

AFTER RECORDING
RETURN TO:

Raymond D. & Ann M. Lueders
11271 Wind River Road
Carson, WA 98610

LEASE AGREEMENT

This agreement is entered into this 3rd day of March, 2014, by and between Jay T. and Theo D. Hafford (property owners), herein referred to as "LESSOR," and Raymond D. Lueders and Ann M. Lueders (individual co-tenants), herein referred to as "LESSEE."

LESSOR herein leases to LESSEE the following described property commonly known as Tax Parcel # 02070111020000, located at approximately 160 NW Second Street & Leavens, Stevenson, Washington, County of Skamania

RECITALS

1. LESSOR desires to lease the Premises to LESSEE solely for the purposes of establishing a temporary retail fireworks stand, at which sales will be made from the period of June 28, 2014 through July 5, 2014. Occupancy by the LESSEE shall be permitted for the period of June 25, 2014 through July 6, 2014.
2. LESSEE shall not use the Premises or any part thereof, for any other purposes other than as specified herein, without the prior written consent of the LESSOR.
3. LESSOR is willing to lease the Premises for the purposes stated in Item 1, above. The LESSEE has committed to fulfilling the terms and conditions of this Agreement.
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:

Subject and Purpose

1. LESSOR leases the Premises to LESSEE for LESSEE's sole use, for the purpose of a temporary retail fireworks stand, at which sales will be made from the period of June 28, 2014 through July 5, 2014, the breach of which shall result in a reversion to Jay T. and Theo D. Hafford of all right, title and interest in and to the Premises. LESSEE shall not use the Premises or any part thereof, 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 and finds they are, at the time of the signing of this Agreement, in moderate order, repair and condition in respect to being a vacant lot, 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 25th day of June, 2014.
3. If the LESSEE's use of the Premises is at any time prohibited by law or governmental regulation, this

Retail Fireworks Stand
Lease: Lueders

Page 1 of 8

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 intended use of a temporary retail fireworks stand, for the Premises. 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.
- b. 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.
- c. Refrain from making any permanent marks on or attaching any permanent sign or insignia, at or on the Premises without the prior written consent of LESSOR.
- d. LESSEE agrees no maintenance shall be done on or about the Premises without the prior written consent of the LESSOR, or as otherwise described herein.
- e. Comply with any reasonable rules respecting the use of the Premises promulgated by LESSOR from time to time and communicated to LESSEE in writing.

Terms and Conditions

1. The term of this lease agreement shall be for a twelve day period, beginning on the 25th day of June, 2014 unless sooner terminated or extended in accordance with the terms of this agreement.
2. The rental shall be \$500.00 (five hundred dollars and no cents).
3. \$500.00 (five hundred dollars and no cents), shall be paid in advance, without demand, on or before the 1st of June, 2014.
4. The LESSEE shall not occupy the premises prior to this payment without prior written consent of the LESSOR.
5. The LESSEE shall pay for all costs associated with the Premises as necessary for establishing a temporary retail fireworks stand, at which sales will be made from the period of June 28, 2014 through July 5, 2014 and 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. LESSOR acknowledges and accepts the Premises shall be occupied by LESSEE for the period of June 25, 2014 through July 6, 2014 for the purposes of operating a retail fireworks stand.

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 administrative fee of \$25. 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.

Retail Fireworks Stand
Lease: Lueders

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.

Maintenance and Repairs

1. Subject to LESSOR's prior written consent, LESSEE may make improvements or alterations to the Premises, in advance of occupancy, and at its discretion and at its expense. LESSEE is responsible for all permits, approvals, laws and regulations related to any and all such improvements.
2. 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 to the extent of the Premises current standards. LESSEE shall use all reasonable precaution to prevent waste, damage or injury to the Premises.
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. LESSEE shall remove all of its other personal property by the date of surrender.

Insurance/Casualty to Premises

1. LESSOR shall at all times obtain and maintain a policy of fire insurance on any and all permanent 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, and shall provide at their own expense any and all insurance for such property. LESSEE shall provide insurance coverage for liability and property damage as it relates solely to the operation of a retail fireworks stand and for coverage of any personal property owned by the LESSEE for such operations.
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.
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.
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

Retail Fireworks Stand
Lease: Lueders

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.

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 when such injury or damage is directly related to the purposes for which the Premises is being leased; (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.

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.
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.
5. 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.

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 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.
2. 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

Retail Fireworks Stand
Lease: Lueders

Page 4 of 8

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 approximately resulting from the breach, including the cost of recovering the Premises and the worth of the balance of this Lease.

3. 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.
4. 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.
5. LESSOR may retain all prior payments by LESSEE, including, without limitation, rent and LESSEE's security deposit (if applicable).

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 buyers.

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.

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 there under.

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.

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 when such injury or damage is directly related to the purposes for which the Premises are being leased, nor for any injury or damage to any property of LESSEE.

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.

Notice

Retail Fireworks Stand
Lease: Lueders

Page 5 of 8

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:
Jay T. & Theo D. Häfford
574 H Street Road
Lynden, WA 98264

LESSEE:
Raymond D. & Ann M. Lueders
11271 Wind River Road
Carson, WA 98610

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.

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.

Applicable Law

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

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.

Termination

LESSOR may terminate this Agreement, without cause, upon three (3) months or (120) days written notice to the LESSEE.

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: JAY T, and THEO D. HAFFORD

Jay T. Hafford
Jay T. Hafford

3/13/14
Date

Theo D. Hafford
Theo D. Hafford

3/13/14
Date

STATE OF Washington)
COUNTY OF Whatcom) ss.

I certify that I know or have satisfactory evidence that Jay Hafford 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 13th day of March

Kelli Hutchings
Print Kelli Hutchings
NOTARY PUBLIC in and for
The State of Washington
My commission expires 03-20-2016

STATE OF Washington
COUNTY OF Whatcom

I certify that I know or have satisfactory evidence that Theo Hafford 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 13th day of March, 2014.

Kelli Hutchings
Print Kelli Hutchings
NOTARY PUBLIC in and for
The State of Washington
My commission expires 03-20-2016

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

LESSEE: RAYMOND D. and ANN M. LUEDERS

Raymond D. Lueders
Raymond D. Lueders

02/27/14
Date

Ann M. Lueders
Ann M. Lueders

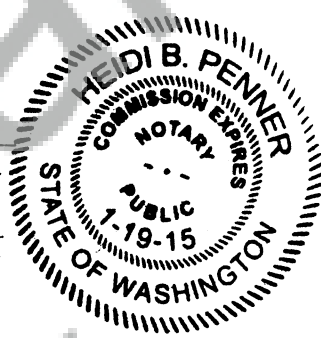
02/27/14
Date

STATE OF Washington)
COUNTY OF Skamania) ss.

I certify that I know or have satisfactory evidence that Ray & Ann Lueders ^{are} 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 27 day of February, 2014.

Heidi B. Penner
Print Heidi B. Penner
NOTARY PUBLIC in and for
The State of Washington
My commission expires 1-19-15



STATE OF _____)
COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that _____ 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 _____ day of _____, 2014.

Print _____
NOTARY PUBLIC in and for
The State of _____

My commission expires _____