

**INTERLOCAL AGREEMENT
LEASE**

Lease made this 20th day of July, 2023 by and between **CITY OF STEVENSON**, a municipal corporation organized under the laws of the State of Washington, herein referred to as "Lessor", and **STEVENSON DOWNTOWN ASSOCIATION**, a 501(c)3 non-profit Main Street organization, having its principal office at Stevenson, Skamania County, Washington, herein referred to as "Lessee."

Recitals

1. Lessor is the sole owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference, the leased portion of which is hereinafter referred to as "the Premises." The Premises being leased hereunder consist of approximately 600 square feet.

2. Lessee desires to lease the Premises for the purpose(s) of storing assets for Stevenson Downtown Association, which is a certified Main Street organization dedicated to promoting and revitalizing downtown Stevenson to support the Columbia River Gorge community.

3. The parties agree there is only a de minimis value associated with the use of the Premises. Lessee provides the Lessor and its' residents with support to promote and revitalize Downtown Stevenson, enrich our local heritage, and improve the community through projects such as the Stevenson Farmers Market, the downtown Sreatery, managing the annual Spruce-Up Stevenson event and others.

4.. The parties desire to enter into this lease agreement defining their respective rights, duties and liabilities with respect to the Premises.

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

**SECTION ONE
Subject and Purpose**

1. Lessor leases the Premises described in Exhibit "A" to Lessee for Lessee's use for the purpose(s) of running the Stevenson Downtown Association and for no other purpose without the express permission of Lessor. If Lessee's use of the premises is at any time prohibited by law or governmental regulation, this Lease shall terminate.

2. In connection with its use of the Premises, Lessee shall:

a. 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 which would make it impossible to insure the Premises against casualty or which would increase the insurance rate, unless Lessee pays the additional cost of the insurance.

c. Refrain from any use which would be reasonably offensive to other tenants, or owners, or users of neighboring premises, or which would tend to create a nuisance or damage the reputation of the Premises.

d. Refrain from loading the floors beyond 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 of the Premises without the 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. Prohibit cigarette smoking within the premises.

h. Inform Lessor of business hours and keep Lessor so informed.

SECTION TWO

Term and Rent

1. Lessor demises the Premises commencing January 1, 2023 and continuing thereafter for a period of twenty-four (24) months; with a right to renew for an additional term of twenty-four (24) months. Either party may terminate this Lease upon thirty (30) days written notice to the other, with or without cause.

2. For the use and occupancy of the Premises for the entire term and considering the public benefits derived from Lessee's occupancy of the Premises,, the rent shall be \$10 paid annually on the 1st of January of each year. Lessor acknowledges Lessee provides additional non-monetary services to the City which serve as further consideration for this Lease.

SECTION THREE

Inspection

Lessee is leasing the Premises "as is", and Lessor makes no representations or warranties except as to title as set forth herein. Without limiting the generality of the foregoing, Lessee acknowledges it has made its own independent investigation and inspection respecting the Premises and will be relying entirely thereon and on the advice of any consultant it 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 FOUR

Taxes

1. Lessee is a governmental agency and as such is not subject to state or federal taxation. However, any tax imposed on Lessee by reason of Lessee's occupancy of the premises shall be Lessee's responsibility and Lessee shall full indemnify Lessor against those charges.

SECTION FIVE

Utilities

1. Lessor shall pay all utilities to the Premises.
2. All applications and connections for utility services which are to be separately metered shall be made in the name of Lessee only, and Lessee shall be solely liable for such utility charges as they become due. Lessor warrants to hold Lessee harmless from all obligations for cost of utility services incurred by previous Lessees of the Premises.

SECTION SIX

Maintenance and Repairs

Lessee shall, at all times during the term of the Lease and at its own cost and expense, maintain, in good order and condition, any buildings and improvements, and all additions and alterations thereto, located on the Premises; provided however, Lessor shall be responsible for repairing and replacing the roof, foundation and structural components of any existing building(s), unless the use, conduct or activities of Lessee caused the problem which necessitated the repair or replacement work. 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.

Upon expiration or early 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.

SECTION SEVEN

Insurance/Casualty to Premises

1. Casualty Insurance. Lessor shall at all times obtain and maintain a policy of casualty insurance (or participation in an insurance pool with similar coverage) on any and all buildings and improvements of which the Premises are a part, including all alterations and additions thereto, for all known risks, in an amount equal to the market value of said buildings and improvements.

2. Personal Property Insurance. Any personal property shall be on the Premises at the sole risk of Lessee, and Lessee shall bear all costs associated with any property damage insurance.

