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AFTER RECORDING
RETURN TO:

Commissioners
PO Box 790
Stevenson, WA 98648

BOOK 256 PAGE 925

FILED IN RECORD
SKAMANIA COUNTY, WASH
BY BOCC

JAN 23 9 32 AM '04

J. MICHAEL BRANTSON

LEASE AGREEMENT

This agreement is entered into this 1st day of January, 2004, by and between Skamania County, a political subdivision of the State of Washington, having its principal office at Stevenson, Skamania County, Washington, herein referred to as "Lessor," and Karl Wilkie and Cynthia Williams (individual) co-tenants, herein referred to as "Lessee."

Lessor herein leases to Lessee the following described property commonly know as 4101 Forest Service Road #1065, Carson, Washington; Wind River Nursery Rental, House #1065. Located in the East half of the SW quarter of Section 27, T4N, R7EWM within tax parcel no. 04-07-27-0-0-2000-00.

Recitals

1. Lessor desires to lease the Premises to Lessee solely for the purposes of establishing a private personal single family residence.
2. Lessee shall not use the Premises or any part thereof, for the purposes of carrying on any business, profession, or trade of any kind, or for any other purposes other than as specified herein, without the prior written consent of the Lessor.
3. Skamania County is willing to lease the Premises for the purposes stated in Item 1, above, to protect and keep the premises occupied and to promote the growth and expansion of the Site on which the premises is located, commonly known as the Wind River Nursery Site.
4. The Lessee has committed to fulfilling the terms and conditions of this Agreement.
5. For the foregoing reasons, the parties desire to enter into a lease agreement defining their respective rights, duties, and liabilities with respect to the Premises.

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

SECTION ONE
Subject and Purpose

House #1065
Wind River Nursery Residential Lease

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1. Lessor leases the Premises to Lessee for Lessee's sole use, for the purpose of establishing a private single-family residence, the breach of which shall result in a reversion to Skamania County of all right, title and interest in and to the Premises. Lessee shall not use the Premises or any part thereof, for the purposes of carrying on any business, profession, or trade of any kind, or for any other purposes other than as specified herein, without the prior written consent of the Lessor.
2. Lessee acknowledges he/she has conducted a walk through of the Premises with a representative of Skamania County and finds they are, at the time of the signing of this Agreement, in good order and repair, and in a safe, clean and tenantable condition, and accepts the Premises as is, in its current condition as of the date of this agreement. Lessee accepts full occupancy of the Premises beginning on the 1st day of January, 2004.
3. If the Lessee's use of the Premises is at any time prohibited by law or governmental regulation, this lease shall immediately terminate.
4. In connection with its use of the Premises, Lessee shall at all times:
 - a. Conform to all applicable laws and regulations of any public authority affecting the Premises and their use, and correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use. Lessee shall not otherwise be required to make expenditures to comply with any laws and regulations, nor shall Lessee be required to make any structural changes to effect such compliance unless such changes are required because of lessee's specific use.
 - b. Refrain from any activity that would make it impossible to insure the Premises against casualty or which would increase the insurance rate, unless Lessee pays the additional cost of the insurance.
 - c. Lessee acknowledges and accepts the Site and the Premises of this Agreement are identified to be for the sole purposes of economic development, business growth and job creation, Skamania County will actively market the site for such purposes, including the Premises for which this Agreement is written.
 - d. Refrain from any use which would be reasonably offensive to adjacent tenants or users of neighboring parcels or facilities, or which would tend to create a nuisance, damage the reputation of the Premises and/or the Wind River Nursery Site, or be a detriment to the marketing efforts of Skamania County, made in an effort to create jobs, grow businesses, and put the Site back to use as an economic asset.
 - e. Lessee acknowledges the drains of the Premises drain directly into a septic tank and shared drain field and shall refrain from actions in or use of the Premises which would cause effluents to access these drains. Such effluents shall include, but are not limited to hazardous materials governed by state and federal

law, but also detergents, acids, and cleaning solvents.

- f. Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof, etc., of the Premises without the prior written consent of Lessor.
- g. Lessee agrees no painting shall be done on or about the Premises without the prior written consent of the Lessor.
- h. Comply with any reasonable rules respecting the use of the Premises promulgated by Lessor from time to time and communicated to Lessee in writing.
- i. Not keep any pets on the Premises.
- j. Restrict use of the parking space, yard and lawn to those activities normally performed in connection with the purposes for which the Premises are being leased.

