

Port of Ilwaco
AGENDA
November 19, 2019
4:00 P.M.

Commissioners Meeting

- Call to Order of Commissioners Meeting
- Approval of minutes from the November 4, 2019 Commission meeting
- Approval of vouchers 16998 through 17047 and electronic funds transfer payments in the amount of \$77,168.84
- Unfinished Business: None
- New Business:
 - Public Works for Broadband Planning Grant
 - Joshua Cochran Lease – Nisbett Gallery
- Comments from the Public
- Operations Report
 - Manager's Report
 - Finance Director Report
- Commissioners Report
- Adjourn

PORT OF ILWACO
MINUTES
November 4, 2019

PUBLIC HEARING – 2020 Final Budget

Commissioner Smith opened the Public Hearing at 8:40 AM. Those present were Commissioner Smith, Commissioner Newell, Commissioner Smith, Port Manager Glenn, FD Needham and Acct/Admin Asst Crawford.

Public Testimony: Commissioner Smith called for public testimony. There was none.

Hearing none, Commissioner Newell made a motion to close the Public Hearing, Commissioner Smith seconded. **Public Hearing was closed at 8:41 AM.**

Commissioner Smith opened the Commissioner's meeting at 8:42 a.m. Those present were Commissioner Newell, Commissioner Smith, Commissioner Shirley, Manager Glenn, FD Needham and Acct/Admin Asst Crawford.

- **Approval of minutes from the October 15, 2019 meeting:** Commissioner Newell entered a motion to approve the minutes; Commissioner Shirley seconded, the **motion carried** by voice vote.
- **Approval of vouchers 16963 through 16963 and electronic funds transfer payments in the amount of \$71,778.20** Commissioner Newell entered a motion to approve the vouchers; Commissioner Shirley seconded, the **motion carried** by voice vote.
- **Unfinished Business: None**
- **New Business:**
 - **Resolution #19-930: Authorizing Public Sale of *Spellbound*, Reg # WN6397SL**

FD Needham informed the Commission that boat was purchased in 2018 and the new owner paid annual moorage on the first year. After numerous attempts by Port Staff the owner has not contacted the Port and has not paid the renewal moorage from June. The Port has contacted the insurance company on file and was informed that the insurance has been cancelled as well.

Commissioner Shirley entered a motion to approve Resolution #19-930, authorizing the public sale of the *Spellbound*; Commissioner Newell seconded, the **motion carried** by voice vote.

- **Resolution# 19-931: Regular Tax Levy of \$183,170, which represents an increase of 1.0% of the previous year's levy rate.**

FD Needham explained this is a standard resolution to approve the Port's regular tax levy. The Resolution states the amount of the previous year's tax collections and provides for a 1% increase for 2020.

Commissioner Shirley entered a motion to approve Resolution #19-931: 2020 Regular Tax Levy of \$183,170; Commissioner Newell seconded, the **motion carried** by voice vote.

- **Document # 2019-128: 2020 Final Budget – Approval**

FD Needham stated there were no changes to the final budget from the Preliminary budget. She requested the Commission approval of the 2020 Final Budget.

Commissioner Smith thanked FD Needham for all her hard work on the 2020 Budget and appreciates her making the reports easily understood by the Commissioners.

Commissioner Shirley entered a motion to approve Document # 2019-128: 2020 Final Budget; Commissioner Newell seconded, the **motion carried** by voice vote.

- **Boatyard – 2020 Contract for On-call Technical Services**

Manager Glenn stated that the Port over the past years have worked with Landau and Associates but supportive to changing to Terraphase.

Commissioner Smith requested clarification on the role of Terraphase versus Gray & Osborne in relation to the Boatyard's new filterization system.

Glenn clarified that the Port will not have to pay for overlapping services. Terraphase will assist the Port with as needed on-call stormwater services related to the operation and maintenance of the Boatyard and compliance with the Ecology permit including but not limited to review and preparation of technical documents related to stormwater management, site inspections and oversight and recommendations for stormwater management improvements based on observations.

FD Needham stated the Port had previously paid Landau \$2,300, approval for the contract was not to exceed \$5,800.

Commissioner Shirley entered a motion to authorize Port Manager to sign Boatyard-2020 Contract for On-call Technical Services, with budget not to exceed \$8,000. Commissioner Newell seconded, the **motion carried** by voice vote.

