

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

Complete legal description is on pages 2-4 of document

Tax Parcel Number(s): 0520273039

Abbreviated Legal Description: SW Qtr. Sec. 27, Twn. 20 N., Rg. 5 E., W.M.

Additional information on page of document

Grantee(s):
1. Hemminger, Douglas L.
2. Hemminger, Dorothy W.

Additional information on page of document

Grantor(s):
1. Chaffey Homes, Inc.
2.

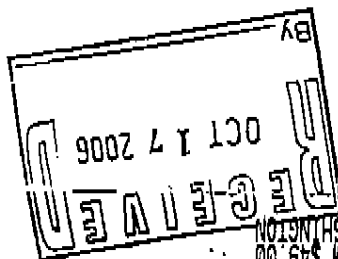
Reference Number(s) of Documents Assigned or Released:

Document Title(s):
1. Memorandum of Lease

Name	Address	City/State
Chaffey Homes, Inc.	1804 West Union Avenue Suite 201	Tacoma, WA 98405

COURTESY RECORDING ONLY
NO LIABILITY FOR VALIDITY AND/OR
ACCURACY ASSUMED BY FIRST AMERICAN
TITLE INSURANCE COMPANY.

AFTER RECORDING MAIL TO:



200609010229
09/01/2006 10:53am \$49.00
PIERCE COUNTY, WASHINGTON

F.A.I.C.O.
W0137

MEMORANDUM OF LEASE - PAGE 1 OF 5

BEGINNING 330 FEET EAST OF THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 20 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON; THENCE NORTH 660 FEET; THENCE EAST 521 FEET; MORE OR LESS TO THE WEST LINE OF A TRACT OF LAND CONVEYED TO R.H. CARNAKAN AND EMMA

Landlord/Owner and Tenant has entered into a Lease on the above date ("Lease") covering a certain leased premises described in the Lease, comprising a portion of the property legally described as follows:

1. PREMISES:

THIS MEMORANDUM OF LEASE entered into this 15th of August, 2006 by and in between CHAFFEY HOMES, INC. a Washington corporation ("Landlord/Owner") and DOUGLAS L. HEMMINGER and DOROTHY W. HEMMINGER, husband and wife ("Tenant").

Metd No.: 24496

LESSOR/GRANTOR:	CHAFFEY HOMES, INC.
LESSEE/GRANTEE:	HEMMINGER, Douglas L.
ABBREVIATED LEGAL:	HEMMINGER, Dorothy W.
FULL LEGAL ON PAGE:	1, 2
TAX PARCEL NO.:	0520273039

Pm. of the below-referenced tax parcel number

MEMORANDUM OF LEASE

COURTESY RECORDING ONLY
NO LIABILITY FOR VALIDITY AND/OR
ACCURACY ASSUMED BY FIRST AMERICAN
TITLE INSURANCE COMPANY.

Douglas L. and Dorothy W. Hemminger
20321 Church Lake Road East
Bonney Lake, WA 98391

After Recording Mail To:

MEMORANDUM OF LEASE - PAGE 2 OF 5

COMMENCING AT A POINT 714.22 FEET MORE OR LESS EAST OF THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 20 NORTH, RANGE 5 EAST, OF THE WILLAMETTE MERIDIAN IN PERCE COUNTY, WASHINGTON; THENCE WESTERLY ALONG SAID SOUTH LINE TO 182 FEET TO THE TRUE POINT OF BEGINNING; THENCE EAST ALONG SAID SOUTH LINE 182 FEET TO THE WEST LINE OF A TRACT OF LAND CONVEYED TO R.H. CARNAKAN AND EMMA CARNAKAN, HUSBAND AND WIFE, BY DEED RECORDED MARCH 12, 1928 UNDER

The actual leased portion of the Subject Property is legally described as follows:

("Subject Property")

BEGINNING A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 20 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, IN PERCE COUNTY, WASHINGTON; SITUATED 745.00 FEET EAST OF A BRASS MONUMENT MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION; THENCE NORTH 210.00 FEET PERPENDICULAR WITH SAID LINE; THENCE EAST PARALLEL WITH SAID LINE TO THE WEST LINE OF A TRACT OF LAND CONVEYED TO R.H. CARNAKAN AND EMMA CARNAKAN, HUSBAND AND WIFE, BY DEED RECORDED MARCH 12, 1928 UNDER RECORDING NO. 892764; THENCE SOUTH ALONG SAID LINE TO THE SOUTH LINE OF SAID SUBDIVISION; THENCE WEST TO THE POINT OF BEGINNING.

