ROOK 255 PAGE 145

Bocc Desawny

LEASE SKAMANIA COUNTY AND SILVER STAR CABINETS

THIS AGREEMENT, made and entered into this ______ day of ______ cember_, 2003, between SKAMANIA COUNTY, by and through its Board of County Commissioners, hereinafter referred to as the "Lessor", and Silver Star Cabinets, a corporation, hereinafter referred to as the "Lessee",

The Lessee, upon the conditions and covenants provided herein, hereby leases the following property (herein after "premises") from the county as follows:

WITNESSETH:

PREMISES: That the Lessor does hereby lease and demise unto the Lessee a 40 x 80 wilding (which shall include a 200).

- building (which shall include utilities but has no water or sewer service) known as the North Bonneville Industrial Facility located at 380 Evergreen Drive, North Bonneville, Washington, consisting of approximately 3200 square feet. This building is located on a portion of land located within North Bonneville and a Deed recorded in Book 148, Page 663 also known as lot 2 of the Peterson Industrial Park Short Plat recorded in Book 3 Page 251 of Skamania County Auditor's Records as shown on "Attachment A".
- 2. TERM: The lessee shall lease the premises for a term of twelve (12) months, beginning on the 1st day of December, 2003 and ending on the 30th day of November, 2004. This lease may be renewed at the end of said 12-month period upon terms to be negotiated at that time. Lessee shall surrender the premises on the expiration or termination of the lease.
- 3. TERMINATION: Either party, upon giving 30 days written notice to the other party, may terminate this lease.
- 4. CONSIDERATION: The consideration for this lease shall be the sum of \$480.00 per month plus satisfaction of all leasehold excise taxes and implied conditions of the lease.
- 5. ALTERATIONS/ENCIMBRANCES: The Lessee may enclose the western half of the leased property provided that the Lessor approves the plan and the alteration meets applicable building codes. Lessee agrees not to make any other alterations to the subject premises or to in any way encumber the premises without the written consent of the Lessor.

Silver Star Cabinets Lease

Page 1 of 7

- 6. UTILITIES: Lessee shall arrange for and bear all the cost of utility services furnished to the premises. The lessee is renting the premises "as is". The Lessor will not be responsible to provide any utilities. The building has no sewer or water utilities.
- 7. SUBLETTING: The Lessee agrees not to sublet or assign any part of this lease or agreement and to return the subject premises to the Lessor in as good a condition as they are in now if for any reason this lease, or any subsequent extension of this lease, is terminated.
- 8. COVENANT TO REPAIR: Lessee, at its expense, shall maintain the premises in good repair and in at least as good condition as that in which they were delivered. The Lessor shall have no obligation whatsoever with respect to the premises. Without limiting the foregoing, the Lessee shall be solely responsible to repair or replace any damage caused to the premises or its improvements regardless of the cause.
- COMPLIANCE WITH LAWS AND REGULATIONS: Lessee agrees to comply with all applicable state and federal laws and regulations.
- 10. ATTORNEYS FEES: In the event suit or action is brought to enforce any of the terms of this agreement, the prevailing party shall be entitled to costs, including reasonable attorneys fees.
- II. INDEMNIFICATION—USE AND OCCUPANCY OF PREMISES: Lessee agrees to hold the Lessor harmless from any liability that might otherwise attach to the Lessor as a result of Lessee's occupancy or use of said premises. Lessee shall further indemnify and hold Lessor harmless against any and all claims, demands, causes of action, suits, or judgments, including expenses incurred in connection with such matters, for death or injuries to persons or for loss of or damage to premises arising out of or in connection with the use, occupancy or performance of duties arising under this agreement, including but not limited to the services provided to the children. The lessee shall at all times maintain liability and property insurance. The lessee shall be responsible to repair and replace all structures or improvements, regardless of cause. The Lessor is not responsible for the premises and the lessee specifically waives its immunity under the Industrial Insurance Act (Title 51) in the event an employee, or the lessee brings and claim or cause of action against the Lessor.

12 INSURANCE

The Lessee agrees to provide the Lessor with evidence of liability insurance naming the Skamania County, its elected and appointed officials, agents, employees and volunteers as an additionally insured party in the amount of \$1,000,000.

13. INSPECTION OF PREMISES AND RIGHT TO MAKE REPAIRS: The Lessor shall have free access to the premises, including the buildings, at all reasonable times and after providing the lessee reasonable notice, for the purpose of examining or inspecting the condition of the premises or to make such repairs and alterations as shall be necessary for the safety and preservation of the premises.

