

LEASE AGREEMENT

This agreement is entered into this 1st day of March 2022, by and between the **Port of Skamania County**, a municipal corporation of the State of Washington, having its principal office at 212 SW Cascade, PO Box 1099, Stevenson, Skamania County, WA 98648, herein referred to as "Lessor," and **Evergreen Forest Inc.** a Washington Corporation, herein referred to as "Lessee."

Recitals

1. Lessor is the sole owner of the real property, legally described as Lot I-3 of the Fifth Addition to the Plat of Relocated North Bonneville, and commonly known as the Discovery Building, 396 Evergreen Drive, North Bonneville, Washington, a multi-use office, manufacturing and warehousing facility, and hereinafter referred to as the "Premises."
2. Lessee desires to lease approximately 15,000 square feet of usable space in the Premises for the continuing purposes of operating a Tier 2 or 3 cannabis growing, processing and production business.
3. Except as provided in Section 8, Paragraph 1, Lessee shall pay for all costs associated with the Premises as necessary to make it suitable for conducting and operating the specific type of business for which the Premises are leased. Such costs shall include, but are not necessarily limited to, all applicable taxes, fees, licenses, permits, approvals and inspections associated with any such work and the operation of the specific type of business for which the Premises are leased. Lessee shall comply with all local, state and federal codes and regulations for such work, and hold Lessor harmless.

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

SECTION ONE **Subject and Purpose**

1. Lessor leases to Lessee approximately 15,000 square feet of usable space in the Premises for Lessee's use for the purpose of operating a Tier 3 cannabis growing, processing and production business and performing such services in connection therewith as are usually and customarily connected with and incidental to such business operations, and for which the Premises are hereby leased, subject to the recitals, terms and conditions contained herein and incorporated herein by this reference, the breach of which shall result in a reversion to Lessor of all right, title and interest in and to the Premises.
2. If the Lessee's use of the Premises is at any time prohibited by law or governmental regulation this lease shall immediately terminate and Lessee and Lessor shall have no further obligations to one another, except that Lessee shall continue to pay rent on a pro-rata basis until Lessee removes all of its equipment, machinery, fixtures, inventory and other personal property from the Premises. The parties recognize that possession, cultivation and production of cannabis products are prohibited by federal law, contrary to Washington State statutes that expressly permit such operations. However, federal authorities have expressed their intention to resolve the conflict in favor of declining to enforce federal regulations, provided the cannabis operations do not promote

organized crime, consumption of the product by under-age users, and other conditions. The Lessor finds the Lessee intends to comply with the federal mandates. Notwithstanding, if at any time the conflict between state and federal law frustrates the Lessor's ability to operate normally, such as the inability to secure grant funding or work cooperatively with the federal government, the Lessor may exercise its option to terminate the lease with appropriate notice to Lessee. That notice requirement is set forth in Section Twelve, Paragraph 5, below.

