

THE TRADES DISTRICT @
PANGBORN AIRPORT BUSINESS PARK
A Chelan Douglas Regional Port Authority Development

THIS LEASE is made and entered into the date below set forth by and between the CHELAN DOUGLAS REGIONAL PORT AUTHORITY (the "CDRPA"), a municipal corporation in the State of Washington, hereinafter referred to as "Lessor", and

NAME:

ADDRESS:

CITY/ST/ZIP:

PRIMARY CONTACT:

CELL PHONE:

EMAIL:

hereinafter referred to as "Lessee".

1. **Premises.** The Lessor leases unto the Lessee the following premises situated at the Pangborn Business Park, East Wenatchee, Washington, Building #

Exhibit A – Legal Description

Exhibit B – Building Layout

2. The premises shall be used for the following purposes:

The Tenant shall not use or permit the use of the Premises for any unlawful or immoral activity, nor suffer nor permit on the Premises any nuisance or offensive object, matter or activity. Tenant shall comply with Landlord's Rules and Regulations, as they currently exist or are hereafter adopted or amended.

3. **Term.** Subject to the terms and conditions of this agreement, this lease shall commence on _____ (the "Effective Date") and shall continue on a month-to-month basis, until terminated by either party with 30-days notice.

4. **Rent.** As rent for the premises, Lessee agrees to pay to the Lessor monthly sums as detailed in the Rental Schedule at Exhibit C.

Lessee shall be required to pay a surety deposit of \$850 in advance. Receipt of this payment is required prior to initial occupancy of the premises. The surety deposit may be applied by Lessor, upon termination of the lease, or prior, as payment for defaults by Lessee under this lease, including but not limited to failure to pay rent, without limiting Lessor's right to seek any remaining deficiency from the Lessee.

In addition to Base Rent, Lessee shall pay to the Landlord such sums as may be required by law

for payment of leasehold or other tenant tax as required by the State of Washington or other tax entity as such laws now exists or as they may hereafter be amended (such leasehold tax currently being 12.84%). For the purpose of this Lease, the total of the Base Rent and the leasehold or other taxes is collectively referred to herein as the "Rent." If leasehold tax is increased or decreased, the total amount payable on a monthly basis shall increase or decrease, but the amount of Base Rent as adjusted shall not change as a result of an increase or decrease in the leasehold tax.

5. **Utility Charges.** The Lessee shall pay for all utility services furnished to the premises.
6. **Common Areas.** All common areas will be maintained by Lessor.
7. **Parking.** On street and designated off street parking is to be utilized. No parking in common area roads, except for loading/unloading good or products.
8. **Signage.** Lessor will provide directional signage to the Trade District in addition to any monument type signage. Lessor may place at the leased building one sign attached to the premises in a location approved by the CDRPA.
9. **Storage.** Storage outside of the premises is strictly prohibited.
10. **Other Incorporated Provisions.** All provisions included in the "Lease Agreement Provisions", attached hereto as Exhibit D, and initialed and dated by the parties, is hereby incorporated and made a part of this lease agreement in its entirety.

IN WITNESS WHEREOF, the Lessor and Lessee execute this agreement, this _____ day of _____, 2021.

CHELAN DOUGLAS REGIONAL
PORT AUTHORITY

LESSEE:

James M. Kuntz
Chief Executive Officer

By:
Its:

EXHIBIT A – Legal Description

Parcel #76600001100

Situs: 676 S Billingsley Drive, East Wenatchee, WA 98802

Map Number: 2221-16-23000766-000-00400

Description: PANGBORN AIRPORT BUSINESS PRK BSP 12-01, LOT 11 & 13; PER COMB #3206374

