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LEASE AGREEMENT

Lease made and executed this 28th day of March, 1984, by and between KLICKITAT-SKAMANIA DEVELOPMENT COUNCIL dba DEVELOPMENT COUNCIL, a private non-profit corporation, having its principal office at White Salmon, County of Klickitat, State of Washington, herein referred to as Lessee, and the PORT OF SKAMANIA COUNTY, a municipal corporation organized and existing under the laws of the State of Washington, having its principal office in the City of Stevenson, County of Skamania, State of Washington, herein referred to as the Lessor.

RECITALS

1. Lessor is the sole owner of the premises described below.
2. Lessee desires to lease the premises for the purpose of manufacturing furniture.
3. The parties desire to enter a lease agreement defining their rights, duties, and liabilities relating to the premises.

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

SECTION ONE

Lessor leases to Lessee and Lessee hires from Lessor, for the purposes of manufacturing furniture and for no other purpose those certain premises with the appurtenances, situated in the County of Skamania, State of Washington, and more particularly described as follows:

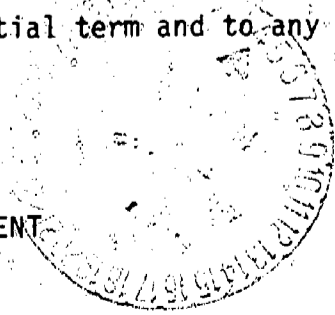
Lots 3, 4, 5, 6, 7 and 8 of Block 3, Riverview Addition to the Town of Stevenson.

As used herein, the term "premises" refers to the real property above described and to any improvements located thereon from time to time during the term hereof.

SECTION TWO

TERM

The initial term of this lease agreement shall be for twelve months beginning April 1, 1984. As used herein, the expression "term hereof" refers to such initial term and to any renewal thereof as hereinafter provided.



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SECTION THREE

RENT :

Lessee agrees to pay lessor for the use and occupancy of the demised premises the sum of Three Hundred Twenty Five Dollars (\$325.00) per month.

SECTION FOUR

LEASEHOLD TAX

It is agreed that the \$325.00 per month rental includes Washington State Leasehold Tax as well as the cost of fire insurance. The Lessor shall acquire and maintain fire insurance on subject premises valued at \$50,000.00.

SECTION FIVE

INTEREST ON PAST DUE SUMS

Lessee shall pay to lessor interest monthly at the maximum rate permitted from time to time by law on all sums owing to lessor, (including but not limited to rental payments hereunder) commencing 31 days after the date such sums are due and payable.

SECTION SIX

USES PROHIBITED

Lessee shall not use or permit the demised premises or any part thereof to be used for any purpose or purposes other than the purpose or purposes for which the demised premises are hereby leased; and no use shall be made or permitted to be made of the demised premises, or acts done, which will cause a cancellation of any insurance policy covering any building located on the premises, or any part thereof, nor shall Lessee sell, or permit to be kept, used, or sold, in or about the demised premises, any article which may be prohibited by the standard form of fire insurance policies. Lessee shall, at its sole cost, comply with all requirements pertaining to the demised premises of any insurance organization or company, necessary to the maintenance of insurance, as herein provided, covering any building and appurtenances at any time located on the demised premises.

SECTION SEVEN

WASTE AND NUISANCE PROHIBITED

During the term of this lease agreement Lessee shall comply with all applicable laws affecting the demised premises. Lessee shall not commit, or suffer to be committed, any waste on the demised premises,

or any nuisance. Lessee agrees to remove all refuse from the premises in a timely manner, and in any event within three (3) days of receipt of written notice from Lessor to do so.

SECTION EIGHT
ABANDONMENT OF PREMISES

Lessee shall not vacate or abandon the premises at any time during the term hereof; if Lessee shall abandon, vacate or surrender the demised premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the premises shall be deemed to be abandoned, at the option of Lessor, except such property as may be encumbered to Lessor. Lessee further agrees to pay to Lessor the sum of \$975.10 for that portion of the electrical construction expense prorated on a twelve month period.

SECTION NINE
LESSOR'S RIGHT OF ENTRY

Lessee shall permit Lessor and the agents and employees of Lessor to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the same, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the premises thereby occasioned.

SECTION TEN
SUBLETTING AND ASSIGNMENT

Lessee shall not sublet or assign the premises in whole or in part without Lessor's consent. Any such subletting or assignment without such consent shall be void, and shall, at the option of the Lessor, terminate this lease agreement.

SECTION ELEVEN
NOTICES

All notices, demands or other writings in this lease agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States Mail, registered and postage prepaid, and addressed as follows:

TO LESSOR:

Port of Skamania County
P. O. Box 413
Stevenson, WA 98648

TO LESSEE:

Klickitat-Skamania Development
Council
P. O. Box 1958
White Salmon, WA 98672

The address to which any notice, demand or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above described.

