

LEASE

Lease made July 1, 1987, between the CITY OF NORTH BONNEVILLE, a municipal corporation of the State of Washington, whose address is P.O. Box 7, North Bonneville, Skamania County, Washington, herein referred to as Lessor, and BRENDA A. STUMP, a single person, d/b/a CASCADE GROCERY, whose address is P.O. Box 84, North Bonneville, County of Skamania, State of Washington, hereinafter referred to as Lessee.

Recitals

1. Lessor is the sole owner of the premises described below, hereinafter called "the premises".

2. Lessee desires to lease the premises for the purpose of conducting a retail grocery business thereon.

3. The parties desire to enter into 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
Subject and Purpose

Lessor leases to Lessee the premises located in the City of North Bonneville, Skamania County, Washington, and more particularly described as follows:

Lot C-6, Plat of Relocated North Bonneville, together with the appurtenances thereon, and together with the following described refrigeration units, shelving and equipment located within the premises:

1. Refrigeration Units

2 Universal/Nolin ULM80 Frozen Food Merchandiser 415529 and 415541;

2 Hussman/Mohawk Model DSC-6 Food Merchandiser 163167 and 15086;

2 Hussman/Mohawk Model LBF-8 Refrigerated Merchandiser 77H04559-073 and 77F03352-073;

1 Hussman Model SC67 Food Storage Freezer #FD41139;

4 Built-in Refrigeration Units Model 222N10:

RK26-5-SN2 (2)

RK26-4-SN2 (1)

RK26-3-SC (1)

1 Kalt Model 144-6 Meat Freezer #78-4652; and
1 Hill 12' Produce Case

2. Shelving & Racks - All Free Standing

Registered ☒
Indexed ☒
Indirect ☒
Filmed ☒
Mailed ☒

FILED FOR RECORD
BY City of North Bonneville
JUL 15 11 35 AM '87
J. Stump

22 units, 4' modules metal shelving with 6' high backs, adjustable standards and shelves, 4 18" deep shelves per each module unit plus base shelf. Shelving includes two units of magazine shelving and chrome pegboard rack for hardware, film and assorted merchandise.

11 units, 3' modules metal shelving with 6' high backs, adjustable standards and shelves, 4 18" deep shelves per each module plus base shelf.

18 units, 4' modules metal shelving, double-sided free standing, 4'6" high units with 4 18" deep adjustable shelves on each side plus base shelf.

Chrome candy rack, 4' wide, 5' high with adjustable standards and 5 shelves.

34 galvanized standards composing 14 modules of cooler racks spaced on 26" centers with 5 adjustable shelves in each of the 14 modules.

3. Equipment:

Check-out counters, two counters and isle dividers in place.

Food Bin, 2'6" x 3'9" x 3'3" high plywood construction finished and suspended with baseshoe.

SECTION TWO
Term, Rent and Monthly Accounting

1. The term of this lease shall be thirty-six (36) months commencing on the 1st day of July, 1987, and ending on the 30th day of June, 1990.

2. The total rental to be paid over the term of this lease shall be \$25,920.00, payable as follows:

a. The first payment in the amount of \$720.00 shall be due and payable on July 1, 1987, and \$720.00 shall be paid on or before the 1st day of each succeeding calendar month thereafter until the balance of said total rental shall have been fully paid.

3. If the monthly rental payment is not received by lessor within thirty (30) days of the due date, Lessee agrees to pay to Lessor an additional sum equal to ten percent (10%) of the amount in default, said sum being liquidated damages and not a penalty.

4. Lessee shall provide to Lessor monthly accountings reflecting the total of Lessee's gross sales conducted on the demised premises.

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SECTION THREE
Security Deposit

Lessee shall deposit with Lessor \$500.00 as a security deposit for the faithful performance of all the terms and conditions of this lease.

SECTION FOUR
Use of Premises

Lessee shall use the premises for the purpose of conducting a retail grocery business and for related purposes and shall not use them for any other purpose without the written consent of the Lessor. Lessee shall use the entire premises for the conduct of said business in a strictly professional manner continuously during the entire term of this lease, with the exception of temporary closures for such periods as reasonably may be necessary for repairs or for reasons beyond Lessee's reasonable control.

SECTION FIVE
Repairs

1. Lessee shall, at all times during the term of this lease and at her own cost and expense, repair, replace, and maintain in a good, safe, and substantial condition, the interior of the building, including the refrigeration units, shelving, fixtures, and any improvements, additions, and alterations thereto, on the demised premises, and shall use all reasonable precaution to prevent waste, damage, or injury to the demised premises. All refrigeration units shall be inspected no less often than once every six (6) months during the term of this lease. Inspection shall be by a person or persons properly qualified and licensed to perform such services and shall be at Lessee's sole expense.

The Lessee shall at all times during the term of this lease, and at Lessee's own cost and expense, keep the access walkway and lot free of litter, debris and garbage and provide for removal and disposal of same.

