



LEASE AGREEMENT

This agreement is entered into this 1st day of July 2025, by and between the **Port of Skamania County (Port)**, a municipal corporation organized under the laws of the State of Washington, having its principal office at Stevenson, Skamania County, Washington, herein referred to as "Lessor," and a **Washington Corporation** herein referred to as "Lessee."

Recitals

1. Lessor is the sole owner of the real property, commonly known as the Skye Building, a single-tenant Light Industrial Building, 380 Evergreen Drive, North Bonneville, Washington 98639.
2. Lessee desires to lease approximately 2,620 square feet of space, hereinafter "the Premises" for the purpose of a community use auto repair and fabrication shop.
3. The space is located in a single-tenant facility and will include some restrictions on use.
4. The Port is willing to lease the Premises for the purposes stated above.
5. For the foregoing reasons, the parties desire to enter into a lease agreement defining their respective rights, duties, and liabilities with respect to the Premises.

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE Subject and Purpose

1. Lessor leases to Lessee approximately 2,620 square feet for the purpose of a community use auto repair and fabrication shop performing such services in connection therewith as are usually and customarily connected with and incidental to such business operations, and for which the Premises are hereby leased, subject to the recitals, terms and conditions herein, the breach of which shall result in a reversion to the Port of all right, title and interest in and to the Premises.
2. If the Lessee's use of the Premises is at any time prohibited by law or governmental regulation this lease shall immediately terminate.
3. In connection with its use of the Premises, Lessee shall at all times:
 - a. Maintain the exterior of the building and the grounds of the building in an uncluttered and professional condition. Vehicle storage should be inside of a privacy fence out of view. Lessee covenants to ensure volatile organic compounds (VOC's) such as motor oil or gasoline is at all time properly contained and disposed of in full compliance with laws and regulations relating to these substances. Even inadvertent disposal of these substances contrary to legal requirements is an Event of Default under Section Twelve



and subject to enforcement under Section Thirteen below.

- b. Conform to all applicable laws and regulations of any public authority affecting the Premises and their use and correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use.
- c. Refrain from any activity that would make it impossible to insure the Premises against casualty or which would increase the insurance rate, unless Lessee pays the additional cost of the insurance.
- d. Refrain from any use that would be reasonably offensive to users of neighboring tenants including odor and/or noise, or that would tend to create a nuisance, or damage the quiet enjoyment of the adjacent tenant's Premises.
- e. Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof, etc., of the Premises without the prior written consent of Lessor.
- f. Comply with any reasonable rules respecting the use of the Premises promulgated by Lessor from time to time and communicated to Lessee in writing.
- g. Refrain from smoking in the Premises as it is a publicly owned facility and under RCW Chapter 70.160 is a no-smoking facility.
- h. Restrict use of the Building parking lot to those activities normally performed in connection with the purposes for which the Premises are being leased.

SECTION TWO
Terms and Conditions

1. The term of this lease agreement shall be month to month beginning on July 1st 2025. Either party may terminate this Lease by giving written notice not less than twenty (20) days prior to the end of any month.
2. For the use and occupancy of the Premises, Lessee shall pay Lessor the rental sum of one thousand dollars five hundred sixty eight dollars and fifty seven cents (\$1,568.57) per month plus Washington State Leasehold Excise Tax (current rate of 12.84%) as established by RCW 82.29A and plus the Lessor's cost for fire insurance as described in Section Nine, Insurance/Casualty to Premises below, due and payable on or before the first day of each month, in advance, without demand. The first month, July 2025 the lease amount will be \$784.29 plus 12.84% Leasehold Excise Tax a total of \$885.00.