SECTION TWO
Terms and Conditions

1. The term of this lease agreement shall be month-to-month, beginning on the 1st day of January, 2004, unless sooner terminated or extended in accordance with the terms of this agreement.
2. The rental shall be \$576.04 per month, plus \$ 73.96 in Washington State Leasehold Excise Tax for a total of \$650 (Six Hundred Fifty), paid in advance, without demand, on the first (1st) day of each calendar month beginning with the month of occupancy of the Premises. The rent shall be prorated for the first month if occupancy begins after the first day of the month.
3. The tenant shall be responsible for paying any future changes in State Leasehold Excise Tax enacted during the term of this lease which may be imposed on, or arise in, connection with the use of the Premises, or any part thereof. The leasehold Excise Tax is 12.84%. The total payment amount due to the County each month shall be adjusted to reflect this change if such a change occurs.
4. The Lessee shall pay, at the time of the signing of this Agreement, the deposit required herein, in full, and the first month's rent. The lessee shall not occupy the premises prior to this payment.
5. The Lessee shall pay for all costs associated with the Premises as necessary for conducting a single-family residence for which the Premises are leased. Such costs shall include, but are not necessarily limited to all necessary taxes, permits, approvals and inspections associated with occupancy. Lessee shall comply with all local, state and federal codes and regulations, and hold Lessor harmless.
6. Lessee acknowledges and accepts the Premises shall be occupied by no more than 4 persons, including adults and children, without the prior written consent of the Lessor.

SECTION THREE

Late Charges and Interest on Past Due Sums

1. If Lessee shall fail to pay all or any part of an installment of rent within five (5) days of the due date, Lessee shall, in order to cure Lessee's default hereunder, pay to Lessor an administrated fee of \$25 for each and every month when payment is past due. Acceptance of late payment and administrative fee as set out herein shall not be deemed a waiver by Lessor of Lessee's obligation to pay rent on time, nor shall it be considered a waiver of Lessor's right to pursue other remedies provided herein or by law.
2. Any sums past due from Lessee to Lessor hereunder, including administrative fee, shall bear interest at the rate of one percent (1%) per month.

SECTION FOUR

Security Deposit

- ~~1. Lessee shall deposit with Lessor at the time of execution of this lease, a cash deposit in the amount of \$300.00, plus the amount of the last month's rent (not including Leasehold Excise Tax) which shall become the property of the Lessor and held by Lessor for the full term of Lessee's occupancy, plus up to thirty (30) days, as security for the full and timely performance by Lessee of the terms and conditions herein, for the repair of any damages to the Premises caused by Lessee apart from normal wear and tear, and for the payment of any sums due Lessor for a breach of this Lease.~~
2. ~~The rights of Lessor against Lessee for a breach of this Lease shall in no way be limited or restricted by this security deposit, but Lessor shall have the absolute right to pursue any available remedy to protect its interest herein, as if this security deposit had not been made. The deposit shall be returned to Lessee within thirty (30) days following the expiration of this Lease provided all terms of this lease shall have been fully performed by Lessee. In the event of a default by Lessee hereunder, Lessor, at its sole option, shall have the right, in addition to remedies upon default set forth herein: (1) to apply all or any portion of the deposit and/or last month's rent to sums owing under this lease and, at its option, to simultaneously pursue its remedies on default set forth herein, (2) to cure such default, in which event Lessee shall be obligated to promptly deposit with Lessor the amount necessary to restore the deposit to its full amount, or (3) to terminate this lease and retain the security deposit as liquidated damages. Should the demised Premises be sold, Lessor may transfer or deliver the security deposit to the purchaser of the interest, and Lessor shall then be discharged from any further liability to Lessee with respect to the security deposit.~~

SECTION FIVE
Inspection

Lessee is leasing the Premises "as is" and Lessor makes no representation or warranties. Without limiting the generality of the foregoing, Lessee acknowledges that it has made its own independent investigation respecting the Premises and will be relying entirely thereon and on the advice of any consultant he may retain. Lessee may not rely upon any representation of any party, whether or not such party purports to act on behalf of Lessor, unless the representation is expressly set forth herein or in a subsequent document executed by Lessor. All representations, warranties, understandings and agreements between Lessee and Lessor are merged herein.

SECTION SIX
Utilities

Lessee shall make arrangements to pay the actual cost of all utilities (including but not limited to gas, electricity, telephone, telecommunications, cable, and fire protection utility services) to the Premises directly to the provider of such services. Lessee warrants to hold Lessor harmless for the costs of all such utility services. All applications and connections for such utility services shall be made in the name of Lessee only, and Lessee shall be solely liable for such utility charges as they become due. At this time, water and sewer services are included in the base rental sum. Lessee acknowledges there may be costs associated with these services in the future.