3. Liability Insurance. 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 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. Without limiting the foregoing, Lessee agrees to purchase public liability and property damage insurance with limits of not less than \$2 million general aggregate, \$2 million products composition aggregate, and personal injury of \$1,000,000 per occurrence, which insurance shall protect the Lessor, and to deposit evidence of same with Lessor. The evidence of insurance deposited with Lessor shall name the Lessor as an additional insured. Lessor reserves the right to require reasonable increases in the insurance coverage mandated by this subparagraph.

b. Lessee shall indemnify and save Lessor harmless from and against any and all losses, costs (including attorney fees), damages, expenses, liabilities (including statutory liability), and claims for damages as a result of injury of death of any person or damage to any property that arise from or in any manner grow out of any act or neglect on or about the leased Premises by Lessee, Lessee's partners, agents, employees, customers, invitees, contractors or subcontracts or any other persons or property present on or about the Premises arising from Lessee's occupation of the Premises.

c. All insurance provided by Lessee as required by this section shall insure performance by Lessee of the indemnity provisions hereof. Both Lessor and Lessee shall be named as insureds, and the policy shall be primary insurance as far as Lessor is concerned. All insurance shall be written with responsible companies acceptable to Lessor and authorized to conduct business in the State of Washington. Lessee shall provide the names of all of Lessee's insurance carriers to Lessor and shall provide copies of all insurance policies to Lessor. All policies shall require written notice to Lessor of any cancellation or change affecting any interest of Lessor.

4. Other Insurance. Lessee shall provide and keep in force other insurance in amounts that may from time to time be reasonably required by Lessor 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 its condition immediately before the casualty. Rent shall be abated during the period of restoration and to the extent the buildings and Premises are not reasonably usable by Lessee, except that there will be no rent abatement if the casualty was caused by Lessee's negligence or failure to comply with the terms of this Lease. Insurance proceeds pertaining to the buildings and improvements shall be applied to the costs of such restoration and repair. If the damage to the Premises exceeds 50% of its replacement cost, Lessor may elect to terminate this lease.

SECTION EIGHT
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 ultrahazardous 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 NINE
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 TEN
Default or Breach

Each of the following events shall constitute a default or breach of this Lease by Lessee:

1. If Lessee, or any successor or assignee of Lessee while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.

2. If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed for all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within 90 days after the institution or appointment.

3. If Lessee remains on the premises after Lessor provides thirty (30) days' written notice of Lessor's intent to terminate the lease. Following any such notice, Lessee shall surrender possession of the premises, remove all personal property and leave the premises in a clean, rentable condition.

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 30 days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the 30-day period, Lessee shall not in good faith have commenced performance within the 30-day period and shall not diligently proceed to

completion of performance. However, no such notice shall be required if a similar notice was given within the previous six (6) months.

5. If Lessee shall abandon the demised Premises. However, Lessor's acceptance of Lessee's abandonment shall not relieve Lessee of its obligation to pay rent for the remainder of the term.

6. If this Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve on any other person or party, except in the manner herein permitted.

SECTION ELEVEN **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 thirty (30) days' written notice of the cancellation and termination. Thereupon, this Lease and the right, title and interest of Lessee hereunder, shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.

3. Upon termination of the Lease under the foregoing paragraph, Lessor may by written notice to Lessee demand Lessee assemble all Lessee's personal property on the Premises at a place designated by Lessor which is reasonably convenient to Lessor and Lessee, and Lessee agrees 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, 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.
7. Lessor may sue for specific performance.

SECTION TWELVE
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, unless and until Lessee rightfully exercises its option to re-let.

SECTION THIRTEEN
Lessee's Improvements

1. Lessee may not make improvements or alterations to the Premises without the prior written consent of Lessor.
2. Lessor and Lessee acknowledge and confirm Lessee may install and place in and about the Premises furniture, equipment, supplies and fixtures which 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, 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.

SECTION FOURTEEN
Presence and Use of Hazardous Substances

1. Lessor makes no representation regarding the prior use of the Premises or the existence of previous contamination of the Premises, except Lessor is unaware of any such contamination.
2. Lessee represents the following types of processes will be used in connection with the Lessee's intended use of the premises: conducting governmental operations and administration and for no other purpose.
3. 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 which are

subject to regulation by any federal, state or local law, regulation, statute or ordinance. With respect to any Hazardous Substance, Lessee shall:

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

b. Submit to the Lessor and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or submitted to the appropriate governmental authorities;

c. Within five (5) days of the Lessor's request, submit written reports to Lessor regarding Lessee's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the 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 which may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances) present on the Premises, these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities;

f. Comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment, storage and disposal of hazardous or other polluting substances and

g. Notify Lessor promptly of any investigation involving release of a Hazardous Substance.