- a. The terms and conditions of the Lease for the renewal term shall be identical with the original Lease except for rent; PROVIDED, HOWEVER, the terms and conditions shall be further subject to changes in the laws and regulations pertaining to imposition and amount of the Leasehold Excise Tax and to other laws and regulations pertaining to the leasing of public property to private entities, and the following:
 - i. Any positive percentage change in the Washington State Leasehold Excise Taxes as established by RCW 82.29A.
 - ii. Any positive percentage change in the Lessor's cost for fire insurance as described under Section Nine, Insurance/Casualty to Premises below.
- b. Beginning January 1 of 2026, Rent shall be increased, and thereafter annually, (or unchanged in the event of a negative change) by a percentage equal to any positive annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the West Urban area Size B/C 50,000-1,500,000 most recently published by the Bureau of Labor Statistics of the United States Department of Labor prior to the commencement of the second and third years of the Lease Term (as applicable), as compared to the CPI-U prior to the most recent anniversary thereof. In the event of a negative CPI-U change, the Base Rent shall adjust only when the CPI-U increases above the year just prior to the first year in which there was a CPI U decrease, and then only to the extent of that change. In no event will the Base Rent decrease. All lease rates will be plus Washington State Leasehold Excise Tax as established by RCW 82.29A, due and payable on or before the first day of each month, in advance, without demand.
 - i. In the event The Consumer Price Index for All Urban Consumers (CPI-U) for the West Urban area Size B/C 50,000-1,500,000 is or has been no longer published, and a successor or substitute index is not available, a reliable governmental or other nonpartisan publication shall be selected by Lessor and used in lieu of such Consumer Price Index.
3. All rent for renewal terms shall be due and payable on or before the first day of each month, in advance, without demand.
4. The Lessee shall pay for all costs associated with the Premises as necessary for conducting a business for which the Premises are leased. Such costs shall include, but are not necessarily limited to, all necessary taxes, permits, approvals and inspections associated with any such work. Lessee shall comply with all local, state and federal codes and regulations for such work, and hold Lessor harmless.

SECTION THREE
Late Charges and Interest on Past Due Sums

1. If Lessee shall fail to pay all or any part of an installment of rent within ten (10) days of the



due date, Lessee may, in addition to other remedies available to Lessor, pay to Lessor liquidated damages equal to five percent (5%) of the amount not timely paid. Acceptance of late payment and liquidated damages as set out herein shall not be deemed a waiver by Lessor of Lessee's obligation to pay rent on time, nor shall it be considered a waiver of Lessor's right to pursue other remedies provided herein or by law.

2. Any sums past due from Lessee to Lessor hereunder, including liquidated damages, may bear interest at the rate of one percent (1%) per month.

SECTION FOUR **Security Deposit**

Lessee will deposit with Lessor a cash deposit in the amount of three thousand five hundred thirty nine dollars and ninety four cents (\$3,539.94) 2 times the monthly rent plus Leasehold Tax 12.84% (\$201.40), which shall become the property of the Lessor and held by Lessor for the full term plus any extensions of this Lease, plus thirty (30) days, as security for the full and timely performance by Lessee of the terms and conditions herein, for the repair of any damages to the Premises caused by Lessee apart from normal wear and tear, and for the payment of any sums due Lessor for a breach of this Lease. The rights of Lessor against Lessee for a breach of this Lease shall in no way be limited or restricted by this security deposit, but Lessor shall have the absolute right to pursue any available remedy to protect its interest herein, as if this security deposit had not been made. The deposit shall be returned to lessee within thirty (30) days following the expiration of this Lease provided all terms of this lease shall have been fully performed by Lessee. In the event of a default by Lessee hereunder, Lessor, at its sole option, shall have the right, in addition to remedies upon default set forth herein: (1) to apply all or any portion of the deposit to sums owing under this lease and, at its option, to simultaneously pursue its remedies on default set forth herein, (2) to cure such default, in which event Lessee shall be obligated to promptly deposit with Lessor the amount necessary to restore the deposit to its full amount, or (3) to terminate this lease and retain the security deposit as liquidated damages. Should the demised Premises be sold, Lessor may transfer or deliver the security deposit to the purchaser of the interest, and Lessor shall then be discharged from any further liability to Lessee with respect to the security deposit.

SECTION FIVE **Inspection**

Lessee has had an opportunity to inspect the Premises and is leasing the Premises "as is" and Lessor makes no representation or warranties except as to title as set forth herein. Without limiting the generality of the foregoing, Lessee acknowledges that it has made its own independent investigation respecting the Premises and will be relying entirely thereon and on the advice of any consultant Lessee may retain. Lessee may not rely upon any representation of any party, whether or not such party purports to act on behalf of Lessor, unless the representation is expressly set forth herein or in a subsequent document executed by Lessor. All representations, warranties, understandings and agreements between Lessee and Lessor are merged herein.