SECTION SEVEN
Maintenance and Repairs

1. Lessee shall, at all times during the term of the Lease and at its own cost and expense, provide all maintenance and repair, maintaining, in good order and sanitary condition, the Premises, and any and all improvements, additions and alterations thereto, located on the Premises; provided however, that Lessor shall be responsible for repairing and replacing the roof and foundation, unless the use, conduct or activities of Lessee caused the problem which necessitated the repair or replacement work. Such maintenance and repair shall extend to the yard, landscaped areas, and the parking areas adjacent to the Premises, where Lessee shall provide repair and maintenance and keep such areas in a clean and orderly manner. Lessee shall use all reasonable precaution to prevent waste, damage or injury to the Premises. If Lessee fails to repair any substandard condition after written notice by Lessor, Lessor may make any such maintenance and repairs and assess the cost of repair to Lessee.
2. Specifically Lessee understands and acknowledges he is solely responsible for the maintenance and repair of all Smoke Detection Units or Devices located in the Premises, including battery replacement and any and all manufacturer specified maintenance, in order to assure their proper working condition at all times. If the Lessee fails to comply with this requirement, Washington State law provides for punishment by fine of not more than two hundred dollars (\$200.00).
3. Upon expiration or termination of this Lease, Lessee shall surrender the Premises to Lessor in good order and condition, subject to depreciation,

ordinary wear and tear, and damage by fire or other casualty. All repairs for which Lessee is responsible shall be completed by the date of surrender. Lessee shall remove all of its other personal property by the date of surrender.

4. Lessee understands and acknowledges the Premises exterior access routes are all servicing adjacent facilities and tenants, and shall commit to keeping such routes open and free for travel and clean of any trash and debris. Lessee shall cooperate with Lessor regarding the construction and/or occupancy of any future buildings in the vicinity of the Premises, and Lessor agrees to minimize impairment of Lessee's activities during construction.

SECTION EIGHT

Insurance/Casualty to Premises

1. Lessor shall at all times obtain and maintain a policy of fire insurance on any and all buildings and improvements of which the Premises are a part, including all alterations and additions thereto, in an amount equal to the current full replacement cost of said buildings and improvements.
2. Any and all property of the Lessee, personal or real property shall be on the premises at the sole risk of Lessee, and Lessee shall bear all costs associated with any damage to such property damage, and shall provide, at their own expense any and all insurance for such property.
3. Lessor shall have no liability or responsibility whatsoever with respect to the conduct and operation of the Lessee's use of the Premises. Lessor shall not be liable for any accident or injury to any person or property in or about the Premises that is caused by the use or occupancy of said Premises or by virtue of equipment or property of Lessee on said Premises. Lessee agrees to defend and hold Lessor harmless against any and all such claims.
 - a. Lessee shall indemnify and save Lessor harmless from and against any and all losses, costs (including attorney fees), damages, expenses, liabilities (including statutory liability), and claims for damages as a result of injury of death of any person or damage to any property that arise from or in any manner grow out of any act or neglect on or about the leased Premises by Lessee, Lessee's agents, invitees, contractors or subcontracts or any other persons or property present on or about the Premises arising from Lessee's occupation of the Premises.
 - b. All insurance provided by Lessee as required by this section shall insure performance by Lessee of the indemnity provisions hereof.
4. In the event fire or other casualty causes damage to the Premises, Lessor shall restore any damaged portion of the Premises as soon as practicable to substantially its condition immediately before the casualty. Rent shall be abated during the period of restoration and to the extent the buildings and Premises are not reasonably usable by Lessee, except that there will be no rent abatement if the Lessee shall provide and keep in force other insurance in amounts that may from time to time be reasonably required against other such insurable hazards as are commonly insured.
5. In the event fire or other casualty was caused by Lessee's negligence or failure to comply with the terms of this Lease. Insurance proceeds

pertaining to the buildings and improvements shall be applied to the costs of such restoration and repair. If the damage to the Premises exceeds 50% of its replacement cost, Lessor may elect to terminate this lease and retain the proceeds of any such loss.

6. Lessor and Lessee each waive rights it may have against the other on account of any loss or damage occasioned to Lessor or Lessee, as the case may be, their respective property, the Premises or its contents or to other portions of the Premises arising from any liability loss, damage or injury caused by fire or other casualty for which property insurance is carried or required to be carried pursuant to this Lease. Each of the parties hereto, on behalf of their respective insurance companies insuring the property of either Lessor or Lessee against any such loss, to the extent of any recovery under such insurance, waives any right of subrogation that it may have against the other. Each waiver shall be expressly included in, and shall comply with the requirements of the respective insurance policies. Should either or both of the respective insurance companies assess a charge for such waiver, each party shall pay only for the charge assessed by its respective insurer.

