

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of August 7, 2023, by and between, **ROGER DEAN SHORT and SANDY S. G. SHORT**, husband and wife and the marital community comprised thereof (the "Seller") and the **PORT OF PORT TOWNSEND**, a Washington municipal corporation (the "Buyer").

In consideration of the covenants and agreements of the parties hereto, Seller and Buyer agree as follows:

1. **Sale of Property.** Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following real and personal property (collectively, the "Property"):

A. **The Real Property.** Approximately two hundred fifty-three (253) acres of real property located in Jefferson County, Washington, commonly referred to as 1720 Center Road, Chimacum, WA with a physical address of 1594 Center Road, Chimacum, WA and Jefferson County Assessor Parcel Nos. 901233011, 901224001, 901233002, 901233008, 901233010, 901262002, and 901262003 and legally described on Exhibit A hereto (the "Land"). The Escrow Agent (defined below) shall be entitled to update, revise, or replace the legal description on Exhibit A if required to accurately describe the Land.

B. **The Improvements.** All improvements constructed or located on the Land (the "Improvements"). Notwithstanding the foregoing, the mobile homes located on the Land (the "Mobile Homes") are expressly excluded from the Improvements and title to such Mobile Homes shall not transfer to Buyer as part of this Agreement.

C. **The Appurtenances.** All easements and rights benefiting or appurtenant to the Land and Improvements including, but not limited to, any right, title or interest in the bed of any street, road, highway or alley adjoining the Land, all mineral rights for the Land, and all water rights, certificates, and applications applicable to the Land.

2. **Purchase Price and Manner of Payment.** The total purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be One Million Four Hundred Thousand Dollars (\$1,400,000), payable in cash or cash equivalent at Closing (defined below). Funding for the total purchase price will be comprised of \$970,000 from the Washington State Department of Commerce (i.e., via a Local and Community Projects Grant), and \$430,000 from Port reserves. Within five (5) business days after mutual execution, the Buyer shall deposit a One Thousand Dollar (\$1,000) promissory note with the Escrow Agent (defined below) to be held as an earnest money deposit (the "Earnest Money"). The Earnest Money shall be cancelled and returned to Buyer upon successful Closing of this transaction or as otherwise set forth herein.

3. **Contingencies.** The obligation of the Buyer to perform under this Agreement is contingent upon the timely occurrence or satisfaction of each of the following conditions:

A. On the Closing Date, title to the Property shall be acceptable to Buyer in accordance with the provisions of Section 7.

B. The representations and warranties of Seller shall be true and correct in all material respects up through and including the date of Closing.

The contingencies in this Section are solely for the benefit of, and may at any time be waived by, the Buyer.

4. **Lease Back.**

A. **Farm Lease.** As part of the compensation received by Seller as part of this Agreement, Buyer shall lease back the entirety of the Property used for farming to Seller after Closing on the terms and conditions set forth in Exhibit B hereto (the "Farm Lease").

B. **House Lease.** As part of the compensation received by Seller as part of this Agreement, Buyer shall lease back the residential home on the Property to Seller after Closing on the terms and conditions of the lease set forth on Exhibit C hereto (the "Residential Lease").

C. **Residential Land Leases.** As part of the compensation received by Seller as part of this Agreement, Buyer shall lease portions of the Property to Seller's sons, Kevin Short and William Short, after Closing on the terms and conditions of the leases set forth on Exhibits D and E hereto (the "Residential Land Leases").

5. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on Friday, September 1, 2023, or such earlier date as mutually agreed by the Parties in writing. The Closing shall take place at the office of Jefferson Title Company (the "Escrow Agent"). Seller agrees to deliver possession of the Property on the Closing Date.

A. **Seller's Closing Documents.** On the Closing Date, Seller shall execute and/or deliver to the Escrow Agent the following (collectively, "Seller's Closing Documents"):

(1) **Deed.** A statutory warranty deed (the "Deed"), in form reasonably satisfactory to Buyer, conveying clear and absolute title to the Property to Buyer, free and clear of all encumbrances, except the "Permitted Encumbrances" determined pursuant to Section 7 hereof.

(2) **Real Estate Excise Tax Affidavit.** A Real Estate Excise Tax Affidavit executed by Seller as Grantor. The open space tax classification shall be continued for the Property.

(3) **FIRPTA Affidavit.** A non-foreign person affidavit, properly executed and notarized, containing such information as is required by IRC Section 1445(b)(2) and its regulations.

(4) **Title Policy.** A title policy meeting the requirements of Section 7.

(5) **Open Space Continuation Forms.** Open space continuation forms containing the information required by the Jefferson County Assessor's Office to continue the open space/agriculture tax classification shall be completed by Seller.

(6) **Transfer of Water Rights.** The signed documents necessary to transfer to Buyer any water right certificates, claims and applications, benefitting the Property including, but not limited to, the Certificate of Ground Water Right found in

Volume 8, on Page 3843-A, under Ground Water Permit No. 4183 with confirmed dates from April 27, 1956 (the "Water Rights").

(7) The Leases. Signed copies of the Farm Lease, the Residential Lease, and the two (2) Residential Land Leases.

(8) Standard Closing Documents. Any and all other standard closing documents required by the Closing Agent for a transaction of this type in order to close the sale contemplated herein including, but not limited to, escrow instructions and a settlement statement.

B. Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver to the Escrow Agent the following (collectively, "Buyer's Closing Documents"):

(1) Purchase Price. The Purchase Price in cash or cash equivalent.

(2) Real Estate Excise Tax Affidavit. A Real Estate Excise Tax Affidavit executed by Buyer as Grantee. The open space tax classification shall be continued for the Property.

(3) Transfer of Water Rights. The signed documents necessary to transfer to Buyer the Water Rights.

(4) Open Space Continuation Forms. Open space continuation forms containing the information required by the Jefferson County Assessors to continue the open space/agriculture tax classification shall be completed by Buyer.

(5) The Leases. Signed copies of the Farm Lease, the Residential Lease, and the Residential Land Leases.

(6) Standard Closing Documents. Any and all other standard closing documents required by the Closing Agent for a transaction of this type in order to close the sale contemplated herein: including, but not limited to, escrow instructions and a settlement statement.

6. **Prorations**. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

A. Title Insurance and Closing Fee. Seller shall pay all costs of the Title Commitment and all premiums required for the issuance of the standard Owner's Title Policy. Buyer shall pay all costs of any extended coverage of the standard Owner's Title Policy or any special endorsements requested by Buyer. Each party shall pay 50% of the Escrow Agent's closing fees.

B. Excise Tax. Seller shall pay the State of Washington excise tax on the conveyance of the Property.

C. Proration of Taxes, Utilities and Rents. Any utility charges and the real property taxes for the current year will be prorated as of Closing. Personal property taxes, if any, will be pro-rated as of the date of Closing. All personal property belonging to the Seller will remain the Sellers'.

D. Recording/Transfer Costs. Buyer shall pay the cost of recording of the Deed. Seller shall pay the cost of recording any documents necessary to perfect its own title or which release encumbrances other than Permitted Exceptions.

E. Attorneys' Fees. Each of the parties will pay its own attorneys' and consultants' fees.

7. **Title Examination**.

A. Seller shall, within five (5) days after the mutual acceptance and execution of this agreement, furnish to Buyer a commitment ("Title Commitment") for a standard owner's policy of title insurance, issued by the Escrow Agent, committing the Escrow Agent to insure good and marketable title to the Property, free and clear of liens, deeds of trust, charges or encumbrances, subject only to the "Permitted Encumbrances" (as defined in Section 7(B).

B. Buyer's Objections. Within ten (10) days after receiving (i) the Title Commitment and (ii) copies of any documents listed in Schedule B of the Title Commitment, Buyer will make any written objections it may have ("Objections"); however, Buyer shall not need to object to any financial encumbrances all of which shall be automatically deemed Objections. Buyer's failure to make Objections within such time period will constitute a waiver of Objections with respect to matters disclosed in Schedule B of the Title Commitment. Any specific matter shown in Schedule B of the Title Commitment and not objected to by Buyer shall be a "Permitted Encumbrance" hereunder. Seller will have ten (10) days after receipt of the Objections to inform Seller in writing if Buyer will cure the Objections prior to Closing. In the event that Seller informs Buyer that Seller cannot or will not cure the Objections before Closing, Buyer may, at its option:

- (1) Terminate this Agreement, or
- (2) Waive the Objections and proceed to Closing.

8. **Seller's Representations and Warranties**. As an inducement to Buyer to enter into this Agreement, Seller hereby represents and warrants to Buyer and agrees as follows:

A. To the best of Seller's knowledge, Seller has delivered, or will deliver to Buyer, within five (5) calendar days of mutual execution of this Agreement, full and complete copies of: (i) any existing surveys, geological reports, tests, and Hazardous Materials reports or investigations of the Property; (ii) all government permits, licenses, and approvals, any existing appraisals of the Property or any portions thereof, and any studies or other reports, letters, or documents or information in the possession of or available to Seller which pertains in any way whatsoever to the Property including, without limitation, the condition thereof and/or any present or potential development and/or use of the Property; and (iii) all leases, contracts, and agreements relating to the Property (all of which items in this clause being collectively, the "Development Documents"). The commencement of the Feasibility Period shall be extended one (1) day for each day the delivery of the Development Documents to Buyer is delayed. In the event Seller discovers, produces, enters into, or receives any additional Development Documents after the Feasibility Period, Seller shall disclose the same to Buyer before the Closing, and Buyer shall have three (3) days from the receipt of any such additional documents to terminate this Agreement.

B. There are no other contracts or agreements in force or effect for sale or lease of all or any portion of the Property other than the Development Documents disclosed during the Feasibility Period, and Seller agrees not to enter into any such contracts or agreements between the date hereof and Closing, PROVIDED that Seller shall retain the option to enter into a Private Lands Access agreement with the Washington State Department of Fish and Wildlife (WDFW) for waterfowl hunting on the Property, if such agreement is executed by Seller and WDFW prior to Closing, and PROVIDED FURTHER, that the duration of such agreement shall be co-terminus with the Farm Lease set forth in Exhibit B hereto.

C. Seller has paid for or will pay for on or before the Closing Date, all work, supplies and materials, performed upon and supplied to the Property, with the exception of those that are the responsibility of the Buyer as established in this Agreement.

D. There is no action, suit, investigation, or proceeding (administrative or otherwise) pending or, to the best of Seller's knowledge, threatened against or affecting the Property, the transactions contemplated hereby, or which might affect the right of Buyer to own, operate, develop, or possess the Property, or which might have a material effect on the Property or result in any liability of Buyer with respect thereto.

E. There are no attachments, executions, assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy or under any applicable debtor relief laws pending or threatened against Seller or the Property.

F. No representation or warranty by Seller contained in this Agreement or any exhibit hereto, or in any document, statement, certificate, financial information, or schedule given to or to be given to Buyer as a result of or in connection with this Agreement, contains, or upon Closing will contain, an untrue statement of material fact, or omits, or on Closing will omit, to state a material fact necessary to make the statements and facts contained therein not misleading.

G. To the best of Seller's knowledge, there are no wells (whether existing or abandoned) located on, under, or about the Property other than as disclosed to Buyer in the Development Documents.

H. To the best of Seller's knowledge, no fill (including, but not limited to, soil, building materials, garbage, asphalt, or concrete) has been placed on, under, or about the Property except as disclosed to Buyer in the Development Documents.

I. The representations and warranties made by Seller shall be true and correct as of the date hereof and shall be deemed automatically reaffirmed on the Closing Date as true and correct. Buyer's rights to enforce such representations, warranties, and covenants shall survive the Closing and such rights to enforce shall not be merged into any documents delivered by Seller at Closing including, but not limited to, the Deed. It is expressly agreed and understood that the effect of the representations and warranties made in this Agreement shall not be diminished or deemed to be waived by any inspections, tests, investigations, or discoveries made by Buyer or its agents.

9. **Survival.** The respective covenants, agreements, indemnifications, warranties and other terms of this Agreement will survive and be in full force and effect after the Closing and shall not be deemed to have merged into any of the Closing Documents.

10. **Notices.** Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement if it is directed by delivering it personally; or if mailed by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted by facsimile copy followed by mailed notice as above required; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: Roger and Sandy Short
1720 Center Road
Chimacum, WA 98325

If to Buyer: Port of Port Townsend
Attn: Eron Berg and Eric Toews
2701 Jefferson St.
Port Townsend, WA 98368

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, that the time for response to any notice by the other party shall commence to run three (3) business days after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified.

12. **Captions.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

13. **Entire Agreement; Modification.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

14. **Binding Effect.** This Agreement binds and benefits the parties and their successors and assigns.

15. **Remedies** If the transaction fails to Close due to default by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Earnest Money as liquidated damages. In the event of any breach of this Agreement by Seller, the Buyer may elect, as its sole and exclusive remedies, to either (i) terminate this Agreement and receive a refund of all the Earnest Money; or (ii) bring suit for specific performance of this Agreement.

Seller's Initials: RS Buyer's Initials: ET

16. **Disclosure Statement.** Seller shall provide the completed Commercial Real Estate Disclosure Statement attached as Exhibit FExh to Buyer no later than five (5) days after mutual execution of this Agreement.

17. **Neutral Authorship.** Each of the provisions of this Agreement has been reviewed and negotiated and represents the combined work product of both parties hereto. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

18. **Controlling Law and Venue.** This Agreement has been made under the laws of the State of Washington, and venue shall lie exclusively in Jefferson County Superior Court. If any lawsuit arises in connection with the performance of this Agreement, the substantially prevailing Party therein shall be awarded and recover from the other Party the substantially prevailing Party's costs and expenses, including reasonable attorneys' fees, incurred in connection therewith, in preparation therefor, and on appeal therefrom, which amounts shall be included in any judgment entered therein.

18. **Tax Deferred Exchange.** Seller and Buyer shall, at the other party's written request, cooperate with each other to effect a tax deferred exchange under IRS Section 1031; provided, however, that (i) the Closing pursuant to this Agreement shall not be delayed by reason of such exchange; (ii) if Seller or Buyer will incur staff time, attorneys' fees or other costs as a result of such cooperation, then the party requesting the exchange shall be required to reimburse the non-requesting party for such attorneys' fees or costs as a condition of providing such cooperation; and (iii) Seller's or Buyer's ability to consummate such exchange shall not be a condition to the obligations of Seller or Buyer under this Agreement.

19. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.

IN WITNESS WHEREOF, Seller and Buyer have each executed this Agreement as of the date first written above.

SELLER:

ROGER DEAN SHORT



SANDY S. G. SHORT



BUYER:

PORT OF PORT TOWNSEND



By: Eric Toews
Its: Deputy Director

PURCHASE AND SALE AGREEMENT

EXHIBIT A

LEGAL DESCRIPTION

Parcel A:

That portion of the West ¼ of Section 23, Township 29 North, Range 1 West, W.M., more particularly described as follows:

Commencing at the Northwest corner of said Section 23;

Thence South 0° 32' 15" East, a distance of 2,634.32 feet along the West line of said Section 23, to the West 1/4 corner of said Section 23 which is the True Point of Beginning;

Thence North 89° 54' 07" East, a distance of 988.41 feet along the East-West centerline of said Section 23;

Thence South, a distance of 1,308.97 feet along the West right-of-way of a drainage canal to the intersection of the South line of the Northwest ¼ of the Southwest ¼ of said Section 23;

Thence South 89° 41' 29" West, a distance of 796.50 feet along the South line of said Northwest ¼ of the Southwest ¼ of said Section 23 to the intersection of the West line of said Section 23;

Thence North 0° 31' 14" West, a distance of 1,312.59 feet along the West line of said Section 23 to the True Point of Beginning.

Parcel B:

That portion of the West ½ of the Northwest ¼ of Section 26, Township 29 North, Range 1 West, W.M., Jefferson County, Washington, West of the centerline of Chimacum Creek Irrigation Ditch.

Parcel C:

That portion of the Northwest 1/4 of Section 26, Township 29 North, Range 1 West, W.M., Jefferson County, Washington, East of the centerline of Chimacum Creek Irrigation Ditch and West of County Road No. 18 as conveyed to Jefferson County by deed recorded March 20, 1958 under Recording No. 156959, records of Jefferson County, Washington.

Parcel D:

That portion of the South ½ of the Southwest ¼ of Section 23, Township 29 North, Range 1 West, W.M., Jefferson County, Washington, between the centerline of Chimacum Creek Irrigation and Drainage Ditch and County Road No. 18 (Center Road) as conveyed to Jefferson County by deeds recorded April 30, 1980 under Recording Nos. 265122, 265123 and 265125, all records of Jefferson County, Washington; and South of a line 500 feet South of the 1/16th Section line on the North side of the Southwest ¼ of said Section 23.

Parcel E:

That portion of the Southwest ¼ of Section 23, Township 29 North, Range 1 West, W.M., described as follows:

Commencing at the West ¼ corner of said Section 23, being a 5/8 rebar set in concrete;
Thence South 01° 42' 00" West along the Westerly section of said Section 23, a distance of 1,314.93 feet to the Point of Beginning of this description;
Thence continuing South 01° 42' 00" West, a distance of 1,314.93 to the Southwest section corner of said Section 23;
Thence South 88° 34' 31" East along the Southerly section line of said Section 23, a distance of 993.15 to the Easterly margin of the Chimacum Creek Irrigation and Drainage Ditch;
Thence North 02° 15' 24" East along said ditch, a distance of 375.49 feet;
Thence North 02° 07' 38" East along said ditch, a distance of 341.14 feet;
Thence North 01° 50' 46" East along said ditch, a distance of 94.12 feet;
Thence South 88° 19' 56" East departing from said ditch, a distance of 861.80 feet to the Westerly margin of Center Road;
Thence North 05° 45' 57" East along said Westerly margin, a distance of 154.22 feet;
Thence North 05° 22' 25" East along said Westerly margin, a distance of 189.84 feet;
Thence North 88° 19' 56" West departing from said Westerly margin, a distance of 285.71 feet;
Thence North 02° 33' 34" East a distance of 156.75 feet;
Thence North 88° 19' 56" West, a distance of 1,601.10 feet to the West section line of said Section 23 and the Point of Beginning of this description.

Parcel F:

That portion of the Southwest ¼ of Section 23, Township 29 North, Range 1 West, W.M., described as follows:

Commencing at the West ¼ corner of said Section 23, being a 5/8" rebar set in concrete;
Thence South 01° 42' 00" West along the Westerly section of said Section 23, a distance of 1,314.93 feet;
Thence South 88° 19' 56" East, a distance of 1,601.10 feet to the Point of Beginning of this description;
Thence North 02° 33' 34" East, a distance of 440.05 feet;
Thence North 88° 19' 56" West, a distance of 599.78 feet to the Easterly margin of the Chimacum Creek Irrigation and Drainage Ditch;
Thence South 01° 30' 19" West along said Easterly margin, a distance of 378.99 feet;
Thence South 03° 16' 13" West along said Easterly margin, a distance of 61.04 feet;
Thence South 88° 19' 56" East, a distance of 593.56 feet to the Point of Beginning.

Parcel G:

That portion of the East 1/2 of the Southeast ¼ of Section 22, Township 29 North, Range 1 West, W.M., Jefferson County, Washington, East of West Valley Road as conveyed to Jefferson County by deed recorded November 3, 1977 under Recording Nos. 345797, records of Jefferson County, Washington; EXCEPT the North 21 acres of that portion of the Southeast ¼ of said Section 22, East of said West Valley Road; ALSO EXCEPT that portion within said road right-of-way; ALSO EXCEPT that portion as granted by Judgement Quieting Title to Real Property entered April 8, 2011 in Jefferson County Superior Court Cause No. 10-2-00009-6.

All situate in the County of Jefferson, State of Washington.

PURCHASE AND SALE AGREEMENT

EXHIBIT B

FARM LEASE

FARM LEASE

THIS FARM LEASE ("Lease") is made and entered into this _____ day of _____, 20____, by and between the **PORT OF PORT TOWNSEND**, a Washington municipal corporation (hereinafter referred to as "Lessor"), and **ROGER DEAN SHORT and SANDY S. G. SHORT**, husband and wife and the marital community comprised thereof (hereinafter referred to as "Lessee").

ARTICLE I

Summary of Lease Terms and Definitions

Lessor: Port of Port Townsend
Lessor's Address: 2701 Jefferson St.
Port Townsend, WA 98368

Lessee: Roger and Sandy Short
Lessee's Address: 1720 Center Road
Chimacum, WA 98325

Premises: The non-residential portions of 1720 Center Road, Chimacum, WA 98325

Use of Premises: Agricultural uses

Exhibits: Exhibit "1" – List of Approved Chemicals

Commencement Date: _____

Term: Commencing upon the Commencement Date and expiring on the "Termination Date" one (1) year thereafter.