SECTION SIX **Taxes**



Lessee shall timely pay to the Lessor all Leasehold Excise Tax due the State of Washington that may be imposed on, or arise in, connection with the use of the Premises, or any part thereof, during the lease term. The intention of the parties is the rent herein is net rental to Lessor, and Lessor shall receive the same free from all Leasehold Excise Tax and any other tax obligation.

SECTION SEVEN

Utilities

Lessee shall make arrangements to pay the actual cost of utilities services for the Premises, including but not limited to refuse, water, sewer, electric, natural gas, and telecommunication services to the Premises directly to the provider of such services. Lessee warrants to hold Lessor harmless for the costs of all such utility. Applications and connections for utility services above shall be made in the name of Lessee only, and Lessee shall be solely liable for such utility charges as they become due

All applications and connections for utility services that are separately metered shall be made in the name of Lessee only, and Lessee shall be solely liable for such utility charges and covenants and agrees to pay such obligations as they become due. Failure to pay such utilities after notice as provided in Section Twelve, paragraph (4) shall be an event of default.

SECTION EIGHT

Maintenance and Repairs

1. Lessee shall, at all times during the term of the Lease and at its own cost and expense, provide all maintenance and repair, maintaining, in good order and condition, the Premises, and any and all improvements, additions and alterations thereto, located on the Premises; provided however, that Lessor shall be responsible for the HVAC system, the roof, foundation and major structural components of the Premises. The Lessee will be held responsible for repair or replacement work if the use, conduct, or activities of Lessee caused the problem that necessitated the repair or replacement work. Lessee shall maintain and repair the landscaped areas adjacent to the Premises. Lessee shall keep the landscaped areas and the parking areas adjacent to the Premises in a clean and orderly manner and shall use all reasonable precaution to prevent waste, damage or injury to these areas. If Lessee fails to repair any substandard condition after written notice by Lessor, Lessor may do so and assess the cost of repair to Lessee.
2. Upon expiration or termination of this Lease, Lessee shall surrender the Premises to Lessor in good order and condition, subject to depreciation, ordinary wear and tear, and damage by fire or other casualty. All repairs for which Lessee is responsible shall be completed by the date of surrender. Lessee shall remove all of its equipment, machinery, fixtures and other personal property that remain its property by the date of surrender.

SECTION NINE

Insurance/Casualty to Premises



1. Lessor shall at all times obtain and maintain a policy of fire insurance on any and all buildings and improvements of which the Premises are a part, including all alterations and additions thereto, in an amount equal to the current full replacement cost of said buildings. The full actual cost of such insurance shall be paid by the Lessee (currently \$102.25/month and this rate is established annually on or about September 1) Lessee shall pay such apportioned premiums monthly as additional rent, due upon receipt of an invoice. Lessor's insurance shall insure Lessor's property against casualty loss, and Lessee shall maintain its own insurance for damage to Lessee's business and/or loss of business operations due to casualty which shall be primary for Lessee's damages.
2. Any and all property of the Lessee, personal or real property shall be on the Premises at the sole risk of Lessee, and Lessee shall bear all costs associated with any damage to such property damage, and insurance for such property.
3. Commercial General Liability insurance shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover premises and contractual liability. The Public Entity shall be named as additional an insured on Lessee's Commercial General Liability insurance policy using ISO Additional Insured-Managers or Lessors of Premises Form CG 20 11 or a substitute endorsement providing at least as broad coverage.
4. Property insurance shall be written on an all risk basis.
5. Lessee agrees to purchase and maintain for the duration of this Agreement and all extensions public liability and all-risk property damage insurance with Commercial General Liability limits of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, which insurance shall protect the Lessor, and to deposit evidence of same with Lessor. The evidence of insurance deposited with Lessor shall name the Lessor as an additional insured. Lessor reserves the right to require reasonable increases in the insurance coverage mandated by this subparagraph. Lessor shall have no liability or responsibility whatsoever with respect to the conduct and operation of the Lessee's business on the Premises. Lessor shall not be liable for any accident or injury to any person or property in or about the Premises that is caused by the conduct or operation of said business or by virtue of equipment or property of Lessee on said premises. Lessee agrees to defend and hold Lessor harmless against any and all such claims.
 - a. Lessee shall indemnify and save Lessor harmless from and against any and all losses, costs (including attorney fees), damages, expenses, liabilities (including statutory liability), and claims for damages as a result of injury of death of any person or damage to any property that arise from or in any manner grow out of any act or neglect on or about the leased Premises by Lessee, or out of any product sold, sampled or dispensed from the leased Premises, Lessee's partners, agents, employees, customers, invitees, contractors or subcontractors or any other persons or property present on or about the Premises arising from Lessee's occupation of the Premises.
 - b. All insurance provided by Lessee as required by this section shall insure performance by