3. In connection with its use of the Premises, Lessee shall at all times:
 - a. As set forth in Section One, Paragraph 2, above, conform to all applicable laws and regulations of any public authority affecting the Premises and their use, and correct at Lessee's own expense any failure of compliance created through Lessee's fault or by reason of Lessee's use. Lessee shall not otherwise be required to make expenditures to comply with any laws and regulations, nor shall Lessee be required to make any structural changes to effect such compliance unless such changes are required because of Lessee's specific use.
 - b. Refrain from any activity that would make it impossible to insure the Premises against casualty or that would increase the insurance rate, unless Lessee pays the additional cost of the insurance.
 - c. Except for herein provided approved uses, refrain from any use that would be reasonably offensive to neighboring tenants or neighbors, or that would tend to create a nuisance, or damage the reputation of the Premises, including refraining from using any products or taking any actions that would create a smell or odor lasting longer than 24 hours that would be offensive, or cause illness or injury to other tenants or neighbors within a one-quarter (1/4) mile radius of the building on the Premises. Lessee agrees to stay within USEPA Health and Safety Standards for all products used in the course of conducting business. In the event Lessee is notified of a violation or potential violation of this Paragraph 3.c., Lessee shall have sixty (60) days to cure the problem. Lessee agrees to provide Lessor with copies of complaints or notices relating to this term within five (5) business days after receipt via email or fax. Lessor agrees to provide Lessee copies of complaints made to Lessor within five (5) business days after receipt via email or fax. The Lessor shall further have the discretion and authority to require additional/ongoing testing and filtration modifications with notice to Lessee and a reasonable opportunity to cure as provided above, even if more restrictive than Washington State Liquor and Cannabis Board requirements or other state or federal rules or regulations in this area. No portion of the requirements of Lessee by Lessor stated herein, nor their results, shall constitute grounds for breach of this lease.
 - d. Refrain from loading the floors beyond the designed loading, the point considered safe by a competent engineer or architect selected by Lessor. If Lessor deems such inspection necessary by virtue of Lessee's use or intended use, Lessee shall bear the cost of the inspection.
 - e. Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof, etc., of the Premises without the

prior written consent of Lessor.

- f. Comply with any reasonable rules respecting the use of the Premises promulgated by Lessor from time to time and communicated to Lessee in writing.
- g. Refrain from smoking in the Premises as it is a publicly owned facility and is therefore a no-smoking facility and is subject to the Washington Smoking in Public Places Act, RCW 70.160. Creating any outside smoking area (location/size) shall be done so with the full prior approval of the Lessor and shall comply with that Act.
- h. Refrain from any residential use of the Premises.
- i. Restrict use of the Premises parking lot to those activities normally performed in connection with the purposes for which the Premises are being leased.

SECTION TWO
Terms and Conditions

- 1. The term of this lease agreement shall be for six (6) months, beginning on **March 1, 2022** (the “lease commencement date”), and ending on **August 31, 2022**, unless sooner terminated or extended in accordance with the terms of this agreement. The option to renew is contingent on the Lessee’s acquisition of a Washington State cannabis producer license.
- 2. For the use and occupancy of the Premises, Lessee shall pay Lessor the rental sum of five thousand sixty four dollars and four-cents (\$5,064.04) plus Washington State Leasehold Excise Tax plus the Lessor’s cost for fire insurance as described in Section Nine, Insurance/Casualty to Premises below for the months of March 1, 2022 thru August 31,2022. The sum of nine thousand dollars (\$9,000) plus Washington State Leasehold Excise Tax as established by RCW 82.29A plus the Lessor’s cost for fire insurance as described in Section Nine, Insurance/Casualty to Premises below for the months September 1 2022 through February 2023 and increasing to twelve thousand six hundred and eighty four dollars (\$12,684) per month starting March 2023 plus Washington State Leasehold Excise Tax as established by RCW 82.29A plus the Lessor’s cost for fire insurance as described in Section Nine, Insurance/Casualty to Premises below. The monthly Leasehold Excise Tax will based on the full lease rate of twelve thousand six hundred eight four dollars \$12,684 regardless of reduced lease rate, the (current rate of 12.84%) as established by RCW 82.29A. Payments are due and payable on or before the first day of each month, in advance, without demand.
- 3. If Lessee shall have completely and timely fulfilled each and every term and condition hereof and is not in default, Lessee shall have the option to renew this lease for one (1) year term, followed by and one consecutive five (5) year term.
 - a. The option to renew is contingent on the Lessee’s acquisition of a Washington State cannabis producer license. The renewal term shall commence on the day following the date of termination of the preceding term.