AND

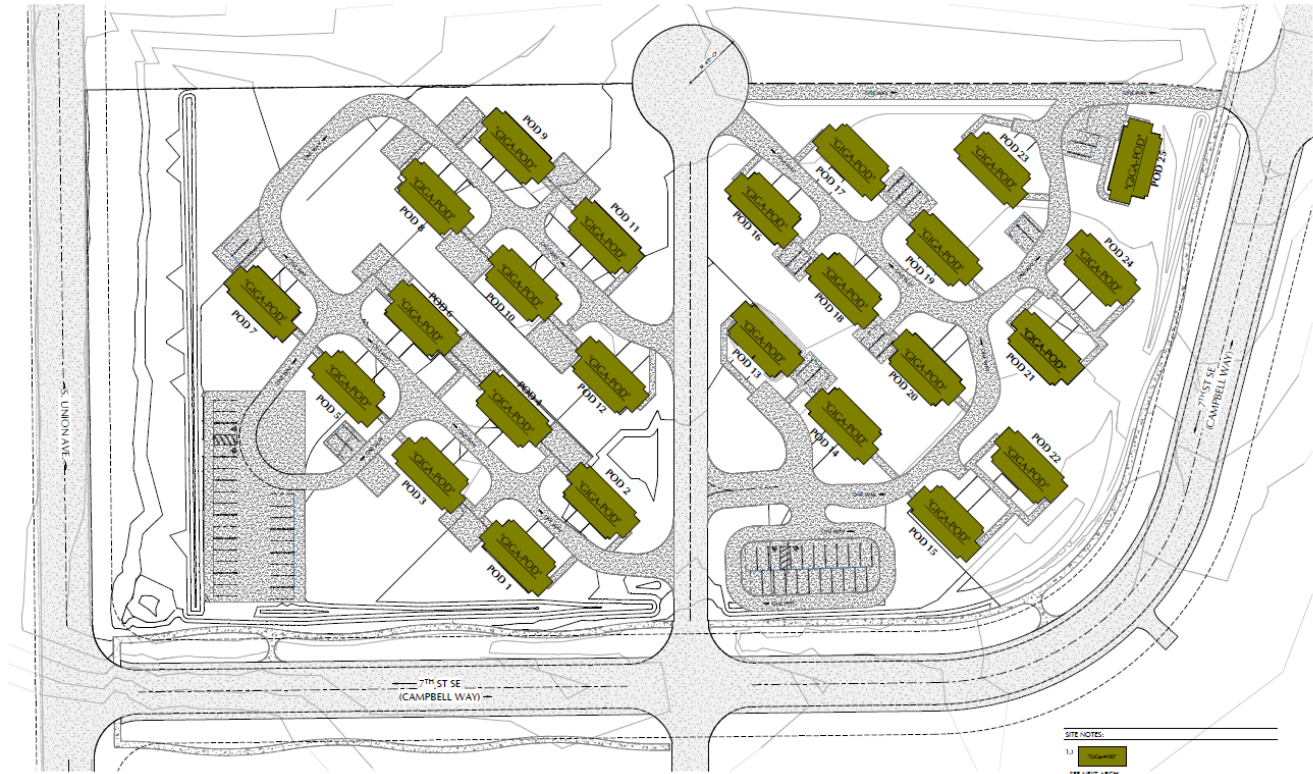
Parcel #76600001000

Situs: 675 S Billingsley Drive, East Wenatchee, WA 98802

Map Number: 2221-16-23000766-000-00400

Description: PANGBORN AIRPORT BUSINESS PARK BSP 12-01, LOT 10 & 12; PER COMB #3206373

EXHIBIT B – Building Layout



SITE NOTES:
 11 **POD**
 - SEE NEXT ARCHT SHEETS FOR DETAILS ON NEW POD CONFIGURATION
 1 **NEW CONFIGURATION - SITE PLAN**
 SCALE: 1" = 20'

The Trades District @
Pangborn Airport Business Park
EXHIBIT C

Year	Rate	Square Footage	Monthly Rent	State Leasehold Tax	Total
1	\$0.65	1,255	\$ 815.75	\$ 104.74	\$ 920.49
2	\$0.75	1,255	\$ 941.25	\$ 120.86	\$ 1,062.11
3	\$0.85	1,255	\$1,066.75	\$ 136.97	\$ 1,203.72
4	\$0.95	1,255	\$1,192.25	\$ 153.08	\$ 1,345.33
5	\$1.05	1,255	\$1,317.75	\$ 169.20	\$ 1,486.95

After Year 5 - 3.5% Increase Annually

THE TRADES DISTRICT @
PANGBORN AIRPORT BUSINESS PARK
A Chelan Douglas Regional Port Authority Development
EXHIBIT D – LEASE AGREEMENT PROVISIONS

1. **Recitals and Exhibits.** The above-referenced recitals and all exhibits attached hereto are incorporated herein by this reference as binding commitments of the Parties.
2. **Rent.** As rental for the premises, Lessee agrees to pay to the Lessor monthly sums as detailed in the Rental Schedule at Exhibit C.

