

Return Address:

Skamania County Commissioners
PO Box 790
Stevenson, WA 98648

<i>Document Title(s) or transactions contained herein:</i> 1. Lease Agreement
<i>GRANTOR(S) (Last name, first name, middle initial)</i> 1. Wind River Public Development Authority <input type="checkbox"/> Additional names on page _____ of document.
<i>GRANTEE(S) (Last name, first name, middle initial)</i> 1. Skamania County <input type="checkbox"/> Additional names on page _____ of document.
<i>LEGAL DESCRIPTION (Abbreviated: i.e., Lot, Block, Plat or Section, Township, Range, Quarter/Quarter)</i> Within the E ½ of the SW ¼ of Section 27, Township 4 North, Range 7 East, W.M. Building #2025 Chapman Avenue, Wind River Site, Carson, WA <input type="checkbox"/> Complete legal on page _____ of document.
<i>REFERENCE NUMBER(S) of Documents assigned or released:</i> <input type="checkbox"/> Additional numbers on page _____ of document.
<i>ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER</i> 04-07-27-2000 <input type="checkbox"/> Property Tax Parcel ID is not yet assigned <input type="checkbox"/> Additional parcel numbers on page _____ of document.
The Auditor/Recorder will rely on the information provided on the form. The Staff will not read the document to verify the accuracy or completeness of the indexing information.

MANDATORY DISCLAIMER

Wind River PUBLIC DEVELOPMENT AUTHORITY is a public corporation organized pursuant to Resolution No. 2003-15 of Skamania County, Washington (the "County") and the laws of the State of Washington, RCW 35.21.730 through RCW 35.21.759. RCW 35.21.750 provides as follows: "[A]ll liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town or county creating such corporation, commission or authority on account of any debts, obligations or liabilities of such public corporation, commission or authority."

LEASE AGREEMENT

This agreement is entered into this 1st day of July, 2005, by and between the **Wind River Public Development Authority (PDA)** a municipal corporation organized under the laws of the State of Washington, having its principal office at Stevenson, Skamania County, Washington, herein referred to as "Lessor," and **Skamania County** herein referred to as "Lessee."

Recitals

1. Lessor is the sole owner of the real property, known as Building #2025, Wind River Site, on Chapman Avenue, Carson, Washington 98610, approximately 1200 square feet of space, hereinafter referred to as the "Premises".
2. Lessee desires to lease the Premises for the purposes of conducting light manufacturing, and performing such services in connection therewith as are usually and customarily connected with and incidental to the business for which the Premises is being leased.
3. The Lessee is willing to lease the Premises for such purposes to promote the growth and expansion of small business and the creation of new jobs in the local community that will enhance our existing economy and further provide employment opportunities for local citizens.
4. 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

1. Lessor leases the Premises to Lessee for Lessee's use for the purpose of office space and performing such services in connection therewith as are usually and customarily connected with and incidental to the business for which this property is being leased, subject to the following terms and conditions, the breach of which shall result in a reversion to the Wind River Public Development Authority of all right, title and interest in and to the Premises.

2. If the Lessee's use of the Premises is at any time prohibited by law or governmental regulation this lease shall immediately terminate, with seasonable notice of such prohibition having been made to Lessee, and Lessee being permitting to seasonably cure such use prohibition.
3. 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. Lessee reserves such right to review and approve any levy of additional insurance premium cost.
 - c. Refrain from any use which would be reasonably offensive to other tenants, or owners, or users of neighboring spaces with or without the Premises, or which would tend to create a nuisance, or damage the reputation of the Premises.
 - d. Refrain from loading the floors beyond the design loading, the point considered safe by a competent engineer or architect selected by Lessor. If Lessor deems such inspection necessary by virtue of lessee's use or intended use, Lessee shall bear the cost of the inspection.
 - e. 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 of the Premises without the prior written consent of Lessor.
 - f. Refrain from smoking in the Premises as the Building #2025 is a no smoking facility.
 - g. Restrict use of the Building parking lot to those spaces immediately adjacent to the space entrances, and to those activities normally performed in connection with the purposes for which the Premises is being leased.

SECTION TWO

Terms and Conditions

1. The term of this lease agreement shall be for a one-year period beginning on the date of signing of this lease, unless sooner terminated or extended in accordance with the terms of this agreement. Terms of this lease can be renegotiated upon approval by both parties.
2. For use and occupancy of the Premises, Lessee shall pay Lessor rental according to the following schedule:
 - a. Lessee shall pay the rental sum of .80 per square foot (approximately 1000 square feet) for a total of \$720 per month, which includes utilities (water and power).

