

**COMMERCIAL LEASE  
PREMISES WITH COMMON AREA**

This **COMMERCIAL LEASE PREMISES WITH COMMON AREA** ("Lease") is made and entered into this first (1<sup>st</sup>) day of October, 2024 (the "Effective Date"), by and between the **PORT OF SKAMANIA COUNTY**, a Washington municipal corporation (hereinafter referred to as "Lessor"), and **PEOPLE FOR PEOPLE**, a 501(c)(3) non-profit organization registered in Washington (hereinafter referred to as "Lessee"). Lessor and Lessee shall be individually referred to as a "Party" herein and collectively as the "Parties" herein.

**WHEREAS**, Lessor and Lessee entered into a Lease Agreement dated May 1, 2018, for certain real property in the Tichenor Building (the "2018 Lease");

**WHEREAS**, Lessor and Lessee entered into a lease dated May 1, 2020, for certain property in the Tichenor Building (the "2020 Lease"); and

**WHEREAS**, Lessor and Lessee desire to terminate the 2018 Lease and the 2020 Lease, and consolidate the property leased under the 2018 Lease and 2020 Lease into one (1) lease agreement along with additional property in the Tichenor Building.

**NOW THEREFORE**, the Parties hereby terminate the 2018 Lease and the 2020 Lease as of the Effective Date and enter into this Lease.

**ARTICLE I  
Summary of Lease Terms and Definitions**

Lessor:	Port of Skamania County
Lessor's Address:	P.O. Box 1099 Stevenson, WA 98648
Lessee:	People for People
Lessee's Address:	Attn: Tawyna Armstead 304 w. Lincoln Ave. Yakima, WA 98902
Premises:	Tichenor Building (the "Building") 40 SW Cascade Ave. Suites 60A, 60B, and 60C, and Suite 70J Stevenson, WA 98648
Use of Premises:	Employment and training services
Exhibits:	<b>Exhibit A</b> – Map of Premises
Commencement Date:	October 1, 2024
Term:	Annual
Base Rent:	One Thousand Seven Hundred Fifty Dollars (\$1,750.00) per month, plus leasehold excise tax

Initial Amount of  
Security Deposit:

(Two (2) times Base Rent) due at signing (Two Thousand Five  
Hundred Dollars (\$2,500.00))

**ARTICLE II**  
**Premises, Term, Common Areas**

2.1 **PREMISES.** Lessor, in consideration of the rents hereinafter reserved, and of the covenants and conditions herein set forth to be performed by Lessee, does hereby lease to Lessee the Premises as described in Article I, above, and generally depicted in **Exhibit A**.

2.2 **TERM.** The term of this Lease shall be for one (1) beginning on the Commencement Date (the "Term"); however, the Lease shall automatically renew every year unless terminated. This Lease shall automatically renew for successive one (1)-year terms unless either Party provides written notice of their intent not to renew the Lease at least thirty (30) days prior to the end of any term. Lessee's funding renewal contract drops by 20% or more below the fiscal year July 2025 to July 2026. Notice and satisfactory proof of decreased funding of at least 20% needs to be in writing and delivered to Lessor no fewer than sixty (60) days prior to termination.

2.3 **COMMON AREAS.** The term "Common Areas" shall mean those areas of the Building and other Lessor-owned real property that are provided and designated by Lessor from time-to-time for the general non-exclusive use of Lessor, Lessee, other tenants of Lessor, and the respective employees, suppliers, shippers, customers, clients, invitees, and licensees of such parties. Common Areas may include, but are not limited to, waiting area, kitchen/galley, lobbies, hallways, common restrooms, foyer, electrical and mechanical areas, supply and janitorial rooms, walkways, driveways, parking areas, service areas, exterior wall surfaces of the Building, and landscaped areas. Lessor and/or its agents shall operate, manage, equip, light, repair, replace, and maintain the Common Areas for their intended purpose at such times and in such manner as Lessor shall reasonably determine.

2.3.1 **Lessee's Common Area Rights.** Lessor hereby grants to Lessee, for the benefit of Lessee, and its employees, suppliers, shippers, customers, clients and invitees during the Term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time-to-time, subject to any rights, powers, and privileges reserved by

Lessor under the terms hereof, or under the terms of any rules, regulations, or restrictions governing the use of the Common Areas. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by prior written consent of Lessor, or Lessor's designated agent, which consent may be revoked at any time. If such unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be payable on demand by Lessor. Lessee shall promptly notify Lessor if Lessee becomes aware of any potentially hazardous or dangerous conditions with or in a Common Area.

2.3.2 **Changes To Common Areas.** Lessor shall have the right from time-to-time to make changes to the Common Areas, including, without limitation, (i) changes in the location, size, shape, and number thereof; (ii) to temporarily close any of the Common Areas for

maintenance and public purposes, so long as reasonable access to the Premises remains available; (iii) to add additional improvements to the Common Areas; and (iv) to use Common Areas while engaged in making additional improvements, repairs, or alterations to the Building or any portion thereof, as Lessor may, in the exercise of sound business judgment, deem appropriate. Lessor shall nevertheless diligently perform construction, repair, or maintenance work to minimize interruptions in the use of Common Areas.

### **ARTICLE III** **Compensation, Rental Adjustment**

3.1 **RENT.** The term "Rent" as used herein includes Base Rent, Additional Rent, plus applicable Washington State leasehold excise tax, and other fees and charges assessed herein. Except as expressly provided elsewhere herein, Rent, and all other sums payable by Lessee pursuant to this Lease, shall be paid without the requirement that Lessor provide prior notice or demand, and shall not be subject to any counterclaim, setoff, deduction, defense, or abatement.