- Lessee of the indemnity provisions hereof.
- c. Lessee shall furnish the Lessor with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Lessee.
 - d. The Lessee's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Port.
 - e. Lessee insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.
3. Lessee shall provide and keep in force other insurance in amounts that may from time to time be reasonably required against other such insurable hazards as are commonly insured against for the type of business activity that Lessee will conduct.
 5. In the event fire or other casualty causes damage to the Premises, Lessor may restore any damaged portion of the Premises as soon as practicable to substantially restore its condition immediately before the casualty, or, at Lessor's option, terminate this lease in the event the estimated restoration cost exceeds six-months' rental income. In the event Lessor does not elect to terminate the Lease, rent shall be abated during the period of restoration and to the extent the buildings and Premises are not reasonably usable by Lessee, except that there will be no rent abatement if the casualty was caused by Lessee's negligence or failure to comply with the terms of this Lease. Insurance proceeds pertaining to the buildings and improvements shall be applied to the costs of such restoration and repair. If the damage to the Premises exceeds fifty-percent (50%) of its replacement cost or in the event Landlord determines the estimated cost to restore the premises will exceed six months' rental income from this Lease, Lessor may elect to terminate this lease and retain the proceeds of any such loss.
 6. Lessor and Lessee each waive rights each may have against the other on account of any loss or damage occasioned to Lessor or Lessee, as the case may be, their respective property, the Premises or its contents or to other portions of the Premises arising from any liability loss, damage or injury caused by fire or other casualty for which property insurance is carried or required to be carried pursuant to this lease. Each of the parties hereto, on behalf of their respective insurance companies insuring the property of either Lessor or Lessee against any such loss, to the extent of any recovery under such insurance, waives any right of subrogation that it may have against the other. Each waiver shall be expressly included in, and shall comply with the requirements of the respective insurance policies. Should either or both of the respective insurance companies assess a charge for such waiver, each party shall pay only for the charge assessed by its respective insurer.

SECTION TEN
Unlawful or Dangerous Activity

Lessee shall neither use nor occupy the Premises, nor any part thereof, for any unlawful, disreputable or ultra-hazardous purpose, nor shall Lessee operate or conduct its business in a manner constituting a



nuisance of any kind. Upon Lessee's discovery of any unlawful, disreputable or ultra-hazardous use, Lessee shall immediately take action to halt such activities. Lessee will not do or permit anything to be done on the Premises, or bring or keep anything therein, which shall in any way increase the rate of fire or other insurance on the building, or on the property kept therein, or endanger, obstruct or interfere with the rights of other tenants, or conflict with the fire laws or regulations or with any insurance policy upon the building or any part thereof, or with any statutes, rules, or regulations enacted or established by any governmental authority.

SECTION ELEVEN
Indemnity

Lessee shall indemnify Lessor against all expenses, liabilities and claims of every kind, including reasonable attorney fees, made by or on behalf of any person or entity arising out of either: (1) a failure by Lessee to perform any of the terms or conditions of this lease; (2) any injury or damage to persons or property happening on or about the Premises or off-Premises resulting from activities or products sold, sampled or dispensed on-Premises; (3) a failure of Lessee to comply with any law of any governmental authority; or (4) any mechanic's lien or security interest filed against the Premises or any buildings or improvements thereon as a result of Lessee's activities.

