

## Beacon Rock Golf Course - RFP (Attachment #2)

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### LEASE AGREEMENT

This agreement, herein referred to as "Lease," is entered into this 22nd day of January, 2013, by and between the **Port of Skamania County**, 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 **AMC Venture**, a Washington Limited Liability Company, dba Beacon Rock Golf Course, herein referred to as "Lessee."

#### Recitals

1. Lessor is the sole owner of the real property, legally described in Exhibit A attached hereto and incorporated herein by reference, and commonly known as the Beacon Rock Golf Course, 102 Grenia Road, SR 14, MP 35.5, North Bonneville, Washington and hereinafter referred to as the "Premises."
2. Lessor desires to lease the Premises to Lessee for the purpose of providing public recreational golf opportunities.
3. The Port of Skamania County is willing to lease the Premises for the purposes stated above, to promote the growth and expansion of the recreation and tourism industry, promote the attributes of Port space for business development through exposure to recreational and tourism opportunities, and the creation of jobs in the local community that enhance our existing economy and further provide employment opportunities for all citizens.

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 conducting a public golf course and performing such services in connection therewith as are usually and customarily connected with and incidental to such business

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operations, and for which the Premises are hereby leased, subject to the recitals, terms and conditions herein.

2. Lessee acknowledges it has conducted its own walk through of the Premises 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 February 1, 2013.
3. If the Lessee's use of the Premises is at any time prohibited by law or governmental regulation this lease shall immediately terminate.
4. In connection with its use of the Premises, Lessee commits and agrees to:
  - a. Maintain the Premises as a golf course for the public and shall remain open to the public during ordinary business hours for those activities normally performed in connection with the purposes for which the Premises are being leased.
  - b. Exercise its best commercially reasonable efforts to provide an exceptional recreational golfing experience for the public.
  - c. Restrict use of the buildings, grounds and parking lot to those activities normally performed in connection with the purposes for which the Premises are being leased.
  - d. Provide to the Lessor a Quarterly Report of rounds of golf conducted on the Premises, including those played by members, daily rounds, special rounds, events, and non-paying or charity rounds, and additional information as may be reasonably requested by Lessor.
  - e. Provide to the Lessor an Annual Financial Report including all revenues and expenses from the operation of the Premises.
  - f. Keep updated at all times for the Lessor, and provide to Lessor upon request, a roster of all members, names and addresses, their dues paid or due, and the type of membership.
  - g. Provide to Lessor, at the time of Lease execution, the planned rate and fee schedule for each golf season. Lessee shall keep such rate schedule updated at all times for the Lessor. Lessee has the right to set the fees and charges for the public's use of the Premises', equipment rentals, services, merchandise, food, beverages and other services and items provided to the public. However, Lessee herein agrees all

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said fees and charges shall remain within the range of such charges for similar items levied by other golf courses within the region that is made up by the Columbia Gorge and Greater Vancouver and Portland areas, referred to herein as the "Region." Notwithstanding the foregoing, the Lessee may maintain at a minimum the planned rate and fee schedule as is provided at the time of Lease execution. Lessee shall notify Lessor at least 60 days prior to any rate increases that are planned for implementation, and notify the public at least 30 days prior to such implementation.

- h. Cooperate fully with Lessor, the Lessor's designated appointee, or a representative of the State Auditor's Office, regarding legal compliance or an audit of the Premises or its books and records, upon prior notification of the Lessor of such need.
- i. Provide commercially reasonable efforts to work with the Private Industry Council and the Washington State Employment Security Division, Job Service, in Stevenson, Washington, as its first source of hiring for filling any and all jobs, however, Lessee is not restricted to using this source alone.
- j. Provide the Port of Skamania County with employment data, and any other necessary data to support any and all commitments of this Agreement herein, upon request, redacted, as necessary so that such information does not violate any of Lessee's confidentiality obligations.
- k. 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.
- l. Refrain from any activity which 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.
- m. Refrain from any use which would be reasonably offensive to users of neighboring parcels, or which would tend to create a nuisance, or damage the reputation of the Premises.

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- n. Refrain from loading the floors of any buildings beyond the design loading, the point considered safe by a competent engineer or architect selected by Lessor and consented to by Lessee without unreasonably withholding such consent. If Lessor in good faith deems such inspection necessary by virtue of the Lessee's use or intended use, the Lessee shall bear the cost of the inspection.
- o. Acknowledge the drainage facilities, bioswales, ponds, and waterways of the Premises drain directly into a Wildlife Refuge and into tributaries of the Columbia River, and shall refrain from actions or use of the Premises which would cause effluents to access these points. Such effluents shall include, but are not limited to hazardous materials governed by state and federal law, but also detergents, acids, and cleaning solvents.
- p. Comply with any reasonable rules respecting the use of the Premises promulgated by Lessor from time to time and communicated to Lessee in writing, provided the rules do not adversely impact Lessee's business.
- q. Post and maintain the Premises' Buildings as no smoking areas, as the Premises is publicly owned.

**SECTION TWO**  
**Terms and Conditions**

- 1. The term of this lease agreement shall be for ten (10) years, beginning on the 1<sup>st</sup> day of February, 2013, and ending the 31<sup>st</sup> day of January, 2023, unless sooner terminated or extended in accordance with the terms of this agreement.
- 2. The annual rental amount shall be \$31,904.00 due and payable in eight equal payments of \$3,987.95 each (or 1/8 of the annual lease amount) due and payable without demand on the first day of each month of March through October inclusively, plus Washington State Leasehold Excise Taxes as established by RCW Ch. 82.29A.
- 3. The rental Rent for the initial lease period shall increase (plus leasehold taxes) each year on the renewal date by a percentage equal to the annual positive percentage change in the Consumer Price Index (CPI) in effect on the first day of December of that year. The percentage value used to calculate the annual rental increase shall be the Annual CPI for Urban Wage Earners and Clerical Workers for Pacific Cities West (CPI-

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W), Size Class B/C (population less than 1,500,000) as published by the U.S. Department of Labor, Bureau of Labor Statistics. If the annual CPI percent change is a negative change, the rent will remain the same as the previous term.

4. In the event the Consumer Price Indexes for All Urban Consumers, Portland, Oregon, is or has been no longer published, and a successor or substitute index is not available, an equivalent reliable governmental or other nonpartisan publication shall be selected in good faith by Lessor and used in lieu of such Consumer Price Index.
5. The Lessee shall pay for all costs associated with the Premises as necessary for conducting a business 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 any such work. Lessee shall comply with all local, state and federal codes and regulations for such work, and hold Lessor harmless.
6. Lessee shall report to Lessor as set forth in Section One, Paragraph 4, above. In addition, Lessee shall enter into a golf course turf management contract with a turf management vendor, such selection consented to by the Lessor, such consent not to be unreasonably withheld, and maintain such a contract for the duration of Lease. Lessee agrees to include Lessor as a third party beneficiary of such a contract and require the turf management vendor to report directly to the Lessor, at least monthly, on the golf course condition and work performed under the contract. The Lessee may remove and replace such turf management vendor from time to time, for so long as the Lessor consents, such consent not to be unreasonably withheld.
7. If Lessee shall have materially and timely fulfilled each and every term and condition hereof and is not in default, Lessee shall have the option, in its sole discretion, to renew this lease for two additional terms of five years each. Provided the Lessee is not then in default, the Lessee's failure to notify Lessor of its intent not to renew the Lease shall be sufficient to make the Lease binding for each renewal term without further act of the parties, who shall then be bound to take the steps required herein.
8. The renewal term shall commence on the day following the date of termination of the preceding term.
9. If Lessee's option is not to renew this Agreement, Lessee shall

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notify Lessor in writing, hand delivered to Lessor not less than one hundred and eighty (180) days prior to the last day of the expiring term.

10. The terms and conditions of the Lease for the renewal term shall be identical with the original Lease except for rent; PROVIDED, HOWEVER, the terms and conditions shall be further subject to changes in the laws and regulations pertaining to imposition and amount of the Leasehold Excise Tax and to other laws and regulations pertaining to the leasing of public property to private entities.
11. Rent for all renewal terms shall increase each year beginning with year one of the first renewal term at the rate set forth in paragraph 3, above.
12. In addition to rent, Lessee herein agrees to use its best commercially reasonable efforts to conduct, during each year of the lease term and all extensions, fixed improvements to the Premises which enhance the public's recreational golfing experience. Such improvements shall at all times remain the property of the Lessor and all such improvements shall be conducted by and at the expense of the Lessee. Such improvements are subject to the terms and conditions herein.

**SECTION THREE**

**Late Charges and Interest on Past Due Sums**

1. If Lessee fails to pay all or any part of an installment of rent within ten (10) days after the due date, Lessor may charge 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.