Base Rent: Zero Dollars (\$0.00)

ARTICLE II

Premises, Term, Renewals

2.1 **PREMISES:** Lessor, in consideration of the rents hereinafter reserved and of the covenants and conditions herein set forth to be performed by Lessee, does hereby lease to Lessee the real property described herein (the "Premises"):

All that portion of the real property commonly referred to as 1720 Center Road, Chimacum, WA 98325 EXCEPT the following portions: (i) The approximately 2,280 square foot single-family residential building and approximately 29,460 square feet (0.68 ac) of surrounding property leased to Roger and Sandy Short by a separate Residential Lease of even date herewith; (ii) the approximately 6,300 square feet (0.145 ac) of property leased to Kevin Short by a separate Residential Land Lease of even date herewith; and (iii) the approximately 21,632 square feet (0.50 ac) of property leased to William Short by a separate Residential Land Lease of even date herewith.

2.2 **TERM:** The term of this Lease shall be for one (1) year beginning September 1, 2023, through August 31, 2024.

ARTICLE III
Compensation, Rental Adjustment

3.1 **RENT:** The term "Rent" as used herein includes Base Rent, Additional Rent, applicable Washington State leasehold excise tax, and other fees and charges assessed herein. Except as expressly provided elsewhere herein, Rent and all other sums payable by Lessee pursuant to this Lease shall be paid without the requirement that Lessor provide prior notice or demand, and shall not be subject to any counterclaim, setoff, deduction, defense or abatement.

3.1.1 Rent shall be paid monthly in advance on or before the first (1st) day of each month beginning on the Commencement Date. A late charge of one percent (1%) per month will be assessed against past due Rent from the date such Rent became due. Additionally, if Rent is not received by the fifth (5th) day of any month, Lessee shall pay Lessor an additional fee of \$100 or five percent (5%) of the delinquent payment, whichever is greater, to defray costs of collecting and handling such late payment. All accrued interest and late charges shall be paid no later than the first (1st) day of the month following that month in which such interest or late charges accrued.

3.2.1 **Base Rent.** Lessee is leasing the Premises from Lessor as part of the compensation received by Lessee for selling the Premises to Lessor pursuant to that Purchase and Sale Agreement dated July __, 2023 (the "PSA"). Lessee shall not owe Lessor any Base Rent hereunder due to the reduced purchase price Lessee accepted for the Premises as part of the PSA. In the event any leasehold excise tax becomes due and owing as a result of this Lease, the Lessee shall pay such amounts.

ARTICLE IV
**Use of Premises, Condition of Property,
Improvements, Removal of Property, Maintenance, and Utilities**

4.1 **LESSEE'S USE OF THE PREMISES:** Lessee shall only conduct the following activity on the Premises: agricultural uses required to wind up Lessee's historic farming activities on the Premises (the "Authorized Use").

4.1.1 Lessee shall be in default under this Lease if it (i) conducts any other business or activity on the Premises without first obtaining a validly executed lease modification.

4.1.2 Notwithstanding the foregoing described use, the Premises shall not be used to store, distribute, or otherwise handle flammable or dangerous materials, excepting only which are necessary to conduct the Authorized Use. At the request of Lessor, Lessee shall provide a list of all flammable or dangerous materials stored or used on the Premises.

4.2 **CONDITION OF PROPERTY:** Lessee owned the Premises immediately prior to the Commencement Date of this Lease and therefore accepts the Premises, including all existing improvements thereon, "as is, where is" without further maintenance liability on the part of the Lessor. Lessee is not relying on any representations of Lessor as to condition, suitability, zoning restrictions, or usability, except Lessor's right to grant a lease of the Premises.

4.3 **CONSTRUCTION OF TENANT IMPROVEMENTS:** The Lessee and Lessor shall abide by the following terms with regard to making tenant improvements on the Premises ("Tenant Improvements"):

4.3.1 Subject to obtaining Lessor's written approval, Lessee may make and install, at its own expense, such Tenant Improvements as are normal and customary in connection with the Authorized Use set forth herein. Lessee's contractor, if any, shall be subject to Lessor's approval, not unreasonably withheld. Lessor reserves the right to condition its approval upon the Lessee providing payment and/or performance bonds satisfactory to Lessor. Lessee shall submit plans to and obtain written approval from Lessor before commencing any Tenant Improvements. Lessor shall have a reasonable period of time to review such plans prior to issuing a decision. Lessor may charge Lessee a reasonable fee for staff, consultant or attorney time required to review the plans. All Tenant Improvements which are to be designated fixtures shall be so designated by Lessor upon Lessor's approval of the plans for such improvements. All improvements by Lessee shall conform to the requirements of the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 et seq. (the "ADA").

4.3.2 **Unauthorized Improvements.** Any Tenant Improvements made on the Premises without Lessor's prior written consent, or which are not in conformance with the plans submitted to and approved by the Lessor ("Unauthorized Improvements"), shall immediately become the property of Lessor, unless Lessor elects otherwise. Regardless of the ownership of Unauthorized Improvements, Lessor may, at its option, require Lessee to sever, remove and dispose of them, charge Lessee rent for the use of them, or both.

4.4 **REMOVAL OF PERSONAL PROPERTY AND TENANT IMPROVEMENTS AT END OF LEASE:** Prior to the conclusion of the Lease, at Lessor's option, Lessee shall remove the following from the Premises:

- a. All equipment;
- b. All personal property; and
- c. All Tenant Improvements that are not designated fixtures.

4.4.1 If any of the foregoing items are not removed from the Premises by the conclusion of the Lease or when Lessor has the right of re-entry, then Lessor may, at its sole option, elect any or all of the following remedies:

- a. To remove any or all of the items and to dispose of them without liability to Lessee. Lessor shall not be required to mitigate its damages, to dispose of the items in a commercially reasonable manner, or to make any effort whatsoever to obtain payment for such items. Lessee agrees to pay Lessor's costs and damages associated with Lessee's failure to remove such items, including, but not limited to, the following: storage, demolition, removal, transportation, and lost rent (collectively "Disposal Costs"); provided, however, that any net proceeds recovered by Lessor in excess of its Disposal Costs will be deducted from Lessee's financial obligation set forth herein. Lessee's financial obligations herein shall survive the termination of this Lease.
- b. To have the title to any or all of such items revert to Lessor.
- c. To commence suit against Lessee for damages or for specific performance.

4.4.2 The foregoing remedies are cumulative, and Lessor shall not be required to elect its remedies.

4.5 **GOOD FARMING PRACTICES:** Lessee agrees to exercise good farming practices at all times. Lessee is authorized to apply to the Premises only those fertilizers, manures, herbicides, pesticides, fungicides or other chemicals listed on Exhibit "1" (the "Approved Chemicals"). In the event the Lessee desires to apply any fertilizers, manures, herbicides, pesticides, fungicides or other chemicals other than the Approved Chemicals, Lessee shall obtain Lessor's prior written approval, which approval Lessor can deny in its sole discretion.

4.6 **MAINTENANCE OF PREMISES:** Maintenance and repair of the Premises and all improvements thereon is the sole responsibility of Lessee. Lessee shall at all times keep the Premises neat, clean and in sanitary condition. Lessee will at all times preserve the Premises in as good a repair as it now is or may hereafter be put to. Without limiting the generality of the foregoing, Lessee shall maintain the Premises in good condition including, without limitation, repairing all fences and any other fixtures on the Premises, as well as damage caused by Lessee, its employees, agents, licensees, invitees, or anyone on the Premises as a result of Lessee's activities.

4.7 **UTILITIES AND SERVICES:** Lessee will arrange and pay for all utility connections and services and distribution of any utilities to the Premises including, but not limited to, electricity. At the conclusion of this Lease, Lessee shall arrange for such utility services to be terminated and for the final bill to be sent to Lessee. Lessee shall be liable for all utility charges that accrue if it fails to so terminate services.

ARTICLE V

Insurance and Financial Security

5.1 **CASUALTY LOSS OF LESSEE:** The parties hereto agree that the Lessor shall not be responsible to the Lessee for any property loss or damage done to the Lessee's property, whether real, personal, or mixed, occasioned by reason of any fire, storm, or other casualty whatsoever. It shall be the Lessee's responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether or not such loss is occasioned by the acts or omissions of the Lessor, Lessee, third party, or act of nature.

5.2 **INSURANCE:** Lessee shall procure and maintain a comprehensive general liability policy covering all claims for personal injury (including death) and property damage (including all real and personal property located on the Premises) arising on the Premises or arising out of Lessee's operations. The limits of liability shall be not less than One Million Dollars (\$1,000,000.00) for each occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate unless the Lessee requests, and Lessor approves in writing, a lesser liability limit. Lessor may impose changes in the limits of liability: (i) upon any breach of the environmental liability provision herein; (ii) upon a material change in the condition of any improvements; or (iii) upon a change in the permitted use. If the liability limits are changed, Lessee shall obtain new or modified insurance coverage within thirty (30) days after changes in the limits of liability are required by Lessor. The liability policies shall contain a cross-liability provision such that the policy will be construed as if separate policies were issued to Lessee and to Lessor.

5.2.1 The foregoing insurance policy shall name Lessor as an additional insured. Lessee shall provide certificates of insurance and, if requested, copies of any policy to Lessor. Receipt of such certificate or policy by Lessor does not constitute approval by Lessor of the

terms of such policy. Furthermore, the policy of insurance required herein shall: (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to Lessor except upon forty-five (45) days' prior written notice from the insurance company to Lessor; (iii) contain an express waiver of any right of subrogation by the insurance company against Lessor and Lessor's elected officials, employees or agents; (iv) expressly provide that the defense and indemnification of the Lessor as an "additional insured" will not be effected by any act or omission by Lessee which might otherwise result in a forfeiture of said insurance; (v) contain a separation of insureds provision such that the policy applies separately to each insured that is subject of a claim or suit; (vi) not contain a cross-claim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and (vii) provide for coverage for damage to the Lessor's property caused by the Lessee.

5.2.2 If Lessee fails to procure and maintain the insurance described above, Lessor shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums. Lessee shall pay to Lessor upon demand the full amount paid by Lessor.

5.2.3 The Lessee believes and states that the insurance obligation herein does not exceed that which the Lessee would otherwise normally place upon itself and obtain in order to operate its business in a prudent manner.

5.3 **FINANCIAL SECURITY**: Lessor expressly waives any financial security requirement.

ARTICLE VI **Environmental Liability**

6.1 **ENVIRONMENTAL INDEMNIFICATION**: Lessee shall defend (with legal counsel suitable to Lessor), indemnify and hold Lessor harmless from any and all claims, demands, judgments, orders or damages resulting from Hazardous Substances on the Premises or Lessor's property caused in whole or in part by the activity of the Lessee, its agents, subtenants, or any other person or entity: (i) on the Premises as a result of, arising out of, or relating to Lessee's operations under this Lease or any previous lease or agreement; or (ii) on the Lessor's property as a result of, arising out of, or relating to Lessee's operations under this Lease or any previous lease or agreement. It is the intent of the parties that Lessee shall be responsible and shall defend and hold Lessor harmless from any Hazardous Substances that have or may occur on the Premises or Lessor's property as a result of, arising out of, or relating to Lessee's operations since Lessee first occupied the Premises or other portion of the Lessor's property through this Lease or any previous lease or agreement with Lessor. The term "Hazardous Substances" as used herein shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sec. 1251 et seq.; the Clean Air Act, 42 USC Sec. 7401 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 USC Sec. 9601 et seq.; or the Hazardous Waste Cleanup-Model Toxics Control Act, RCW 70A.305, all as amended and subject to all regulations promulgated thereunder.

6.1.1 **Unconditional Environmental Obligations**. Lessee's defense and indemnity obligations under this article are unconditional, shall not be discharged or satisfied by Lessor's re-entry of the Premises or exercise of any other remedy for Lessee's default under this Lease, shall continue in effect after any assignment or sublease of this Lease, and shall continue in effect after the expiration or earlier termination of this Lease.

6.1.2 **Environmental Investigations.** Although Lessee shall not be liable for any Hazardous Substances on the Premises that was not caused in whole or in part by the activity of the Lessee, its agents, subtenants, or any other person or entity on the Premises as a result of, arising out of, or relating to Lessee's operations under this Lease or any previous lease or agreement, Lessee shall be responsible for the costs of any environmental investigations or remediation arising from the development or use of the Premises by Lessee, and Lessee hereby releases the Lessor from any contribution claim for those costs. By way of example only, if the Lessee excavates soil on the Premises which contains Hazardous Substances, then the Lessee will be responsible for the cost associated with disposing of those soils regardless of when or how the Hazardous Substances were released into those soils.

6.2 **CURRENT CONDITIONS AND DUTY OF LESSEE:** Lessor makes no representation about the condition of the Premises. Hazardous Substances may exist in, on, under or above the Premises. Lessee should, but is not required to, conduct environmental assessments or investigations of the Premises prior to or during this Lease to determine the existence, scope and location of any Hazardous Substances. If there are any Hazardous Substances in, on, under or above the Premises as of the Commencement Date, Lessee shall exercise the utmost care with respect to the Hazardous Substances, the foreseeable acts or omissions of third parties affecting the Hazardous Substances, and the foreseeable consequences of those acts or omissions.

6.2.1 **Prior Notice of Environmental Investigation.** Prior to conducting any environmental investigation of the subsurface of the Premises, the Lessee shall provide prior written notice to the Lessor. Lessee shall provide the Lessor with the results of all such investigations.

6.3 **NOTIFICATION AND REPORTING:** Lessee shall immediately notify Lessor if Lessee becomes aware of any of the following:

a. A release or threatened release of Hazardous Substances in, on under or above the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises;

b. Any problem or liability related to or derived from the presence of any Hazardous Substance in, on, under or above the Premises, any adjoining property or any other property subject to use by Lessee in conjunction with its use of the Premises;

c. Any actual or alleged violation of any federal, state or local statute, ordinance, rule, regulation or other law pertaining to Hazardous Substances with respect to the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises; or

d. Any lien or action with respect to any of the foregoing.

6.3.1 **Copies of All Environmental Reports.** Lessee shall, at Lessor's request, provide Lessor with copies of any and all reports, studies or audits which pertain to environmental issues or concerns with the Premises, and which are or were prepared by or for Lessee and submitted to any federal, state or local authorities pursuant to any federal, state or local permit, license or law. These permits include, but are not limited to, any National Pollution Discharge and Elimination System permit, any Army Corps of Engineers permit, any State Hydraulics permit, any State Water Quality certification, or any Substantial Development permit.

ARTICLE VII
Miscellaneous Provisions

7.1 INTENTIONALLY DELETED.

7.2 LESSEE WILL OBTAIN PERMITS: Lessee agrees to obtain and comply with all necessary permits for any leasehold improvement. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all costs incurred by Lessor, including actual attorneys' fees. In this way, Lessee agrees to be solely responsible for all damages, costs and expenses incurred as a result of Lessee's failure to fully comply with any necessary permit process and requirements.

7.3 LIENS: Lessee agrees to keep the Premises described herein free and clear of all liens and charges whatsoever. Lessee shall not allow any mechanics' and materialmen's or other liens to be placed upon the leased Premises. If such a lien is placed or recorded, Lessee shall cause it to be discharged of record, at its own expense, within ten (10) days of Lessor's demand. Failure to comply with Lessor's demand within ten (10) days shall be a default under the terms of this Lease.

7.4 INDEMNIFICATION AND HOLD HARMLESS: The Lessee agrees that it will defend (with legal counsel acceptable to Lessor), indemnify and hold the Lessor, its officers, employees and agents harmless from any and all demands, claims, judgments or liability for loss or damage arising as a result of accidents, injuries or other occurrences on the Premises or on Lessor's property: (i) occasioned by either the negligent or willful conduct of the Lessee, its agents; or (ii) made by any person or entity holding under the Lessee, or any person or entity on the Premises or on the Lessor's property as a result of Lessee's activity, regardless of who the injured party may be. This indemnification and hold harmless shall not apply to the extent the damages were caused by the gross negligence or willful misconduct of the Lessor.

7.5. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES: For purposes of the foregoing indemnification provision, and only to the extent of claims against Lessee by Lessor under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this Lease shall not be limited, in any way, by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.

7.6 LAWS AND REGULATIONS: Lessee agrees to conform to and abide by all applicable rules, codes, laws, regulations, and Lessor policies in connection with its use of the Premises and the construction of improvements and conducting the Authorized Use thereon and not to permit said Premises to be used in violation of any applicable rule, code, law, regulation, Lessor policy, or other authority.

7.6.1 Environmental Laws and Regulations. Lessee's obligations herein shall include, but in no way be limited to, the obligation to comply with all State and Federal environmental laws and regulations. Lessee shall defend (with legal counsel acceptable to Lessor), indemnify and hold the Lessor harmless from any fine, penalty or damage which may

be imposed by any lawful authority, which may arise as a result of the Lessee's failure to comply with the obligations of this article.

7.7 **WASTE AND REFUSE:** Lessee agrees not to allow conditions of waste and refuse to exist on the Premises and to keep the Premises in a neat, clean, and orderly condition.

7.8 **INTENTIONALLY OMITTED.**

7.9 **SIGNS:** No signs shall be installed without the prior written consent of Lessor. In the event that an unauthorized sign has been installed and after twenty-four hours (24) notification to remove the sign by the Lessor, Lessee shall pay the Lessor a penalty of One hundred Dollars (\$100) per day for each day the sign remains in place after such notification. The penalty shall automatically resume, without notice, if the sign is reinstalled after having been removed. The penalty accrued shall be paid with the next month's Base Rent. In addition, the Lessor reserves the right to provide notice of, and treat an unauthorized sign as, a non-monetary default of this Lease.

7.10 **EQUAL OPPORTUNITY:** Lessee agrees that in the conduct of activities on the Premises, it will be an equal opportunity employer in accordance with Title VII of the Civil Rights Act of 1964, 42 USC §2000 et seq. and shall comply with all requirements of the ADA.

7.11 **LITIGATION:** In the event Lessor shall be made a party to any litigation commenced by or against Lessee (other than actions commenced by Lessee or Lessor concerning the interpretation or enforcement of any of the terms and conditions of this Lease), then Lessee agrees to pay all costs, expert witness fees, and attorneys' fees, including all customary charges incurred by Lessor in connection with such litigation. However, if Lessor is made a party defendant and Lessee undertakes the defense of the action on behalf of Lessor, then no obligation for costs and attorneys' fees will be chargeable against Lessee by Lessor for costs arising out of such undertaking.

7.12 **ASSIGNMENT OF LEASE:** Lessee shall not assign, rent, or sublease any portions of this Lease.

7.13 **DEFAULT, CROSS DEFAULT, AND REMEDIES:**

7.13.1 **Monetary Defaults.** Failure to pay Rent or any other monetary obligations by the first day of each month shall constitute a default under the terms of this Lease. If Lessee is in default in the payment of Rent or other monetary obligations then, at Lessor's sole option, upon ten (10) days' written notice, this Lease may be terminated, and Lessor may enter upon and take possession of the Premises. Without limiting the generality of the foregoing, Lessee expressly authorizes Lessor to obtain a prejudgment writ of restitution in the event of default by Lessee. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

7.13.2 **Non-monetary Defaults.** If Lessee shall fail to perform any term or condition of this Lease, other than the payment of Rent or other monetary obligations, then Lessor, upon providing Lessee thirty (30) days' written notice of such default, may terminate this Lease and enter upon and take possession of the Premises. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

7.13.3 **Other Defaults.** The following shall also constitute a default under the terms of this Lease: (i) A default by Lessee under any other agreement or lease with the Lessor; (ii) insolvency of Lessee; (iii) an assignment by Lessee for the benefit of creditors; (iv) the filing by Lessee of a voluntary petition in bankruptcy; (v) an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; (vi) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; (vii) attachment of or the levying of execution on the leasehold interest; and (viii) failure of Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days.

7.13.4 **Multiple Defaults in a Year.** If within any one (1) year period, Lessor serves upon the Lessee three notices requiring Lessee either to: (i) comply with the terms of this Lease or to vacate the Premises; or (ii) pay Rent or vacate (collectively referred to herein as "Default Notices"), then Lessee shall, upon a subsequent violation of any term of this Lease by the Lessee (including failure to pay Rent), be deemed to be in unlawful detainer, and Lessor may, in addition to any other remedies it may have, immediately terminate the Lease and/or commence an unlawful detainer action without further notice to Lessee.

7.13.5 **Cross-Default.** A default under this Lease shall constitute a default under any other lease or agreement which Lessee has with Lessor (hereinafter such other agreements shall be referred to as "Collateral Agreements"). Likewise, any material breach or default under a Collateral Agreement shall be deemed a material breach or default under the terms of this Lease. If a Collateral Agreement is terminated for a material breach or default of Lessee, then Lessor shall, without limiting any other remedies it may have, be entitled to terminate this Lease upon five (5) days' written notice to Lessee.