SECTION TWELVE
Default or Breach

Each of the following events shall constitute a default or breach of this Lease by Lessee:

1. If Lessee, or any successor or assignee of Lessee while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.
2. If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed for all or substantially all of the property of Lessee and such proceedings shall not be dismissed or the receivership or trusteeship vacated within ninety (90) days after the institution or appointment.
3. If Lessee shall fail to pay rent or any other sum due here under when the same shall become due.
4. If Lessee shall discharge or dispose of VOC's onsite contrary to legal requirements.
5. If Lessee shall fail to perform or comply with any of the conditions of this Lease other than for the payment of rent and if the nonperformance shall continue for a period of thirty (30) days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the thirty (30) day period, Lessee shall not in good faith have commenced performance within the 30 day period and shall not diligently proceed to completion of performance. However, no such notice shall be required if a similar notice was given within the previous six (6) months.



6. If Lessee shall abandon the demised Premises or cease continuous operation of its business. However, Lessor's acceptance of Lessee's abandonment shall not relieve Lessee of its obligation to pay rent for the remainder of the term.
7. If this Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve to any other person or party, except in the manner herein permitted, including the imposition of or suffering any mechanics, materialman or other liens against the property.

SECTION THIRTEEN **Effect of Default/Remedies**

In the event of any default hereunder, Lessor shall have an immediate right to pursue the following remedies in addition to remedies provided by law:

1. Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the Premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied and may charge Lessee for any such expenditures, but any expenditure for the correction by Lessor shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.
2. Lessor shall have the right to cancel and terminate this Lease, as well as all of the right, title and interest of Lessee hereunder, without demand or legal process, by giving to Lessee written notice of the cancellation and termination. Thereupon, this Lease and the right, title and interest of Lessee hereunder, shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.
3. Upon termination of the Lease under the foregoing paragraph, Lessor may by written notice to Lessee demand that Lessee assemble all Lessee's personal property on the Premises at a place designated by Lessor that is reasonably convenient to Lessor and Lessee, and Lessee agrees that it will assemble such property. In the alternative, Lessor may re-enter the Premises and remove the property and personnel of Lessee. Lessor may then store Lessee's property in a public warehouse or other place selected by Lessor, at the expense of the Lessee; provided, however, that Lessor may, after a reasonable attempt to notify Lessee, dispose of Lessee's stored property by sale or otherwise after a period of forty-five (45) days from the date of termination, and credit the proceeds of sale against any amounts owed by Lessee. Upon termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the Premises and the worth of the balance of this lease over the reasonable rental value of the Premises for the remainder of the lease term, which sum shall be immediately due Lessor from Lessee.



4. After re-entry, Lessor may relet the Premises or any part thereof for any term without terminating the Lease, at the rent and on the terms as Lessor may choose.
5. Lessor may declare all sums due and to become due for the full term of this Lease immediately due and payable, plus interest thereon at the highest legal rate until paid in full. To the extent permitted by RCW 59.12.170, Lessor may seek double damages for unpaid rent.
6. Lessor may retain all prior payments by Lessee, including, without limitation, rent and Lessee's security deposit.
7. Lessor may sue for specific performance.

SECTION FOURTEEN
Lessor's Access to Premises

This lease is for an industrial building, and the Lessor retains the right to enter into the building at any time to examine, inspect or protect the Premises, prevent damage or injury to the Premises, to make such repairs to the Premises as are necessary and reasonable. Provided however, Lessor shall provide Lessee with advance notice of all such access needs to Lessee's individual office, scheduling access in advance and during normal business hours, except in the event of an emergency.

SECTION FIFTEEN
Lessee's Improvements

1. Subject to Lessor's prior written consent, Lessee may make improvements or alterations to the Premises, at the Lessor's discretion and at Lessee's expense. Lessee shall provide Lessor with engineering sketches and drawings for all improvements to review for approval consideration. Lessee is responsible for all permits, approvals, laws and regulations related to any such improvements. Lessee will provide Lessor with "as built" drawings for any and all improvements and modifications to the Premises. All such improvements and modifications made by the Lessee shall in no way jeopardize the integrity of the Premises or its structure, systems and services. Lessee acknowledges the Premises is designed in its design and aesthetics to represent and support the Port and its business development vision and mission. Any improvements or modifications shall not degrade this design and intent. At the Lessor's option, upon termination of this lease, Lessee shall remove all such improvements and modifications, and restore the Premises to its original condition, and reimburse Lessor for any and all costs and damages incurred by Lessor on account of such restoration. However, if both parties agree, the determination of removal of such improvements and modifications may be made at the time of Lessor's written consent.
1. Lessor and Lessee acknowledge and confirm that Lessee may install and place in and about the Premises furniture, equipment, supplies and fixtures that are and shall remain the property of Lessee. Lessee shall have the right during the terms of this Lease, and upon termination hereof, to remove said furniture, equipment, supplies and fixtures; provided, however, that Lessee shall be



solely responsible for and shall bear the cost and expense for such removal, and shall restore the premises to its original condition following such removal, and reimburse Lessor for any and all costs and damages incurred by Lessor on account of such removal.