- **Vessel Deconstruction Facility – Bid Documents**

Manager Glenn stated that Commissioner Smith requested the cost of the project in 2013. He stated that the facility cost \$410K at the time and that Jim Neva secured a \$100K PCOG grant from the county to assist with the project.

Glenn stated that during the initial phase of the project G&O estimated the project at \$900K on the low end, but with current considerations and additions the current estimate is now at \$1.4M. He added that while G&O estimates it at \$1.4M we could see bids that are higher or lower.

Commissioner Smith inquired if the Port will be able to justify the rate that the Port will charge and recoup the Port's cost through revenues. Manager Glenn stated that the deconstruction facility is a component of a multi-faceted improvement project and that the Port can leverage the completion of the deconstruction facility in getting more monies to use for other projects or purchases such as a new Travelift.

Manager Glenn presented the Commission with the current bid documents submitted by Nancy Lockett. The plans include the incorporation of the sanitary sewer design between the pressure wash water treatment system and the City of Ilwaco sanitary sewer at the intersection of Eagle and First Streets, specifications for a package pressure wash water treatment system, specifications for installation of a fire hydrant in the Boatyard work area and water and sewer connections for a restroom facility.

Commissioner Newell inquired if the State will be putting in money for the project. FD Needham stated that a huge reason why we received the grant money is because the state is running out of options in deconstructing these vessels which is becoming a huge problem. The Port is anticipating the state has boats that they will need deconstructing and the Port will realize revenue from that activity.

Commissioner Shirley entered a motion to proceed with bidding for the Vessel Deconstruction Facility. Commissioner Newell seconded, the **motion carried** by voice vote.

- **Phase 2 – Combined Marina Maintenance Dredging**

Manager Glenn stated that he been working on the Capital Budget request packet for the combined Marina Maintenance Dredging. He noted that the current dredge material placement site for Chinook is at capacity, while Ilwaco is nearing capacity. This phase of the project includes permitting and preliminary engineering for development of placement sites.

Commissioner Shirley inquired if the dredge materials are contaminated, Glenn informed the Commission that the materials are suitable for in water disposal and not contaminated.

No action taken.

- **Restrooms**

Commissioner Smith inquired about the restroom situation at the Port. FD Needham stated that the Port is paying about \$1200 a month for the Sani-cans, excluding the units leased during the summer season. FD Needham added that the installation of the new bathroom entry system has been very useful in identifying misuse. Commissioner Smith stated that unfortunately he has noticed an increase in homeless persons staying in the restrooms.

Manager Glenn stated that it would be make more sense if the Port added a restroom facility by the Commercial docks.

Commissioner Smith noted that he would like to have Management look into a discussion for a long term plan and looking into finding funding.

- **Regular Commission Meeting Schedule**

FD Needham stated that the Commission will need to agree to a consistent meeting schedule.

Commissioner Newell entered a motion to move the Regular Commission Meetings to 4:00 PM on the First and third Tuesdays of the month. Commissioner Shirley seconded, **motion carried** by voice vote.

- **Appointment of Chairman of the Commission**

Commissioner Newell entered a motion to appoint Commissioner Butch Smith as Chairman of the Commission. Commissioner Shirley seconded, **motion carried** by voice vote.

- **Comments from the Public: None**

Operations Report:

- Manager's Report: Manager Glenn reported:
 - Dredging – Waiting for completion of hydraulic fluid change out, dredging schedule created and looking into starting week of 11/11, additional staff hired.
 - Boatyard improvements project - Pre-construction meeting with Lindstrom & G&O on 10/31.
 - Broadband meeting –State representatives are coming to the next meeting slated on 11/6 at PUD.
 - FEMA Grant – currently at a holding pattern after they requested an update on benefit cost analysis.
- Finance Director's Report:
 - Chinook Observer failed to publish the Public announcement of the POC Budget hearing. Special meeting scheduled for POC on 11/18.
 - Will be attending a Federal grants training in Longview on 11/7.
 - Started painting of the office downstairs.
 - Read article the Q&A with Commissioner Shirley on Chinook Observer. Appreciates the support for the Port Staff and Management.

Commissioner Reports:

- Commissioner Smith:

Reported on his D.C. trip. He had the opportunity to thank our Congressional representatives and thanked them for their help with the Ports and dredging. Mentioned the whale entanglements and crab industry and maybe look into re-opening the Marine Mammal act.

- Commissioner Newell:

Inquired if there are any potential new owners for Ole Bob's. Manager Glenn stated there has been interest, but nothing solid at this point. He hopes that whoever takes over the establishment will open the fish market.

- Commissioner Shirley: None

- **Adjourn**

The meeting was adjourned at approximately 10:31 a.m. by Chairman Smith.

Minutes submitted by Cristina Crawford for approval November 19, 2019.

Cristina Crawford, Acct/Admin Asst

Commissioners:

Butch Smith, Chairman

Steve Newell

Mike Shirley

Date _____

Port of Ilwaco
Voucher Approval List
November 19, 2019

Type	Date	Num	Name	Amount
Paycheck	11/05/2019	16998	Barnes, Amy M	-1,675.39
Paycheck	11/05/2019	16999	Crawford, Maria Cristina	-1,223.85
Paycheck	11/05/2019	17000	Demase, John M	-1,583.00
Paycheck	11/05/2019	17001	Elliott, Jon M	-965.76
Paycheck	11/05/2019	17002	Glasson, Daryl R	-1,395.48
Paycheck	11/05/2019	17003	Glenn, Jr, Guy M	-2,179.44
Paycheck	11/05/2019	17004	Haataja, Jeff R	-1,475.34
Paycheck	11/05/2019	17005	Haataja, Jonathon A	-1,441.96
Paycheck	11/05/2019	17006	Hawkinson, April H	-1,206.70
Paycheck	11/05/2019	17007	Kary, Lanie O	-1,091.76
Paycheck	11/05/2019	17008	Needham, Tricia R	-1,723.35
Paycheck	11/05/2019	17009	Newell, Steve	-235.47
Paycheck	11/05/2019	17010	Shirley, Michael B	-117.73
Paycheck	11/05/2019	17011	Smith, Aldrich J	-235.45
Liability Check	11/05/2019	17012	AFLAC	-669.80
Bill Pmt -Check	11/13/2019	17013	PUD	-700.00
Bill Pmt -Check	11/19/2019	17014	Active Enterprises, Inc	-62.26
Bill Pmt -Check	11/19/2019	17015	Analytical Resources Inc.	-158.00
Bill Pmt -Check	11/19/2019	17016	Art's Auto Parts	-13.25
Bill Pmt -Check	11/19/2019	17017	Butch Smith	-466.60
Bill Pmt -Check	11/19/2019	17018	CenturyLink	-307.25
Bill Pmt -Check	11/19/2019	17019	Chinook Observer	-90.74
Bill Pmt -Check	11/19/2019	17020	CI Web Group	-600.00
Bill Pmt -Check	11/19/2019	17021	City of Ilwaco - Water	-2,281.69
Bill Pmt -Check	11/19/2019	17022	Clatsop Power Equipment	-171.59
Bill Pmt -Check	11/19/2019	17023	Dennis Company ACE	-400.89
Bill Pmt -Check	11/19/2019	17024	Earth2o	-33.40
Bill Pmt -Check	11/19/2019	17025	Englund Marine Supply	-864.39
Bill Pmt -Check	11/19/2019	17026	Ford Electric	-7,687.57
Bill Pmt -Check	11/19/2019	17027	Gray & Osborne, Inc.	-5,771.37
Bill Pmt -Check	11/19/2019	17028	Heather Reynolds	-380.00
Bill Pmt -Check	11/19/2019	17029	Ifocus Consulting Inc.	-610.00
Bill Pmt -Check	11/19/2019	17030	Lindstrom & Son Construction, Inc.	-324.30
Bill Pmt -Check	11/19/2019	17031	Napa Auto Parts	-241.59
Bill Pmt -Check	11/19/2019	17032	Oman and Sons	-379.40
Bill Pmt -Check	11/19/2019	17033	Peninsula Sanitation	-2,529.46
Bill Pmt -Check	11/19/2019	17034	Platt Electric Supply	-49.19
Bill Pmt -Check	11/19/2019	17035	Polk Riley's Printing & Design	-428.40
Bill Pmt -Check	11/19/2019	17036	Port of Ilwaco/BOP fees	-880.75
Bill Pmt -Check	11/19/2019	17037	QUILL	-88.62
Bill Pmt -Check	11/19/2019	17038	RICOH USA - SERVICE	-136.50
Bill Pmt -Check	11/19/2019	17039	Tangly Cottage Gardening	-604.98
Bill Pmt -Check	11/19/2019	17040	Topper Industries, Inc.	-236.64