3.1.1 **Rent Paid in Advance – Late Charges.** Rent shall be paid monthly in advance on or before the first (1<sup>st</sup>) day of each month beginning on the Commencement Date. A late charge of one percent (1%) per month will be assessed against past due Rent from the date such Rent became due. Additionally, if Rent is not received by the fifth (5<sup>th</sup>) day of any month, Lessee shall pay Lessor an additional fee of One Hundred Dollars (\$100.00) or five percent (5%) of the delinquent payment, whichever is greater, to defray costs of collecting and handling such late payment. All accrued interest and late charges shall be paid no later than the first (1<sup>st</sup>) day of the month following that month in which such interest or late charges accrued.

3.2 **BASE RENT ADJUSTMENTS.** As set forth in this Section, the Base Rent shall be adjusted on January 1, 2026, and annually thereafter, based upon the change in the Consumer Price Index (the "CPI") for All Urban Consumers for West Urban area size B/C 50,000-1,500,000 published by the United States Department of Labor Bureau of Labor Statistics (the "Annual Adjustment"), and periodically based upon agreement or appraisal the ("Periodic Adjustment").

3.2.1 **Annual Adjustment.** Base Rent for the Premises shall be subject to annual adjustment on the first (1<sup>st</sup>) day of the January each year as follows: The monthly Base Rent rates shall be adjusted on the first (1<sup>st</sup>) day of January using the percentage change over the previous calendar year (December) using the CPI for all Urban Consumers for West Urban area size B/C 50,000-1,500,000 published by the United States Department of Labor Bureau of Labor Statistics, except in no event shall the Base Rent rate be less than the prior year's monthly Base Rate.

3.3 **ABATED RENT.** If this Lease provides for a postponement of any monthly rental payments, a period of free Rent, or other Rent concession, such postponed Rent or free Rent is called the "Abated Rent." Lessee shall be credited with having paid all the Abated Rent on the expiration of the Term of this Lease only if Lessee has fully, faithfully, and punctually performed all of Lessee's obligations hereunder, including the payment of all Rent (other than the Abated Rent), and all other monetary obligations, and the surrender of the Premises in the condition required by this Lease. Lessee acknowledges that its right to receive credit for the Abated Rent is absolutely conditioned upon Lessee's full, faithful, and punctual performance of its obligations under this Lease. If Lessee defaults and does not cure within any applicable grace period, the

Abated Rent shall immediately become due and payable in full, and this Lease shall be enforced as if there were no such Rent abatement or other Rent concession. In such case, Abated Rent shall be calculated based on the full initial Rent payable under this Lease, plus interest thereon at the rate of twelve percent (12%) per annum from date each monthly rental payment was postponed.

**ARTICLE IV**  
**Use of Premises, Condition of Property,**  
**Improvements, Removal of Property, Maintenance, and Utilities**

**4.1 LESSEE'S USE OF THE PREMISES.** Lessee shall only conduct the following activity on the Premises: employment and training services (the "Authorized Use").

**4.1.1 Default – Unauthorized Use.** Lessee shall be in default under this Lease if it (i) ceases conducting the Authorized Use for any period exceeding thirty (30) days; or (ii) conducts any other business or activity on the Premises without first obtaining a validly executed lease modification. In conducting the Authorized Use, Lessee shall properly and fairly serve the public, providing reasonable hours of operation and suitable service.

**4.1.2 No Flammable or Dangerous Materials.** Notwithstanding the foregoing described use, the Premises shall not be used to store, distribute, or otherwise handle flammable or dangerous materials, excepting only such uses which are necessary to conduct the Authorized Use. At the request of Lessor, Lessee shall provide a list of all flammable or dangerous materials stored or used on the Premises.

**4.2 LESSEE INSPECTION – CONDITION OF PROPERTY.** Prior to executing this Lease, Lessee has fully and carefully inspected the Premises. Lessee accepts the Premises, including all existing improvements thereon, "as is," without further maintenance liability on the part of Lessor, except as specifically noted herein. Lessee is not relying on any representations of Lessor as to condition, suitability, zoning restrictions, or usability, except Lessor's right to grant a lease of the Premises.

**4.3 CONSTRUCTION OF TENANT IMPROVEMENTS.** Lessee and Lessor shall abide by the following terms with regard to making tenant improvements on the Premises ("Tenant Improvements"):

**4.3.1 Tenant Improvements.** Subject to obtaining Lessor's prior written approval, Lessee may make and install, at its own expense, such Tenant Improvements as are normal and customary in connection with the Authorized Use set forth herein. Lessee's contractor, if any, shall be subject to Lessor's approval, not unreasonably withheld. Lessor reserves the right to condition its approval upon Lessee providing payment and/or performance bonds satisfactory to Lessor. Lessee shall submit plans to, and obtain written approval from, Lessor before commencing any Tenant Improvements. Lessor shall have a reasonable period to review such plans prior to issuing a decision. Lessor may charge Lessee a reasonable fee for staff, consultant, or attorney time required to review the plans. All Tenant Improvements which are to be designated fixtures shall be so designated by Lessor upon Lessor's approval of the plans for such Tenant Improvements. All Tenant Improvements by Lessee shall conform to the requirements of the Americans With Disabilities Act of 1990, 42 U.S.C. §12101 et seq. (the "ADA").