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**SECTION FOUR**  
**Security Deposit**

Lessee shall deposit with Lessor at the time of execution of this lease, a cash deposit in the amount equal to thirty five hundred dollars, (\$3,500.00) which shall become the property of the Lessor and held by Lessor for the full term of the Lease plus any extensions of this Lease, plus thirty (30) days, as security for the full and timely performance by Lessee of the terms and conditions herein, for the repair of any damages to the Premises caused by Lessee apart from normal wear and tear, and for the payment of any sums due Lessor for a breach of this Lease. The rights of Lessor against Lessee for a breach of this Lease shall in no way be limited or restricted by this security deposit, but Lessor shall have the absolute right to pursue any available remedy to protect its interest herein, as if this security deposit had not been made. The deposit shall be returned to Lessee within thirty (30) days following the expiration of this Lease, provided all terms of this lease shall have been fully performed by Lessee. In the event of a default by Lessee hereunder, Lessor, at its sole option, shall have the right, in addition to remedies upon default set forth herein: (1) to apply all or any portion of the deposit to sums owing under the Lease and, at its option, to simultaneously pursue its remedies on default set forth herein, (2) to cure such default, in which event the Lessee shall be obligated to promptly deposit with Lessor the amount necessary to restore the deposit to its full amount, or (3) to terminate the Lease and retain the security deposit as liquidated damages. Should the demised Premises be sold, Lessor may transfer or deliver the security deposit to the purchaser of the interest, and Lessor shall then be discharged from any further liability to Lessee with respect to the security deposit. Lessor shall promptly notify Lessee in writing following any disbursement or withholding from the Security Deposit.

**SECTION FIVE**  
**Inspection**

Lessee is leasing the Premises "as is" and Lessor makes no representation or warranties except as to title or otherwise 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,

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understandings and agreements between Lessee and Lessor are merged herein.

**SECTION SIX**

**Taxes**

Lessee shall timely pay to the Lessor all Leasehold Excise Tax due to 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. The intention of the parties is 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.

**SECTION SEVEN**

**Utilities**

Lessee shall make arrangements to pay the actual cost of all utility services for the Premises, including but not limited to, gas, water, sewer, telephone, telecommunications, and cable services to the Premises directly to the provider of such services. Lessee warrants to hold Lessor harmless for the costs of all such utility services and to maintain at all times sufficient utility services to preserve the premises against damage from the elements. All applications and connections for such utility services shall be made in the name of Lessee only, and Lessee shall be solely liable for such utility charges as they become due.

**SECTION EIGHT**

**Maintenance and Repairs**

1. Lessee shall, at all times during the term of the Lease and at its own cost and expense, provide all maintenance and repair, maintaining, in good order and condition, the Premises, and any and all improvements, additions and alterations thereto, located on the Premises. Lessor shall be responsible for repairing and replacing the roof, foundation and Major Structural Components of the Premises, unless the use, conduct or activities of Lessee caused the problem which necessitated the repair or replacement work. Lessee maintenance and repair responsibilities shall extend to the landscaped areas, the parking areas, the entire course and all adjacent and integral undeveloped areas in, on and around the course and Premises where Lessee shall also keep such areas in a clean and orderly manner. Lessee shall use all reasonable precaution to prevent waste, damage or injury to the



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Premises. If Lessee fails to begin repair any substandard condition within thirty (30) days after written notice by Lessor, Lessor may do so and assess reasonable costs of repair to Lessee.

Lessee covenants and agrees to keep the Premises' golf course in good playable condition, of at least equal to or better than playing conditions maintained on the golf course in closest proximity to the Premises.

Lessee shall keep the Premises landscaped and attractive, and free of debris, objectionable material, and noxious weeds.

Lessee shall apply the principles of the "Environmental Principles for Golf Courses in the United States" document in the daily maintenance, management and operation of the Premises.

Lessee shall provide all equipment, materials and labor that may be necessary and required to conduct its maintenance and repair responsibilities.

"Major Structural Components" shall be limited to Port-owned permanent enclosed buildings and structures over 80 square feet in size, the well and pump, the main underground distribution line for the irrigation system and domestic water system, and any additional Port-owned stand alone single fixed asset valued at \$5,000 or more.

Lessor repairs to Major Structural Components shall be limited to those that significantly extend the useful life of a capital asset, structure and system, and shall not include repair and maintenance that maintains the asset for its current use or operation.

Lessor is subject to Public Works laws as set forth in RCW Ch. 39 and elsewhere. Accordingly, Lessee is not authorized to conduct work on behalf of the Lessor unless all statutory requirements have been met, and Lessor shall not reimburse Lessee for any unauthorized work conducted on the Premises.

If Lessor fails to begin repairing and replacing the roof, foundation and Major Structural Components of the Premises when in disrepair, within sixty (60) days after written notice by Lessee setting forth specific items of disrepair, Lessee may do so and assess reasonable costs of repair to Lessor.

The Lessor has established a single point of contact for the

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Lessee regarding maintenance and repair of the Premises as described above. This single point of contact is the Port of Skamania County Facilities Manager at 509-427-5484. Lessor reserves the right to change the single point of contact at any time upon 10 days' written notice to Lessee.

2. Upon expiration or termination of this Lease, Lessee shall surrender the Premises to Lessor in good order and condition, subject to ordinary wear and tear, and damage by fire or other casualty. All repairs for which Lessee is responsible shall be completed by the date of surrender. Lessee shall remove all of its equipment, machinery, fixtures and other personal property that remain its property by the date of surrender, and shall restore the Premises to its original condition, subject to ordinary wear and tear, and damage by fire or other casualty, at the option of the Lessor.
3. Lessee shall be fully responsible for all janitorial services and any such related costs for the Premises, and shall maintain the premises in a clean condition.

**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 and shall name Lessor as an additional insured on any such policies. Lessee shall pay to Lessor the full actual cost of such insurance as additional rent. Payments may be made monthly or annually, at the Lessee's option. All such costs are due upon receipt of an invoice.
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 insurance for such property.
3. Lessee agrees to purchase and maintain for the duration of this Agreement and all extensions public liability and all-risk property damage insurance with liability limits of not less than \$300,000 per person, \$1,000,000 per occurrence, \$2,000,000 general aggregate, 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

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additional insured. Lessor reserves the right to require reasonable increases in the insurance coverage mandated by this subparagraph, provided that such increases may be no greater than the average of similar golf courses in the Region. 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. Lessee agrees to defend and hold Lessor harmless against any and all such claims.

- a. Lessee shall indemnify and save Lessor harmless from and against any and all losses, costs (including attorney fees), damages, expenses, liabilities (including statutory liability), and claims for damages as a result of injury of death of any person or damage to any property that arise from or in any manner grow out of any act or neglect on or about the leased Premises by Lessee, Lessee's partners, agents, employees, customers, invitees, contractors or subcontractors or any other persons or property present on or about the Premises arising from Lessee's occupation of the Premises.
  - b. All insurance provided by Lessee as required by this section shall insure performance by Lessee of the indemnity provisions hereof.
  - c. Lessee shall furnish the Lessor with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Lessee.
  - d. The Lessee's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Port.
  - e. Lessee insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.
4. Lessee shall provide and keep in force other insurance in amounts that may from time to time that it reasonably deems to be required against other such insurable hazards as are commonly insured against for the type of business activity that Lessee

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will conduct.

5. 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 proximately caused by Lessee's negligence or the damage was due to a material breach of the Lease. Insurance proceeds pertaining to the buildings and improvements shall be applied to the costs of such restoration and repair. If the damage to the Premises exceeds 50% of its replacement cost, Lessor may elect to terminate this lease and retain the proceeds of any such loss.
6. Lessor and Lessee each waive rights it may have against the other on account of any loss or damage occasioned to Lessor or Lessee, as the case may be, their respective property, the Premises or its contents or to other portions of the Premises arising from any liability loss, damage or injury caused by fire or other casualty for which property insurance is carried or required to be carried pursuant to this Lease. Each of the parties hereto, on behalf of their respective insurance companies insuring the property of either Lessor or Lessee against any such loss, to the extent of any recovery under such insurance, waives any right of subrogation that it may have against the other. Each waiver shall be expressly included in, and shall comply with the requirements of the respective insurance policies. Should either or both of the respective insurance companies assess a charge for such waiver, each party shall pay only for the charge assessed by its respective insurer.

#### **SECTION 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 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

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established by any governmental authority.

**SECTION ELEVEN**  
**Indemnity**

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

**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 when the same shall become due, provided, that Lessor shall first provide Lessee not less than ten (10) days written notice of default. Lessor shall not be required to provide written notice of default for failure to pay rent if similar notice was given to Lessee within the preceding six (6) month period.

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4. If Lessee shall fail to materially perform or materially comply with any of the conditions of this Lease and if the nonperformance shall continue for a period of 30 days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the 30 day period, Lessee shall not in good faith have commenced performance within the 30 day period and shall not diligently proceed to completion of performance. However, no such notice shall be required if a similar notice (i.e. for the same or similar non-performance) was given within the previous twelve (12) months.
5. If Lessee shall abandon the demised Premises. However, Lessor's acceptance of Lessee's abandonment shall not relieve Lessee of its obligation to pay rent for the remainder of the term.
6. If this Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve to any other person or party, except in the manner herein permitted, including the imposition of or suffering any mechanics', materialman or other liens against the property.
7. If Lessor shall fail to materially perform or materially 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 Lessee to Lessor or, if the performance cannot be reasonably had within the 30 day period, Lessor shall not in good faith have commenced performance within the 30 day period and shall not diligently proceed to completion of performance. However, no such notice shall be required if a similar notice (i.e. for the same or similar non-performance) was given within the previous twelve (12) months.