7.13.6 **Other Remedies.** In addition to the foregoing remedies specified in this article, Lessor may exercise any remedies or rights under the laws of the State of Washington including, but not limited to, recovering damages for past due rent, future rent, costs to re-let the Premises, and costs to restore the Premises to its prior condition (reasonable wear and tear excepted). Under no circumstances shall Lessor be held liable in damages or otherwise by reason of any lawful re-entry or eviction. Lessor shall not, by any re-entry or other act, be deemed to have accepted any surrender by Lessee of the Premises or be deemed to have otherwise terminated this Lease or to have relieved Lessee of any obligation hereunder. Lessor shall be under no obligation to observe or perform any covenant of this Lease after the date of any material default by Lessee unless and until Lessee cures such default. A fee of Five Hundred Dollars (\$500.00) shall be assessed to Lessee for each Default Notice issued to Lessee to defray the costs associated with preparing, issuing, and serving such notice. This fee shall be payable on the first (1st) day of the month following the issuance of the Default Notice.

7.14 **TERMINATION:** This Lease shall terminate for default if Lessee fails to cure any default within the time provided for herein. Upon termination of this Lease or any extension thereof, whether by expiration of the stated term or sooner termination thereon, as herein provided, Lessee shall surrender to Lessor the Premises peaceably and quietly. Lessee shall restore the Premises to the condition existing at the time of initiation of this Lease, except for: (i) normal wear and tear; and (ii) any improvements which Lessor permits to remain on the Premises.

7.15 **NON-WAIVER:** Neither the acceptance of Rent nor any other act or omission of Lessor after a default by Lessee or termination shall operate as a waiver of any past or future default by Lessee, or to deprive Lessor of its right to terminate this Lease or be construed to prevent

Lessor from promptly exercising any other right or remedy it has under this Lease. Any waiver by Lessor shall be in writing and signed by Lessor in order to be binding on Lessor.

7.16 **NOTICES:** Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing addressed to the other party at the addresses set forth in Article I, above, or such address as may have been specified by notifying the other party of the change of address. Notice shall be deemed served on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

7.17 **AGENT FOR SERVICE:** Lessee agrees that if Lessee is in unlawful detainer, pursuant to Chapter 59.12 RCW, and Lessor is unable to serve Lessee with the unlawful detainer pleadings after one (1) service attempt, then Lessor shall be deemed to have complied with the service requirements of Chapter 59.12 RCW if it mails such pleadings via certified mail to the address set forth in the notice section of this Lease and posts such pleadings in a conspicuous location upon the Premises. Service shall be deemed complete on the third (3rd) day following the day of posting or date of mailing, whichever is later.

7.18 **SECURITY:** Lessee specifically acknowledges that Lessor has no duty to provide security for any portion of the Premises or Property. Lessee assumes sole responsibility and liability for the security of itself, its employees, customers, and invitees, and their respective property in or about the Premises or Property. Lessee agrees that, to the extent Lessor elects to provide any security, Lessor is not warranting the effectiveness of any such security personnel, services, procedures or equipment and that Lessee is not relying and shall not hereafter rely on such security personnel, services, procedures, or equipment. Lessor shall not be responsible or liable in any manner for failure of any such security personnel, services, procedures, or equipment to prevent or control, or apprehend anyone suspected of personal injury or property damage in, on or around the Premises or Property.

7.19 **QUIET ENJOYMENT:** Lessor acknowledges that it has ownership of the Premises and that it has the legal authority to lease the Premises to Lessee. Lessor covenants that Lessee shall have quiet enjoyment of the Premises during the term of this Lease so long as Lessee complies with this Lease and subject to Lessor's right of entry onto the Premises as set forth herein.

7.19.1 **Easements.** The Lessor reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses applied for will not unduly interfere with the use to which the Lessee is putting the Premises or interfere unduly with the approved plan of development for the Premises.

7.19.2 **Closure by Government Order.** Lessee understands that various federal agencies, including the Department of Homeland Security and U.S. Coast Guard, have the authority to restrict access to certain areas on property owned by Lessor in order to counter a terrorist or other threat. Such restrictions could impact Lessee's ability to access the Premises for an indefinite period of time. Since such restrictions on access are outside the control of Lessor, Lessee agrees that such interruptions shall not be deemed a violation of this Lease or the Covenant of Quiet Enjoyment.

7.20 **LESSOR MAY ENTER PREMISES:** It is agreed that the duly authorized officers or agents of Lessor may enter to view said Premises at any time, and if the business or normal function of Lessor should at any time require that it enter upon the Premises to perform any

work or make any improvements, it may do so, but not in such manner as to materially injure Lessee with its normal and usual operation.

7.21 **TIME:** It is mutually agreed and understood that time is of the essence of this Lease and that a waiver of any default of Lessee shall not be construed as a waiver of any other default.

7.22 **INTERPRETATION:** This Lease has been submitted to the scrutiny of the parties hereto and their counsel, if desired. In any dispute between the parties, the language of this Lease shall, in all cases, be construed as a whole according to its fair meaning and not for or against either the Lessor or the Lessee. If any provision is found to be ambiguous, the language shall not be construed against either the Lessor or Lessee solely on the basis of which party drafted the provision. If any word, clause, sentence, or combination thereof for any reason is declared by a court of law or equity to be invalid or unenforceable against one party or the other, then such finding shall in no way affect the remaining provisions of this Lease.

7.23 **HOLDING OVER:** If the Lessee remains in possession of said Premises after the date of expiration of this Lease without Lessor's prior written consent, such holding over shall constitute and be construed as tenancy at sufferance only, at a monthly rent equal to one hundred fifty percent (150%) of the Base Rent owed during the final month of the Term of this Lease and otherwise upon the terms and conditions in this Lease. If Lessee holds over with Lessor's prior written consent, then until such time as a new written Lease is executed by the parties hereto, Lessee shall continue to make payments to Lessor on a month-to-month basis as provided for in this Lease. Such authorized holdover tenancy may be terminated by either party at the end of any such monthly period by sending written notice not less than five (5) days before the end of such period. Such authorized holdover tenancy shall be subject to all terms and conditions contained herein.

7.24 **SURVIVAL:** All obligations of the Lessee, as provided for in the Lease, shall not cease upon the termination of this Lease and shall continue as obligations until fully performed. All clauses of this Lease which require performance beyond the termination date shall survive the termination date of this Lease.

7.25 **GOVERNING LAW:** This Lease, and the right of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Washington, and the parties agree that in any such action jurisdiction and venue shall lie exclusively in Jefferson County, Washington and not in any federal court.

7.26 **ATTORNEY FEES-LEASE ENFORCEMENT:** The substantially prevailing party in any action to enforce any term or condition of this Lease shall be entitled to an award of their reasonable costs and attorney fees.

7.27 **ESTOPPEL CERTIFICATES:** At Lessee's request, Lessor agrees to execute and deliver to Lessee or its lender(s), a customary estoppel certificate in a form acceptable to the Lessor which sets forth the following information: (i) the terms and conditions of this Lease; (ii) the status of the Rent payments under the Lease; and (iii) Lessor's knowledge of any breaches or anticipated breaches of the Lease. Lessor shall have no obligation to execute an estoppel certificate which requests any information other than as set forth above. Lessee agrees to reimburse the Lessor for all staff time incurred and attorneys' fees paid by Lessor for the review and opinion of such attorney acting on the request for such estoppel certificate and in negotiating acceptable language in the estoppel certificate. A failure to reimburse Lessor within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms

of this Lease.

7.28 **ATTORNMEN**: In the event the Premises are sold, Lessee shall attorn to the purchaser upon the sale provided that the purchaser expressly agrees in writing that, so long as Lessee is not in default under the Lease, Lessee's possession and occupancy of the Premises will not be disturbed and that such purchaser will perform all obligations of Lessor under the Lease.

7.29 **COUNTERPARTS AND ELECTRONIC TRANSMISSION**: This Agreement may be signed in counterparts. Electronic transmission of any signed original document, and retransmission of any signed electronic transmission shall be the same as delivery of an original document.

7.30 **ENTIRE AGREEMENT**: This Lease contains all of the understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Townsend.

7.31 **VALIDATION**: IN WITNESS WHEREOF, Lessor has caused this instrument to be signed by its Executive Director by authority of the Commission of the Port of Port Townsend, and this instrument has been signed and executed by Lessee, the day and year first above written.

LESSEE:

LESSOR:

ROGER SHORT

PORT OF PORT TOWNSEND

By: Eron Berg
Its: Executive Director

SANDY SHORT

**FARM LEASE
EXHIBIT 1
[LIST OF APPROVED CHEMICALS]**

PURCHASE AND SALE AGREEMENT

EXHIBIT C

RESIDENTIAL LEASE

RESIDENTIAL LEASE

PARTIES AND LEASED PREMISES

Premises Address: 1720 Center Road, Chimacum, WA 98325

Landlord's Name: Port of Port Townsend
Landlord's Mailing Address: 2701 Jefferson St.
Port Townsend, WA 98368

Landlord's Phone Number: (360) 385-0656
Landlord's E-Mail: _____

Tenant(s)'s Name: Roger Short and Sandy Short

Tenant's Mailing Address: 1720 Center Road, Chimacum, WA 98325

Tenant's Phone Number: _____
Tenant's E-Mail: _____

LEASE TERM

Commencement Date: September 1, 2023
Initial Term: Six (6) Years
Termination Date: August 31, 2029
Date Signed: _____

MOVE-IN COSTS

Security Deposit: _____

RENT AND OTHER PERIODIC CHARGES

Base Rent: \$0 during year 1 of the Initial Term and
\$1,000 per month for years 2-6 of the Initial Term

Rent Payable To: Port of Port Townsend
Due Date: 1st of the Month
Late Fee: _____

THIS RESIDENTIAL LAND LEASE (hereinafter the "Lease") is made and entered into this _____ day of _____, 2023 by and between **PORT OF PORT TOWNSEND**, a Washington municipal corporation (hereinafter referred to as "Landlord"), and **ROGER DEAN SHORT and SANDY S. G. SHORT**, husband and wife and the marital community comprised thereof (collectively the "Tenant").

FOR AND IN CONSIDERATION of the mutual promises contained in this Lease, the Tenant and the Landlord agree as follows:

- 1. Premises.** Landlord hereby agrees to lease to the Tenant, and Tenant hereby agrees to lease from Landlord, upon the terms and conditions provided in this Lease, a portion of the real

property commonly referred to as 1720 Center Road, Chimacum, WA 98325 (the "Premises"), which is legally described as follows (the "Premises"):

The approximately 2,280 square foot single-family residential building and surrounding approximately 29,460 square feet of property (together, comprising approximately 0.68 acres) which is depicted on Exhibit 1 hereto and located on the larger parcels of real property legally described as follows:

Parcel D:

That portion of the South ½ of the Southwest ¼ of Section 23, Township 29 North, Range 1 West, W.M., Jefferson County, Washington, between the centerline of Chimacum Creek Irrigation and Drainage Ditch and County Road No. 18 (Center Road) as conveyed to Jefferson County by deeds recorded April 30, 1980 under Recording Nos. 265122, 265123 and 265125, all records of Jefferson County, Washington; and South of a line 500 feet South of the 1/16th Section line on the North side of the Southwest ¼ of said Section 23.

Parcel E:

That portion of the Southwest ¼ of Section 23, Township 29 North, Range 1 West, W.M., described as follows:

Commencing at the West ¼ corner of said Section 23, being a 5/8 rebar set in concrete; Thence South 01° 42' 00" West along the Westerly section of said Section 23, a distance of 1,314.93 feet to the Point of Beginning of this description; Thence continuing South 01° 42' 00" West, a distance of 1,314.93 to the Southwest section corner of said Section 23; Thence South 88° 34' 31" East along the Southerly section line of said Section 23, a distance of 993.15 to the Easterly margin of the Chimacum Creek Irrigation and Drainage Ditch; Thence North 02° 15' 24" East along said ditch, a distance of 375.49 feet; Thence North 02° 07' 38" East along said ditch, a distance of 341.14 feet; Thence North 01° 50' 46" East along said ditch, a distance of 94.12 feet; Thence South 88° 19' 56" East departing from said ditch, a distance of 861.80 feet to the Westerly margin of Center Road; Thence North 05° 45' 57" East along said Westerly margin, a distance of 154.22 feet; Thence North 05° 22' 25" East along said Westerly margin, a distance of 189.84 feet; Thence North 88° 19' 56" West departing from said Westerly margin, a distance of 285.71 feet; Thence North 02° 33' 34" East a distance of 156.75 feet; Thence North 88° 19' 56" West, a distance of 1,601.10 feet to the West section line of said Section 23 and the Point of Beginning of this description.

All situate in the County of Jefferson, State of Washington.

2. Residential Use. The Premises shall be used by Tenant for purposes of a single-family residence by the individuals listed above as Tenants.

2.1 No Business Uses. Tenant shall not carry on any business, profession, or trade of any kind in the Premises, unless Tenant obtains Landlord's prior written consent. Such

business must also be properly licensed, permissible by local zoning ordinances and not involve customers, clients, patients, or other business associates' entrance upon or use of the Premises. Remote work or working from home that is otherwise compliant with the requirements of this paragraph is not considered a prohibited business use.

3. Joint and Several Liability. Each Tenant is jointly and severally liable for performance of the terms of this Lease. The violation of this Lease by any Tenant or Tenant's guests, agents, invitees, or other persons on the Premises as a result of Tenant is a violation by all Tenants.

4. Term. The initial term of this Lease shall be for a period of seventy-two (72) months (the "Initial Term") commencing on September 1, 2023 (the "Commencement Date") and terminating on August 31, 2029 ("Termination Date").

4.1 Renewal. Subject to the terms and conditions herein, Tenant shall have the right to renew this Lease for one (1) consecutive five (5) year period (the "Renewal Term") by giving written notice of such intention to Landlord at least one-hundred twenty (120) days prior to the expiration of the Initial Term of this Lease. Tenant shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and the Tenant is not in default under the terms of this Lease or any other lease or agreement with the Landlord. The terms and conditions of any renewal shall be the same as set forth in this Lease, except that rent shall be recalculated as provided herein.

4.2 Tenant's Early Termination Right. Notwithstanding anything to the contrary herein, Tenant shall be entitled to terminate the Lease at any time without penalty upon thirty (30) days advance written notice to Landlord.

4.3 Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenant will surrender to Landlord the Premises peaceably and quietly.

4.4 Holdover Tenancy. If the Term expires but Tenant remains in possession of the Premises absent an extension or new rental agreement with the consent of Landlord, then a month-to-month tenancy shall exist between Tenant and Landlord. Such tenancy shall be subject to all of the terms and conditions of this Lease, except that Rent may be adjusted at the sole option of Landlord upon required statutory notice. Such holdover tenancy may be terminated by either party upon the required statutory notice.

4.5 Landlord Termination. If Landlord gives written notice of termination prior to the Termination Date pursuant to RCW 59.18.650(1), then the Lease shall not convert to a month-to-month term, the Tenant right to occupy the Premises under this Lease shall terminate, and Tenant must surrender possession of the Premises to the Landlord on the Termination Date. In the event that Tenant remains in possession of the Premises after notice of termination, Tenant shall be liable to Landlord for all expense to Landlord and/or the new tenant arising from Tenant's failure to timely vacate. Tenant hereby acknowledges that nothing in this Section or elsewhere in this Lease provides the Tenant an option or right to a month-to-month periodic tenancy following the expiration of the initial Term of this Lease.

4.6 Obligation to Vacate. If a notice of termination is provided by either Landlord or Tenant under this Section 4 of the Lease, Tenant, and all others, must vacate the Premises and remove all personal property at the expiration set forth in the notice of termination, without further notice or demand from Landlord.

5. **Rent.** Tenant is leasing the Premises from Landlord as part of the compensation received by Tenant for selling the Premises to Lessor pursuant to that Purchase and Sale Agreement dated July __, 2023 (the "PSA"). Tenant shall not owe Landlord any base rent during the first year of the Initial Term due to the reduced purchase price Tenant accepted for the Premises as part of the PSA; therefore, during the Initial Term of the Lease, Tenant shall pay to Landlord as rent the sum of Zero Dollars (\$0.00) in base rent during the first (1st) year of the Initial Term and One Thousand Dollars (\$1,000) per month in base rent during years two (2) through six (6) of the Initial Term ("Base Rent"), plus applicable leasehold excise taxes. The Base Rent, leasehold excise taxes, and any other recurring and periodic charges identified in the Lease for the use and occupancy of the Premises shall constitute and be referred to in this Lease as "Rent."

5.1 **Due Date and Late Fees.** Rent shall be paid on or before the first (1st) day of each month commencing on the Commencement Date. Any Rent which is due but received after the fifth (5th) day of the month in which it is due shall be subject to a Seventy-Five Dollar (\$75.00) late charge (the "Late Charge"). Tenant shall pay the Late Charge at the time Tenant submits the late Rent payment. Rent paid by the Tenant shall first be applied to any past due Rent, second to Rent due and owing for the current period, and lastly to any late fees, legal costs, attorneys' fees, or other non-Rent fees due and owing from Tenant to Landlord.

5.2 **Method of Payment.** Any Rent payment shall be paid to Landlord in cash or check at the address set forth in the Notice provision of this Lease, or to such other place as Landlord may direct the Tenant in writing. **In the event there are multiple Tenants, all Rent should be paid in one form of payment unless otherwise authorized in writing by Landlord.**

5.3 **NSF Charges.** If a personal check is dishonored or returned NSF or other Tenant payment of Rent is rejected for insufficient funds, an administrative fee of Fifty Dollars (\$50.00), plus any fees charged to Landlord by the financial institution(s) involved in the failed payment (the "Insufficient Funds Fee"), plus applicable Late Fees. Tenant shall pay the Insufficient Funds Fee to Landlord within three (3) days after Landlord provides Tenant written notice of the insufficient funds. The Parties acknowledge that the Insufficient Funds Fee: (i) is a reasonable estimate of the administrative costs incurred by Landlord; (ii) is a cumulative remedy; and (iii) Landlord may pursue any and all other remedies available under the terms of this Lease or by law. After any payment from Tenant is rejected, Tenant must pay all Rent by cash, money order, or cashier's check at Landlord's sole discretion.

5.4 **Rent Deductions.** No deductions from Rent as payment for work done on the Premises or for reimbursement for repairs or improvements to the Premises, done or made by Tenant, shall be allowed unless previously authorized in writing by Landlord.

5.5 **Renewal Term Rent.** On the first day of the first year of the Renewal Term and each year thereafter, Base Rent for the Premises shall be subject to annual adjustment as follows: The monthly Base Rent rates shall be adjusted on each yearly anniversary date by using the CPI reflected and published in the Consumer Price Index for CPI-U Seattle-Tacoma-Bellevue published by the United States Department of Labor Bureau of Labor Statistics. The index used shall be those published for the nearest period preceding the month in which the Lease year begins and the same period one year before. The percentage change from the earlier index to the later index shall be multiplied by the Base Rent rate at the beginning of each Lease year during the Renewal Term, and the result added to that beginning Base Rent rate to arrive at the adjusted Base Rent rate which will apply to each of the twelve (12) months of the

succeeding year, except in no event shall the Base Rent rate be less than the immediately preceding Lease year's Base Rent.

6. Utilities. Tenant shall arrange for the Utility services, shall register the Utilities in Tenant's name, pay all charges, and be solely responsible for all Utilities as defined in this Section. Tenant shall further be solely responsible for termination of all Utilities that are in Tenant's name at the expiration or earlier termination of this Lease, as well as for any fees or charges arising from Tenant's failure to do so.

6.1 Utilities Defined. The terms "Utilities" or "Utility" as used in this Lease refer to both public and private utilities and may include, but are not limited to water, well, sanitary sewer, septic tanks, electrical, cable television, fiber optic communications, garbage and recycling, internet, satellite dish, telephone, and natural gas.

6.2 Tenant Failure to Provide Utilities. Tenant's failure to timely pay Utility charges for the Premises shall be a default under the terms of this Lease. If Tenant fails to pay for any charges for Utilities serving the Premises, Landlord may pay such charges and, at Landlord's discretion, deduct such amounts from the Security Deposit or bill Tenant for such Utility charges.

7. Tenant Duties, Repairs, and Care of the Premises.

7.1 Condition of Premises on Commencement Date. Prior to the Commencement Date of this Lease the Tenant owned and lived in the Premises; therefore, Tenant acknowledges that Tenant has inspected the Premises and accepts the Premises in its present condition, subject to the provisions of this Section. At the expiration of the Lease, Tenant shall surrender the Premises in as good of a state and condition as they existed at the commencement of this Lease, reasonable wear and tear expected. Tenant has had the opportunity to perform a "walk through" of the Premises and to complete a Landlord - Tenant Property Condition Inspection Sheet (the "Checklist"). A copy of the Checklist is attached hereto as **Exhibit 2**. Tenant hereby represents that the Premises are in good order and repair, are safe, clean, and in tenantable condition, and that no repairs are necessary except as otherwise indicated on the Checklist. **LANDLORD MAKES NO WARRANTIES REGARDING THE PREMISES AND PROPERTY, AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXPRESSLY DISCLAIMS AND EXCLUDES ANY AND ALL EXPRESS OR IMPLIED WARRANTIES.**

7.2 Tenant Maintenance Duties. Tenant shall, at Tenant's own expense, perform the duties below in this Section. Tenant's failure to perform any of the below duties is a material breach of the Lease. In the case of an emergency causing an immediate threat or danger to safety, life or property damage, Landlord may remedy or cure any of the defaults below and charge Tenant for the actual costs to cure and/or commence an unlawful detainer action. Otherwise, following the statutory notice from Landlord required by Chapter 59.18 RCW, if Tenant fails to remedy or cure the material breach, then Landlord may remedy or cure the default and charge Tenant for the actual costs to cure and/or commence an unlawful detainer action.