Port of Ilwaco
Voucher Approval List
November 19, 2019

Type	Date	Num	Name	Amount
Bill Pmt -Check	11/19/2019	17041	Verizon Wireless	-291.47
Bill Pmt -Check	11/19/2019	17042	Visa - TN	-1,879.31
Bill Pmt -Check	11/19/2019	17043	Visa -G	-577.65
Bill Pmt -Check	11/19/2019	17044	Wilcox & Flegel	-1,082.03
Bill Pmt -Check	11/19/2019	17045	WPPA	-50.00
Bill Pmt -Check	11/19/2019	17046	Ford Electric	-563.28
Bill Pmt -Check	11/19/2019	17047	Tangly Cottage Gardening	-209.44
EFT	11/07/2019	EFT	EFTPS	-5,211.54
EFT	11/07/2019	EFT	WA State DRS - DCP	-1,532.50
EFT	11/07/2019	EFT	WA State DRS	-9,138.76
EFT	11/07/2019	EFT	WCIF	-12,913.55
Total:				<u>-77,168.84</u>

We, the undersigned Commissioners and the Port Manager of the Port of Ilwaco, Washington, do hereby certify that the merchandise or services, as specified above, have been received, and vouchers 16998 through 17047 and electronic funds transfer payments are approved for payment in the amount of \$77,168.84 this 19th day of November, 2019.

Chairman, Butch Smith

Commissioner, Steve Newell

Commissioner, Mike Shirley

Port Manager, Guy Glenn

LEASE

Between

PORT OF ILWACO,
a municipal corporation of the State of Washington, as Lessor,

and

Joshua R. Cochran
an individual, as Lessee,

dated

January 1, 2020

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LEASE

THIS INDENTURE OF LEASE, dated the 19th day of November, 2020, by and between the **PORT OF ILWACO**, a municipal corporation of the State of Washington, hereinafter referred to as the "Lessor", and **JOSHUA R COCHRAN**, an individual, hereinafter collectively referred to as the "Lessee," in consideration of the mutual covenants herein contained,

WITNESSETH:

1. Description of Real Property Leased to Lessee. The Lessor does hereby lease to the Lessee and the Lessee does hereby lease from the Lessor certain real property situated in Pacific County, Washington, described as follows:

Lot 15, Block 2 of Plat of Ilwaco, according to plat recorded in Volume H of Plats, page 37 and 38, records of Pacific County, State of Washington.

Wherever in this Lease the term "Leased Premises" is used, it shall refer to the real property hereby leased by Lessor to Lessee, and the Lessee owned improvements and structures placed upon the said real property by Lessee and/or their predecessors-in-interest.

2. Purposes-Improvements. The Leased Premises are to be used for the purpose of a Retail Space/Art Gallery. This authorization is contingent upon satisfactory compliance with all federal, state and local laws and requirements. Compliance is the responsibility of the Lessee. Lessee shall use the Leased Premises only for the purposes stated above and shall not use them for any other purpose without the written consent of the Lessor. Lessee agrees to have a retail business operational and open for business beginning January 1, 2020. Lessee further agrees to be open for business 7 days per week, 8 hours per day during peak season (May to September) and 6 days per week, 5 hours per day during non-peak season (October to April). Lessee shall use the entire Leased Premises for the conduct of said business in a first-class manner during the entire term of this lease.

3. Term. The term of this Lease shall be for an initial twenty (20) year term, to commence on the 1st day of January, 2020, and end on the 31st day of December, 2039. Notwithstanding the foregoing, so long as this Lease remains free from Lessee default beyond any applicable cure period, Lessee shall have the option to extend the original term for three (3) successive renewal term(s) of ten (10) years each, on the terms and conditions contained herein. Other than as set forth herein, Lessee shall have no further option to extend this Lease. Exercise of each extension option shall be by written notice given to Lessor by Lessee at least ninety (90) days prior to expiration of the then-current portion of the term. Any extensions of this Lease must be in writing, signed by both parties.

4. Rental. (a) Base Rent: Lessee covenants and agrees to pay the Lessor as rental for said land the sum of \$122.50 per month plus leasehold tax of \$15.73 for a total monthly sum \$138.23 per month, commencing as of the 1st day of January, 2020, and continuing through the 31st day of December, 2020. The initial lease payment will be pro-rated to coincide with the closing date of the purchase. Thereafter the rental amounts to be paid during each subsequent year of this Lease shall be increased by the current percentage increase in the Consumer Price Index for all Urban Consumers, U.S. City Average, All Items, as published by the United States Department of Labor, Bureau of Labor Statistics. At no time shall the lease rate be reduced, unless by action of the Port Commission.

