at the commencement of the Lease, reasonable wear and tear excepted.

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USE OF PREMISES: Tenants shall only use the Premises as a residence. The Premises shall not be used to carry on any type of business or trade, without prior written consent of the Landlord. Tenants will comply with all laws, rules, ordinances, statutes and orders regarding the use of the Premises

OCCUPANTS: Tenants agrees that no more than 2 persons may reside on the Premises, without prior written consent of the Landlord.

CONDITION OF PREMISES: Tenants or Tenant's agent has inspected the Premises, the fixtures, the grounds, building and improvements and acknowledges that the Premises are in good and acceptable condition and are habitable. If at any time during the term of this Lease, in Tenant's opinion, the conditions change, Tenants shall promptly provide reasonable notice to Landlord.

ASSIGNMENT AND SUBLEASE: Within the first ten (10) years, Tenants shall not assign or sublease any interest in this lease without prior written consent of the Landlord, which consent shall not be unreasonably withheld. Any assignment or sublease without Landlord's written prior consent shall, at Landlord's option, terminate this Lease. Upon expiration of the 10th year, Tenants shall have the right to assign their interest in this Lease and Option to Purchase without Landlord permission.

DANGEROUS MATERIALS: Tenants shall not keep or have on or around the Premises any item of a dangerous, flammable or explosive character that might unreasonably increase the risk of fire or explosion on or around the Premises or that might be considered hazardous by any responsible insurance company.

UTILITIES AND SERVICES: Tenants will be responsible for all utilities and services required on the Premises, except Landlord will provide: _____

(list services paid by Landlord
or "none")

ALTERATIONS AND IMPROVEMENTS: Tenants agrees not to make any improvements or alterations to the Premises without prior written consent of the Landlord. If any alterations, improvements or changes are made to or built on or around the Premises, with the exception of fixtures and personal property that can be removed without damage to the Premises, they shall become the property of Landlord and shall remain at the expiration of the Lease, unless otherwise agreed in writing.

DAMAGE TO PREMISES: If the Premises or part of the Premises are damaged or destroyed by fire or other casualty not due to Tenants' negligence, the rent will be abated during the time that the Premises are uninhabitable. If Landlord decides not to repair or rebuild the Premises, then this Lease shall terminate and the rent shall be prorated up to the time of the damage. Any unearned rent paid in advance shall be refunded to Tenants. *See Rec A*

SEVERABILITY: If any part or parts of this Lease shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Lease is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

INSURANCE: Landlord and Tenants shall each be responsible to maintain appropriate insurance for their respective interests in the Premises and property located on the Premises. Tenants understand that Landlord will not provide any insurance coverage for Tenants' property. Landlord will not be responsible for any loss of Tenants' property, whether by theft, fire, riots, strikes, acts of God, or otherwise. Landlord encourages Tenants to obtain renter's insurance or other similar coverage to protect against risk of loss.

BINDING EFFECT: The covenants and conditions contained in the Lease shall apply to and bind the parties and the heirs, legal representatives, successors and permitted assigns of the parties.

GOVERNING LAW: This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

ENTIRE AGREEMENT: This Lease constitutes the entire agreement between the parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified in writing and must be signed by both Landlord and Tenants.

NOTICE: Any notice required or otherwise given pursuant to this Lease shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service, if to Tenants, at the Premise and if to Landlord, at the address for payment of rent. Either party may change such addresses from time to time by providing notice as set forth above.

CUMULATIVE RIGHTS: Landlord's and Tenants' rights under this Lease are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.

WAIVER: The failure of either party to enforce any provisions of this Lease shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease. The acceptance of rent by Landlord does not waive Landlord's right to enforce any provisions of this Lease.

DISPLAY OF SIGNS: Landlord or Landlord's agent may display "For Sale" or "For Rent" or "Vacancy" or similar signs on or about the Premises and enter to show the Premises to prospective tenants during the last sixty (60) days of this Lease. Tenants agrees that no signs shall be placed on the Premises without the prior written consent of Landlord.

KEYS: Tenants will be provided keys to the Premises and Tenants shall be return all keys following the termination of the Lease.

LIQUID-FILLED FURNITURE: Tenants shall not use or have any liquid-filled furniture, including but not limited to waterbeds, on the premises without Landlord's prior written consent.

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MAINTENANCE AND REPAIR: Tenants will, at Tenants' sole expense, keep and maintain the Premises in good, clean and sanitary condition and repair during the term of this Lease and any renewal thereof. Tenants shall be responsible to make all repairs to the Premises, fixtures, appliances and equipment therein that may have been damaged by Tenants' misuse, waste, or neglect, or that of the Tenants' family, agent, or visitor. Tenants agree that no painting will be done on or about the Premises without the prior written consent of Landlord. Tenants shall promptly notify Landlord of any damage, defect or destruction of the Premises, or in the event of the failure of any of the appliances or equipment. Landlord will use its best efforts to repair or replace any such damaged or defective area, appliance or equipment.