7.2.1 Tenant shall provide and maintain receptacles for garbage, trash, and recyclables for the Premises, unless such receptacles are provided by sanitary service providers for use during a service-subscription period. Tenant shall properly dispose of rubbish, garbage, and waste in a clean and sanitary manner at reasonable and regular intervals and to

assume all costs of extermination and fumigation for infestation caused by Tenant. Tenant agrees to recycle appropriate items.

7.2.2 Tenant shall maintain the yard of the Premises, including mowing and watering the grass and lawn, keeping the grass, lawn, flowers, and shrubbery in good order and condition, and keep the sidewalk surrounding the Premises, if any, free and clear of obstructions, snow, and ice. Tenant shall not remove any vegetation or change any landscaping on the Premises without the prior written consent of the Landlord.

7.2.3 Tenant shall promptly report to Landlord, address, and pay for repair of any plumbing problems that are caused by Tenant (for example: roto-rooter for clogged toilet). Expense or damage resulting from the stoppage of waste pipes or overflow from bathtubs, toilets, or sinks caused by improper use will be charged to the Tenant. Feminine hygiene products, including tampons, shall not be flushed down the toilet.

7.2.4 Tenant shall take necessary precautionary actions to prevent freezing of water pipes and waste pipes and stoppage of same in and about the Premises. In the event that water pipes or waste pipes are frozen or become clogged by reason of neglect of Tenant, Tenant shall be solely liable for all associated repair and remediation costs.

7.2.5 Tenant shall properly use and operate all electrical, gas, heating, plumbing facilities, fixtures, and appliances. Landlord is not responsible for damage to or loss of personal property of Tenant due to the malfunctioning of appliances. If a wood or oil stove is used for heating the Premises or as a supplement to any other heating facilities, Tenant shall annually or sooner if required by circumstances, clean the chimney or hire a professional chimney sweep to clean it at Tenant's expense.

7.3 Tenant Cleaning Duties. Tenant shall keep the Premises, both interior and exterior, clean and orderly throughout the term of this Lease. Without limiting the generality of the foregoing, Tenant shall keep all external areas of the Premises clean and immediately remove any trash, junk, or litter from the same and Tenant shall not store any inoperable motor vehicles in any area of the Premises visible from the street or sidewalk. Tenant shall immediately notify Landlord of any infestation by insects, rodents, or other pests and shall be responsible for the costs to abate any infestation caused by Tenant.

7.4 Minor Repairs. Tenant shall promptly report to Landlord any damage to the Premises. Tenant may perform minor repairs to the Premises including, but not limited to, repairs such as unclogging toilets and drains. Tenant shall not perform or direct major repairs, modifications, or improvements to the Premises including, but not limited to, the plumbing, structural, or electrical systems on the Premises without Landlord's prior written consent.

7.4 Waste and Refuse. Tenant shall not allow conditions of waste and refuse to exist on the Premises, to keep the Premises in a neat, clean, and orderly condition and to be responsible for all damages caused to the Premises by Tenant, its agents, or any third-party Tenant permits on the Premises.

7.5 Bedbugs and Other Pests. Bedbugs are wingless parasites which may lie dormant in cracks, crevices, and personal belongings until a host is present. Tenant has an affirmative duty to inspect the Premises and notify Landlord of the presence or infestation of insects or vermin, including bedbugs, within forty-eight (48) hours of Tenant taking possession of the Premises. Absent this timely notice to Landlord, Tenant acknowledges and confirms that

the Premises are free of the presence or infestation of insects or vermin, including bedbugs. Tenant agrees to maintain the Premises in a manner that prevents the occurrence of an infestation of insects and vermin including bedbugs. If Tenant allows individuals or items carrying bedbugs into the Premises or has repeated infestations that cannot be traced to another source, such will be deemed damage to the Premises and Tenant will be responsible for the cost of treatment to the Premises, personal belongings, and surrounding residences, as necessary to eradicate the infestation.

7.6 Open Flames and Combustible Materials. Except for fireplaces and stovetops that are provided with the Premises, Tenant shall not have any open flames in the Premises, including without limitation, the burning of candles and incense. Tenant shall not store or use any combustible liquid on or in the Premises, except as authorized in writing by Landlord.

7.7 Vacating the Premises. Prior to vacating and surrendering the Premises, Tenant shall restore the Premises to the condition existing on the Commencement Date, except for (i) normal wear and tear, and (ii) any improvements that Landlord permits to remain on the Premises.

7.7.1 Tenant agrees that soiling, staining, or tearing of carpet is not wear and tear from normal usage. At the termination of this Lease or surrender of the Premises, Tenant shall have all carpeting in the Premises professionally cleaned by a professional carpet cleaning service previously approved by Landlord. Such carpet cleaning shall be at Tenant's sole expense.

7.8.3 If Landlord must perform cleaning or repairs to the Premises following Tenant vacating the Premises, Tenant shall be charged the greater amount of the actual amount of cleaning or repair services or Forty Dollars (\$40.00) per hour.

8. Laws, Rules, and Regulations. Tenant, and any agent, guest, or invitee of Tenant, shall conform to and abide by all lawful rules, codes, laws, and regulations in connection with Tenant's occupancy and use of the Premises.

8.1 Indemnification and Hold Harmless for Rule Violation. Tenant covenants and agrees that it will defend (with legal counsel acceptable to Landlord), indemnify, and hold harmless Landlord from any fine, penalty, or damage which may be imposed by any lawful authority, which may arise as a result of Tenant's failure to comply with the obligations of this Section and/or this Lease.

8.2 No Criminal Activity Allowed. Tenant, Tenant's guest(s) and any other person on the Premises as a result of Tenant, shall not engage in criminal activity, including without limitation, drug related criminal activity, on or near the Premises. Drug related criminal activity means the illegal manufacture, sale, distribution, use or possession of a controlled substance as defined in the Controlled Substances Act - 21 U.S.C. § 802 and/or Chapter 59.60 RCW, as currently enacted or hereafter amended. A single instance of criminal activity on the Premises shall be good cause for termination of tenancy. Unless otherwise provided by law, proof of criminal activity shall only be required to meet the preponderance of evidence standard and not require criminal conviction.

8.3 Landlord's Right to Exclude Guests and Other Non-Tenants. To the full extent allowed by law, Landlord may exclude from the Premises any guests or other persons, who in Landlord's sole and exclusive judgment, violated the law or this Agreement, which includes

anyone who is disturbing other tenants of the Landlord's property, neighbors, visitors, or Landlord's agents.

9. Alterations and Improvements. Tenant shall not make any material alterations, additions, or improvements, including, but not limited to, painting and wallpapering, in or to the Premises without the prior written consent of Landlord, which consent can be withheld or denied in Landlord's sole discretion. All alterations, additions, and improvements to the Premises shall be at the sole cost and expense of Tenant, and such alterations shall conform in all respects to the plans and specifications as approved by Landlord in advance of the construction. Landlord may require any material alterations, additions, or improvements be performed by a licensed and bonded contractor. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or any obligations incurred by Tenant.

10. Smoke Detection Device, Carbon Monoxide Detection Device and Water Heater.

10.1 Smoke Detection. Tenant acknowledges that the Premises is equipped with a smoke detection device as required in RCW 43.44.110. It is Tenant's responsibility to maintain the smoke detection device in proper operating condition, including replacing the batteries when required. Failure to do so can result in fines and penalties pursuant to RCW 43.44.110.

10.2 Carbon Monoxide Detection Device. Tenant acknowledges that as of the Commencement Date of this Lease, the Premises is equipped with ___ Carbon Monoxide ("CO") detector(s) and that such CO detector(s) are BATTERY OPERATED. Tenant has inspected the CO detector(s) and finds it/them to be in proper working condition. It is Tenant's responsibility to maintain the CO detection device(s) in proper operating condition, including replacing the batteries when required.

10.4 Testing and Cost of Replacement. Tenant agrees that it is Tenant's duty to regularly test the smoke detector(s) and/or CO detector(s). Tenant agrees to replace the smoke detector(s) and/or CO detector(s) battery, if any, at any time the existing battery becomes unserviceable. Tenant shall notify Landlord immediately, in writing, of any problem, defect, malfunction, or failure of the smoke detector(s) and/or CO detector(s). If after replacing the battery, the smoke detector(s) and/or CO detector(s) will not operate, Tenant shall immediately inform Landlord of this fact both in writing and via telephone. Upon notice from Tenant, Landlord shall replace smoke detector(s) and/or CO detector(s) that will not operate or malfunction. Tenant shall reimburse Landlord for the cost of smoke detector(s) and/or CO detector(s) and the costs associated with replacement and/or installation thereof in the event the existing smoke detector(s) and/or CO detector(s) become damaged or removed by Tenant or Tenant's guests or invitees.

10.5 TENANT ACKNOWLEDGES AND AGREES THAT LANDLORD IS NOT THE OPERATOR, MANUFACTURER, DISTRIBUTOR, RETAILER, OR SUPPLIER OF THE SMOKE AND CARBON MONOXIDE DETECTOR(S). TENANT SHALL BE RESPONSIBLE FOR LOSS, COSTS, DAMAGES, OR INJURIES TO PERSONS OR PROPERTY RESULTING FROM: (1) TENANT'S FAILURE TO REGULARLY TEST THE SMOKE AND CO DETECTOR(S); (2) TENANT'S FAILURE TO NOTIFY LANDLORD OF ANY PROBLEM, DEFECT, MALFUNCTION, OR FAILURE OF THE SMOKE AND CO DETECTOR(S); (3) THEFT OF THE SMOKE AND CO DETECTOR(S) OR REMOVAL OF ITS/THEIR BATTERY/BATTERIES; AND (4) TENANT'S FAILURE TO COMPLY WITH THE TERMS OF THIS SECTION.

10.6 Water Heater. Tenant has personally inspected the water heater in the unit (if applicable) and affirms that the heater is set at a maximum of 120 degrees Fahrenheit according to Washington State Law. If at any time Tenant changes the setting to a different temperature, Tenant is responsible and agrees to indemnify, defend, and hold the Landlord harmless from any and all injuries, damages, or loss arising therefrom, including, but not limited to, attorneys' fees and costs.

11. **Mold Information and Lead Disclosure.**

11.1 Mold Information. Tenant acknowledges receipt of the Washington State Department of Health and Environmental Protection Agency indoor air quality mold and moisture information packets attached hereto as **Exhibit 3** as required by Chapter 59.18 RCW. This information and other information about mold prevention is available at: <https://www.doh.wa.gov/YouandYourFamily/HealthyHome/Contaminants/Mold/RentersLandlordSandMold>.

11.2 Lead Warning Statement. Buildings built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Landlords must also receive a federally approved pamphlet on lead poisoning prevention.

Landlord's Disclosure:

11.2.1 Presence of lead-based paint and/or lead-based paint hazards:

Landlord knows lead-based paint and/or lead-based paint hazards are in Premises. If so, explain: _____.

Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in Premises.

11.2.2 Tenant acknowledges receipt of any records and reports available to the Landlord pertaining to lead-based paint and/or lead-based paint hazards in the Premises. These documents were as follows: N/A. Tenant further acknowledges receipt of the EPA-approved pamphlet Protect Your Family from Lead in Your Home. Any records and reports regarding lead-based paint in the Premises and the required EPA disclosures are attached hereto as **Exhibit 4**. The required EPA disclosure is available at: <https://www.epa.gov/lead/protect-your-family-lead-your-home-real-estate-disclosure>.

12. **Assignment and Subletting**. Tenant may not assign or sublet this Lease or grant any concession or license to use the Premises or any part thereof. Landlord shall have the right to assign this Lease without consent of Tenant.

12.1 Short Term Rentals Prohibited. Tenant is prohibited from offering all or part of the Premises for short-term rental, such as through AirBNB, VRBO, or other such sites. Use of short-term rentals includes advertising, and any and all other activities involved in locating short-term renters and/or disseminating information of, and regarding, the possible availability of the Premises for rental by short-term or transient occupants on sites such as Expedia, Priceline,

hotels.com, booking.com, AirBNB, VRBO, or other similar locator websites, web-based, electronic media, or private websites for individuals or companies. Any person other than Tenant, who occupies any portion of the Premises for any period of time whatsoever, for any compensation or consideration whatsoever paid to Tenant (including, without limitation, the payment of money and/or trade and/or barter of other goods, services, or property occupancy rights) is not a guest, but a prohibited occupant under this Section. Tenant's violation of this Section constitutes attempted and unauthorized subletting or assignment and is a default under this Lease.

13. Subordination of Lease. This Lease and Tenant's interests herein are subordinate and inferior to any liens or encumbrances now or hereafter placed on the Premises by Landlord, all advances made under any such liens and encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions of such liens or encumbrances.

14. Liability and Insurance.

14.1 No Liability for Damages. Landlord shall not be liable for any damage, either to persons or property, sustained by Tenant or Tenant's agents, guests, licensees, invitees, or others arising from Tenant's use and occupancy of the Premises, except as required by law. All personal property inside the Premises, including, but not limited to, vehicles and items placed in public or private storage rooms/areas within the Premises or parked on Landlord's property are so placed at Tenant's sole risk. The Landlord and Landlord's insurance shall have no liability for any loss or damage caused to said possessions whatsoever no matter the cause.

14.2 Renter's Insurance. Tenant shall obtain renter's insurance or other applicable insurance to insure Tenant's personal property, and it shall be the sole and exclusive responsibility of Tenant to provide its own insurance for damages to Tenant's property. Upon request, Tenant shall furnish Landlord with evidence of renter's insurance required by this Lease. Tenant's failure to obtain renter's insurance as required by this Section is a default under the terms of this Lease, and Landlord shall have, in addition to any other rights under the Lease, the right but not the obligation to purchase Required Insurance and seek reimbursement from Tenant for all costs and expenses associated with such purchase.

14.3 Indemnification and Hold Harmless. Tenant agrees that it will defend (with legal counsel acceptable to Landlord), indemnify and hold harmless Landlord and its agents from any and all demands, claims, judgments or liability for loss or damage arising as a result of accidents, injuries or other occurrences on the Premises or on Landlord's property, occasioned by either the negligent or willful conduct of Tenant, Tenant's guests and licensees, Tenant's invitees, Tenant's agents, or any person or entity holding under this Lease, or any person or entity on the Premises or on the Landlord's property as a result of Tenant's occupancy of the Premises, regardless of who the injured party may be.

14.4 Criminal Acts. Landlord makes no warranty that there will be no criminal acts or that Tenant will be free from the violent tendencies of third persons. Tenant has been informed and understands and agrees that Tenant's personal safety and security is Tenant's personal responsibility.

14. Access. Tenant shall allow Landlord and Landlord's agents access at reasonable times, and upon the minimum statutorily required notice, for the purpose of showing the Premises to prospective tenants, purchasers, or lenders or for the purpose of inspection or making repairs, additions, or alterations. However, this right shall not be construed as an

agreement on the part of Landlord to make repairs other than as specified provided elsewhere in this Lease. Landlord may enter the Premises without providing advanced notice by permission of Tenant or in the case an emergency creating a risk to life, safety, or property, or upon abandonment by Tenant.

16. Default and Re-Entry. Landlord's remedies as provided in this Lease shall be cumulative and in addition to any rights afforded to Landlord under Chapter 59.12 RCW, Chapter 59.18 RCW, or other applicable laws. Tenant shall remain liable, jointly and severally, for the payment of Rent for the balance of the term of this Lease.

16.1 Failure to Pay Rent. If any Rent shall remain unpaid when it shall become due, after fourteen (14) days' notice to Tenant of such violation, along with any other notices required by law to be provided to Tenant pursuant to Chapter 59.18 RCW, the Landlord shall, at its option, be entitled to commence eviction proceedings (unlawful detainer), commence suit for damages, or seek an order to terminate the Lease and re-enter the Premises.

16.2 Violation of Lease Covenants and Agreements. If Tenant shall fail to cure any violation of the covenants and agreements provided in this Lease, other than the payment of Rent, after ten (10) days' notice of such violation, Landlord shall, at its option, be entitled to commence eviction proceedings (unlawful detainer), commence suit for damages, or seek an order to terminate the Lease and re-enter the Premises. The ten (10) days' notice shall not apply to violations of the Lease by Tenant which allow for a shorter unlawful detainer notice period pursuant to Chapter 59.12 RCW and Chapter 59.18 RCW.

16.3 Multiple Default Notices. If Tenant is issued four (4) or more default notices as described in Section 20.2 above, other than ones for monetary damages, within any twelve (12) month period, then following the issuance of the fourth (4th) default notice, Landlord may, at Landlord's sole and exclusive discretion, covert the Term of this Lease to a month-to-month term by giving written notice to Tenant. Thereafter, Landlord can terminate the Tenancy upon written notice to the Tenant at least sixty (60) days prior to the end of the monthly period.

16.4 Notices to Multiple Tenants. The violation of this Lease by any Tenant, or Tenant's guests, is a violation by all Tenants. Requests and notices from Landlord to any Tenant constitutes notice to all Tenants and anyone else in the Premises. A notice from, consent by (including consent for entry into the Premises), or action taken by any Tenant is a notice from, consent by, or action of all Tenants. In eviction lawsuits (unlawful detainers), any one Tenant is the agent of all other Tenants in the Premises for purposes of judicial service of the lawsuit.

16.5 Abandonment. During the Lease Term, the Tenant shall be deemed to have abandoned the Premises when Tenant is absent from the Premises without notice to Landlord for at least fourteen (14) consecutive days while Rent is late for ten (10) or more days, and/or after diligent inquiry by Landlord who reasonably believes Tenant does not intend to return. Tenant shall be in default under this Lease for such an abandonment and Landlord may immediately take possession and secure the Premises.

16.6 Default Notice Fees. In the event it is necessary for Landlord to issue Tenant any default notice, including, without limitation, notices under RCW 59.12, RCW 59.18, and/or this Section of the Lease, Tenant shall be charged an administrative notice fee of Fifty Dollars (\$50.00), plus reasonable expenses of service if a third-party serves the notice.

17. Notices. All notices, requests, demands, or other communications pursuant to this Lease shall be in writing and shall be deemed to have been given if personally delivered, posted on the Premises, or mailed, registered or certified mail, return receipt requested, postage pre-paid upon deposit in the United States mail and mailed to the parties at the addresses set forth on Page 1 of this Lease. The parties agree that the addresses of all parties to which notice shall be given may be changed at any time by written notice to the other party.

18. Signs. During the last thirty (30) days of this Lease, Landlord or its agent shall have the right to display "For Rent" or "Vacancy" signs on and about the Premises. Landlord or its agent shall have the right to display "For Sale" signs on and about the Premises at any time during the term of this Lease. Landlord also shall have the right to enter upon and show the Premises to prospective purchasers or renters in accordance with the terms of this Lease.

18.1 Tenant's Signs. With the exception of small political yard or window signs, not to exceed the dimension of two feet by three feet (2' x 3'), during a campaign season, which is limited to thirty (30) days prior to a primary election, and sixty (60) days prior to a general election, Tenant shall not display any signs or leave non-landscaping on or about the Premises.

19. Non-Waiver. No waiver of any provision of this Lease by Landlord, including timely payment of Rent, shall under any circumstance constitute or be deemed a waiver of any subsequent breach of the same or any other provision or requirement. The acceptance of a partial payment of an amount due hereunder shall not waive or invalidate any notice issued by Landlord pursuant to this Lease.

20. Construction and Interpretation. This Lease is made and executed in the State of Washington and shall be construed under and be governed by the laws of the State of Washington. The parties have had ample opportunity to review and amend this Lease, and, therefore, any ambiguities shall not be construed against either of the parties on the grounds that the other drafted the same.

21. Choice of Law, Venue, and Attorneys' Fees. This Lease shall be interpreted according to the laws of the State of Washington. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in Jefferson County Superior Court. If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, the substantially prevailing party shall be entitled to an award of all of its reasonable costs and attorneys' fees in connection therewith. Attorneys' fees and costs may be assessed in the event legal counsel is engaged to enforce or interpret any of the terms or provisions of this Lease, whether or not litigation is instituted. If Landlord refers any amount owed by Tenant to a collection agency, then all collection fees charged by the collection agency shall be charged to Tenant.

22. Invalidity. If any provision to this Lease shall be held as invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any way affect or render invalid or unenforceable any other provision of this Lease and this Lease shall be carried out as if such invalid or unenforceable provision was not contained within this Lease.