In addition to Base Rent, Lessee shall pay to the Landlord such sums as may be required by law for payment of leasehold or other tenant tax as required by the State of Washington or other tax entity as such laws now exists or as they may hereafter be amended (such leasehold tax currently being 12.84%). For the purpose of this Lease, the total of the Base Rent and the leasehold or other taxes is collectively referred to herein as the "Rent." If leasehold tax is increased or decreased, the total amount payable on a monthly basis shall increase or decrease, but the amount of Base Rent as adjusted shall not change as a result of an increase or decrease is the leasehold tax.

In the event the lease term commences or terminates on a date that is not the first or last day of the month respectively, Tenant shall pay a pro-rated monthly rent installment, in advance, on the first day of the lease term or the first day of the last month of the lease term, respectively, at the then current rate, based on the number of days of actual occupancy during the first or last calendar month of the lease term.

2.1 Taxes.

2.1.1 Tenant shall pay, before the same become delinquent, all taxes assessed against Tenant's personal property, furniture, fixtures, equipment, inventory and other property on the Leased Premises.

2.1.2 Any tax related to the value of the Leased Premises that may be assessed against Landlord or Tenant during the term of this Lease will be paid by Tenant, upon demand by Landlord.

2.2 Pass-Through Costs. In addition to rent and any other obligation set forth in this Lease, the Tenant shall reimburse the Landlord for the following costs: standby water, fire protection costs (inspections and fire district assessments), taxes, assessments, inspections (e.g. fire alarm and sprinkler systems), the share of property insurance attributable to the Leased Premises, and the like. This Lease is intended to be net to the Landlord, and except where expressly stated otherwise, the Tenant shall pay, be responsible for, and/or reimburse Landlord for all expenses associated with the Leased Premises.

2.3 Security Deposit. Lessee shall be required to pay a surety deposit of \$850 in advance. Receipt of this payment is required prior to initial occupancy of the premises. The surety deposit may be applied by Lessor, upon termination of the lease, or prior, as payment for defaults by Lessee under this lease, including but not limited to failure to pay rent, without limiting Lessor's right to seek any remaining deficiency from the Lessee.

2.4 Late Charge and Fees. If any payment to be made by Tenant is not received within ten (10) days after the date it is due, Tenant agrees to pay a late charge of five percent (5%) of the amount of said payment for each month the payment remains unpaid. The late charge is due immediately, without notice, and is in addition to all of Landlord's rights in this Lease. If Landlord elects to provide written notice of delinquency or other violation of the Lease, Tenant agrees to pay Landlord's cost and attorneys' fees reasonably incurred in providing such notice in addition to the late charge and all other payments and obligations called for herein.

3. Utility Charges. The Lessee shall pay for all utility services furnished to the premises.

Landlord does not warrant that any utility services or systems will be free from interruption. The Landlord shall not be liable to Tenant for any loss or damage caused by or resulting from any variation, interruption, or failure of heat, cooling, ventilation, or electricity or any other utility services or systems due to any cause, other than Landlord's negligent or willful acts. No temporary interruption or failure of utility services due to the making of repairs, alterations, or improvements, or due to accident, strike or conditions or events beyond Landlord's control shall be deemed an eviction of Tenant or relieve Tenant from any of Tenant's obligations under this Lease.

4. Possession. Possession of the Leased Premises pursuant to this Lease shall commence no later than _____, but Landlord may provide early access to Tenant.