- b. However, if Lessee has obtained its Washington State cannabis producer license and if Lessee's option is not to renew the Agreement, Lessee shall notify Lessor in writing, delivered to Lessor not less than ninety (90) days prior to the last day of the expiring term. If Lessee has not notified lessor in writing of Lessee's non-renewal and Lessee is not otherwise in default, the renewal term shall commence automatically on the day following the date of termination of the preceding term.
 - c. 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.
 - d. Beginning January 1 of 2023, Rent shall be increased, and thereafter annually, (or unchanged in the event of a negative change) by a percentage equal to any positive annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the West Urban area Size B/C 50,000-1,500,000 most recently published by the Bureau of Labor Statistics of the United States Department of Labor prior to the commencement of the second and third years of the Lease Term (as applicable), as compared to the CPI-U prior to the most recent anniversary thereof. In the event of a negative CPI-U change, the Base Rent shall adjust only when the CPI-U increases above the year just prior to the first year in which there was a CPI-U decrease, and then only to the extent of that change. In no event will the Base Rent decrease. All lease rates will be plus Washington State Leasehold Excise Tax as established by RCW 82.29A, due and payable on or before the first day of each month, in advance, without demand.
 - i. In the event The Consumer Price Index for All Urban Consumers (CPI-U) for the West Urban area Size B/C 50,000-1,500,000 is or has been no longer published, and a successor or substitute index is not available, a reliable governmental or other nonpartisan publication shall be selected by Lessor and used in lieu of such Consumer Price Index.
4. 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.

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 Lessee liquidated damages equal to five percent (5%) of the amount not timely paid. Acceptance of late payment and liquidated damages as set out herein shall not be deemed a

waiver by Lessor of Lessee's obligation to pay rent on time, nor shall it be considered a waiver of Lessor's right to pursue other remedies provided herein or by law.

2. Any sums past due from Lessee to Lessor hereunder, including liquidated damages, shall bear interest at the rate of one percent (1%) per month.

SECTION FOUR **Security Deposit**

Lessee will deposit with Lessor a cash deposit in the amount of sixty thousand dollars (\$60,000), which shall become the property of the Lessor and held by Lessor with all interest retained by Lessor for the full term 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 principal amount of 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 this lease and, at its option, to simultaneously pursue its remedies on default set forth herein, (2) to cure such default, in which event Lessee shall be obligated to promptly deposit with Lessor the amount necessary to restore the deposit to its full amount, or (3) to terminate this lease and retain the security deposit as liquidated damages. Should the demised Premises be sold, Lessor may transfer or deliver the security deposit to the purchaser of the interest, and Lessor shall then be discharged from any further liability to Lessee with respect to the security deposit.

SECTION FIVE **Inspection**

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

SECTION SIX **Taxes**

Lessee shall timely pay to the Lessor all Leasehold Excise Tax due to the State of Washington that 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 utilities services for the Premises, including but not limited to, water, telephone, natural gas, telecommunications and electricity 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 heat, and ventilation to preserve the Premises against damage from the elements. Applications and connections for utility services above 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; provided however, that Lessor shall be responsible for repairing and replacing the roof, foundation and major structural components of the Premises, and maintaining the exterior walls of the buildings, including re-painting as needed, 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 and the shipping and receiving areas adjacent to the 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 Premises. If Lessee fails to repair any substandard condition after written notice by Lessor, Lessor may do so and assess the cost of repair to Lessee.
2. Upon expiration or termination of this lease, Lessee shall surrender the Premises to Lessor in good order and condition, subject to depreciation, ordinary wear and tear, and damage by fire or other casualty. All repairs for which Lessee is responsible shall be completed by the date of surrender. Lessee shall remove all of its equipment, machinery, fixtures and other personal property that remain its property by the date of surrender.
3. Lessee shall be fully responsible for all janitorial services and 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. The full actual cost of such insurance shall be paid by the Lessee. Lessee shall pay such apportioned premiums monthly as additional rent, due upon receipt of an invoice. Lessor's insurance shall insure Lessor's property against casualty loss, and Lessee shall maintain its own insurance for damage to Lessee's business and/or loss of business operations due to casualty which shall be primary for Lessee's damages.