AND EXCEPT THE FOLLOWING DESCRIBED PROPERTY;

COUNTY ROAD; EXCEPT ANY PORTION LYING WITH CHURCH LAKE MORE OR LESS, TO THE POINT OF BEGINNING; THENCE WEST ALONG SAID SOUTH LINE 521 FEET, FEET TO THE SOUTH LINE OF SAID SECTION 27; 892764; THENCE SOUTH ALONG SAID WEST LINE 660 RECORDED MARCH 12, 1928 UNDER RECORDING NO. CARNAKAN, HUSBAND AND WIFE, BY DEED

1804 W. Union Avenue
Suite 201
Tacoma, WA 98405-2062

Address:

Title: G.M.

By: [Signature]

Date: 8/5/06

CHAFFEY HOMES, INC.

LESSOR/GRANTOR:

DATED this 5th day of August, 2006.

Attached as Exhibit A.

6. ILLUSTRATIVE DIAGRAM:

All the other terms, conditions and covenants of the Lease, which may be inspected at the Landlord/Owner's office are incorporated herein by reference.

5. LEASE INCORPORATED:

Douglas L. Hemminger and Dorothy W. Hemminger have agreed to subordinate their Leased Area to any platting, construction loans, or other appropriate financing upon the entire parcel so long as such subordination does not interfere with the rights to occupy the residence on the Leased Area.

4. SUBORDINATION:

3. EXTENSION OPTIONS: None

The primary term of this Lease is for 30 years. The Lease shall terminate, however, upon the death of both Douglas L. Hemminger and Dorothy W. Hemminger.

2. TERM

("Leased Area")

RECORDING NO. 892767; THENCE NORTH ALONG SAID WEST LINE 153 FEET; THENCE WEST ON A LINE PARALLEL TO SAID SOUTH LINE 201 FEET; THENCE SOUTH ON A LINE PARALLEL TO SAID WEST LINE 134 FEET TO A POINT; THENCE ON AN ARC OF 32 FEET TO THE POINT OF BEGINNING.

Bernice A. Medved
 Notary Public in and for the State of Washington
 Print Name: BERNICE A. MEDVED
 My Commission Expires: 10/15/10



written.

WITNESS my hand and official seal hereto affixed the day and year first above

and for the State of Washington, duly commissioned and sworn, personally appeared Morie Megenheit to me known to be the General Manager of CHAFFEY HOMES, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

STATE OF WASHINGTON)
) ss.
 COUNTY OF PIERCE)

Address: 20321 Church Lake Road East
 Bonney Lake, WA 98391

DOROTHY W. HEMMINGER
 Date: 8-15-06

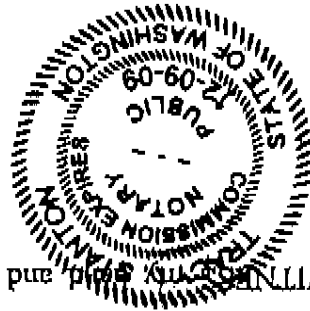
DOUGLAS L. HEMMINGER
 Date: 8-15-06

LESSEE/GRANTEE

O:\CLIENTS\1524400024496 Heminger\Docs\Memorandum of Lease.doc

My Commission Expires: 12/9/09
Print Name: Tracy L. Stanton
Notary Public in and for the State of Washington

WITNESS my hand and official seal hereto affixed the day and year first above



written.

On this 15 day of August, 2006, personally appeared before me DOROTHY W. HEMINGER, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

STATE OF WASHINGTON)
COUNTY OF PIERCE)
ss.)

My Commission Expires: 12/9/09
Print Name: Tracy L. Stanton
Notary Public in and for the State of Washington

WITNESS my hand and official seal hereto affixed the day and year first above



written.

On this 15 day of August, 2006, personally appeared before me DOUGLAS L. HEMINGER, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

STATE OF WASHINGTON)
COUNTY OF PIERCE)
ss.)