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) business days of the due date, Lessee shall, in order to cure Lessee's default hereunder, pay to Lessor liquidated damages equal to five percent (5%) of the amount not timely paid. Acceptance of late payment and liquidated damages 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 liquidated damages, shall bear interest at the rate of one percent (1%) per month.

SECTION FOUR
Inspection

1. Lessee is leasing the Premises "as is" and Lessor makes no representation or warranties except as to title as set forth herein. 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 FIVE
Taxes

1. Lessee shall timely pay to the Lessor all Leasehold Excise Tax due the State of Washington which may be imposed on, or arise in, connection with the use of the Premises, or any part thereof, during the lease term. Leasehold Excise Tax pertaining to any partial months shall be prorated. The intention of the parties is that the rent herein is net rental to Lessor, and Lessor shall receive the same free from all Leasehold Excise Tax and any other tax obligation.
2. If a special assessment for a public improvement is made upon the Premises or the property of which the Premises is a part, Lessee shall pay to Lessor, as additional rent, a pro-rata share thereof, based on the extent of Lessee's Occupancy of the property against which the assessment is imposed.
3. 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, assessments or other governmental charges, excluding any Leasehold Excise Tax due the State of Washington, that shall or may be imposed on, or arise in connection with the use of the Premises, or any part thereof, or the operation of Lessee's business thereon.

SECTION SIX
Security Deposit

1. A utility deposit will be waived for the purposes of this lease.

SECTION SEVEN
Utilities

1. Utility costs (water, power) are included in the monthly lease rate of \$720.00.
2. All applications and connections for utility services, which are separately metered, shall be made in the name of Lessee only, and Lessee shall be solely liable for such utility charges as they become due. Lessor warrants to hold Lessee harmless from all obligations for cost of utility services incurred by previous Lessees of the Premises.

SECTION EIGHT
Maintenance and Repairs

1. Lessee shall, at all times during the term of the Lease and at its own cost and expense, maintain, in good order and 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, foundation, structural components for the building, unless the use, conduct or activities of Lessee caused the problem which necessitated the repair or replacement work. 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 do so and assess the cost of repair to Lessee.
2. Upon expiration or early termination of this Lease, Lessee shall surrender the Premises to Lessor in good order and condition, subject to depreciation, ordinary wear and tear. All repairs for which Lessee is responsible shall be completed by the date of surrender. Lessee shall remove all of its equipment, machinery, fixtures and other personal property that remain its property by the date of surrender.
3. Lessee shall be fully responsible for all janitorial services and all related costs for the operation of their business.

SECTION NINE
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. Lessor shall prorate the cost of such policy among the tenants of the building of which the Premises are a part, and upon presentation of a written billing for the prorated premium amount, Lessee shall pay the

amount due to Lessor in a timely manner.

2. Any personal property shall be on the premises at the sole risk of Lessee, and Lessee shall bear all costs associated with any property damage insurance. Lessor shall have no liability or responsibility whatsoever with respect to the conduct and operation of the Lessee's business on 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 conduct or operation of said business or by virtue of equipment or property of Lessee on said premises, but shall remain liable for the acts and omissions of its invitees, employees and agents. Lessee agrees to defend and hold Lessor harmless against any and all such claims.
 - a. Without limiting the foregoing, Lessee agrees to purchase public liability and property damage insurance with single limits of not less than \$500,000, which insurance shall protect the Lessor, and to deposit evidence of same with Lessor. The evidence of insurance deposited with Lessor shall name the Lessor as an additional insured. Lessor reserves the right to require reasonable increases in the insurance coverage mandated by this subparagraph.
 - b. 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 or 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 partners, agents, employees, customers, invitees, contractors or subcontracts or any other persons or property present on or about the Premises arising from Lessee's occupation of the Premises. All insurance provided by Lessee as required by this section shall insure performance by Lessee of the indemnity provisions hereof. Both Lessor and Lessee shall be named as insured, and the policy shall be primary insurance as far as Lessor is concerned. All insurance shall be written with responsible companies acceptable to Lessor and authorized to conduct business in the State of Washington. Lessee shall provide the names of all of Lessee's insurance carriers to Lessor and shall provide copies of all insurance policies to Lessor. All policies shall require written notice to Lessor of any cancellation or change affecting any interest of Lessor.
3. Lessee shall provide and keep in force other insurance in amounts that may from time to time be reasonably required by Lessor against other such insurable hazards as are commonly insured against for the type of business activity that Lessee will conduct. 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 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.
4. 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 TEN

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 ELEVEN

Indemnity

Lessee shall indemnify Lessor against all expenses, liabilities and claims, including reasonable attorney fees, made by or on behalf of any person or entity arising out of: (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 mechanic's lien or security interest filed against the Premises or any buildings or improvements thereon as a result of Lessee's activities. Lessee shall not be liable for, nor have any obligation to indemnify against, the acts and omissions of other tenants in Building #2226 or their invitees, employees and agents; nor, shall Lessee be liable for, nor have any obligation to indemnify against the acts and omissions of Landlord's invitee's, employees and agents, happening on or about the Premises, and being so-situated without Lessee's express permission, or as otherwise permitted under this Lease Agreement.

