

121616

LEASE AGREEMENT

BOOK 148 PAGE 205

THIS LEASE AGREEMENT, entered into this 1st day of August, 1987, by and between LOWELL ASH, hereinafter referred to as the "Lessor", and J.D.A.R. LTD, hereinafter referred to as the "Lessee", WITNESSETH:

1. In consideration of the rents, covenants and agreements herein contained upon the part of the Lessee to be paid, kept and faithfully performed, the Lessor does hereby lease, demise and let unto the said Lessee, the following described real property situated in Stevenson, Skamania County, Washington:

Commencing at a point 542.2 ft. S of a rock marking the intersection with the W line of the Shepard D.L.C. and the N line of Sec. 1, T2N, R7 E.W. M. in Skamania County, Washington, said point being the intersection of State Road No. 8, with the E line of the tract of land belonging to the Udell Estate; thence W along the said State Road 307.8 ft.; thence N 276.2 ft.; thence E 99.1 ft.; thence N 57 ft. to the SW corner of a plot or tract of land heretofore sold by George Udell and others to P.L. Coleman and described in a deed bearing date of the 13th day of August, 1906, and recorded on Page 86 of Book "K", records of deeds, Skamania County, Washington; thence E along the S line of said tract, belonging to P.L. Coleman, 208.7 ft. in the E line of Udell's land; thence S 333.2 ft. to the point of beginning, said tract so described containing 3.30 acres, more or less.

2. Term: This lease is for a period of thirty (30) years commencing on the 1st day of August, 1987, and ending on the 1st day of August, 2017. PROVIDED THAT, at the expiration of the original term of this lease, the Lessee shall have an option to renew and extend this lease on the same terms and conditions, except for the amount of reserved rent, for an additional 10-year period, provided the Lessee, at the time of the exercise of such option, is not then in default under the terms of this lease. With regard to the rental for the additional 10-year period, if the parties cannot agree upon the same, that issue shall be submitted to an arbitrator, who shall be a qualified real estate

FILED FOR RECORD
SKAMANIA CO. WASH
BY *Debbie Collins*

FEB 10 1 55 PM '95

P. Lowry
AUDITOR
GARY M. OLSON

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| Registered | <input checked="" type="checkbox"/> |
| Indexed | <input checked="" type="checkbox"/> |
| Filed | <input checked="" type="checkbox"/> |
| Noted | <input checked="" type="checkbox"/> |

Skamania County Assessor
Parcel # 02070101500 00
5/6/95

SAUNDRA WILLING
TREASURER OF SKAMANIA COUNTY

appraiser and, whose decision shall be final with regard to the reserved rent. It is agreed that each party shall pay one-half the fee charged for arbitration. PROVIDED FURTHER, that at the expiration of the extended 10-year period, the Lessee shall have two (2) additional 10-year renewal options and the amount of reserved rental for each of said 10-year renewal periods shall be determined in the same manner as set out above for the first renewal option.

Lessee shall exercise any of its options set out above by giving written notice of its intention to renew and extend at least 6 months prior to the end of any term herein provided.

3. Reserved Rental: The rent to be paid to the Lessor for the leased premises shall be \$600.00 per month.

4. Insurance/Taxes/Assessment/Subleases: In addition to the monthly rental to be paid by the Lessee to the Lessor the Lessee shall be responsible to

(a) Pay all utilities, including but not limited to power, water and sewer;

(b) Keep the leased premises and any improvements placed thereon insured to their full insurable value against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Lessor shall be named "insured" provided that in the event the premises, or any portion thereof, are destroyed or damaged by fire, the Lessor shall use the proceeds of any such insurance policy, to restore the premises to substantially their same form as prior to the damage or destruction so as to provide for the Lessee useable space equivalent in quantity and character to that before the damage or destruction. (The Lessee may carry such other insurance as Lessee deems advisable with Lessee as named beneficiary). Lessee shall be responsible to continue rental payments, notwithstanding the destruction of the premises, during any reconstruction period,

and may, if it chooses, carry business interruption insurance to cover such expenses. The Lessor shall complete the reconstruction of any damaged buildings within a reasonable time and his failure to do so shall result in abatement of monthly rental during the period of unreasonable delay. PROVIDED the Lessor's obligation to rebuild shall be limited by the proceeds of the insurance. In the event the proceeds are inadequate to replace the structure the Lessee shall be responsible for the difference. In the event both parties agree that the building should not be replaced the Lessee's obligation to pay rent and perform the other covenants of this lease shall be extinguished and the proceeds of the insurance shall be the sole property of the Lessor unless otherwise agreed to at the time of happening.

(c) Pay all taxes levied against the property and due the county, town or state;

(d) Pay any assessments assessed against the property by any political subdivision; and

(e) In addition thereto, in the event the Lessee builds additional building(s) upon the premises, and subleases the same, the Lessor shall be entitled to ten percent (10%) of any amounts collected by the Lessee from his subtenants, if any, for the rental of any such building(s). Lessee agrees to use generally accepted good business practices in making said subleases and collecting the rentals for said subleases. In the event the Lessee constructs additional building(s) and does not sublease them, but operates them itself, then the Lessor shall be entitled to additional rent based on the following formula: 4,000 divided into \$600.00 times the square footage of the additional building times ten percent (10%).

5. Construction of Buildings(s): The Lessee has explicit permission to construct a convenience store upon the leased premises, including an appropriate parking lot and gas

station facilities. In addition thereto, the Lessee shall have the right to construct such other buildings, for other commercial purposes, as the parties subsequently agree to and, the Lessor shall not unreasonably withhold consent to such construction.

6. Liens/Encumbrances: The Lessee agrees not to cause any liens or other encumbrances to be attached to the property without the Lessor's specific approval and the security interest of any creditor of the Lessee shall be subordinate to the Lessor's interest.