(b) Rent Adjustment: On each fifth annual anniversary of the Commencement Date of this Lease, the Base Rent will be increased to reflect any increase in the fair market value of the Premises disregarding the existence of this Lease and any Improvements on the Premises constructed by Tenant. If the parties cannot agree with respect to the rental rate within sixty (60) days prior to the commencement of the renewal period, then the amount of rent shall be fixed by arbitration in the manner set forth in paragraph 6.

(c) New rental rate: Rental amounts agreed upon or established by arbitration subsequent to commencement of a particular annual period shall relate back to the commencement of such period and be payable as of such commencement. During such time after commencement of such period, until the rental for the period is agreed upon or established by arbitration, Lessee shall pay the rental at the last rate in effect, and when such rent is agreed upon or established by arbitration for the current annual period, Lessor or Lessee, as the case may be, shall forthwith pay the difference between the former rental rate and the new rate and thenceforth the rental payments shall continue at the agreed or arbitrated rate for the balance of such annual period.

(d) Date due: All rental amounts shall be paid in advance on or before the tenth (10th) day of each month. Any rental amounts unpaid after the tenth (10th) day of each month shall be delinquent. If Lessee shall fail to pay rent by the fifteenth (15th) day of any month, said rent shall be in default.

5. Interest During Default. All monthly payments and any other charges under this Lease are due on the first day of each month, and if not paid within ten (10) days of that date, shall bear interest from the due date until paid, at the highest rate permissible under RCW §19.52.020 (the "Statute"), being the higher of 12% per annum or four (4) percentage points above the equivalent coupon issue yield (as published by the Board of Governors of the Federal Reserve System) of the average bill rate for twenty-six (26) week Treasury bills as determined at the first bill market auction conducted as further described in the Statute, or as said Statute may be amended from time to time; provided, however, that the minimum charge assessed against Lessee pursuant to this Section 5 shall be \$25.00 per month.

6. Dispute Resolution. If a dispute arises regarding the meaning of a term of the lease, the following method for resolving disputes shall apply: The matter shall be submitted

to a board of arbitrators, three (3) in number, one to be named by each party and the third to be selected by the two so named; the decision of any two of said arbitrators shall be final and conclusive upon the parties hereto.

7. Improvements to Demised Real Property - Plans. Lessee agrees that the improvement, construction, operation, alteration, maintenance or repair of any improvements now located upon said parcel or to be located thereon, will conform to the building and zoning codes of the State of Washington, Pacific County and City of Ilwaco, and any other applicable laws. Any construction or alterations other than ordinary maintenance and repair of the improvements and structures located or to be located upon said real property to be accomplished by the Lessee must receive the written approval of the Port Commission, prior to the commencement thereof, and Lessee agrees to submit detailed plans and specifications to Lessor for consideration in connection with such approval.

8. Ownership of Improvements Upon Termination or Expiration of Lease. Lessee is the owner of the buildings and structures located upon the demised real property. Lessee shall be responsible for all maintenance on any and all buildings located upon the Leased Premises during the term of this Lease and renewals thereof. Lessee agrees to perform reasonable maintenance in respect thereof at its sole expense. It is agreed between the parties that all Lessee improvements to the real property herein demised, placed thereon by the Lessee (or their predecessors-in-interest), heretofore or hereafter shall be and remain the property of the Lessee. The Lessee may remove any Lessee improvements prior to termination or expiration of this Lease. If the Lessee improvements are not removed prior to the termination or expiration hereof, such improvements shall on termination or expiration of this lease revert to and become the property of the Lessor. If Lessee removes any Lessee improvements prior to the termination or expiration of this Lease and any extension thereof, Lessee must remove all of its improvements unless the Lessor agrees otherwise, in writing. If, within 60 days after termination or expiration of the Lease and any extensions, Lessor makes written demand upon Lessee to remove all or a specified portion of said improvements, Lessee shall remove such improvements as are specified by Lessor to be removed, at its own expense, within 60 days of the receipt of such notice, and shall leave the remaining improvements which have not been specified by Lessor for removal, in good condition and repair. The remaining improvements, not specified for removal by Lessor, shall be and become the property of Lessor.