DATE: 8/15/06 DATE: 8/15/06
 TENANTS: [Signatures] LANDLORD/OWNER: [Signature]

RESIDENTIAL RENTAL AGREEMENT - PAGE 1 OF 10

Tenant shall use the premises only as a single family dwelling and one or both of them shall physically reside therein during the term of this Rental Agreement. Temporary absence for medical reasons shall not terminate this lease when Tenant intends to return and reside at the leased premises.

6. USE

5. NONREFUNDABLE CLEANING CHARGE [Intentionally omitted.]

4. SECURITY DEPOSIT [Intentionally omitted.]

In addition to Rent, Tenant shall pay for all utilities charged against the Premises or used in connection with the Premises during the term of this Rental Agreement, and shall keep the Premises free of all liens and encumbrances. Owner/Landlord shall not be responsible for providing or maintaining any of said utilities.

3. UTILITIES AND ELECTRICAL UTILITY DEPOSIT

Intentionally omitted as prepaid. The parties acknowledge that this Lease is part and parcel of a larger sale of land from Tenant to Landlord/Owner and ample consideration supports this transaction.

2. PAYMENT

The yearly rental ("Rent") for said Premises, which Tenant agrees to pay, is ONE AND 00/100 DOLLARS (\$1.00). Owner/Landlord acknowledges payment of THIRTY AND 00/100 (\$30.00) as full prepayment of entire lease term. Tenant agrees that there shall be no refund if the Lease is terminated prior to the 30-year lease term.

1. RENT

The undersigned DOUGLAS L. HEMMINGER and DOROTHY W. HEMMINGER, husband and wife (hereinafter "Tenant"), has on this 15th day of August, 2006, rented from CHAFFEY HOMES, INC., a Washington corporation, ("Owner/Landlord"), the premises situated at 20321 Church Lake Road East, City of Bonney Lake, County of Pierce, and the surrounding lands described in Section 32 below, State of Washington (collectively referred to as "Premises"), beginning on the 15th day of August, 2006, for a 30-year term ending December 31, 2036, or as provided in Section 30 below.

RESIDENTIAL LEASE AGREEMENT

TENANTS: LANDLORD/OWNER:

DATE: 8/13/06 DATE: 8/13/06

DATE:

Tenant shall allow Owner/Landlord or Owner/Landlord's Agent access at all reasonable times to said Premises for the purpose of inspection development or to show the grounds said Premises to prospective purchasers, mortgagees, or any other person having a legitimate interest

12. ACCESS

11. SINGLE FAMILY RESIDENCE

[Intentionally omitted.]

Tenant shall keep clean the Premises and appliances and appurtenances thereto. Tenant shall maintain the Premises, including its furnishings, appliances, floor coverings, draperies, and patio in good order and in a clean and sanitary condition. Tenant agrees to reimburse Owner/Landlord for any damages caused by Tenant's neglect or misuse, such as, but not limited to, clogged plumbing and broken appliances. Landlord shall not be responsible for any maintenance, repair or replacement of any part of the Premises or appurtenances.

10. MAINTENANCE OF PREMISES

Tenant agrees to do no major structural alterations to the Premises, or make any structural alterations, changes or additions to the interior or exterior of the Premises, or the fixtures, or wiring without the prior written consent of the Owner/Landlord or Owner/Landlord's Agent.

9. ALTERATIONS

Tenant accepts the Premises in its present condition, and all personal property in the Premises or storage or parking area shall be at the risk of Tenant. Tenant agrees Owner/Landlord and Owner/Landlord's Agent shall not be liable for loss by theft or for any damages to personal or property sustained by Tenant or his/her invitees due to the Premises becoming out of repair, or for any act or neglect of employees, or due to the happening of any accident from whatsoever cause in and about said Premises except as provided and limited by law. TENANT SHOULD PROVIDE OWN RENTERS INSURANCE POLICY. Tenant agrees to indemnify and save Landlord harmless from and against any and all expenses, including all costs and attorneys' fees, incurred by Landlord in connection with any claim, action or demand for injury to or death of persons, or loss of or damage to property, which arises from or occurs in connection with Tenant's use or occupation of the Premises or the condition thereof during the term of this Rental Agreement.

8. LIABILITY

Tenant may not assign, delegate or sublet any part or all of the Premises of any or all of Tenant's rights or duties under this Rental Agreement voluntarily or by operation of law, without the prior written consent of Owner/Landlord or Owner/Landlord's Agent; provided, any such assignee/sublessee takes subject to Section 30 below.