5. AS-IS; NO WARRANTY. TENANT ACKNOWLEDGES IT IS FAMILIAR WITH THE PROPERTY, HAS INVESTIGATED SAME, AND HAS BEEN PROVIDED WITH ADDITIONAL OPPORTUNITIES TO INVESTIGATE THE PROPERTY PRIOR TO SIGNING THIS LEASE. TENANT ACKNOWLEDGES AND AGREES THAT IT IS RELYING SOLELY ON ITS INSPECTION AND INVESTIGATION OF THE PROPERTY, AND ACCEPTS THE PROPERTY "AS IS, WHERE IS" IN ITS PRESENT CONDITION WITH NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, EITHER ORAL OR WRITTEN, MADE BY LANDLORD OR ANY EMPLOYEE, AGENT OR REPRESENTATIVE OF LANDLORD WITH RESPECT TO THE PHYSICAL CONDITION OF THE PROPERTY. TENANT SHALL HAVE DETERMINED TO ITS SATISFACTION THAT THE PROPERTY CAN BE USED FOR THE PURPOSES TENANT INTENDS. TENANT ACKNOWLEDGES AND AGREES THAT NEITHER LANDLORD NOR LANDLORD'S AGENT HAD MADE, AND DOES NOT MAKE, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE HABITABILITY, TENANTABILITY OR SUITABILITY FOR COMMERCIAL OR RESIDENTIAL PURPOSES, MERCHANTABILITY, POTENTIAL USE OF THE PROPERTY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, OR THE PRESENCE OR ABSENCE OF ANY HAZARDOUS SUBSTANCES, WASTES OR MATERIALS AS DEFINED BY STATE, FEDERAL OR LOCAL LAW, ALL OF WHICH WARRANTIES LANDLORD HEREBY EXPRESSLY DISCLAIMS.

6. Use of Leased Premises. Tenant shall use the Premises for the purpose of _____ and for no other purpose unless agreed to in advance by Landlord. The Tenant shall not use or permit the use of the Premises for any unlawful or immoral activity, nor suffer nor permit on the Premises any nuisance or offensive object, matter or activity.

Tenant shall comply with Landlord's Rules and Regulations, as they currently exist or are hereafter adopted or amended.

6.1 Signs. Tenant may request placement of an exterior sign on the Premises subject to any applicable laws, code or ordinances and subject further to the Landlord's Rules and Regulations. Landlord shall review the request and approve, deny, or condition the approval of the exterior sign, which decision is committed to the sole discretion of the Landlord. Tenant shall be solely responsible for maintaining its signs in good condition and repair and restoring any damage caused by the removal of such signs at the end of this Lease.

6.2 Covenants. The Premises are located on real property benefited by Covenants recorded at Chelan County Auditor's File No. 2469265 (the "Covenants"). The Tenant shall have no right to enforce these Covenants. If Tenant believes that a violation of the Covenants has occurred, Tenant may request the Landlord to commence an enforcement action, but the Landlord is under no obligation to do so. The decision to enforce the Covenants is committed to the sole discretion of the Landlord.

7. Assignment and Subletting. Tenant shall not assign, mortgage or encumber all or part of this Lease, nor sublet, nor suffer or permit the Leased Premises or any part thereof to be used by others.

8. Tenant Covenants. Tenant shall, at Tenant's sole cost and expense:

8.1 Refrain from any use which would be reasonably offensive to the Landlord, other tenants, owners or users of adjoining premises, or which would tend to create a nuisance or interfere with the use of the Pangborn Business Park Trades District.

8.2 Keep and maintain the Premises, improvements or other materials placed on the Premises in a safe, clean and orderly manner.

8.3 Comply with all laws, orders and regulations of Federal, State and municipal authorities, including any rules and regulations adopted by the Landlord, and any future amendments thereto.

8.4 Comply with all health, safety and security codes applicable to the use of the Premises and shall comply with any direction of any public officer, pursuant to law, which shall impose any duty upon the Landlord or the Tenant with respect to the Premises.

8.5 Obtain all licenses or permits which may be required for the conduct of Tenant's business within the terms of this Lease, or for the making of repairs, alterations, improvements, or additions, and the Landlord, at Tenant's expense and when reasonably necessary, will join the Tenant in applying for all such permits or licenses.

9. Alterations and Improvements.

9.1 Landlord's advance written consent shall be required for all changes (structural or non-structural), improvements or alterations, to the Leased Premises.

9.2 Design plans must be submitted to Landlord for review and approval for each

alteration or improvement to the Leased Premises requested by Tenant. Review of structural changes must be approved in advance by Landlord's engineer. Tenant shall bear responsibility for Landlord's reasonable costs of investigation incurred for any requested changes, including engineer's, architect's, attorney's, and other expert's fees.