Lessee agrees to pay to Lessor double the lease rental of the land during such period after termination or expiration of the lease that said Lessee improvements which have been specified by Lessor for removal by Lessee, remain upon or at the demised real property from the date of such specification.

9. Acceptance of Premises-Maintenance. Lessee, having ascertained the physical condition of the real property from a careful and complete inspection thereof, accepts the real property in the present condition and "as is".

Lessee shall, at its own expense, maintain and keep the Leased Premises in good, neat and sanitary physical condition, and shall promptly make all repairs and do all acts and things necessary or incident thereto. At the expiration of the term of this Lease, or at its earlier termination, Lessee shall re-deliver possession of the said real property to the Lessor and Lessee covenants and agrees that at the time of the expiration or termination, the real property and any improvements and structures remaining upon the real property will be in good, neat and sanitary physical condition.

10. Parking. Lessee agrees that Lessee, its employees and customers will not park their vehicles on Lessor's property except as may be designated by Lessor. Lessee agrees that any residential parking will be on the Leased Premises only. Lessee agrees that neither it, nor its employees and customers who park in Lessor's designated parking areas will park any vehicle overnight without approval of the Lessor.

11. Illegal Uses Prohibited. The Lessee further agrees that the Leased Premises will not be put to any use which is contrary to the laws of the United States of America, State of Washington, Pacific County, City of Ilwaco or regulations of the Port of Ilwaco.

12. Leasehold Tax. The Lessee shall pay to the Lessor at its address at Ilwaco, Washington, the leasehold tax, if applicable, as set forth in RCW Chapter 82.29A, or as said Chapter may be amended. The tax shall be due and payable at the same time any payment required herein is due and payable. Any Leasehold taxes due shall be a debt to the Lessor under this Lease and in the event the Lessor is subject to any penalties or interest or charges of any kind because of the failure of the Lessee to pay such taxes, such penalties, interest and charges shall be payable by the Lessee to the Lessor and shall be considered a debt to the Lessor.

13. Other Taxes. In the event of any laws or changes in the laws or policies of any federal, state or local governmental body which require that Lessor must pay or collect any tax, fee license, or charge of any kind to such federal, state or local government body on account of Lessor's ownership or leasing of the property herein demised, Lessee agrees to pay any such tax, fee, license, or charge when due, to such federal, state or local governmental body, or Lessor, as the law requires. Lessee agrees to furnish all information necessary to Lessor as may be reasonably required to enable Lessor to comply with or be assured of Lessee's compliance with such laws.

14. Personal Property Taxes. Lessee shall pay all personal property taxes due Pacific County as a consequence of the ownership of the improvements and structures located upon the real property. The failure by Lessee to pay such taxes when due shall constitute a default under this Lease.

15. Liability Insurance. The Lessee further agrees that it will maintain at its sole expense liability insurance for any injuries or damages to Lessor or third parties arising out of all aspects of its operations in an amount not less than \$500,000.00 single limit per occurrence

and \$1,000,000.00 aggregate. Said liability insurance shall cover comprehensive/commercial general liability combined for bodily injury and property damage to include explosion, collapse, underground; contractual liability: personal injury liability; liquor liability (if alcohol sold or distributed); products/ completed operations. Lessee will provide Lessor with a certificate of insurance evidencing the coverage required by this paragraph and will immediately upon cancellation of any of the required coverage, provide the Lessor with the maximum period of written notice possible, but not less than thirty (30) days.

The Lessor shall be named as an additional insured on the above policies. Such inclusion as additional insured shall not create any premium liability for the Lessor.

The Lessor reserves the right to require Lessee, at any lease rent renewal date during the term of this lease, to increase the policy limits or to change the form of the insurance coverage required under this paragraph. Provided, however, that Lessor shall not require any increase or change in form that is unreasonable.

16. Hazard Insurance. Lessee further agrees that it will maintain at its sole expense "all risk" property insurance upon the Leased Premises in an amount not less than the replacement value of the Leased Premises. Lessee will provide Lessor with a certificate of insurance evidencing the coverage required by this paragraph and will immediately upon cancellation of any of the required coverage, provide the Lessor with the maximum period of written notice possible, but not less than thirty (30) days.

17. Environmental Standards. (a) Definitions.

(i) "Toxic or Hazardous Substances" means any hazardous, regulated or toxic substance as defined in all Environmental Laws as the same now exist or as may hereafter be amended or are enacted.

(ii) "Environmental Laws" means all federal, state and local laws, regulations, and ordinances relating to the environment, pollution control, regulation and/or control of Toxic or Hazardous Substances, and land use.

(b)(i) The Parties agree there has been no testing for Toxic or Hazardous Substances on the Leased Premises. Lessee acknowledges responsibility for any and all Toxic or Hazardous Substances which Lessee may from this time forth release or dispose of on or from the Leased Premises or which may have been heretofore released or disposed of on or from the Leased Premises by Lessee while in possession of the Leased Premises under any prior lease with Lessor.

(ii) Prior to termination of this Lease, Lessee shall remove all Toxic and Hazardous Substances from the Leased Premises for which it has responsibility under Paragraph 17(b)(i).

(c)(i) Lessee shall fully comply with all Environmental Laws in its use and operation of the Leased Premises. If Lessee is in violation of any such Environmental Laws it shall promptly take whatever action is necessary to mitigate and correct the violation.

(ii) Lessee shall immediately notify the Lessor of any release of any quantity of a Toxic or Hazardous Substance at or upon the Leased Premises or within the boat basin.

(iii) Lessee shall promptly notify the Lessor and provide copies of any correspondence that it receives from or provides to any federal, state, or local governmental body regarding any Environmental Laws.

(d) If the Lessee is violating any Environmental Law, is releasing toxic or hazardous substances, upon or from the Leased Premises, or is not acting in a prompt and prudent manner to fulfill its obligations under this paragraph, the Lessor reserves the right, but has no obligation, to come onto the Leased Premises, to act in place of the Lessee and to take such action as the Lessor deems necessary to ensure compliance or to correct, cure or mitigate the violation, release, or damage to the Leased Premises. All reasonable costs and expenses incurred by the Lessor in connection with such actions shall be payable by the Lessee upon demand by the Lessor.

(e) Lessor is not the operator of the Leased Premises.

(f) In executing this Lease, neither party waives any rights, or allocates or transfers any liabilities either party now has or in the future may have under any environmental law with respect to the Leased Premises, including, but not limited to, rights of contribution.

18. Liability for Injuries at the Leased Premises. Lessor, its employees and agents shall not be liable for any injury to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Lessee or by others as a result of any condition (including existing or future defects in the Leased Premises), or occurrence whatsoever related in any way to Leased Premises or related in any way to Lessee's use or occupancy of the Leased Premises, so long as such injury or damage is not proximately caused or contributed to by action of the Lessor, its employees or agents.

19. Entire Agreement. This Lease contains the entire agreement of the parties and no representations, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Neither this Lease nor any provision hereof may be changed, waived, discharged or terminated orally but only by instrument in writing executed by Lessor and Lessee.

20. Utilities and Services. After Lessee's installation of all utilities and services as may be required by Lessee, Lessee shall be liable for and shall pay for all utility services furnished to the Leased Premises, including but not limited to, electricity, water, sewer and garbage service, including any connection fees, and any fire protection, police protection, or

emergency health services as furnished by local authorities and as may be the subject of a contract between the Lessor and such local authorities or as imposed by ordinance or statute. The Lessee may, with approval of the Lessor, elect to pay collection costs at an appropriate rate and term as determined by the Lessor for the use of the Lessor's garbage containers for business refuse. No household garbage shall be allowed.

21. Waiver of Subrogation. The Lessor and the Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective insurance contracts, including any extended coverage endorsements thereto, provided, that this paragraph shall be inapplicable to the extent it would have the effect of invalidating the insurance coverage of the Lessor or Lessee.

22. Inspection. The Lessor or its authorized representatives reserves the right to inspect the Leased Premises at reasonable times and upon reasonable written notice to Lessee for the purpose of determining the uses being made of the Leased Premises and the condition thereof, provided that it shall not interfere unduly with Lessee's operations. However, Lessor shall have no duty to inspect the Leased Premises. The Lessor shall have the right to place and maintain "For Rent" signs in conspicuous places on the Leased Premises for a reasonable period of time prior to the expiration of this Lease.

23. Advances by Lessor for Lease. If Lessee shall fail to do anything required to be done by it under the terms of the Lease, except to pay rent, the Lessor may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Lessor, Lessee shall promptly pay the Lessor the amount of that cost. However, if the Lessor shall pay any monies on Lessee's behalf, Lessee shall repay such monies, together with interest thereon commencing on the date the Port paid such monies and shall be calculated at the rate set forth in paragraph 5.