7. ASSIGNMENT/SUB LEASING

TENANTS:
LANDLORD/OWNER:

DATE: 8/15/06
DATE: 8/15/06

DATE:

The failure of the Owner/Landlord to insist upon strict performance of any of the covenants and agreements of this Rental Agreement, or to exercise any option conferred in any one or more instances shall not be construed to be a waiver or relinquishment of any such or any other covenants or agreements, but the same shall be and remain in full force and effect. All parts, portions and provisions of this Rental Agreement shall be deemed separate and severable in the event of the invalidity of any part, portion or provision, the rest of this Rental Agreement, which with such part, portion or provision deleted, shall be given full force and effect.

19. NON-WAIVER OF BREACH AND SEVERABILITY

18. REMOVAL OF PROPERTY [Intentionally omitted.]

Tenant shall have possession upon execution of this Agreement.

17. POSSESSION

16. RE-RENTING [Intentionally omitted.]

15. NOTICE TO VACATE [Intentionally omitted.]

In the event a dispute arises over this Agreement, venue shall be the Pierce County Superior Court, and the prevailing party shall be awarded their reasonable attorney fees and costs.

14. ATTORNEY'S FEES

Tenant shall comply with all laws, ordinances, public rules, and governmental regulations applicable to said Premises or the use thereof.

13. GOVERNMENTAL REGULATIONS

herein, or to make necessary repairs or improvements of the grounds. Tenant shall not be disturbed inside the home. Owner/Landlord shall, whenever practicable, give the Tenant two (2) days prior notice of Owner/Landlord's intention to enter the Premises. Tenant agrees that in case of an emergency or abandonment, the Owner/Landlord may enter the Premises without consent of the Tenant. Landlord shall be entitled to access the Premises for the purpose of installing and maintaining any fence, landscaping or other improvements installed by Landlord pursuant to Section 31 hereof.

TENANTS:

LANDLORD/OWNER:

DATE: 8-15-06
DATE: 8/15/06

DATE:

Mold can impact human health. For some, molds impact can be profound. Mold may trigger asthma attacks, allergies, and other health problems in some people. Pursuant to State law, the Owner/Landlord has been provided and the Tenant acknowledges that they have received a copy of the Washington State Department of Health's pamphlet "Got Mold? Frequently Asked Questions About Mold". Landlord shall not be responsible for any water intrusion, mold, fungus or any other condition of the Premises during the term of this Rental Agreement.

25. WATER INTRUSION / MOLD DISCLOSURE

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, Owner/Landlords must disclose the presence of known lead-based paint and/or lead based hazards in the dwelling. Tenants must also receive a federally approved pamphlet on lead poisoning prevention. In accordance with Federal Law, Landlord/Owner has completed a disclosure of information on lead based paint and/or lead based paint hazards. Further, Tenant hereby acknowledges receipt of the EPA approved pamphlet "Protect Your Family From Lead In Your Home" as required by law.

24. LEAD BASED PAINT DISCLOSURE

The State of Washington requires that upon occupancy, the temperature control on an accessible domestic hot water heater within a rental dwelling be set not higher than 120° Fahrenheit (or lowest setting above 120° Fahrenheit possible) Fahrenheit for the protection of the occupants. Tenant acknowledges that, if accessible, he/she has inspected the hot water heater and to the best of his/her knowledge believes it to be set not higher than 120° Fahrenheit.

23. HOT WATER HEATER DISCLOSURE PURSUANT TO RCW 19.27

Waived as Tenant has resided in residence prior to Lease inception.

22. FIRE SAFETY AND PROTECTION DISCLOSURE

No restrictions on Tenant parking.

21. PARKING

Tenant shall not permit a nuisance or commit any waste upon the Premises.

20. NOISE AND CONDUCT

TENANTS:

LANDLORD/OWNER:

DATE: 8/15/06
DATE: 8-15-06

DATE:

BEGINNING 330 FEET EAST OF THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 20 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON; THENCE NORTH 660 FEET; THENCE EAST 521 FEET, MORE OR LESS TO THE WEST LINE OF A TRACT OF LAND CONVEYED TO R.H. CARNAKAN AND EMMA CARNAKAN, HUSBAND AND WIFE, BY DEED RECORDED MARCH 12, 1928 UNDER RECORDING NO. 892764; THENCE SOUTH ALONG SAID WEST LINE 660 FEET TO THE SOUTH LINE OF SAID SECTION 27; THENCE WEST ALONG SAID SOUTH LINE 521 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

The leased area is a portion of the following lot legally described as follows:

32. LEGAL DESCRIPTION OF PROPERTY AND AREA BEING LEASED

Landlord/Owner, Inc. is given the right to install a ten-foot fence around the leased property with reasonable access, gates, etc. Landlord/Owner, Inc. agrees that it will maintain said fence. Further, Landlord/Owner, Inc. is allow to perform substantial landscaping around the perimeter of the leased property, and in particular, substantial landscaping on the entry of the leased property as it abuts the entrance into the development/plot which Landlord/Owner, Inc. is planning on the entire demised property.

31. IMPROVEMENTS BY LANDLORD/OWNER

Notwithstanding any other provisions of this lease, this lease shall terminate ninety (90) days after the death of the latter to die of Douglas L. Hemminger and Dorothy W. Hemminger. This lease shall terminate if neither of the Tenants is occupying the Premises as their primary residence. Temporary absence for medical reasons shall not terminate this lease when Tenant intends to return and reside at the leased premises.

30. TERMINATION UPON DEATH:

None.

29. ADDITIONAL TERMS / CONDITIONS

28. APPEND A [Intentionally omitted.]

27. STORAGE UNIT [Intentionally omitted.]

condition.

The Tenant acknowledges they have inspected the Premises and takes Premises in "as-is"

26. PREMISES CONDITION

TENANTS:
LANDLORD/OWNER:

DATE: 3/27/06
DATE: 3/27/06
B/A/H
B/A/H

DATE:

RESIDENTIAL RENTAL AGREEMENT - PAGE 6 OF 10

RCW 59.18.415 provides:
Tenant Approval
WAIVER OF LANDLORD TENANT ACT

33. WAIVER OF LANDLORD TENANT ACT

("Leased Area")

COMMENCING AT A POINT 714.22 FEET MORE OR LESS EAST OF THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 20 NORTH, RANGE 5 EAST, OF THE WILLAMETTE MERIDIAN IN PIERCE COUNTY, WASHINGTON; THENCE WESTERLY ALONG SAID SOUTH LINE TO 182 FEET TO THE TRUE POINT OF BEGINNING; THENCE EAST ALONG SAID SOUTH LINE 182 FEET TO THE WEST LINE OF A TRACT OF LAND CONVEYED TO R.H. KARNAKAN AND EMMA KARNAKAN, HUSBAND AND WIFE, BY DEED RECORDED MARCH 12, 1928 UNDER RECORDING NO. 892767; THENCE NORTH ALONG SAID WEST LINE 153 FEET; THENCE WEST ON A LINE PARALLEL TO SAID SOUTH LINE 201 FEET; THENCE SOUTH ON A LINE PARALLEL TO SAID WEST LINE 134 FEET TO A POINT; THENCE ON AN ARC OF 32 FEET TO THE POINT OF BEGINNING.

The area being leased is described as follows:

("Subject Property")

BEGINNING A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 20 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON; SITUATED 745.00 FEET EAST OF A BRASS MONUMENT MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION; THENCE NORTH 745.00 FEET EAST OF A BRASS MONUMENT MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION; THENCE PERPENDICULAR WITH SAID LINE; THENCE EAST PARALLEL WITH SAID LINE TO THE WEST LINE OF A TRACT OF LAND CONVEYED TO R.H. KARNAKAN AND EMMA KARNAKAN, HUSBAND AND WIFE, BY DEED RECORDED MARCH 12, 1928 UNDER RECORDING NO. 892764; THENCE SOUTH ALONG SAID LINE TO THE SOUTH LINE OF SAID SUBDIVISION; THENCE WEST TO THE POINT OF BEGINNING.

