

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

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Miller Nash LLP
500 E. Broadway
Vancouver, Washington 98660

Parties	:	131 Daniel Road, LLC
	:	Ted F. Newton and Ruby E. Campbell
Abbreviated Legal	:	LOT 10'SHON-TAY-RILL BK A/PG 139
Assessor's Tax Parcel Nos.	:	02053242010-400
Other Reference No(s).	:	Termination of Record No.: 2007167099

MUTUAL TERMINATION OF LEASE WITH OPTION TO PURCHASE

- Operative Lease.** A Lease Agreement with Option to Purchase was executed and entered into by Bradley A. Stoddard (as landlord) and Ted F. Newton and Ruby E. Campbell (as tenant) on July 27, 2007, recorded August 1, 2007, under Auditors File # 2007167099, Skamania County Records, as subsequently assigned by Bradley Stoddard to 131 Daniel Road, LLC on May 22, 2008 ("Lease") for the property commonly known as 131 Daniel Road, Washougal, Washington 98671, described as LOT 10 SHON-TAY-RILL BK A/PG 139 ("Premises"). For the purposes of this Mutual Termination of Lease with Option to Purchase ("Mutual Termination"), 131 Daniel Road, LLC, a Washington limited liability company, shall be referred to as "Landlord" and Ted F. Newton and Ruby E. Campbell shall collectively be referred to as "Tenant."
- Agreed Termination of Lease and Option to Purchase.** In the agreed interest of both parties and for valuable consideration and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree to terminate and discharge the above-referenced Lease, such termination to be effective as of 11:59 p.m. on June 21, 2008 ("Effective Termination Date") and is subject to the terms and conditions set forth below. Tenant acknowledges and agrees that this Mutual Termination includes termination of Tenant's option to purchase the Premises as described in the Lease.
- Termination Payment.** As consideration for Tenant's agreement to an early termination of the Lease, including Tenant's option to purchase the Premises, Landlord agrees to pay to Tenant the sum of Twenty Thousand and No/100 Dollars (\$20,000), within five (5) business days of the first of the following events to occur: (1) refinance or sale of the property; (2) January 1, 2011. This payment will be secured by a mutually agreed upon

deed of trust given by Landlord to Tenant which shall be recorded against the Premises in the Skamania County records ("Deed of Trust").

4. **Conditions.** The effectiveness of this Mutual Termination is contingent upon the following, which must be performed by the Effective Termination Date, failure to perform these conditions will void this Mutual Termination:
 - a. Landlord and Tenant shall enter into a new mutually agreed upon short-term lease for the Premises on terms and conditions specifically set forth therein ("New Lease"), such New Lease shall be effective as of 12:00 a.m. on June 22, 2008; and
 - b. Record the Deed of Trust in the records of Skamania County, simultaneously with the recording of this Mutual Termination.
5. **Termination.** Upon the Effective Termination Date and the satisfaction of the conditions set forth in Section 5 above: (i) the Lease (including Tenant's option to purchase the Premises) shall then be null and void and of no force and effect and the parties free from obligations and terms thereof; (ii) any and all rights of Tenant in or to the Lease or the Premises pursuant to the Lease, including without limitation any right to possession of the Premises pursuant to the Lease, immediately terminate.
6. **Mutual Releases.** Upon termination of the Lease as set forth herein:
 - a. Tenant shall be deemed to have immediately released and forever discharged Bradley A. Stoddard and Landlord and its members, officers, directors, agents, attorneys, insurers, and employees (present and past) from any and all claims, counterclaims, demands, actions, causes of action, damages, or demands for damages that Tenant ever had, now has, or later may have, whether now known or unknown, arising from or relating to the Lease or the Premises; and
 - b. Landlord shall be deemed to have immediately released and forever discharged Tenant from Landlord's claims, counterclaims, demands, actions, causes of action, damages, or demands for damages arising from or relating to the Lease, but excluding release of any indemnity obligations for claims, losses, liabilities, damages to the Premises or other occurrences related to Tenant's continued occupancy of the Premises after June 21, 2008 under the New Lease, which obligations will terminate four (4) months from the date of the expiration or sooner termination of the New Lease.
 - c. These releases are intended as full settlement and compromise of each, every, and all claims of every kind and nature as set forth above.
7. **Complete Agreement.** This Mutual Termination is the entire, final, and complete agreement of the parties pertaining to its subject matter and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the termination of the Lease is concerned. This Mutual Termination may not be modified orally or in any other manner, except by an agreement in writing signed by the parties hereto.

8. **Attorney Fees.** In the event a suit, action, arbitration, or other proceeding of any nature whatsoever is instituted to interpret or enforce any provision of this Mutual Termination or with respect to any dispute, controversy, or other matter arising out of this Mutual Termination, the prevailing party shall be entitled to recover from the losing party all reasonable expenses of litigation or arbitration, including without limitation reasonable attorney fees, as determined by the judge or arbitrator, incurred by the prevailing party prior to or at trial or arbitration, as the case may be, or on any appeal or petition for review.
9. **Governing Law.** This Mutual Termination shall be governed by Washington law without regard to principles of conflicts of laws.
10. **Counterparts.** This Mutual Termination may be executed by the parties in separate counterparts, each of which when executed and delivered shall be an original, but all of which together shall constitute one and the same instrument.
11. **Survival.** This Mutual Termination shall inure to the benefit of the parties' respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Mutual Termination as of the date first above written.

LANDLORD:

131 Daniel Road, LLC

By: 

Rose Kowalski, Manager

TENANT:

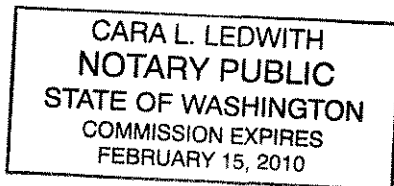

Ted F. Newton


Ruby E. Campbell

State of Washington)
) ss.
 County of Clark)

I certify that I know or have satisfactory evidence that Rose Kowalski is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Manager of **131 Daniel Road, LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 25, 2008.



Cara L. Ledwith
 Notary Public for Washington

Cara L. Ledwith
 (Printed or Stamped Name of Notary)

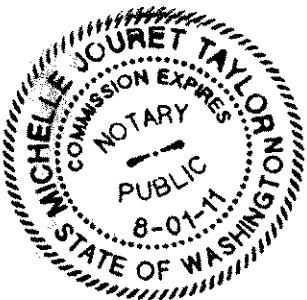
Residing at Vancouver, Washington

My appointment expires: 02-15-2010

State of Washington)
) ss.
 County of Clark)

I certify that I know or have satisfactory evidence that **Ted F. Newton** is the person who appeared before me, and said person acknowledged that he/she signed this instrument and is the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 18, 2008.



Michelle J. Taylor
 Notary Public for Washington

Michelle J. Taylor
 (Printed or Stamped Name of Notary)

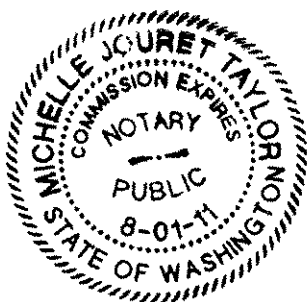
Residing at Vancouver, Washington

My appointment expires: 8-31-2011

State of Washington)
 County of Clark) ss.

I certify that I know or have satisfactory evidence that **Ruby E. Campbell** is the person who appeared before me, and said person acknowledged that he/she signed this instrument and is the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 18, 2008.



Michelle J. Taylor
 Notary Public for Washington
Michelle J. Taylor
 (Printed or Stamped Name of Notary)
 Residing at Vancouver, Washington
 My appointment expires: _____