2. The Lessee may, with the Lessor's prior written consent, post and install any signs on or in the Premises providing such signs do not conflict or violate any other clause of this Agreement, and meet any and all ordinances, laws, regulations, etc., that may apply.

SECTION SIXTEEN **Presence and Use of Hazardous Substances**

1. Lessor represents that to the knowledge of the Lessor there has been no previous contamination on, or remediation of, the Premises or the property of which the Premises are a part.
2. Lessee shall not, without the Port's prior written consent, keep on or around the Premises, common areas or building, for use, disposal, treatment, generation, storage, or sale, 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, Lessee shall:
 - a. Comply promptly, timely and completely with all governmental requirements for reporting, keeping and submitting manifests and obtaining and keeping current identification numbers;
 - b. Submit to the Lessor and correct copies of all reports, manifests and identification numbers at the same time, as they are required to be and/or submitted to the appropriate governmental authorities;
 - c. Within five (5) days of the Lessor's request, submit written reports to Lessor regarding Lessee's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the Port of Lessee's compliance with the applicable governmental regulations;
 - d. Allow Lessor or its agents or representatives to come on the Premises at all reasonable times to check Lessee's compliance with all applicable governmental regulations regarding Hazardous Substances, to investigate any alleged release of Hazardous Substances and to undertake cleanup action in the event Lessee fails to do so;
 - e. Comply with minimum levels, standards or other performance standards or requirements that may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances) present on the Premises, these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities;



- f. Comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment, storage and disposal of hazardous or other polluting substances and
 - g. Notify Lessor promptly of any investigation involving release of a Hazardous Substance.
4. In the event of a violation or suspected violation, any and all costs incurred by Lessor and associated with the Lessor's inspections of the Premises and the Lessor's monitoring of Lessee's compliance with this section, and including the Lessor's attorney fees and costs, shall be additional rent and shall be due and payable to Lessor immediately upon written demand by Lessor.
 5. Lessee shall not release any Hazardous Substance into the surface, subsurface, water or air in or adjacent to the Premises.
 6. Lessee agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations governing environmental protection, regulation of hazardous substances and land use, and to indemnify Lessor against all losses, damages and costs resulting from any failure of Lessee of any of its employees, agents or contractors to do so, including, but not limited to, violation of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Sec. 9601 et seq.; the Clean Water Act, 33 USC Sec. 1251 et seq.; the Resource Conservation and Recovery Act, 42 USC Sec. 6901; the Toxic Substances Control Act., USC Sec. 2601; the Federal Insecticide, Fungicide and Rodenticide Act, 7 USC Sec. 136 et seq.; the Clean Air Act, 42 USC Sec. 7401 et seq.; the Oil Pollution Act of 1990, 33 USC Sec. 2701 et seq.; the Model Toxics Control Act., RCW 70.105D,010 et seq.; the Washington Water Pollution Control Act., RCW 90.48; the Washington Clean Air Act., RCW 70.94; the Washington Solid Waste Management Act., RCW 70.95; the Washington Hazardous Waste Management Act., RCW 70.105; and the Washington Nuclear Energy and Radiation Act., RCW 70.98.

SECTION SEVENTEEN
Cleanup Costs, Default and Indemnification

1. Lessee shall be fully and completely liable to Lessor for any and all investigatory, cleanup and/or monitoring costs and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Lessee's use, disposal, transportation, storage, generation, release and/or sale of Hazardous Substances, in or about the Premises, the common areas or adjacent property.
2. Lessee shall defend and hold Lessor harmless from any and all actions that arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, caused by the Lessee including, but not limited to, any investigations, administrative proceedings, emergency actions, cost recovery



actions, requests for injunctive relief, penalties, fines, lawsuits, appeals and supplemental proceedings. The obligation of Lessee to defend Lessee shall not preclude the right of Lessor to select its own counsel. Any costs and fees incurred in defense of Lessor shall be paid by Lessee as the same are incurred.