23. Captions. The captions and headings provided for in this Lease are for reference purposes only and do not have any effect on the interpretation of this Lease.

24. Amendments. Except as otherwise set forth in this Lease, this Lease may not be modified, amended, or terminated except by the written agreement of all parties.

25. Authority To Sign. The individuals signing this Lease hereby represent that each are authorized to execute this Lease on behalf of identified parties.

26. Copies Of Documents. Tenant acknowledges receipt of a duplicate of the Lease.

27. Estoppel Certificates. Tenant shall, upon written request from Landlord, execute, acknowledge, and deliver to Landlord a written statement specifying any factual matters concerning the Lease identified by Landlord. It is intended that any such statements may be relied upon by lenders, the recipient of such statements or their assignees, or by prospective purchasers or assignees of this Lease.

28. Survival. All obligations of the parties, as provided for in the Lease, which require performance beyond the Termination Date or early termination of this Lease shall survive the termination of this Lease.

29. Force Majeure. To the fullest extent permitted by law, Landlord shall be excused from performance or obligations under this Lease entirely, or any provision of this Lease, if caused, directly or indirectly, by forces beyond Landlord's control, including without limitation, in the event of an act of god, epidemic, world-wide pandemic, war, acts of terrorism, flood, fire, tornado, hurricane, riot, or any other similar event beyond Landlord's control.

30. Counterparts. This Lease may be executed in any number of counterparts with the same effect as if the parties had signed the same Lease. All counterparts will be construed together and evidence only one Lease. Signatures on the Lease, or any other documents delivered in connection to the Lease or tenancy, may be by facsimile or e-mail transmission, and signatures on facsimile or e-mail copies have the same force and effect as original signatures. This Lease and any other documents delivered in connection to the Lease or tenancy, may be electronically signed, and that any electronic signature appearing on this Lease or such other document have the same force and effect as handwritten original signatures.

31. Entire Agreement. This Lease contains the entire agreement between the parties hereto and incorporates and supersedes all prior agreements and negotiations. It may not be modified or supplemented in any manner or form whatsoever, either by course of dealing or parol or written evidence of prior agreements and negotiations, except upon the written agreement of both parties. There are no other oral or written understandings.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on the date first above written.

TENANT:

ROGER SHORT

SANDY SHORT

LANDLORD:

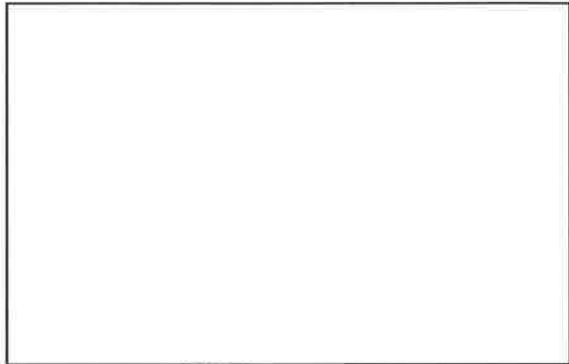
PORT OF PORT TOWNSEND

By: Eron Berg
Its: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF JEFFERSON)

On this day personally appeared before me ROGER SHORT and SANDY SHORT to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2023.



[NOTARY SEAL]

Print Name: _____
NOTARY PUBLIC in and for the
State of Washington, Residing at _____
My Commission Expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF JEFFERSON)

On this day personally appeared before me **ERON BERG** to me known to be the **EXECUTIVE DIRECTOR** of the **PORT OF PORT TOWNSEND**, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this _____ day of _____, _____.



[NOTARY SEAL]

Print Name: _____
NOTARY PUBLIC in and for the
State of Washington, Residing at _____
My Commission Expires: _____

**RESIDENTIAL LEASE
EXHIBIT 1
[DEPICTION OF PREMISES]**

**RESIDENTIAL LEASE
EXHIBIT 2
LANDLORD - TENANT PROPERTY CONDITION INSPECTION SHEET**

Property Address: _____

Tenant(s) Name(s): _____

Move In Date: _____

Complete the move in section of this form and return it to your Landlord within the time required by your Lease. **All items are presumed to be in good condition unless noted otherwise.**

Test all locks, window latches, smoke alarms, and equipment. This form is not a repair request. Submit all requests for repair separately in accordance with your Lease. The Landlord may also use this form upon move-out. Keep a copy for your records. **Please use the follow abbreviations to note the condition:**

GC – Good Condition; FC* – Fair Condition; PC* – Poor Condition

**Please describe condition if other than GC.*

EXTERIOR ITEMS

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Mailbox	_____	_____
Fence And Gates	_____	_____
Pool/Spa And Equipment	_____	_____
Lawn, Trees And Shrubs	_____	_____
Undgrd. Lawn Sprinkler	_____	_____
Exterior Faucets	_____	_____
Roof And Gutters	_____	_____
Siding And Paint	_____	_____
Driveway	_____	_____
Front Door	_____	_____
Door Knob And Lock	_____	_____
Light Fixture/Bulb	_____	_____
Door Bell	_____	_____
Back Door	_____	_____

Door Knob And Lock	_____	_____
Light Fixture/Bulb	_____	_____
Patio Or Deck	_____	_____
Door Knob And Lock	_____	_____
Light Fixture/Bulb	_____	_____
Location Of Water Shut-Off Valve	_____	_____
Other	_____	_____

GARAGE

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceilings And Walls	_____	_____
Floor	_____	_____
Auto Door Opener	_____	_____
Safety Reversal	_____	_____
Remotes	_____	_____
Garage Doors	_____	_____
Exterior Doors And Stops	_____	_____
Storage Room	_____	_____
Other	_____	_____

ENTRY

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other	_____	_____
Doors	_____	_____
Door Stops	_____	_____
Locks And Knobs	_____	_____
Flooring	_____	_____
Light Fixtures/Ceiling Fan	_____	_____
Bulbs	_____	_____
Windows/Screens/Latches	_____	_____
Plugs And Switches	_____	_____

Closets	_____	_____
Doors	_____	_____
Shelves/Rods	_____	_____
Drapes/Blinds/Shutters	_____	_____
Cabinets	_____	_____
Other	_____	_____

LIVING ROOM

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other	_____	_____
Doors	_____	_____
Door Stops	_____	_____
Locks And Knobs	_____	_____
Flooring	_____	_____
Light Fixtures/Ceiling Fan	_____	_____
Bulbs	_____	_____
Windows/Screens/Latches	_____	_____
Plugs And Switches	_____	_____
Drapes/Blinds/Shutters	_____	_____
Cabinets	_____	_____
Fireplace/Logs/Equip.	_____	_____
Other	_____	_____

DINING ROOM

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other	_____	_____
Doors	_____	_____
Door Stops	_____	_____
Locks And Knobs	_____	_____
Flooring	_____	_____
Light Fixtures/Ceiling Fan	_____	_____

Bulbs		
Windows/Screens/Latches		
Plugs And Switches		
Drapes/Blinds/Shutters		
Cabinets		
Fireplace/Logs/Equip.		
Other		

KITCHEN

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other		
Doors		
Door Stops		
Locks And Knobs		
Flooring		
Light Fixtures/Ceiling Fan		
Bulbs		
Windows/Screens/Latches		
Plugs And Switches		
Drapes/Blinds/Shutters		
Pantry And Shelves		
Cabinets And Handles		
Drawers And Handles		
Countertops		
Range/Cooktop		
Oven		
Racks And Knobs		
Broiler Pan		
Light Bulb		
Vent Hood		

Light Bulb/Fan/Filter	_____	_____
Microwave	_____	_____
Dishwasher	_____	_____
Garbage Disposal	_____	_____
Sink And Faucet	_____	_____
Refrigerator	_____	_____
Shelves/Drawers/Light	_____	_____
Drapes/Blinds/Shutters	_____	_____
Other	_____	_____

HALLS

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other	_____	_____
Doors	_____	_____
Door Stops	_____	_____
Locks And Knobs	_____	_____
Flooring	_____	_____
Light Fixtures/Ceiling Fan	_____	_____
Bulbs	_____	_____
Windows/Screens/Latches	_____	_____
Plugs And Switches	_____	_____
Closets	_____	_____
Doors	_____	_____
Shelves/Rods	_____	_____
Drapes/Blinds/Shutters	_____	_____
Other	_____	_____

FAMILY ROOM

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other	_____	_____
Doors	_____	_____
Door Stops	_____	_____

Locks And Knobs	_____	_____
Flooring	_____	_____
Light Fixtures/Ceiling Fan	_____	_____
Bulbs	_____	_____
Windows/Screens/Latches	_____	_____
Plugs And Switches	_____	_____
Drapes/Blinds/Shutters	_____	_____
Cabinets	_____	_____
Fireplace/Logs/Equip.	_____	_____
Other	_____	_____

BEDROOM 1

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other	_____	_____
Doors And Stops	_____	_____
Door Locks And Knobs	_____	_____
Flooring	_____	_____
Light Fixtures/Ceiling Fan	_____	_____
Bulbs	_____	_____
Windows/Screens/Latches	_____	_____
Plugs And Switches	_____	_____
Closets	_____	_____
Doors	_____	_____
Shelves/Rods	_____	_____
Drapes/Blinds/Shutters	_____	_____
Cabinets	_____	_____
Other	_____	_____

BEDROOM 2

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other	_____	_____
---------------------------	-------	-------

- Doors And Stops
- Door Locks And Knobs
- Flooring
- Light Fixtures/Ceiling Fan
- Bulbs
- Windows/Screens/Latches
- Plugs And Switches
- Closets
- Doors
- Shelves/Rods
- Drapes/Blinds/Shutters
- Cabinets
- Other

BEDROOM 3

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

- Ceiling/Walls/Paint/Other
- Doors And Stops
- Door Locks And Knobs
- Flooring
- Light Fixtures/Ceiling Fan
- Bulbs
- Windows/Screens/Latches
- Plugs And Switches
- Closets
- Doors
- Shelves/Rods
- Drapes/Blinds/Shutters
- Cabinets
- Other

BEDROOM 5

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other

Doors And Stops

Door Locks And Knobs

Flooring

Light Fixtures/Ceiling Fan

Bulbs

Windows/Screens/Latches

Plugs And Switches

Closets

Doors

Shelves/Rods

Drapes/Blinds/Shutters

Cabinets

Other

BATHROOM 1

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other

Doors/Stops/Locks/Knobs

Flooring

Light /Bulbs/Fan/Heater

Windows/Screens/Latches

Drapes/Blinds/Shutters

Plugs And Switches

Closets/Shelves/Rods

Cabinets/Handles/Towel

Countertops

Sink And Faucet

Tub/Shower And Faucet

Toilet/Lid/Seat/Paper Hldr.

Other

BATHROOM 2

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other

Doors/Stops/Locks/Knobs

Flooring

Light /Bulbs/Fan/Heater

Windows/Screens/Latches

Drapes/Blinds/Shutters

Plugs And Switches

Closets/Shelves/Rods

Cabinets/Handles/Towel

Countertops

Sink And Faucet

Tub/Shower And Faucet

Toilet/Lid/Seat/Paper Hldr.

Other

BATHROOM 3

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other

Doors/Stops/Locks/Knobs

Flooring

Light /Bulbs/Fan/Heater

Windows/Screens/Latches

Drapes/Blinds/Shutters

Plugs And Switches

Closets/Shelves/Rods

Cabinets/Handles/Towel

Countertops

Sink And Faucet

Tub/Shower And Faucet
Toilet/Lid/Seat/Paper Hldr.
Other

BATHROOM 4

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other
Doors/Stops/Locks/Knobs
Flooring
Light /Bulbs/Fan/Heater
Windows/Screens/Latches
Drapes/Blinds/Shutters
Plugs And Switches
Closets/Shelves/Rods
Cabinets/Handles/Towel
Countertops
Sink And Faucet
Tub/Shower And Faucet
Toilet/Lid/Seat/Paper Hldr.
Other

UTILITY ROOM

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Ceiling/Walls/Paint/Other
Doors Stops
Door Locks And Knobs
Flooring
Light Fixtures/Bulbs/ Fan
Windows/Screens/Latches
Plugs And Switches
Closets/Shelves/Rods
Drapes/Blinds/Shutters

Countertops

Sink And Faucet

Washer And Dryer

W And D Connection

Other

OTHER

MOVE-IN COMMENTS

MOVE-OUT COMMENTS

Central A/C And Heat

Filter

Thermostat

Window A/C Units

Space Or Wall Heaters

Water Heater (At 120 Degs)

Water Softeners

Alarm System

Central Vacuum

Other

Other

Other

Other

Other

Smoke Alarms: No. of Units: _____
No

Tested: Yes No

Working: Yes

CO Detectors: No. of Units: _____
No

Tested: Yes No

Working: Yes

Exterior Door Locks: No. of Units: _____
No

Tested: Yes No

Working: Yes

THIS FORM IS NOT A REPAIR REQUEST. SUBMIT ALL REQUESTS FOR REPAIRS SEPARATELY IN ACCORDANCE WITH YOUR LEASE. The undersigned acknowledge that the above is an accurate assessment of the condition of the property as of the date signed.

Signed At Move-In:

Signed At Move-Out:

Landlord/Landlord's Agent

Landlord/Landlord's Agent

Date

Date

Tenant

Tenant

Date

Date

Printed Name:

Printed Name:

Tenant

Tenant

Date

Date

Printed Name:

Printed Name:

Tenant

Tenant

Date

Date

Printed Name:

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

**RESIDENTIAL LEASE
EXHIBIT 3
MOLD DISCLOSURE INFORMATION PACKETS**

**RESIDENTIAL LEASE
EXHIBIT 4
LEAD-BASED PAINT DISCLOSURES [FOR HOUSES BUILT PRE 1978]**

PURCHASE AND SALE AGREEMENT

EXHIBIT D

KEVIN SHORT RESIDENTIAL LAND LEASE

RESIDENTIAL LAND LEASE

PARTIES AND LEASED PREMISES

Premises Address: 1720 Center Road, Chimacum, WA 98325

Landlord's Name: Port of Port Townsend
 Landlord's Mailing Address: 2701 Jefferson St.
 Port Townsend, WA 98368

Landlord's Phone Number: (360) 385-0656
 Landlord's E-Mail: _____

Tenant's Name: Kevin Short

Tenant's Mailing Address: 1720 Center Road, Chimacum, WA 98325

Tenant's Phone Number: _____
 Tenant's E-Mail: _____

LEASE TERM

Commencement Date: September 1, 2023
 Initial Term: One (1) Year
 Termination Date: August 31, 2024
 Date Signed: _____

MOVE-IN COSTS

Security Deposit: _____

RENT AND OTHER PERIODIC CHARGES

Base Rent: \$0.00 per month
 Rent Payable To: Port of Port Townsend
 Due Date: 1st of the Month
 Late Fee: _____

THIS RESIDENTIAL LAND LEASE (hereinafter the "Lease") is made and entered into this ____ day of _____, 2023 by and between **PORT OF PORT TOWNSEND**, a Washington municipal corporation (hereinafter referred to as "Landlord"), and **KEVIN SHORT**, as tenant (the "Tenant").

FOR AND IN CONSIDERATION of the mutual promises contained in this Lease, the Tenant and the Landlord agree as follows:

- Premises.** Landlord hereby agrees to lease to the Tenant, and Tenant hereby agrees to lease from Landlord, upon the terms and conditions provided in this Lease, a portion of the real property commonly referred to as 1720 Center Road, Chimacum, WA 98325 (the "Premises"), which is legally described as follows (the "Premises"):

The approximately 6,300 square foot property (0.145 ac) upon which Tenant's mobile home is located which is depicted on Exhibit 1 hereto and located on the larger parcel of real property legally described as follows:

Parcel E:

That portion of the Southwest ¼ of Section 23, Township 29 North, Range 1 West, W.M., described as follows:

Commencing at the West ¼ corner of said Section 23, being a 5/8 rebar set in concrete; Thence South 01° 42' 00" West along the Westerly section of said Section 23, a distance of 1,314.93 feet to the Point of Beginning of this description; Thence continuing South 01° 42' 00" West, a distance of 1,314.93 to the Southwest section corner of said Section 23; Thence South 88° 34' 31" East along the Southerly section line of said Section 23, a distance of 993.15 to the Easterly margin of the Chimaicum Creek Irrigation and Drainage Ditch; Thence North 02° 15' 24" East along said ditch, a distance of 375.49 feet; Thence North 02° 07' 38" East along said ditch, a distance of 341.14 feet; Thence North 01° 50' 46" East along said ditch, a distance of 94.12 feet; Thence South 88° 19' 56" East departing from said ditch, a distance of 861.80 feet to the Westerly margin of Center Road; Thence North 05° 45' 57" East along said Westerly margin, a distance of 154.22 feet; Thence North 05° 22' 25" East along said Westerly margin, a distance of 189.84 feet; Thence North 88° 19' 56" West departing from said Westerly margin, a distance of 285.71 feet; Thence North 02° 33' 34" East a distance of 156.75 feet; Thence North 88° 19' 56" West, a distance of 1,601.10 feet to the West section line of said Section 23 and the Point of Beginning of this description.

All situate in the County of Jefferson, State of Washington.

2. Residential Use. The Premises shall be used by Tenant for purposes of locating and residing in Tenant's mobile home.

2.1 No Business Uses. Tenant shall not carry on any business, profession, or trade of any kind in the Premises, unless Tenant obtains Landlord's prior written consent. Such business must also be properly licensed, permissible by local zoning ordinances and not involve customers, clients, patients, or other business associates to enter upon or use the Premises. Remote work or working from home that is otherwise compliant with the requirements of this paragraph is not considered a prohibited business use.

3. Joint and Several Liability. Each Tenant is jointly and severally liable for performance of the terms of this Lease. The violation of this Lease by any Tenant or Tenant's guests, agents, invitees, or other persons on the Premises as a result of Tenant is a violation by all Tenants.

4. Term. The term of this Lease shall be for a period of twelve (12) months (the "Term") commencing on September 1, 2023 (the "Commencement Date") and terminating on August 31, 2024 ("Termination Date").

4.1 Tenant's Early Termination Right. Notwithstanding anything to the contrary herein, Tenant shall be entitled to terminate the Lease at any time without penalty upon thirty (30) days advance written notice to Landlord.

4.2 Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenant will surrender to Landlord the Premises peaceably and quietly.

4.3 Holdover Tenancy. If the Term expires but Tenant remains in possession of the Premises absent an extension or new rental agreement with the consent of Landlord, then a month-to-month tenancy shall exist between Tenant and Landlord. Such tenancy shall be subject to all of the terms and conditions of this Lease, except that Rent may be adjusted at the sole option of Landlord upon required statutory notice. Such holdover tenancy may be terminated by either party upon the required statutory notice.

4.4 Landlord Termination. If Landlord gives written notice of termination prior to the Termination Date pursuant to RCW 59.18.650(1), then the Lease shall not convert to a month-to-month term, the Tenant's right to occupy the Premises under this Lease shall terminate, and Tenant must surrender possession of the Premises to the Landlord on the Termination Date. In the event that Tenant remains in possession of the Premises after notice of termination, Tenant shall be liable to Landlord for all expense to Landlord and/or the new tenant arising from Tenant's failure to timely vacate. Tenant hereby acknowledges that nothing in this Section or elsewhere in this Lease provides the Tenant an option or right to a month-to-month periodic tenancy following the expiration of the initial Term of this Lease.

4.5 Obligation to Vacate. If a notice of termination is provided by either Landlord or Tenant under this Section 4 of the Lease, Tenant, and all others, must vacate the Premises and remove all personal property at the expiration set forth in the notice of termination, without further notice or demand from Landlord.

5. Rent. Tenant is leasing the Premises from Landlord as part of the compensation received by the prior landowners, Roger and Sandy Short, for selling the Premises to Lessor pursuant to that Purchase and Sale Agreement dated July __, 2023 (the "PSA"). Tenant shall not owe Landlord any base rent during the Term of this Lease due to the reduced purchase price Roger and Sandy Short accepted for the Premises as part of the PSA; therefore, during the Term of the Lease, Tenant shall pay to Landlord as rent the sum of Zero Dollars (\$0.00) in base rent, plus applicable leasehold excise taxes. The Base Rent, leasehold excise taxes, and any other recurring and periodic charges identified in the Lease for the use and occupancy of the Premises shall constitute and be referred to in this Lease as "Rent."

5.1 Due Date and Late Fees. Rent shall be paid on or before the first (1st) day of each month commencing on the Commencement Date. Any Rent which is due but received after the fifth (5th) day of the month in which it is due shall be subject to a Seventy-Five Dollar (\$75.00) late charge (the "Late Charge"). Tenant shall pay the Late Charge at the time Tenant submits the late Rent payment. Rent paid by the Tenant shall first be applied to any past due Rent, second to Rent due and owing for the current period, and lastly to any late fees, legal costs, attorneys' fees, or other non-Rent fees due and owing from Tenant to Landlord.