9.3 All such approved changes, alterations, or improvements shall be made at the Tenant's sole cost and expense; and Tenant shall use a licensed and bonded contractor or contractors for such changes, alterations, and/or improvements. Tenant agrees that any changes, alterations, or improvements made shall not abate the Rent. In the performance of such work, Tenant agrees to comply with all laws and ordinances and to hold Landlord harmless from any damage, loss or expense caused by work performed by Tenant.

9.4 Any changes, alterations, or improvements of or to the Leased Premises shall become at once a part of the realty and belong to the Landlord, except trade fixtures supplied and paid for by the Tenant subject to the Tenant's duty to remove as set out in this Lease.

9.5 At Landlord's request, within ten (10) days prior to the Lease's termination Tenant shall restore the Leased Premises to the condition that existed at the commencement of the Lease, except for normal wear and tear and approved alterations and improvements (unless as a condition of the approved alteration or improvement the Landlord requires the Tenant to remove said alteration or improvement prior to the Lease's termination).

9.6 Tenant shall keep the Leased Premises free from any liens, and shall indemnify and hold Landlord harmless and defend it from any liens or encumbrances, damage, loss or expense arising out of any work performed or materials furnished by or at the direction of Tenant, or otherwise, to the Leased Premises.

10. Repair and Maintenance.

10.1 By Tenant. Tenant shall, at its own cost and expense during the term of this Lease, keep and maintain the Premises including any and all equipment and building improvements situated therein and thereon, and any and all sidewalks and ways adjacent thereto, in a good condition and state of repair, at least comparable to that which existed immediately prior to the commencement of the Lease, except for ordinary wear and tear. Tenant shall make or cause to be made, as and when the same become necessary, all nonstructural, exterior and interior, replacements, repairs and restorations necessary to the Premises, including cracked or broken glass, paint, carpet, plumbing, electrical and mechanical. All replacements, repairs and restorations required of Tenant shall be done in a good and workmanlike manner and of a quality at least equal to the original work and shall be by licensed and bonded contractors, and in compliance with all standards and requirements of law, licenses and municipal ordinances. Except as stated in Section 10.2, Landlord shall have no obligation to do any repairs or maintenance on the Premises.

10.2 By Landlord. Landlord shall maintain and repair the exterior structure of the Premises, the roof, roof membrane, foundation and load bearing and exterior walls. Notwithstanding anything to the contrary in this paragraph, any maintenance or repair to the Premises necessitated by the negligence or wrongful act of the Tenant, its agents, employees, officers, guests, invitees, or representatives, shall be the responsibility of the Tenant.

11. Trade Fixtures. Tenant may install on the Leased Premises such equipment and fixtures as are customarily used in the type of business conducted by Tenant. At the termination of this Lease, at the direction of the Landlord, Tenant shall, or at Tenant's option Tenant may, remove from the Leased Premises all such equipment, fixtures, and all other property of Tenant provided that Tenant repairs the damage caused by the removal, and restores, at the Tenant's sole cost and expense, the Leased Premises, consistent with Section 10 of this Lease. Any equipment or fixtures not removed by the expiration or sooner termination of this Lease, shall at the option of the Landlord become the property of the Landlord.

12. Right of Entry.

12.1 Landlord may enter the Leased Premises at all times for emergencies, and at reasonable times, after reasonable notice to Tenant, during or after business hours, for the purpose of inspecting, cleaning, repairing, altering, improving or exhibiting the Leased Premises, but nothing in this paragraph shall be construed as imposing any obligation on the Landlord to perform any such work.

12.2 Landlord may place "FOR RENT" or "FOR SALE" signs on the exterior of the Leased Premises and, after reasonable notice to Tenant, may enter the Leased Premises for purposes of showing the Leased Premises to prospective tenants, purchasers and lenders.

13. Damage or Destruction.

13.1 All damage or injury done to the Leased Premises by Tenant, or by any persons who may be in or upon the Leased Premises, shall be paid for by Tenant, except as caused by the negligence or other wrongful conduct of Landlord or its employees, agents, contractors, or other representatives.