**4.3.2 Unauthorized Improvements.** Any Tenant Improvements made on the Premises without Lessor's prior written consent, or which are not in conformance with the plans submitted to and approved by Lessor ("Unauthorized Improvements"), shall immediately become the property of Lessor, unless Lessor elects otherwise. Regardless of the ownership of Unauthorized Improvements, Lessor may, at its option, (i) require Lessee to sever, remove, and dispose of them and return the Premises to its prior condition at Lessee's sole cost and expense; (ii) charge Lessee rent for the use of them; or (iii) both.

**4.4 REMOVAL OF PERSONAL PROPERTY AND TENANT IMPROVEMENTS AT END OF LEASE.** Prior to the conclusion of the Lease, and at Lessor's option, Lessee shall remove the following from the Premises:

- a. All equipment;
- b. All personal property; and
- c. All Tenant Improvements that are not designated fixtures.

**4.4.1 Lessor's Remedies.** If any of the foregoing items are not removed from the Premises by the conclusion of the Lease or when Lessor has the right of re-entry, then Lessor may, at its sole option, elect any or all the following remedies:

a. To remove any or all the items and to dispose of them without liability to Lessee. Lessor shall not be required to mitigate its damages, to dispose of the items in a commercially reasonable manner, or to make any effort whatsoever to obtain payment for such items. Lessee agrees to pay Lessor's costs and damages associated with Lessee's failure to remove such items, including, but not limited to, the following: storage, demolition, removal, transportation, and lost Rent (collectively "Disposal Costs"); provided, however, that any net proceeds recovered by Lessor in excess of its Disposal Costs will be deducted from Lessee's financial obligation set forth herein. Lessee's financial obligations herein shall survive the termination of this Lease.

b. To have the title to any or all such items revert to Lessor.

c. To commence suit against Lessee for damages or for specific performance.

The foregoing remedies are cumulative and in addition to any other remedies provided by law, and Lessor shall not be required to elect its remedies.

**4.5 MAINTENANCE OF PREMISES.** Maintenance and repair of the Premises, and all Tenant Improvements thereon, is the sole responsibility of Lessee. Without limiting the generality of the foregoing, Lessee shall maintain the Premises in good condition, including, without limitation, repairing all walls, floors, ceiling, interior doors, interior and exterior windows and fixtures, as well as damage caused to any portion of the Premises or Lessor's property by Lessee, and/or its employees, agents, licensees, invitees, or anyone on the Premises or Lessor's property as a result of Lessee's activities.

**4.5.1 Lessor's Maintenance Obligations.** Lessor shall maintain in good condition the structural parts of the Building, which shall include the foundation, bearing and exterior walls, subflooring and roof, the unexposed electrical, plumbing and sewerage systems, including those portions of the systems lying outside the Premises, exterior doors, window frames, gutters, downspouts on the Building, and the heating, ventilating, and air conditioning systems servicing the Premises. Notwithstanding the foregoing, the cost of any maintenance and repairs occasioned by the negligent or willful act or omission of Lessee, and/or its employees, agents, licensees, or invitees, shall be the sole responsibility of Lessee, and shall be paid within fifteen (15) days after invoice.

**4.6 UTILITIES AND SERVICES.** All utilities are included in the Base Rent except for internet.

**4.6.1 Lessee Utility Obligations.** With the exception of the above utilities and services, Lessee will arrange and pay for all utility connections and services, and the distribution of such utilities within the Premises. At the end of this Lease, Lessee shall arrange for such utility services to be terminated and for the final bill to be sent to Lessee. Lessee shall be liable for all utility charges that accrue if it fails to so terminate services.

## **ARTICLE V**

### **Insurance and Financial Security**

**5.1 CASUALTY LOSS OF LESSEE.** The Parties hereto agree that Lessor, and its commissioners, employees, insurance carrier, and casualty policy, shall not be responsible to Lessee for any property loss or damage done to Lessee's property, whether real, personal, or mixed, occasioned by reason of any fire, storm, or other casualty whatsoever. It shall be Lessee's sole responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether or not such loss is occasioned by the acts or omissions of Lessor, Lessee, a third party, or an act of nature. Lessee hereby releases and discharges Lessor, and its commissioners, employees, insurance carrier, and casualty policy from any claims for loss or damage to Lessee's property.

**5.2 INSURANCE.** Lessee shall procure and maintain a Comprehensive General liability policy covering all claims for personal injury (including death) and property damage (including all real and personal property located on the Premises or Lessor's property) arising on the Premises or Lessor's property as a result or arising out of Lessee's operations under this Lease. The limits of liability shall be not less than Two Million Dollars (\$2,000,000.00) for each occurrence and the aggregate, unless Lessee requests, and Lessor approves in writing, a lesser liability limit. If Lessee maintains higher insurance limits than the minimums required herein, Lessor shall be insured for the full available limits of Commercial General and/or Excess or Umbrella liability maintained by Lessee, irrespective of whether such limits maintained by Lessee are greater than those required by this Lease or whether any certificate of insurance furnished to Lessor evidences the lower limits of liability set forth above. Lessor may impose changes in the limits of liability (i) on any Adjustment Date; (ii) as a condition of approval of assignment or sublease of this Lease; (iii) upon any breach of the environmental liability provision herein; (iv) upon a material change in the condition of any Tenant Improvements; or (v) upon a change in the Authorized Use. If the liability limits are changed, Lessee shall obtain new or modified insurance coverage within thirty (30) days after changes in the limits of liability

are required by Lessor. The liability policies shall contain a cross-liability provision such that the policy will be construed as if separate policies were issued to Lessee and to Lessor.