5.2 Method of Payment. Any Rent payment shall be paid to Landlord in cash or check at the address set forth in the Notice provision of this Lease, or to such other place as Landlord may direct the Tenant in writing. **In the event there are multiple Tenants, all Rent**

should be paid in one form of payment unless otherwise authorized in writing by Landlord.

5.3 **NSF Charges.** If a personal check is dishonored or returned NSF or other Tenant payment of Rent is rejected for insufficient funds, an administrative fee of Fifty Dollars (\$50.00), plus any fees charged to Landlord by the financial institution(s) involved in the failed payment (the "Insufficient Funds Fee"), plus applicable Late Fees. Tenant shall pay the Insufficient Funds Fee to Landlord within three (3) days after Landlord provides Tenant written notice of the insufficient funds. The Parties acknowledge that the Insufficient Funds Fee: (i) is a reasonable estimate of the administrative costs incurred by Landlord; (ii) is a cumulative remedy; and (iii) Landlord may pursue any and all other remedies available under the terms of this Lease or by law. After any payment from Tenant is rejected, Tenant must pay all Rent by cash, money order, or cashier's check at Landlord's sole discretion.

5.4 **Rent Deductions.** No deductions from Rent as payment for work done on the Premises or for reimbursement for repairs or improvements to the Premises, done or made by Tenant, shall be allowed unless previously authorized in writing by Landlord.

6. **Utilities.** Tenant shall arrange for the Utility services, shall register the Utilities in Tenant's name, pay all charges, and be solely responsible for all Utilities as defined in this Section. Tenant shall further be solely responsible for termination of all Utilities that are in Tenant's name at the expiration or earlier termination of this Lease, as well as for any fees or charges arising from Tenant's failure to do so.

6.1 **Utilities Defined.** The terms "Utilities" or "Utility" as used in this Lease refer to both public and private utilities and may include, but are not limited to water, well, sanitary sewer, septic tanks, electrical, cable television, fiber optic communications, garbage and recycling, internet, satellite dish, telephone, and natural gas.

6.2 **Tenant Failure to Provide Utilities.** Tenant's failure to timely pay Utility charges for the Premises shall be a default under the terms of this Lease. If Tenant fails to pay for any charges for Utilities serving the Premises, Landlord may pay such charges and, at Landlord's discretion, deduct such amounts from the Security Deposit or bill Tenant for such Utility charges.

7. **Intentionally Deleted.**

8. **Tenant Duties, Repairs, and Care of the Premises.**

8.1 **Condition of Premises on Commencement Date.** Tenant acknowledges that Tenant has inspected the Premises and accepts the Premises in its present condition, subject to the provisions of this Section. At the expiration of the Lease, Tenant shall surrender the Premises in as good of a state and condition as they existed at the commencement of this Lease, reasonable wear and tear expected. Tenant has had the opportunity to perform a "walk through" of the Premises and to complete a Landlord - Tenant Property Condition Inspection Sheet (the "Checklist"). A copy of the Checklist is attached hereto as ***Exhibit 2***. Tenant hereby represents that the Premises are in good order and repair, are safe, clean, and in tenantable condition, and that no repairs are necessary except as otherwise indicated on the Checklist. **LANDLORD MAKES NO WARRANTIES REGARDING THE PREMISES AND PROPERTY, AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXPRESSLY DISCLAIMS AND EXCLUDES ANY AND ALL EXPRESS OR IMPLIED WARRANTIES.**

11.2 Tenant Maintenance Duties. Tenant shall, at Tenant's own expense, perform the duties below in this Section. Tenant's failure to perform any of the below duties is a material breach of the Lease. In the case of an emergency causing an immediate threat or danger to safety, life or property damage, Landlord may remedy or cure any of the defaults below and charge Tenant for the actual costs to cure and/or commence an unlawful detainer action. Otherwise, following the statutory notice from Landlord required by Chapter 59.18 RCW, if Tenant fails to remedy or cure the material breach, then Landlord may remedy or cure the default and charge Tenant for the actual costs to cure and/or commence an unlawful detainer action.

11.2.1 Tenant shall provide and maintain receptacles for garbage, trash, and recyclables for the Premises, unless such receptacles are provided by sanitary service providers for use during a service subscription period. Tenant shall properly dispose of rubbish, garbage, and waste in a clean and sanitary manner at reasonable and regular intervals and to assume all costs of extermination and fumigation for infestation caused by Tenant. Tenant agrees to recycle appropriate items.

11.2.2 Tenant shall maintain the yard of the Premises, including mowing and watering the grass and lawn, keeping the grass, lawn, flowers, and shrubbery in good order and condition, and keep the sidewalk surrounding the Premises, if any, free and clear of obstructions, snow, and ice. Tenant shall not remove any vegetation or change any landscaping on the Premises without the prior written consent of the Landlord.

11.2.3 Tenant shall promptly report to Landlord, address, and pay for repair of any plumbing problems that are caused by Tenant. Expense or damage resulting from the stoppage of waste pipes caused by improper use will be charged to the Tenant. Feminine hygiene products, including tampons, shall not be flushed down the toilet.

11.3 Tenant Cleaning Duties. Tenant shall keep the Premises clean and orderly throughout the term of this Lease. Without limiting the generality of the foregoing, Tenant shall keep all external areas of the Premises clean and immediately remove any trash, junk, or litter from the same and Tenant shall not store any inoperable motor vehicles in any area of the Premises visible from the street or sidewalk.

11.4 Waste and Refuse. Tenant shall not allow conditions of waste and refuse to exist on the Premises, to keep the Premises in a neat, clean, and orderly condition and to be responsible for all damages caused to the Premises by Tenant, its agents, or any third-party Tenant permits on the Premises.

11.5 Vacating the Premises. Prior to vacating and surrendering the Premises, Tenant shall restore the Premises to the condition existing on the Commencement Date, except for (i) normal wear and tear, and (ii) any improvements that Landlord permits to remain on the Premises.

11.5.1 If Landlord must perform cleaning or repairs to the Premises following Tenant vacating the Premises, Tenant shall be charged the greater amount of the actual amount of cleaning or repair services or Forty Dollars (\$40.00) per hour.

12. Laws, Rules, and Regulations. Tenant, and any agent, guest, or invitee of Tenant, shall conform to and abide by all lawful rules, codes, laws, and regulations in connection with Tenant's occupancy and use of the Premises.

12.1 Indemnification and Hold Harmless for Rule Violation. Tenant covenants and agrees that it will defend (with legal counsel acceptable to Landlord), indemnify, and hold harmless Landlord from any fine, penalty, or damage which may be imposed by any lawful authority, which may arise as a result of Tenant's failure to comply with the obligations of this Section and/or this Lease.

12.2 No Criminal Activity Allowed. Tenant, Tenant's guest(s) and any other person on the Premises as a result of Tenant, shall not engage in criminal activity, including without limitation, drug related criminal activity, on or near the Premises. Drug related criminal activity means the illegal manufacture, sale, distribution, use or possession of a controlled substance as defined in the Controlled Substances Act - 21 U.S.C. § 802 and/or Chapter 59.60 RCW, as currently enacted or hereafter amended. A single instance of criminal activity on the Premises shall be good cause for termination of tenancy. Unless otherwise provided by law, proof of criminal activity shall only be required to meet the preponderance of evidence standard and not require criminal conviction.

12.3 Landlord's Right to Exclude Guests and Other Non-Tenants. To the full extent allowed by law, Landlord may exclude from the Premises any guests or other persons, who in Landlord's sole and exclusive judgment, violated the law or this Agreement, which includes anyone who is disturbing other tenants of the Landlord's property, neighbors, visitors, or Landlord's agents.

13. Alterations and Improvements. Tenant shall not make any material alterations, additions, or improvements in or to the Premises without the prior written consent of Landlord, which consent can be withheld or denied in Landlord's sole discretion. All alterations, additions, and improvements to the Premises shall be at the sole cost and expense of Tenant, and such alterations shall conform in all respects to the plans and specifications as approved by Landlord in advance of the construction. Landlord may require any material alterations, additions, or improvements be performed by a licensed and bonded contractor. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or any obligations incurred by Tenant.

14. Intentionally Omitted.

15. Intentionally Omitted.

16. Assignment and Subletting. Tenant may not assign or sublet this Lease or grant any concession or license to use the Premises or any part thereof. Landlord shall have the right to assign this Lease without consent of Tenant.

16.1 Short Term Rentals Prohibited. Tenant is prohibited from offering all or part of the Premises for short-term rental, such as through AirBNB, VRBO, or other such sites. Use of short-term rentals includes advertising, and any and all other activities involved in locating short-term renters and/or disseminating information of, and regarding, the possible availability of the Premises for rental by short-term or transient occupants on sites such as Expedia, Priceline, hotels.com, booking.com, AirBNB, VRBO, or other similar locator websites, web-based, electronic media, or private websites for individuals or companies. Any person other than Tenant, who occupies any portion of the Premises for any period of time whatsoever, for any compensation or consideration whatsoever paid to Tenant (including, without limitation, the payment of money and/or trade and/or barter of other goods, services, or property occupancy rights) is not a guest, but a prohibited occupant under this Section. Tenant's violation of this

Section constitutes attempted and unauthorized subletting or assignment and is a default under this Lease.

17. Subordination of Lease. This Lease and Tenant's interests herein are subordinate and inferior to any liens or encumbrances now or hereafter placed on the Premises by Landlord, all advances made under any such liens and encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions of such liens or encumbrances.

18. Liability and Insurance.

18.1 No Liability for Damages. Landlord shall not be liable for any damage, either to persons or property, sustained by Tenant or Tenant's agents, guests, licensees, invitees, or others arising from Tenant's use and occupancy of the Premises, except as required by law. All personal property inside the Premises, including, but not limited to, vehicles and items placed in public or private storage rooms/areas within the Premises or parked on Landlord's property are so placed at Tenant's sole risk. The Landlord and Landlord's insurance shall have no liability for any loss or damage caused to said possessions whatsoever no matter the cause.

18.2 Renter's Insurance. Tenant shall obtain renter's insurance or other applicable insurance to insure Tenant's personal property, and it shall be the sole and exclusive responsibility of Tenant to provide its own insurance for damages to Tenant's property. Upon request, Tenant shall furnish Landlord with evidence of renter's insurance required by this Lease. Tenant's failure to obtain renter's insurance as required by this Section is a default under the terms of this Lease, and Landlord shall have, in addition to any other rights under the Lease, the right but not the obligation to purchase Required Insurance and seek reimbursement from Tenant for all costs and expenses associated with such purchase.

18.3 Indemnification and Hold Harmless. Tenant agrees that it will defend (with legal counsel acceptable to Landlord), indemnify and hold harmless Landlord and its agents from any and all demands, claims, judgments or liability for loss or damage arising as a result of accidents, injuries or other occurrences on the Premises or on Landlord's property, occasioned by either the negligent or willful conduct of Tenant, Tenant's guests and licensees, Tenant's invitees, Tenant's agents, or any person or entity holding under this Lease, or any person or entity on the Premises or on the Landlord's property as a result of Tenant's occupancy of the Premises, regardless of who the injured party may be.

18.4 Criminal Acts. Landlord makes no warranty that there will be no criminal acts or that Tenant will be free from the violent tendencies of third persons. Tenant has been informed and understands and agrees that Tenant's personal safety and security is Tenant's personal responsibility.

19. Access. Tenant shall allow Landlord and Landlord's agents access at reasonable times, and upon the minimum statutorily required notice, for the purpose of showing the Premises to prospective tenants, purchasers, or lenders or for the purpose of inspection or making repairs, additions, or alterations. However, this right shall not be construed as an agreement on the part of Landlord to make repairs other than as specified provided elsewhere in this Lease. Landlord may enter the Premises without providing advanced notice by permission of Tenant or in the case an emergency creating a risk to life, safety, or property, or upon abandonment by Tenant.

20. Default and Re-Entry. Landlord's remedies as provided in this Lease shall be cumulative and in addition to any rights afforded to Landlord under Chapter 59.12 RCW, Chapter 59.18 RCW, or other applicable laws. Tenant shall remain liable, jointly and severally, for the payment of Rent for the balance of the term of this Lease.

20.1 Failure to Pay Rent. If any Rent shall remain unpaid when it shall become due, after fourteen (14) days' notice to Tenant of such violation, along with any other notices required by law to be provided to Tenant pursuant to Chapter 59.18 RCW, the Landlord shall, at its option, be entitled to commence eviction proceedings (unlawful detainer), commence suit for damages, or seek an order to terminate the Lease and re-enter the Premises.

20.2 Violation of Lease Covenants and Agreements. If Tenant shall fail to cure any violation of the covenants and agreements provided in this Lease, other than the payment of Rent, after ten (10) days' notice of such violation, Landlord shall, at its option, be entitled to commence eviction proceedings (unlawful detainer), commence suit for damages, or seek an order to terminate the Lease and re-enter the Premises. The ten (10) days' notice shall not apply to violations of the Lease by Tenant which allow for a shorter unlawful detainer notice period pursuant to Chapter 59.12 RCW and Chapter 59.18 RCW.

20.3 Multiple Default Notices. If Tenant is issued four (4) or more default notices as described in Section 20.2 above, other than ones for monetary damages, within any twelve (12) month period, then following the issuance of the fourth (4th) default notice, Landlord may, at Landlord's sole and exclusive discretion, convert the Term of this Lease to a month-to-month term by giving written notice to Tenant. Thereafter, Landlord can terminate the Tenancy upon written notice to the Tenant at least sixty (60) days prior to the end of the monthly period.

20.4 Notices to Multiple Tenants. The violation of this Lease by any Tenant, or Tenant's guests, is a violation by all Tenants. Requests and notices from Landlord to any Tenant constitutes notice to all Tenants and anyone else in the Premises. A notice from, consent by (including consent for entry into the Premises), or action taken by any Tenant is a notice from, consent by, or action of all Tenants. In eviction lawsuits (unlawful detainers), any one Tenant is the agent of all other Tenants in the Premises for purposes of judicial service of the lawsuit.

20.5 Abandonment. During the Lease Term, the Tenant shall be deemed to have abandoned the Premises when Tenant is absent from the Premises without notice to Landlord for at least fourteen (14) consecutive days while Rent is late for ten (10) or more days, and/or after diligent inquiry by Landlord who reasonably believes Tenant does not intend to return. Tenant shall be in default under this Lease for such an abandonment and Landlord may immediately take possession and secure the Premises.

20.6 Default Notice Fees. In the event it is necessary for Landlord to issue Tenant any default notice, including, without limitation, notices under RCW 59.12, RCW 59.18, and/or this Section of the Lease, Tenant shall be charged an administrative notice fee of Fifty Dollars (\$50.00), plus reasonable expenses of service if a third-party serves the notice.

21. Notices. All notices, requests, demands, or other communications pursuant to this Lease shall be in writing and shall be deemed to have been given if personally delivered, posted on the Premises, or mailed, registered or certified mail, return receipt requested, postage pre-paid upon deposit in the United States mail and mailed to the parties at the addresses set forth

on Page 1 of this Lease. The parties agree that the addresses of all parties to which notice shall be given may be changed at any time by written notice to the other party.

22. Signs. During the last thirty (30) days of this Lease, Landlord or its agent shall have the right to display "For Rent" or "Vacancy" signs on and about the Premises. Landlord or its agent shall have the right to display "For Sale" signs on and about the Premises at any time during the term of this Lease. Landlord also shall have the right to enter upon and show the Premises to prospective purchasers or renters in accordance with the terms of this Lease.

22.1 Tenant's Signs. With the exception of small political yard or window signs, not to exceed the dimension of two feet by three feet (2' x 3'), during a campaign season, which is limited to thirty (30) days prior to a primary election, and sixty (60) days prior to a general election, Tenant shall not display any signs or leave non-landscaping on or about the Premises.

23. Intentionally Deleted.

24. Intentionally Deleted.

25. Non-Walver. No waiver of any provision of this Lease by Landlord, including timely payment of Rent, shall under any circumstance constitute or be deemed a waiver of any subsequent breach of the same or any other provision or requirement. The acceptance of a partial payment of an amount due hereunder shall not waive or invalidate any notice issued by Landlord pursuant to this Lease.

26. Construction and Interpretation. This Lease is made and executed in the State of Washington and shall be construed under and be governed by the laws of the State of Washington. The parties have had ample opportunity to review and amend this Lease, and, therefore, any ambiguities shall not be construed against either of the parties on the grounds that the other drafted the same.

27. Choice of Law, Venue, and Attorneys' Fees. This Lease shall be interpreted according to the laws of the State of Washington. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in Jefferson County Superior Court. If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, the substantially prevailing party shall be entitled to an award of all of its reasonable costs and attorneys' fees in connection therewith. Attorneys' fees and costs may be assessed in the event legal counsel is engaged to enforce or interpret any of the terms or provisions of this Lease, whether or not litigation is instituted. If Landlord refers any amount owed by Tenant to a collection agency, then all collection fees charged by the collection agency shall be charged to Tenant.

28. Invalidity. If any provision to this Lease shall be held as invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any way affect or render invalid or unenforceable any other provision of this Lease and this Lease shall be carried out as if such invalid or unenforceable provision was not contained within this Lease.

29. Captions. The captions and headings provided for in this Lease are for reference purposes only and do not have any effect on the interpretation of this Lease.

30. Amendments. Except as otherwise set forth in this Lease, this Lease may not be modified, amended, or terminated except by the written agreement of all parties.

31. Intentionally Deleted.

32. Authority To Sign. The individuals signing this Lease hereby represent that each are authorized to execute this Lease on behalf of identified parties.

33. Copies Of Documents. Tenant acknowledges receipt of a duplicate of the Lease.

34. Intentionally Deleted.

35. Estoppel Certificates. Tenant shall, upon written request from Landlord, execute, acknowledge, and deliver to Landlord a written statement specifying any factual matters concerning the Lease identified by Landlord. It is intended that any such statements may be relied upon by lenders, the recipient of such statements or their assignees, or by prospective purchasers or assignees of this Lease.

36. Survival. All obligations of the parties, as provided for in the Lease, which require performance beyond the Termination Date or early termination of this Lease shall survive the termination of this Lease.

37. Force Majeure. To the fullest extent permitted by law, Landlord shall be excused from performance or obligations under this Lease entirely, or any provision of this Lease, if caused, directly or indirectly, by forces beyond Landlord's control, including without limitation, in the event of an act of god, epidemic, world-wide pandemic, war, acts of terrorism, flood, fire, tornado, hurricane, riot, or any other similar event beyond Landlord's control.

38. Counterparts. This Lease may be executed in any number of counterparts with the same effect as if the parties had signed the same Lease. All counterparts will be construed together and evidence only one Lease. Signatures on the Lease, or any other documents delivered in connection to the Lease or tenancy, may be by facsimile or e-mail transmission, and signatures on facsimile or e-mail copies have the same force and effect as original signatures. This Lease and any other documents delivered in connection to the Lease or tenancy, may be electronically signed, and that any electronic signature appearing on this Lease or such other document have the same force and effect as handwritten original signatures.

39. Entire Agreement. This Lease contains the entire agreement between the parties hereto and incorporates and supersedes all prior agreements and negotiations. It may not be modified or supplemented in any manner or form whatsoever, either by course of dealing or parol or written evidence of prior agreements and negotiations, except upon the written agreement of both parties. There are no other oral or written understandings.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on the date first above written.

TENANT:

KEVIN SHORT

LANDLORD:

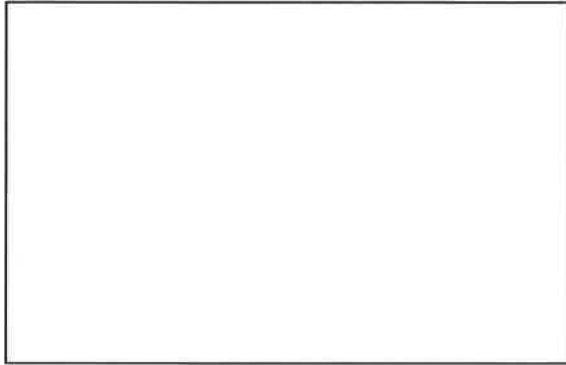
PORT OF PORT TOWNSEND

By: Eron Berg
Its: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF JEFFERSON)

On this day personally appeared before me KEVIN SHORT to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2023.



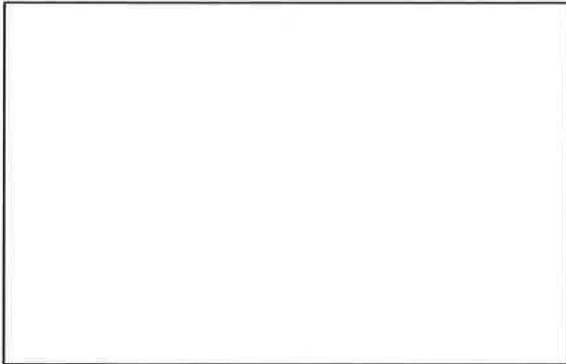
[NOTARY SEAL]

Print Name:
NOTARY PUBLIC in and for the
State of Washington, Residing at _____
My Commission Expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF JEFFERSON)

On this day personally appeared before me **ERON BERG** to me known to be the **EXECUTIVE DIRECTOR** of the **PORT OF PORT TOWNSEND**, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this _____ day of _____, _____.