SECTION NINE **Unlawful or Dangerous Activity**

Lessee shall neither use nor occupy the Premises, nor any part thereof, for any unlawful, disreputable or ultra-hazardous purpose, nor shall Lessee operate or conduct its business in a manner constituting a nuisance of any kind. Upon Lessee's discovery of any unlawful, disreputable or ultra hazardous use, Lessee shall immediately take action to halt such activities. Lessee will not do or permit anything to be done on the Premises, or bring or keep anything therein, which shall in any way increase the rate of fire or other insurance on the building, or on the property kept therein, or endanger, obstruct or interfere with the rights of other tenants, or conflict with the fire laws or regulations or with any insurance policy upon the building or any part thereof, or with any statutes, rules, or regulations enacted or established by any governmental authority.

SECTION TEN **Indemnity**

Lessee shall indemnify Lessor against all expenses, liabilities and claims of every kind, including reasonable attorney fees, made by or on behalf of any person or entity arising out of either: (1) a failure by Lessee to perform any of the terms or conditions of this Lease; (2) any injury or damage to persons or property happening on or about the Premises; (3) a failure of Lessee to comply with any law of any governmental authority; or (4) any lien or security interest filed against the Premises or any improvements thereon as a result of Lessee's activities.

SECTION ELEVEN
Default or Breach

Each of the following events shall constitute a default or breach of this Lease by Lessee:

1. If Lessee 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 for 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 rent or any other sum due hereunder when the same shall become due and shall not make the payment within 10 days after notice in writing by Lessor to Lessee. However, no such notice shall be required by Lessor if a similar notice was given within the previous six (6) months.
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 30 days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the 30 day period, Lessee shall not in good faith have commenced performance within the 30 day period and shall not diligently proceed to completion of performance. However, no such notice shall be required if a similar notice was given within the previous six (6) months.
5. If Lessee shall abandon the demised Premises. However, Lessor's acceptance of Lessee's abandonment shall not relieve Lessee of its obligation to pay rent for the remainder of the term.
6. If this Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve to any other person or party, except in the manner herein permitted, including the imposition of or suffering any liens against the property.

SECTION TWELVE
Effect of Default/Remedies

In the event of any default hereunder, Lessor shall have an immediate right to pursue the following remedies in addition to remedies provided by law:

1. 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 Premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied and may charge Lessee for any such expenditures, 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.

2. Lessor shall have the right to cancel and terminate this Lease, as well as all of the right, title and interest of Lessee hereunder, without demand or legal process, by giving to Lessee written notice of the cancellation and termination. Thereupon, 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.
3. Upon termination of the Lease under the foregoing paragraph, Lessor may by written notice to Lessee demand that Lessee assemble all Lessee's personal property on the Premises at a place designated by Lessor that is reasonably convenient to Lessor and Lessee, and Lessee agrees that it will assemble such property. In the alternative, Lessor may re-enter the Premises and remove the property and personnel of Lessee. Lessor may then store Lessee's property in a public warehouse or other place selected by Lessor, at the expense of the Lessee; provided, however, that Lessor may, after a reasonable attempt to notify Lessee, dispose of Lessee's stored property by sale or otherwise after a period of forty-five (45) days from the date of termination, and credit the proceeds of sale against any amounts owed by Lessee. Upon termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the Premises and the worth of the balance of this Lease over 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 the rent and on the terms as Lessor may choose.
5. Lessor may declare all sums due and to become due for the full term of this Lease immediately due and payable, plus interest thereon at the highest legal rate until paid in full.
6. Lessor may retain all prior payments by Lessee, including, without limitation, rent and Lessee's security deposit.
7. Lessor may sue for specific performance.

SECTION THIRTEEN

Lessor's Access to Premises

Lessee shall permit Lessor or its agents to enter the Premises at all reasonable hours to examine, inspect or protect the Premises, prevent damage or injury to the Premises, or make such repairs to the Premises as are necessary and reasonable; or to exhibit the Premises to prospective job creating business tenants.