SECTION TWELVE

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 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 within 10 business days after the same shall become due.
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 thirty (30) days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the thirty (30) day period, Lessee shall not in good faith have commenced performance within the thirty (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 on any other person or party, except in the manner herein permitted.

SECTION THIRTEEN

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 re-let 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.
7. Lessor may sue for specific performance.

SECTION FOURTEEN **Lessor's Access to Premises**

Lessee shall permit Lessor or its agents to enter the demised 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 tenants during the last ninety (90) days of the lease term, unless and until Lessee rightfully exercises its option to re-let.

SECTION FIFTEEN **Lessee's Improvements**

1. Subject to the prior written consent of Lessor, Lessee may make improvements or alterations to the Premises, in its discretion and at its expense. Lessee will provide Lessor with "as built" drawings for any modifications to the plumbing, electrical or other wiring, or structural support within the Premises. At the Lessor's option, 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 and about the Premises furniture, equipment, supplies and fixtures that are and 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, equipment, supplies and fixtures; 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 SIXTEEN

Presence and Use of Hazardous Substances

1. Lessor represents that the Premises is light industrial property which has been used for the following purposes within the past ten years prior to this Lease: Tree Seedling Processing Facility. There has been no previous contamination on or remediation of the Premises or the property of which the Premises are a part.

2. Lessee shall not, without the Lessor's prior written consent, keep on or around the Premises, common areas or building, 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) business 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 Lessor 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, and with such advance notice as may be practicable, to verify 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.

3. 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.

4. Lessee shall not release any Hazardous Substance into the surface, subsurface, water or air in or adjacent to the Premises.

5. 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 SEVENTEEN

Cleanup Costs, Default and Indemnification

1. Lessee shall be 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 sole 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 that 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.

4. Lessor shall indemnify and hold Lessee harmless for all similar provisions of subsections (1) through (3), herein, as they relate to any and all actions undertaken solely by Lessor and/or other building tenants, their agents, employees, or representatives.

SECTION EIGHTEEN
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 and the fees for any so-called "Certificate of Occupancy", and not otherwise attributable to Lessor's ownership, management or operations of the premises, shall be paid by Lessee.

SECTION NINETEEN
Easements, Agreements or Encumbrances

The parties shall be bound by all existing easements, agreements and encumbrances (if any) of record relating to the demised Premises, which Lessor has disclosed to Lessee in writing, 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 there under.

SECTION TWENTY
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 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-ONE
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.

SECTION TWENTY-TWO
Consents, Waivers

Whenever either party's consent or approval is required under this Lease, 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-THREE
Notice

All notices to be given with respect to this Lease shall be in writing.

Every notice shall be deemed to have been given at the time it shall be deposited in the United States mails.

Lessor:

Wind River Public Development Authority
P.O. Box 111
Stevenson, WA 98648

Lessee:

Skamania County
P.O. Box 790
Stevenson, WA 98648

SECTION TWENTY-FOUR
Assignment, Mortgage or Sublease

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.

Lessee shall not have the right to sublet the demised Premises, in whole or in part, or permit the Premises to be used or occupied by others, without Lessor's prior written approval. Such approval shall not be unreasonably withheld; provided, however, that no sublease shall release Lessee from its obligation to perform pursuant to this Lease, unless the Lessor shall, at its sole option, consent in writing to the release of Lessee and substitution of the Sub lessee.

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
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-EIGHT

Time of the Essence

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

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

LESSOR: Wind River Public Development Authority

By [Signature]

(name)

LESSEE: Skamania County Commissioners

By [Signature]

(name)

APPROVED AS TO FORM:

[Signature]
Skamania County Prosecutor

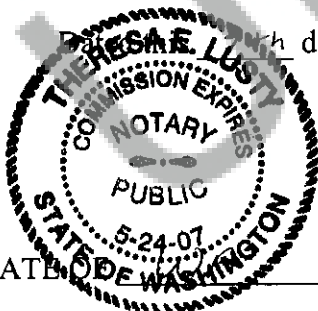
STATE OF WASHINGTON)

) ss.

COUNTY OF SKAMANIA)

I certify that I know or have satisfactory evidence that Larry Smith is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chair for the Wind River PDA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

On the 24 day of June, 2005.