**5.2.1 Policy Provisions.** The foregoing insurance policy shall name Lessor as an additional named insured by way of a policy endorsement. Lessee shall provide certificates of insurance and, if requested, copies of any policy to Lessor. Receipt of such certificate or policy by Lessor does not constitute approval by Lessor of the terms of such policy. Furthermore, the policy of insurance required herein shall (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended, or canceled with respect to Lessor except upon forty-five (45) days' prior written notice from the insurance company to Lessor; (iii) contain an express waiver of any right of subrogation by the insurance company against Lessor and Lessor's elected officials, employees or agents; (iv) expressly provide that the defense and indemnification of Lessor as an "additional insured" will not be affected by any act or omission by Lessee which might otherwise result in a forfeiture of said insurance; (v) contain a separation of insureds provision such that the policy applies separately to each insured that is subject of a claim or suit; (vi) not contain a cross-claim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and (vii) provide for coverage for damage to Lessor's property caused by Lessee.

**5.2.2 Failure to Obtain and Maintain Insurance.** If Lessee fails to procure and maintain the insurance described above, Lessor shall have the right, but not the obligation, to procure and maintain substitute insurance, and to pay the premiums. Upon demand, Lessee shall pay to Lessor the full amount paid by Lessor.

**5.2.3 Prudent Business Insurance.** Lessee believes and states that the insurance obligation herein does not exceed that which Lessee would otherwise normally place upon itself and obtain in order to operate its business in a prudent manner.

**5.3 FINANCIAL SECURITY.** In compliance with the requirements of Washington State law, Lessee agrees that it will secure the performance of the rental portion of this Lease by procuring and maintaining, during the Term of this Lease, a corporate surety bond, a cash deposit, or by providing other financial security satisfactory to Lessor (herein referred to as the "Bond"), in an amount not less than two (2) months (16.67%) of the sum of annual Rent, plus Washington State leasehold excise tax. The Bond shall be in a form and issued by a surety company acceptable to Lessor, and shall comply with the requirements of Washington State law. Lessee shall obtain such Bond and forward evidence thereof to Lessor within fourteen (14) days of execution of this Lease, but in no event later than the Commencement Date of this Lease. Failure to comply with this requirement shall be grounds for termination of this Lease without notice by Lessor. Such Bond shall be kept always in effect during the Term of this Lease; failure to comply with this requirement shall render Lessee in default. The Bond shall be increased annually to reflect any adjustments in annual Rent. Upon any default by Lessee in its obligations under this Lease, Lessor may collect on the Bond to offset the liability of Lessee to Lessor. Collection on the Bond shall not relieve Lessee of liability, shall not limit any of Lessor's other remedies, and shall not reinstate or cure the default or prevent termination of the Lease because of the default.

**ARTICLE VI**  
**Environmental Liability**

**6.1 ENVIRONMENTAL INDEMNIFICATION.** Lessee shall defend (with legal counsel suitable to Lessor), indemnify, and hold Lessor harmless from any and all claims, demands, judgments, orders, or damages resulting from Hazardous Substances on the Premises or Lessor's property caused, in whole or in part, by the activity of Lessee, and/or its agents, subtenants, or any other person or entity (i) on the Premises as a result of, arising out of, or relating to Lessee's operations under this Lease, or any previous lease or agreement between Lessor and Lessee; or (ii) on Lessor's property as a result of, arising out of, or relating to Lessee's operations under this Lease, or any previous lease or agreement between Lessor and Lessee. It is the intent of the Parties that Lessee shall be responsible for, and shall defend and hold Lessor harmless from, any Hazardous Substances that have occurred or may occur on the Premises or Lessor's property as a result of, arising out of, or relating to Lessee's operations since Lessee first occupied the Premises, or other portion of Lessor's property through this Lease, or any previous lease or agreement between Lessor and Lessee. The term "Hazardous Substances" as used herein shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sec. 1251 et seq.; the Clean Air Act, 42 USC Sec. 7401 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 USC Sec. 9601 et seq.; or the Hazardous Waste Cleanup-Model Toxics Control Act, RCW 70A.305, all as amended and subject to all regulations promulgated thereunder.

**6.1.1 Unconditional Environmental Obligations.** Lessee's defense and indemnity obligations under this Article are unconditional, shall not be discharged or satisfied by Lessor's re-entry of the Premises or exercise of any other remedy for Lessee's default under this Lease, shall continue in effect after any assignment or sublease of this Lease, and shall continue in effect after the expiration or earlier termination of this Lease.

**6.1.2 Environmental Investigations.** Although Lessee shall not be liable for any Hazardous Substances on the Premises that was not caused, in whole or in part, by the activity of Lessee, and/or its agents, subtenants, or any other person or entity on the Premises as a result of, arising out of, or relating to Lessee's operations under this Lease, or any previous lease or agreement, Lessee shall be responsible for the costs of any environmental investigations or remediation arising from the development or use of the Premises by Lessee, and Lessee hereby releases Lessor from any contribution claim for those costs. By way of example only, if Lessee excavates soil on the Premises which contains Hazardous Substances, then Lessee will be responsible for the cost associated with disposing of those soils regardless of when or how the Hazardous Substances were released into those soils.