2. Any and all property of the Lessee, personal or real property, shall be on the Premises at the sole risk of Lessee, and Lessee shall bear all costs associated with any damage to such property damage, and shall maintain its own insurance for such property.
3. 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 or death of any person or damage to any property that arise from or in any manner grow out of any act or neglect on or about the leased Premises by Lessee, Lessee's partners, agents, employees, customers, invitees, contractors or subcontractors or any other persons or property present on or about the Premises arising from Lessee's occupation of the Premises.
 - b. Lessee shall maintain general liability insurance covering bodily injury liability, personal injury liability, and property damage liability for all operations and activities. Such insurance shall be in the amount of at least \$2,000,000 combined single limit of liability, or such greater sums as Lessor may reasonably require. The Lessor shall be named as an additional insured with coverage at least as broad as an ISO CG 20 11 01 96 endorsement. Lessee shall **provide proof of insurance by a certificate of insurance** evidencing above coverage and the Lessor added as an additional insured prior to taking possession of the Premises and shall maintain that insurance coverage all times under this lease and any extension thereof.
 - c. All insurance provided by Lessee as required by this section shall insure performance by Lessee of the indemnity provisions hereof.

SECTION TEN
Unlawful or Dangerous Activity

Except as described in Section One, Paragraphs 1 and 2, above, Lessee shall neither use nor occupy the Premises, nor any part thereof, for any unlawful, disreputable or ultra-hazardous purpose, nor shall Lessee operate or conduct its business in a manner constituting a nuisance of any kind. Upon Lessee's discovery of any unlawful, disreputable or ultra-hazardous use, Lessee shall immediately take action to halt such activities. Lessee will not do or permit anything to be done on the Premises, or bring or keep anything therein, which shall in any way increase the rate of fire or other insurance on the building, or on the property kept therein, or endanger, obstruct or interfere with the rights of other tenants, or conflict with the fire laws or regulations or with any insurance policy upon the building or any part thereof, or with any statutes, rules, or regulations enacted or established by any governmental authority.

SECTION ELEVEN
Indemnity

Lessee shall indemnify Lessor against all expenses, liabilities and claims 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.

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 ninety (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.
4. If Lessee shall fail to perform or comply with any of the conditions of this lease and if the nonperformance shall continue for a period of thirty (30) days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the thirty-day (30-day) period, Lessee shall not in good faith have commenced performance within the thirty-day (30-day) period and shall not diligently proceed to completion of performance. However, no such notice shall be required if a similar notice was given within the previous six (6) months.
5. If Lessor elects to terminate this lease due to the federal prohibitions described in Section One, Paragraph 2, above, Lessor may terminate the lease after not fewer than sixty (60) days prior notice to Lessee. In that event, Lessor shall not be obligated to provide Lessee any cure period, Lessee shall not be further obligated on the lease after the termination, except for Lessee's obligation to peaceably leave the Premises in a timely manner and in the condition set forth herein.
6. 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. Abandon is defined as vacancy or physical absence for a period of one (1) month or more. The provisions of this paragraph shall not apply in the Lessee's approved uses of the Premises are at any time prohibited by law or governmental regulation.
7. 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

mechanic's, materialman or other liens against the property.

8. If Lessor does not fully uphold any of the obligations stated herein.
9. If Lessee shall fail to observe, after notice and an opportunity to cure, State or federally mandated health and safety requirements.