**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 reasonable expenditures, but any

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- expenditure for the correction by Lessor shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.
2. Lessor shall have the right to cancel and terminate this Lease, as well as all of the right, title and interest of Lessee hereunder, without demand or legal process, by giving to Lessee written notice of the cancellation and termination. Thereupon, this Lease and the right, title and interest of Lessee hereunder, shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.
  3. Upon termination of the Lease under the foregoing paragraph, Lessor may by written notice to Lessee demand that Lessee assemble all Lessee's personal property on the Premises at a place designated by Lessor that is reasonably convenient to Lessor and Lessee, and Lessee agrees that it will assemble such property. In the alternative, Lessor may re-enter the Premises and remove the property and personnel of Lessee. Lessor may then store Lessee's property in a public warehouse or other place selected by Lessor, at the expense of the Lessee; provided, however, that Lessor may, after a reasonable attempt to notify Lessee, dispose of Lessee's stored property by sale or otherwise after a period of forty-five (45) days from the date of termination, and credit the proceeds of sale against any amounts owed by Lessee. Upon termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the Premises and the worth of the balance of this Lease over the reasonable rental value of the Premises for the remainder of the lease term, which sum shall be immediately due Lessor from Lessee.
  4. After re-entry, Lessor may relet the Premises or any part thereof for any term without terminating the Lease, at the rent and on the terms as Lessor may choose.
  5. Lessor may declare all sums due and to become due for the full term of this Lease immediately due and payable, plus interest thereon at the highest legal rate until paid in full.
  6. Lessor may retain all prior payments by Lessee, including, without limitation, rent and Lessee's security deposit.
  7. Lessor may sue for specific performance.

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In the event of any material default hereunder by the Lessor after notice and right to cure as provided in paragraph 12.7, above, Lessee shall have an immediate right to pursue the following remedies in addition to remedies provided by law:

1. Lessee may withhold rent from the expiration of the notice period referred to in Section 12.7 and any period that work is diligently pursued until the earlier of (i) cure of such nonperformance referred to in Section 12.7, or (ii) the termination of the Lease and any renewal term.
2. Lessee may immediately terminate the Lease with no further rent or other obligations to the Lessor, and shall be refunded its Security Deposit less any allowable deductions.
3. Lessee may sue for specific performance.

**SECTION FOURTEEN**  
**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 tenants during the last ninety (90) days of the ease term, or any renewal term.

**SECTION FIFTEEN**  
**Lessee's Improvements**

1. Subject to Lessor's prior written consent, Lessee may make improvements or modifications to the Premises, including the golf course and supporting structures and systems, at its discretion and at its expense. Lessee shall provide Lessor with sketches and drawings acceptable to the Lessor, engineering certification and permitting and regulatory agencies as applicable, for all improvements and modifications to review for approval consideration. Lessee is solely responsible for all permits, approvals, laws and regulations related to any and all such improvements and modifications. Lessee will provide Lessor with "as built" drawings for any and all improvements and modifications to the Premises. All such improvements and modifications made by the Lessee shall in no way jeopardize the integrity of the Premises or its structure, systems and



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- services. Lessee acknowledges the Premises are designed in its function to represent and support the Port and its public recreational resources and business development goals. Any improvements or modifications shall not degrade this intent. Any and all such improvements shall immediately become and shall be part of the Premises and shall be the property of the Lessor. 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, with the Lessor's prior written consent, that Lessee may install and place in and about the Premises furniture, equipment, supplies and other trade fixtures, and any similar such items affixed thereto and improvements constructed on the Premises, shall immediately become and shall be part of the Premises and shall be the property of the Lessor.
  3. It is understood that any personal property such as that described in Exhibit B attached hereto do not constitute trade fixtures and that such personal property may at times become attached to the Premises. Lessee shall have the right during the terms of this Lease, and upon termination hereof, to remove said personal property, provided 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.
  4. The Lessee may, with the Lessor's prior written consent, post and install any signs on or in the Premises providing such signs do not conflict or violate any other clause of this Agreement, and meet any and all ordinances, laws, regulations, etc., that may apply.
  5. The Lessor has established a single point of contact for the Lessee regarding maintenance and repair of the Premises as described above. This single point of contact is Port of Skamania County Facilities Manager Doug Bill, 509-427-5484. Lessor reserves the right to designate another single point of contact upon 10 days' notice to Lessee.

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1\_22\_13

**SECTION SIXTEEN**  
**Presence and Use of Hazardous Substances**

1. Lessor represents that to the knowledge of the Lessor 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 Port'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) days of the Lessor's request, submit written reports to Lessor regarding Lessee's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the Port of Lessee's compliance with the applicable governmental regulations;
  - d. Allow Lessor or its agents or representatives to come on the Premises at all reasonable times to check Lessee's compliance with all applicable governmental regulations regarding Hazardous Substances, to investigate any alleged release of hazardous Substances and to undertake cleanup action in the event Lessee fails to do so;
  - e. Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances) present on the Premises, these levels or standards shall be established by an on-site inspection by the appropriate

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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.
4. 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.
  5. Lessee shall not release any Hazardous Substance into the surface, subsurface, water or air in or adjacent to the Premises.
  6. 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.

Lease Agreement BRGC  
1\_22\_13

**SECTION SEVENTEEN**  
**Cleanup Costs, Default and Indemnification**

1. Lessee shall be fully and completely liable to Lessor for any and all investigatory, cleanup and/or monitoring costs and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Lessee's use, disposal, transportation, storage, generation, release and/or sale of Hazardous Substances, in or about the Premises, the common areas or adjacent property.
2. Lessee shall defend and hold Lessor harmless from any and all actions which arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, including, but not limited to, any investigations, administrative proceedings, emergency actions, cost recovery actions, requests for injunctive relief, penalties, fines, lawsuits, appeals and supplemental proceedings. The obligation of Lessee to defend Lessee shall not preclude the right of Lessor to select its own counsel. Any costs and fees incurred in defense of Lessor shall be paid by Lessee as the same are incurred.
3. Lessee shall indemnify and hold Lessor harmless from any damages or other liabilities which arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, including, but not limited to, investigation of a release or other violation; actual releases or other violations; remediation, cleanup and/or response costs; damage to natural resources; fines or penalties; economic loss or damages; enforcement action costs; judgments; appeal bonds; continuing monitoring costs; attorney fees and costs; and consultant fees and costs. Lessee specifically agrees that any bond or other security provided shall extend to the indemnity agreed to in this subparagraph.

**SECTION 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" shall be paid by Lessee.

Lease Agreement BRGC  
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**SECTION NINETEEN**  
**Easements, Agreements or Encumbrances**

The parties shall be bound by all existing easements, agreements and encumbrances as disclosed on Exhibit C, and Lessor shall not be liable to Lessee for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that holder thereunder. Additionally, Lessor agrees, as soon as is reasonably practicable after this Lease's execution, to record it or a Memorandum of this Lease as a deed in accordance with RCW 65.12.470. The parties acknowledge the existence of a lease agreement with Burlington Northern Santa Fe railroad for ingress and egress to the premises. In the event this means of access to the property is interrupted, the Lessor agrees to use its best commercially reasonable efforts to obtain an alternate means of access at Lessor's expense, and rent shall abate during any period in which Lessee's access to the premises is interrupted. Lessor shall not be required to exercise condemnation powers to obtain access if it is not otherwise commercially reasonable. If no commercially reasonable means of access is available within a reasonable time, the parties shall treat this lease as terminated.

**SECTION TWENTY**  
**Quiet Enjoyment**

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

**SECTION TWENTY-ONE**  
**Liability of Lessor**

Lessee shall be in exclusive control and possession of the Premises, and Lessor shall not be liable for any injury or damages to any property or to any person on or about the demised Premises nor for any injury or damage to any property of Lessee.

Lease Agreement BRGC  
1\_22\_13

**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**

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.

Lessor:

John McSherry  
Executive Director  
Port of Skamania County  
PO Box 1099  
Stevenson, WA 98648

Lessee:

Mark & Tamara Mayfield  
AMC Ventures, LLC  
PO Box 192  
North Bonneville, WA 98639

**SECTION TWENTY-FOUR**  
**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 the 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

Lease Agreement BRGC  
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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 Sublessee.

**SECTION TWENTY-FIVE**  
**Total Agreement; Applicable to Successors**

This Lease (including the Exhibits) is intended by the parties as a final, complete, and exclusive expression of the terms of their agreement and may not be contradicted, explained, or supplemented by evidence of any prior agreement, any contemporaneous oral agreement or any consistent additional terms. There are no restrictions, promises, representation, warranties, covenants, or undertakings, other than those expressly set forth or referred to herein. Furthermore, the agreement cannot be changed or terminated except by a written instrument subsequently executed by both of 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. If any provision of this agreement is held invalid or unenforceable, it will not affect the validity of enforceability of the remainder of the Lease.