**6.2 CURRENT CONDITIONS AND DUTY OF LESSEE.** Lessor makes no representation about the condition of the Premises. Hazardous Substances may exist in, on, under, or above the Premises. Lessee should, but is not required to, conduct environmental assessments or investigations of the Premises prior to or during the Term of this Lease to determine the existence, scope, and location of any Hazardous Substances. If there are any Hazardous Substances in, on, under, or above the Premises as of the Commencement Date, Lessee shall exercise the utmost care with respect to the Hazardous Substances, the foreseeable acts or omissions of third parties affecting the Hazardous Substances, and the foreseeable consequences of those acts or omissions.



**6.2.1 Prior Notice of Environmental Investigation.** Prior to conducting any environmental investigation of the subsurface of the Premises, Lessee shall provide prior written notice to Lessor. Lessee shall provide Lessor with the results of all such investigations.

**6.3 NOTIFICATION AND REPORTING.** Lessee shall immediately notify Lessor if Lessee becomes aware of any of the following:

a. A release or threatened release of Hazardous Substances in, on, under, or above the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises;

b. Any problem or liability related to or derived from the presence of any Hazardous Substance in, on, under, or above the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises;

c. Any actual or alleged violation of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances with respect to the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises; or

d. Any lien or action with respect to any of the foregoing.

## **ARTICLE VII** **Miscellaneous Provisions**

**7.1 INTENTIONALLY OMITTED.**

**7.2 LESSEE WILL OBTAIN PERMITS.** Lessee agrees to obtain and comply with all necessary permits for any Tenant Improvements and to conduct the Authorized Use. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all costs incurred by Lessor, including actual attorneys' fees. In this way, Lessee agrees to be solely responsible for all damages, costs, and expenses incurred as a result of Lessee's failure to fully comply with any necessary permit process and requirements.

**7.3 LIENS.** Lessee agrees to keep the Premises described herein free and clear of all liens and charges whatsoever. Lessee shall not allow any mechanics liens, materialmen liens, or any other liens to be placed upon the leased Premises. If such a lien is placed or recorded, Lessee shall cause it to be discharged of record, at its own expense, within ten (10) days of Lessor's demand. Failure to comply with Lessor's demand within ten (10) days shall be a default under the terms of this Lease.

**7.4 INDEMNIFICATION AND HOLD HARMLESS.** Lessor agrees that it will defend, indemnify, and hold harmless Lessee, and/or its officers, employees, and agents, from any and all demands, claims, judgments, or liability for loss or damage arising as a result of accidents, injuries, or other occurrences on the Premises or on Lessor's property, (i) occasioned by either the negligent or willful conduct of Lessee, and/or its officers, employees, and agents; or (ii) made by any person or entity holding under Lessee, or any person or entity on the Premises or on Lessor's property as a result of Lessor's activity, regardless of who the injured party may be. This indemnification and hold harmless shall not apply to the extent the damage was caused by

the negligence or willful misconduct of Lessor. In the event that the officers, employees, and agents from both Lessor and Lessee are negligent, each party shall be liable for its contributory share of negligence for any suits, actions, claims, liability, damages, judgments, costs and expenses (including reasonable attorney's fees).

**7.5. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES.** For purposes of the foregoing indemnification provision, and only to the extent of claims against Lessee by Lessor under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, the United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the Parties hereto.

**7.6 LAWS AND REGULATIONS.** Lessee agrees to conform to and abide by all applicable rules, codes, laws, regulations, and Lessor policies in connection with its use of the Premises, the construction of Tenant improvements, and the operation of Lessee's business thereon, and not to permit said Premises to be used in violation of any applicable rule, code, law, regulation, Lessor policy, or other authority.

**7.6.1 Environmental Laws and Regulations.** Lessee's obligations herein shall include, but in no way be limited to, the obligation to comply with all Washington State and federal environmental laws and regulations. Lessee shall defend (with legal counsel acceptable to Lessor), indemnify, and hold harmless Lessor from any fine, penalty, or damage imposed by any lawful authority which may arise as a result of Lessee's failure to comply with the obligations of this Section.

**7.7 WASTE AND REFUSE.** Lessee agrees not to allow conditions of waste and refuse to exist on the Premises, and to keep the Premises in a neat, clean, and orderly condition.

**7.8 TAXES AND ASSESSMENTS.** Lessee agrees to pay all taxes assessed against the leasehold interest and a pro rata share of any assessments made against the Premises for installation of public utility systems, based upon a reasonable overall sharing program among all properties within the assessment area.

**7.9 SIGNS.** No signs shall be installed without the prior written permission of Lessor. In the event that an unauthorized sign has been installed, and after twenty-four (24) hours' notification to remove the sign by Lessor, Lessee shall pay Lessor a penalty of One Hundred Dollars (\$100.00) per day for each day the sign remains in place after such notification. The penalty shall automatically resume, without notice, if the sign is reinstalled after having been removed. The penalty accrued shall be paid with the next month's Base Rent. In addition, Lessor reserves the right to provide notice of, and to treat an unauthorized sign as, a non-monetary default of this Lease.

**7.10 EQUAL OPPORTUNITY.** Lessee agrees that in the conduct of activities on the Premises, it will be an equal opportunity employer in accordance with Title VII of the Civil Rights Act of 1964, 42 USC §2000 et seq., and shall comply with all requirements of the ADA.

**7.11 LITIGATION.** In the event Lessor shall be made a party to any litigation commenced by or against Lessee (other than actions commenced by Lessee or Lessor concerning the interpretation or enforcement of any of the terms and conditions of this Lease), then Lessee agrees to pay all costs, expert witness fees, and attorneys' fees, including all customary charges incurred by Lessor in connection with such litigation. However, if Lessor is made a party defendant and Lessee undertakes the defense of the action on behalf of Lessor, then no obligation for costs and attorneys' fees will be chargeable against Lessee by Lessor for costs arising out of such undertaking.