SECTION THIRTEEN
Effect of Default/Remedies

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

1. Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the Premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied and may charge Lessee for any such expenditures, but any expenditure for the correction by Lessor shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default. At trial, Lessor shall be entitled to twice damages as set forth in RCW 59.12.170.
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. However, in the event this lease is terminated due to circumstances described in Section One, Paragraph 2, above, Lessee's liability under the lease shall terminate, provided Lessee has fully met its obligation to remove all of its equipment, machinery, fixtures, inventory and other personal property and peaceably leave the Premises in a timely manner.
3. Upon termination of the lease under the foregoing paragraph, Lessor may by written notice to Lessee demand that Lessee assemble all Lessee's personal property on the Premises at a place designated by Lessor that is reasonably convenient to Lessor and Lessee, and Lessee agrees that it will assemble such property. In the alternative, Lessor may re-enter the Premises and remove the property and personnel of Lessee. Lessor may then store Lessee's property in a public warehouse or other place selected by Lessor, at the expense of the Lessee; provided, however, that Lessor may, after a reasonable attempt to notify Lessee, dispose of Lessee's stored property by sale or otherwise after a period of forty-five (45) days from the date of termination, and credit the proceeds of sale against any amounts owed by Lessee. Upon termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the Premises and the worth of the balance of this lease over the reasonable rental value of the Premises for the remainder of the lease term, which sum shall be immediately due Lessor from Lessee.

4. After re-entry, Lessor may relet the Premises or any part thereof for any term without terminating the lease, at the rent and on the terms as Lessor may choose.
5. Lessor may declare all sums due and to become due for the full term of this lease immediately due and payable, plus interest thereon at the highest legal rate until paid in full.
6. Lessor may retain all prior payments by Lessee, including, without limitation, rent and Lessee's security deposit.
7. Lessor may sue for specific performance.

SECTION 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 lease term, or any renewal term. Provided however, Lessor shall use its best efforts to provide Lessee with advance notice of all such access needs, scheduling access in advance and during normal business hours, except in the event of an emergency.

SECTION FIFTEEN
Lessee's Improvements

1. Subject to Lessor's prior written consent, Lessee may make improvements or alterations to the Premises, at its discretion and at its expense. Lessee shall provide Lessor with engineering sketches and drawings for all improvements to review for approval consideration. Lessee is responsible for all permits, approvals, laws and regulations related to any such improvements. Lessee will provide Lessor with "as built" drawings for any and all improvements and modifications to the Premises. All such improvements and modifications made by the Lessee shall in no way jeopardize the integrity of the Premises or its structure, systems and services. Lessee acknowledges the architectural design and aesthetics of the Premises represent and support the Lessor and its business development vision and mission. Any improvements or modifications shall not degrade this design and intent. At the Lessor's option, upon termination of this lease, Lessee shall remove all such improvements and modifications, and restore the Premises to their original condition, and reimburse Lessor for any and all costs and damages incurred by Lessor on account of such restoration. However, if both parties agree, the determination of removal of such improvements and modifications may be made at the time of Lessor's written consent.
2. Lessor and Lessee acknowledge and confirm that Lessee may install and place in and about the Premises furniture, equipment, supplies and fixtures that are and shall remain the property of Lessee. Lessee shall have the right during the terms of this lease, and upon termination hereof, to remove said furniture, equipment, supplies and fixtures; provided, however, that Lessee shall be solely responsible for and shall bear the cost and expense for such removal, and shall restore the Premises to their original condition following such removal, and reimburse Lessor for any and all

costs and damages incurred by Lessor on account of such removal.

3. 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.

SECTION SIXTEEN
Presence and Use of Hazardous Substances

1. Lessor represents to the best of its knowledge, there has been no previous contamination on, or remediation of, the Premises or the property of which the Premises are a part.
2. Except for approved uses as set forth in Section One, Paragraph 1, above, Lessee shall not, without the Lessor's prior written consent, keep on or around the Premises, common areas or building, for use, disposal, treatment, generation, storage, or sale, any substances designated as, or containing components designated as hazardous, extra hazardous, dangerous, toxic or harmful (collectively referred to as "Hazardous Substances"), and/or that 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 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 Lessor of Lessee's compliance with the applicable governmental regulations;
 - d. Allow Lessor or its agents or representatives to access 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 that may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances) present on the Premises; these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities;
 - f. Except as set forth in Section One, Paragraph 2, above, comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation,