**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.

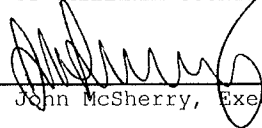
Lease Agreement BRGC  
1\_22\_13

**SECTION TWENTY-NINE**  
**Counterparts**

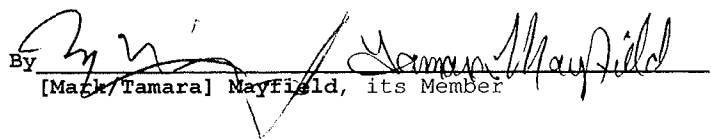
This agreement may be executed in any number of counterparts, all of which together shall for all purposes constitute one agreement, binding on all the parties, notwithstanding that all the parties have not signed the same counterpart.

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

**LESSOR: PORT OF SKAMANIA COUNTY**

By   
John McSherry, Executive Director

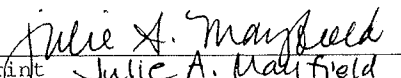
**LESSEE: AMC Venture, a Washington Limited Liability Company**

By   
[Mark/Tamara] Mayfield, its Member

STATE OF WASHINGTON )  
  ) ss.  
COUNTY OF SKAMANIA )

I certify that I know or have satisfactory evidence that **John McSherry** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the **Executive Director** of the **Port of Skamania County** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 23rd day of January, 2013.

  
Print Julie A. Mayfield  
NOTARY PUBLIC in and for  
The State of Washington  
My commission expires 6-3-14

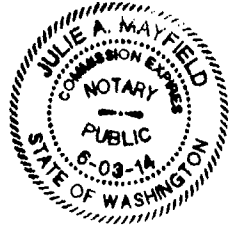
STATE OF WASHINGTON )  
  ) ss.  
COUNTY OF WA )



Lease Agreement BRGC  
1\_22\_13

I certify that I know or have satisfactory evidence that [Mark/Tamara] Mayfield is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Member of AMC Venture, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 22nd day of January 2013.



*Julie A. Mayfield*  
Print Julie A. Mayfield  
NOTARY PUBLIC in and for  
The State of WA  
My commission expires 6-3-14





EXHIBIT A—Beacon Rock Golf Course

The image shows an aerial photograph of a golf course area, likely Beacon Rock Golf Course. A search interface is overlaid on the left side of the image. At the top left, there is a search bar with the text "Search" and a magnifying glass icon. Below the search bar, there are several text boxes containing information:

**Examples:**  
Parcel: 03073644290000  
Address: 240 NW Vancouver  
Name: Jackson

**02071900030000**

**Parcel Number:**  
02071900030000  
**Current Owner:**  
PORT OF SKAMANIA COUNTY  
**Situs:**  
~

At the bottom left of the search interface, there is a "Legend" button. At the bottom center of the map area, there is a coordinate string: "45 04 79N, 121 36 92W 50.36, 15 11 191".

EXHIBIT A

FILED FOR RECORD  
SKAMANIA CO. WASH  
BY *Kielpinski & Assoc.*

Oct 21 11 27 AM '93

*P. Olsson*  
AUDITOR  
GARY N. OLSON

SKAMANIA COUNTY  
ORIGINAL FILED  
OCT 15 1993  
Loreno E. Hollis, Clerk

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
**117718** IN AND FOR THE COUNTY OF SKAMANIA **BOOK 138 PAGE 924**

6 PORT OF SKAMANIA COUNTY, a )  
7 municipal corporation organized )  
8 in Washington State, )

NO. 93-2-00-50-4

Plaintiff, )

JUDGMENT AND DECREE  
QUIETING TITLE

9 vs. )

10 LURA A. GREINIA, Deceased, MELVILLE )  
11 C. GREINIA, GEORGIANN MORRIS and )  
12 PATRICIA A. LYONS nka PATRICIA A. )  
13 SCOTT; also, all other persons or )  
14 parties unknown claiming any right, )  
15 title, estate, lien or interest in )  
16 the real estate described in the )  
17 complaint herein. )

Defendants. )

16 THIS MATTER coming on regularly for hearing this day,  
17 plaintiff appearing personally and by its attorney, and the court  
18 having entered the default of the defendants, and each of them, and  
19 having heard the testimony and considered the evidence and the  
20 files and records herein and having made and entered its Findings  
21 of Fact and Conclusions of Law,

22 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED  
23 that fee simple title in and to lands and premises in Skamania  
24 County, Washington, as described in Exhibit "A" attached hereto and

26 RECORDER'S NOTE:  
27 NOT AN ORIGINAL DOCUMENT

Registered  
Indexed, *h*  
Indirect *p*  
Filmed  
Mailed

KIELPINSKI & ASSOCIATES  
A PROFESSIONAL SERVICE CORPORATION  
ATTORNEYS AT LAW  
27 Hamill Street • P.O. Box 510  
Skamania, Washington 98648  
Telephone: (509) 427-5445  
Fax: (509) 427-5618

28 Port of Skamania County vs. Greinia, et al.  
Judgment and Decree Quieting Title  
Page 1

2-2-17-300

BOOK 138 PAGE 925


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incorporated herein be and the same is hereby quieted, established,  
and confirmed in the Port of Skamania County.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that each and all  
of the named defendants, as well as Leon Loghry, Bob Loghry and  
Marie Sisson, and the unknown heirs at law of Lura A. Grenia,  
deceased, and all other persons or parties unknown, claiming any  
right, title, estate, lien, or interest in or to said real estate  
or any portion thereof, and all persons claiming under the  
defendants, or any of them, subsequent to the filing of the notice  
of the pendency of this action on April 21, 1993, be and they are  
hereby forever barred from having or asserting any right, title,  
estate, lien, or interest in the Property, or any part thereof,  
adverse to plaintiff.

DONE IN OPEN COURT this 15<sup>th</sup> day of October  
1993.

16 / TED KOLBARA  
JUDGE

Presented by:  
KIELPINSKI & ASSOCIATES, P.C.  
  
CHARLES J. CRAWFORD of  
Attorneys for Plaintiff  
WSB #22595

Port of Skamania County vs. Grenia, et al.  
Judgment and Decree Quieting Title  
Page 2

KIELPINSKI & ASSOCIATES  
A PROFESSIONAL SERVICE CORPORATION  
ATTORNEYS AT LAW  
27 Smallwood P.O. Box 310  
Skamania, Washington 98643  
Telephone: (509) 427-3443  
Fax: (509) 427-7414

EXHIBIT "A" BOOK 138 PAGE 926

Government Lot Six, Government Lot Nine, the Southwest Quarter of the Southeast Quarter and that portion of the Southeast Quarter of the Southwest Quarter lying Southerly of Primary State Highway No. 8 in Section Nineteen, Township Two North, Range Seven East of the Willamette Meridian, in the County of Skamania, State of Washington.

EXCEPT right of way acquired by the Spokane, Portland and Seattle Railway Company;

AND EXCEPT the following described tract of land: Beginning at a point of the Northerly right of way line of Primary State Highway No. 8, 145.2 feet South and 286.7 feet East of the Northwest corner of the Southwest Quarter of the Southeast Quarter of the said Section Nineteen; thence North 322.3 feet; thence East 164.3 feet; thence South 208.2 feet to the Northerly right of way line of said Primary State Highway No. 8; thence South 55° 13' West 200 feet along said right of way to the point of beginning;

AND EXCEPT the following described tract of land: Beginning at the Northeast corner of the said Government Lot Six; thence South 21° 19' East 432.2 feet along the Westerly line of the Hamilton D. L. C.; thence South 42° 43' West 71 feet; thence South 17° 53' West 90.7 feet to the initial point of the tract hereby described; thence North 48° 10' West 210 feet; thence South 17° 53' West 206 feet; thence South 48° 10' East 210 feet; thence North 17° 53' East 206 feet to the initial point.

AND EXCEPT that portion conveyed to the United States of America recorded November 15, 1976 in Book 71, Page 873, Skamania County Deed Records.

AND EXCEPT that portion conveyed to The United States of America recorded November 15, 1976 in Book 71, Page 879, Skamania County Deed Records.

AND EXCEPT that portion conveyed to The United States of America recorded November 16, 1976 in Book 71, Page 906, Skamania County Deed Records.