13.2 If the Leased Premises are partially destroyed or damaged by fire or any other casualty to the extent that part of the Leased Premises is rendered untenable, or if the cost of repairing the damage to the Leased Premises exceeds \$50,000. Either Landlord or Tenant may terminate this Lease by notice in writing to the other Party within sixty (60) days after the destruction or damage unless Landlord agrees in writing within thirty (30) days after the destruction to pay the uninsured portion of the cost of repair, in which case the Lease shall not terminate. The notice shall be effective thirty (30) days after receipt. Rent shall abate for the portion of the building on the Leased Premises rendered untenable while the Lease is in effect (e.g. if 25% of the building is untenable due to damage or destruction. then the Rent shall be reduced by 25% during the period the Lease remains in effect and the portion of the building remains untenable; once repaired. If the Lease is still in effect then the full Rent shall be due).

13.3 Landlord's liability shall be limited to its contractual obligation in this lease, and any damage caused by its negligent or otherwise wrongful conduct.

14. Hold Harmless and Indemnity.

14.1 The Tenant shall indemnify, defend and hold the Landlord harmless from and against any and all claims, demands, cause of actions, suit or judgments, including attorney's fees, costs and expenses incurred in connection therewith and in enforcing the indemnity, for deaths or injuries to persons or for loss of or damage to property arising out of or in connection with the negligent or

wrongful acts of Tenant, its agents, employees, officers, guests, representatives and invitees. or the condition of the Premises (except for matters for which the Landlord is responsible), or the use and occupancy of the Premises by Tenant; or by Tenant's non-observance or non-performance of any law, ordinance or regulation applicable to the Premises; or incurred in obtaining possession of the Premises after a default by the Tenant, or after the Tenant's default in surrendering possession upon expiration or earlier termination of the term of the Lease, or enforcement of any covenants in this Lease; provided, however that this clause shall not apply in the event the loss or damage arises from the sole negligence of the Landlord. This includes, without limitation, any liability for injury to the person or property of Tenant, its agents, officers, Employees or invitees. The Tenant specifically waives any immunity provided by Washington's Industrial Insurance Act. This indemnification covers claims by Tenant's own employees.

14.2 In the event of any claims made to, or suits filed against Landlord, for which the above indemnity applies, Landlord shall give Tenant prompt written notice thereof and may demand that the Tenant defend or settle the same.

14.3 Tenant, as a material part of the consideration to be tendered to Landlord, waives all claims against Landlord for (a) damages to goods, wares, and merchandise, in upon or about the Premises arising from any cause or condition, and loss of business, expectancy or consequential damages arising from any reason, cause, or condition.

15. Insurance.

15.1 Tenant's Property. Tenant is responsible for insuring all property, personal property, and inventory made or owned by Tenant.

15.2 Minimum Scope and Limit of Insurance. Tenant shall procure and maintain for the duration of the Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Tenant's operation and use of the Premises and common areas. The cost of such insurance shall be borne by the Tenant, and coverage shall be at least as broad as:

15.3 Commercial General Liability (CGL). Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$1,000,000 per occurrence and a general aggregate limit of not less than \$2,000,000. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

15.4 Property Insurance. Property insurance against all risks of loss to any improvements or betterments to the full replacement cost with no coinsurance penalty provision.

If the Tenant maintains broader coverage and/or higher limits than the minimums shown above, the Landlord requires and shall be entitled to broader coverage and/or higher limits maintained. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Landlord.

15.5 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

15.5.1 Additional Insured Status. The Landlord, its officers, officials, and employees are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Tenant, including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 2010.)

15.5.2 Primary Coverage. For any claims related to this Lease, the Tenant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Landlord, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.

15.5.3 Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be cancelled, except with notice to the Landlord.

15.5.4 Waiver of Subrogation. Tenant hereby grants to Landlord a waiver of any right to subrogation which any insurer of said Tenant may acquire against the Landlord by virtue of the payment of any loss under such insurance. Tenant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Landlord has received a waiver of subrogation endorsement from the insurer.

15.5.5 Acceptability of Insurers. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the Landlord.

15.5.6 Verification of Coverage. Tenant shall furnish the Landlord with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declaration and Endorsement Page of the CGL policy listing all policy endorsements to Landlord. However, failure to obtain the required documents prior to commencement of this lease shall not waive the Tenant's obligation to provide them. Landlord reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

The Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure such insurance on Tenants behalf and charge Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand.

15.5.7 Special Risks or Circumstances. Landlord reserves the right to modify these requirements at any time, including limits, based on the nature of the risk, prior experience, insurer, coverage, the passage of time, or other special circumstances.