- generation, treatment, storage and disposal of hazardous or other polluting substances, and
- g. Notify Lessor promptly of any investigation involving release of a Hazardous Substance.
3. In the event of a violation or suspected violation, any and all costs incurred by Lessor and associated with the Lessor's inspections of the Premises and the Lessor's monitoring of Lessee's compliance with this section, and including the Lessor's attorney fees and costs, shall be additional rent and shall be due and payable to Lessor immediately upon written demand by Lessor.
 4. Lessee shall not release any Hazardous Substance into the surface, subsurface, water or air in or adjacent to the Premises.
 5. Lessee agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations governing environmental protection, regulation of hazardous substances and land use, and to indemnify Lessor against all losses, damages and costs resulting from any failure of Lessee or any of its employees, agents or contractors to do so, including, but not limited to, violation of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Sec. 9601 et seq.; the Clean Water Act, 33 USC Sec. 1251 et seq.; the Resource Conservation and Recovery Act, 42 USC Sec. 6901; the Toxic Substances Control Act, USC Sec. 2601; the Federal Insecticide, Fungicide and Rodenticide Act, 7 USC Sec. 136 et seq.; the Clean Air Act, 42 USC Sec. 7401 et seq.; the Oil Pollution Act of 1990, 33 USC Sec. 2701 et seq.; the Model Toxics Control Act, RCW 70.105D,010 et seq.; the Washington Water Pollution Control Act, RCW 90.48; the Washington Clean Air Act, RCW 70.94; the Washington Solid Waste Management Act, RCW 70.95; the Washington Hazardous Waste Management Act, RCW 70.105; and the Washington Nuclear Energy and Radiation Act, RCW 70.98.

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 that arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, caused by the Lessee 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 that arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, including, but not limited to, 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 paragraph.

SECTION EIGHTEEN
Compliance with All Laws

Except as set forth in Section One, Paragraph 2, above, 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 Certificate of Occupancy or required permit(s) shall be paid by Lessee.

SECTION NINETEEN
Easements, Agreements or Encumbrances

The parties shall be bound by all existing easements, agreements and encumbrances (if any) of record relating to the Premises that Lessor has disclosed to Lessee in writing, and Lessor shall not be liable to Lessee for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that holder thereunder.

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 of this lease or as otherwise imposed on Lessee.

SECTION TWENTY-ONE
Non-Liability and Indemnification 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, and Lessee agrees to fully defend and indemnify Lessor, its employees, officers, elected officials, and representatives against any claim, action, omission or proceeding arising out of Lessee's use or occupation of the Premises, or of Lessee's predecessor.

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 not 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 as a new address for notice.
- 2. Every notice shall be deemed to have been given at the time it is deposited in the United States mails in the manner prescribed herein.

Lessor:
Port of Skamania County
 PO Box 1099
 Stevenson, WA 98648

Lessee:
Evergreen Forest Inc.
 P.O. Box 1905
 Bellevue WA 98009-1905

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 have the right to sublet the Premises, in whole or in part, and permit the Premises to be used or occupied by others, with Lessor's prior written approval. Approval shall not unreasonably be withheld; provided, however, that no sublease shall release Lessee from its obligation to perform pursuant to this lease, unless the Lessor shall, at its sole discretion, consent in writing to the release of Lessee and substitution of the Sublessee.

SECTION TWENTY-FIVE

Total Agreement; Applicable to Successors

This lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors and assigns of both parties.

SECTION TWENTY-SIX

Applicable Law

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

SECTION TWENTY-SEVEN
Venue/Attorney Fees

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

SECTION TWENTY-EIGHT
Time of the Essence

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

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

LESSOR: PORT OF SKAMANIA COUNTY, a Municipal Corporation of the State of Washington,

By PORT OF SKAMANIA COUNTY

By _____
Pat Albaugh, its Executive Director

LESSEE: Evergreen Forest, Inc.

By _____
Austin Hsu, _____ of Evergreen Forest, Inc.

[Notary acknowledgements appear on next page]

