THIS AGREEMENT entered into this 25th day of April, 1995, by and between FRED CLOE, hereinafter referred to as the "Lessor", and THOMAS GREEN, a single person, hereinafter referred to as the "Lessee",

WITNESSETH:

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 a parcel of land located on Main Street in downtown Stevenson, Skamania County, Washington, situated upon a portion of the following- described real property, particularly the area shaded blue on the attached Schedule "A", incorporated herein by reference, to-wit:

A tract of land in Secton 1, Township 2 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows;

Beginning at a point on the South line of Second Street in the Town of Stevenson, 260 feet North 89 deg. 06' West from the intersection of the South line of said Second Street with the West line of the Henry Shepard D.L.C.; thence South to the Northerly right of way line of primary State Highway No. 8, according to the survey thereof approved August 24, 1937; thence in a Northwesterly direction following the Northerly right of way line of said highway to intersection with the South line of Second Street aforesaid; thence North 89 deg. 06' West along the South line of said street to the point of beginning;

EXCEPT that portion conveyed to Daniel L. Lillegard and Judie A. Lillegard, husband and wife, in Book 77 of Deeds, page 65, described as follows:

Commencing at a point on the South line of Second Street 602 feet South and 260 feet North 89 deg. 06' West of the intersection of the West line of the Henry Shepard D.L.C., with the North line of said Section 1; thence South 86 feet to the true point of beginning; thence continuing South to the Northerly right of way line of State Road No. 14 (now primary State Highway No. 8); thence Northeasterly along said right of way line to a point East of the point of beginning; thence West 40 feet, more or less,

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to the point of beginning.

- 2. Term: This lease is for a term of eleven months beginning on the 15th day of May, 1995, and terminating April 15, 1996, unless otherwise agreed in writing by the parties hereto, or unless eminent domaine proceedings are initiated by the State of Washington, in which case this lease shall terminate upon the conclusion of the proceedings, if the State shall prevail.
- 3. Rent: The monthly rental to be paid to the Lessor for the leased premises shall be five percent (5%) of the gross sales but not less than Three Hundred Fifty Dollars (\$350.00) nor more than Seven Hundred Dollars (\$700.00) per month, due and payable on the 15th day of each month for which said rent is due. All rent shall be paid to the Lessor at the following address: Post Office Box 68, North Bonneville, Washington 98639.
- 4. Parking Lot: The parking lot of the subject premises shall be included in the terms of this lease.

5. Insurance, Taxes, Assessments:

Lessor shall be responsible for the real property taxes levied against the subject property. If there are any assessments assessed against the property by any political subdivision, the value of the improvements for which the assessment is levied will be prorated over the useful life of such improvement and that portion of the useful life which this lease covers will be paid by the Lessee.

- 6. <u>Utilities</u>: All utility payments shall be the responsibility of the Lessee.
- 7. <u>Liens and Encumbrances</u>: 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.

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- 8. <u>Unlawful Use of Premises</u>: Lessee shall not use or permit said premises, nor any part thereof, to be used for any purpose, or purpose, in violation of any municipal, county, state, or federal ordinances or law, nor commit or permit any nuisance thereon.
- 9. <u>Maintenance</u>: Lessee agrees to keep the inside of the leased premises, or any improvements placed therein, in a good state of repair.
- 10. <u>Indemnification</u>: 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.
- 11. Notice of Termination: Lessor may terminate this agreement by giving Lessee written notice at least twenty (20) days before the end of the rental term.

Lessor shall not terminate the tenancy to retaliate against the Lessee for asserting or enforcing rights guaranteed by law. This paragraph shall not affect Lessor's right under Washington law to terminate the tenancy if Lessee fails to pay rent, comply with a material term of this agreement, commit waste, or maintains a nuisance.

Upon termination the Lessee will peaceably and quietly quit and deliver the leased premises in good order and condition. Any additions to the premises by Lessee shall be the property of the Lessee. If the subject premises are condemned this lease shall automatically terminate upon conclusion of the condemnation proceedings.

12. Service of Notices: All notices required by this agreement and applicable state or

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- 13. <u>Assignment/Sublease</u>: The Lessee shall not assign their leasehold interest herein nor sublet the subject premises without first obtaining Lessor's written consent. Lessor shall not unreasonably withhold consent.
- 14. <u>Condemnation:</u> Upon condemnation being initiated by the State of Washington, this lease shall terminate without further obligations to either party by the other at the conclusion of the proceedings, should the State prevail.
- 15. Default: If the rental herein called for is in arrears for ten (10) days, or if the Lessee, his successors or assigns, shall neglect or fail to do or perform and observe any of the covenants herein contained on their 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 or their former estate therein and expel the Lessee and those claiming under them 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 of the Lessee's rights, title and interest in the said premises and in all of the improvements thereon, and rentals paid hereunder, shall be forthwith and forever forfeited

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and terminated.

16. <u>Damage Liability</u>: If the lease is terminated for any reason other than

condemnation or threat thereof, 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 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.

17. <u>Damage Recovery</u>: In the event of termination on default, Lessor shall be entitled

to recover immediately, without waiting until the due date of any future rent, the following amounts

of 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 figured 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' 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.

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.

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- 18. <u>Legal Action</u>: 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.
- 19. <u>Effect</u>: 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.
- 20. No Waiver: 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 Lessor of such right, or rights, upon any subsequent breach of the same or any other covenant, condition or agreement contained herein.
- 21. Sale of Interest. 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.
- 22. <u>Right of Renewal</u>. Lessee shall have the right to renew this lease for an additional one year on the same terms and conditions, provided Lessee notifies the Lessor in writing thirty (30) days or more prior to the expiration of the principle lease.
- 23. Right of First Refusal. Lessee shall have the first right to purchase the property for the sum of One Hundred Twenty-Five Thousand Dollars (\$125,000.00), or upon whatever terms and conditions that Lessor offers to sell the property to any other party during any period that this lease is in good standing, provided however, the Lessee shall have ten (10) days after notice of intent to sell and the conditions of said sale to accept said notice, and such notice and acception shall be an

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FRED CLOF Lessor

THOMAS GREEN, Lessee

STATE OF WASHINGTON)

5S)

County of Skamania

I certify that I know or have satisfactory evidence that FRED CLOE and THOMAS GREEN are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: April 25, 1995.

Notary Public for Washington residing at White Salmon

Commission expires: 04-23-96

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