AND EXCEPT THE FOLLOWING DESCRIBED PROPERTY;

EXCEPT ANY PORTION LYING WITH CHURCH LAKE COUNTRY ROAD;

RESIDENTIAL RENTAL AGREEMENT - PAGE 7 OF 10

TENANTS:
LANDLORD/OWNER:

[Handwritten signature]

DATE:

[Handwritten signature]

DATE:

The provisions of this chapter shall not apply to any lease of a single family dwelling for a period of a year or more or to any lease of a single family dwelling containing a bona fide option to purchase by the tenant: PROVIDED, that an attorney for the tenant must approve on the face of the agreement any lease exempted from the provisions of this chapter as provided for in this section

Approved:

[Handwritten signature]
DOUGLAS L. HEMMINGER

[Handwritten signature]
DOROTHY W. HEMMINGER

Waiver - Attorney Approval

The undersigned Martin Burns, attorney for the Lessee/Buyer set forth above has reviewed this Lease Agreement and all terms contained herein and approved the Lease Agreement as being exempted from the provisions of RCW 59.18 et seq. "The Residential Landlord Tenant Act."

Date: *[Handwritten signature]*
8/1/06

Martin Burns
WSBA#23412

TENANTS:

LANDLORD/OWNER:

DATE: 8-15-06

DATE:

Upon failure of Tenant to cure a default under any terms or conditions of this Rental Agreement within thirty (30) days after the service of a notice to cure such default or vacate the Premises, or upon failure of Tenant to vacate the Premises within three (3) days after the service of a notice to vacate the Premises due to Tenant's allowance of a nuisance or committing of waste, then Landlord may declare this Rental Agreement terminated and shall be entitled to

39. DEFAULT

If the Premises or any part thereof are taken by eminent domain, either party may terminate this Rental Agreement by notice to the other party within ten (10) days after possession has been taken by the condemning authority. If neither party provides such notice, then this Rental Agreement shall terminate as to the part taken, and any award arising from such condemnation shall be paid and belong to Landlord except any award for damage to personal property of Lessee.

38. CONDEMNATION

If the Property is destroyed or damaged by fire, the elements or other casualty and Tenant does not repair or restore the same within 180 days after the date of such damage or destruction, this Rental Agreement shall terminate, and all proceeds of insurance or any award arising from such condemnation shall be paid and belong to Tenant.

37. CASUALTY

During the term of this Rental Agreement, Tenant shall keep in force a policy of insurance, issued by an insurance company and in an amount acceptable to Landlord, providing liability coverage for personal injury or property damage occurring on the Premises or caused by any acts or omissions of Tenant or their agents or invitees, and including the Landlord as an additional insured. Landlord shall not be responsible for maintaining any insurance covering the Premises. Tenant may, at its option, keep in force a policy of insurance providing "all-risk" fire and extended coverage covering the improvements on the Premises, and Tenant shall bear the risk of any and all damage to or destruction of the Premises during the term of this Rental Agreement to the extent uninsured.

36. INSURANCE

Attached as Exhibit A.

35. ILLUSTRATIVE DIAGRAM

The Tenant hereby agrees to subordinate this Lease to appropriate planning, construction loans, and other financing so long as such subordination shall not interfere with Tenant's right to occupy the Leased Area and the residence thereupon during the term of this Lease.

34. SUBORDINATION

RESIDENTIAL RENTAL AGREEMENT - PAGE 9 OF 10

TENANTS:
LANDLORD/OWNER:

DATE: 8/5/10

DATE: 8/5/10

DATE: _____



Notary Public in and for the State of Washington
Print Name: Bernice A Meyer
My Commission Expires: 6/15/10

WITNESS my hand and official seal hereto affixed the day and year first above written.

On this 15th day of August, 2006 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Monie M. Mearns to me known to be the General Manager of CHAFFEY HOMES, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

STATE OF WASHINGTON)
) ss.)
COUNTY OF PIERCE)

DOROTHY W. HEMMINGER
[Signature]

DOUGLAS L. HEMMINGER
[Signature]

By: Mona Mearns
Title: G.M.
MONIE MEARNS

TENANT: CHAFFEY HOMES, INC.
OWNER/LANDLORD:

Dated this first day above written.
immediate possession of the Premises. In addition to the foregoing, upon default by Tenant the Landlord may, at its option, exercise any and all remedies provided by law.