16. Quiet Enjoyment. Landlord covenants that Tenant, upon performance of all Tenant's obligations under this Lease, shall lawfully and quietly hold, occupy and enjoy the Leased Premises during the term of this Lease without disturbance by the Landlord or from any person claiming through the Landlord.

17. Vacating Upon Termination. Tenant covenants and agrees that upon the expiration of the

Lease or renewal term, or upon the termination of the Lease for any cause, Tenant shall at once peacefully surrender and deliver the whole of the above-described Leased Premises together with all improvements, except trade fixtures, thereon to the Landlord or Landlord's agents or assigns, unless Tenant shall have expressly acquired from Landlord the right to remain through another written extension of this Lease.

18. Presence and Use of Hazardous Substances. Tenant shall not, without Landlord's prior written consent, except in the ordinary course of its business, keep on or around the Leased Premises, for use, disposal, treatment, generation, storage or sale, any substances designated as, or containing designated as 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.

18.1 With respect to any Hazardous Substance, Tenant shall:

18.1.1 Comply promptly, timely, and completely with all governmental requirements for reporting, keeping and submitting manifests, and obtaining and keeping current identification numbers;

18.1.2 Within ten (10) days of Landlord's request, submit written reports to Landlord regarding Tenant's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence reasonably satisfactory to Landlord of Tenant's compliance with the applicable governmental regulation;

18.1.3 Allow Landlord or Landlord's agents or representatives to come on the Leased Premises at all reasonable times, after reasonable notice, to check Tenant's compliance with all applicable governmental regulations regarding Hazardous Substances;

18.1.4 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 Leased Premises, these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities and shall be set forth in an addendum to this Lease);

18.1.5 Comply in all material respects with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of hazardous substances; and

18.1.6 Landlord shall have the right, at reasonable times and upon reasonable notice to Tenant, to inspect the Leased Premises to monitor Tenant's compliance with this section. Landlord shall pay and be responsible for the costs of its own inspection. Notwithstanding the foregoing, if an inspection reveals the use or presence of Hazardous Substances requiring clean-up or other action that Tenant has not previously notified Landlord of, then Tenant shall pay, as part of the cleanup cost incorporated in Section 18.2.2 below, Landlord's actual costs, including reasonable attorney's fees and costs, incurred in making or providing for such inspection and any follow-up inspections.

18.2 Landlord's Rights and Remedies.

18.2.1 Tenant shall be fully and completely liable to Landlord for any and all clean-up costs and any and all charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Tenant's use, disposal, transportation, generation and/or sale of Hazardous Substances, in or about the Leased Premises.

18.2.2 Tenant shall indemnify, defend and hold Landlord harmless from any and all costs, fees, penalties and charges assessed against or imposed upon Landlord including reasonable Landlord's attorneys' fees and costs as a result of Tenant's use, disposal, transportation, generation and/or sale of Hazardous Substances.

18.2.3 Upon Tenant's material default under this article, in addition to the rights and remedies set forth elsewhere in this Lease, Landlord shall be entitled to the following rights and remedies:

18.2.4 At Landlord's option, to terminate this Lease immediately if the default is not cured within thirty (30) days after Landlord provides Tenant with notice of the default; and

18.2.5 To recover any and all damage associated with the default, including, but not limited to clean-up costs and charges, civil and criminal penalties and fees, and any and all damages and claims asserted by third parties together with reasonable attorneys' fees and costs.

19. Arbitration.

19.1 In the event that the Parties cannot agree on any matter of this Lease, they shall consult together with a view of resolving the dispute. In the event they cannot agree upon a resolution to the dispute, the same shall be settled pursuant to RCW Chapter 7.04A ET. Seq. except as herein modified.

19.2 Such arbitration shall be before one disinterested arbitrator, if one can be agreed upon, otherwise before three (3) disinterested arbitrators, one named by the Landlord, one by the Tenant, and one by the two thus chosen. If all arbitrators have not been appointed within fifteen (15) days after demand for arbitration, then either side may apply to the Chelan County Superior Court, upon ten (10) days' notice to the other, for appointment of the necessary arbitrators remaining to be appointed, and the judicial appointment shall be binding and final. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of the State of Washington as applied to the facts found by the arbitrator(s). The arbitrator or arbitrators may grant injunctions or other relief in such controversy or claims.

