Public Notice 10-Year Lease Agreement

Notice is hereby given that the Board of County Commissioners is considering entering into a 10-year lease agreement with Feng Ye LLC for property at the Wind River Business Park. Full terms of this lease are available on the County's webpage or by contacting the Public Works Department at 509-427-3910. Per Skamania County Code 2.56, competing bids will be accepted in the Public Works Office at PO Box, 1009, 170 NW Vancouver Ave., Stevenson, WA 98348 until **Thursday, April 25th, 2024**. In order for a competing bid to be considered, the Bid must be accompanied by a certified check for twice the proposed monthly lease payments.

Lisa Sackos Clerk of the Board Skamania County Commissioners 240 NW Vancouver Ave., Stevenson, WA 98648

Publish: April 3, 2024

April 10, 2024

LEASE AGREEMENT

This agreement is entered into this 1st day of May 2024 by and between **Skamania County**, a municipal corporation organized under the laws of the State of Washington, herein referred to as "Lessor," and Feng Ye LLC a Washington Limited Liability Corporation, herein referred to as "Lessee."

Recitals

- 1. Lessor is the owner of the real property, 1111 Hemlock Road, Wind River Business Park, in Stabler Washington.
- 2. Lessee desires to lease approximately 35,000 square feet of the building known as the Processing Center and use of shared outdoor space and driveway including the loading dock as shown in Exhibit A, hereinafter referred to as the "Premises", for the purposes of growing Hemp; producing CBD and CBG products.
- 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.
- 4. For the foregoing reasons, the parties desire to enter into a lease agreement defining their respective rights, duties, and liabilities with respect to the Premises.

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

SECTION ONE Subject and Purpose

- 1. Lessor leases to Lessee approximately 35,000 square feet of usable space shown in Exhibit A for Lessee's use for the initial purpose of growing Marijuana and Hemp; producing CBD, CBG, Marijuana, and other Hemp related products, and performing such services in connection therewith as are usually and customarily connected with and incidental business operations, and for which the Premises are hereby leased, subject to the recitals, terms and conditions herein, the breach of which shall result in a reversion to Skamania County of all rights, 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 prorata 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 underage 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, which is evidenced by written notices or formal letters issued by the relevant federal agency, the Lessor and Lessee may negotiate in good faith to terminate the lease.

- 3. In connection with its use of the Premises, Lessee shall at all times:
 - a. As outlined 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 affect 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 a casualty or that would increase the insurance rate unless the Lessee pays the additional cost of the insurance.
 - Except for herein provided approved uses, refrain from any use that would be c. 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. The lessor recognizes there will be some odor with the proposed uses and only expects the lessee to take reasonable action to mitigate this odor. 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 the 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. Notwithstanding the foregoing, the restriction set forth in this section does not apply to the smell or odor resulted from the nature of herein-approved uses such marijuana and hemp related products on the Premises, provided that the Lessee shall take reasonable action to mitigate such smell or odor if it becomes unreasonable offensive or creates a nuisance to neighboring tenants or neighbors.

- 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.
- j. Restrict use of the premises 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 begin on May 1, 2024, and end on April 30, 2034, for ten (10) years. After the initial 10 years, each party may mutually agree on up to two 5-year extensions, unless sooner terminated or extended by the terms of this agreement.
- 2. For the use and occupancy of the Premises, Lessee shall pay Lessor the rental sum in the amount of twenty-five thousand dollars (\$25,000.00) per month plus Washington State Leasehold Excise Tax (currently 12.84%). Payments will be due in advance without demand on the 1st day of each calendar month, to Lessor except for the first three months of the lease term. The lessor agrees to a base rental rate of \$1000 per month for April, May, and June of 2024 with the Leasehold Excise Tax included. Rent is payable to Skamania County Treasurer, P.O. Box 1009 Stevenson WA 98648.
 - a. Lessee acknowledges and agrees that the Premises is reduced by 2770 square feet occupied by Gorge Greens a DBA of Recircular LLC. This area is currently leased for a total payment of \$980.53 monthly. Upon execution of this contract, this lease will be terminated, and Gorge Greens understand they must sublease this directly with Feng Ye LLC. If there are any issues with the lessee working this out directly with Gorge Greens the Lessor will handle all eviction proceedings and compensate the Lessee by reducing the rent by one thousand (\$1,000) per month. This credit shall cease when the area is returned to Lessee after Gorge Greens vacate it.
 - b. Upon the potential vacancy of the SARS building the lessee agrees to lease the space vacated and pay an additional two thousand (\$2000) per month for the entire SARS building plus Washington State Leasehold Excise Tax.
- 3. 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.
- 4. If Lessee shall have completely and timely fulfilled each and every term and condition hereof and is not in default, this lease shall renew as set forth in the aforementioned paragraph 1 with automatic lease rate increases set forth in paragraph 6, below. 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.