7. Accounting: In order to enable the Lessor to determine the appropriate lease payments to be made by the Lessee to Lessor under Paragraph 4(e) above, the Lessee shall furnish to the Lessor appropriate accounting documents relating to any sub-lease agreements and receipts.

8. Design: Lessee shall, in any future construction of a building, or buildings, adjacent or peripheral to the original building, retain both architectural and engineering compatibility with the original building.

9. Unlawful Use of Premises: Lessee shall not use or permit said premises, nor any part thereof, to be used for any purpose, or purposes, in violation of any municipal, county, state, or federal ordinances or law, nor to commit or permit any nuisance thereon.

10. Maintenance: Lessee agrees to keep the premises, and the improvements placed thereon, in a good state of repair, including the roof structure(s), the inside/outside of any building(s), and the parking lot, as well as any mechanical air conditioning and heating systems. It is the intent of this paragraph that the Lessee shall assume full responsibility of all maintenance and upkeep of all improvements on the property and in no event shall the Lessor be charged for any such costs.

11. Indemnification: Lessee will indemnify and hold harmless Lessor from any and all expenses, fines, claims, damages suits and actions arising out of or in any way connected with the use and occupancy of the leased premises, and from all cost, loss, expenses and damages that may or might occur to any employee or employees of Lessee or the public in general in, upon or about the leased premises.

12. Expiration: Upon the expiration of this lease, or any renewal thereof, the Lessee will peaceably and quietly quit and deliver the leased premises and all present and future additions, alterations or renovations to the leased premises, excepting only merchandise, trade fixtures and equipment of like character which can be removed without damage to the building(s), unto the Lessor in good order and condition, fire and reasonable wear and use alone excepted.

13. Default: If the rental hereby reserved, or any installment thereof, shall be in arrears for ten (10) days, or if the said Lessee, its successors or assigns, shall neglect or fail to do or perform and observe any of the covenants herein contained on its part to be performed or observed, or if the Lessee shall become insolvent or be declared bankrupt or enter into a composition of creditors, or if a receiver be appointed to take charge of or conduct the affairs of the Lessee, then and in any of such cases, the Lessor or those having their estate in the premises, in addition to the other remedies provided by law, lawfully may, upon twenty (20) days written notice and while said neglect or default continues, enter said premises, or any part thereof, and declare said term ended in the name of the whole, repossess the same of their former estate therein and expel the Lessee and those claiming under it and remove Lessee's effects (forcibly, if necessary) without being taken or deemed guilty of

trespass in any manner, and without prejudice to any remedies which might be used for arrears of rent, or preceding breach of covenant; and all the Lessee's right, title and interest in the said premises and in all the improvements thereon, and rentals paid hereunder, shall be forthwith and forever forfeited and terminated.

14. Damage Liability: If the lease is terminated for any reason, the Lessee's liability to the Lessor for damages shall survive such termination. Following re-entry or abandonment, the Lessor may relet the premises and in that connection may:

- (a) Make any suitable alterations or refurbish the premises, or both, or change the character or use of the premises, but Lessor shall not be required to relet for any use or purpose (other than that specified in the lease) which Lessor may reasonably consider injurious to the premises, or to any tenant which Lessor may reasonably consider objectionable.
- (b) Relet all or part of the premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

15. Damage Recovery: In the event of termination on default, Lessor shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages:

- (a) Any excess of (1) the value of all the Lessee's obligations under this lease, including

the obligation to pay rent, from the date of default until the end of the term, over (2) the reasonable rental value of the property for the same period figures as of the date of default, the net result to be discounted to the date of default at a reasonable rate.

(b) The reasonable costs of re-entry and reletting, including without limitation, the cost of any clean up, refurbishing, removal of Lessee's property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, any remodeling costs, attorney's fees, court costs, broker commissions and advertising costs.

(c) The loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured.

16. If suit or action is instituted in connection with any controversy arising out of this lease, or any extension thereof, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court may adjudge reasonable as attorney's fees.

17. Subject to the above-stated limitations on transfer of Lessee's interest, this lease shall be binding upon and enure to the benefit of the parties, their respective successors and assigns.

18. No waiver of nor neglect to enforce Lessor's rights upon breach of any covenant, condition or agreement herein contained shall be deemed a waiver by the Lessors of such right

or rights upon any subsequent breach of the same or any other covenant, condition or agreement contained therein.

19. Nothing herein contained shall in any way prohibit the Lessor from selling or otherwise disposing of his interest in the premises herein described at any time, subject, however, to the Lessee's interest in the premises created hereby.

DATED the day and year first above written.

LESSOR(S)

(Lowell E. Ash
(Lowell E. Ash - Trustee

LESSEE(S)

(J.D.A.R., LTD.
(by: Gary A. Collins
(Title: President

STATE OF WASHINGTON)
) ss.
County of Skamania)

I, the undersigned, a Notary Public in and for the State of Washington, do hereby certify that on this 16th day of July, 1987, personally appeared before me LOWELL ASH, to me known to be the individual described in and who executed the within and foregoing instrument as "Lessor" and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes herein mentioned.

GIVEN under my hand and official seal this 16th day of July, 1987.

Shirley A. Potter
Notary Public in and for the State of Washington, residing at Stevenson

STATE OF WASHINGTON)
) ss.
County of Skamania)

On this 16th day of July, 1987, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GARY A. COLLINS, to me known to be the PRESIDENT of J.D.A.R. LTD. and who executed the foregoing instrument and acknowledged it to be the free and voluntary act and deed of said J.D.A.R. LTD., for the uses and purposes therein mentioned, and who, on oath, stated that he was authorized to execute the said instrument.

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

Shirley A. Potter
Notary Public in and for the State of Washington, residing at Stevenson