SECTION FOURTEEN

Lessee's Improvements

1. Subject to Lessor's prior written consent, Lessee may make improvements

House #1065

Wind River Nursery Residential Lease

or alterations to the Premises, at its discretion and at its expense. Lessee is responsible for all permits, approvals, laws and regulations related to any and all such improvements. Lessee will provide Lessor with "as built" drawings for any and all improvements and modifications to the Premises. All such improvements and modifications made by the Lessee shall in no way jeopardize the integrity of the Premises, its systems and services, and its historic character and integrity. Lessee acknowledges the Premises as it is designed, in its architectural design and aesthetics, represents and supports Skamania County's job creating and business development vision and mission. Any improvements or modifications shall not derogate this design and intent. At the Lessor's option only, upon termination of this lease, Lessee shall remove all such improvements and modifications, and restore the Premises to its original condition, and reimburse Lessor for any and all costs and damages incurred by Lessor on account of such restoration.

2. Lessor and Lessee acknowledge and confirm that Lessee may install and place in the Premises furniture that shall remain the property of Lessee. Lessee shall have the right during the terms of this Lease, and upon termination hereof, to remove said furniture; provided, however, that Lessee shall be solely responsible for and shall bear the cost and expense for such removal, and shall restore the premises to its original condition following such removal, and reimburse Lessor for any and all costs and damages incurred by Lessor on account of such removal.

SECTION FIFTEEN

Presence and Use of Hazardous Substances

1. Lessee shall not, without the Lessor's prior written consent, keep on or around the Premises, yard, parking and common areas, for use, disposal, treatment, generation, storage, or sale, any substances designated as, or containing components designated as hazardous, extra hazardous, dangerous, toxic or harmful (collectively referred to as "Hazardous Substances"), and/or which are subject to regulation by any federal, state or local law, regulation, statute or ordinance. With respect to any Hazardous Substance, Lessee shall:
 - a. Comply promptly, timely and completely with all governmental requirements for reporting, keeping and submitting manifests and obtaining and keeping current identification numbers;
 - b. Submit to the Lessor and correct copies of all reports, manifests and identification numbers at the same time, as they are required to be and/or submitted to the appropriate governmental authorities;
 - c. Within five (5) days of the Lessor's request, submit written reports to Lessor regarding Lessee's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the Port of Lessee's compliance with the applicable governmental regulations;
 - d. Allow Lessor or its agents or representatives to come on the Premises at all reasonable times to check Lessee's compliance with all applicable governmental regulations regarding Hazardous Substances, to investigate any alleged release of

hazardous Substances and to undertake cleanup action in the event Lessee fails to do so;

- e. Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances) present on the Premises, these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities;
 - f. Comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment, storage and disposal of hazardous or other polluting substances and
 - g. Notify Lessor promptly of any investigation involving release of a Hazardous Substance.
2. In the event of a violation or suspected violation, any and all costs incurred by Lessor and associated with the Lessor's inspections of the Premises and the Lessor's monitoring of Lessee's compliance with this section, and including the Lessor's attorney fees and costs, shall be additional rent and shall be due and payable to Lessor immediately upon written demand by Lessor.
 3. Lessee shall not release any Hazardous Substance into the surface, subsurface, water or air in or adjacent to the Premises.
 4. Lessee agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations governing environmental protection, regulation of hazardous substances and land use, and to indemnify Lessor against all losses, damages and costs resulting from any failure of Lessee or any of its employees, agents or contractors to do so, including, but not limited to, violation of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S. C. Sec. 9601 et seq.; the Clean Water Act, 33 U.S. C. Sec. 1251 et seq.; the Resource Conservation and Recovery Act, 42 U.S. C. Sec. 6901; the Toxic Substances Control Act., U.S.C. Sec. 2601; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Sec. 136 et seq.; the Clean Air Act, 42 U.S.C. Sec. 7401 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. Sec. 2701 et seq.; the Model Toxics Control Act., R.C.W. 70.105D, 010 et seq.; the Washington Water Pollution Control Act., R.C.W. 90.48; the Washington Clean Air Act., R.C.W. 70.94; the Washington Solid Waste Management Act., R.C.W. 70.95; the Washington Hazardous Waste Management Act., R.C.W. 70.105; and the Washington Nuclear Energy and Radiation Act., R.C.W. 70.98.

SECTION SIXTEEN

Cleanup Costs, Default and Indemnification

1. Lessee shall be fully and completely liable to Lessor for any and all investigatory, cleanup and/or monitoring costs and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Lessee's use, disposal, transportation, storage, generation, release and/or sale of Hazardous Substances, in or about the Premises, the common areas or adjacent

property.