Silver Star Cabinets Lease

Page 2 of 7

14 ENVIRONMENTAL MANAGEMENT AND COMPLIANCE:

- A. Definitions. For the purposes of this Lease the following definitions shall apply:
 - Hazardous Substance includes any and all substances defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials of any other similar term in or under any applicable laws and regulations. Hazardous Substance shall also include, but not be limited to, fuels, petroleum and petroleumderived products.
 - 2. Environmental Cost includes, but it not limited to, costs and damages arising from or relating to:
 - any actual or claimed violation of or noncompliance with any applicable laws and regulations;
 - claims for damages, response costs, Special Audit costs, fines, fees or other relief relating to matters addressed in any applicable laws and regulations;
 - iii. injunctive relief relating to matters addressed in any applicable laws and regulations;
 - iv. Hazardous Substance Releases; and
 - v. Shall include but not be limited to:
 - a. costs of evaluation, testing, analysis, cleanup, remediation, removal, disposal, monitoring and maintenance;
 - fees of attorneys, engineers, consultants, and experts, whether or not taxable as costs, incurred at, before or after trial, appeal or administrative proceedings;
 - c. lost revenue; and
 - d. diminution of value, loss, or restriction on use of premises.
 - i. Hazardous Substance Release shall be interpreted in the broadest sense to include the spilling, discharge, deposit, injection, dumping, emitting, migration, releasing, leaking or placing of any Hazardous Substance into the air or into or on any land or waters, except as authorized by a then-current and valid permit issued under applicable laws and regulations.
- A. General Environmental Obligations of Lessee. Lessee shall manage and conduct all of its activities on or relating to the Premises:
 - 1. in compliance with applicable laws and regulations and the environmental provisions of this Lease;
 - 2. in cooperation with the Lessor's efforts to comply with applicable laws and regulations; and
 - 3. in adherence with best management practices applicable to Lessee's use of the Premises. Lessee shall manage and, as appropriate, secure the Premises and is occupation or use of the Premises so as to prevent any violation of law or

regulations by any party on or relating to the Premises.

- A. Storage of Hazardous Substances. Lessee shall be permitted to store Hazardous Substances described on the attached Exhibit B on the Premises. The Lessee shall not be permitted to use Hazardous Substances on the Premises.
- B. Hazardous Substance Storage Tanks. Lessee may not install and operate underground storage tanks, mobile storage tanks (including fueling trucks), or above-ground storage tanks for the storage of Hazardous Substances.
- C. Soil or Waste: Lessee shall not store, treat, deposit, place or dispose of treated or contaminated soil, industrial by-products, or waste on the premises, without the prior written consent of Lessor, which consent may be granted or denied in Lessor's sole discretion.

D. Lessee's Liability.

- 1. Hazardous Substance Releases. Leasee shall be responsible for any Hazardous Substance Release on the Premises, on other properties, in the air or in adjacent or nearby waterways (including groundwater) which results from or occurs in connection with
 - i. any condition existing or arising during the term of this Lease; or
 - ii. otherwise arising from Lessees occupancy or use of the Premises and that of Lessee's contractors occurring during the Lease Term or occurring or continuing to occur or continuing after the Lease Term.
- 1. Lessor's Liability for Environmental Cost. Lessee shall be responsible for all Environmental Costs arising under this Lease. Lessee shall indemnify, defend and hold harmless Trust, its trustees, beneficiaries, employees and agents, from all Environmental Costs arising from Hazardous Substance Releases in, on or under the Premises or adjoining properties, prior to or during the term of this Lease, including the continuing effects following the expiration of the Lease.

A. Environmental Remediation.

- 1. Immediate Response. In the event of a violation of applicable laws and regulations, a violation of an environmental provision of this Lease a Hazardous Substance Release, or the treat of or reasonable suspicion of the same for which Lessee is responsible under this Lease, Lessee shall immediately undertake and diligently pursue all acts necessary or appropriate to correct the violation or investigate, contain, and stop, the Hazardous Substance Release and remove the Hazardous Substance.
- 2. Remediation. Lessee shall promptly undertake all actions necessary or appropriate to ensure that any Hazardous Substance Release is remediated and that any violation of any applicable laws and regulations or environmental provision of this Lease is corrected. Lessee shall remediate, at Lessee's sole expense, all Hazardous

Substances for which Lessee is responsible under this Lease or under any applicable laws and regulations.