**7.12 ASSIGNMENT OF LEASE.** Lessee shall not assign, rent, or sublease any portions of this Lease, or any extension thereof, without the prior written consent of Lessor, and no rights hereunder in or to said Premises shall pass by operation of law or other judicial process, or through insolvency proceedings. Otherwise, the rights and obligations hereof shall extend to and be binding upon their respective successors, representatives, and assigns, as the case may be. Lessee shall furnish Lessor with copies of all such sub-assignment, sublease, or rental documents. For the purposes of this Lease, any change of ownership, including sale, liquidation, or other disposition of some or all of the corporate stock or limited liability company units, will be considered an assignment. Should Lessor consent to an assignment made by Lessee for the purposes of obtaining a loan or other consideration from a third party, then Lessor's consent shall be made in accordance with the consent to assignment document used by Lessor for these specific assignments. A copy of this consent form shall be provided by Lessor upon request of Lessee.

**7.12.1 Remedy If Lessor Denies Assignment.** If Lessor refuses to consent to an assignment, Lessee's sole remedy shall be the right to bring a declaratory judgment action to determine whether Lessor was entitled to refuse such assignment under the terms of this Lease.

**7.12.2 No Waiver of Future Consents.** No consent by Lessor to any assignment or sublease shall be a waiver of the requirement to obtain such consent with respect to any other or later assignment or sublease. Acceptance of Rent or other performance by Lessor following an assignment or sublease, whether or not Lessor has knowledge of such assignment or sublease, shall not constitute consent to the same nor a waiver of the requirement to obtain consent to the same.

**7.12.3 Transfer Fee.** An administrative handling and transfer fee ("Transfer Fee") of Three Hundred Dollars (\$300.00) shall be payable by Lessee to Lessor if Lessee requests Lessor's consent to a proposed assignment (including an assignment to a creditor for security purposes) or sublease. Such Transfer Fee shall be submitted to Lessor at the same time that Lessee requests Lessor's consent to the proposed sublease or assignment.

**7.12.4 Attorneys' Fees.** In addition to the Transfer Fee, Lessee shall pay Lessor's reasonable and customary attorneys' fees incurred relating to Lessee's request for Lessor's consent to a proposed assignment or in the event Lessee seeks to modify the Lease during the Term of the Lease, or any renewals thereof. Lessee's failure to remit this amount within sixty

(60) days of the mailing of the notice of such charges, shall constitute a default under this Lease. Notwithstanding anything to the contrary herein, Lessee shall not be obligated to reimburse Lessor in any case where an assignment or sublease is not accomplished due to total refusal on the part of Lessor to grant its consent to the request.

**7.12.5 Excess Rent.** If, pursuant to any assignment or sublease, Lessee receives Rent, either initially or over the term of the assignment or sublease (i) in excess of the Rent called for hereunder; or (ii) in the case of a sublease of a portion of the Premises, in excess of such Rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder are appropriately taken into account, Lessee shall pay to Lessor, as Additional Rent hereunder, fifty percent (50%) of the excess of each such payment of Rent received by Lessee after its receipt.

**7.12.6 Lessee's Liability on Assignment or Sublease.** If this Lease is assigned, the underlying beneficial interest of Lessee is transferred, or the Premises, or any part thereof, is sublet to or occupied by anybody other than Lessee, Lessor may collect Rent from the assignee, subtenant, or occupant, and apply the net amount collected to the Rent herein reserved, but no such assignment, subletting, occupancy, or collection shall be deemed (i) a waiver of this covenant; (ii) the acceptance of the assignee, subtenant, or occupant as tenant; or (iii) a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants, and conditions of this Lease.

**7.12.7 Proceed Against Lessee.** Notwithstanding any assignment or sublease, any indulgences, waivers, or extensions of time granted by Lessor to any assignee or sublessee, or failure of Lessor to take action against any assignee or sublease, Lessee hereby agrees that Lessor may, at its option, proceed against Lessee without having taken action against or joined such assignee or sublessee, except that Lessee shall have the benefit of any indulgences, waivers, and extensions of time granted to any such assignee or sublessee.

**7.12.8 Assignee/Sublessee Insurance.** In the event Lessor approves an assignment or sublease hereunder, such assignee or sublessee shall provide Lessor with insurance certificates and/or endorsements evidencing such assignee or sublessee's compliance with the insurance provisions set forth herein, including, but not limited to, the endorsement of Lessor as an additional insured under such policy or policies.

## **7.13 DEFAULT, CROSS DEFAULT, AND REMEDIES.**

**7.13.1 Monetary Defaults.** Failure to pay Rent or any other monetary obligations by the first (1<sup>st</sup>) day of each month shall constitute a default under the terms of this Lease. If Lessee is in default in the payment of Rent or other monetary obligations then, at Lessor's sole option, and upon ten (10) days' written notice, this Lease may be terminated, and Lessor may enter upon and take possession of the Premises. Without limiting the generality of the foregoing, Lessee expressly authorizes Lessor to obtain a prejudgment writ of restitution in the event of default by Lessee. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

**7.13.2 Non-monetary Defaults.** If Lessee shall fail to perform any term or condition of this Lease, other than the payment of Rent or other monetary obligations, then Lessor, upon providing Lessee thirty (30) days' written notice of such default, may terminate this Lease and enter upon and take possession of the Premises. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

**7.13.3 Other Defaults.** The following shall also constitute a default under the terms of this Lease: (i) a default by Lessee under any other agreement or lease with Lessor; (ii) insolvency of Lessee; (iii) an assignment by Lessee for the benefit of creditors; (iv) the filing by Lessee of a voluntary petition in bankruptcy; (v) an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; (vi) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; (vii) attachment of or the levying of execution on the leasehold interest; and (viii) failure of Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days.