Port of Skamania-AMC Venture Lease-Beacon Rock Golf Course

### Exhibit B

#### List of Port of Skamania Personal Property

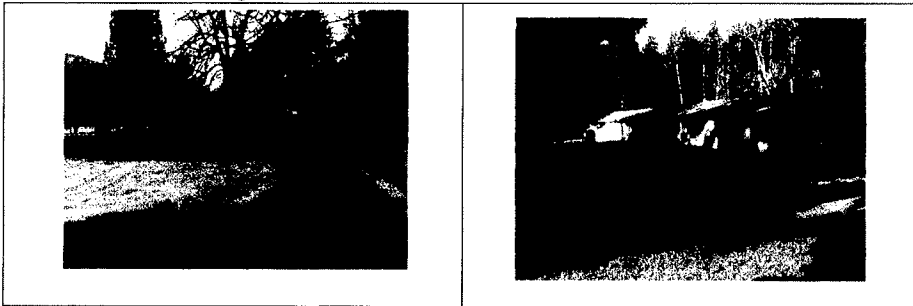
This list includes, but is not necessarily limited to, the following items:

1. **Land**—63.3 Acres of Commercial Recreation zoned land in the City of North Bonneville, Washington (see Exhibit A: Legal Description)

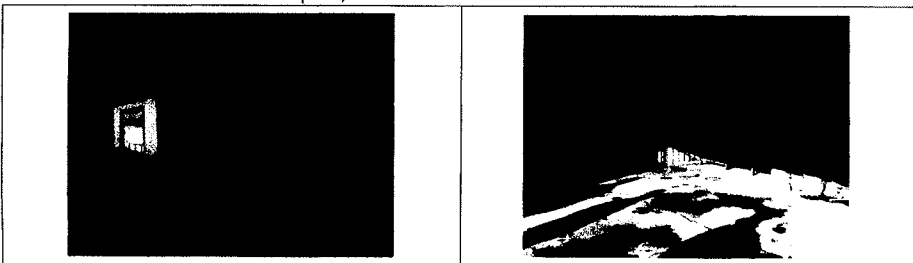


2. **Buildings**

- A. **Cart Storage Shed**—3,500 sf wood frame

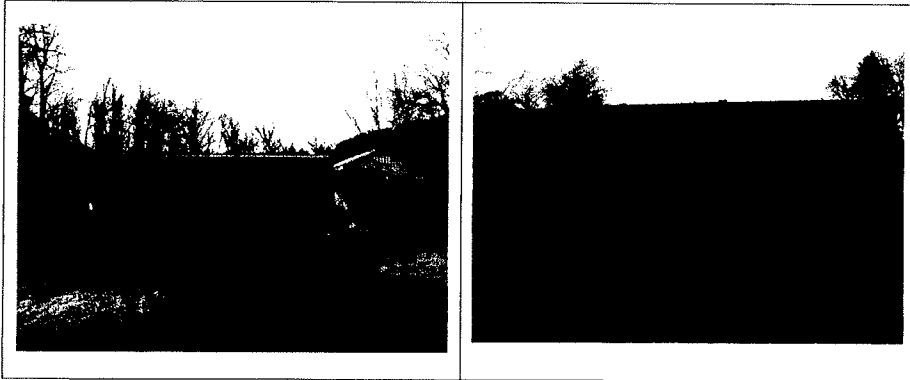


- B. **Maintenance Shop**—2,000 sf wood frame

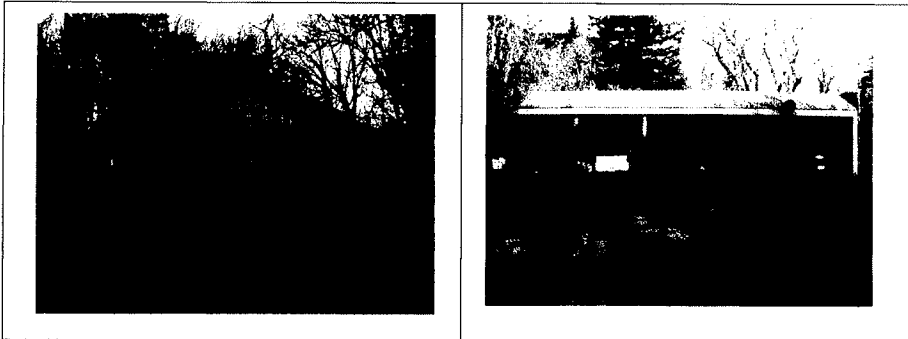


Port of Skamania-AMC Venture Lease-Beacon Rock Golf Course

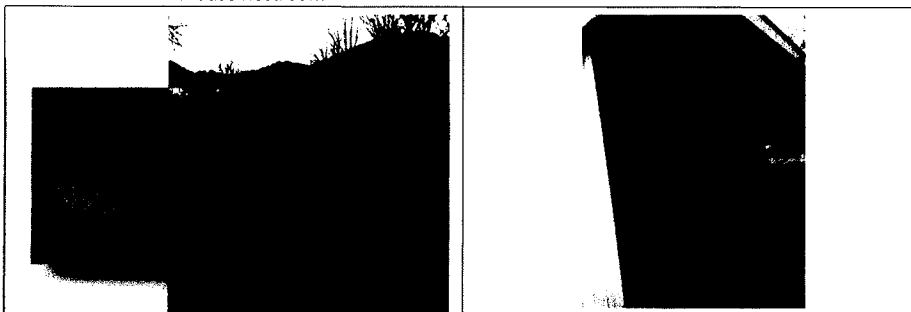
C. Mobile Home—1,500 sf wood frame



D. Home Garage



E. Outhouse Restroom



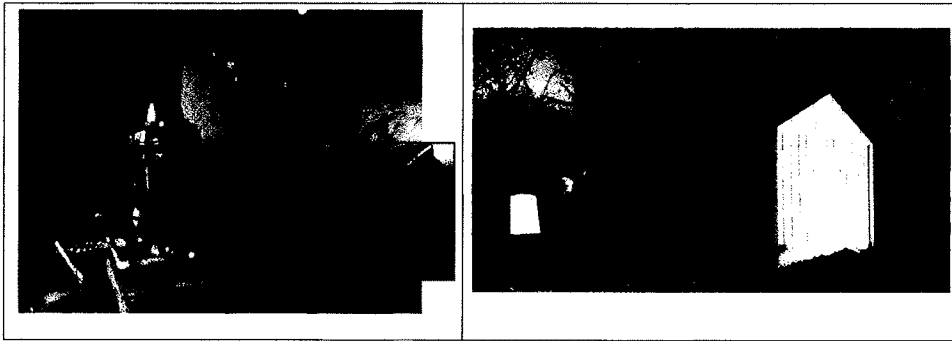


Port of Skamania-AMC Venture Lease-Beacon Rock Golf Course

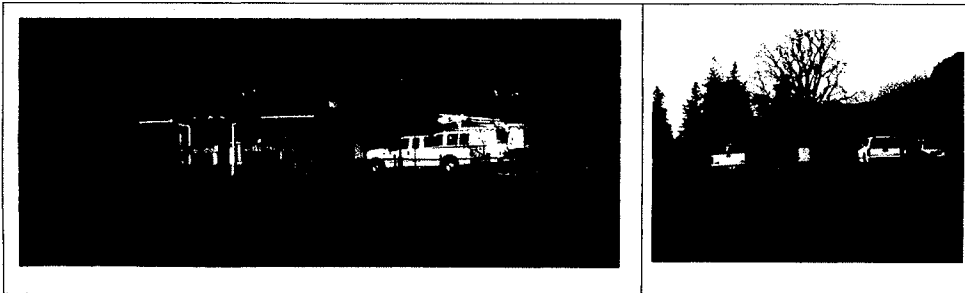
F. Cups/Flags/Markers/Benches (examples below)



G. Well House Pump/Underground Irrigation Distribution Piping

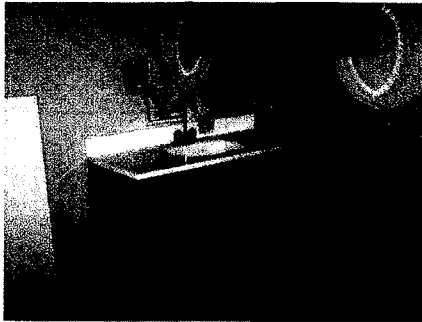
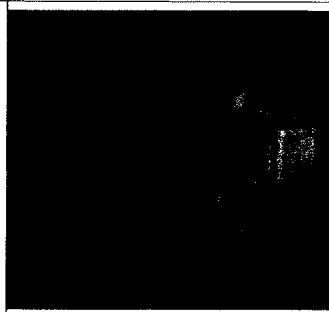


H. Clubhouse (fixtures/equipment)



Port of Skamania-AMC Venture Lease-Beacon Rock Golf Course

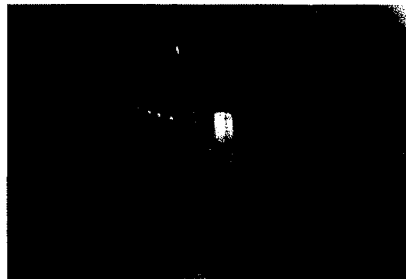
Restroom fixtures: restroom 1—urinal, sink, toilet, restroom 2—  
toilet, sink with cabinet



water heater

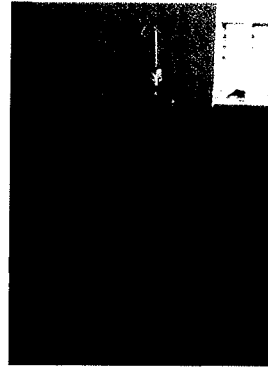


Cabinets/Shelving



Port of Skamania-AMC Venture Lease-Beacon Rock Golf Course

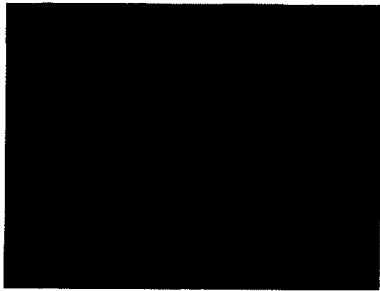
Counter



Deck (built 2011)



Three-Compartment NSF Sink



Commercial hood (not grill)



RECEIVED

JUN - 5 2008

Exhibit C-1

**INTERGOVERNMENTAL LEASE**

THIS AGREEMENT, made this 1 day of June, 2008, by and between the Port of Skamania County, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (hereinafter called the "Lessee" or "Port"), and the City of North Bonneville, a municipal corporation organized and existing under and by virtue of the State of Washington (hereinafter called the "Lessor" or "City").