[NOTARY SEAL]

Print Name:
NOTARY PUBLIC in and for the
State of Washington, Residing at _____
My Commission Expires: _____

**RESIDENTIAL LAND LEASE
EXHIBIT 1
[DEPICTION OF PREMISES]**

THE PARTIES HERETO HAVE AGREED TO THE FOLLOWING TERMS AND CONDITIONS OF THE RESIDENTIAL LAND LEASE:

1. THE LESSOR HAS A CLEAR AND MARKETABLE TITLE TO THE PREMISES DESCRIBED IN THE ATTACHED SURVEY.

2. THE LESSEE SHALL HOLD THE PREMISES AS A TRUST FOR THE LESSOR AND SHALL NOT CONVEY, MORTGAGE, OR OTHERWISE ENCUMBER THE PREMISES WITHOUT THE WRITTEN CONSENT OF THE LESSOR.

3. THE LESSEE SHALL MAINTAIN THE PREMISES IN GOOD AND SOUND CONDITION AND SHALL BE RESPONSIBLE FOR ALL REPAIRS AND MAINTENANCE REQUIRED TO KEEP THE PREMISES IN SUCH CONDITION.

4. THE LESSEE SHALL PAY ALL PROPERTY TAXES, HOA FEES, AND OTHER CHARGES ASSOCIATED WITH THE PREMISES.

5. THE LESSEE SHALL OBTAIN AND MAINTAIN HOMEOWNERS LIABILITY INSURANCE.

6. THE LESSEE SHALL NOT USE THE PREMISES FOR ANY ILLEGAL OR UNLAWFUL PURPOSES.

**RESIDENTIAL LAND LEASE
EXHIBIT 2
[LANDLORD-TENANT PROPERTY CONDITION INSPECTION SHEET]**

Property Address: _____
 Tenant(s) Name(s): _____
 Move In Date: _____

Complete the move in section of this form and return it to your Landlord within the time required by your Lease. **All items are presumed to be in good condition unless noted otherwise.** Test all locks, window latches, smoke alarms, and equipment. This form is not a repair request. Submit all requests for repair separately in accordance with your Lease. The Landlord may also use this form upon move-out. Keep a copy for your records. **Please use the follow abbreviations to note the condition:**
GC – Good Condition; FC* – Fair Condition; PC* – Poor Condition

**Please describe condition if other than GC.*

<u>EXTERIOR ITEMS</u>	<u>MOVE-IN COMMENTS</u>	<u>MOVE-OUT COMMENTS</u>
Mailbox	_____	_____
Fence And Gates	_____	_____
Lawn, Trees And Shrubs	_____	_____
Other	_____	_____
Other	_____	_____
Other	_____	_____
Other	_____	_____
Other	_____	_____

THIS FORM IS NOT A REPAIR REQUEST. SUBMIT ALL REQUESTS FOR REPAIRS SEPARATELY IN ACCORDANCE WITH YOUR LEASE. The undersigned acknowledge that the above is an accurate assessment of the condition of the property as of the date signed.

Signed At Move-In:

Signed At Move-Out:

 Landlord/Landlord's Agent

 Landlord/Landlord's Agent

Date

Date

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

**PURCHASE AND SALE AGREEMENT
EXHIBIT E
[RCW 64.06.013 COMMERCIAL REAL ESTATE DISCLOSURE STATEMENT]**

INSTRUCTIONS TO THE SELLER:

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property, write "NA." If the answer is "yes" to any * items, please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection, you must date and sign each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written contract to purchase between a buyer and a seller.

NOTICE TO THE BUYER:

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY AND IMPROVEMENTS THEREON LEGALLY DEFINED AS:

SEE EXHIBIT A OF THE PURCHASE AND SALE AGREEMENT.

SITUATION IN JEFFERSON COUNTY, WASHINGTON.

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DATE SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS, OR WARRANTIES.

Seller ____ is/ ____ is not occupying the property.

I. SELLER'S DISCLOSURES:

If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

1. TITLE AND LEGAL

- | | | | |
|------------------------------|-----------------------------|-------------------------------------|---|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | A. Do you have legal authority to sell the property? If no, please explain. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *B. Is title to the property subject to any of the following?
(1) First right of refusal
(2) Option
(3) Lease or rental agreement
(4) Life estate |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *C. Are there any encroachments, boundary agreements, or boundary disputes? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *D. Is there any leased parking? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *E. Is there a private road or easement agreement for access to the property? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *F. Are there any rights-of-way, easements, shared use agreements, or access limitations? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *G. Are there any written agreements for joint maintenance of an easement or right-of-way? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *H. Are there any zoning violations or nonconforming uses? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *I. Is there a survey for the property? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *J. Are there any legal actions pending or threatened that affect the property? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *K. Is the property in compliance with the Americans with Disabilities Act? |

2. WATER

- | | | | |
|------------------------------|-----------------------------|-------------------------------------|--|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know | *Are there any water rights for the property, such as a water right permit, certificate, or claim? |
|------------------------------|-----------------------------|-------------------------------------|--|

3. SEWER/ON-SITE SEWAGE SYSTEM

Yes No Don't know
*Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?

4. STRUCTURAL

Yes No Don't know
*A. Has the roof leaked within the last five years?

Yes No Don't know
*B. Has any occupied subsurface flooded or leaked within the last five years?

Yes No Don't know
*C. Have there been any conversions, additions, or remodeling?

Yes No Don't know
*(1) If yes, were all building permits obtained?

Yes No Don't know
*(2) If yes, were all final inspections obtained?

Yes No Don't know
*D. Has there been any settling, slippage, or sliding of the property or its improvements?

Yes No Don't know
*E. Are there any defects with the following: (If yes, please check applicable items and explain.)

- Foundations
- Doors
- Ceilings
- Sidewalks
- Other
- Interior Walls
- Windows

- Slab Floors
- Outbuildings
- Exterior Walls
- Siding

5. SYSTEMS AND FIXTURES

Yes No Don't know
* Are there any defects in the following systems? If yes, please explain.

- Yes No Don't know
 - Yes No Don't know
 - Yes No Don't know
 - Yes No Don't know
 - Yes No Don't know
- (1) Electrical system
 - (2) Plumbing system
 - (3) Heating and cooling systems
 - (4) Fire and security system
 - (5) Carbon monoxide alarms

6. ENVIRONMENTAL

Yes No Don't know

*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?

Yes No Don't know

*B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?

Yes No Don't know

*C. Are there any shorelines, wetlands, floodplains, or critical areas on the property?

Yes No Don't know

*D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?

Yes No Don't know

*E. Is there any soil or groundwater contamination?

Yes No Don't know

*F. Has the property been used as a legal or illegal dumping site?

Yes No Don't know

*G. Has the property been used as an illegal drug manufacturing site?

7. FULL DISCLOSURE BY SELLERS

A. Other conditions or defects:

Yes No Don't know

*Are there any other existing material defects affecting the property that a prospective buyer should know about?

B. Verification:

THE FOREGOING ANSWERS AND ATTACHED EXPLANATIONS (IF ANY) ARE COMPLETE AND CORRECT TO THE BEST OF MY/OUR KNOWLEDGE AND I/WE HAVE RECEIVED A COPY HEREOF. I/WE AUTHORIZE ALL OF MY/OUR REAL ESTATE LICENSEES, IF ANY, TO DELIVER A COPY OF THIS DISCLOSURE STATEMENT TO OTHER REAL ESTATE LICENSEES AND ALL PROSPECTIVE BUYERS OF THE PROPERTY.

DATE: _____
SELLER: _____
SELLER: _____

NOTICE TO BUYER:

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

II. BUYER'S ACKNOWLEDGMENT:

A. Buyer hereby acknowledges that: Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.

B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.

C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.

D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.

E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DATE SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE: _____
BUYER: _____
BUYER: _____

PURCHASE AND SALE AGREEMENT

EXHIBIT E

WILLIAM SHORT RESIDENTIAL LAND LEASE

RESIDENTIAL LAND LEASE

PARTIES AND LEASED PREMISES

Premises Address: 1720 Center Road, Chimacum, WA 98325

Landlord's Name: Port of Port Townsend
Landlord's Mailing Address: 2701 Jefferson St.
Port Townsend, WA 98368

Landlord's Phone Number: (360) 385-0656
Landlord's E-Mail: _____

Tenant's Name: William Short

Tenant's Mailing Address: 1720 Center Road, Chimacum, WA 98325

Tenant's Phone Number: _____
Tenant's E-Mail: _____

LEASE TERM

Commencement Date: September 1, 2023
Initial Term: Six (6) Years
Termination Date: August 31, 2029
Date Signed: _____

MOVE-IN COSTS

Security Deposit: _____

RENT AND OTHER PERIODIC CHARGES

Base Rent: \$0.00 per month
Rent Payable To: Port of Port Townsend
Due Date: 1st of the Month
Late Fee: _____

THIS RESIDENTIAL LAND LEASE (hereinafter the "Lease") is made and entered into this _____ day of _____, 2023 by and between **PORT OF PORT TOWNSEND**, a Washington municipal corporation (hereinafter referred to as "Landlord"), and **WILLIAM SHORT**, as tenant (the "Tenant").

FOR AND IN CONSIDERATION of the mutual promises contained in this Lease, the Tenant and the Landlord agree as follows:

- 1. Premises.** Landlord hereby agrees to lease to the Tenant, and Tenant hereby agrees to lease from Landlord, upon the terms and conditions provided in this Lease, a portion of the real property commonly referred to as 1720 Center Road, Chimacum, WA 98325 (the "Premises"), which is legally described as follows (the "Premises"):

The approximately 21,632 square foot property (0.50 ac) upon which Tenant's mobile home is located which is depicted on Exhibit 1 hereto and located on the larger parcel of real property legally described as follows:

Parcel D:

That portion of the South ½ of the Southwest ¼ of Section 23, Township 29 North, Range 1 West, W.M., Jefferson County, Washington, between the centerline of Chimacum Creek Irrigation and Drainage Ditch and County Road No. 18 (Center Road) as conveyed to Jefferson County by deeds recorded April 30, 1980 under Recording Nos. 265122, 265123 and 265125, all records of Jefferson County, Washington; and South of a line 500 feet South of the 1/16th Section line on the North side of the Southwest ¼ of said Section 23.

All situate in the County of Jefferson, State of Washington.

2. Residential Use. The Premises shall be used by Tenant for purposes of locating and residing in Tenant's mobile home.

2.1 No Business Uses. Tenant shall not carry on any business, profession, or trade of any kind in the Premises, unless Tenant obtains Landlord's prior written consent. Such business must also be properly licensed, permissible by local zoning ordinances and not involve customers, clients, patients, or other business associates to enter upon or use the Premises. Remote work or working from home that is otherwise compliant with the requirements of this paragraph is not considered a prohibited business use.

3. Joint and Several Liability. Each Tenant is jointly and severally liable for performance of the terms of this Lease. The violation of this Lease by any Tenant or Tenant's guests, agents, invitees, or other persons on the Premises as a result of Tenant is a violation by all Tenants.

4. Term. The initial term of this Lease shall be for a period of seventy-two (72) months (the "Initial Term") commencing on September 1, 2023 (the "Commencement Date") and terminating on August 31, 2029 ("Termination Date").

4.1 Tenant's Early Termination Right. Notwithstanding anything to the contrary herein, Tenant shall be entitled to terminate the Lease at any time without penalty upon thirty (30) days advance written notice to Landlord.

4.2 Surrender of Premises. Upon the expiration or earlier termination of this Lease, Tenant will surrender to Landlord the Premises peaceably and quietly.

4.3 Holdover Tenancy. If the Term expires but Tenant remains in possession of the Premises absent an extension or new rental agreement with the consent of Landlord, then a month-to-month tenancy shall exist between Tenant and Landlord. Such tenancy shall be subject to all of the terms and conditions of this Lease, except that Rent may be adjusted at the sole option of Landlord upon required statutory notice. Such holdover tenancy may be terminated by either party upon the required statutory notice.

4.4 Landlord Termination. If Landlord gives written notice of termination prior to the Termination Date pursuant to RCW 59.18.650(1), then the Lease shall not convert to a month-

to-month term, the Tenant's right to occupy the Premises under this Lease shall terminate, and Tenant must surrender possession of the Premises to the Landlord on the Termination Date. In the event that Tenant remains in possession of the Premises after notice of termination, Tenant shall be liable to Landlord for all expense to Landlord and/or the new tenant arising from Tenant's failure to timely vacate. Tenant hereby acknowledges that nothing in this Section or elsewhere in this Lease provides the Tenant an option or right to a month-to-month periodic tenancy following the expiration of the initial Term of this Lease.

4.5 Obligation to Vacate. If a notice of termination is provided by either Landlord or Tenant under this Section 4 of the Lease, Tenant, and all others, must vacate the Premises and remove all personal property at the expiration set forth in the notice of termination, without further notice or demand from Landlord.

5. **Rent.** Tenant is leasing the Premises from Landlord as part of the compensation received by the prior landowners, Roger and Sandy Short, for selling the Premises to Lessor pursuant to that Purchase and Sale Agreement dated July __, 2023 (the "PSA"). Tenant shall not owe Landlord any base rent during the first year of the Term and Two Hundred Dollars (\$200) per month for the remainder of the Term of this Lease due to the reduced purchase price Roger and Sandy Short accepted for the Premises as part of the PSA. The Base Rent, leasehold excise taxes, and any other recurring and periodic charges identified in the Lease for the use and occupancy of the Premises shall constitute and be referred to in this Lease as "Rent."

5.1 Due Date and Late Fees. Rent shall be paid on or before the first (1st) day of each month commencing on the Commencement Date. Any Rent which is due but received after the fifth (5th) day of the month in which it is due shall be subject to a Seventy-Five Dollar (\$75.00) late charge (the "Late Charge"). Tenant shall pay the Late Charge at the time Tenant submits the late Rent payment. Rent paid by the Tenant shall first be applied to any past due Rent, second to Rent due and owing for the current period, and lastly to any late fees, legal costs, attorneys' fees, or other non-Rent fees due and owing from Tenant to Landlord.

5.2 Method of Payment. Any Rent payment shall be paid to Landlord in cash or check at the address set forth in the Notice provision of this Lease, or to such other place as Landlord may direct the Tenant in writing. **In the event there are multiple Tenants, all Rent should be paid in one form of payment unless otherwise authorized in writing by Landlord.**

5.3 NSF Charges. If a personal check is dishonored or returned NSF or other Tenant payment of Rent is rejected for insufficient funds, an administrative fee of Fifty Dollars (\$50.00), plus any fees charged to Landlord by the financial institution(s) involved in the failed payment (the "Insufficient Funds Fee"), plus applicable Late Fees. Tenant shall pay the Insufficient Funds Fee to Landlord within three (3) days after Landlord provides Tenant written notice of the insufficient funds. The Parties acknowledge that the Insufficient Funds Fee: (i) is a reasonable estimate of the administrative costs incurred by Landlord; (ii) is a cumulative remedy; and (iii) Landlord may pursue any and all other remedies available under the terms of this Lease or by law. After any payment from Tenant is rejected, Tenant must pay all Rent by cash, money order, or cashier's check at Landlord's sole discretion.

5.4 Rent Deductions. No deductions from Rent as payment for work done on the Premises or for reimbursement for repairs or improvements to the Premises, done or made by Tenant, shall be allowed unless previously authorized in writing by Landlord.

6. Utilities. Tenant shall arrange for the Utility services, shall register the Utilities in Tenant's name, pay all charges, and be solely responsible for all Utilities as defined in this Section. Tenant shall further be solely responsible for termination of all Utilities that are in Tenant's name at the expiration or earlier termination of this Lease, as well as for any fees or charges arising from Tenant's failure to do so.

6.1 Utilities Defined. The terms "Utilities" or "Utility" as used in this Lease refer to both public and private utilities and may include, but are not limited to water, well, sanitary sewer, septic tanks, electrical, cable television, fiber optic communications, garbage and recycling, internet, satellite dish, telephone, and natural gas.

6.2 Tenant Failure to Provide Utilities. Tenant's failure to timely pay Utility charges for the Premises shall be a default under the terms of this Lease. If Tenant fails to pay for any charges for Utilities serving the Premises, Landlord may pay such charges and, at Landlord's discretion, deduct such amounts from the Security Deposit or bill Tenant for such Utility charges.

7. Intentionally Deleted.

8. Tenant Duties, Repairs, and Care of the Premises.

8.1 Condition of Premises on Commencement Date. Tenant acknowledges that Tenant has inspected the Premises and accepts the Premises in its present condition, subject to the provisions of this Section. At the expiration of the Lease, Tenant shall surrender the Premises in as good of a state and condition as they existed at the commencement of this Lease, reasonable wear and tear expected. Tenant has had the opportunity to perform a "walk through" of the Premises and to complete a Landlord - Tenant Property Condition Inspection Sheet (the "Checklist"). A copy of the Checklist is attached hereto as **Exhibit 2**. Tenant hereby represents that the Premises are in good order and repair, are safe, clean, and in tenantable condition, and that no repairs are necessary except as otherwise indicated on the Checklist. **LANDLORD MAKES NO WARRANTIES REGARDING THE PREMISES AND PROPERTY, AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXPRESSLY DISCLAIMS AND EXCLUDES ANY AND ALL EXPRESS OR IMPLIED WARRANTIES.**

11.2 Tenant Maintenance Duties. Tenant shall, at Tenant's own expense, perform the duties below in this Section. Tenant's failure to perform any of the below duties is a material breach of the Lease. In the case of an emergency causing an immediate threat or danger to safety, life or property damage, Landlord may remedy or cure any of the defaults below and charge Tenant for the actual costs to cure and/or commence an unlawful detainer action. Otherwise, following the statutory notice from Landlord required by Chapter 59.18 RCW, if Tenant fails to remedy or cure the material breach, then Landlord may remedy or cure the default and charge Tenant for the actual costs to cure and/or commence an unlawful detainer action.

11.2.1 Tenant shall provide and maintain receptacles for garbage, trash, and recyclables for the Premises, unless such receptacles are provided by sanitary service providers for use during a service subscription period. Tenant shall properly dispose of rubbish, garbage, and waste in a clean and sanitary manner at reasonable and regular intervals and to assume all costs of extermination and fumigation for infestation caused by Tenant. Tenant agrees to recycle appropriate items.

11.2.2 Tenant shall maintain the yard of the Premises, including mowing and watering the grass and lawn, keeping the grass, lawn, flowers, and shrubbery in good order and condition, and keep the sidewalk surrounding the Premises, if any, free and clear of obstructions, snow, and ice. Tenant shall not remove any vegetation or change any landscaping on the Premises without the prior written consent of the Landlord.

11.2.3 Tenant shall promptly report to Landlord, address, and pay for repair of any plumbing problems that are caused by Tenant. Expense or damage resulting from the stoppage of waste pipes caused by improper use will be charged to the Tenant. Feminine hygiene products, including tampons, shall not be flushed down the toilet.

11.3 Tenant Cleaning Duties. Tenant shall keep the Premises clean and orderly throughout the term of this Lease. Without limiting the generality of the foregoing, Tenant shall keep all external areas of the Premises clean and immediately remove any trash, junk, or litter from the same and Tenant shall not store any inoperable motor vehicles in any area of the Premises visible from the street or sidewalk.

11.4 Waste and Refuse. Tenant shall not allow conditions of waste and refuse to exist on the Premises, to keep the Premises in a neat, clean, and orderly condition and to be responsible for all damages caused to the Premises by Tenant, its agents, or any third-party Tenant permits on the Premises.

11.5 Vacating the Premises. Prior to vacating and surrendering the Premises, Tenant shall restore the Premises to the condition existing on the Commencement Date, except for (i) normal wear and tear, and (ii) any improvements that Landlord permits to remain on the Premises.

11.5.1 If Landlord must perform cleaning or repairs to the Premises following Tenant vacating the Premises, Tenant shall be charged the greater amount of the actual amount of cleaning or repair services or Forty Dollars (\$40.00) per hour.

12. Laws, Rules, and Regulations. Tenant, and any agent, guest, or invitee of Tenant, shall conform to and abide by all lawful rules, codes, laws, and regulations in connection with Tenant's occupancy and use of the Premises.

12.1 Indemnification and Hold Harmless for Rule Violation. Tenant covenants and agrees that it will defend (with legal counsel acceptable to Landlord), indemnify, and hold harmless Landlord from any fine, penalty, or damage which may be imposed by any lawful authority, which may arise as a result of Tenant's failure to comply with the obligations of this Section and/or this Lease.