RIGHT OF INSPECTION: Tenants agrees to make the premises available to Landlord or Landlord's agents for the purposes of inspection, making repairs or improvements, or to supply agreed services or show the premises to prospective buyers or tenants, or in case of emergency. Except in case of emergency, Landlord shall give Tenants reasonable notice of intent to enter. For these purposes, twenty-four (24) hour notice shall be deemed reasonable. Tenants shall not, without Landlord's prior written consent, add, alter or re-key any locks to the premises. At all times Landlord shall be provided with a key or keys capable of unlocking all such locks and gaining entry. Tenants further agree to notify Landlord in writing if Tenants installs any burglar alarm system, including instructions on how to disarm it in case of emergency entry.

HOLDOVER: In the event Tenants remains in possession of the Premises for any period after the expiration of the Lease Term ("Holdover Period"), a new month-to-month tenancy shall be created subject to the same terms and conditions of this Lease at a monthly rental rate of \$800 per month, unless otherwise agreed by the parties in writing. Such month-to-month tenancy shall be terminable on thirty (30) days notice by either party or on longer notice if required by law.

ABANDONMENT: If Tenants abandons the Premises or any personal property during the term of this Lease, Landlord may at its option enter the Premises by any legal means without liability to Tenants and may at Landlord's option terminate the Lease. Abandonment is defined as absence of the Tenants from the premises, for at least 60 consecutive days without notice to Landlord. If Tenants abandons the premises while the rent is outstanding for more than 15 days and there is no reasonable evidence, other than the presence of the Tenants' personal property, that the Tenants is occupying the unit, Landlord may at Landlord's option terminate this agreement and regain possession in the manner prescribed by law. Landlord will dispose of all abandoned personal property on the Premises in any manner allowed by law.

EXTENDED ABSENCES: In the event Tenants will be away from the premises for more than 45 consecutive days, Tenants agrees to notify Landlord in writing of such absence. During such absence, Landlord may enter the premises at times reasonably necessary to maintain the property and inspect for damages and needed repairs.

SECURITY: Tenants understands that Landlord does not provide any security alarm system or other security for Tenants or the Premises. In the event any alarm system is provided, Tenants understands that such alarm system is not warranted to be complete in all respects or to be sufficient to protect Tenants or the Premises. Tenants releases Landlord from any loss, damage, claim or injury resulting from the failure of any alarm system, security or from the lack of any alarm system or security.

[Handwritten signature and initials]

INDEMNIFICATION: To the extent permitted by law, Tenants will indemnify and hold Landlord and Landlord's property, including the Premises, free and harmless from any liability for losses, claims, injury to or death of any person, including Tenants, or for damage to property arising from Tenants using and occupying the Premises or from the acts or omissions of any person or persons, including Tenants, in or about the premises with Tenants' express or implied consent except Landlord's act or negligence

LEGAL FEES: In the event of any legal action by the parties arising out of this Lease, the losing party shall pay the prevailing party reasonable attorneys' fees and costs in addition to all other relief.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed the day and year first above written.

LANDLORD:

Bradley A. Stoddard
Signature

BRADLEY A. STODDARD
Print Name

TENANT:

Ruby E. Campbell
Signature

RUBY E. CAMPBELL
Print Name

TENANT:

Ted F. Newton
Signature

Ted F. Newton
Print Name

STATE OF wa)
COUNTY OF Clark)-ss

I certify that I know or have satisfactory evidence that Bradley Stoddard
(is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that
(he/she/they) (is/are) authorized to execute the instrument and acknowledged it as the _____ of
_____ to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: 7/27/07

Christina Hallock
Notary Public in and for the state of wa
My appointment expires: 8/29/11



STATE OF WA)
COUNTY OF Clallam) ss.

I certify that I know or have satisfactory evidence that Ruby Campbell and Ted Newton
(is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that
(he/she/they) (is/are) authorized to execute the instrument and acknowledged it as the _____ of
_____ to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: 7/27/07

Christina Hallock
Notary Public in and for the state of WA
My appointment expires: 8/29/11



**RESIDENTIAL LEASE
DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT
OR LEAD-BASED PAINT HAZARDS**

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (Check (i) or (ii) below):

(i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):

(ii) ☐ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (Check (i) or (ii) below):

(i) ☐ Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents):

(ii) ☐ Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgment (initial)

(c) ☐ Lessee has received copies of all information listed above.

(d) ☐ Lessee has received the pamphlet Protect Your Family From Lead In Your Home.

Agent's Acknowledgment (initial)

(e) ☐ Agent has informed the lessor of the lessor's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

[Handwritten signature] *[Handwritten initials]* *[Handwritten letter A]*

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Bradly A. Stottard 07/27/07
Lessor Date

Robert Campbell 7/27/07
Lessee Date

Red 7 Renter 7/27/07
Lessee Date