2. Lessee shall defend and hold Lessor harmless from any and all actions which arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, including, but not limited to, any investigations, administrative proceedings, emergency actions, cost recovery actions, requests for injunctive relief, penalties, fines, lawsuits, appeals and supplemental proceedings. The obligation of Lessee to defend Lessee shall not preclude the right of Lessor to select its own counsel. Any costs and fees incurred in defense of Lessor shall be paid by Lessee as the same are incurred.
3. Lessee shall indemnify and hold Lessor harmless from any damages or other liabilities which arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, including, but not limited to, investigation of a release or other violation; actual releases or other violations; remediation, cleanup and/or response costs; damage to natural resources; fines or penalties; economic loss or damages; enforcement action costs; judgments; appeal bonds; continuing monitoring costs; attorney fees and costs; and consultant fees and costs. Lessee specifically agrees that any bond or other security provided shall extend to the indemnity agreed to in this subparagraph.

SECTION SEVENTEEN **Compliance with All Laws**

Lessee 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 shall be paid by Lessee.

SECTION EIGHTEEN **Easements, Agreements or Encumbrances**

The parties shall be bound by all existing easements, agreements and encumbrances (if any) of record relating to the 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 holder thereunder.

SECTION NINETEEN **Quiet Enjoyment**

Lessor warrants that Lessee shall be granted peaceable and quiet enjoyment of the Premises free from any eviction or interference by Lessor or those claiming through Lessor, so long as Lessee pays the rent and other charges provided herein, and otherwise fully and punctually performs the terms and conditions imposed on Lessee.

SECTION TWENTY
Liability of Lessor

Lessee shall be in exclusive control and possession of the 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.

SECTION TWENTY-ONE
Consents, Waivers

Whenever either party's consent or approval is required under this Agreement, the party shall promptly exercise its judgment in a reasonable manner. Failure of a party 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 the party 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. All correspondence should be sent to:

Lessor:

Richard "Tony" Estey
Buildings & Grounds Director
P. O. Box 790
Stevenson, WA 98648

Lessee:

Cynthia R. Williams
1065 F.S.R.D. #41
Lawton, WA 98040

SECTION TWENTY-THREE
Assignment, Mortgage or Sublease

1. Neither Lessee nor its successors or assigns shall assign, mortgage, pledge or encumber this Lease for any reason nor shall this Lease be assigned or transferred by operation of law, without the prior consent in writing of Lessor in each instance.
2. Lessee shall not have the right to sublet this Agreement or grant any concession or license to use the Premises, in whole or in part, or permit the Premises to be used or occupied by others outside Lessee's immediate family without the prior written consent by the Lessor. Any such consent to such by Lessor shall not be deemed to be a consent to any other subsequent assignment, subletting, concession, or license.

Any such sublet, assignment, concession or license without the prior written consent of Lessor shall be void and shall, at the Lessor's option, immediately terminate this Agreement. Lessee acknowledges and accepts the Premises shall be occupied by no more than 4 (Four) persons, including adults and children, without the prior written consent of the Lessor.

SECTION TWENTY-FOUR
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-FIVE
Applicable Law

This agreement shall be governed by and construed in accordance with the laws of the State of Washington.

SECTION TWENTY-SIX
Venue/Attorney Fees

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Lease, or for the collection of any sums due hereunder, the parties agree that the venue of such action or litigation shall be in the proper court of the State of Washington in and for the County of Skamania. The parties agree that the prevailing party in any action or litigation shall recover costs and reasonable attorney fees.

SECTION TWENTY-SEVEN
Termination

Lessor may terminate this Agreement, without cause, upon twenty (20) days written notice to the Lessee.

SECTION TWENTY-EIGHT
Time of the Essence

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

IN WITNESS WHEREOF, the parties here to have executed this Lease as of the day and year first above written.

LESSOR: SKAMANIA COUNTY

Debut E. Mike
Chair, Board of Commissioners

APPROVED AS TO FORM

[Signature]
Skamania County Prosecutor

LESSEE:

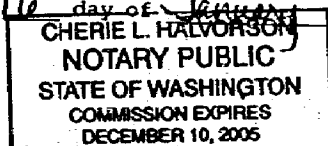
Kufhalan And Cynthia R. Williams

House #1065
Wind River Nursery Residential Lease

STATE OF Washington)
COUNTY OF Skamania) ss.

I certify that I know or have satisfactory evidence that Karl Wilkie is the person who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 16th day of January, 2004.

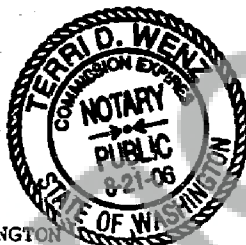


Cherie L. Halvorson
Print Cherie L. Halvorson
NOTARY PUBLIC in and for
The State of Washington
My commission expires Dec 10, 2005

STATE OF Washington)
COUNTY OF Skamania) ss.