5. If either party decides not to renew this Lease after its initial term or any renewal term, the party choosing not to renew the Lease shall notify the other party in writing, delivered to the recipient party not less than sixty (60) days prior to the last day of the expiring term.

Rent shall be increased annually (or unchanged in the event of a negative change) starting in 2026 on January 1st of_each year a percentage equal to any positive annual percentage change in the Consumer Price Index for Urban Wage Earners most recently published by the Bureau of Labor Statistics of the United States. 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.

SECTION THREE Late Charges and Interest on Past Due Sums

- 1. If Lessee shall fail to pay all or any part of an installment of rent within ten (10) days of the due date, Lessee shall, in order to cure Lessee's default hereunder, pay to 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.

SECTION FOUR Security Deposit

Lessee will deposit with Lessor a deposit in the amount of fifty thousand dollars (\$50,000), payable at time of lease which shall become the property of the Lessor and held 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 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 the 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 the default set forth herein 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 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 may conduct its own independent inspection within ten (10) business days upon commencement of the lease respecting the Premises ("Inspection Period") 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.

If Lessee disapproves of the inspection results and proposes repairs to the Premises or modifications to this Lease, the parties shall negotiate in good faith. If the parties are not able to develop an agreeable resolution either party may terminate the Lease. The security deposit and the rent, if paid, shall be refunded to the Lessee within thirty (30) business days after the termination of the Lease in writing.

If Lessee gives no notices of disapproval within the Inspection Period, Lessee's right to terminate the Lease under this section shall conclusively be deemed waived. Furthermore, Lessee agrees to waive the inspection of the fire suppression system on the Premises, which shall not be used as disapproval of the inspection. However, Lessor shall be responsible for installing and maintaining the fire suppression system if Lessee is required by the County Fire Marshall. For the purpose of this Lease, the fire suppression system means any and all components that are required by applicable laws to suppress fires in commercial buildings, which includes but is not limited to, sprinkler systems, smoke detectors, and heat detectors.

SECTION SIX Taxes

Lessee shall timely pay to the Lessor all Leasehold Excise Tax due 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 <u>Utilities</u>

Lessee shall bear responsibility for utility services including but not limited to refuse, telephone, telecommunications, water, sewer and electric. Lessor will credit the Lessee \$350 each month toward utilities paid by shared tenants of the Processing Center Complex. (\$350 from Wind River Biomass Utility Micro Greens division). Upon the assumption of terms set forth in Section Two Terms and Conditions, Paragraph 2a and Paragraph 2b should occur the credit will cease. Lessee shall pay Lessor as additional rent \$500 flat sewer & water fee per month until those services can be metered, and rates are established. Lessee warrants to promptly pay and 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 NEW utility services above shall be made in the name of the Lessee only, and Lessee shall be solely liable for such utility charges as they become due.

SECTION EIGHT Maintenance and Repairs

1. Unless provided otherwise in Section 5 Inspection, the 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, unless the use, conduct or activities of Lessee caused the problem that 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. Specifically, Lessee shall keep the Premises free of debris. Lessee shall be responsible for snow removal. Lessee shall use all reasonable precautions 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.
- 2. Any and all personal property, vehicles, equipment or fixtures of the Lessee and others 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. 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 subcontracts 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 and wrongful death, personal injury liability, and property damage liability for all operations and activities on the Premises. 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. Lessee's insurance policy shall be primary and noncontributory. The Lessor shall be named as additional insured. Lessee shall provide proof of insurance by a certificate of insurance evidencing the above coverage and the Lessor added as an additional insured prior to taking possession of the Premises and shall maintain that insurance coverage at all times under this lease and any extension thereof.
- c. All insurance provided by Lessee as required by this section shall ensure performance by Lessee of the indemnity provisions hereof, including all environmental obligations set forth herein.
- 4. Lessee shall provide and keep in force other insurance in amounts that may from time to time be reasonably required against other such insurable hazards as are commonly insured against for the type of business activity that Lessee 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 restore its condition immediately before the casualty. Rent shall be abated during the period of restoration to the extent the buildings and Premises are not reasonably usable by Lessee. If the casualty was caused by Lessee's negligence or failure to comply with the terms of this Lease rent abatement may not be granted. 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 fifty percent (50%) of its replacement cost, the parties shall negotiate in good faith to determine whether either party may elect to terminate this lease. If the Lease is terminated, Lessor shall retain the proceeds of any such loss and in that event, Lessee shall receive no compensation for early lease termination or relocation costs.
- 6. Lessor and Lessee waive rights each 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 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 <u>Indemnity</u>

Lessee shall indemnify Lessor and the Port of Skamania County, their employees, officials, agents, representatives and elected officials, against all expenses, liabilities, actions 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 or caused, directly or indirectly, from Lessee's operations; (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 shall fail to pay rent or any other sum due hereunder when the same shall become due.
- 2. 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 unanswered after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the

thirty (30) day period, Lessee shall not in good faith have commenced performance within the 30 days 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.