**RECITALS**

WHEREAS, The Port of Skamania County maintains a public golf course and the Port desires to expand a portion of the seventh (7<sup>th</sup>) fairway.

WHEREAS, Said expansion of the seventh (7<sup>th</sup>) fairway will extend into land that is currently designated as open space pursuant to the City of North Bonneville's zoning.

WHEREAS, The property is subleased to Lacamas Family Entertainment, Inc. who manages the operations of the golf course.

WHEREAS, The parties mutually desire to create an agreement regarding the public use of these premises.

**WITNESSETH:**

**Section One**

Lessor does hereby lease to the Lessee the following described real property in the County of Skamania, State of Washington, together with the improvements located thereon, to-wit:

A portion of the seventh (7<sup>th</sup>) fairway and contiguous land (see attached Plat and Location Maps). Hereinafter referred to as "the property."

TO HAVE AND TO HOLD said premises upon the terms and conditions herein stated for the term of five (5) years, commencing on the 1st day of June, 2008, and extending to and including the 30<sup>th</sup> day of May, 2013 with the option to renew for five (5) consecutive terms. Renewal shall be automatic unless either party notifies the other in writing not less than thirty (30) days prior to the expiration of the term of its intent not to renew the Lease.

**Section Two**

This lease is conditioned upon the following:

A. Lessee shall pay the Lessor the sum of \$1.00 per year annual rental of the Property, said sum being due and payable on or before the 1st day of June of each and every year. The Port shall have the option to prepay up to five (5) years of this

Lease in advance. The Port shall not be in default for failure to pay unless the City has given the Port thirty (30) days written notice of its intent to declare a default and the Port has had an opportunity to cure the default within this period.

B. Lessee shall maintain the space as a public golf course. In the event Lessee ceases to operate the Property as a public golf course or in the event of non-compliance with the conditions set forth in Section Two of this agreement, then and in that event, upon sixty (60) days written notice by Lessor to Lessee, this lease shall be terminated without re-entry and without further action by Lessor, and Lessee shall peacefully relinquish possession of the Property.

### **Section Three**

Lessor and Lessee agree that upon the expiration of the term herein, they shall renegotiate the terms if this lease is in good faith unless it has been terminated for reasons other than the expiration of the term set forth in Section One hereof.

### **Section Four**

Lessee agrees that it will indemnify and save Lessor harmless from any and all liability, damage, expenses, cause of action, suit, appeals, claims or judgments arising from the injury to person or property on the leased premises, which arise out of the use, occupancy, acts, failure to act, or neglect of Lessee, its agents, sublessees, tenants, employees or guests. The Port agrees to maintain liability insurance covering the Property and list the City of North Bonneville as a loss payee (additional insured) on this policy.

### **Section Five**

Lessee shall be responsible for the costs of all repairs, alterations, removal, upkeep, construction and maintenance of the Property and the improvements thereon and shall pay all taxes, assessments or charges lawfully imposed upon the property or improvements or representing an encumbrance thereto, if any, which are attributable to the period of this lease or any acts of Lessee.

### **Section Six**

Lessor covenants that Lessor is seized of the leased premises and has full right to make this lease, and that Lessee shall have quiet and peaceful possession of the Property during the term of this lease.

### **Section Seven**

Lessee shall keep the premises free at all times from litter and debris and in an orderly condition, and in the event that any amount of cleanup or removal of debris is necessary after expiration or termination of this lease, Lessee agrees to pay the costs incurred by Lessor to accomplish such cleanup and removal of debris.

In witness whereof, the parties hereto have hereunto affixed signatures and seals this 3 day of June, 2008.

City of North Bonneville, Lessor

Port of Skamania County, Lessee

By V. E. Payton  
Mayor of the City of North Bonneville

By John McSherry  
John McSherry, Manager  
Port of Skamania County

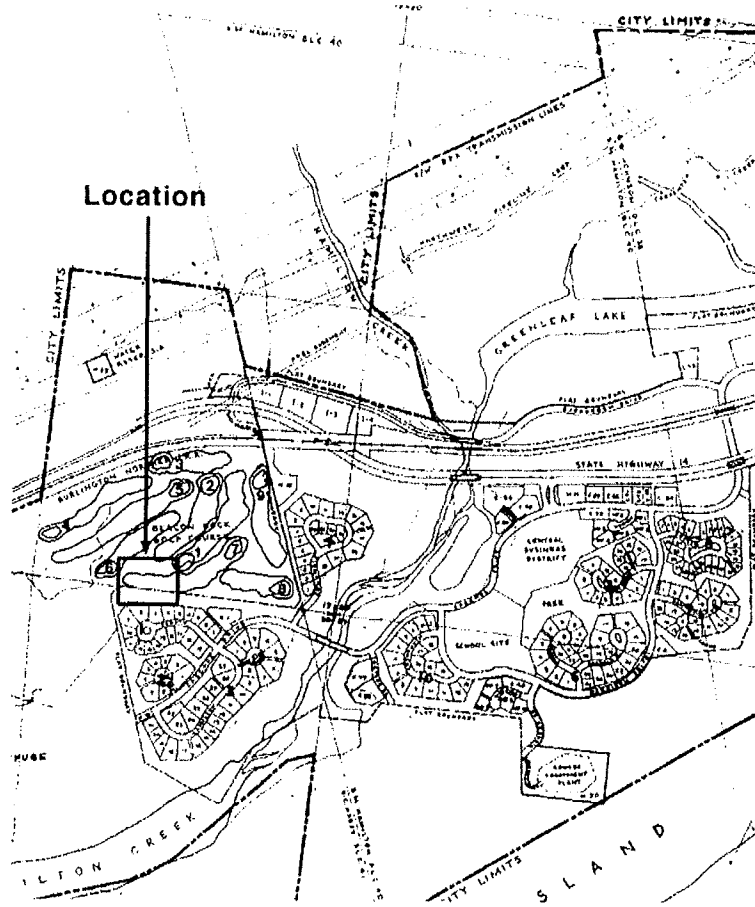
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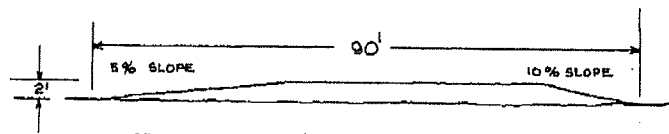
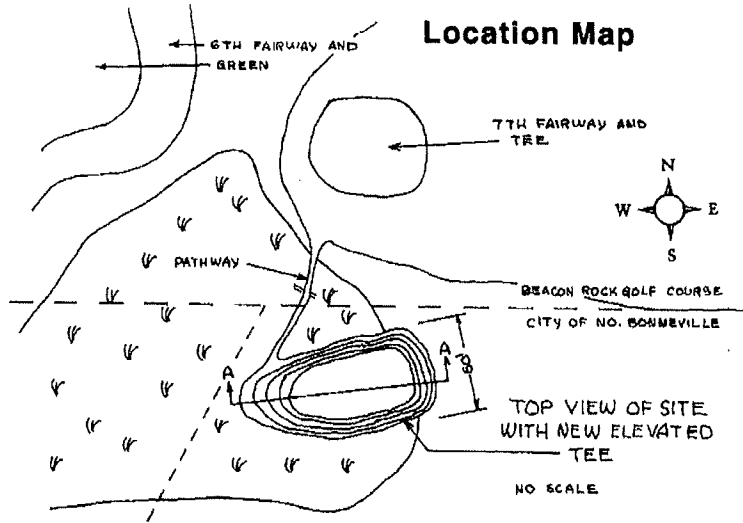
By Mary A. Lane  
Clerk of the City of North Bonneville

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney for North Bonneville

### City of North Bonneville Plat Map





BEACON ROCK PUBLIC GOLF COURSE      PORT OF SKAMANIA COUNTY





Exhibit C-2

**INDEFINITE TERM LEASE**  
No. 500,721 (Reissue/transfer of Ls SPS 2885)

DECEMBER, 1994

THIS LEASE made this 20th day of ~~January, 1995~~ between BURLINGTON NORTHERN RAILROAD COMPANY, a Delaware corporation, hereinafter called "Burlington", and PORT OF SKAMANIA COUNTY, whose post office address is P. O. Box 413, Stevenson, WA 98648, phone 509-427-5488,, hereinafter called "Lessee",

**WITNESSETH:**

In consideration of the covenants hereinafter contained to be kept and performed by Lessee, Burlington hereby leases to Lessee upon the terms and conditions hereinafter set forth the following described premises situate in the City of NORTH BONNEVILLE, County of SKAMANIA, State of WASHINGTON:

As shown in red outline on attached print marked Exhibit "A", dated January 20, 1995 and made a part hereof, being approximately 6,250 sq. ft.