- Report to Lessor. Within thirty (30) days following completion of any investigatory, containment, remediation and/or removal action required by this Lease, Lessee shall provide Lessor with a written report outlining, in detail, what has been done and the results thereof.
- 4. Lessor's Approval Rights. Except in the case of an emergency or an agency order requiring immediate action, Lessee shall give Lessor advance written notice before beginning any investigatory, remidication or removal procedures. Lessor shall have the right to approve or disapprove the proposed investigatory, remediation and removal procedures and the company(ies) and/or individuals conducting such procedures which are required by this Lease or by applicable laws and regulations, whether on the Premises or on any affected premises or water. Lessor will have the right to require Lessee to request oversight from the Washington Department of Ecology ("Ecology") of any investigatory, containment, remediation and removal activities and/or require Lessee to seek a statement from Ecology of "No Further Action".
- A. Notice. Lessee shall promptly notify the Lessor upon becoming aware of any Hazardous Substance Release on, under or adjacent to the Premises or threat of or reasonable suspicion of any of the same.
- B. Lessor's Right to Perform on Behalf of Lessee. Lessor shall have the right, upon giving Lessee seven (7) days written notice to perform Lessee's obligations arising under this Lease and charge Lessee the resulting Environmental Cost. Lessor may not commence performance on behalf of Lessee under this Section J if, within the seven (7) day notice period, Lessee promptly begins and diligently pursues to completion the performance of the obligations set forth in Lessor's notice. In the event of an emergency or an agency order requiring immediate action, Lessor may perform Lessee's obligations under this Article without giving Lessee prior notice.
- C. Lessor's Audit Rights. If Lessor at any time during the Lease Term or any extension thereof, has reason to suspect that Hazardous Substances are being, or have been used, handled, stored, generated, disposed, placed and/or transported contrary to the requirements of this Lease, in violation of applicable laws and regulations, or in any manner that has resulted, or is likely to result, in a Hazardous Substance Release, then Lessor may, after written communication of those reasons to Lessee, without limiting its other rights and remedies, conduct, at its cost during regular business hours of Lessee, an Audit of the Premises with respect to the environmental matters of concern to Lessor. If the Audit reveals the presence of Hazardous Substances in violation of applicable laws and regulation or contrary to the requirements of this Lease, or evidence of a Hazardous Substance Release, then Lessor shall be responsible to reimburse Lessor for the cost of performing the Audit.

Silver Star Cabinets Lease

Page 5 of 7

ROOK 255 PAGE /50

- D. Exit Audit. Upon the expiration or termination of this Lease, Lessor may conduct, and furnish a copy of the report thereof to the Lessee, an Environmental Audit ("Exit Audit") of the Premises.
- E. Remedies. The Lessor shall have a right to enforce these environmental management and compliance provisions of the Lease even after the termination or expiration of the Lease. These provisions are intended to survive the actual term of the Lease.
- 14. GOVERNING LAW: This lease shall be governed, construed and enforced under Washington law.
- 15. ANTI WAIVER/TIME IS OF THE ESSENCE: Parties mutually agree that timely performance is of the essence and that the Lessor's waiver of one breach of a covenant will not be deemed a waiver of its right to enforce other breaches.

16. AMENDMENTS: This agreement can only be amended upon the mutual written consent of the parties.

SKA**MAN**IA COUNTY VASHINGTON

ATTEST:

BOARD OF COMMISSIONERS
SKAMANIA COUNTY, WASHINGTON

hairman

omissioner

Commissioner

Matthew Califf
Silver Star Cabinets

Title: President

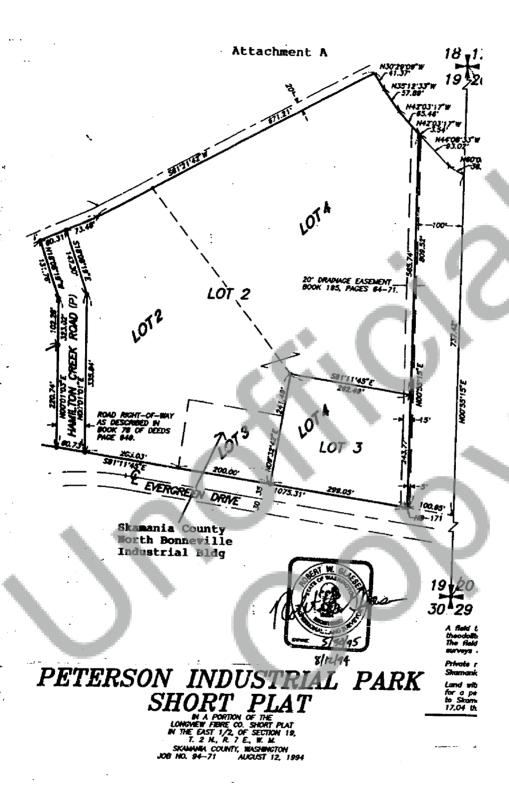
Approved as to form Only:

Prosecuting Attorney

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Silver Star Cabinets Lease

Page 6 of 7



- AOOK 255 PAGE 152

ATTACHMENT B

LIST OF HAZARDOUS SUBSTANCES TO BE STORED ON SITE

NONE

Lessee signature

11/2

Lessor signature

De 23

Silver Star Cabinets Lease

Page 7 of 7