**7.13.4 Multiple Defaults in a Year.** If within any one (1)-year period, Lessor serves upon Lessee three (3) default notices requiring Lessee either to (i) comply with the terms of this Lease or to vacate the Premises; or (ii) pay Rent or vacate (collectively referred to herein as "Default Notices"), then Lessee shall, upon a subsequent violation of any term of this Lease by Lessee (including failure to pay Rent), be deemed to be in unlawful detainer, and Lessor may, in addition to any other remedies it may have, immediately terminate the Lease and/or commence an unlawful detainer action without further notice to Lessee.

**7.13.5 Cross-Default.** A default under this Lease shall constitute a default under any other lease or agreement which Lessee has with Lessor (hereinafter such other agreements shall be referred to as "Collateral Agreements"). Likewise, any material breach or default under a Collateral Agreement shall be deemed a material breach or default under the terms of this Lease. If a Collateral Agreement is terminated for a material breach or default of Lessee, then Lessor shall, without limiting any other remedies it may have, be entitled to terminate this Lease upon five (5) days' written notice to Lessee.

**7.13.6 Other Remedies.** In addition to the foregoing remedies specified in this Section, Lessor may exercise any remedies or rights under the laws of the State of Washington, including, but not limited to, recovering damages for past due Rent, future Rent, costs to re-let the Premises, and costs to restore the Premises to its prior condition (reasonable wear and tear excepted). Under no circumstances shall Lessor be held liable in damages or otherwise by reason of any lawful re-entry or eviction. Lessor shall not, by any re-entry or other act, be deemed to have accepted any surrender by Lessee of the Premises, or be deemed to have otherwise terminated this Lease or to have relieved Lessee of any obligation hereunder. Lessor shall be under no obligation to observe or perform any covenant of this Lease after the date of any material default by Lessee unless and until Lessee cures such default. A fee of Five Hundred Dollars (\$500.00) shall be assessed to Lessee for each Default Notice issued to Lessee to defray the costs associated with preparing, issuing, and serving such Default Notice. This fee shall be payable on the first (1<sup>st</sup>) day of the month following the issuance of the Default Notice.

**7.14 TERMINATION.** This Lease shall terminate for default if Lessee fails to cure any default within the time provided for herein. Upon termination of this Lease, or any extension thereof, whether by expiration of the stated Term or sooner termination thereon, as herein provided,

Lessee shall surrender to Lessor the Premises peaceably and quietly. Lessee shall restore the Premises to the condition existing at the time of initiation of this Lease, except for (i) normal wear and tear; and (ii) any Tenant Improvements which Lessor permits to remain on the Premises.

**7.15 NON-WAIVER.** Neither the acceptance of Rent nor any other act or omission of Lessor after a default by Lessee or termination shall be construed (i) as a waiver of any past or future default by Lessee; (ii) to deprive Lessor of its right to terminate this Lease; or (iii) to prevent Lessor from promptly exercising any other right or remedy it has under this Lease. Any waiver by Lessor shall be in writing and signed by Lessor in order to be binding on Lessor.

**7.16 NOTICES.** Any notice, demand, request, consent, approval, or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the set forth in Article I, above, or such address as may have been specified by notifying the other Party of the change of address. Notice shall be deemed served on the date of actual delivery, or the first (1<sup>st</sup>) attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

**7.17 AGENT FOR SERVICE.** Lessee agrees that if Lessee is in unlawful detainer, pursuant to Chapter 59.12 RCW, and Lessor is unable to serve Lessee with the unlawful detainer pleadings after one (1) service attempt, then Lessor shall be deemed to have complied with the service requirements of Chapter 59.12 RCW if it mails such pleadings via certified mail to the address set forth in the Notices section of this Lease and posts such pleadings in a conspicuous location on the Premises. Service shall be deemed complete on the third (3<sup>rd</sup>) day following the day of posting or day of mailing, whichever is later.

**7.18 SECURITY.** Lessee specifically acknowledges that Lessor has no duty to provide security for any portion of the Premises or Lessor's property. Lessee assumes sole responsibility and liability for the security of itself, its employees, customers, and invitees, and its respective property in or about the Premises or Lessor's property. Lessee agrees that to the extent Lessor elects to provide any security, Lessor is not warranting the effectiveness of any such security personnel, services, procedures, or equipment, and that Lessee is not relying and shall not hereafter rely on such security personnel, services, procedures, or equipment. Lessor shall not be responsible or liable in any manner for failure of any such security personnel, services, procedures, or equipment to prevent or control, or apprehend anyone suspected of personal injury or property damage in, on, or around the Premises or Lessor's property.

**7.19 QUIET ENJOYMENT.** Lessor acknowledges that it has ownership of the Premises and that it has the legal authority to lease the Premises to Lessee. Lessor covenants that Lessee shall have quiet enjoyment of the Premises during the Term of this Lease so long as Lessee complies with this Lease and subject to Lessor's right of entry onto the Premises as set forth herein.

**7.19.1 Easements.** Lessor reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses applied for will not unduly interfere with Lessee's Authorized Use or with the approved plan of development for the Premises.