Lessee hereby leases said premises from Burlington for the term hereof subject to the covenants and promises following, which Lessee agrees to observe and perform, to-wit:

1. Lessee shall use and occupy said premises for the sole and exclusive purpose of existing building encroachment of Lessee owned shop building, parking, access, fence.

DECEMBER 20, 1998

2. Lessee shall pay, in advance, as rental for said premises the sum of Three Hundred and No/100 Dollars for a three year period. Effective ~~January 20, 1998~~, rental shall be \$500.00 for a two year period. Burlington reserves the right to change rental rates as conditions warrant. Billing or acceptance by Burlington of any rental shall not imply a definite term or otherwise restrict either party from canceling this Lease as provided in paragraphs 4 and 15. Either party hereto may assign any receivables due them under this Agreement, provided, however, such assignments shall not relieve the assignor of any of its rights or obligations under this agreement.

Payment of rental specified herein is subject to a late payment charge of one and one-half percent (1.5%) per month (18% per annum), or such lesser amount permitted by law, on balance past due over thirty (30) days. This shall also apply to any balance due under paragraph 7 hereof.

3. Lessee understands and agrees that Burlington shall apply all of these terms and conditions to any property adjacent to the Premises which Lessee may occupy just as though the property had been specifically described herein.

4. BURLINGTON DOES NOT WARRANT ITS TITLE TO THE PREMISES NOR UNDERTAKE TO DEFEND LESSEE IN THE PEACEABLE POSSESSION OR USE THEREOF. NO COVENANT OF QUIET ENJOYMENT IS MADE. This Lease is made subject to all outstanding rights or interests of others. If the Premises are subsequently found to be subject to prior claim, this Lease shall terminate immediately on notice to that effect from Burlington. Lessee accepts this Lease subject to that possibility.

5. Burlington reserves to itself, and others, right of access to its adjoining property and the right to construct, maintain, and operate trackage, fences, pipelines, signal and

communication facilities, telegraph, telephone, power, or other transmission lines upon, over, across, or beneath the Premises, without payment of any sum for any damage, including damage to growing crops, occasioned thereby. The foregoing rights, (except the right of access, which is unconditional), shall not be exercised in a manner that unreasonably interferes with Lessee's use of the Premises.

6. It is understood that Lessee has inspected the Premises and takes them "AS IS". Burlington is not obligated by this lease to make any changes, removals, or repairs of any kind nor to construct any fences. Lessee shall use the Premises only in the manner described in paragraph 1 hereof, and shall not construct or place on the Premises any advertising billboards, structures, additions, or improvements not described herein, or plant or remove trees and shrubbery, except with express written permission of Burlington, and at Lessee's sole risk.

7. (a) Lessee shall pay all taxes, utilities, and other charges which may become due or be levied against the Premises, against Lessee, against the business conducted on the Premises or against improvements placed thereon during the actual term hereof, even though such taxes, license fees or other charges may not become due and payable until after cancellation of this Lease. If this is a transfer of an existing lease, Lessee must make arrangements with the present Lessee for payment of any delinquent and current taxes. If such arrangements are not made, Lessee agrees to pay all such taxes. If Burlington should make any such payments, Lessee shall reimburse Burlington for all such sums.

(b) Should the Premises be subject to special assessment for public improvements in the amount of Five Hundred Dollars (\$500.00) or less, Lessee shall promptly reimburse Burlington the amount in full. Should the assessment exceed Five Hundred Dollars (\$500.00), the rental herein shall be increased by twelve (12) percent per annum of the total.

(c) In case of nonpayment of rental, taxes, or other charges, the same shall, until paid, constitute a lien on any buildings or other property owned by Lessee on the Premises, foreclosable according to law. Lessee shall not remove said buildings or property until said rental, taxes, or other charges are paid, unless directed to do so by Burlington.

8. Lessee shall not place, or permit to be placed, any material, structure, pole or other permanent or temporary obstruction within 8½ feet laterally of the center line or within 24 feet vertically from the top of the rail of any track. If, by statute or order of public authority, greater clearances shall be required, Lessee shall strictly comply with such statute or order.

**IF, ON APPLICATION BY LESSEE, EITHER OR BOTH THE LATERAL AND VERTICAL CLEARANCES ARE PERMITTED TO BE REDUCED BY ORDER OF COMPETENT PUBLIC AUTHORITY, LESSEE SHALL STRICTLY COMPLY WITH THE TERMS OF ANY SUCH ORDER, AND INDEMNIFY AND HOLD HARMLESS BURLINGTON FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, EXPENSES, COSTS AND JUDGMENTS ARISING OR GROWING OUT OF LOSS OF OR DAMAGE TO PROPERTY OR INJURY TO OR DEATH OF PERSONS OCCURRING DIRECTLY OR INDIRECTLY BY REASON OF SUCH REDUCED CLEARANCE.**

Burlington's continued operations with knowledge of an unauthorized reduced clearance shall not constitute a waiver of the foregoing covenants of Lessee or of Burlington's right to recover for resulting damages to property or injury to or death of persons.

9. Lessee shall not permit the existence of any nuisance on the Premises; shall keep the same in clean and safe condition and free of any explosive, flammable or combustible material which would increase the risk of fire, except such material necessary to Lessee's business; shall not handle or store any potentially dangerous or toxic materials; and shall not permit the accumulation of junk, debris or other unsightly materials. Lessee shall at its sole expense keep the Premises and any improvements in good repair. Further, Lessee shall comply with all Federal, State, Local, and police requirements, regulations, ordinances and laws respecting the Premises and activities thereon.

10. Lessee shall not create or permit any condition on the Premises that could present a threat to human health or to the environment. Lessee shall indemnify and hold harmless Burlington from any suit or claim growing out of any damages alleged to have been caused, in whole or in part, by an unhealthful, hazardous, or dangerous condition caused by, contributed to, or aggravated by Lessee's presence on and use of the Premises or Lessee's violation of any laws, ordinances, regulations, or requirements pertaining to solid or other wastes, chemicals, oil and gas, toxic, corrosive, or hazardous materials, air, water (surface or groundwater) or noise pollution, and the storage, handling, use, or disposal of any such material. Lessee shall bear the expense of all practices or work, preventative or remedial, which may be required because of the condition or use of the Premises, by Lessee or those claiming by, through or under Lessee, during Lessee's period of occupancy. Lessee expressly agrees that the indemnification and hold harmless obligations it hereby assumes shall survive cancellation of this Lease. Lessee agrees that statutory limitation periods on actions to enforce these obligations shall not be deemed to commence until Burlington discovers any such health or environmental impairment, and Lessee hereby knowingly and voluntarily waives the benefits of any shorter limitation period.

11. It is understood by Lessee that the Premises are in dangerous proximity to railroad tracks and that persons and property on Premises will be in danger of injury, death or destruction incident to the operation of the railroad, including, without limitation, the risk of derailment, fire, or inadequate clearance (including sight clearance or vision obstruction problems at grade crossings on or adjacent to the Premises), and Lessee accepts this Lease subject to such dangers.

Lessee understands, as one of the material considerations of this Lease without which it would not be granted, that Lessee assumes all risk of injury to or death of all persons, and damage to or loss or destruction of buildings, contents, or other property (including animals) brought upon or in proximity to the Premises by Lessee, or by any other person with the consent or knowledge of Lessee, WITHOUT REGARD TO WHETHER SUCH BE THE RESULT OF NEGLIGENCE OR MISCONDUCT OF ANY PERSON IN THE EMPLOY OR SERVICE OF BURLINGTON OR OF DEFECTIVE TRACKAGE, EQUIPMENT, OR TRACK STRUCTURES. LESSEE HEREBY INDEMNIFIES AND AGREES TO PROTECT BURLINGTON FROM ALL SUCH INJURY OR DEATH AND LOSS, DAMAGE OR DESTRUCTION TO PROPERTY, INCLUDING CLAIMS AND CAUSES OF ACTION ASSERTED AGAINST BURLINGTON BY ANY INSURER OF SAID PROPERTY. NOTWITHSTANDING THE FOREGOING, HOWEVER, LESSEE SHALL NOT BE LIABLE FOR INJURY TO OR DEATH OF BURLINGTON'S EMPLOYEES OR AGENTS, OR ROLLING STOCK BELONGING TO BURLINGTON OR OTHERS, OR SHIPMENTS OF THIRD PARTIES IN THE COURSE OF TRANSPORTATION, WHEN SAID INJURY, DEATH OR DAMAGE IS CAUSED BY BURLINGTON'S OWN, SOLE NEGLIGENCE. For example, if a train derails because of Burlington's sole negligence, Burlington will bear the cost of damage to its own people and property and property on the train, but Lessee will be responsible, and will have no recourse against Burlington, for its own damage, and will have to reimburse Burlington for any expense or judgment Burlington incurs from claims of persons on the Premises or having property on the Premises with Lessee's knowledge or consent.