4. In the event of a violation or suspected violation, any and all costs incurred by Lessor and associated with the Lessor's inspections of the Premises and the Lessor's monitoring of Lessee's compliance with this section, and including the Lessor's attorney fees and costs, shall be additional rent and shall be due and payable to Lessor immediately upon written demand by Lessor.

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

6. Lessee agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations governing environmental protection, regulation of hazardous substances and land use, and to indemnify Lessor against all losses, damages and costs resulting from any failure of Lessee or any of its employees, agents or contractors to do so, including, but not limited to, violation of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S. C. Sec. 9601 et seq.; the Clean Water Act, 33 U.S. C. Sec. 1251 et seq.; the Resource Conservation and

Recovery Act, 42 U.S. C. Sec. 6901; the Toxic Substances Control Act., U.S.C. Sec. 2601; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Sec. 136 et seq.; the Clean Air Act, 42 U.S.C. Sec. 7401 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. Sec. 2701 et seq.; the Model Toxics Control Act., R.C.W. 70.105D,010 et seq.; the Washington Water Pollution Control Act., R.C.W. 90.48; the Washington Clean Air Act., R.C.W. 70.94; the Washington Solid Waste Management Act., R.C.W. 70.95; the Washington Hazardous Waste Management Act., R.C.W. 70.105; and the Washington Nuclear Energy and Radiation Act., R.C.W. 70.98.

SECTION FIFTEEN
Cleanup Costs, Default and Indemnification

1. Lessee shall be fully and completely liable to Lessor for any and all investigatory, cleanup and/or monitoring costs and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Lessee's use, disposal, transportation, storage, generation, release and/or sale of Hazardous Substances, in or about the Premises, the common areas or adjacent property.

2. Lessee shall defend and hold Lessor harmless from any and all actions which arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, including, but not limited to, any investigations, administrative proceedings, emergency actions, cost recovery actions, requests for injunctive relief, penalties, fines, lawsuits, appeals and supplemental proceedings. The obligation of Lessee to defend Lessee shall not preclude the right of Lessor to select its own counsel. Any costs and fees incurred in defense of Lessor shall be paid by Lessee as the same are incurred.

3. Lessee shall indemnify and hold Lessor harmless from any damages or other liabilities which arise out of or relate to any threatened, alleged, or actual release of Hazardous Substances or any other violation under any applicable environmental law or regulation, including, but not limited to, investigation of a release or other violation; actual releases or other violations; remediation, cleanup and/or response costs; damage to natural resources; fines or penalties; economic loss or damages; enforcement action costs; judgments; appeal bonds; continuing monitoring costs; attorney fees and costs; and consultant fees and costs. Lessee specifically agrees any bond or other security provided shall extend to the indemnity agreed to in this subparagraph.

SECTION SIXTEEN
Compliance With All Laws

Lessee agrees to comply with all applicable federal, state and municipal laws, ordinances, and regulations.

SECTION SEVENTEEN
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, 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 the holder thereunder.

SECTION EIGHTEEN
Quiet Enjoyment

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

SECTION NINETEEN
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 Premises nor for any injury or damage to any property of Lessee. The provisions herein permitting Lessor to enter and inspect the Premises are made to ensure that Lessee is in compliance with the terms and conditions hereof and makes repairs which Lessee has failed to make. Lessor shall not be liable to Lessee for any entry on the Premises for inspection purposes.

SECTION TWENTY
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-ONE
Notice

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.

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:

City of Stevenson
PO Box 371
Stevenson, WA 98648

Lessee:
Stevenson Downtown Association
Attn: Executive Director
PO Box 1037
Stevenson, WA 98648

SECTION TWENTY-TWO
Assignment, Mortgage or Sublease

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.

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, at its sole option, consent in writing to the release of Lessee and substitution of the Sublessee.

SECTION TWENTY-THREE
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-FOUR
Applicable Law

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

SECTION TWENTY-FIVE
Venue/Attorney Fees

In the event 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 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 the parties shall be solely responsible for their respective costs or attorney fees associated with the action or litigation.

SECTION TWENTY-SIX
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: CITY OF STEVENSON, a Washington Municipal Corporation

Scott Anderson, Mayor

ATTEST:

Leana Kinley, City Clerk

APPROVED AS TO FORM:

Robert C. Muth, City Attorney

LESSEE: STEVENSON DOWNTOWN ASSOCIATION, a 501(c)3 non-profit

By _____

Its _____

EXHIBIT "A"

1. The premises are a section of the back side of the Stevenson Fire Hall, located at 160 SW First Street, Stevenson, WA 98648.
2. The portion of the premises is the southeastern portion of the lot measuring approximately 30' in length and 20' in width with outside access.
3. The total area being leased is 600 square feet, excluding common areas.