2. Lessor shall, at all times during the term of this lease and at its own cost and expense, repair, care for and maintain the exterior of the building and any improvements, additions and alterations thereto on the demised premises, and shall specifically provide snow removal for vehicle access and parking to the demised premises.

SECTION SIX
Acceptance of Premises

Lessee has examined the leased premises and accepts them in their present condition.

SECTION SEVEN
Alterations and Improvements

Lessee shall make no alterations or improvements to or upon the premises or install or remove any fixtures (other than trade

fixtures owned by Lessee which can be removed without injury to the premises) without first obtaining written approval from the Lessor. In the event any alterations or improvements shall be made or fixtures, other than trade fixtures owned by Lessee which can be removed without injury to the premises, are installed by the Lessee, they shall at once become a part of the realty and become the property of the Lessor. Movable furniture and trade fixtures placed on the premises by Lessee which are removable without injury to the premises shall be and remain the property of Lessee.

SECTION EIGHT **Inspection**

Lessor reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this lease; provided, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Lessor hereunder shall impose no obligation on the Lessor to make inspections to ascertain the condition of the premises and shall impose no liability upon the Lessor for failure to make such inspections.

SECTION NINE **Taxes**

Lessee shall pay to the proper authority on or before the last day on which payment may be made without penalty or interest, all taxes due the State of Washington, assessments, or other governmental charges that shall or may, during the lease term, be imposed on, or arise in connection with the use of, the demised premises or any part thereof.

SECTION TEN **Utilities**

All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity and telephone services.

SECTION ELEVEN **Insurance**

1. Fire insurance. At all times during the term of this lease and for any further time that Lessee shall hold the demised premises, Lessee shall obtain and maintain, at its expense, fire insurance on all buildings and improvements on the demised premises, including all alterations and additions thereto in an amount equal to the current full replacement cost of the demised premises, excluding the cost of excavation and of foundations.

2. Personal injury and property damage insurance. During the term of this lease and for any further time that Lessee shall hold the demised premises, Lessee shall obtain and maintain, at its expense, personal injury and liability insurance in amounts and in forms of insurance policies as may from time to time be required by Lessor.

3. Other insurance. Lessee shall provide and keep in force other insurance in amounts that may from time to time be required by Lessor against other insurable hazards as are commonly insured against for the type of business activity that Lessee will conduct.

4. All insurance provided by Lessee as required by this section shall be carried in favor of Lessor and Lessee, as their respective interests may appear, and, in the case of insurance against damage to the demised premises by fire or other casualty, shall provide that loss, if any, shall be adjusted with and be payable to Lessor. All insurance shall be written with responsible companies that Lessor shall approve, and the policies shall be held by Lessor. All policies shall require 30 days' notice by registered mail to Lessor of any cancellation or change affecting any interest of Lessor.

SECTION TWELVE **Unlawful or Dangerous Activity**

Lessee shall neither use nor occupy the demised premises or any part thereof for any unlawful, disreputable or ultrahazardous business purpose nor operate or conduct her business in a manner constituting a nuisance of any kind. Lessee shall, immediately on discovery of any unlawful, disreputable or ultrahazardous use, take action to halt such activity.

SECTION THIRTEEN **Indemnity**

Lessee, by signing this lease, does indemnify, save and hold harmless Lessor against all losses, damages, costs, changes, expenses, judgments, liabilities and claims of every kind, including reasonable attorneys' fees (including those arising in establishing indemnification of any kind), asserted by or on behalf of any person or entity arising directly or indirectly from: (1) any unreasonable delay in performance or any failure by Lessee to perform any of the terms or conditions of this lease; (2) any personal injury or property damage occurring on or about the demised premises; (3) failure by Lessee to comply with any law of any governmental authority; (4) any mechanic's lien or security interest filed against the demised premises, or any equipment, materials, or improvements thereon; and (5) occupancy and use of the demised premises for the conduct of business, as stated herein, by Lessee, Lessee's employees, agents, suppliers, customers and any other individuals or entities directly or indirectly associated with Lessee's occupancy and use of the demised premises.

SECTION FOURTEEN **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 of all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within 90 days after the institution or appointment.

3. If Lessee shall fail to pay Lessor any rent when the same shall become due and shall not make the payment within 5 days after notice in writing by Lessor to Lessee.

4. If Lessee shall fail to perform or comply with any of the conditions of this lease, and if the nonperformance shall continue for a period of 5 days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the 5-day period, Lessee shall not in good faith have commenced performance within the 5-day period and shall not diligently proceed to completion of performance.

5. If Lessee shall vacate or abandon the demised premises.

SECTION FIFTEEN
Effect of Default

In the event of any default hereunder, as set forth in Section Fourteen, the rights of Lessor shall be as follows:

1. Lessor shall have the right to cancel and terminate this lease, as well as all of the right, title and interest of Lessee hereunder, by giving to Lessee not less than 30 days' notice of the cancellation and termination. On expiration of the time fixed in this notice, 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.

2. 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 demised premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, 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.