**7.19.2 Closure by Government Order.** Lessee understands that various federal agencies, including the Department of Homeland Security and the United States Coast Guard, have the authority to restrict access to certain areas on property owned by Lessor in order to counter a terrorist or other threat. Such restrictions could impact Lessee's ability to access the Premises for an indefinite period of time. Since such restrictions on access are outside the control of Lessor, Lessee agrees that such interruptions shall not be deemed a violation of this Lease or the covenant of quiet enjoyment.

**7.20 LESSOR MAY ENTER PREMISES.** It is agreed that the duly authorized officers or agents of Lessor may enter to view said Premises at any time, and if the business or normal function of Lessor should at any time require that it enter upon the Premises to perform any work or make any improvements, it may do so, but not in such manner as to materially injure Lessee with its normal and usual operation.

**7.21 TIME.** It is mutually agreed and understood that time is of the essence of this Lease and that a waiver of any default of Lessee shall not be construed as a waiver of any other default.

**7.22 INTERPRETATION.** This Lease has been submitted to the scrutiny of the Parties hereto and their counsel, if desired. In any dispute between the Parties, the language of this Lease shall, in all cases, be construed as a whole according to its fair meaning and not for or against either Lessor or Lessee. If any provision is found to be ambiguous, the language shall not be construed against either Lessor or Lessee solely on the basis of which Party drafted the provision. If any word, clause, sentence, or combination thereof is, for any reason, declared by a court of law or equity to be invalid, illegal, or unenforceable against one Party or the other, then such finding shall in no way affect the remaining provisions of this Lease.

**7.23 HOLDING OVER.** If Lessee remains in possession of said Premises after the date of expiration of this Lease without Lessor's prior written consent, such holding over shall constitute and be construed as tenancy at sufferance only, at a monthly rent equal to one hundred fifty percent (150%) of the Base Rent owed during the final month of the Term of this Lease and otherwise upon the terms and conditions in this Lease. If Lessee holds over with Lessor's prior written consent, then until such time as a new written Lease is executed by the Parties hereto, Lessee shall continue to make payments to Lessor on a month-to-month basis as provided for in this Lease. Such authorized holdover tenancy may be terminated by either Party at the end of any such monthly period by sending written notice not less than five (5) days before the end of such period. Such authorized holdover tenancy shall be subject to all terms and conditions contained herein.

**7.24 SURVIVAL.** All obligations of Lessee, as provided for in the Lease, shall not cease upon the termination of this Lease and shall continue as obligations until fully performed. All clauses of this Lease which require performance beyond the termination date shall survive the termination date of this Lease.

**7.25 GOVERNING LAW.** This Lease, and the right of the Parties hereto, shall be governed by and construed in accordance with the laws of the State of Washington, and the Parties agree that in any such action, jurisdiction and venue shall lie exclusively in Skamania County, Washington, and not in any federal court.

**7.26 ATTORNEYS' FEES – LEASE ENFORCEMENT.** The prevailing Party in any action to enforce any term or condition of this Lease shall be entitled to an award of their reasonable costs and attorneys' fees.

**7.27 ESTOPPEL CERTIFICATES.** At Lessee's request, Lessor agrees to execute and deliver to Lessee, and/ or its lender(s), a customary estoppel certificate in a form acceptable to Lessor which sets forth the following information: (i) the terms and conditions of this Lease; (ii) the status of the Rent payments under the Lease; and (iii) Lessor's knowledge of any breaches or anticipated breaches of the Lease. Lessor shall have no obligation to execute an estoppel certificate which requests any information other than as set forth above. Lessee agrees to reimburse Lessor for all staff time incurred and attorneys' fees paid by Lessor for the review and opinion of such attorneys acting on the request for such estoppel certificate and in negotiating acceptable language in the estoppel certificate. A failure to reimburse Lessor within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease.

**7.28 ATTORNMENT.** In the event the Premises are sold, Lessee shall attorn to the purchaser upon the sale; provided, however, that the purchaser expressly agrees in writing that, so long as Lessee is not in default under the Lease, Lessee's possession and occupancy of the Premises will not be disturbed and that such purchaser will perform all obligations of Lessor under the Lease.

**7.29 COUNTERPARTS AND ELECTRONIC TRANSMISSION.** This Lease may be signed in counterparts. Electronic transmission of any signed original document, and retransmission of any signed electronic transmission, shall be the same as delivery of an original document.

**7.30 ENTIRE AGREEMENT.** This Lease contains all of the understandings between the parties. Each Party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either Party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease and executed with all necessary legal formalities by the Commission of the Port of Skamania County.

**7.31 VALIDATION. IN WITNESS WHEREOF,** Lessor has caused this instrument to be signed by its President and Secretary by authority of the Commission of the Port of Skamania County, and this instrument has been signed and executed by Lessee, the day and year first above written.

**THIS LEASE CONTAINS INDEMNIFICATIONS FROM LESSEE TO LESSOR, RELEASES BY LESSEE AND A LIMITED WAIVER OF IMMUNITY UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, OR ANY OTHER SIMILAR WORKERS' COMPENSATION SCHEMES, ALL OF WHICH WERE SPECIFICALLY NEGOTIATED**

**LESSEE:**

**LESSOR:**



**PEOPLE FOR PEOPLE**

  
By: Madelyn Carlson  
Its: CEO

**PORT OF SKAMANIA COUNTY**

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By: Pat Albaugh  
Its: Executive Director

# EXHIBIT A Map of Premises