I certify that I know or have satisfactory evidence that Cynthia Williams is the person who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 16th day of January, 2004.

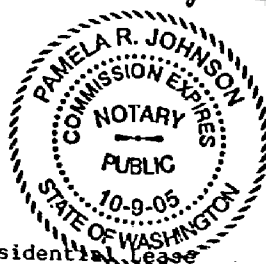


Terri D. Wentz
Print Terri D. Wentz
NOTARY PUBLIC in and for
The State of Washington
My commission expires 8-21-06

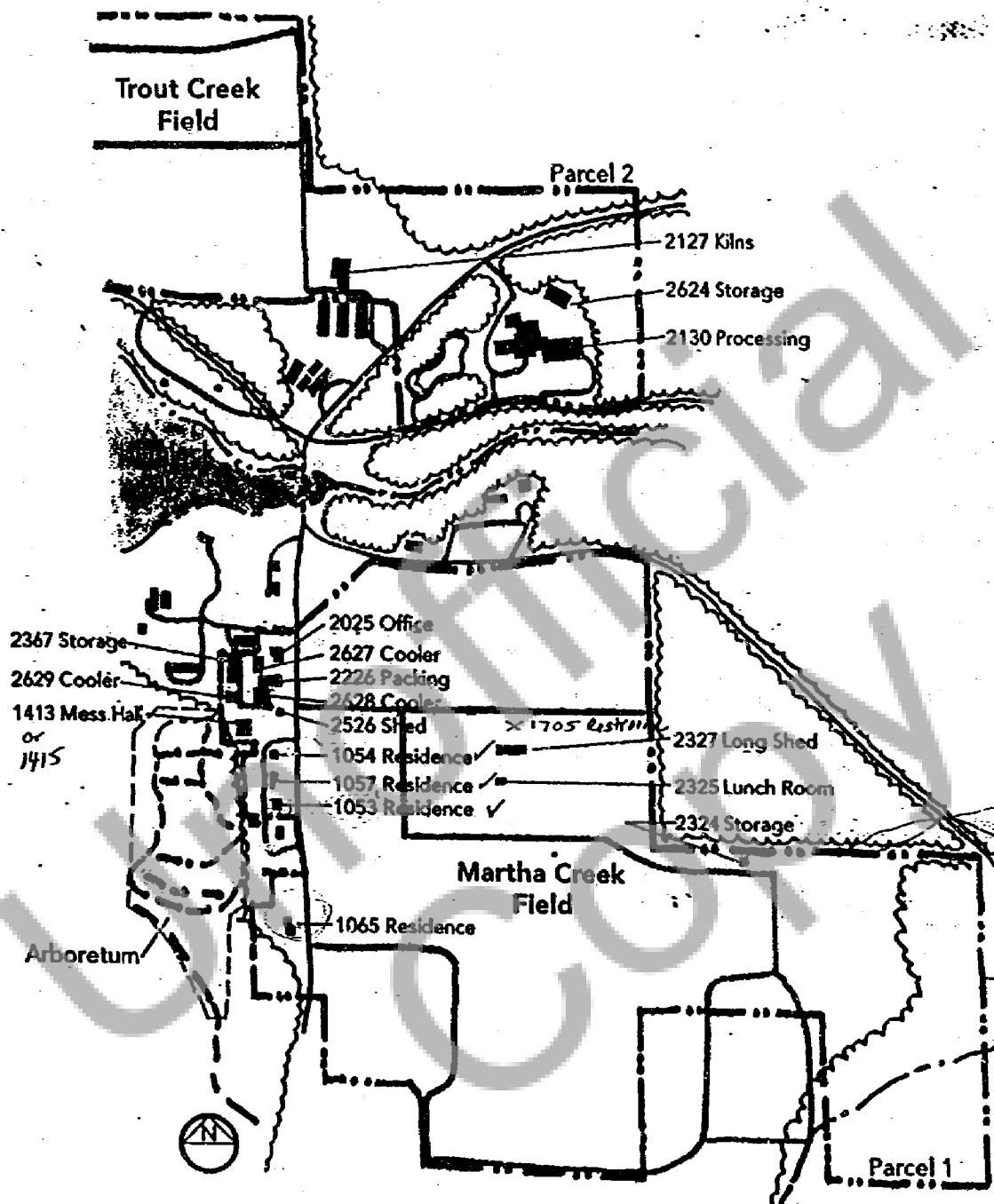
STATE OF WASHINGTON)
COUNTY OF SKAMANIA) ss.