12.2 No Criminal Activity Allowed. Tenant, Tenant's guest(s) and any other person on the Premises as a result of Tenant, shall not engage in criminal activity, including without limitation, drug related criminal activity, on or near the Premises. Drug related criminal activity means the illegal manufacture, sale, distribution, use or possession of a controlled substance as defined in the Controlled Substances Act - 21 U.S.C. § 802 and/or Chapter 59.60 RCW, as currently enacted or hereafter amended. A single instance of criminal activity on the Premises shall be good cause for termination of tenancy. Unless otherwise provided by law, proof of criminal activity shall only be required to meet the preponderance of evidence standard and not require criminal conviction.

12.3 Landlord's Right to Exclude Guests and Other Non-Tenants. To the full extent allowed by law, Landlord may exclude from the Premises any guests or other persons, who in Landlord's sole and exclusive judgment, violated the law or this Agreement, which includes anyone who is disturbing other tenants of the Landlord's property, neighbors, visitors, or Landlord's agents.

13. Alterations and Improvements. Tenant shall not make any material alterations, additions, or improvements in or to the Premises without the prior written consent of Landlord, which consent can be withheld or denied in Landlord's sole discretion. All alterations, additions, and improvements to the Premises shall be at the sole cost and expense of Tenant, and such alterations shall conform in all respects to the plans and specifications as approved by Landlord in advance of the construction. Landlord may require any material alterations, additions, or improvements be performed by a licensed and bonded contractor. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or any obligations incurred by Tenant.

14. Intentionally Omitted.

15. Intentionally Omitted.

16. Assignment and Subletting. Tenant may not assign or sublet this Lease or grant any concession or license to use the Premises or any part thereof. Landlord shall have the right to assign this Lease without consent of Tenant.

16.1 Short Term Rentals Prohibited. Tenant is prohibited from offering all or part of the Premises for short-term rental, such as through AirBNB, VRBO, or other such sites. Use of short-term rentals includes advertising, and any and all other activities involved in locating short-term renters and/or disseminating information of, and regarding, the possible availability of the Premises for rental by short-term or transient occupants on sites such as Expedia, Priceline, hotels.com, booking.com, AirBNB, VRBO, or other similar locator websites, web-based, electronic media, or private websites for individuals or companies. Any person other than Tenant, who occupies any portion of the Premises for any period of time whatsoever, for any compensation or consideration whatsoever paid to Tenant (including, without limitation, the payment of money and/or trade and/or barter of other goods, services, or property occupancy rights) is not a guest, but a prohibited occupant under this Section. Tenant's violation of this Section constitutes attempted and unauthorized subletting or assignment and is a default under this Lease.

17. Subordination of Lease. This Lease and Tenant's interests herein are subordinate and inferior to any liens or encumbrances now or hereafter placed on the Premises by Landlord, all advances made under any such liens and encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions of such liens or encumbrances.

18. Liability and Insurance.

18.1 No Liability for Damages. Landlord shall not be liable for any damage, either to persons or property, sustained by Tenant or Tenant's agents, guests, licensees, invitees, or others arising from Tenant's use and occupancy of the Premises, except as required by law. All personal property inside the Premises, including, but not limited to, vehicles and items placed in public or private storage rooms/areas within the Premises or parked on Landlord's property are

so placed at Tenant's sole risk. The Landlord and Landlord's insurance shall have no liability for any loss or damage caused to said possessions whatsoever no matter the cause.

18.2 Renter's Insurance. Tenant shall obtain renter's insurance or other applicable insurance to insure Tenant's personal property, and it shall be the sole and exclusive responsibility of Tenant to provide its own insurance for damages to Tenant's property. Upon request, Tenant shall furnish Landlord with evidence of renter's insurance required by this Lease. Tenant's failure to obtain renter's insurance as required by this Section is a default under the terms of this Lease, and Landlord shall have, in addition to any other rights under the Lease, the right but not the obligation to purchase Required Insurance and seek reimbursement from Tenant for all costs and expenses associated with such purchase.

18.3 Indemnification and Hold Harmless. Tenant agrees that it will defend (with legal counsel acceptable to Landlord), indemnify and hold harmless Landlord and its agents from any and all demands, claims, judgments or liability for loss or damage arising as a result of accidents, injuries or other occurrences on the Premises or on Landlord's property, occasioned by either the negligent or willful conduct of Tenant, Tenant's guests and licensees, Tenant's invitees, Tenant's agents, or any person or entity holding under this Lease, or any person or entity on the Premises or on the Landlord's property as a result of Tenant's occupancy of the Premises, regardless of who the injured party may be.

18.4 Criminal Acts. Landlord makes no warranty that there will be no criminal acts or that Tenant will be free from the violent tendencies of third persons. Tenant has been informed and understands and agrees that Tenant's personal safety and security is Tenant's personal responsibility.

19. Access. Tenant shall allow Landlord and Landlord's agents access at reasonable times, and upon the minimum statutorily required notice, for the purpose of showing the Premises to prospective tenants, purchasers, or lenders or for the purpose of inspection or making repairs, additions, or alterations. However, this right shall not be construed as an agreement on the part of Landlord to make repairs other than as specified provided elsewhere in this Lease. Landlord may enter the Premises without providing advanced notice by permission of Tenant or in the case an emergency creating a risk to life, safety, or property, or upon abandonment by Tenant.

20. Default and Re-Entry. Landlord's remedies as provided in this Lease shall be cumulative and in addition to any rights afforded to Landlord under Chapter 59.12 RCW, Chapter 59.18 RCW, or other applicable laws. Tenant shall remain liable, jointly and severally, for the payment of Rent for the balance of the term of this Lease.

20.1 Failure to Pay Rent. If any Rent shall remain unpaid when it shall become due, after fourteen (14) days' notice to Tenant of such violation, along with any other notices required by law to be provided to Tenant pursuant to Chapter 59.18 RCW, the Landlord shall, at its option, be entitled to commence eviction proceedings (unlawful detainer), commence suit for damages, or seek an order to terminate the Lease and re-enter the Premises.

20.2 Violation of Lease Covenants and Agreements. If Tenant shall fail to cure any violation of the covenants and agreements provided in this Lease, other than the payment of Rent, after ten (10) days' notice of such violation, Landlord shall, at its option, be entitled to commence eviction proceedings (unlawful detainer), commence suit for damages, or seek an order to terminate the Lease and re-enter the Premises. The ten (10) days' notice shall not

apply to violations of the Lease by Tenant which allow for a shorter unlawful detainer notice period pursuant to Chapter 59.12 RCW and Chapter 59.18 RCW.

20.3 Multiple Default Notices. If Tenant is issued four (4) or more default notices as described in Section 20.2 above, other than ones for monetary damages, within any twelve (12) month period, then following the issuance of the fourth (4th) default notice, Landlord may, at Landlord's sole and exclusive discretion, convert the Term of this Lease to a month-to-month term by giving written notice to Tenant. Thereafter, Landlord can terminate the Tenancy upon written notice to the Tenant at least sixty (60) days prior to the end of the monthly period.

20.4 Notices to Multiple Tenants. The violation of this Lease by any Tenant, or Tenant's guests, is a violation by all Tenants. Requests and notices from Landlord to any Tenant constitutes notice to all Tenants and anyone else in the Premises. A notice from, consent by (including consent for entry into the Premises), or action taken by any Tenant is a notice from, consent by, or action of all Tenants. In eviction lawsuits (unlawful detainers), any one Tenant is the agent of all other Tenants in the Premises for purposes of judicial service of the lawsuit.

20.5 Abandonment. During the Lease Term, the Tenant shall be deemed to have abandoned the Premises when Tenant is absent from the Premises without notice to Landlord for at least fourteen (14) consecutive days while Rent is late for ten (10) or more days, and/or after diligent inquiry by Landlord who reasonably believes Tenant does not intend to return. Tenant shall be in default under this Lease for such an abandonment and Landlord may immediately take possession and secure the Premises.

20.6 Default Notice Fees. In the event it is necessary for Landlord to issue Tenant any default notice, including, without limitation, notices under RCW 59.12, RCW 59.18, and/or this Section of the Lease, Tenant shall be charged an administrative notice fee of Fifty Dollars (\$50.00), plus reasonable expenses of service if a third-party serves the notice.

21. Notices. All notices, requests, demands, or other communications pursuant to this Lease shall be in writing and shall be deemed to have been given if personally delivered, posted on the Premises, or mailed, registered or certified mail, return receipt requested, postage pre-paid upon deposit in the United States mail and mailed to the parties at the addresses set forth on Page 1 of this Lease. The parties agree that the addresses of all parties to which notice shall be given may be changed at any time by written notice to the other party.

22. Signs. During the last thirty (30) days of this Lease, Landlord or its agent shall have the right to display "For Rent" or "Vacancy" signs on and about the Premises. Landlord or its agent shall have the right to display "For Sale" signs on and about the Premises at any time during the term of this Lease. Landlord also shall have the right to enter upon and show the Premises to prospective purchasers or renters in accordance with the terms of this Lease.

22.1 Tenant's Signs. With the exception of small political yard or window signs, not to exceed the dimension of two feet by three feet (2' x 3'), during a campaign season, which is limited to thirty (30) days prior to a primary election, and sixty (60) days prior to a general election, Tenant shall not display any signs or leave non-landscaping on or about the Premises.

23. Intentionally Deleted.

24. Intentionally Deleted.

25. Non-Waiver. No waiver of any provision of this Lease by Landlord, including timely payment of Rent, shall under any circumstance constitute or be deemed a waiver of any subsequent breach of the same or any other provision or requirement. The acceptance of a partial payment of an amount due hereunder shall not waive or invalidate any notice issued by Landlord pursuant to this Lease.

26. Construction and Interpretation. This Lease is made and executed in the State of Washington and shall be construed under and be governed by the laws of the State of Washington. The parties have had ample opportunity to review and amend this Lease, and, therefore, any ambiguities shall not be construed against either of the parties on the grounds that the other drafted the same.

27. Choice of Law, Venue, and Attorneys' Fees. This Lease shall be interpreted according to the laws of the State of Washington. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in Jefferson County Superior Court. If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, the substantially prevailing party shall be entitled to an award of all of its reasonable costs and attorneys' fees in connection therewith. Attorneys' fees and costs may be assessed in the event legal counsel is engaged to enforce or interpret any of the terms or provisions of this Lease, whether or not litigation is instituted. If Landlord refers any amount owed by Tenant to a collection agency, then all collection fees charged by the collection agency shall be charged to Tenant.

28. Invalidity. If any provision to this Lease shall be held as invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any way affect or render invalid or unenforceable any other provision of this Lease and this Lease shall be carried out as if such invalid or unenforceable provision was not contained within this Lease.

29. Captions. The captions and headings provided for in this Lease are for reference purposes only and do not have any effect on the interpretation of this Lease.

30. Amendments. Except as otherwise set forth in this Lease, this Lease may not be modified, amended, or terminated except by the written agreement of all parties.

31. Intentionally Deleted.

32. Authority To Sign. The individuals signing this Lease hereby represent that each are authorized to execute this Lease on behalf of identified parties.

33. Copies Of Documents. Tenant acknowledges receipt of a duplicate of the Lease.

34. Intentionally Deleted.

35. Estoppel Certificates. Tenant shall, upon written request from Landlord, execute, acknowledge, and deliver to Landlord a written statement specifying any factual matters concerning the Lease identified by Landlord. It is intended that any such statements may be relied upon by lenders, the recipient of such statements or their assignees, or by prospective purchasers or assignees of this Lease.

36. Survival. All obligations of the parties, as provided for in the Lease, which require performance beyond the Termination Date or early termination of this Lease shall survive the termination of this Lease.

37. Force Majeure. To the fullest extent permitted by law, Landlord shall be excused from performance or obligations under this Lease entirely, or any provision of this Lease, if caused, directly or indirectly, by forces beyond Landlord's control, including without limitation, in the event of an act of god, epidemic, world-wide pandemic, war, acts of terrorism, flood, fire, tornado, hurricane, riot, or any other similar event beyond Landlord's control.

38. Counterparts. This Lease may be executed in any number of counterparts with the same effect as if the parties had signed the same Lease. All counterparts will be construed together and evidence only one Lease. Signatures on the Lease, or any other documents delivered in connection to the Lease or tenancy, may be by facsimile or e-mail transmission, and signatures on facsimile or e-mail copies have the same force and effect as original signatures. This Lease and any other documents delivered in connection to the Lease or tenancy, may be electronically signed, and that any electronic signature appearing on this Lease or such other document have the same force and effect as handwritten original signatures.

39. Entire Agreement. This Lease contains the entire agreement between the parties hereto and incorporates and supersedes all prior agreements and negotiations. It may not be modified or supplemented in any manner or form whatsoever, either by course of dealing or parol or written evidence of prior agreements and negotiations, except upon the written agreement of both parties. There are no other oral or written understandings.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on the date first above written.

TENANT:

WILLIAM SHORT

LANDLORD:

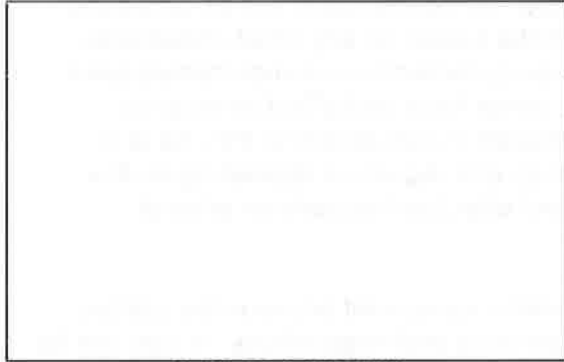
PORT OF PORT TOWNSEND

By: Eron Berg
Its: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF JEFFERSON)

On this day personally appeared before me WILLIAM SHORT to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 2023.



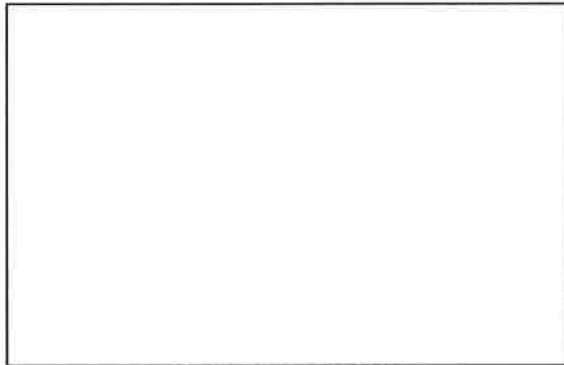
[NOTARY SEAL]

Print Name: _____
NOTARY PUBLIC in and for the
State of Washington, Residing at _____
My Commission Expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF JEFFERSON)

On this day personally appeared before me **ERON BERG** to me known to be the **EXECUTIVE DIRECTOR** of the **PORT OF PORT TOWNSEND**, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this _____ day of _____, _____.



[NOTARY SEAL]

Print Name: _____
NOTARY PUBLIC in and for the
State of Washington, Residing at _____
My Commission Expires: _____

**RESIDENTIAL LAND LEASE
EXHIBIT 1
[DEPICTION OF PREMISES]**

**RESIDENTIAL LAND LEASE
EXHIBIT 2
[LANDLORD-TENANT PROPERTY CONDITION INSPECTION SHEET]**

Property Address: _____
 Tenant(s) Name(s): _____
 Move In Date: _____

Complete the move in section of this form and return it to your Landlord within the time required by your Lease. **All items are presumed to be in good condition unless noted otherwise.** Test all locks, window latches, smoke alarms, and equipment. This form is not a repair request. Submit all requests for repair separately in accordance with your Lease. The Landlord may also use this form upon move-out. Keep a copy for your records. **Please use the follow abbreviations to note the condition:**

GC – Good Condition; FC* – Fair Condition; PC* – Poor Condition

**Please describe condition if other than GC.*

<u>EXTERIOR ITEMS</u>	<u>MOVE-IN COMMENTS</u>	<u>MOVE-OUT COMMENTS</u>
Mailbox	_____	_____
Fence And Gates	_____	_____
Lawn, Trees And Shrubs	_____	_____
Other	_____	_____
Other	_____	_____
Other	_____	_____
Other	_____	_____
Other	_____	_____

THIS FORM IS NOT A REPAIR REQUEST. SUBMIT ALL REQUESTS FOR REPAIRS SEPARATELY IN ACCORDANCE WITH YOUR LEASE. The undersigned acknowledge that the above is an accurate assessment of the condition of the property as of the date signed.

Signed At Move-In:

Signed At Move-Out:

Landlord/Landlord's Agent

Landlord/Landlord's Agent

Date

Date

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

Tenant

Date

Printed Name:

**PURCHASE AND SALE AGREEMENT
EXHIBIT E
[RCW 64.06.013 COMMERCIAL REAL ESTATE DISCLOSURE STATEMENT]**

INSTRUCTIONS TO THE SELLER:

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property, write "NA." If the answer is "yes" to any * items, please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection, you must date and sign each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written contract to purchase between a buyer and a seller.

NOTICE TO THE BUYER:

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY AND IMPROVEMENTS THEREON LEGALLY DEFINED AS:

SEE EXHIBIT A OF THE PURCHASE AND SALE AGREEMENT.

SITUATION IN JEFFERSON COUNTY, WASHINGTON.

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DATE SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS, OR WARRANTIES.

Seller ____ is/ ____ is not occupying the property.

I. SELLER'S DISCLOSURES:

If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

1. TITLE AND LEGAL

Yes No Don't know

A. Do you have legal authority to sell the property? If no, please explain.

Yes No Don't know

*B. Is title to the property subject to any of the following?

- (1) First right of refusal
- (2) Option
- (3) Lease or rental agreement
- (4) Life estate

Yes No Don't know

*C. Are there any encroachments, boundary agreements, or boundary disputes?

Yes No Don't know

*D. Is there any leased parking?

Yes No Don't know

*E. Is there a private road or easement agreement for access to the property?

Yes No Don't know

*F. Are there any rights-of-way, easements, shared use agreements, or access limitations?

Yes No Don't know

*G. Are there any written agreements for joint maintenance of an easement or right-of-way?

Yes No Don't know

*H. Are there any zoning violations or nonconforming uses?

Yes No Don't know

*I. Is there a survey for the property?

Yes No Don't know

*J. Are there any legal actions pending or threatened that affect the property?

Yes No Don't know

*K. Is the property in compliance with the Americans with Disabilities Act?

2. WATER

Yes No Don't know

*Are there any water rights for the property, such as a water right permit, certificate, or claim?

3. SEWER/ON-SITE SEWAGE SYSTEM

Yes No Don't know
 *Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?

4. STRUCTURAL

Yes No Don't know
 *A. Has the roof leaked within the last five years?

Yes No Don't know
 *B. Has any occupied subsurface flooded or leaked within the last five years?

Yes No Don't know
 *C. Have there been any conversions, additions, or remodeling?

Yes No Don't know
 *(1) If yes, were all building permits obtained?

Yes No Don't know
 *(2) If yes, were all final inspections obtained?

Yes No Don't know
 *D. Has there been any settling, slippage, or sliding of the property or its improvements?

Yes No Don't know
 *E. Are there any defects with the following: (If yes, please check applicable items and explain.)

- Foundations
- Doors
- Ceilings
- Sidewalks
- Other
- Interior Walls
- Windows
- Slab Floors
- Outbuildings
- Exterior Walls
- Siding

5. SYSTEMS AND FIXTURES

Yes No Don't know
 * Are there any defects in the following systems? If yes, please explain.

- Yes No Don't know
 - Yes No Don't know
 - Yes No Don't know
 - Yes No Don't know
 - Yes No Don't know
- (1) Electrical system
 - (2) Plumbing system
 - (3) Heating and cooling systems
 - (4) Fire and security system
 - (5) Carbon monoxide alarms

6. ENVIRONMENTAL

Yes No Don't know

*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?

Yes No Don't know

*B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?

Yes No Don't know

*C. Are there any shorelines, wetlands, floodplains, or critical areas on the property?

Yes No Don't know

*D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?

Yes No Don't know

*E. Is there any soil or groundwater contamination?

Yes No Don't know

*F. Has the property been used as a legal or illegal dumping site?

Yes No Don't know

*G. Has the property been used as an illegal drug manufacturing site?

7. FULL DISCLOSURE BY SELLERS

A. Other conditions or defects:

Yes No Don't know

*Are there any other existing material defects affecting the property that a prospective buyer should know about?

B. Verification:

THE FOREGOING ANSWERS AND ATTACHED EXPLANATIONS (IF ANY) ARE COMPLETE AND CORRECT TO THE BEST OF MY/OUR KNOWLEDGE AND I/WE HAVE RECEIVED A COPY HEREOF. I/WE AUTHORIZE ALL OF MY/OUR REAL ESTATE LICENSEES, IF ANY, TO DELIVER A COPY OF THIS DISCLOSURE STATEMENT TO OTHER REAL ESTATE LICENSEES AND ALL PROSPECTIVE BUYERS OF THE PROPERTY.

DATE: _____
SELLER: _____
SELLER: _____
NOTICE TO BUYER:

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

II. BUYER'S ACKNOWLEDGMENT:

A. Buyer hereby acknowledges that: Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.

B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.

C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.

D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.

E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DATE SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE: _____
BUYER: _____
BUYER: _____