- 3. 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.
- 4. 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, material, or other liens against the property.

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.
- 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 not fewer than sixty (60) days written notice to the Lessee 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. Contingent on Lessee obtaining a Washington State Cannabis license; upon default, or any other circumstantial situation in which personal property must be removed from the property. The Washington State Liquor and Cannabis Board for proper removal of all cannabis and/or cannabis products prior to removing any of the tenant's personal property from the building upon the 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 sub-property (marijuana products excepted). In the alternative, Lessor may re-enter the Premises and remove the property and personnel of Lessee (provided all marijuana products have been removed). 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 the sale against any amounts owed Upon termination, Lessor may recover from Lessee all damages by Lessee. 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. Lessor may further seek double rent damages per RCW 59.12.170.
- 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

Prior to Lessee obtaining a cannabis producer's license for the Premises: The Lessor retains the right to enter the premises at any time to examine, inspect or protect the Premises, prevent damage or injury to the Premises, to make such repairs to the Premises as are necessary and reasonable and to exhibit the Premises to prospective tenants. Provided however, Lessor shall provide Lessee with advance notice of all such access needs to the Premises, scheduling access in advance and during normal business hours, except in the event of an emergency.

After Lessee obtains a cannabis producer's license for the Premises: Notwithstanding anything in the Lease to the contrary, neither Lessor nor its employees, agents or

representatives shall enter the leased premises while marijuana products are on the premises without an owner or employee of the recreational marijuana business being present. Lessee shall permit lessor or its agent (with Lessee present where applicable) 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 at least three (3) business days prior to such access, except schedule access in advance and during normal business hours, 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 Premises is designed in its architectural design and aesthetics to represent and support the Lessor and its business development vision and mission. Any improvements or modifications require authorization and shall not degrade this design and intent.
- 2. At the Lessor's option, upon termination of this lease, Lessee shall remove all such improvements and modifications, 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. However, the determination of removal of such improvements and modifications shall be made at the time of Lessor's written consent, prior to Lessee's construction of the improvements and modifications to the Premises.
- 3. 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 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.

SECTION SIXTEEN Presence and Use of Hazardous Substances

- 1. Lessor represents 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 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:
 - Comply promptly, timely and completely with all governmental requirements for permitting, reporting, keeping, and submitting manifests and obtaining and keeping current identification numbers;
 - b. Submit to the Lessor correct copies of all permits, 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 Lessor 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 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. 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 the Lessor promptly of any investigation involving the release of a Hazardous Substance.

Notwithstanding the foregoing, the parties acknowledge that certain products or materials classified as "hazardous" or "harmful" may be necessary for the operation of Lessee's business under the herein-approved uses ("Exempt Materials"). Therefore, for the purpose of this Lease, the Hazardous Substances, as defined herein, exclude the Exempt Materials, provided that they are only necessary for the operation of Lessee's business under the herein-approved uses and relevant licenses.

- 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 (including any third-party inspectors or experts) 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 of 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 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 required "Certificate of Occupancy" shall be paid by Lessee. Federal laws related to Marijuana are excluded from this agreement as the State of Washington Marijuana laws will be the ones adhered to in this agreement.

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 which Lessor has disclosed to Lessee in writing or so otherwise reasonably evident to Lessee, 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 <u>Quiet Enjoyment</u>

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 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.

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: LESSEE:

SKAMANIA COUNTY Feng Ye LLC

c/o Port of Skamania Suit A

PO Box 1099 9326 Neppel Rd NE

Stevenson, WA 98648 Moses Lake WA 98837-7514

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 sublease shall release Lessee from its obligation to perform pursuant to this Lease, unless the Lessor shall, in 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 <u>Applicable Law</u>

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 in the case of litigation, each party shall bear its own costs and attorney fees unless otherwise provided by law.

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:	SKAMANIA COUNTY, a Political Subdivision of the State of Washington By PORT OF SKAMANIA COUNTY, Washington Municipal Corporation
	By David Waymire, Public Works Director Date:
LESSEE:	Feng Ye LLC, a Washington Limited Liability Company
	By Its Date: