



PORT COMMISSION WORK SESSION

100 E STREET, COLUMBIA CITY, OR 97018

September 24, 2025 6:00 P.M.

The Port of Columbia County Commission Meeting will be in person. In accordance with state law, the meeting will also be accessible via telephone or Zoom. Members of the public may attend the meeting electronically by: <https://us02web.zoom.us/j/82434941497>

Call-In: (253) 205-0468

Meeting ID: 824 2909 2643

Passcode: 478900

I. CALL MEETING TO ORDER (President, Nick Sorber)

- A. Flag Salute
- B. Roll Call

II. COMMENTS FROM THE PUBLIC

(Limited to 2 min. per person unless prior authorization is obtained)

III. CONSENT AGENDA (Items marked with an asterisk are adopted by a single motion unless a Commissioner requests otherwise.)

- A. * Approval of Minutes: August 13, 2024 Commission Meeting and September 4, 2025 Special Meeting
- B. * Finance Report: August 2025
- C. * August 2025 Check Register and electronic payments in the total amount of \$ 417,677.05.

IV. NEW BUSINESS

A. Resolution 2025-27

Amy Bynum

Assignment of Next Adventure Lease to The Paddle Shack
Staff Report and Resolution
Lease
Assignment and Assumption of Lease
First Amendment of Lease

B. Marina Planning Meeting

Lindsay Wilson

Staff Report

V. EXECUTIVE DIRECTOR REPORT



VI. COMMISSIONER REPORTS

VII. EXECUTIVE SESSION

The Board will hold an Executive Session to deliberate with persons designated to negotiate real property transactions under ORS 192.660 (2)(e) and to consider exempt public records, including written legal advice from Port General Counsel, which is privileged under ORS 40.225, exempt from disclosure under ORS 192.355(9)(a) and pursuant to ORS 192.660(2)(f).

VIII. ADJOURNMENT

Upcoming Meetings & Events

September 29	5:00 p.m.	Scappoose Airport Advisory Committee Meeting
October 8	8:30 a.m.	Commission Meeting

Agenda times and order of items listed are estimated and are subject to change without notice. This facility is ADA-accessible. If you need special accommodation, please contact the Port office at (503) 397-2888 or TTY (800) 735-1232, at least 48 hours before the meeting.

Pursuant to ORS 192.640 (1), the Port of Columbia County Commission reserves the right to consider and discuss, in either Open Session or Executive Session, additional subjects which may arise after the agenda is published.



COMMISSION MEETING MINUTES

August 13, 2025

100 E. STREET, COLUMBIA CITY, OREGON 97018

The Port of Columbia County held a Board meeting at 8:30 a.m. on Wednesday, August 13, 2025 at the Port office and via Zoom (*) video conferencing with the following people present:

Commissioners

Nick Sorber	President
Nancy Ward	2nd Vice President
Brian Fawcett*	Treasurer
Robert Keyser	Secretary
Chip Bubl	Vice President

Staff

Sean P. Clark	Executive Director
Amy Bynum	Deputy Executive Director
Bob Salisbury	Port General Counsel
Christa Burns	Administrative Assistant II
Miriam House	Operations Manager
Elliot Levin	North County Ops. & Terminal Mgr.
Elizabeth Millager	Property Manager
Lacey Tolles	Airport Manager
Lindsay Wilson*	Communications/Grants Mgr.

Guests

Steve Ruege	Composites Universal Group
Mitch Gatzke	Composites Universal Group
Cody James	Scappoose / The Paddle Shack
Jan Schollenberger	Columbia City
Ralph Culpepper	Scappoose
Natasha Parvey	NXT Clean Fuels
Alta Lynch*	Scappoose
Brady Preheim*	St. Helens
Jasmine Lillich	Clatskanie

Commission President Nick Sorber called the Port of Columbia County Commission Meeting to order at 8:30 a.m. All Commissioners were present.

Additions To Agenda

Nick Sorber asked the Commission if there were any additions to the agenda. There were no additions. Item G under New Business was removed.

Consent Agenda

Robert Keyser moved, Chip Bubl seconded a motion to adopt consent agenda items A, B, C, D and E: June 25, 2025 Minutes, July 9 2025 Minutes, and July 21, 2025 Minutes, Plan of Action Letter, August 2025 Finance Report, and June 2025 Check Register and electronic payments in the total amount of \$624,994.51 and July 2025 Check Register and electronic payments in the total amount of \$499,617.31. Commissioners Bubl, Ward, Keyser, Fawcett and Sorber voted aye. Motion carried unanimously, 5-0.

Comments from the Public

Steve Ruege with Composites Universal Group (CUG) commented that CUG is expanding and requested the Port's assistance with building E upgrades to meet National Aerospace and Defense Contractors Accreditation Program (NADCAP) requirements. The requested funds would cover HVAC upgrades, air handling systems, and an electrical panel expansion to achieve Class 9 clean room standards. Their sales are at \$9-10 million right now with a target goal of \$15-18 million over the next 5-7 years. CUG currently has 68-70 full-time employees and expects to add 10-12 jobs in the next five quarters, with further growth projected through 2027-28. Mr. Ruege stated that CUG has already invested in infrastructure but exhausted their capital budget. He proposed the Port invest approximately \$50,000 and revise their lease so that CUG can repay the cost in full over the remaining 11-year lease term.



Cody James Pace introduced himself to the Commission as the potential new owner of Next Adventure with plans to change the name of the business to The Paddle Shack. Mr. Pace stated that he and his wife are working to preserve the resource in our community. He gave an update on plans to take over operations at Scappoose Bay and stated they are still finalizing insurance and financing for the kayak fleet and boathouse. They have enough operating capital to make it through the winter but face challenges securing loans due to limited business history. Mr. Pace emphasized his long-term commitment, plans to retain key staff, and hopes to drive revenue and expand services at Scappoose Bay. He also acknowledged that a lease transfer will require the written consent of the Port.

Brady Preheim gave public comment supporting the Paddle Shack proposal, urging Commissioner Bubl to take the Commission President role next year, and addressing an open position on the Airport Advisory Committee (AAC).

Jasmine Lillich raised concerns about drone-sprayed crops near a neighboring, long-standing organic blueberry patch without clear communication. Ms. Lillich emphasized the importance of considering existing community farms and ecosystems when introducing new agricultural activities to the Dike lands. North County Operations and Terminal Manager Elliot Levin explained that pesticide use is permitted within limits, and Mr. Bubl explained that drones can actually provide more precise application than traditional aerial spraying methods. Port staff agreed to look into the situation and follow up with the neighbor if needed.

Old Business

Marina Update

Port Executive Director Sean P. Clark stated that there was no marina update, but the strategic planning process for the marina will be discussed later in the meeting.

Airport Update

Airport Manager Lacey Tolles stated that there was no airport update.

Lignetics/Neighbors Update

Mr. Clark invited Columbia City resident Jan Schollenberger to come forward. Mr. Clark stated that a recent Columbia City Community Meeting was held on July 29, 2025. Mr. Clark, Port Commissioners Nancy Ward and Brian Fawcett, Miriam House and Elizabeth Millager and Columbia City Manager Kim Karber were in attendance with Lignetics Plant Manager Steve Nelson leading the discussion. Ms. Schollenberger was unfortunately unable to attend. Mr. Clark stated that around 15–18 residents attended, with several voicing strong frustration that the dust problems have not improved as much as expected, despite the company's investment of over \$1,000,000 in a scrubber system and other upgrades. At the Community Meeting, Mr. Nelson explained progress and ongoing plans, including a hammer mill upgrade and installation of a baghouse system, though permitting delays with DEQ are slowing the process. Ms. Schollenberger acknowledged that while conditions seem somewhat improved, the results fell short of expectations. She does appreciate Lignetics' investments and responsiveness but stressed the need to push DEQ to act faster so the final improvements can move forward.

New Business

Resolution 2025-20

APPROVING A LEASE WITH COLUMBIA RIVER RANCH

Elliot Levin, North County Operations and Terminal Manager, presented Resolution 2025-20 which would authorize a new 5-year agricultural lease with Columbia River Ranch (CRR) for 243 acres at Port Westward. Mr. Levin displayed a depiction of the CRR leasehold and explained that the land



was first leased in 2020 for cattle grazing to limit regrowth of hybrid poplar trees. In addition to grazing cattle, they have added corn and are considering other crops which should also improve utilization of the property and better control the trees than grazing cattle alone. The new lease increases the rent from \$30 to \$50 per acre per year, escalating to \$80 in the final year, and allows for up to two 5-year renewal options. Mr. Levin indicated that CRR has been a reliable and responsive tenant, and the Port would like to continue its relationship with CRR. Commissioners discussed cattle operations, noting that CRR manages cattle and leases across multiple sites in the area. Ms. Ward asked how many cattle they run, and Mr. Levin advised that we do not track their cattle figures, but they do keep about 20 cattle under a permit for our land in the Clatskanie Drainage District.

Robert Keyser moved, Chip Bubl seconded a motion to adopt Resolution 2025-20. Commissioners Bubl, Ward, Keyser, Fawcett and Sorber voted aye. The motion carried unanimously, 5-0.

Resolution 2025-22

REAPPOINTING BRANDON GLASS TO THE MARINA ADVISORY COMMITTEE

Property Manager Elizabeth Millager presented Resolution 2025-22 to reappoint Brandon Glass to the Scappoose Bay Marine Park Advisory Committee. Ms. Millager stated that Mr. Glass was originally appointed in 2022 and his term expired on June 30, 2025. Port staff contacted Mr. Glass, and he expressed interest in continuing. The Committee voted on the reappointment and the motion passed unanimously. Ms. Millager recommends the adoption of Resolution 2025-22, extending Mr. Glass' appointment for another 3-year term through June 2028.

Robert Keyser moved, Nancy Ward seconded a motion to adopt Resolution 2025-22. Commissioners Bubl, Ward, Keyser, Fawcett and Sorber voted aye. The motion carried unanimously, 5-0.

Resolution 2025-23

SCAPPOOSE AIRPORT RUNWAY REHAB PHASE 3 CONSTRUCTION

Ms. Tolles presented Resolution 2025-23 which would authorize acceptance of FAA grant funding and authorizing Mr. Clark to review and sign the Grant Agreement for Phase 3 of the runway rehabilitation construction at Scappoose Airport. Ms. Tolles explained that new FAA guidelines require a 48-hour turnaround to review and return grant agreements. The total for this project amounts to \$4,043,703 with the FAA covering approximately 95%, or \$3.84 million. Mr. Salisbury raised a concern over the 48-hour requirement for a government agency. Mr. Clark suggested sending a letter to the FAA. Mr. Keyser stated that his preference would be to have one of the trade associations write the letter. The Commission agreed that the Port should send a letter expressing concerns about the unreasonable FAA timeline.

Robert Keyser moved, Chip Bubl seconded a motion to adopt Resolution 2025-23. Commissioners Bubl, Ward, Keyser, Fawcett and Sorber voted aye. The motion carried unanimously, 5-0.

Resolution 2025-24

SCAPPOOSE AIRPORT EAST SIDE PAVEMENT PHASE 1 DESIGN

Ms. Tolles presented Resolution 2025-24 authorizing acceptance of FAA grant funding and authorizing Mr. Clark to sign the Grant Agreement along with all other necessary and related documents. With there being no further discussion, Mr. Sorber asked for a motion.

Robert Keyser moved, Chip Bubl seconded a motion to adopt Resolution 2025-24. Commissioners Bubl, Ward, Keyser, Fawcett and Sorber voted aye. The motion carried unanimously, 5-0.



Outreach Plan Discussion

Mr. Clark gave a PowerPoint presentation outlining the Port's draft Outreach Plan for the coming year and stated that current outreach efforts are extensive. These include monthly articles in the Columbia County Spotlight, social media posts, community updates and staff involvement in local councils and organizations. Mr. Clark proposed several new outreach ideas including expanding use of the Port's YouTube channel with short highlight videos, creating a podcast for KOHI radio or other media, leveraging social media for greater visibility and engagement, and enhancing lobbying efforts in Salem. He also discussed the Port Compass Newsletter, noting last year's \$15,000 direct mail approach and seeking feedback from the Commission on whether to continue the newsletter, potentially combining print and digital distribution. Mr. Clark announced that the Port has hired a new Communications and Grants Manager, Lindsay Wilson, and will be expanding its communications strategy across multiple media channels. He emphasized ongoing communication, creative marketing, content creation, integrating staff input, and exploring innovative ways to reach the community. Mr. Clark asked for any additions to the Outreach Plan from the Commission for the coming year. Mr. Fawcett suggested including the Chambers of Commerce in community updates and expressed support for expanding outreach while being mindful of costs and effectiveness. The Commission did not provide any specific direction to Mr. Clark other than including the Chambers of Commerce in the community updates and were in favor of continuing to distribute the Compass Newsletter once per year.

Marina Work Session Planning

Mr. Clark led a discussion around planning an upcoming Marina Work Session to review the results of the marina feasibility study, develop an attainable strategy, collect input from tenants and users, and establish a Strategic Planning Committee. The marina work session would ideally include a slideshow presentation, a walking tour of the marina and possibly kayaking. Mr. Clark proposed postponing the work session to September due to logistical challenges, ongoing activity at the marina, and the need to involve the newly formed Strategic Planning Committee. Commissioners debated whether to hold the meeting at the marina or at the Port office, with concerns about splitting locations. Mr. Clark stated that the Strategic Planning Committee is composed of eleven members and some adjustments to the Agenda order were recommended, such as collecting input from tenants and users before finalizing the strategy. The group agreed to pursue a September meeting date and will follow up to finalize plans.

Executive Director Report

Mr. Clark shared his upcoming schedule and priorities, with key items including preparing a strong Port Infrastructure Development Program (PIDP) grant application for the seismic retrofitting of Beaver Dock, with a September 10th deadline. Port staff plans to request letters of support and are working closely with a consultant. Staff recently met with Congresswoman Bonamici alongside other regional port directors to discuss infrastructure needs, navigation channel maintenance, and the importance of PIDP grants. Mr. Clark encouraged Commissioners to review department reports and reach out with any questions. The Executive Director Report is on file at the Port office.

Commissioner Reports

Mr. Fawcett reported that he attended the Lignetics community meeting and found the feedback and opinions interesting. He appreciates Jan Schollenberger's comments at today's meeting as well. He also thanked Port staff for their efforts, especially on Outreach, and said he looks forward to meeting the new Communications and Grants Manager.



Ms. Ward also attended the Lignetics community meeting, recognizing the community frustration in Columbia City over the sawdust issues with minimal visible improvements so far. She also reported that she met with Abbi Russell from Maul Foster regarding potential environmental process improvements.

Mr. Bubl had nothing to report.

Mr. Keyer commented on the general challenges of dust near industrial areas and acknowledged progress from the baghouse plan and Lignetics' support initiatives, though noted improvements are not yet highly visible to residents.

Mr. Sorber stated that he is excited about the expansion of tenants and expressed appreciation for Port staff.

THE COMMISSION WENT INTO TO EXECUTIVE SESSION AT 9:47 A.M.

Executive Session

The Board held an Executive Session to consider exempt public records, including written legal advice from Port General Counsel, which is privileged under ORS 40.225, exempt from disclosure under ORS 192.355(9)(a), and pursuant to ORS 192.660(2)(f), and to consult with Port General Counsel regarding pending litigation or litigation likely to be filed under ORS 192.660(2)(h).

THE COMMISSION RETURNED TO OPEN SESSION AT 11:37 A.M.

THERE BEING NO FURTHER BUSINESS BEFORE THE COMMISSION, THE MEETING ADJOURNED AT 11:38 A.M.

President

September 24, 2025
Date Adopted

Secretary



COMMISSION MEETING MINUTES

SEPTEMBER 4, 2025

100 E. STREET, COLUMBIA CITY, OREGON 97018

The Port of Columbia County held a Special Meeting at 10:00 a.m. on Thursday, September 4, 2025 at the Port office and via Zoom (*) video conferencing with the following people present:

Commissioners

Chip Bubl	Vice President
Nancy Ward*	2nd Vice President
Brian Fawcett*	Treasurer
Robert Keyser*	Secretary

Guests

Jasmine Lillich	Clatskanie
Dan Sternadel*	St. Helens
Dan Serres*	Columbia River Keeper

Staff

Sean P. Clark	Executive Director
Amy Bynum	Deputy Executive Director
Bob Salisbury	Port General Counsel
Christa Burns	Administrative Assistant II
Miriam House*	Operations Manager
Elliot Levin	North County Ops. & Terminal Mgr.
Elizabeth Millager*	Property Manager
Lacey Tolles*	Airport Manager
Samantha Scott*	Administrative Assistant
Brittany Scott*	Finance Assistant
Kim Culver	Facility Maintenance Technician
Lindsay Gobel Wilson	Communications/Grant Manager

Commission Vice President Chip Bubl called the Port of Columbia County Commission Meeting to order at 10:09 a.m. Commissioners Fawcett, Ward and Keyser were present via Zoom and phone conferencing. Commissioner Bubl was present in person. Commissioner Sorber was absent.

Comments from the Public

Dan Serres of Columbia Riverkeeper stated that he sent a comment letter to the Port on September 3 on the proposed Port Westward expansion and the potential use of federal funding for projects beyond seismic resiliency. Mr. Serres raised concerns about environmental risks and an incomplete analysis by the U.S. Army Corps of Engineers (USACE) in relation to the NEXT Renewable Fuels project.

Jasmine Lillich of Clatskanie expressed support for seismic upgrades to the current infrastructure at Port Westward but opposed the proposed expansion. Ms. Lillich raised concerns that public funds are being stretched to support a project that still faces approval hurdles. From an agricultural perspective, she noted progress and economic potential in the region, citing a recent experience that provided significant payouts to local farmers. Ms. Lillich also asked Commissioners to carefully consider community input before making decisions.

New Business

Resolution 2025-25

PORT INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT

North County Operations and Terminal Manager Elliot Levin presented Resolution 2025-25 authorizing Port staff to apply for a Maritime Administration Port Infrastructure Development Program (PIDP) grant for up to \$15.6 million and set aside \$10.4 million in Port funds, including funds received from Connect Oregon and Port tenants, toward grant matching requirements. The PIDP grant funds would be used for planning, permitting and design for the complete modernization and seismic improvement of Berths 1 and 2, extension of the pipe bridge across the lagoon, and demolition of old infrastructure to mitigate the pipe bridge extension. The objective is to enhance operating efficiency, comply with safety and environmental regulations, and support liquid bulk cargo. Mr. Levin



displayed a slideshow depicting the Beaver Dock, Berth 1, Berth 2 and the pipe bridge extension. He explained that the Port will be permitting the replacement and modernization of Berth 2, sections of Berth 1, the upstream and downstream approaches, and associated groundwork. The construction phase of the project will involve extending the pipe bridge, placing the product pipelines, vapor recovery, and inert lines on the new structure. The pipelines will be relocated off of the wooden dock and away from passing vessels and placed on a seismically designed and modern structure in the lagoon providing flexibility for implementing future phases of the project. Additionally, construction will include groundwork at the base of the pipe bridge and demolition of the outdated rail trestle or downstream approach as required to mitigate the pipe bridge extension. The total estimated cost of the project is \$25-26 million. Mr. Levin explained that the Port is targeting a 40 percent match, or \$10.4 million, leaving a match shortfall of \$7.7 million after subtracting the \$2.7 million Connect Oregon match. The Port is seeking participation from Global Partners and NXT Clean Fuels. Nancy Ward asked if the new pipes would support commodities other than liquid and Mr. Levin responded that they are designed exclusively for liquid bulk. The grant application deadline is September 10, 2025.

Brian Fawcett moved, Nancy Ward seconded a motion to adopt Resolution 2025-25. Commissioners Fawcett, Ward, Keyser and Bubl voted yes. The motion carried unanimously, 4-0.

Resolution 2025-26

RURAL TRIBAL ASSISTANCE PILOT PROGRAM GRANT

Mr. Levin then presented Resolution 2025-26 authorizing Port staff to apply for a Department of Transportation Rural and Tribal Assistance (RTA) grant of up to \$2.5 million. This program provides funds for planning and design phase activities to support rural and tribal infrastructure projects. There is no Port match requirement, and the funds can be used for staffing and hiring third-party firms to provide financial, technical, and legal assistance with planning and design. Grants are awarded on a first-come, first-served basis and individual awards will range from \$250,000 - \$25 million. Mr. Levin indicated that the Port plans to use the funds for permitting and preliminary engineering of the Port Westward modernization and seismic improvement project, and to potentially offset the PIDP grant match. The optimal amount to request for the RTA grant will be determined to improve the Port's chances of approval.

Brian Fawcett moved, Nancy Ward seconded a motion to adopt Resolution 2025-26. Commissioners Fawcett, Ward, Keyser and Bubl voted yes. The motion carried unanimously, 4-0.

THE COMMISSION WENT INTO EXECUTIVE SESSION @ 10:30 A.M.

Executive Session

The Board held an Executive Session to consider exempt public records, including written legal advice from Port General Counsel, which is privileged under ORS 40.225, exempt from disclosure under ORS 192.355(9)(a), and pursuant to ORS 192.660(2)(f).

THE COMMISSION RETURNED TO OPEN SESSION AT 10:46 A.M

**THERE BEING NO FURTHER BUSINESS BEFORE THE COMMISSION, THE MEETING
ADJOURNED AT 10:47 A.M.**

President

Secretary

September 24, 2025
Date Adopted



STAFF REPORT

DATE: September 12, 2025

Finance Report

TO: Port Commission Board

FROM: Guy Glenn
Executive Finance Manager

RE: August 2025 Financial Update

Discussion:

Income Statement and Check Register: The FY26 Operating Budget has not been uploaded yet. The August 31st, 2025 Preliminary Income Statement will only provide a Prior Year to Date comparison. We will provide a Balance Sheet as soon as FY25 is closed following the audit being completed. The August Voucher List (check register and electronic disbursements) is included for your review and approval.

Cash and Investments as of August 31, 2025: \$ 15,295,577.69

- BMO - \$ 312,276.02
- LGIP - \$ 10,055,940.49
- LGIP - \$ 2,489,879.12
- LGIP - \$ 2,271,482.06

Checks and electronic payments issued in August of 2025 total: \$417,677.05

August Highlights:

- Finance/Admin Staff – have done an excellent job covering for me during my unplanned extended absence.
- FY25 Audit process has been delayed. We are coordinating with the auditors, and depending on how things progress, we may need to file an extension with the State.
- The process is underway to close FY25. There will be a delay in providing a current balance sheet and YTD budget performance until FY25 is closed.

Port of Columbia County

Income Statement
for the period ending
August 31, 2025

	Current	Yr To Date	Prior YTD	Increase
	Actual	Actual	Actual	(Decrease)
Resources				
Property Taxes	29	31	12	19
Licenses and Permits	51,907	101,414	96,031	5,383
Rents and Reimbursements	383,674	962,130	967,699	(5,569)
Terminal Services	99,122	148,896	108,590	40,306
Bayport RV Park	11,135	27,741	28,403	(662)
Parking Fees	16,500	34,991	35,706	(715)
Launch Fees	-	-	0	-
Other Marina Fees	620	1,620	855	765
Grants	-	45,597	60,000	(14,403)
Loan Proceeds	-	-	0	-
Interest Earnings	8,840	65,703	118,386	(52,683)
InterGovernmental Income	-	-	0	-
Contributions	-	-	0	-
Miscellaneous Income	71,833	152,108	50,015	102,093
Total Resources	643,659	1,540,232	1,465,698	74,534
Requirements				
Personnel Services	179,185	378,222	410,953	-32,731
Materials and Services	102,450	233,775	249,992	-16,217
Capital Outlay	1,164	46,171	250,879	-204,707
Debt Service	-	-	26,801	-26,801
Contingency	-	-	0	0
Total Requirements	282,799	658,168	938,625	-280,457
Change in Net Position	360,860	882,064	527,073	354,991

Note: This report does not include actual to budget performance. We plan to include this information with the September financial report.

Voucher Approval List
August 1 - August 31, 2025

Check Payments				
	Check Number	Paid To/Rcvd From	Check Date	Amount
	46686	Ace Hardware	8/7/2025	493.18
	46687	Ace Hardware	8/7/2025	96.30
	46688	CED	8/7/2025	2,968.56
	46689	Century West Engineering	8/7/2025	1,163.75
	46690	Chris O Janitorial LLC	8/7/2025	2,738.66
	46691	City of Columbia City	8/7/2025	301.07
	46692	City of St. Helens	8/7/2025	1,500.00
	46693	CivicPlus LLC	8/7/2025	4,826.88
	46694	CMG Oregon LLC	8/7/2025	72.00
	46695	Cobra Management Services-Accrue	8/7/2025	90.00
	46696	Comcast	8/7/2025	102.47
	46697	Comcast Business-Office Phones	8/7/2025	1,140.80
	46698	Dahlgren's Do It Best	8/7/2025	100.08
	46699	Gove Enterprises, Inc	8/7/2025	110.00
	46700	Culligan	8/7/2025	73.20
	46701	Lawrence Oil Company	8/7/2025	105.00
	46702	LoopNet	8/7/2025	677.82
	46703	Maritime Commerce Club	8/7/2025	210.00
	46704	Maritime Fire & Safety Association	8/7/2025	270.00
	46705	Metro Overhead Door	8/7/2025	787.46
	46706	MetroWatch	8/7/2025	2,871.12
	46707	My System Shield LLC	8/7/2025	3,106.00
	46708	Norwest Engineering, Inc	8/7/2025	1,028.50
	46709	NWMTA	8/7/2025	250.00
	46710	Pacific Energy Group LLC	8/7/2025	220.44
	46711	Pacific Office Automation-Problem Solved	8/7/2025	2,381.50
	46712	Pellham Cutting, Inc	8/7/2025	19,504.87
	46713	Quill	8/7/2025	197.96
	46714	Robert Salisbury	8/7/2025	85.59
	46715	Brittany Scott	8/7/2025	50.00
	46716	SDIS	8/7/2025	36,204.00
	46717	Sherwin-Williams	8/7/2025	218.35
	46718	Shred Northwest, Inc	8/7/2025	120.00
	46719	Solutions Yes, LLC	8/7/2025	128.00
	46720	Stewardship Solutions, Inc	8/7/2025	262.50
	46721	Sunset Auto Parts	8/7/2025	18.18
	46722	Home Depot Pro	8/7/2025	147.84
	46723	Lacey Tolles	8/7/2025	91.16
	46724	Voya - State of Oregon	8/7/2025	4,534.00

46725	Nancy Ward	8/7/2025	129.77
46726	Wilcox & Flegel	8/7/2025	532.09
46727	Chip Bubl	8/20/2025	150.00
46728	Brian Fawcett	8/20/2025	150.00
46729	Hangry	8/20/2025	570.00
46730	Robert Keyser	8/20/2025	150.00
46731	Nick Sorber	8/20/2025	150.00
46732	Nancy Ward	8/20/2025	150.00
46733	Amy Bynum	8/22/2025	591.63
46734	CED	8/22/2025	10,494.22
46735	CenturyLink	8/22/2025	249.97
46736	Cobra Management Services-Accrue	8/22/2025	90.00
46737	Columbia Co. Dept. of Community Justice Adult Div	8/22/2025	1,500.00
46738	Columbia County Transfer Station	8/22/2025	2,358.11
46739	Comcast Business-Office Phones	8/22/2025	1,142.45
46740	Comcast Business-Ethernet	8/22/2025	2,144.90
46741	CSA Planning Ltd.	8/22/2025	6,154.25
46742	DEQ Financial Services - LBX4244	8/22/2025	665.60
46743	Fiber Tech	8/22/2025	800.00
46744	Encore Business Solutions	8/22/2025	337.50
46745	FlightHouse Engineering LLC	8/22/2025	10,390.22
46746	Robert Gadotti	8/22/2025	1,338.75
46747	Gove Enterprises, Inc	8/22/2025	680.00
46748	Kern & Thompson LLC	8/22/2025	2,000.00
46749	Kinnear Specialties Inc.	8/22/2025	41.20
46750	MetroWatch	8/22/2025	11,399.03
46751	Orkin LLC	8/22/2025	100.00
46752	Pacific Office Automation	8/22/2025	357.00
46753	Peak Electric Group, LLC	8/22/2025	527.10
46754	Portland General Electric	8/22/2025	8,350.24
46755	Quill	8/22/2025	139.88
46756	SAIF Corp	8/22/2025	4,683.65
46757	Shred Northwest, Inc	8/22/2025	60.00
46758	Sonitrol Pacific	8/22/2025	438.40
46759	Home Depot Pro	8/22/2025	197.95
46760	Voya - State of Oregon	8/22/2025	3,784.00
46761	Wilcox & Flegel	8/22/2025	337.67
46762	Xenotsolutions LLC	8/22/2025	1,200.00
46763	Archaeological Services, LLC	8/29/2025	3,929.90
46764	Bright Side Electric & Lighting Services, Inc	8/29/2025	102.00
46765	CenturyLink	8/29/2025	107.32
46766	Century West Engineering	8/29/2025	14,545.00
46767	CenturyLink	8/29/2025	56.35
46768	Chris O Janitorial LLC	8/29/2025	2,738.66
46769	Comcast	8/29/2025	2,660.46
46770	Gove Enterprises, Inc	8/29/2025	100.00
46771	MetroWatch	8/29/2025	2,871.12

	46772	Quill	8/29/2025	25.58
	46773	Brittany Scott	8/29/2025	50.00
	46774	Sherwin-Williams	8/29/2025	47.55
	46775	Sunset Equipment	8/29/2025	277.52
	46776	Lacey Tolles	8/29/2025	321.47
	46777	Bare Roots Land & Home LLC	8/29/2025	8,000.00
			Total - Checks	199,615.75
Electronic Payments				
	Transaction Type	Paid ToRcvd From	Posting Date	Amount
	Decrease Adj	Office Cards Monthly Merch Fee	8/1/2025	179.99
	Decrease Adj	SBM Kiosk Cards Merch Fee 8904	8/1/2025	784.41
	Decrease Adj	RV Park Merchant Fee 3111	8/1/2025	966.36
	Decrease Adj	Accrue HRA Claim Reimbursement	8/1/2025	289.00
	Decrease Adj	Accrue HRA Claim Reimbursement	8/1/2025	195.46
	Withdrawal	ADP Payroll Fee	8/1/2025	383.49
	ACH	Clatskanie PUD	8/1/2025	29.00
	ACH	Columbia River PUD	8/1/2025	3,307.93
	ACH	Columbia River PUD	8/1/2025	144.39
	Decrease Adj	Bank Fees	8/4/2025	4.55
	Decrease Adj	RV Park Refund 3111	8/4/2025	150.00
	ACH	Cintas First Aid & Safety	8/4/2025	108.00
	ACH	NW Natural Gas Company dba	8/5/2025	23.34
	ACH	NW Natural Gas Company dba	8/5/2025	23.34
	ACH	NW Natural Gas Company dba	8/5/2025	41.32
	Withdrawal	Payroll PD Aug. 8, 2025	8/8/2025	65,076.83
	Withdrawal	Payroll Cardinal Services	8/8/2025	2,464.00
	ACH	Cintas Corporation No 3	8/8/2025	63.22
	ACH	Cintas Corporation No 3	8/8/2025	63.22
	ACH	Cintas Corporation No 3	8/8/2025	98.32
	ACH	City of Scappoose	8/8/2025	122.36
	ACH	City of Scappoose	8/8/2025	1,866.30
	ACH	City of Scappoose	8/8/2025	42.55
	ACH	City of St. Helens	8/8/2025	24.10
	ACH	City of St. Helens	8/8/2025	1,120.50
	ACH	City of St. Helens	8/8/2025	19,151.59
	ACH	City of St. Helens	8/8/2025	61.74
	ACH	City of St. Helens	8/8/2025	532.90
	ACH	Hudson Garbage Service	8/8/2025	53.30
	ACH	Hudson Garbage Service	8/8/2025	826.95
	ACH	Hudson Garbage Service	8/8/2025	186.17
	ACH	Hudson Portable Toilet Service	8/8/2025	132.00
	ACH	Hudson Portable Toilet Service	8/8/2025	158.00
	ACH	Hudson Portable Toilet Service	8/8/2025	158.00
	ACH	Hudson Portable Toilet Service	8/8/2025	132.00
	ACH	Humane Resources LLC	8/8/2025	2,803.11
	ACH	NW Natural Gas Company dba	8/8/2025	74.81
	ACH	Oregon Public Employees Retirement System	8/8/2025	12,153.46

	Decrease Adj	RV Park Reservation Refund 311	8/14/2025	105.00
	Withdrawal	ADP Payroll Fee Aug	8/15/2025	366.92
	ACH	BMO Financial Group	8/19/2025	5,143.29
	ACH	Humane Resources LLC	8/20/2025	2,803.11
	Decrease Adj	Monthly Merch Fee	8/22/2025	581.06
	Withdrawal	Payroll PD 8-22-25	8/22/2025	63,363.12
	Withdrawal	Payroll Cardinal Services	8/22/2025	2,464.00
	ACH	Comcast Business-Ethernet	8/25/2025	1,002.95
	ACH	Cintas Corporation No 3	8/26/2025	63.22
	ACH	Ziply Fiber	8/26/2025	154.94
	Decrease Adj	Accrue Contribution	8/29/2025	484.46
	Decrease Adj	To correct ck#46543 reversal	8/29/2025	2,250.00
	Withdrawal	ADP Payroll Fees August	8/29/2025	350.33
	ACH	Oregon Public Employees Retirement System	8/29/2025	12,148.36
	ACH	Oregon Public Employees Retirement System	8/29/2025	12,784.53
		Total Electronic Payments		218,061.30

Total Check & Electronic Payments 417,677.05

AUGUST 2025

PORT OF COLUMBIA COUNTY

It is the policy of the Port of Columbia County to reimburse commissioners for legitimate expenses made or costs incurred by commissioners in the course of conducting Port business. All requests for reimbursement must include receipts or other adequate documentation. Vehicle reimbursement may be made for the use of a personal vehicle for official business only.

Commissioner Ward _____

Date of Request 08.29.2025

			Expense or Mileage Reimbursement				
Date	Description	Meeting Stipend	Miles Driven	2025 Rate	Mileage	Meals and Other	Total
08.06.2025	PNWA - NOAA Zoom meeting Abbi Russell, Maul Foster w/ Sean Clark	\$ 50.00	26	0.7000	\$ 18.20	\$ -	\$ 18.20
08.10.2025	Agenda packet & meeting prep	\$ 50.00		0.7000			\$ -
08.13.2025	Board Meeting	\$ 50.00	26	0.7000	\$ 18.20		\$ 18.20
08.14.2025	NW Area Commission on Transportation (St. Helens)	\$ 50.00	23	0.7000	\$ 16.10		\$ 16.10
08.21.2025	PGE/Next update call PNWA monthly meeting	\$ 50.00		0.7000	\$ -		\$ -
August	Misc phone calls	\$ 50.00		0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
				0.7000	\$ -		\$ -
TOTAL REQUESTED REIMBURSEMENT		\$ 300.00	\$ 52.50 \$ -				\$ 52.50

I certify that the expenses sought to be reimbursed were incurred in the course of official PORT business and were paid by me from my own funds. I affirm the accuracy of this information.

Nancy Ward
Signature



RES. 2025-27 STAFF REPORT

Assignment of Next Adventure Lease to The Paddle Shack

DATE: September 10, 2025
TO: Port Commission
FROM: Amy J. Bynum, Deputy Executive Director
RE: Assignment of Next Adventure Lease to The Paddle Shack

Discussion

The owners of Next Adventure have recently decided to retire and sell the Scappoose Bay Marina business assets and operation to Get Inverted LLC ("the Paddle Shack"). Cody James Pace of The Paddle Shack has introduced himself to the Port Commission and Port staff have been impressed with Mr. Pace's follow-through and proactive communication. Due diligence has been completed and this transaction is recommended by Port staff.

Mr. Pace is excited to uphold the non-motorized paddle craft rentals and sales at the location in Scappoose, while also planning to grow the business through increased community awareness, events, and by catering to a larger audience of consumers such as the fishing community.

During the negotiations, the Marina Manager requested that a 217 square foot storage shed be removed from the leasehold for use by Port Maintenance Staff. Mr. Pace was amenable and so this request is being accommodated at the same time as the Lease assignment as a First Amendment to the Lease.

Recommendation

Adopt **Resolution No. 2025-27**, authorizing the Executive Director to execute all necessary documents to accomplish the transition from Next Adventure to The Paddle Shack, including a Lease Amendment to remove the storage shed and an Assignment to transfer the Lease obligations.

RESOLUTION NO. 2025-27

A RESOLUTION AUTHORIZING AN ASSIGNMENT OF LEASE BETWEEN SCAPPOOSE KAYAKING ADVENTURE, LLC AND THE PADDLE SHACK AT THE SCAPPOOSE BAY MARINA

WHEREAS, Scappoose Kayaking Adventure, LCC (“Next Adventure”) has a Lease with the Port at Scappoose Bay Marina and has operated a business for non-motorized paddle sport rentals and sales; and

WHEREAS, the Next Adventure principals are retiring and in the process of selling the business assets to Get Inverted LLC (“The Paddle Shack”) and have requested an assignment of the Lease to The Paddle Shack; and

WHEREAS, all parties agree that a 217-square-foot storage shed should be removed from the leasehold for use by Port Maintenance Staff; and

WHEREAS, Port Staff performed due diligence on The Paddle Shack and recommend that this transaction be completed; Now therefore,

BE IT RESOLVED by the Board of Commissioners of the Port of Columbia County as follows:

The Board authorizes the Executive Director to execute all necessary documents to accomplish the transition from Next Adventure to The Paddle Shack, including a Lease Amendment and an Assignment.

PASSED AND ADOPTED this 24th day of September 2025, by the following vote:

AYES: _____ **NAYS:** _____

Port of Columbia County

ABSTAINED: _____

By: _____
President

Attested By:

Secretary

ASSIGNMENT AND ASSUMPTION OF LEASE

This Assignment and Assumption of Lease ("Agreement") is made this **24th** day of **September, 2025** ("Effective Date") by and among the Port of Columbia County, an Oregon municipal corporation ("the Port"), Scappoose Bay Kayak Adventure, LLC, an Oregon Limited Liability Company ("Next Adventure") and Get Inverted LLC, an Oregon Limited Liability Company ("The Paddle Shack") (collectively, "the Parties").

RECITALS

WHEREAS, the Port is the owner of the Scappoose Bay Marina ("the Marina") and Next Adventure has a Lease with the Port to operate a business for non-motorized paddle sport rentals and sales; and

WHEREAS, Next Adventure is selling their business to The Paddle Shack and have requested an assignment of the Lease to The Paddle Shack and The Paddle Shack shall assume from Next Adventure all of Next Adventure's right, title and interest in and to the Lease (attached as **Exhibit A** and incorporated by reference), subject to the terms and conditions of this Agreement; and

WHEREAS, the Port finds this transfer acceptable, in the best interest of the Port, and that all conditions required by the Lease for such a transfer have been met;

NOW, THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. **Incorporation of Recitals.** The Parties acknowledge and agree that the above-stated Recitals are true and correct to the best of their knowledge and are incorporated into this Agreement as though fully set forth herein.
2. **Assignment by Next Adventure.** Next Adventure hereby transfers, assigns and sets over unto The Paddle Shack, from the Effective Date, all of Next Adventure's right, title, obligations, liabilities, and interest in, to and under the Lease.
3. **Assumption by The Paddle Shack.** The Paddle Shack hereby assumes and agrees to perform all of the covenants and obligations of Next Adventure under the Lease, solely to the extent such covenants and obligations arise from and after the Effective Date.
4. **Port Acknowledgement.** The Port acknowledges that this Agreement serves as written permission to the Assignment of the Lease from Next Adventure to The Paddle Shack, its successors and assigns for the remainder of their terms, including any remaining renewal terms, subject to its performance of the any obligations set forth in the Lease.
5. **No Amendment.** No subsequent amendment, alteration or change to this Assignment shall be binding and effective unless in writing and signed by the Parties.
6. **Entire Agreement.** This Agreement, including any Exhibits hereto, contains all the terms, conditions and obligations of the Parties with respect to the matters contemplated in this Agreement, and supersedes and replaces any and all other agreements and representations whether oral or in writing relative to the subject

matter of this Agreement. This Agreement may be amended only by a written instrument executed by the Parties.

7. **Interpretation.** The Parties acknowledge that they have each been represented by counsel (or agree by signature below that they have voluntarily and knowingly agreed to waive counsel in this matter) and this Agreement and every provision hereof has been freely and fairly negotiated. All provisions of this Agreement will be interpreted according to their fair meaning and will not be strictly construed against any Party.
8. **Attorney Fees.** If either Party incurs attorney fees, costs or other legal expenses to enforce the provisions of this Agreement against the other party, all such fees, costs and expenses shall be recoverable by the prevailing party.
9. **Document Execution.** This Agreement may be executed in identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts, have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains an electronic file of an executed signature page, such signature page shall be deemed to constitute an original instrument, with the same force and effect as execution and delivery of an original, and shall create a valid and binding obligation of the party executing the Agreement.

IN WITNESS WHEREOF, the Parties execute this Assignment effective as of the Effective Date.

Port of Columbia County

By: _____
Sean P. Clark
Executive Director

Next Adventure

By: Deek Heykamp
Deek Heykamp (Sep 16, 2022 13:31:35 PDT)
Deek Heykamp
Managing Member

The Paddle Shack

By: Cody James Pace
Cody James Pace (Sep 15, 2022 14:46:03 PDT)
Cody James Pace
Principal Owner

The Paddle Shack

By: Brianne Eckenrodt
Brianne Eckenrodt (Sep 15, 2022 14:46:03 PDT)
Brianne Eckenrodt
Principal Owner

FIRST AMENDMENT OF LEASE

PORT OF COLUMBIA COUNTY AND GET INVERTED, LLC

This First Amendment of Lease ("First Amendment") is made effective as of **September 24, 2025** ("Effective Date") by and between the Port of Columbia County, formerly known as the Port of St. Helens, a municipal corporation of the State of Oregon ("the Port"), and Get Inverted, LLC (dba ThePaddle Shack) a Limited Liability Company of the State of Oregon ("The Paddle Shack" or "Lessee" as applied to the Lease) (collectively, "the Parties").

RECITALS

- A. **Lease 06/14/2017.** On June 14, 2017, the Port as the owner of the Scappoose Bay Marina entered into a Lease with Scappoose Bay Kayaking Adventures, LLC (dba "Next Adventure") wherein Next Adventure leased part of a building (4,108 square feet (SF)), a portion of real property (4,720 SF), and space in a nearby storage building (217 SF) ("the Lease").
- B. **Purpose of First Amendment 9/24/2025.** This First Amendment authorizes the Port to remove the space in the nearby storage building from the Lease. This First Amendment will remove 217 square feet from the Lease and reduce the Rental Rate.
- C. **Executed with Assignment and Assumption of Lease 9/24/2025.** This First Amendment is executed in tandem with an Assignment and Assumption of the Lease, per Port Resolution **2025-27**;

NOW, THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

- 1. Incorporation of Recitals. The Parties acknowledge and agree that the above-stated Recitals are true and correct to the best of their knowledge and are incorporated into this Agreement as though fully set forth herein.
- 2. Item 1. Section 1 AGREEMENT TO LEASE; DESCRIPTION OF PREMISES shall be deleted in its entirety and replaced by the following:

1. AGREEMENT TO LEASE; DESCRIPTION OF PREMISES

Subject to the terms and conditions herein, the Port hereby leases to Get Inverted, LLC (dba The Paddle Shack) ("Lessee"), and Lessee leases from the Port space within the main building totaling approximately 4,108 square feet, along with that portion of the real property thereunder and further depicted, including approximately 4,720 square feet of additional land; all as proposed in Exhibit A (together, the "Premises"), attached hereto and incorporated herein.

The Premises are located within the Port's property known as the Scappoose Bay Marine Park, located at 57420 Old Portland Road, Warren, OR 97053.

3. Item 2. Exhibit A shall be replaced with the **new Exhibit A** attached and incorporated by reference.
4. Item 3. Section 3.1 Basic Rent, Rent, and Additional Rent shall be deleted in its entirety and replaced by the following:

3.1 Basic Rent, and Additional Rent

On or before the first of each month, Lessee shall pay monthly rent to the Port in the amount of Two Thousand Six-Hundred Eighty-Four Dollars (\$2,684.00) ("Basic Rent"). All Basic Rent is subject to a Rent Adjustment as described under Section 3.2. Basic Rent for any partial month shall be pro-rated accordingly. All other sums which become payable by Lessee under this Lease shall be considered "**Additional Rent**".

5. Except as otherwise set forth in this Amendment, all of the other terms, provisions and conditions as set forth in the Lease shall remain in full force and effect, and in the event of any conflict between the terms, conditions and provisions of the Lease and this First Amendment, the terms, conditions and provisions of this First Amendment shall prevail.
6. Counterparts. This First Amendment may be executed in identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts, have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains an electronic file of an executed signature page, such signature page shall be deemed to constitute an original instrument, with the same force and effect as execution and delivery of an original, and shall create a valid and binding obligation of the party executing the Agreement.

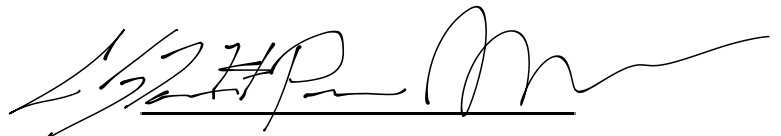
IN WITNESS WHEREOF, the parties have executed this First Amendment as of the Effective Date listed above. No other amendment or modification is made or intended to be made to the Lease. The Lease, as modified hereby, is hereby affirmed and reaffirmed by the parties and shall remain in full force and effect.

PORT OF COLUMBIA COUNTY

GET INVERTED, LLC (Lessee)

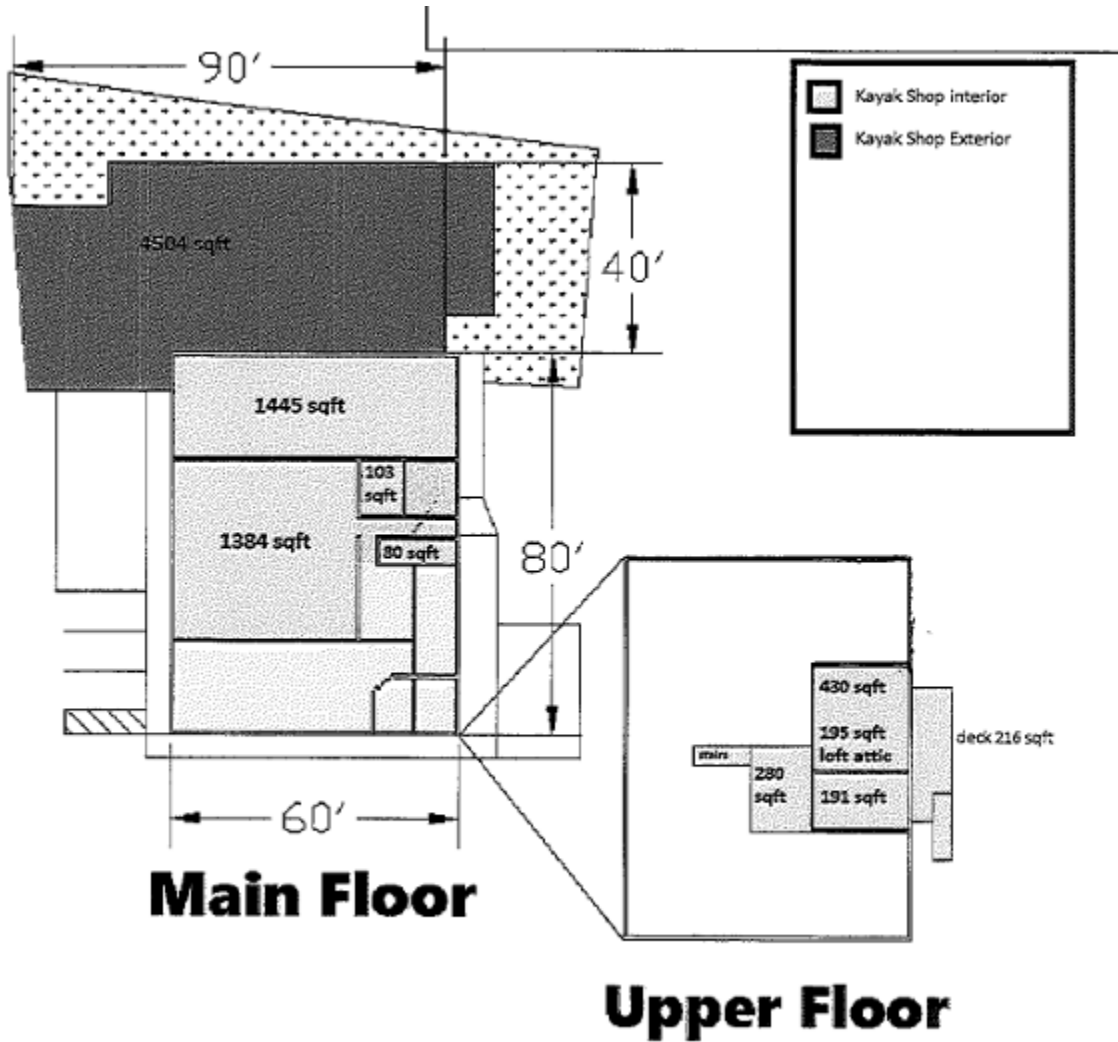
By: _____

Sean P. Clark
Executive Director



Cody James Pace / Brianne Eckenrodt
Principal Owner/Principal Owner

Exhibit A



LEASE

BETWEEN THE

PORT OF ST. HELENS

AND

SCAPPOOSE BAY KAYAKING ADVENTURES LLC

D/B/A

SCAPPOOSE BAY KAYAKING

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LEASE

This LEASE (the "**Lease**"), effective the 14th day of June, 2017 (the "**Effective Date**") by and between THE PORT OF ST. HELENS, a Municipal corporation of the State of Oregon (the "**Port**"), and SCAPPOOSE BAY KAYAKING ADVENTURES LLC ("**Lessee**").

1. AGREEMENT TO LEASE; DESCRIPTION OF PREMISES

Subject to the terms and conditions herein, the Port hereby leases to Lessee, and Lessee leases from the Port space within the main building totaling approximately 4,108 square feet, along with that portion of the real property thereunder and further depicted, including approximately 4,720 square feet of additional land; space within a nearby storage building of approximately 217 square feet; all as proposed in **Exhibit A** (together, the "**Premises**"), attached hereto and incorporated herein. The Premises is located within the Port's property known as the Scappoose Bay Marine Park, located at 57420 Old Portland Road, Warren, OR 97053.

1.1 Use of the Premises

Lessee's use of the Premises shall be to operate a commercial business engaged in kayak and other non-motorized watercraft sales and rentals, related equipment and accessories, other outdoor recreational equipment, and recreational vehicle (RV) equipment and accessories, in compliance with all applicable rules and regulations ("**Allowed Use**"). No use other than the Allowed Use may be made of the Premises without the prior written approval of the Port, which approval shall be given or denied at the sole discretion of the Port. No Hazardous Substances (as that term is defined in Section 6.1.2) may be used, stored, or otherwise handled on or near the Premises, except as permitted under Section 6.4 of this Lease. Lessee will comply strictly with all present and future rules and regulations of all federal, state, and local governmental bodies having jurisdiction over Lessee's activities occurring within the Premises.

1.2 Compliance with the Law

Lessee's use of the Premises must comply with all applicable laws, ordinances, rules and regulations of the State of Oregon and the United States, and all city, county or other public government authorities or agencies, including, but not limited to, building permit requirements, local fire code, zoning and occupancy codes. Lessee shall also comply with all Port Rules, as amended and updated from time to time, a copy of which the Port has provided Lessee. Lessee shall promptly provide to the Port copies of all written communications (including electronic communications) from any such government entities which relate to Lessee's noncompliance or alleged noncompliance with any law or other government requirements. In no event shall Lessee be permitted to seek or obtain approval to rezone, change the use of, or obtain other land use or land division approvals for, the Premises without the Port's prior written approval, which may be granted, conditioned or denied in the Port's sole discretion.

1.3 First Right of Refusal

Unless Lessee is in default of the terms of this Lease, Lessee shall have first right of refusal to lease additional space within the building at 57420 Old Portland Road, Warren, Oregon which

contains the leasehold described in this Lease, should it become available. The terms shall be the same as contained in this Lease, as amended, and the additional Basic Rent amount shall be calculated using the same rate as the then-existing Basic Rent levied under this Lease at the time of execution of the first right of refusal.

2. TERM

2.1 Initial Lease Term

The term of this Lease ("**Term**" or "**Lease Term**") shall commence on the Effective Date (the "**Lease Commencement Date**") and shall continue for ten years from the Effective Date ("**Expiration Date**") unless sooner terminated or extended pursuant to the terms of this Lease.

2.2 Lease Year

As used in this Lease, "**Lease Year**" shall mean, in the case of the first Lease Year, the period beginning on the Lease Commencement Date and ending on the following June 30, and thereafter, each successive twelve (12) month period beginning July 1 and ending June 30 during the Term.

2.3 Extension Options

So long as no uncured Event of Default (defined in Section 10) exists under this Lease, Lessee shall have options to extend ("**Extension Options**") the Expiration Date of this Lease for two (2) successive terms (each an "**Extension Term**"). Each Extension Term shall be for five (5) years.

2.3.1 Lessee's Notice of Intent to Extend

Lessee must notify the Port in writing of Lessee's intent to exercise any Extension Option, subject only to Lessee's acceptance of: (i) the Port's proposed new Basic Rent (as defined in Section 3.1 and pursuant to Section 3.2); (ii) any proposed Extension Amendments (defined in Section 3.2.1) to the Lease; and (iii) any proposed adjustment to the Security Deposit pursuant to Section 3.7. Such notice by Lessee must be given not more than three hundred sixty (360) days and not less than one hundred eighty (180) days prior to expiration of the then current Lease Term or Extension Term, as applicable. Failure of Lessee to deliver such notice to the Port as provided in this Section 2.3.1 shall automatically extinguish the then applicable Extension Option and any remaining Extension Options.

2.3.2 Conditions of Extension

The terms and conditions of the Lease for each Extension Term shall be the same as those for the initial Lease Term except that: (a) Basic Rent shall be increased at the beginning of each Extension Term in accordance with the formula set forth in Section 3.2; (b) the Security Deposit will be adjusted to reflect adjustment in Basic Rent or Additional Rent as provided in Section 3; (c) insurance provisions will be updated, subject to the provisions of Section 7.5; (d) environmental provisions will be updated, as necessary, to comply with then current Environmental Laws, Environmental Audit requirements and Best Management Practices as those terms are defined in Section 6; and (e) the Port will require any modifications or changes legally required to bring the Lease into compliance with then current law, government regulations or government mandates (except that any improvements the use or design of which are grandfathered or otherwise permitted under then-existing law or regulations need not be modified or upgraded) (collectively, items (c)

through (e) in this Section 2.3.2 are the "**Extension Amendments**"). Upon receipt of Lessee's notice of intent to extend pursuant to Section 2.3.1, the Port shall have sixty (60) days thereafter to notify Lessee, in writing, of the proposed Basic Rent, any proposed adjustments to the Security Deposit, including the basis for the adjustment, and any Extension Amendments required by the Port as a condition of granting the then applicable Extension Option, together with a proposed Amendment to the Lease ("**Amendment Form**") (collectively, "**Notice of Amendments and Proposed Rent**"). Lessee shall have thirty (30) days from receipt of the Notice of Amendments and Proposed Rent to notify the Port in writing of Lessee's disapproval of any term thereof. If Lessee fails to deliver written notice of Lessee's disapproval of any term in the Notice of Amendments and Proposed Rent, then Lessee shall be deemed to have approved the Extension Amendments, Base Rent and adjusted Security Deposit and shall be obligated for the Extension Term. Lessee shall be responsible for completing all general maintenance, repair and clean-up requirements set forth in Section 4.10, on or before the first day of any Extension Term.

2.4 Holdover

If Lessee does not vacate the Premises at the time required (upon expiration or termination of the Lease), the Port shall have the option to treat Lessee as a tenant from month to month, subject to all the provisions of this Lease except the provisions for term. The holdover tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given not less than 30 days prior to the termination date, which shall be specified in the notice. Lessee waives any notice which would otherwise be provided by law with respect to a month-to-month tenancy.

3. RENT

3.1 Basic Rent and Additional Rent

On or before the first of each month, Lessee shall pay monthly rent to the Port in the amount of Two Thousand Seventy-Six and no/100 Dollars (\$2,076.00) (the "**Basic Rent**"). All Basic Rent is subject to Rent Adjustment as described under Section 3.2. Basic Rent for any partial month shall be pro-rated accordingly. All other sums which become payable by Lessee under this Lease shall be considered "**Additional Rent**".

3.2 Rent Adjustment

Except as provided below, on the first day of each successive Lease Year subsequent to the Effective Date, the amount of Basic Rent for each such one-year period will be adjusted to reflect the effect which inflation has had on the purchasing power of the dollar, but, in no event will said rent be less than the Basic Rent paid per month during the immediately preceding Lease term. This adjustment will be based upon the change, if any, from the ALL ITEMS INDEXES CONSUMER PRICE FOR ALL URBAN CONSUMERS, PORTLAND, OREGON, as published by the U.S. Bureau of Labor as of the date nearest the commencement of this Lease, as compared with the same Consumer Price Index published as of the period preceding the expiration of the preceding year of this Lease (the "CPI Rate").

Every Five (5) years, and in the event the Port and Lessee successfully negotiate an Extension Term as provided in Section 2.3 above, to be effective as of the July 1st preceding each Extension Term (each such date an "**Adjustment Date**"), monthly Basic Rent shall be adjusted by the lease comparable rates provided by the Port. Should no comparable leases be available the Port may use Fair Market Value (defined in Section 3.2.1), multiplied by ten percent (10%) divided by twelve (12). After each Extension Term Basic Rent for each successive one-year period will be

adjusted to reflect the effect which inflation has had on the purchasing power of the dollar (each such date an "**Adjustment Date**"), but, in no event will said rent be less than the Basic Rent paid per month during the immediately preceding Lease term. This adjustment will be based upon the change, if any, from the ALL ITEMS INDEXES CONSUMER PRICE FOR ALL URBAN CONSUMERS, PORTLAND, OREGON, as published by the U.S. Bureau of Labor as of the date nearest the commencement of this Lease, as compared with the same Consumer Price Index published as of the period preceding the expiration of the preceding year of this Lease (the "CPI Rate"). However, in no event shall Basic Rent for any Extension Term be less than the Basic Rent in effect immediately prior to the Adjustment Date, nor increased by more than 3%.

3.2.1 Fair Market Value

As used in this Lease, "**Fair Market Value**" shall mean the most probable sale or lease price in terms of money which the land and improvements should bring in a competitive and open market under the conditions requisite to a fair sale or lease, the buyer/lessee and seller/lessor each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale/lease as of the applicable Adjustment Date and the passing of title from seller/lessor to buyer/lessee under the conditions whereby: (a) the buyer/lessee and seller/lessor are typically motivated; (b) each party is well informed or advised and is acting in what it considers its own best interests; (c) a reasonable time is allowed for exposure in the open market; (d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; (e) the price represents the normal consideration for the property sold or leased unaffected by special or creative financing or sales concessions granted by anyone associated with the sale/lease; and (f) the land and improvements are clean and uncontaminated. Fair Market Value further means the value of the land and improvements based on: (a) its use as an industrial property, or if such land and improvements are no longer being used for an industrial use, the then highest and best legal use of such land and improvements; and (b) the value of the land exclusive of any improvements except those installed and paid for solely by the Port and not reimbursed solely by Lessee. Furthermore, sale/lease transactions used in the determination of Fair Market Value shall be of property with comparable infrastructure improvements, including, but not limited to, road access and utilities, common areas and other comparable site amenities.

If Lessee disagrees with the Port's new Basic Rent for any renewal option period, then the Port and Lessee will each have thirty (30) days from the date the Port receives Lessee's notice objecting to the Port's new Basic Rent to select an independent Oregon licensed appraiser to determine the current Fair Market Value. Notwithstanding the foregoing, in no event shall the appraisal process begin until Lessee has given notice to the Port exercising its option to renew according to Section 2.3.1. The selected appraisers shall be members of the Appraisal Institute ("**MAI**"), unless otherwise agreed upon, in writing, by the parties, and shall be experts in the appraisal of industrial property in Oregon, with at least five (5) years of commercial appraisal experience, including experience in appraising industrial properties of the nature of the property. Each party must notify the other, within the thirty (30)-day time frame, of the name, address and telephone number of such party's selected appraiser. The selected appraisers, within sixty (60) days of being selected, must complete their final appraisal reports and deliver copies of the appraisal reports concurrently to the Port and to Lessee ("**First Appraisal**"). If the two appraisers and the parties cannot come to an agreement concerning the Fair Market Value within fifteen (15) days of issuance of both appraisal reports, the two appraisers will select a third MAI appraiser to determine which appraisal comes closest to the Fair Market Value. The appraisers shall conduct a full and independent appraisal of the Property and

deliver the report documenting his/her findings concurrently to the Port and to Lessee ("**Final Appraisal**"). The Final Appraisal will take into consideration all information contained in both the Port's and Lessee's appraisals and the third appraiser's own independent analysis, upon which the third appraiser will then choose, as the Fair Market Value, either the Port's appraisal or Lessee's appraisal, based on which one comes closest to the third appraiser's independent appraisal. The third appraiser shall not propose a middle ground or any modification of either of the two proposed determinations of Fair Market Value. The determination of Fair Market Value by the third appraiser shall be final and binding upon the parties. All court costs and appraisal costs incurred pursuant to this Section shall be shared equally by the Port and Lessee.

3.2.2 Effective Date of Adjustment; Payment of Adjustments

Lessee acknowledges that adjustments to the Basic Rent will be effective as of the Adjustment Date, even though the new rate may not be able to be calculated until after the Adjustment Date. Lessee agrees to (i) begin paying the increased Basic Rent upon notification by the Port; and (ii) pay any difference between the Basic Rent actually paid to the Port after the Adjustment Date and the adjusted Basic Rent due for such period within thirty (30) days of notification by the Port.

3.3 Rent Payments

3.3.1 Due Dates

Lessee shall make payment of the Basic Rent commencing on the Effective Date and on or before the first (1st) day of each and every calendar month thereafter during the Lease Term and any Extension Terms ("**Due Date**"). In the event that proration of Basic Rent is required under this Lease, Basic Rent shall be prorated on a thirty (30)-day month. All other Additional Rent shall be paid within thirty (30) days of the issuance by the Port of an invoice submitted to Lessee or within the time period otherwise expressly provided in this Lease. Payment of Rent shall be made without demand, notice, offset, abatement, or deduction of any kind, to the Port at the following address or such other address as the Port may later designate as provided herein, or by direct deposit to an account specified by the Port:

Port of St. Helens
PO Box 190
100 E. Street
Columbia City, OR 97018

3.4 Delinquency Charge

All Rent and other amounts not paid when due shall bear a "**Delinquency Charge**" of eighteen percent (18%) per annum or the maximum rate of interest allowed by law (whichever is less) or Fifty Dollars (\$50.00), whichever is more, if rent remains unpaid for five (5) or more days following its due date. Such interest shall be charged from the date due until the Rent or other amount is paid in full. This Delinquency Charge is subject to periodic change, subject to any limitation on the maximum rate of interest allowed by law, at the Port's sole discretion. No change shall occur, however, without at least thirty (30) calendar days' prior written notice to Lessee. Imposition of a Delinquency Charge shall not constitute a waiver of any other remedies available to the Port for failure to timely pay Rent.

3.5 Returned Checks

If Lessee's check for payment of Rent due under this Lease is returned to the Port for any reason, the payment shall be considered not to have been made and shall be delinquent. In addition to the Delinquency Charge set forth in Section 3.4, the Port may charge Lessee a returned check fee of Twenty Five Dollars (\$25.00), per returned check, which Lessee agrees is a reasonable fee for the additional administrative time and expense incurred by the Port in having to deal with the returned check. The return check fee is subject to periodic change by the Port. No change shall occur, however, without at least thirty (30) days prior written notice to Lessee. The Delinquency Charge shall continue to accrue until the returned check fee is paid, the check can be cashed, and the Port receives all funds due.

3.6 Acceptance of Rent

The Port's acceptance of a late or partial payment of Rent and/or a Delinquency Charge shall not constitute a waiver of any Event of Default nor shall it prevent the Port from exercising any of its other rights and remedies granted to the Port under this Lease or by law. Any endorsements or statements on checks of waiver, compromise, payment in full or any other similar restrictive endorsement shall have no legal effect. Lessee shall remain in violation of this Lease and obligated to pay all Rent due even if the Port has accepted a partial or late payment of Rent.

3.7 Security Deposit

On or before the Effective Date Lessee shall deposit with the Port the sum of Six Thousand Three Hundred Ninety-Six and no/100 Dollars (\$6,396.00), defined as the sum of two months' Basic Rent, one year of property taxes and the annual insurance premium, as Security Deposit. The Security Deposit shall be paid in one of the following ways: 1) in the form of cash or letter of credit in favor of the Port without penalty and without approval of Lessee, in a form and bank acceptable to the Port; or 2) under a payment plan by Lessee of twelve (12) equal monthly payments of \$533.00 each, paid on or before the first of each month commencing on the Effective Date (as with Basic Rent), until fully paid. The Security Deposit shall secure Lessee's full and faithful performance and observance of all of Lessee's obligations under this Lease and under any other written agreement between Lessee and the Port. The Security Deposit shall not be considered to be held in trust by the Port for the benefit of Lessee, and shall not be considered an advance payment of Rent or a measure of the Port's damages in the case of an Event of Default by Lessee. The Port may, but shall not be obligated to, draw upon and apply the Security Deposit to: (a) pay any Rent or any other sums due to the Port by Lessee and not paid on or before the date it is due and the Port shall not be required to give notice or opportunity to cure before drawing on the Security Deposit; or (b) to remedy any other Event of Default of this Lease, after Lessee has received notice and opportunity to cure, if such notice and opportunity to cure is required under this Lease. If the Port applies any of the Security Deposit to any of the above, Lessee shall, immediately upon demand, replenish the Security Deposit to its full amount. If Lessee fully performs all of its obligations under this Lease, the Security Deposit, or any balance remaining, will be released within thirty (30) days from the Expiration Date or termination of this Lease and delivery of the Premises to the Port. However, if any question exists concerning Lessee's full compliance with the Lease or if there is any obligation under this Lease to be performed after the Expiration Date or earlier termination of this Lease, the Port shall be entitled to require that the Security Deposit remain in place until the Port is fully satisfied that there has been no Default of the Lease and all obligations due under this Lease have been fully performed. In addition to any other remedy provided in this Lease or at law, the Port shall have the option but not

the obligation to use the Security Deposit or a portion thereof to offset any costs or damages incurred as a result of Lessee's failure to perform its obligations at the termination or expiration of the Lease. The Security Deposit will be adjusted at every Extension Term to be equal to two (2) months-worth of the then Basic Rent plus one (1) year of Property Insurance and one (1) year worth of the estimated real property taxes for the Property, or if available, the then current real property taxes for the Property, but in no event less than the most recent adjusted Security Deposit. Notwithstanding the above provisions of this Section 3.7, the Port shall have the right at any time during the Lease Term or any Extension Term to require Lessee to deposit an additional Security Deposit with the Port and/or provide additional financial assurance reasonably acceptable to the Port, in an amount or amounts reasonably determined by the Port to be commensurate with any increased risk associated with any of the following events: (i) as a condition of Port approval, as provided in Section 6.4, of Lessee's or any Sublessee's use, storage, handling, processing, manufacturing or recycling of Hazardous Substances not authorized under the first two sentences of Section 6.4.1; (ii) if the Port has given notice of violation of any provision of this Lease more than three (3) times during any consecutive twelve (12) month period; or (iii) upon Lessee's exercise of any Extension Option, to adjust for added risks such as increases in Basic Rent, property taxes, and other Additional Rent pursuant to Section 2.3.2.

3.8 Taxes

Lessee shall pay all taxes and assessments of any public authority levied against the Premises or upon any taxable interest of Lessee acquired pursuant to this Lease or any taxable possessory right Lessee may have in or to the Premises or the improvements located thereon, as well as all taxes on all taxable Premises, real or personal, owned by Lessee in or about the Premises, including any other tax or charge levied wholly or partly in lieu thereof (together, the "Taxes"). Lessee shall make all payments on or before the date payment is due. Lessee shall supply the Port with proof that Taxes have been timely paid. Lessee shall be permitted to pay Taxes in installments, as allowed by the tax assessing authority. In the event that Lessee fails to pay Taxes on or before their due date, then, in addition to all other remedies set forth in Section 10.2, the Port shall automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, with no notice to Lessee, and Lessee shall immediately reimburse the Port for any sums so paid upon receipt from the Port of: (i) written notice that the Port has paid the Taxes; and (ii) documentation of such payment. Notwithstanding the foregoing, Lessee shall also be allowed to contest the validity of any assessment on the Premises without the Port stepping in and paying Taxes on Lessee's behalf as long as monies sufficient to pay the Taxes and interest are placed in escrow with an escrow agent approved by the Port, with irrevocable escrow instructions to pay the Port the funds immediately upon demand by the Port (which demand shall not be made until the earlier of: (a) the conclusion of such contest and exhaustion of appeals; or (b) the termination of this Lease. In any case, all Taxes must be paid prior to any foreclosure proceeding by a taxing authority being instituted or before the Port incurs any liability as a result of such failure to pay the Taxes. Lessee understands that should this Lease expire prior to the end of any given fiscal tax year ("Tax Year") that Lessee will nonetheless be responsible to pay real Premises taxes assessed for the entire Tax Year. The Tax Year for Columbia County is currently July 1 through June 30.

3.9 Non-Remonstrance

Lessee waives any right to remonstrate against, and shall support local improvement districts or similar shared funding mechanisms to fund future utility and roadway improvements pertaining to the Premises, should such mechanisms be used. Lessee and the Port shall cooperate in working with

the city, county and/or state on the allocation of costs among the benefited properties and Lessee shall promptly sign the necessary waiver forms requested by the city, county and/or state.

4. LESSEE'S OTHER OBLIGATIONS

4.1 Construction of Improvements

4.1.1 Port Approval and Ownership

Lessee shall undertake no major or significant construction, alteration, or other changes (e.g., requiring a jurisdictional permit for the work, and/or a contractor) on or to the Premises, including the improvements, without the prior written approval of the Port. Any such work must comply with the local permit requirements and be completed by a licensed contractor. Lessee is encouraged to advise the Port of any contemplated minor alteration work. All such renovation work shall be deemed part of the improvements, and Lessee shall have no right, title or interest in the improvements except for the leasehold provided in this Lease. Upon termination of this Lease, all improvements located on the Premises shall remain property of the Port, unless otherwise previously authorized by the Port.

4.1.2 Wetlands Prevention

Lessee shall not create any "wetlands" (as defined under any federal, state, regional or local jurisdiction) on the Premises during the term of this Lease or extension thereof, or on any adjacent Port-owned or non-Port owned premises. Lessee shall also manage the Premises so that no wetlands are allowed to form on the Premises and so that Lessee's development and use of the Premises does not cause the formation of wetlands on any adjacent Port owned or non-Port owned Premises. If the Port believes that wetlands are likely to form on the Premises and Lessee has not taken corrective action, the Port shall have the right, but not the obligation, upon ten (10) days prior written notice to Lessee (except in the case of an emergency), to enter onto the Premises to correct the situation and charge Lessee for such work. Lessee shall reimburse the Port for such work within thirty (30) days of receipt of invoice from the Port. Lessee shall cooperate with and perform any obligations required under any wetlands corrective or remediation plan.

4.2 Ownership of Improvements

The Port shall be the sole owner of improvements made or paid for by the Port and Lessee shall not take depreciation or any other form of tax deduction, based on any improvements made or paid for by the Port. In the event that (a) Lessee requests and the Port agrees to construct a specific improvement on the Premises for Lessee's use; (b) Lessee reimburses the Port in full for such improvement; and (c) the parties agree in writing prior to such construction that Lessee shall become the owner of the improvement upon the Port's completion and Lessee's reimbursement to the Port for such improvement, then upon completion such improvement shall be considered "**Lessee Improvements**" owned by Lessee, subject to the Port's reversionary rights as set out in Section 9.1.

4.3 Signs

Lessee shall contact the Port in order to coordinate the placement of any signage in front of the site. Lessee shall not erect, install, nor permit upon the Premises any fixed sign or other advertising device of a permanent nature without first obtaining the Port's written consent, which the Port may withhold or condition in its sole discretion. Lessee shall remove all signs and sign hardware upon termination or expiration of this Lease and restore the sign location to its former state, unless the Port elects to retain all or any portion of the signage.

4.4 No Liens

Lessee agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been provided or ordered with Lessee's consent to the Premises. Lessee shall not suffer or permit any liens to attach to all or any part of the Premises by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Lessee or anyone occupying or holding an interest of Lessee in all or any part of the improvements through or under Lessee. If any lien is filed against the Premises which Lessee wishes to protest, then Lessee shall promptly deposit cash with the Port, or procure a bond acceptable to the Port, in an amount sufficient to cover the cost of removing the lien from the Premises or file a bond or deposit money and cause the Premises to be freed of the lien pursuant to ORS 87.076 et. seq. Notwithstanding any notice and cure periods provided in Section 10.1, failure to remove the lien or furnish the cash or bond acceptable to the Port or to cause the Premises to be freed of the lien pursuant to ORS 87.076 et. seq. within thirty (30) days of receipt of notice of the lien shall constitute an Event of Default under this Lease and the Port shall automatically have the right, but not the obligation, to pay the lien off with no further notice to Lessee and Lessee shall immediately reimburse the Port for any sums so paid to remove any such lien. Except as provided in Section 12, Lessee shall not encumber the Premises or any Lessee Improvements thereon without prior written approval of the Port, which may be withheld or conditioned in the Port's sole discretion.

4.5 Utilities and Services

The Port makes no representations or warranties regarding the availability and/or quality of utilities and other services available to the Property. Lessee is responsible for verifying, obtaining and paying for all utility installations and connections and all utility services necessary for Lessee's operation, other than as noted in Section 4.5.1. Lessee shall be responsible for paying all fees and charges imposed by the various utilities furnishing those services, including those paid for and apportioned by the Port. Fees shall include, but are not limited to, all installation and connection fees and charges and monthly or periodic fees and assessments charged by the utilities and by any governmental agencies having jurisdiction over the Premises. Before Lessee installs any other utility lines on, under, or above the Premises, Lessee must first obtain the Port's written approval to do so. Before approval is granted Lessee must provide the Port with a detailed survey, with depiction, showing the exact location of such lines. In no event shall the Port be obligated to use any of its powers to acquire easement or utility access for Lessee.

4.5.1 Septic System

The site contains a septic system that services the Premises. The Port agrees to maintain the system to provide full operational capability, including periodic pumping. Lessee shall provide timely notice to the Port of any performance or capability issues with the septic system, and further agrees not to introduce into the system any debris, garbage, or other materials of any kind, other than normally generated human waste and toilet paper.

4.6 Safety Requirements

Lessee shall conduct its operations, activities and duties under this Lease in a safe manner, and shall comply with all safety standards imposed by applicable Laws. Lessee shall ensure compliance with the same by all subcontractors and all other persons transacting business with or for Lessee in any way connected with the conduct of Lessee pursuant to this Lease. Lessee shall comply

with any safety rules adopted by the Port after thirty (30) days' notice of such adopted rules to Lessee, unless exigent circumstances require immediate compliance therewith.

4.7 Fire Safety

Lessee shall exercise due and reasonable care and caution to prevent and control fire on the Premises and, to that end, shall fully maintain the existing fire suppression system on the Premises, and shall provide and maintain any other fire protection equipment as may be required or appropriate for Lessee's use of the Premises pursuant to applicable Laws and the Port's fire insurance carrier, for the purpose of protecting the Premises and restricting the spread of any fire from the Premises. The Port will provide a preventative maintenance schedule for the existing system and suitable training to Lessee's personnel within 30 days of the Effective Date. Lessee shall comply with any fire safety rules adopted by the Port after thirty (30) days' notice of such adopted rules to Lessee, unless exigent circumstances require immediate compliance therewith.

4.8 Security

Lessee shall be fully responsible for security of the Premises and the Port shall have no responsibility or liability under this Lease for security of the Premises.

4.9 Waste, Removal and Demolition

Lessee shall not cause or permit any waste or damage, disfigurement or injury to the Premises or the improvements. Subject to Section 8, Lessee shall not remove or demolish, in whole or in part, any improvements on the Premises without the prior written approval of the Port, which the Port may condition upon the obligation of Lessee to replace the same by an equal or better Improvement or other Improvement specified in such approval.

4.10 Maintenance

Lessee shall keep and maintain the Premises (including all improvements and Lessee Improvements) in good condition and shall carry out preventive maintenance, repairs, and replacements necessary and appropriate to maintain such condition, subject to the responsibilities described below in Sections 4.10.1 and 4.10.2.

4.10.1 Maintenance Responsibilities of Lessee:

(a) All ordinary maintenance, repairs and cleaning of the Premises not specifically required of Port below;

(b) Any repairs or alterations to the Premises required under Lessee's obligation to comply with any laws or regulations;

(c) All maintenance and repairs resulting from the negligence of Lessee, its agents, employees, licensees, and invitees.

4.10.2 Maintenance Responsibilities of the Port:

(a) Repairs and maintenance of the roof and gutters, exterior walls (including doors, windows, and painting), load bearing walls and structural members (excluding drywall, wall coverings, and paint), and foundation;

(b) Repairs and maintenance of all common areas, including Lessee's designated parking areas;

(c) Repairs and maintenance of exterior water, septic, and electrical services up to the point of entry into the leased Premises.

4.11 Conduct of Business

At all times during the Lease Term and any Extension Terms, Lessee shall be registered and in good standing to do business in Oregon. Lessee shall notify the Port of any cessation in operations that are expected to last more than four (4) weeks, and must continuously secure and maintain the Premises at all times during the Lease Term and any Extension Terms. In the event Lessee's cessation in operations lasts longer than eight (8) weeks, the Port shall have the right, but not the obligation, to terminate this Lease.

5. PORT AUTHORITY AND OBLIGATIONS

5.1 Quiet Enjoyment

Subject to Lessee performing all of Lessee's obligations under this Lease and subject to the Port's rights under this Lease and its rights of condemnation under Oregon law, Lessee's possession and quiet enjoyment of the Premises will otherwise not be disturbed by the Port or its officers, commissioners, agents, employees and contractors.

5.2 Delivery of Premises

Lessee shall have the right to possession of the Premises on the Effective Date. The Port shall have no liability to Lessee for any delay in delivering possession; however, all of Lessee's monetary obligations hereunder, including without limitation Lessee's obligation to pay Basic Rent, will be abated, delayed and forever excused until possession is actually delivered to Lessee. Lessee shall have a right to terminate this Lease if possession is not delivered by Effective Date.

5.3 Condition of Premises

The Port makes no warranties, guarantees or averments regarding the condition of the Premises, including, without limitation, the suitability of the Premises for Lessee's intended uses or the availability of accessible utilities or roadways needed for Lessee's intended purposes, or zoning, development, or occupancy requirements. Lessee confirms that the Port or any agent of the Port has made no representation or warranty as to the Premises except as provided in this Lease. Lessee has inspected the Premises and accepts the Premises in "AS IS" condition, with all defects and conditions known and unknown, upon taking possession. The Port shall have no liability to Lessee and Lessee shall have no claim against the Port for any damage or injury caused by any condition of the Premises. Unless otherwise agreed to, in writing, by the Port, the Port shall have no responsibility to bring the Premises into compliance with any laws, including, without limitation, any building or occupancy codes. Lessee shall be solely responsible for thoroughly inspecting the Premises and ensuring that it is in compliance with all laws.

5.4 Port Construction and Repair Obligation on Premises

The Port shall have no responsibility for the repair or maintenance of the Premises or for construction of any roadways, utilities or any other improvements on or off of the Premises unless otherwise specifically provided in this Lease. Should the Port undertake any repair or maintenance work on the Premises, the Port shall have no liability for interference with Lessee's use of the Premises which might result from the Port's repair and maintenance efforts and no such efforts shall be construed as a constructive eviction or other eviction of Lessee. However, the Port will act in good faith to communicate its intentions with respect to such repair and maintenance projects, and to schedule and perform such work (or the work of its contractors) to minimize the impact on Lessee's use of the Premises, including reasonable access and use by Lessee's customers. Notwithstanding the foregoing and to the extent allowed by law, the Port will be responsible to Lessee for any actual damages caused by the gross negligence or willful misconduct of the Port or any agent, employee or contractor of the Port who performs work which damages Lessee's Premises (but in no event for lost profits or consequential damages). Any repair of damage caused by negligence or breach of this Lease by Lessee, employees, agents, contractors or invitees, shall be Lessee's responsibility and shall be made at Lessee's sole expense.

5.5 Port and Third Party Access

The Port shall have the right to enter upon the Premises for the purposes of: (a) confirming the performance by Lessee of all obligations under this Lease; and (b) doing any other act which the Port may be obligated or has the right to perform under this Lease. Such entry shall be made with reasonable advance written notice of at least twenty-four (24) hours and during normal business hours to Lessee, pursuant to the notice provisions of Section 15.4 except in cases of emergency. In an emergency, the Port shall have the right to use any and all means which the Port may deem reasonable to obtain entry onto the Premises or into any building located on the Premises without liability to Lessee. Lessee may have its representative, if such a representative is reasonably available, accompany the Port. If prior notice of an inspection is not provided under the circumstances set forth in this Section 5.5, the Port shall notify Lessee of the scope and findings of the inspection as soon as practicable after it occurs.

6. ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

6.1 Definitions

For the purposes of this Lease, the following definitions shall apply:

6.1.1 Environmental Laws

"**Environmental Laws**" shall include any and all federal, State of Oregon, regional and local laws, regulations, rules, permit terms, codes, ordinances and guidance documents now or hereafter in effect, as the same may be amended or recodified from time to time, and applicable decisional law, which govern materials, substances, regulated wastes, emissions, pollutants, water, storm water, ground water, wellfield and wellhead protection, cultural resources protection, animals or plants, noise, or products and relate to the protection of health, natural resources, safety or the environment.

6.1.2 Hazardous Substance

"**Hazardous Substance**" shall include any and all substances defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials or any other similar term in

or under any applicable Environmental Laws. Hazardous Substance shall also include, but not be limited to, fuels, petroleum and petroleum-derived products.

6.1.3 Environmental Audit

"**Environmental Audit**" means an environmental site assessment or compliance audit conducted of the Premises consistent with CERCLA Section 9601(35)(B), 42 U.S.C., 40 C.F.R. part 312, ORS 465.255(6), and any other applicable or relevant and appropriate assessment or auditing standard, including ASTM Standard E2107-00 Standard Practice for Environmental Regulatory Compliance Audits, or its successor, as the same may be amended or recodified from time to time.

6.1.3.1 Initial Audit

Lessee will have the option of conducting an Environmental Audit assessment and work before the Lease Commencement Date. The Environmental Audit ("**Initial Audit**"), shall document the onsite environmental condition of the Premises as of the Lease Commencement Date. Lessee and the Port acknowledge the Lease the Initial Audit may be used to determine (but shall not be completely determinative of) Lessee's environmental liability in connection with the Premises.

6.1.3.2 Special Audit

If the Port, at any time during the term of the Lease or any extension thereof, has reason to suspect that there has been a Hazardous Substance Release or there is an imminent threat of a Hazardous Substance Release caused by Lessee, Lessee's employees, agents, contractors, licensees, or invitees (including occurring in connection with their occupancy, possession or use of the Premises), the Port may, after written communication of those reasons to Lessee, without limiting its other rights and remedies, conduct an Environmental Audit of the Premises ("**Special Audit**"). If the Special Audit confirms a Hazardous Substance Release which Lessee, Lessee's employees, agents, contractors, licensees, or invitees caused (including occurring in connection with their occupancy, possession or use of the Premises), then Lessee will be required to reimburse the Port for the reasonable costs of the Special Audit as an Environmental Cost. If no Material Violation is found, the Port will pay for the Special Audit.

6.1.3.3 Exit Audit

At the expiration or termination of this Lease, the Lessee may conduct, at Lessee's expense, an Environmental Audit ("**Exit Audit**") of the Premises and related property to determine: (i) the environmental condition of the Premises; (ii) whether any Hazardous Substance Release which Lessee, Lessee's employees, agents, contractors, licensees, or invitees caused (including occurring in connection with their occupancy, possession or use of the Premises) has occurred or exists on or about the Premises; and (iii) whether there is evidence of any violation of Environmental Laws or the environmental provisions of this Lease which Lessee, Lessee's employees, agents, contractors, licensees, or invitees caused (including occurring in connection with their occupancy, possession or use of the Premises). The Exit Audit shall be performed not more than sixty (60) days prior to the scheduled Expiration Date of this Lease and a complete copy of the results of the Exit Audit shall be provided to each party, prior to actual termination. In the event this Lease is terminated prior to the scheduled Expiration Date for any reason, Lessee may complete the Exit Audit within sixty (60) days of such actual termination date of this Lease. The Port shall have the right to approve the scope of and consultant for the Exit Audit, though such approval shall not be unreasonably withheld.

6.2 Environmental Inspection

The Port reserves the right, at any time and from time to time, after reasonable advance written notice to Lessee, of two (2) Business Days (as defined in Section 15.15 below) or more (except that no notice to Lessee shall be required in the event the Port reasonably believes that there exists a condition constituting an imminent and substantial endangerment) to inspect the Premises and Lessee's operations on and use of the Premises: (i) for the presence of or Lessee's management of Hazardous Substances; (ii) for the purpose of sampling Lessee's storm water discharge; (iii) for compliance with Environmental Laws or the environmental provisions of this Lease; and (iv) to facilitate the Port's environmental management, permitting and analysis related to the Premises or any other premises of the Port. Lessee shall use commercially reasonable efforts to arrange these inspections on behalf of the Port. The Port agrees to use commercially reasonable efforts to conduct such inspections in a manner that will minimize disruption to Lessee's use of the Premises. Lessee may have its representative, if such a representative is reasonably available; accompany the Port during an inspection authorized by this Section 6.2. The Port shall notify Lessee of the scope and findings of the inspection as soon as practical after it occurs.

6.2.1 Environmental Cost

"**Environmental Cost**" shall include, but is not limited to, costs and damages arising from or relating to: (a) any actual or claimed violation of or noncompliance with any applicable Environmental Laws; (b) claims for damages, response costs, any audit costs, fines, fees or other relief relating to matters addressed in any applicable Environmental Laws; (c) injunctive relief relating to matters addressed in any applicable Environmental Laws; (d) Hazardous Substance Releases; and (e) violations of any environmental provisions of this Lease. "**Environmental Cost**" as used in this Section 6 and elsewhere in this Lease shall include but not be limited to: (i) costs of preliminary assessment, evaluation, testing, analysis, remedial investigation, feasibility study, removal, remedial action, disposal, monitoring and maintenance, natural resources injury assessment, restoration and compensation; (ii) the cost of decommissioning and removing any underground or aboveground storage tank(s); (iii) Port, Oregon Department of Environmental Quality ("**DEQ**"), United States Environmental Protection Agency ("**EPA**") and Natural Resource Trustees oversight costs; (iv) fees of attorneys, engineers, consultants, experts, and Port employees and costs, whether or not taxable as costs, incurred at, before or after trial, on appeal or petition for review, or in any bankruptcy or administrative proceedings; (v) lost revenue; and (vi) diminution of value, loss, or restriction on use of Premises, including diminution of value resulting from the residual risk associated with a risk based cleanup.

6.2.2 Hazardous Substance Release

"**Hazardous Substance Release**" shall include the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking or placing of any Hazardous Substance into the air or into or on any land or waters. However, Hazardous Substance Release excludes a release specifically authorized by a then-current and valid permit or authorization issued under applicable Environmental Laws or a de minimus release of Hazardous Substances on an impervious surface that does not and will not likely, either individually or cumulatively with other releases of Hazardous Substances, come in contact with surface water contained in a river water body, or with groundwater, that is appropriately responded to under Environmental Laws, and that is promptly reported to the Port under Section 6.8.

6.2.3 Best Management Practices

"**Best Management Practices**" shall mean those environmental or operational standards which are either: (a) applicable to a particular business or industry group as a matter of common and accepted practices; (b) adopted or articulated by any of the following: trade associations or professional associations for the particular business or industry group; the business or industry group's own standard operating procedures; or (c) practices specifically defined or identified for a particular business operation or industry group by regulatory agency guidelines.

6.2.4 UST Facility

"**UST Facility**" shall include underground storage tanks, underground piping, dispensers, related underground and aboveground structures and equipment, including without limitation spill containment features and oil water separators, and the surrounding area used in connection with the operation, activity or purpose for which the entire system is designed, including without limitation the fueling of motor vehicles and the containment of Hazardous Substances or other materials.

6.2.5 AST Facility

"**AST Facility**" shall include mobile storage tanks and aboveground storage tanks, aboveground piping, dispensers, related underground and aboveground structures and equipment, including without limitation spill containment features and oil water separators, and the surrounding area used in connection with the operation, activity or purpose for which the entire system is designed, including without limitation the fueling of motor vehicles and the containment of Hazardous Substances or other materials.

6.3 General Environmental Obligations of Lessee

Lessee shall manage and conduct all of its activities on or relating to the Premises: (a) in compliance with all applicable Environmental Laws and the environmental provisions of this Lease; (b) in reasonable cooperation with the Port (but at no significant additional cost to Lessee) in the Port's efforts to comply with applicable laws and regulations; and (c) in compliance with Best Management Practices applicable to Lessee's use of the Premises. Lessee shall manage and, as appropriate, secure the Premises and Lessee's occupation or use of the Premises so as to prevent any violation of law and regulations by any party.

6.4 Hazardous Substances Use on Premises

Lessee shall not use, store, handle, manage, generate, manufacture, dispose of, recycle, or process on the Premises any Hazardous Substances ("**Hazardous Substance Use**") except as provided in Sections 6.4.1, 6.4.2, and 6.4.3. Lessee shall maintain Material Safety Data Sheets ("**MSDS Materials**") for each and every Hazardous Substance Use by Lessee, Lessee's agents, employees, contractors, licensees, invitees, to the extent required under Environmental Laws. In order to ensure that the MSDS Materials are available to the Port in the event of a spill or other emergency, the MSDS Materials shall be kept current at all times and a copy of the MSDS Materials shall be kept in a place known to and easily accessible to the Port. Lessee shall dispose of all Hazardous Substances according to applicable Environmental Laws. Except as specifically allowed by state or federal discharge permits, Lessee shall not dispose of any Hazardous Substance, regardless of the quantity or concentration, into any storm or sanitary sewer systems within the Premises, to the ground, into surface water or groundwater, or on other Premises of the Port.

Whenever appropriate, Lessee shall strive to minimize Hazardous Substance Use and identify and use non-hazardous alternatives in Lessee's operations.

6.4.1 Permitted Use of Hazardous Substances

Lessee shall be permitted to store, handle, or use limited quantities of certain Hazardous Substances in the following incidental and limited manner, the storage and use of which shall be in compliance with any Environmental Law and shall be in limited, reasonable and customary quantities (each such use a "**Permitted Use of Hazardous Substances**"). Such Permitted Use of Hazardous Substances shall include and be limited to the following: (a) Hazardous Substances contained in office, janitorial and landscape supplies and cleaning fluids of types and quantities ordinarily used for maintenance of the Premises; (b) petroleum products and lubricants fully contained in equipment, machinery and vehicles on the Premises; and (c) Hazardous Substances contained in equipment, machinery and materials used in the construction and installation of any improvements on the Premises, excluding any stockpiling of Hazardous Substances in connection with such construction or of Off-Site Waste-Like Materials (defined in Section 6.5) containing any Hazardous Substances.

6.4.2 Conditional Hazardous Substances Use with Port Approval

If Lessee's proposed Hazardous Substance Use falls into one or more of the following categories, such use shall be in the Port's sole discretion: (a) a conditionally exempt small quantity generator or small quantity generator of hazardous waste under the Resources Conservation and Recovery Act ("**RCRA**"); (b) requires an Operating Permit under either federal or state Clean Air laws; (c) requires a National Pollution Discharge Elimination System (NPDES) permit; (d) requires response planning or reporting under the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §§ 11001-11050; (e) materials regulated under the Federal Insecticide, Fungicide, Rodenticide Act (FIFRA); and (f) any other use that creates a material risk to human health or the environment, including, but not limited to, uses that may result in explosion, evacuation, or imminent threat to the waterways, groundwater, land, or air (each such use under items (a) through (f) of this Section 6.4.2 is a "**Conditional Hazardous Substance Use**").

6.4.3 Above-ground and Mobile Hazardous Substances Storage Tanks

Lessee may not install, maintain or operate an AST Facility (including fueling trucks), or use fueling entities based offsite for the storage, transportation, transfer and dispensing on the Premises of Hazardous Substances. Any use of above-ground or mobile storage tanks on the Premises shall be reviewed by the Port on a case-by-case basis and subject to the Port's approval, which may be withheld or conditioned in the Port's sole discretion.

6.4.4 Port Review of Lessee's Proposed Hazardous Substance Use

When seeking the Port's prior approval of a Hazardous Substance Use on the Premises, whether by Lessee, or by an existing Lessee shall submit to the Port the following information: (a) quantities and list of any Hazardous Substances proposed to be stored or used; (b) MSDS Materials on all the Hazardous Substances; (c) a description of the intended Hazardous Substance Use; and (d) a copy of any spill and containment plans, and/or management plans for the Hazardous Substance Use required by any local, regional, state or federal agencies under any applicable law ("**Lessee's Submittals**"). The Port review of the proposed Hazardous Substance Use shall consist of verifying that it is a Permitted Use of Hazardous Substances under Section 6.4.1 or is acceptable to the Port with conditions, as set forth in Section 6.4.2.

6.4.5 Notice of Port's Review of Hazardous Substance Use

The Port shall notify Lessee of the Port's decision within twenty (20) Business Days of receipt of Lessee's Submittals ("**Other HSU Notice**") and the rest of the provisions in this Section 6.4.5 shall apply. If the Port requests additional information or the proposed Hazardous Substance Use is complex, in the Port's reasonable opinion, the review period shall be extended by an additional ten (10) Business Days after the requested information has been provided. If the Port, in its reasonable discretion, deems it necessary to hire outside consultants to complete the review process due to the complexity of the proposed Hazardous Substance Use or lack of sufficient information for evaluation of the proposed use, Lessee shall bear the expense of such consultants and the time frame for review may be extended as the Port, in its reasonable discretion, deems necessary due to the complexity of the proposed use. Such Other HSU Notice may be given by facsimile transmission in accordance with Section 15.4. If the Port fails to give Lessee such Other HSU Notice in writing within the time period, together with any applicable extensions, as provided under this Section 6.4.5, Lessee shall notify the Port in writing and the Port shall have an additional seven (7) days to send Lessee the Port's decision on the proposed Hazardous Substance Use. If the Port fails to provide such Other HSU Notice to Lessee within such additional seven (7) day period, the proposed Hazardous Substance Use shall be deemed acceptable to the Port, provided, however, in no event shall the Port's failure to respond constitute an approval of any term that violates Environmental Laws or other applicable laws and regulations or any provision of this Lease.

6.4.6 Conditions of Hazardous Substance Use Approval

If Port approval is required under this Lease for a proposed Hazardous Substance Use, the conditions of Port approval for such proposed Hazardous Substance Use may include, but not be limited to, requiring Lessee to do one or more of the following: (a) secure additional or increased pollution control insurance or meet other insurance requirements; (b) accept limits or restrictions on the Hazardous Substance Use to assure compatibility with area uses or with any AST or MST Tank Agreement; (c) prepare and submit for Port approval a Spill Prevention, Control and Countermeasures Plan for the Hazardous Substance Use; and (d) submit to the Port copies of any reports or notifications to any regulatory agency relating to the Hazardous Substance Use prior to or at the beginning of the Hazardous Substance Use and periodically throughout the Lease Term.

6.4.7 Discharge and Treatment of Industrial Waste Water

No industrial waste water discharge shall be made by Lessee into the ground, any surface waters, other body of water, or any Port-owned conveyance or storage system unless such discharge meets the requirements of all applicable laws and regulations. The Port shall have the right, but not the duty, in its sole discretion, to review and approve or disapprove any industrial waste water management, treatment or discharge system constructed or modified by on behalf of Lessee on the Premises during the term of this Lease.

6.5 Off-Site Waste-Like Materials

Lessee shall not allow any person to store, manage, treat, deposit, place or dispose of slag, debris, recycled concrete, recycled asphalt, construction or demolition debris, wood waste, dredged material, Hazardous Substance-contaminated material, or other wastes from off of the Premises ("**Off-Site Waste-Like Materials**") on the Premises without the prior written approval of the Port, which approval may be granted, conditioned or denied in the Port's sole discretion. In the event that the Port in its sole discretion is not satisfied with the origin and likely contents of such Off-Site

Waste-Like Materials, the Port may require Lessee, at Lessee's cost, to test such materials to ensure that, in the Port's sole opinion, such materials contain no unacceptable levels of Hazardous Substances.

6.6 Lessee's Liability

6.6.1 Hazardous Substance Releases

Except as provided in Section 6.6.2, Lessee shall be responsible for any Hazardous Substance Release occurring on the Premises or emanating and originating from the Premises onto or into other properties, or in the air or in adjacent or nearby waterways (including ground water) and any Environmental Cost resulting therefrom, which results from or occurs in connection with Lessee's occupancy, use or possession of the Premises (including acts of uninvited third parties who cause a Hazardous Substance Release to occur on the Premises) (a) occurring at any time during the Lease Term or extension thereof; (b) occurring at any time during any holdover period; or (c) occurring during the Lease Term or extension thereof and continuing after the Lease Term or extension thereof (the "Triggering Environmental Event").

6.6.2 Limitation of Lessee's Liability

Notwithstanding anything to the contrary provided in Section 6.6 of this Lease, Lessee shall have no responsibility or liability for any Triggering Environmental Event that Lessee can demonstrate: (a) existed on the Premises prior to the Effective Date of this Lease (except if caused by Lessee or Lessee's agents, employees or contractors); (b) is caused by the Port or its agents, employees or contractors after the Effective Date of this Lease; (c) results exclusively from a Hazardous Substance Release that constitutes a contiguous properties situation, as defined in 42 U.S.C.A. § 9607(q) involving a release that occurred from an off-site location not owned, operated, leased or otherwise controlled by Lessee, and migrated onto the Premises; or (d) first occurred after Lessee's vacation of the Premises. The Port shall be responsible, to the extent required by law, for any Triggering Environmental Event caused by the Port, its agents, employees or contractors, whether occurring before or after the Effective Date of this Lease.

6.7 Environmental Remediation

6.7.1 Immediate Response

In the event of a violation of applicable Environmental Laws for which Lessee is responsible under this Lease, a violation of an environmental provision of this Lease for which Lessee is responsible under this Lease, a Hazardous Substance Release for which Lessee is responsible under this Lease, or the threat of or reasonable suspicion of a Hazardous Substance Release for which Lessee is responsible under this Lease, Lessee shall immediately undertake and diligently pursue all acts necessary or appropriate to do the following: (a) eliminate the threat or reasonable suspicion of such Hazardous Substance Release; (b) correct the violation of Environmental Laws or of environmental provisions of this Lease; and/or (c) investigate, contain, stop, and accomplish source control (if the source is on the Premises) for, Hazardous Substance Releases for which Lessee is responsible under this Lease and remove such Hazardous Substance Releases to the extent required by Environmental Laws and consistent with the permanent remediation requirements of Section 6.7.2. If the source is off the Premises, Lessee will immediately notify the Port upon becoming aware of the Hazardous Substance Release.

6.7.2 Remediation

Lessee shall promptly undertake all actions necessary or appropriate to ensure that any Hazardous Substance Release for which Lessee is responsible under this Lease is permanently remediated and that any violation of any applicable Environmental Laws for which Lessee is responsible under this Lease or any violation by Lessee of an environmental provision of this Lease is corrected. In addition, with respect to any Hazardous Substance Release for which Lessee is responsible under this Lease, Lessee shall restore the Premises or other affected Premises or water to such condition that: (a) a determination of "**No Further Action**" has been obtained from the DEQ; (b) no ongoing monitoring of Hazardous Substances on the Premises is required under applicable Environmental Laws; (c) no Hazardous Substances are left in place and capped with either soil or other material; and (d) there are no restrictions or institutional controls under applicable Environmental Laws on the use or development of the Premises other than those consistent with current and reasonably anticipated future land uses at the Premises and surrounding properties. Nothing in this Section 6.7.2 shall require Lessee to remediate any Hazardous Substance Release for which Lessee is not responsible under Section 6.6.1 or for which Lessee's liability is limited as provided in Section 6.6.2.

6.7.3 Natural Resources Damages Assessment and Restoration

Lessee shall promptly undertake, at Lessee's sole expense, all actions necessary to ensure that any natural resources damages associated with the Premises for which Lessee is responsible under this Lease, and the violation of Environmental Laws, the environmental provisions of this Lease or any Hazardous Substance Release by Lessee, contractors, invitees, agents, or employees, is investigated, determined, quantified, assessed, and permanently restored and compensated for, such that a "No Further Action" determination is obtained from all natural resources trustees with jurisdiction over the Hazardous Substance Release.

6.7.4 Report to the Port

Within thirty (30) days following completion of any assessment, investigation, feasibility study, containment, removal, or remedial action required by this Lease, Lessee shall provide the Port with a written report outlining, in detail, what has been done and the results thereof.

6.7.5 Port's Approval Rights

Except in the case of an emergency or an agency order requiring immediate action, Lessee shall give the Port advance notice before beginning any investigatory, remediation or removal procedures. The Port shall have the right to approve or disapprove (which approval shall not be unreasonably withheld, conditioned or delayed) the proposed investigatory, remediation and removal procedures and the company(ies) and/or individuals conducting such procedures which are required by this Lease or by applicable Environmental Laws, whether on the Premises or on any affected Premises or water. The Port will have the right to require Lessee to request oversight from the DEQ or to require Lessee to participate under an agreement in DEQ's voluntary cleanup program regarding any investigatory, containment, remediation and removal activities and/or require Lessee to seek a formal determination from DEQ of No Further Action.

6.8 Notice

Lessee shall promptly notify the Port upon becoming aware of: (a) a violation or alleged violation of any applicable Environmental Laws related to the Premises or to Lessee's occupation or use of the Premises or any environmental provision of this Lease; and (b) any Hazardous Substance

Release on, under or adjacent to the Premises or threat of or reasonable suspicion of any of the same. If Lessee fails to notify the Port of a matter as required in this Section 6.8, and if the Port does not otherwise acquire knowledge of the matter, Lessee shall be liable for any aggravation of a Hazardous Substance Release that could reasonably have been avoided if such notification by Lessee had been provided.

6.9 Split Sampling

Except in the case of an emergency or an agency order requiring immediate action, Lessee shall notify the Port at least forty-eight (48) hours in advance of any proposed sampling associated with a Hazardous Substance Release in order to allow the Port to be present or to collect duplicate (or "split") samples so that the Port may conduct its own analysis. Lessee shall provide the Port with copies of any sampling results and associated chain-of-custody and quality assurance and quality control information within ten (10) days of request by the Port.

6.10 Port's Right to Perform on Behalf of Lessee

In the event Lessee is in default of any of its obligations under this Section 6 or any Environmental Laws, the Port shall have the right, after written notice to Lessee and a period of thirty (30) Business Days provided for Lessee to cure, to perform such obligations and charge Lessee all resulting Environmental Cost, together with interest at the Delinquency Rate, from the date the expense is incurred by the Port until the date paid. The Port may not commence performance on behalf of Lessee under this Section 6.10 if, during the thirty (30) day period, Lessee promptly begins and diligently pursues to completion the performance of the obligations set forth in the Port's notice. Notwithstanding the foregoing, in the event the Port determines that an emergency exists and Lessee is either unwilling or unavailable to take immediate and appropriate action, the Port may take commercially reasonable action, and charge Lessee all resulting Environmental Cost from the date the expense is incurred by the Port until the date paid. If such Environmental Cost is not reimbursed within thirty (30) days of written demand, the Delinquency Charge will be imposed retroactive to the date the Environmental Cost was incurred. The Port agrees to make a good faith effort to attempt to notify Lessee before beginning any clean-up operation.

7. INDEMNITY, INSURANCE

7.1 Lessee's General Indemnity; Reimbursement of Damages

Lessee agrees to defend (using legal counsel reasonably acceptable to the Port), indemnify, and hold harmless the Port from and against and reimburse the Port for any and all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, Environmental Cost and/or penalties, including all frivolous or meritless claims of any kind by any third party (collectively "Costs") which may be imposed upon, claimed against or incurred or suffered by the Port and which, in whole or in part, directly or indirectly, arise from the following, unless exclusively resulting from the Port's gross negligence or willful misconduct: (a) any act, omission or negligence of Lessee; (b) any use, occupation, management or control of the Premises by Lessee, whether or not due to Lessee's own act or omission and whether or not the resulting damage occurs on the Premises; (c) any condition created in or on the Premises by any party (other than the Port), including without limitation any accident, injury or damage occurring in or on the Premises after the Lease Commencement Date; (d) any Triggering Environmental Event for which Lessee is responsible under this Lease, including without limitation any injury or damage occurring therefrom; and (e) any breach, violation or

nonperformance of any of Lessee's obligations under this Lease. For purposes of this Section 7.1 (a) through (e), Lessee shall be deemed to include Lessee and Lessee's partners, officers, directors, employees, agents, invitees, any and all third parties, and contractors; and the Port shall mean the Port, its commissioners, directors, agents and employees. Neither Lessee's partners, officers, directors, employees, and agents; nor the Port's commissioners, directors, agents and employees shall be held personally liable under the provisions of this Section 7.1.

7.2 Insurance Requirements

Insurance requirements set forth below do not in any way limit the amount or scope of liability of Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage the Port is willing to accept to help insure full performance of all terms and conditions of this Lease. All insurance required by Lessee under this Lease shall meet the following minimum requirements.

7.2.1 Certificates; Notice of Cancellation

On or before the Effective Date and thereafter during the Lease Term (and any extension thereof), Lessee shall provide the Port with current certificates of insurance, including a copy of the additional insured endorsement required in Section 7.2.2, executed by a duly authorized representative of each insurer, evidencing the existence of all insurance policies required under this Section 7. The Port shall receive at least thirty (30) days' written notice prior to cancellation, non-renewal, or material change in any policy required under this Section 7. Insurance must be maintained without any lapse in coverage during the Lease Term. The Port shall also be given copies of Lessee's policies of insurance, upon request. Failure of the Port to demand such certificates or other evidence of full compliance with these insurance requirements or failure of the Port to identify any deficiency or noncompliance with coverage requirements shall not be construed as a waiver of Lessee's obligation to maintain the insurance required by this Lease.

7.2.2 Additional Insured; Separation of Insureds

The Port shall be named as an additional insured in each general liability policy, other than employer's liability. Such insurance shall provide cross-liability coverage equivalent to the standard Separation of Insureds clause published by the Insurance Services Offices ("ISO") or a successor organization.

7.2.3 Primary Coverage

The required policies shall provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance carried by the Port.

7.2.4 Company Ratings

All policies of insurance must be written by companies having an A.M. Best rating of "A-" or better, or equivalent. The Port may, upon thirty (30) days' written notice to Lessee, require Lessee to change any carrier whose rating drops below an "A-" rating.

7.2.5 Deductibles and Retentions

Any deductible or self-insured retention of the per-occurrence or per-accident limit of a required policy in excess of the following is subject to approval by the Port: three percent (3%) of the insured value for earthquake with ONE HUNDRED THOUSAND DOLLARS (\$100,000) minimum per occurrence; ONE HUNDRED THOUSAND DOLLARS (\$100,000) for flood and

pollution; and FIFTY THOUSAND DOLLARS (\$50,000) for any other coverage required in this Section 7.

7.3 Required Insurance

At all times during this Lease, Lessee shall provide and maintain the following types of coverage. /

7.3.1 General Liability Insurance

Lessee shall maintain an occurrence form commercial general liability policy or policies insuring against liability arising from premises operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) occurring on or in any way related to the Premises or occasioned by reason of the operations of Lessee in an amount of not less than ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) per occurrence.

7.3.2 Property Insurance

The Port shall throughout the Lease Term keep the Premises and all other buildings which are owned by the Port on the Premises insured against loss by fire and other hazards by such policies as determined by the Port. However, Lessee shall reimburse the Port, at least annually for the cost of such insurance by paying to the Port such cost within thirty (30) days of billing by the Port. Lessee shall bear the expense of any insurance insuring the property of Lessee on the Premises against such risks but shall not be required to insure.

7.3.3 Automobile Liability Insurance

In the event that automobiles are used in connection with Lessee's business or operations at the Premises, Lessee shall maintain an automobile liability policy or policies insuring against liability for bodily injury, death, or damage to Premises, including loss of use thereof, and occurring in any way related to the use, loading or unloading of any of Lessee's automobiles (including owned, hired and non-owned vehicles) on and around the Premises. Coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) each accident.

7.3.4 Workers' Compensation Insurance

Lessee shall maintain in force Workers' Compensation insurance for all of Lessee's employees in accordance with all requirements of Oregon law. Lessee shall also maintain employer's liability coverage in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) per accident and ONE MILLION DOLLARS (\$1,000,000) per employee for disease. In lieu of such insurance, Lessee may maintain a self-insurance program meeting the requirements of the State of Oregon and a policy of excess workers' compensation and employer's liability insurance.

7.3.5 Lessee's Risks

Lessee shall be responsible for obtaining any insurance it deems necessary to cover its own risks, including without limitation: (a) personal property, and/or (b) automobile physical damage and/or theft. In no event shall the Port be liable for any: (i) business interruption or other consequential loss sustained by Lessee; (ii) damage to, or loss of, personal property; or (iii) damage to, or loss of, an automobile.

7.4 Waiver of Subrogation

Lessee waives any right of action that it and/or its insurance carrier(s) might have against the Port (including the Port's commissioners, employees and agents) for any loss, cost, damage, or expense (collectively "Loss") covered by any property insurance policy or policies maintained or required to be maintained pursuant to this Lease. Lessee also waives any right of action it and/or its insurance carrier(s) might have against the Port (including the Port's commissioners, employees and agents) for any Loss to the extent such Loss is a property loss covered under any applicable automobile liability policy or policies required by this Lease. If any of Lessee's applicable insurance policies does not allow the insured to waive the insurer's rights of recovery prior to a Loss, Lessee shall cause such policies to be endorsed to allow the waivers of subrogation required by this Section 7.4.

7.5 Periodic Review

The Port shall have the right to periodically review, including at the beginning of each Extension Term, the types, minimum coverage, limits and terms of insurance coverage for consistency with then current types, minimum coverage, limits and terms of insurance coverage for similar operations. If the Port determines that certain types of insurance are not generally available in the marketplace at reasonable terms and pricing for similar operations, Lessee shall not be required to carry such insurance until such insurance becomes available for similar operations. In the event the Port reasonably determines that such types, minimum coverage, limits, and/or terms should be changed to be consistent with then current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations, the Port will give Lessee a minimum of thirty (30) days' notice of such determination and Lessee shall modify its coverage to comply with the new insurance requirements of the Port. Lessee shall also provide the Port with proof of such compliance by giving the Port an updated certificate of insurance within fifteen (15) calendar days of Lessee's receipt of such updates. Lessee shall have the right to periodically request the Port to conduct a review of the then current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations if Lessee believes the current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations have changed. The Port shall reasonably consider such request to determine if Lessee's current coverage comports with what is generally available in the marketplace at reasonable terms and pricing for similar operations, and make changes to the insurance requirements under this Lease accordingly.

7.6 Survival of Indemnities

The indemnity agreements set forth in this Section 7 shall survive the expiration or earlier termination of this Lease and be fully enforceable thereafter.

8 DAMAGE AND DESTRUCTION

8.1 General

Lessee shall promptly notify the Port of damage or destruction to any improvements located on the Premises ("Casualty"). The Port reserves the right to make proof of loss to the insurance carrier in the event Lessee fails to do so within thirty (30) days of any Casualty. Lessee shall fully cooperate with the Port and the Port's insurance carrier in connection with any Casualty.

8.2 Restoration

In the event of any Casualty, Lessee shall cooperate with the Port in the restoration and/or replacement of the damaged improvements and damage to the Premises. If Lessee intends not to operate on the Premises for any period of time following a Casualty, Lessee must take appropriate measures to secure the Premises during any period of such non-use and to prevent unauthorized parking or other unauthorized uses on the Premises.

8.3 Termination of Lease Following Casualty

If the building should be totally destroyed by fire, tornado or other casualty, or if it should be so damaged thereby that rebuilding or repairs cannot in the Port's estimation be completed within two hundred (200) days after the date upon which the Port is notified by Lessee of such damage, this Lease shall terminate and the Basic Rent shall be abated during the unexpired portion of this Lease, effective upon the date of the occurrence of such damage. The Port shall give notice to Lessee in writing of its determination to terminate this Lease within ninety (90) days following the date of the occurrence of such damage. If the building should be damaged by any peril covered by the insurance to be provided by the Port (but only to such extent the rebuilding or repairs can in the Port's estimation be completed within two hundred (200) days after the date upon which the Port is notified by Lessee of such damage), this Lease shall not terminate, and the Port shall at its sole cost and expense thereupon proceed with reasonable diligence to rebuild and repair such building to substantially the condition in which it existed prior to such damage to the extent that insurance proceeds are available to rebuild, except that the Port shall not be required to rebuild, repair or replace any part of the partition, fixtures, additions and other improvements which may have been placed in, or about the Premises by Lessee. If the Premises are untenable in whole or in part following such damage, the Basic Rent payable hereunder during the period in which they are untenable shall be reduced to such extent as may be fair and reasonable under all of the circumstances. In the event that the Port shall fail to complete such repairs and rebuilding within two hundred (200) days after the date upon which the Port is notified by Lessee of such damage, Lessee may at its option terminate this Lease by delivering written notice of termination to the Port as Lessee's exclusive remedy.

9 TERMINATION

9.1 Duties on Termination

Upon the Expiration Date or earlier termination of this Lease for any reason, Lessee shall complete all of Lessee's obligations under this Lease, including, but not limited to, meeting all of Lessee's environmental requirements under Section 6 (including without limitation the payment of all Environmental Costs for which Lessee is responsible under this Lease), delivering to the Port all keys and all manuals, warranties and other information in Lessee's possession relating to any of the improvements and surrendering the Premises and all improvements in good clean condition, reasonable wear and tear excepted (subject to the requirement to remove the improvements as set forth in this Lease). All Lessee Improvements shall, at the Port's sole option, be deemed Port Premises (including any buildings constructed on the Premises) and shall not be removed unless the Port directs Lessee to remove such Lessee Improvements, in which case Lessee shall remove the Lessee Improvements and then restore the Premises. All repairs or removals for which Lessee is responsible shall be completed at Lessee's cost prior to termination of this Lease and surrender of the Premises. Except in the event of early termination pursuant to the terms of this Lease, the Port

shall give Lessee written notice not later than sixty (60) days prior to the end of the initial Lease Term or the then current Extension Term ("**Removal Notice**") of the Port's election to have Lessee remove the Lessee Improvements. If the Port fails to timely provide such Removal Notice, such failure shall not be deemed a Default under this Lease and Lessee's obligation to remove the Lessee Improvements, if desired by the Port, shall not be extinguished; however, the date upon which the Lessee Improvements must be removed and any damage to the Premises repaired by Lessee shall be extended by the number of days the Removal Notice was late. If the Lessee Improvements are damaged after the Port has indicated in its Removal Notice that the improvements could remain, the Port may elect, in its sole discretion, to require Lessee to remove the Lessee Improvements and restore the Premises.

10 DEFAULT

10.1 Event of Default

The occurrence of any of the following shall constitute an "**Event of Default**" (also referred to as a "**Default**").

10.1.1 Default of Monetary Obligations

An Event of Default shall occur if Lessee fails to pay any monetary obligation required under this Lease and such failure to pay is not cured within ten (10) days after written notice to Lessee by the Port, except that a failure to pay Basic Rent must be cured within ten (10) days of its due date without notice from the Port.

10.1.2 Default in Covenants

An Event of Default shall occur if Lessee violates any term, covenant or condition of this Lease (other than as provided in Sections 10.1.1 and 10.2.3) and such violation is not cured within thirty (30) days after written notice to Lessee by the Port describing the nature of the violation. If the violation is of such a nature that it cannot be completely cured within the thirty (30) day period, this provision shall be complied with if Lessee begins diligent correction of the violation within such thirty (30) day period and, thereafter, proceeds in good faith and with all due diligence to effect the cure as soon as reasonably possible. If Lessee violates the same provision of this Lease more than three (3) times in any calendar year, then the Port may declare an immediate Event of Default for which no opportunity to cure need be given, except as provided in Section 10.2.1.

10.1.3 Bankruptcy/Insolvency

The Insolvency of Lessee shall be an immediate Event of Default for which no notice or opportunity to cure need be given. For the purposes of this Lease, and to the extent permitted by the United States Bankruptcy Code, "**Insolvency**" shall mean: (a) an assignment by Lessee for the benefit of creditors; (b) the filing by Lessee of a voluntary petition in bankruptcy; (c) dissolution of Lessee; (d) the appointment of a receiver of the properties of Lessee and failure of Lessee to secure discharge of the receiver within ninety (90) days; (e) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within ninety (90) days after filing; and (f) attachment of, or the levying of execution on, the leasehold interest and failure of Lessee to secure discharge of the attachment, or release of the levy of execution, within ninety (90) days.

10.2 Remedies on Event of Default

Immediately upon the occurrence of an Event of Default, the Port may, at its option, exercise any of the following rights and remedies, in addition to any other rights and remedies provided elsewhere in this Lease or otherwise at law or in equity.

10.2.1 Termination of Lease

The Port may terminate this Lease and Lessee's right to possession of the Premises. However, the Port shall provide Lessee with an additional thirty (30) days' prior written notice of the Port's intention to terminate this Lease for an Event of Default, during which time period Lessee shall have another opportunity to fully cure the Default and avoid termination even though an Event of Default has already occurred. If Lessee fails to fully cure the Default within thirty (30) day notice period, provided under this Section 10.2.1, the Port may automatically terminate this Lease and Lessee's right to possession of the Premises with no additional notice. No other extensions of time will be granted and no partial cure shall be accepted.

10.2.2 Re-Entry

Either with or without terminating this Lease or accepting surrender, the Port may re-enter the Premises, or any part thereof, by suitable action or proceeding at law, or as otherwise permitted by applicable law, without being liable for indictment, prosecution or damages therefor, and may repossess the Premises and remove any person or Premises therefrom, to the end that the Port may have, hold and enjoy the Premises.

10.2.3 Reletting

Following such re-entry either with or without acceptance of surrender, the Port may relet the whole or any part of the Premises from time to time, either in the name of the Port or otherwise, to such Lessees, for such terms ending before, on or after the Expiration Date of this Lease and upon such conditions as the Port may determine to be appropriate. Acts of maintenance, preservation or efforts to relet the Premises, or the appointment of a receiver upon initiative of the Port to protect the Port's interest under this Lease, shall not constitute a termination of the Lease or an acceptance of surrender of the Lease. The Port, at its option, may make such physical changes to the Premises as the Port, in its discretion, considers advisable and necessary in connection with any such reletting, without relieving Lessee of any liability under this Lease or otherwise affecting Lessee's liability.

10.2.4 Right to Sue More than Once

The Port may sue periodically to recover damages and no action for damages shall bar a later action for damages subsequently accruing.

10.3 No Waiver of Default

No failure by the Port to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of partial Rent during the continuance of any such breach, constitutes a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessee, and no breach by Lessee, shall be waived, altered, or modified, except by a written instrument executed by the Port. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant, and condition of this

Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach.

10.4 Remedies Cumulative and Nonexclusive

Each right and remedy in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease, or existing at law or in equity, including, without limitation, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by the Port of any such rights or remedies will not preclude the simultaneous or later exercise by the Port of any other such rights or remedies. All such rights and remedies are nonexclusive.

10.5 Curing Lessee's Default

If Lessee fails to perform any of Lessee's obligations under this Lease, and such failure becomes an Event of Default, the Port, without waiving such failure, may (but shall not be obligated to) perform the same for the account of and at the expense of Lessee, with whatever notice is reasonably possible, if any, in a case of emergency, and in any other cases, only if such failure to begin cure or diligently pursue cure continues after the expiration of thirty (30) days from the date the Port gives Lessee notice of the failure. The Port shall not be liable to Lessee for any claim for damages resulting from such action by the Port except to the extent caused by the gross negligence or willful misconduct of the Port, its agents, employees and contractors (but in no event for lost profits or consequential damages). Lessee agrees to reimburse the Port, upon demand, any amounts the Port spends in curing Lessee's Default.

10.6 Administrative Costs

If the Port gives Lessee one (1) written notice of a violation of a specific provision of this Lease and Lessee violates the same provision again during any twelve (12) month period of the Lease Term, in addition to all other rights and remedies set forth herein, Lessee agrees to reimburse the Port for its reasonable administrative costs incurred as a result of any notice of any subsequent violation. Failure by Lessee to pay such costs shall be deemed an Event of Default.

10.7 Default by Port

In the event of any Default by the Port, prior to being entitled to maintain any action, Lessee shall give the Port written notice specifying such Default with particularity, and the Port shall have thirty (30) days within which to cure any such Default, or if such Default is non-monetary and cannot reasonably be cured within thirty (30) days, the Port shall then be deemed in compliance with this provision so long as it begins the cure within the thirty (30) day period and diligently pursues the cure to completion. Unless and until the Port fails to so cure such Default after such notice, Lessee shall not have any remedy or cause of action by reason thereof. All obligations of the Port hereunder shall be construed as covenants, not conditions, and all such obligations shall be binding upon the Port only during the period of its ownership of the Premises and not thereafter.

11 TRANSFER BY THE PORT

At any time after the Effective Date of this Lease, the Port shall have the right to transfer its interest in the Premises or in this Lease. In the event of such a transfer, Lessee shall attorn to said transferee and recognize transferee as the new lessor under the Lease. Thereafter, the Port shall be relieved, upon notification to Lessee of the name and address of the Port's successor, of any obligations accruing from and after the date of the transfer so long as the transferee agrees to assume all obligations of the Port under this Lease.

12 ASSIGNMENT

Lessee shall not sell, assign, mortgage or otherwise transfer its interest in this Lease, the improvements, the Lessee Improvements and or/the Premises, either voluntarily or by operation of law, without the prior written consent of the Port, which may be granted, conditioned or denied in the Port's sole discretion.

13 CONDEMNATION

13.1 General

In the event any public or private entity having the power of eminent domain exercises its right or power of eminent domain, the parties' rights and obligations shall be governed by the common law of the State of Oregon, the applicable Oregon statutes, and this Lease. To the extent allowed by law, in the event of conflict among the statute, common law and this Lease, this Lease shall prevail. If the condemning authority is the Port, Lessee agrees that it will not contest the Port's right to condemn the Premises, or any portion thereof, for whatever purpose the Port deems necessary, but Lessee may contest the value payable to Lessee due to such condemnation. In cases where the condemning authority is an entity other than the Port, Lessee and the Port agree to cooperate, in good faith, to resolve any issues relating to value and/or authority to condemn.

13.2 Definitions

As used in this Lease, the following definitions shall apply:

13.2.1 Partial Taking

"**Partial Taking**" means the taking by right of eminent domain or other authority of law, or a voluntary transfer under the threat of the exercise of the right of eminent domain or other authority, of any portion of the Premises which does not constitute a Total Taking.

13.2.2 Total Taking

"**Total Taking**" means the taking by right of eminent domain or other authority of law, or a voluntary transfer under the threat of the exercise of the right of eminent domain or other authority, of so much of the Premises as is necessary for Lessee's occupancy that the Premises, after the taking, is no longer suitable for Lessee's intended use.

13.2.3 Taking

"**Taking**" refers to either a Partial Taking or a Total Taking.

13.2.4 Date of Taking

"**Date of Taking**" means: (i) the date on which the condemning authority takes legal ownership or actual physical possession of the Premises being condemned; (ii) the date given in a written notice from the condemning authority as the date that it is deemed to have taken possession or is granted possession by a court; or (iii) such date as is agreed to, in writing, in the event of a sale in lieu of condemnation.

13.2.5 Premises Award

The "**Premises Award**" shall mean the Fair Market Value of the Premises (as defined in Section 3.2.1 above), including the Premises and all infrastructure improvements made to the Premises by any party and including the Port's Reversionary Interest in Lessee Improvements

(defined in Section 13.2.7), but excluding the Leasehold Award, described in Section 13.2.6, which Lessee shall be entitled to claim. The Premises Award shall also include any consequential damages to any part of the Premises that may not be taken. The Premises Award is payable solely to the Port.

13.2.6 Leasehold Award

The "**Leasehold Award**" shall mean the sum of: (i) the present value, determined as of the Date of Taking, of Lessee's Improvements; (ii) the present value, determined as of the Date of Taking, of Lessee's interest in the leasehold estate, including any claim for reimbursement of any prepaid Rent including prepaid Basic Rent; and (iii) provided the Lease is not terminated, any consequential damages such as the cost of any alterations, modifications, or repairs which may be reasonably required by Lessee in order to place the remaining portion of the Premises not taken in a suitable condition for the continuance of Lessee's occupancy. The Leasehold Award is payable solely to Lessee. No portion of the value attributable to the Premises or improvements owned, made by or paid for by the Port or other government authority, or any infrastructure improvements, or the Port's residual interest in other improvements, shall be considered a part of the Leasehold Award.

13.2.7 Port's Reversionary Interest

The "**Port's Reversionary Interest**" shall mean the present value, determined as of the Date of Taking, of any right of the Port under this Lease to receive the taken Lessee Improvements at the end of the Lease Term.

13.2.8 Distribution of Takings Award

The Port shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, the entire Premises Award. Lessee shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, the entire Leasehold Award. It is the intent of the parties that the Premises Award and the Leasehold Award will equal the total amount of the award paid as a result of a Taking of the Premises.

13.3 Total Taking

If a Total Taking occurs during the Lease Term, this Lease will terminate as of the Date of Taking.

13.4 Partial Taking

If a Partial Taking occurs during the Lease Term, this Lease shall terminate as of the Date of Taking as to the portion of the Premises taken. The Lease will continue in full force and effect as to the remainder of the Premises unless Lessee reasonably determines that the remaining portion of the Premises is inadequate for Lessee's purposes, in which event Lessee may elect to terminate the Lease within thirty (30) days of the date of the Taking by providing the Port written notice of termination, to be given in accordance with Section 15.4. If notice of termination is not received by the Port within thirty (30) days of the Partial Taking, the Lease will continue in full force and effect as to the remainder of the Premises. Unless the Taking is by the Port, there shall be no refund of any prepaid Basic Rent by the Port to Lessee, but Lessee may make a claim for such prepaid Rent against the condemning authority, as part of the Leasehold Award. Lessee shall promptly make, at Lessee's sole expense, all necessary repairs or alterations to restore the remaining Premises after a Partial Taking.

13.5 Claims Against Condemning Authority

In any case where the Port is not the condemning authority, Lessee and the Port agree to work together, in good faith, in making their respective claims against the condemning authority, in accordance with the provisions of this Section 13. The Port also agrees to work together, in good faith, with any of Lessee's Permitted Leasehold Mortgagees, in making their respective claims against the condemning authority, in accordance with the provisions of this Section 13. Each party shall be responsible for making its own claim for court costs and attorney fees incurred in the condemnation proceedings.

13.6 Adjustment of Award

To the extent that the court does not distribute the Takings award in accordance with the distribution rights set forth in this Section 13, the parties agree, upon receipt of the award, to promptly pay to the other any amount of the award belonging to the other in accordance with the distribution set forth in this Section 13. If the parties cannot agree upon the distribution within twenty (20) days of the date the judgment or decree is entered in the condemnation proceedings, the controversy shall be resolved in the same court as the condemnation action was brought. The cost of resolving any such controversy, including the prevailing party's attorney fees, shall be paid by the losing party, as determined by the court. The award allocation may also be resolved by mediation or arbitration if the Port and Lessee both agree to submit the issue to mediation or arbitration.

13.7 Effect of Termination

If this Lease is terminated pursuant to the provisions of this Section 13, then all charges payable by Lessee to the Port under this Lease, if applicable, will be paid up to the Date of Taking. In the event of termination as a result of a Total Taking, the Port and Lessee will then be released from all further liability under this Lease or, in the event of a Partial Taking, from all further liability under this Lease with respect to the portion of the Premises so taken, except such liability which survives termination.

13.8 Notice of Taking

Either party receiving any notice of intended taking, any service of legal process relating to condemnation, or any other notification in connection with any taking, condemnation, or sale or transfer in lieu of condemnation, shall promptly give the other party notice of such receipt. No sale, transfer, agreement, or settlement with the condemning authority shall be made without the written consent of the Port and Lessee.

14 PORT CONDEMNATION RIGHTS

Nothing in this Lease shall in any way limit the powers and rights of the Port to exercise its governmental rights and powers, including its powers of condemnation and eminent domain. Lessee hereby agrees to waive any right it may have to contest the Port's right or authority to condemn, or its rights of condemnation based on a qualifying public purpose. Lessee agrees that it shall limit any contest with the Port relating to the Port's condemnation/eminent domain rights or authority only to the issue of Lessee's interest in the value of the Premises being condemned. Lessee hereby agrees that the Port will have the full right and authority to condemn this Leasehold interest as long as Lessee is paid for its value as provided in Section 13.

15 GENERAL PROVISIONS

15.1 Covenants, Conditions, and Restrictions

This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, mortgages, deeds of trust, rights of way, and any other matters of record imposed upon the Premises and to any applicable land use or zoning laws or regulations. This Lease is also subject to the Port's right to grant, in the future, underground utility easements through the portions of the Premises not covered by buildings or other structures. Lessee shall, upon request of the Port, execute and deliver agreements of subordination in the form requested by the Port respecting matters covered by this Section 15.1. The Port agrees to make reasonable attempts to minimize any disturbance to Lessee that may result from installation of any underground utility lines and will be responsible for prompt restoration of the Premises.

15.2 Governing Law

This Lease shall be governed and construed according to the laws of the State of Oregon, without regard to its choice of law provisions. Venue shall be in Columbia County.

15.3 No Implied Warranty

In no event shall any consent, approval, acquiescence, or authorization by the Port be deemed a warranty, representation, or covenant by the Port that the matter approved, consented to, acquiesced in or authorized is appropriate, suitable, practical, safe or in compliance with any applicable law or this Lease. In no event shall the Port be deemed liable therefor. Lessee shall be solely responsible for such matters.

15.4 Notices

All notices required or desired to be given under this Lease shall be in writing and may be delivered by hand delivery, by facsimile but only in those instances specifically called out in this Lease where notice by facsimile is allowed, or by placement in the U.S. mail, postage prepaid, as certified mail, return receipt requested, addressed to the Port at:

Property and Operations Manager

The Port of St. Helens

if by hand delivery or overnight delivery: 100 E Street, Columbia City, OR 97018

if by US mail: P.O. Box 190, Columbia City, OR 97018

Facsimile No.: (503) 397-6924

and to Lessee at:

Scappoose Bay Kayaking Adventures LLC

57420 Old Portland Road

Warren, OR 97053

Any notice delivered by hand delivery shall be conclusively deemed received by the addressee upon actual delivery; any notice delivered by facsimile shall be conclusively deemed received by the addressee upon receipt of a confirmation of facsimile by the party sending the notice; any notice delivered by certified mail as set forth herein shall be conclusively deemed received by the addressee on the third Business Day after deposit in the United States mail. The addresses and facsimile numbers to which notices are to be delivered may be changed by giving notice of such change in accordance with this notice provision.

15.5 Time of the Essence

Time is of the essence in the performance of and adherence to each and every covenant and condition of this Lease.

15.6 Non Waiver

Waiver by the Port or Lessee of strict performance of any provision of this Lease shall not be deemed a waiver of or prejudice the Port's or Lessee's right to require strict performance of the same provision in the future or of any other provision.

15.7 Survival

Any covenant or condition (including, but not limited to, indemnification agreements), set forth in this Lease, the full performance of which is not specifically required prior to the expiration or earlier termination of this Lease, and any covenant or condition which by its terms is to survive, shall survive the expiration or earlier termination of this Lease and shall remain fully enforceable thereafter.

15.8 Partial Invalidity

If any provision of this Lease is held to be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

15.9 Limitation on Liability

Notwithstanding anything to the contrary contained herein, the parties acknowledge that it is in their mutual interests to limit their liability to each other, and expressly bargain for and agree to the following:

(a) The Port shall have no liability to Lessee for loss, damage or injury suffered by Lessee on account of theft or any act or omission of any third party (other than Port commissioners, employees, agents, and contractors), including other lessees. References in this Section 15.9(a) to the Port's agents shall be limited solely to those agents acting within the authority of their agency relationship with the Port, and references in this Section 15.9(a) to Port contractors shall be limited solely to those contractors acting on the Premises and within the express scope of their contract with the Port.

(b) Although this Lease gives the Port certain rights of inspection, such rights shall impose no obligation on the Port to make any inspections, nor impose liability on the Port if the Port fails to make such inspections, or makes inspection, but fails to disclose or require correction of any defect.

(c) With respect to any liability of the Port under this Lease, the Port shall only be liable for any injury or damage to Lessee to the extent of actual damages and only to the extent allowed by law, and shall not be liable for consequential damages (including without limitation lost profits).

(d) With respect to any liability of Lessee under this Lease, Lessee shall only be liable for any injury or damage to the Port to the extent of actual damages and only to the extent allowed by law, and shall not be liable for consequential damages (including without limitation lost profits).

(e) With respect to claims made by entities or persons who are not parties to this Lease, the Port and Lessee, as between them, shall retain all rights to common law indemnity and statutory contribution available under applicable Oregon law. This Section 15.9 is not intended to confer any benefit or right to any entity or person who is not a party to this Lease.

15.10 Headings, Table of Contents and Table of Definitions

The article and section headings, table of contents and table of definitions contained in this Lease are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.

15.11 Exhibits Incorporated by Reference

All Exhibits attached to this Lease are incorporated by reference in this Lease for all purposes.

15.12 Modification

This Lease may not be modified except by a writing signed by the Port and Lessee.

15.13 Provisions Applicable to Others

All provisions of this Lease governing Lessee's use of the Premises and Lessee's activities and conduct on, about or from the Premises shall apply to Lessee's officers, agents, employees, invitees, contractors, and assignees.

15.14 Interpretation of Lease; Status of Parties

This Lease is the result of arms-length negotiations between the Port and Lessee and shall not be construed against either the Port or Lessee by reason of such party's preparation of or revisions to this Lease. Nothing contained in this Lease, including the construction of improvements on the Premises, shall be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto.

15.15 Calculation of Time

All periods of time referred to in this Lease shall include Saturdays, Sundays, and Legal Holidays. However, if the last day of any period falls on a Saturday, Sunday, or Legal Holiday, then the period shall be extended to include the next day which is not a Saturday, Sunday or Legal Holiday. "**Legal Holiday**" shall mean any holiday observed by the Federal Government. As used in this Lease, "**Business Days**" shall exclude Saturdays, Sundays, Legal Holidays and the week between December 25 and January 1. Unless specifically identified as Business Days, all references to days shall be calendar days.

15.16 Absence of Brokers

Lessee and the Port each represent to one another that no commission is owed to any agent or broker in connection with this Lease. If a commission is claimed, the party who the broker claims requested the representation shall pay any commission owed and shall defend, indemnify and hold the other party harmless from any such claim.

15.17 Attorney Fees

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code), is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be

entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review. Whenever this Lease requires Lessee to defend the Port, it is agreed that such defense shall be by legal counsel acceptable to the Port.

15.18 Right of Parties and Successors in Interest

The rights, liabilities and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this Lease permit, successors and assigns of the parties hereto. The words 'Port' and 'Lessee' and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms, or corporations which may be or become such parties hereto.

15.19 Joint and Several Obligations

The named Lessee consists of one entity. If, in the future, Lessee consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several.

15.20 Defined Terms

Capitalized terms shall have the meanings given them in the text of this Lease.

15.21 Execution of Multiple Counterparts

This Lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one instrument.

15.22 Estoppel Certificates

Each party (the "**Certifying Party**") agrees to execute and deliver to the other (the "**Requesting Party**"), at any time within thirty (30) days after written request, a statement certifying, among other things: (a) that this Lease is unmodified and is in full force and effect (or, if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) to the best of the Certifying Party's knowledge, whether or not the Requesting Party is in Default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such Default; and (d) to the best of the Certifying Party's knowledge, whether or not any event has occurred which, with the giving of notice, the passage of time, or both, would constitute a Default by the Requesting Party and, if so, specifying the nature of each such event (referred to herein as an "**Estoppel Certificate**"). The parties agree that any statement delivered pursuant to this Section 15.22 may be relied upon by the Requesting Party and by potential or actual purchasers and/or lenders with whom the parties may be dealing, regardless of independent investigation. The Requesting Party agrees to pay to the Certifying Party any administrative and legal costs related to providing such Estoppel Certificate.

15.23 Force Majeure Event

If the performance by Lessee of its obligations under Section 8.2 of this Lease (excluding monetary obligations, including, but not limited to taxes and insurance) is delayed or prevented by any extraordinary acts of nature (including floods, explosions, earthquakes), or fires, epidemic, war, terrorism, labor strikes, material shortages, riots, orders of restraint by governmental authority which prevent Lessee from meeting such obligations under this Lease, or other extraordinary casualty

which is not reasonably within Lessee's control, and is not due to the fault or negligence of Lessee, one or more of which is defined as a "**Force Majeure Event**", then Lessee shall be temporarily excused from performance to the extent that performance is delayed by any of the foregoing, without liability under this Lease. Lessee agrees, however, to proceed with all reasonable dispatch to perform such obligations under this Lease after the Force Majeure Event preventing Lessee from carrying out such obligations under this Lease ceases to exist.

15.24 Mediation

Should any dispute arise between the parties to this Lease related to matters set forth in Section 6.10 of this Lease, then it is agreed that such dispute will be submitted to non-binding mediation prior to any litigation. The provisions of this Section 15.24 shall also apply to any non-binding mediation with respect to matters covered under Section 13.6 if the parties have agreed to such mediation as provided in Section 13.6. The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in Columbia County, Oregon, unless both parties agree otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this Section 15.24 through the mediation process. If a party requests mediation and the other party fails to respond within ten (10) days, or if the parties fail to agree on a mediator within ten (10) days, a mediator shall be appointed by the presiding judge of the Columbia County Circuit Court upon the request of either party. The parties agree that mediation shall occur on an expedited schedule and that they will not attempt to delay mediation, the scheduling of the mediation or continue the mediation once it has been set. The parties shall retain all rights at law or in equity with respect to any dispute not covered by this Section 15.24 and also with respect to those disputes covered by this Section 15.24 after mediation has been completed. In no event shall the provisions of this Section 15.24 limit the Port's right to seek immediate injunction relief following an Event of Default to stop an activity or use on the Premises prohibited under this Lease. Nothing in this Section 15.24 shall be deemed to prevent the Port from taking immediate injunctive or other action in response to an emergency or in response to third-party acts or omissions that pose an imminent threat to the environment or to the health, safety, or security of Port Lessees or of the public.

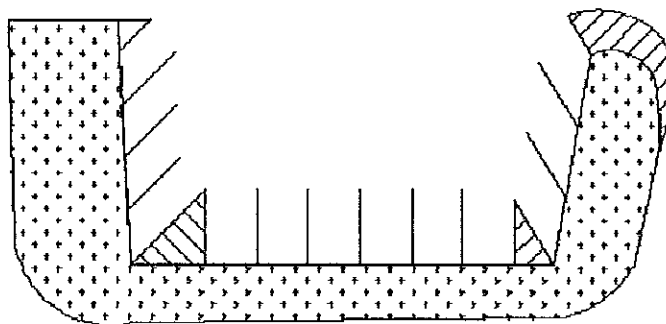
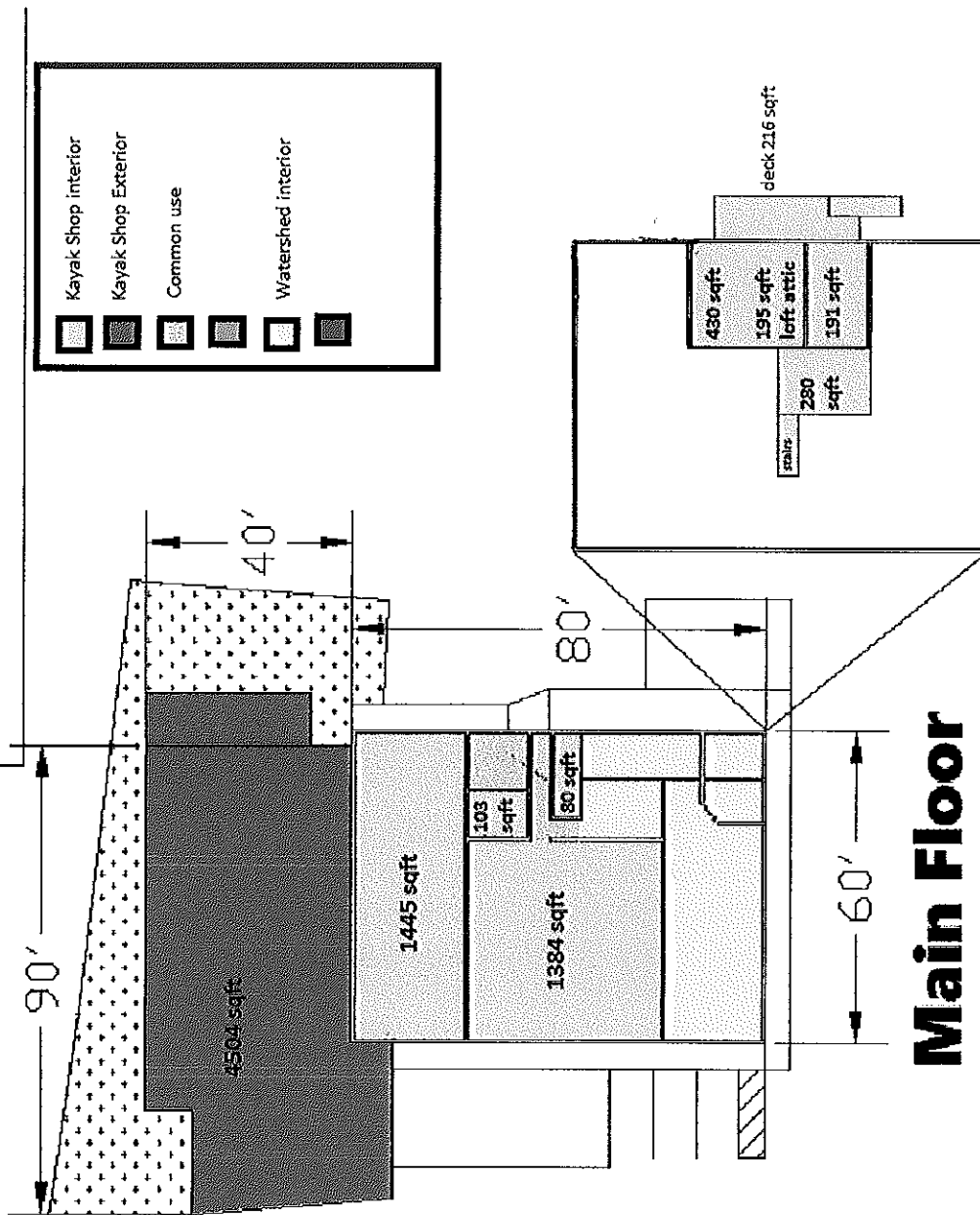
15.25 Entire Agreement

This Lease represents the entire agreement between the Port and Lessee relating to Lessee's leasing of the Premises. It is understood and agreed by Lessee that neither the Port nor the Port's agents or employees has made any representations or promises with respect to this Lease or the making or entry into this Lease, except as expressly set forth in this Lease. No claim for liability or cause for termination shall be asserted by Lessee against the Port for, and the Port shall not be liable by reason of, any claimed breach of any representations or promises not expressly set forth in this Lease. All oral agreements with the Port are expressly waived by Lessee. This Lease has been negotiated at arm's length between the parties, with both parties being represented by legal counsel. Therefore, no alleged ambiguity or other drafting issues of the terms of this Lease shall be construed, by nature of the drafting, against either party.

15.26 Capacity to Execute

The Port and Lessee each warrant and represent to one another that this Lease constitutes a legal, valid and binding obligation of that party. The individuals executing this Lease personally warrant that they have full authority to execute this Lease on behalf of the entity for whom they purport to be acting.

Scappoose Bay Marina SBM Warehouse Plan



Storage building

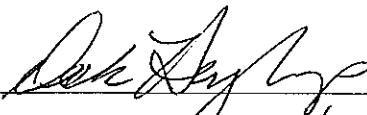
North side 15.5'x14' 217sqft	South Side 15.5'x14' 217sqft
------------------------------------	------------------------------------

EXHIBIT

A

IN WITNESS HEREOF, the parties have subscribed their names hereto effective as of the year and date first written above.

**SCAPPOOSE BAY KAYAKING
ADVENTURES LLC**

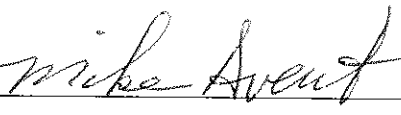
By: 

Print Name: Derek Heykamp

As Its: MANAGER MEMBER

Date: June 9, 2017

THE PORT OF ST. HELENS

By: 

Print Name: Mike Avent

As Its: President

Date: June 14, 2017



Marina Planning Session

STAFF REPORT

DATE: September 24, 2025

TO: Port Commission

FROM: Lindsay Gobel Wilson, Communications and Grants Manager

RE: **Marina Planning Session: Reimagining the Scappoose Bay Marina**

Discussion

This past year, the Port conducted an in-depth Marina Study with an outside consultant to evaluate the financial performance and economic feasibility of the Scappoose Bay Marina.

The findings of the Marina Study were reported in a public meeting and discussed in later meetings.

The Marina Study revealed annual net losses of approximately \$550,000 without including the cost of dredging. Adding dredging to the cost would push the losses to an estimated \$870,000 - \$1,000,000 per year. The study also laid out several options to mitigate the losses and reimagine a more sustainable future for the Scappoose Bay Marina.

This Marina Planning Session marks the beginning of a public process to plan for the Marina's future. Options under consideration include eliminating uses that require dredging, researching future channel and Marina water depths, moving away from floating homes, and refocusing on non-motorized and small vessel usage.

The goals of this meeting are to:

1. Review the results of the Marina Study.
2. Receive input from tenants and users.
3. Establish a Strategic Planning Committee to report back to the Commission for further discussion and planning.