**LESSEE ALSO AGREES TO INDEMNIFY AND HOLD HARMLESS BURLINGTON FROM ANY LOSS, DAMAGE, INJURY OR DEATH ARISING FROM ANY ACT OR OMISSION OF LESSEE, LESSEE'S INVITEES, LICENSEES, EMPLOYEES, OR AGENTS, TO THE PERSON OR PROPERTY OF THE PARTIES HERETO AND THEIR EMPLOYEES, AND TO THE PERSON OR PROPERTY OF ANY OTHER PERSON OR CORPORATION WHILE ON OR NEAR THE PREMISES.**

12. It is agreed that the provisions of Sections 8 and 11 are for the equal protection of other railroad companies, including National Railroad Passenger Corporation (Amtrak), permitted to use Burlington's property.

13. Lessee shall not assign this Lease or any interest therein, or grant a security interest in any buildings or improvements on the Premises, or sublet, and no heir, executor, administrator, receiver, master, sheriff, trustee in bankruptcy, or other assignee by operation of law shall assign or sublet, without the express prior written consent of Burlington.

14. If, because of any act or omission of Lessee, any mechanic's lien or other lien, charge or order for the payment of money shall be filed against Burlington or any portion of the Premises, Lessee shall, at its own expense, cause the same to be discharged of record within thirty (30) days after written notice from Burlington to Lessee of the filing thereof, and shall indemnify and save harmless Burlington against and from all costs, liabilities, penalties, and claims, including legal expenses, resulting therefrom.

15. Either party may cancel this Lease at will on thirty (30) days advance written notice, in which event Lessee shall remove all property or improvements not owned by Burlington (regardless of who made them), including, without limitation, all foundations, slabs, and fences, and Lessee shall clear the Premises, including filling in and leveling any excavations and restoring the ground to a condition satisfactory to Burlington, within said 30 days. If Lessee fails to remove said property or improvements within the above time limit, Lessee hereby grants Burlington the absolute right to keep, convey, destroy, or otherwise dispose of them in any manner Burlington chooses, and, in addition, Lessee agrees to pay any net costs incurred by Burlington in doing so, within 10 days of receipt of Burlington's statement therefor.

16. Burlington may at its option prior to cancellation of this lease, require Lessee to conduct an environmental audit of said premises, at Lessee's cost and expense, to determine if any environmental damage to said premises has occurred during Lessee's occupancy thereof. The audit shall be conducted to Burlington's satisfaction and a copy of the audit report shall promptly be provided to Burlington for its review. Lessee shall pay all expenses for any remedial action that may be required as a result of said audit to correct any environmental damage, and all necessary work shall be performed by Lessee prior to cancellation of this lease.

17. If all or any part of the Premises is subjected to taking under eminent domain laws, this Lease shall terminate from the time possession is taken by the condemning entity, with prepaid rentals prorated. Lessee agrees that it is not entitled to, and hereby disclaims, any award made for such taking, excepting only an award issued solely and expressly to compensate for the taking of personal property or buildings owned or constructed by Lessee.

18. Nothing in this Lease shall prevent Burlington from discontinuing service over any railroad line or lines by which rail service may be provided to the Premises.

19. All notices to be given by Lessee to Burlington shall be given by letter, deposited with the United States Postal Service, postage prepaid, addressed to 999 Third Avenue, suite 2100, Seattle, WA 98104-4080. All notices to be given by Burlington shall be similarly given, addressed to Lessee at the address stated above. It is the Lessee's duty to notify Burlington promptly in writing of any change in its address; if it fails to do so, any notice from Burlington sent to its last known address shall be effective, whether or not received.

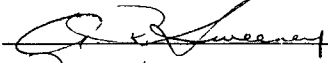
20. If this Lease is a reissue of an existing agreement(s) held by Lessee, it shall supersede and cancel the previous Lease or Leases, without prejudice to any liability accrued prior to cancellation.

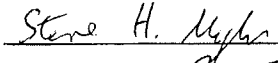
21. Lessee represents that lessee has succeeded to all right, title and interest to the improvements and other property located on the said premises by virtue of purchase of the same. In reliance upon the foregoing representation, Lessor grants the lease and in consideration thereof Lessee agrees to indemnify and hold harmless Burlington from and against any and all liability which may be asserted against Burlington by any person or corporation whomsoever claiming any interest in said improvements or property located on said premises.

This Lease shall inure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns.

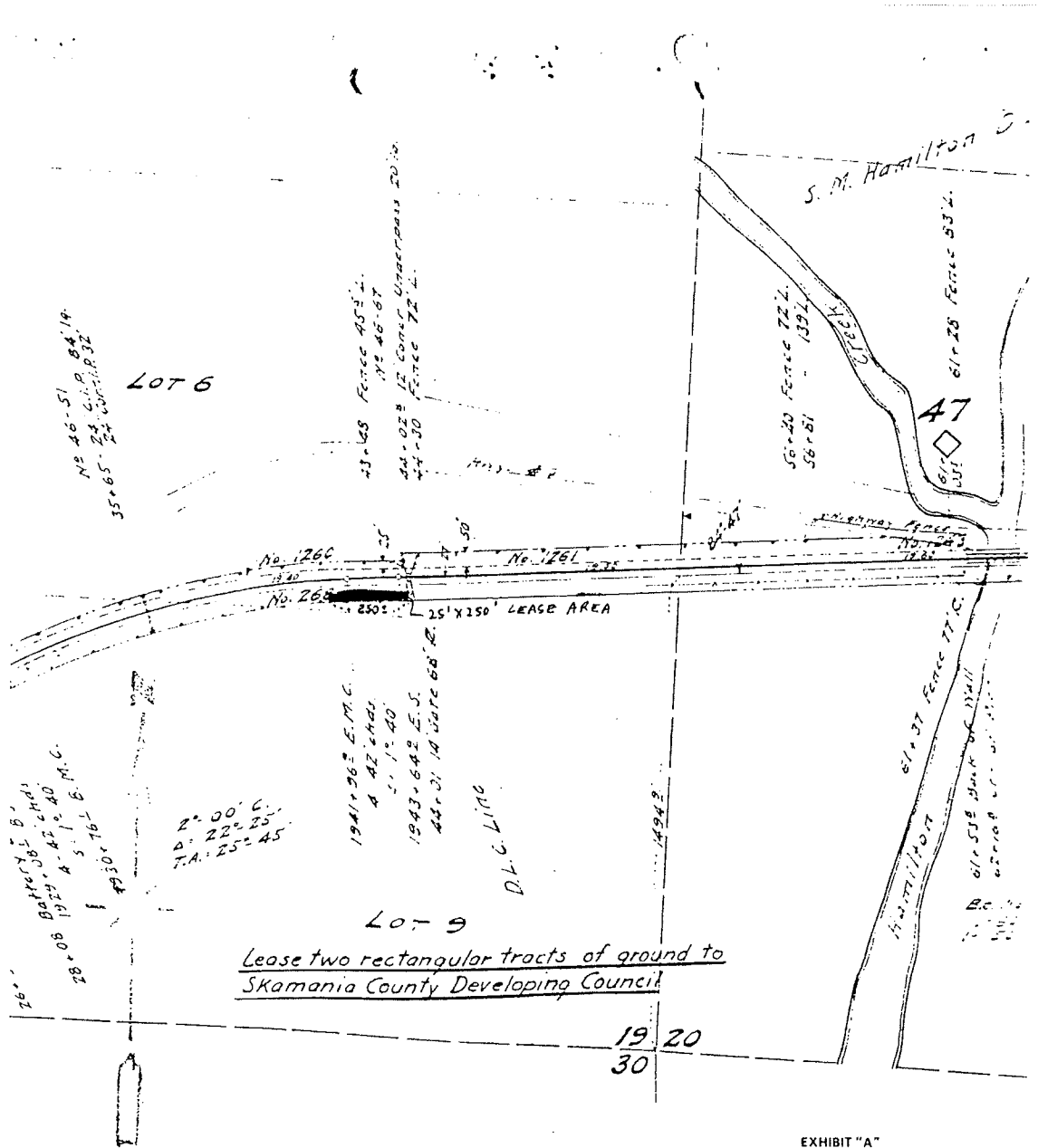
PORT OF SKAMANIA COUNTY

BURLINGTON NORTHERN RAILROAD  
COMPANY

BY   
TITLE PORT MANAGER

BY   
TITLE Manager Property Management

By signing this agreement, I acknowledge that I have read and understand it, and will abide by all of its terms.



Lease two rectangular tracts of ground to Skamania County Developing Council.

EXHIBIT "A"

BURLINGTON NORTHERN RAILROAD COMPANY

INDICATES LAND LEASED  
CONTAINING 6,250 sq. ft. +/-

LEASE NO. \_\_\_\_\_

CITY: North Bonneville COUNTY: Skamania STATE: WA

SCALE 1" = 400' DATE 1-20-1995 MAP# \_\_\_\_\_

CORRIDOR Northern DIVISION Portland

LESSEE Port of Skiamania County

PURPOSE Lessee owned building encroachment,  
parking, fence, access,