3. Lessor may re-enter the premises immediately and remove the property and personnel of Lessee and store the property in a public warehouse or at a place selected by Lessor, at the expense of the Lessee. After re-entry, Lessor may terminate the lease on giving 5 days' written notice of termination to Lessee. Without the notice, re-entry will not terminate the lease. On termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the premises, and the value of the balance of this lease, over and above 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 such rent and upon such terms as Lessor may choose. Lessor may, at any time after a reletting, terminate the lease for the breach on which Lessor has based the re-entry and subsequently relet the premises.

SECTION SIXTEEN
Access to Premises; Signs Posted by Lessor

1. Lessee shall permit Lessor or its agents to enter the demised premises at all reasonable hours to inspect the premises or make repairs that Lessee may neglect or refuse to make in accordance with the provisions of this lease.

2. Lessor may, within three months next preceding the expiration of the lease term, place signs on the walls, doors or windows of the building or buildings on the leased premises, advertising that such premises are for rent or for sale, which signs shall remain thereon without hindrance or molestation by Lessee.

SECTION SEVENTEEN
Compliance with Laws and Regulations

Lessee agrees to comply with all applicable rules and regulations of the Lessor pertaining to the premises now in existence or hereafter promulgated for the general safety and convenience of the Lessor, its various tenants, invitees, licensees and the general public. Lessee further 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 for any so-called "Certificate of Occupancy" shall be paid by Lessee.

SECTION EIGHTEEN
Easements, Agreements, or Encumbrances

The parties shall be bound by all existing easements, agreements and encumbrances of record relating to the demised premises, 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 hold thereunder.

SECTION NINETEEN
Quiet Enjoyment

Lessor warrants that Lessee shall be granted peaceable and quiet enjoyment of the demised premises free from any eviction or interference by Lessor if Lessee pays the rent and other charges provided herein and otherwise fully and punctually performs the terms and conditions imposed upon Lessee hereunder.

SECTION TWENTY
Liability of Lessor

Lessee shall be in exclusive control and possession of the demised 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.

The provisions herein permitting Lessor to enter and inspect the demised premises are made to insure that Lessee is in compliance with the terms and conditions hereof and to allow Lessor to make repairs that Lessee has failed to make. Lessor shall not be liable to Lessee for any entry on the premises for inspection purposes.

SECTION TWENTY-ONE
Waivers

The failure of Lessor 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 Lessor 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-TWO
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:

City of North Bonneville
P.O. Box 7
North Bonneville, WA 98639

LESSEE:

Cascade Grocery
P.O. Box 84
North Bonneville, WA 98639

SECTION TWENTY-THREE
Assignment, Mortgage, or Sublease

Neither Lessee nor her successors or assigns shall assign, mortgage, pledge or encumber this lease or sublet the demised premises, in whole or in part, or permit the premises to be used or occupied by others, nor shall this lease be assigned or transferred by operation of law without the prior consent in writing of Lessor in each instance.

SECTION TWENTY-FOUR
Option to Renew; Rent

Upon the natural expiration of the term of this lease, Lessee may, at her option, renew this lease for a term of three (3) years. In the event Lessee exercises her option to renew hereunder, the terms and conditions of this lease shall continue in full force and effect during the renewal term and shall fully govern the same except that the monthly rental rate under the renewal lease shall be \$720.00 plus 1½% of the gross sales effected upon the demised premises during the immediately preceding month, payable as set forth in Section Two of this lease.

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
Time of the Essence

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

IN WITNESS WHEREOF, the parties hereto have caused this lease to be executed by their proper officers thereto authorized this 2nd day of July, 1987.

LESSOR:

CITY OF NORTH BONNEVILLE

BY: Keith K. Windham
KEITH WINDHAM, Mayor

LESSEE:

Brenda A. Stump
BRENDA A. STUMP, a single
person, d/b/a CASCADE GROCERY

STATE OF WASHINGTON)
) ss.
County of Skamania)

On this day personally appeared before me KEITH WINDHAM, Mayor of the City of North Bonneville, 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.

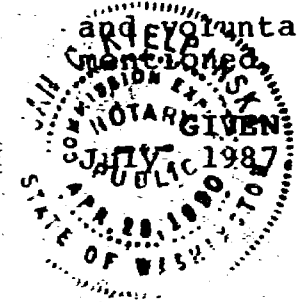
GIVEN under my hand and official seal this 2nd day of July, 1987.

[Signature]
Notary Public in and for the
State of Washington, residing
at Stevenson. My
Commission expires: 4/28/90.

STATE OF WASHINGTON)
) ss.
County of Skamania)

On this day personally appeared before me BRENDA A. STUMP, a single person, d/b/a CASCADE GROCERY, 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

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and voluntary act and deed, for the uses and purposes therein

Under my hand and official seal this 2nd day of

Jan C. Richman
Notary Public in and for the
State of Washington, residing
at Stevenson. My
Commission expires: 4/28/90.

Unofficial Copy