SECTION TWELVE

CONSTRUCTION OF FACILITIES

If the Lessee shall decide to install equipment or fixtures or any other facilities in connection with its business, the Lessee shall prepare plans and specifications for submission to the Lessor for the Lessor's written approval. The Lessor shall not unreasonably withhold such approval. The facilities and operations to be conducted shall meet all local, state and federal building codes and environmental laws and regulations.

The Lessee shall, at the option of the Lessor, remove any facility or installation placed on the premises by the Lessee at the expiration or other termination of the lease.

SECTION THIRTEEN

UTILITIES

Lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone service, and other public utilities of every kind furnished to the premises throughout the term of this agreement, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the premises and all activities conducted thereon, and Lessor shall have no responsibility of any kind for any thereof.

SECTION FOURTEEN

ATTORNEYS' FEES

If it shall be directed by the Commissioners of the Lessor, following consideration at a board meeting to which Lessee's managing agent has been invited, to take collection measures of any nature, the Lessor shall be entitled to demand and receive a reasonable amount of money from Lessee to reimburse Lessor for such collection measure. If any

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action at law or in equity shall be brought to recover any rent under this agreement, or for or on account of any breach of, or to enforce or interpret any of the covenants, terms, or conditions of this agreement, or for the recovery of the possession of the demised premises, the prevailing party shall be entitled to recover from the other party as part of the prevailing party's costs reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.

SECTION FIFTEEN

VENUE

In the event that any litigation should arise concerning any of the terms of this lease agreement; the venue of such action or litigation shall be in the Superior Court of the State of Washington in and for the County of Skamania.

SECTION SIXTEEN

SIGNS

No signs or other advertising matter, symbols, canopies, or awnings shall be attached to or painted on or within the demised premises, including the doors and windows thereof, without Lessor's approval.

SECTION SEVENTEEN

REMEDIES CUMULATIVE

All remedies hereinbefore conferred on Lessor shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law.

SECTION EIGHTEEN

INSURANCE

Lessee shall maintain in effect throughout the term of this agreement insurance in the following types and amounts with an insurer satisfactory to Lessor:

- a) Personal injury liability insurance covering the premises and appurtenances in an amount not less than \$500,000.00 for injury to or death of any one person and not less than \$1,000,000.00 for injury to or death of any number of persons in any one occurrence;
- b) Property damage liability insurance in an amount not less than \$100,000.00.

Such insurance shall specifically insure Lessee against all liability assumed by it hereunder, as well as liability imposed by law for damages or injury which may occur on the subject premises or which may occur

on adjoining premises as a result of its operation. Lessee further agrees to hold Lessor harmless for any loss arising out of the use or destruction of the subject premises.

SECTION NINETEEN

WAIVER

The failure of Lessor to take action with respect to any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition therein contained. The subsequent acceptance of rent by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this lease agreement, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

SECTION TWENTY

PARTIES BOUND

The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

SECTION TWENTY ONE

TIME OF THE ESSENCE

Time is of the essence of this rental agreement, and of each and every covenant, term, condition, and provision hereof.

SECTION TWENTY TWO

SECTION CAPTIONS

The captions appearing under the section number designations of this lease agreement are for convenience only and are not a part of this lease agreement and do not in any way limit or amplify the terms and provisions of this lease agreement.

IN WITNESS WHEREOF, the parties have executed this lease agreement at Stevenson, Washington, on the day and year first above written.

LESSOR:

PORT OF SKAMANIA COUNTY,

By Elmer G. Stacy
Elmer G. Stacy

LESSEE:

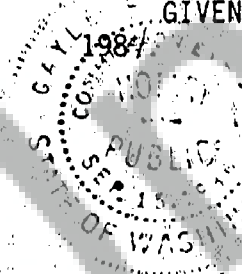
KLICKITAT-SKAMANIA DEVELOPMENT COUNCIL dba DEVELOPMENT COUNCIL

By: Lawrence A. Foltz
Lawrence A. Foltz, Executive Director

STATE OF WASHINGTON)
County of Skamania) ss.

On this day personally appeared before me ELMER G. STACY, Manager of the Port of Skamania County, as Lessor, 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.

GIVEN under my hand and official seal this 28th day of March,



David H. Stevenson
Notary Public in and for the State of Washington, residing at Stevenson.

STATE OF WASHINGTON)
County of Skamania) ss.

On this day personally appeared before me Lawrence A. Foltz, the Executive Director of the Skamania Development Council dba Development Council, as Lessee, to me known to be the individual described in and who executed the foregoing instrument, and acknowledge that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 28th day of MARCH, 1984.

Shirley Ann Davis
Notary Public in and for the State of Washington, residing at Stevenson.