3. Lessee shall indemnify and hold Lessor harmless from any damages or other liabilities which arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, including, but not limited to, investigation of a release or other violation; actual releases or other violations; remediation, cleanup and/or response costs; damage to natural resources; fines or penalties; economic loss or damages; enforcement action costs; judgments; appeal bonds; continuing monitoring costs; attorney fees and costs; and consultant fees and costs. Lessee specifically agrees that any bond or other security provided shall extend to the indemnity agreed to in this subparagraph.

SECTION EIGHTEEN **Compliance with All Laws**

Lessee agrees to comply with all applicable federal, state and municipal laws, ordinances, and regulations. Any fees for any inspection of the Premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" (after the original Certificate of Occupancy) shall be paid by Lessee.

SECTION NINETEEN **Easements, Agreements or Encumbrances**

The parties shall be bound by all existing easements, agreements and encumbrances (if any) of record relating to the Premises which Lessor has disclosed to Lessee in writing, and Lessor shall not be liable to Lessee for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that holder thereunder.

SECTION TWENTY **Quiet Enjoyment**

Lessor warrants that Lessee shall be granted peaceable and quiet enjoyment of the Premises free from any eviction or interference by Lessor or those claiming through Lessor, so long as Lessee pays the rent and other charges provided herein, and otherwise fully and punctually performs the terms and conditions imposed on Lessee. Lessee understands and acknowledges, however, that it is sharing the premises and common areas with other businesses and adjacent to businesses conducting manufacturing operations, and some noise and odor from this business is expected.

SECTION TWENTY-ONE **Non-Liability of Lessor**

Lessee shall be in exclusive control and possession of the Premises, and Lessor shall not be liable for any



injury or damages to any property or to any person on or about the demised Premises nor for any injury or damage to any property of Lessee.

SECTION TWENTY-TWO
Consents, Waivers

Whenever either party's consent or approval is required under this lease, the party shall promptly exercise its judgment in a reasonable manner. Failure of a party to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies that the party may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

SECTION TWENTY-THREE
Notice

1. All notices to be given with respect to this Lease shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing.
2. Every notice shall be deemed to have been given at the time it shall be deposited in the United States mails in the manner prescribed herein.

Lessor:
Port of Skamania County
PO Box 1099
Stevenson, WA 98648-1099

Lessee:
Overkill Custom Fab & Repairs
Bruce Patton
P.O. Box 854
Stevenson WA 98648

SECTION TWENTY-FOUR
Assignment, Mortgage or Sublease

1. Neither Lessee nor its successors or assigns shall assign, mortgage, pledge or encumber this Lease for any reason nor shall this Lease be assigned or transferred by operation of law, without the prior consent in writing of Lessor in each instance.
2. Lessee shall not have the right to sublet the Premises, in whole or in part, or permit the Premises to be used or occupied by others, without Lessor's prior written approval. Such approval shall not be unreasonably withheld; provided, however, that no sublease shall release Lessee from its obligation to perform pursuant to this Lease, unless the Lessor shall, at its sole option, consent in writing to the release of Lessee and substitution of the Sublessee.

SECTION TWENTY-FIVE
Total Agreement; Applicable to Successors



This Lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors and assigns of both parties.

SECTION TWENTY-SIX
Applicable Law

This agreement shall be governed by and construed in accordance with the laws of the State of Washington.

SECTION TWENTY-SEVEN
Venue/Attorney Fees

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Lease, or for the collection of any sums due hereunder, the parties agree that the venue of such action or litigation shall be in the proper court of the State of Washington in and for the County of Skamania. The parties agree that the prevailing party in any action or litigation shall recover costs and reasonable attorney fees.

SECTION TWENTY-EIGHT
Time of the Essence

Time is of the essence in all provisions of this Lease.

[Signatures acknowledgments appear on next page]



IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

LESSOR: PORT OF SKAMANIA COUNTY

Signed: 
Pat Albaugh, Executive Director

LESSEE: OVERKILL CUSTOM FAB & REPAIRS

Signed: 
Bruce Patton, Operator