I certify that I know or have satisfactory evidence that Albert E. McKee is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as Chair, Skamania County Board of Commissioners to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

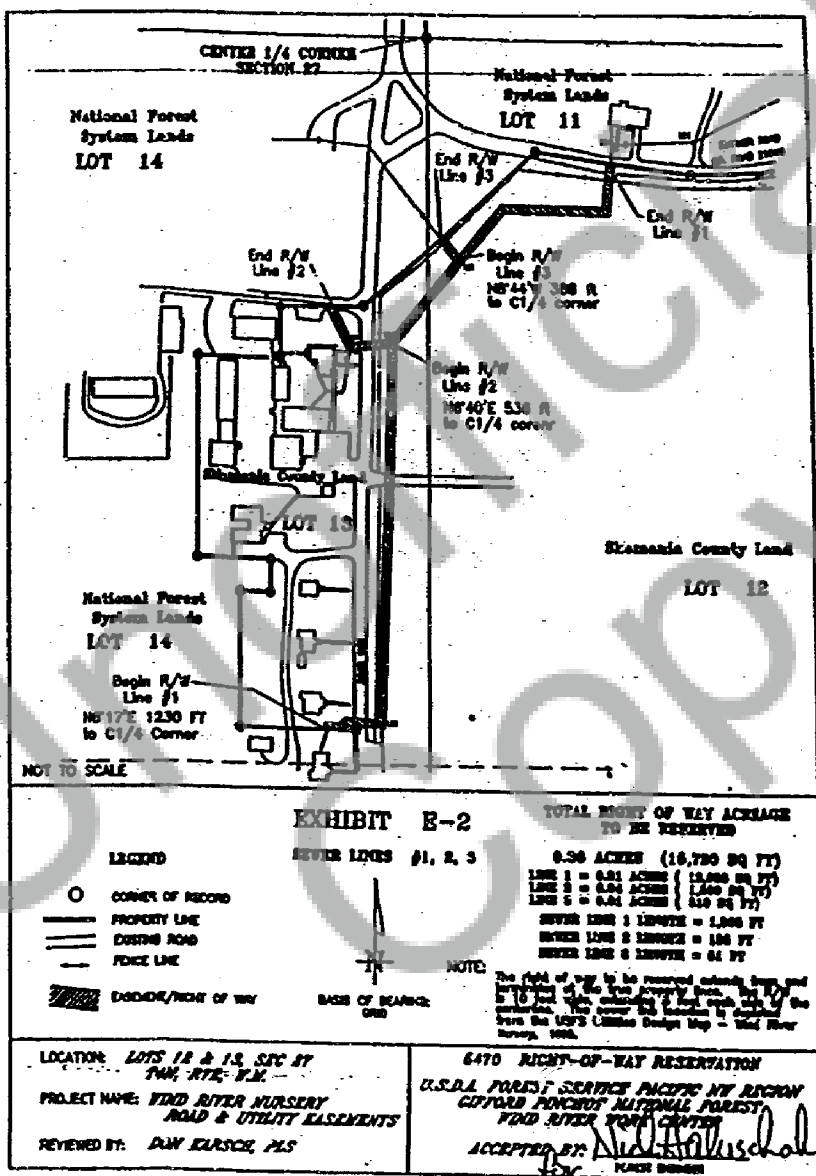
Dated this 12th day of January, 2004.



Pamela R. Johnson
Print Pamela R. Johnson
NOTARY PUBLIC in and for
The State of Washington
My commission expires 10/9/05



Wind River Nursery



WILLIAMS, C.

BOOK 256 PAGE 942

HOUSE 1065

Move-In and Move-Out Condition Comment Sheet:

Item Description

Move-In

Move-Out

2 - DRAWERS BROKEN IN KITCHEN

FLOOR IN BATH HAS DAMAGE - LEAK

KITCHEN HAS FLOOR DAMAGE

ROLLER HANDLE SOUTH upstairs BED ROOM WINDOW

SMALL BEDROOM (DOWN) WALL DAMAGE - DOOR KNOB

EXTERIOR NEEDS PAINT

INTERIOR NEEDS TOUCH UP - TRIM BOARDS

SMOKE DETECTORS MISSING Replaced - 4

Pin Holes in wall and ceiling - Bedrooms

Stain in third and fourth floor - Living RM

UPSTAIR HARDWOOD floor unfinished + some damage. + worn

UPSTAIR Bedroom like scotches missing - 2

By my undersigned signature I acknowledge this is the full extent of the condition of the Premises for which this Agreement is written:

Jan. 5, 2004

C. Williams

Cynthia Williams

Needs porta potty?

R.D. Sty per Hans Strand