19.3 The decision of the arbitrator or arbitrators shall be final, conclusive and binding on the Parties and a judgment may be obtained thereon in any Court having jurisdiction. Landlord and Tenant shall each pay one-half of the cost and expenses of such arbitration and each party shall separately pay for its own attorney's fees and expenses.

20. Cost and Attorney's Fees. In the event it is necessary for either Party to utilize the services of an attorney to enforce any of the terms of this Lease, such enforcing Party shall be entitled to compensation for its reasonable attorney's fees and costs. In the event of litigation regarding any of the terms of this Lease, the substantially prevailing Party shall be entitled, in

addition to other relief, to such reasonable attorney's fees and costs as determined by the court.

21. Condemnation.

21.1 If all the Leased Premises are taken by any public authority under the power of eminent domain, this Lease shall terminate as of the date of possession by said public authority.

21.2 A condemnation or taking by public authority shall not be grounds for terminating this Lease unless twenty-five percent (25%) or more of the Leased Premises are taken. No award for any partial or entire taking shall be apportioned. However, the Tenant will not be required to give or assign the Landlord any interest in any award made to the Tenant for the taking of personal property and fixtures belonging to the Tenant or for the interruption or damage to Tenant's business or for Tenant's unamortized cost of any leasehold improvements.

21.3 In the event of a partial taking which does not result in the termination of this Lease, the Base Rent shall be proportionately abated based on the amount of Leased Premises made unusable.

22. Force Majeure. Landlord's or Tenant's failure to perform any of its obligations under this Lease shall be excused if due to causes beyond the control of Landlord or Tenant, including but not restricted to, acts of God, acts of the public enemy, acts of any government, fires, floods, earthquakes, epidemics and strikes.

23. Time. TIME IS OF THE ESSENCE IN THIS LEASE.

24. Binding on Heirs, Successors and Assigns. All the covenants, agreement terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns, except as may be provided to the contrary in other sections of this Lease.

25. Savings Clause. Nothing in this Lease shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provisions of this Lease and any statute, law, public regulation or ordinance, the latter shall prevail, but in such event, the provisions of this Lease affected shall be curtailed and limited only to the extent necessary to bring it within legal requirements.

26. Incorporation. This Lease represents the entire agreement of the Parties. Unless set forth herein in writing, neither Party shall be bound by any statements or representations made, and each agrees that there are no such statements or representations being relied upon in making this Lease. No alterations, changes, or amendments to this Lease will be binding upon either Party unless such Party has executed a written statement acknowledging such alteration, change or amendment.

27. Governing Law. This Lease shall be governed by the law of the State of Washington and venue for any action arising from this Lease shall be in Douglas County, Washington.

28. Remedies Cumulative.

28.1 The specified remedies to which the Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Landlord may be lawfully entitled in case of any breach or threatened breach by Tenant of any provision of this Lease. In addition to the other remedies provided in this Lease, Landlord shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, or provisions of this Lease.

28.2 The Landlord's selection of one or more remedies shall not constitute an election of remedies to the exclusion of any other remedies.

29. Conflict of Provisions. In case of conflict, the more specific provisions of this Lease shall control.

30. Notices. Any notices shall be effective if personally served upon the other party or if mailed by registered or certified mail, return receipt requested, to the following addresses:

Landlord:

Chelan Douglas Regional Port Authority
One Campbell Parkway, Suite A
East Wenatchee, WA 98802

Tenant:

Upon possession by Tenant of premises, notices shall be sent to new address of Tenant at the Leased Premises. Notices mailed shall be deemed given on the date of mailing. Landlord and Tenant shall notify each other of any change of address.

31. Interpretation and Authority. This Lease has been submitted to the scrutiny of all Parties and their counsel, if desired, and it shall be given a fair and reasonable interpretation in accordance with its words, without consideration to or weight given to its being drafted by any Party or its counsel. All words used in the singular shall include the plural; the present tense shall include the future tense; and the masculine gender shall include the feminine and neuter genders. Each of the persons signing below represent and warrant that they have the full authority to sign this Lease and to bind the entity for which they are signing to the terms and conditions of this Lease.

Landlord Initials: _____ Date: _____

Tenant Initials: _____ Date: _____