[Signature]
Print Theresa Lusty

NOTARY PUBLIC in and for

The State of Washington

My commission expires 5/24/07

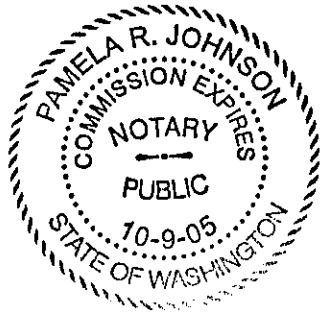
STATE OF WASHINGTON)

) ss.

COUNTY OF Skamania)

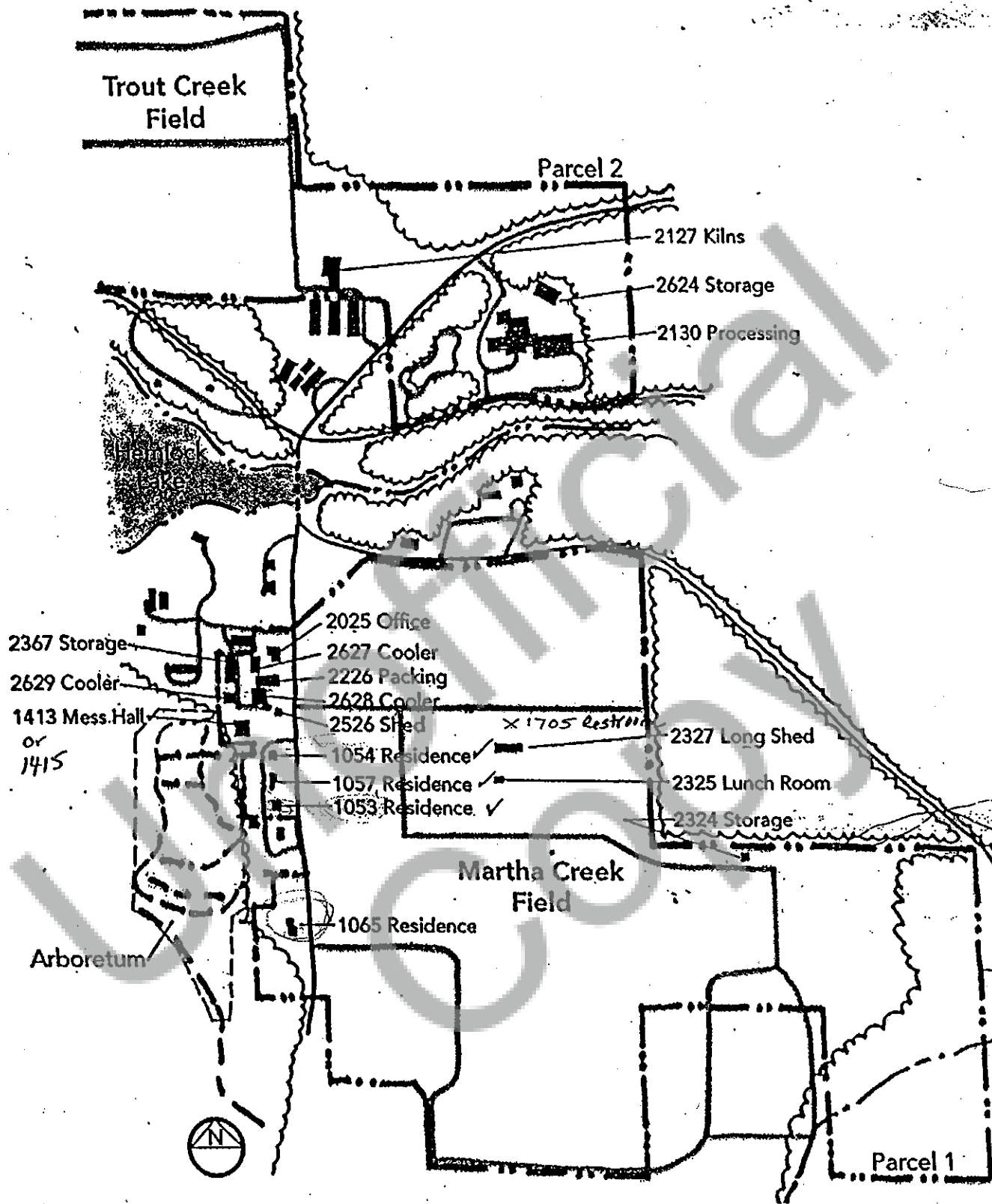
I certify that I know or have satisfactory evidence that Paul Pearce is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Acting Chair for Board of County Commissioners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

Dated this 5th day of July, 2005.



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

Unofficial Copy



Wind River Nursery