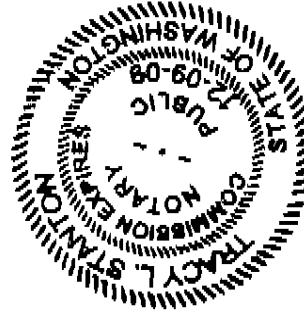
RESIDENTIAL RENTAL AGREEMENT - PAGE 10 OF 10

TENANTS:
LANDLORD/OWNER:

DATE: 8-13-06

DATE:

Q:\CLIENTS\2400024196 Hemming\cnd\docs\Residential Lease.doc

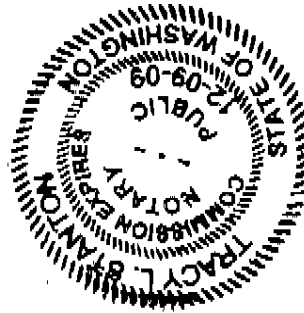


[Signature]
Notary Public in and for the State of Washington
Print Name: Tracy Stanton
My Commission Expires: 12/9/08

WITNESS my hand and official seal hereto affixed the day and year first above written.

On this 15 day of August, 2006, personally appeared before me DOROTHY W. HEMMINGER, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

STATE OF WASHINGTON)
) ss.
) COUNTY OF PIERCE)



[Signature]
Notary Public in and for the State of Washington
Print Name: Tracy Stanton
My Commission Expires: 12/9/08

WITNESS my hand and official seal hereto affixed the day and year first above written.

On this 15 day of August, 2006, personally appeared before me DOUGLAS L. HEMMINGER, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

STATE OF WASHINGTON)
) ss.
) COUNTY OF PIERCE)

BEGINNING A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 20 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON; SITUATED 745.00 FEET EAST OF A BRASS MONUMENT MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION; THENCE NORTH 745.00 FEET EAST OF A BRASS MONUMENT MARKING THE SOUTHWEST CORNER OF SAID SUBDIVISION; THENCE NORTH 210.00 FEET PERPENDICULAR WITH SAID LINE; THENCE EAST PARALLEL WITH SAID LINE TO THE WEST LINE OF A TRACT OF LAND CONVEYED TO R.H. CARNAKAN AND

AND EXCEPT THE FOLLOWING DESCRIBED PROPERTY;

EXCEPT ANY PORTION LYING WITH CHURCH LAKE COUNTY ROAD;

BEGINNING 330 FEET EAST OF THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 20 NORTH, RANGE 5 EAST OF THE WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON; THENCE NORTH 660 FEET; THENCE EAST 521 FEET, MORE OR LESS TO THE WEST LINE OF A TRACT OF LAND CONVEYED TO R.H. CARNAKAN AND EMMA CARNAKAN, HUSBAND AND WIFE, BY DEED RECORDED MARCH 12, 1928 UNDER RECORDING NO. 892764; THENCE SOUTH ALONG SAID WEST LINE 660 FEET TO THE SOUTH LINE OF SAID SECTION 27; THENCE WEST ALONG SAID SOUTH LINE 521 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

This release further relinquishes any claims Hemminger has to own, occupy or improve the real property known as:

DOUGLAS L. HEMMINGER and DOROTHY W. HEMMINGER, husband and wife ("Hemminger") hereby release CHAFFEY HOMES, INC., a Washington corporation ("Chaffey Homes"), from any and all further responsibility deriving from a May 13, 2004 Purchase and Sale Agreement between Hemminger and FLYNN DEVELOPMENT AND MANAGEMENT COMPANY as it pertains to conveying back to Hemminger a tract of land set forth in an Addendum/Amendment to Purchase and Sale Agreement dated March 31, 2005. Said area of land being generally the leased area in the 30-year Lease being executed simultaneous to this agreement.

RELEASE

O:\CLIENTS\24496\hemminger\2008\Release.doc

By: *Michael L. Hemminger* Title: *S. M.*
 Date: *8/15/06*

CHAFFEY HOMES, INC.

Approved by:

Dorothy W. Hemminger DOROTHY W. HEMMINGER
 Date: *8-15-06*

Douglas L. Hemminger DOUGLAS L. HEMMINGER
 Date: *8-15-06*

excepting any rights Hemminger obtained in a 30-year Lease on a portion of the above-described parcel, which lease rights Hemminger retains.

EMMA CARNAKAN, HUSBAND AND WIFE, BY DEED
 RECORDED MARCH 12, 1928 UNDER RECORDING NO.
 892764; THENCE SOUTH ALONG SAID LINE TO THE
 SOUTH LINE OF SAID SUBDIVISION; THENCE WEST TO
 THE POINT OF BEGINNING.