24. Termination by the Lessor for Public Use. In the event the Lessor shall require the use of the Leased Premises for public use as contemplated by RCW 53.08.010 then this Lease may be terminated by the Lessor by written notice delivered or mailed by the Port to the Lessee twelve (12) months or more before the termination date specified in the notice, and damages to Lessee, if any, resulting therefrom shall be determined by agreement between the parties hereto, otherwise by arbitration as herein provided. Damages or other compensation shall be determined in accordance with RCW 53.08.010 and Title 8 as appropriate.

25. Non-Discrimination. The Lessee covenants and agrees that in the performance of this Lease Agreement, the Lessee shall conduct its activities in a manner that will assure fair, equal and non-discriminatory treatment of all persons regardless of race, creed, sex, marital status or ethnic origin. The Lessee shall comply with all applicable federal, state and local laws, rules or regulations concerning hiring and employment and assuring the service of all patrons, customers, members or invitees, without discrimination as to any person's race, creed, sex, marital status or ethnic origin.

26. Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to such persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

27. Waiver. The acceptance of rental by the Lessor for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Lessor shall so intend and shall so advise Lessee in writing. No waiver by the Lessor of any default hereunder by Lessee shall be construed to be or act as a waiver or any subsequent default by Tenant.

28. Premises to Be Clean. Lessee shall at all times keep the Leased Premises neat, clean, in a safe and sanitary condition and free from infestation of pests. Lessee shall not cause the Leased Premises nor any areas in the vicinity of the Leased Premises to accumulate garbage or other litter generated by the operation of Tenant's business. The Lessee shall be required to contract for garbage collection and shall not use Port dumpsters.

29. Liens, Insolvency, Etc.. The Lessee shall keep the Leased Premises (excluding improvements) free from any lien arising out of any work performed, materials furnished or obligations incurred by the Lessee. In the event the Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver or a liquidating officer be appointed for the business of the Lessee, then the Lessor may cancel this Lease at the Lessor's option.

30. Subletting or Assignment. The Lessee shall not, without the written consent of the Lessor, let or sublet the whole or any part thereof, nor assign this Lease.

This Lease shall not be assignable by operation of law.

Lessee shall be responsible to Lessor for any activities of any sublessee which, if conducted or performed by Lessee, would constitute a breach of the provisions of this Lease.

31. Notices. Any notice required to be served in accordance with the terms of this Lease or as required by laws shall be sent by mail, the notice from the Lessee to be sent to the Lessor at its office at the Port of Ilwaco, P.O. Box 307, Ilwaco, Washington 98624, and the notice from the Lessor to be sent to the Lessee at its address of 106 S Street, Converse, TX 78109.

32. Default. Time is of the essence of this Lease, and if any rents above reserved, security fees, or any part thereof, shall be and remain unpaid when the same shall become due, or if the Lessee shall violate or default in any of the covenants and agreements herein contained, or if the Lessee should fail to utilize the demised premises for the purposes set forth in paragraph 2 for two consecutive years (not necessarily calendar years), then the Lessor may

cancel this Lease upon giving notice required by law and if such defaults are not cured by the Lessee in the notice period, Lessor may re-enter the said Leased Premises, but notwithstanding such re-entry by the Lessor, the liability of the Lessee for the rent provided for herein shall not be extinguished for the balance of the term of this Lease, and the Lessee covenants and agrees to make good to the Lessor any deficiency arising from the re-entry and re-letting of the Leased Premises at a lesser rental than herein agreed to. The Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Lessor.

33. Lease Surety. Pursuant to RCW 53.08.085, the Lessee shall, upon execution of this Lease, file with the Port a good and sufficient surety, or such other form of security as is satisfactory to the Port Commission. The form and terms of such surety, or security, shall be subject to approval of the Port and shall guaranty the full performance by Lessee of all the terms and conditions of this Lease and the payment by Lessee of the rents and all other amounts herein provided for the full term hereof. The surety or security required is by a bond with surety satisfactory to the Lessor in a minimum amount equal to two years' rental payments, plus Washington State leasehold tax, based upon the rental then currently in effect. Said bond amount shall be adjusted whenever a new rental rate which is agreed upon or established by agreement or by arbitration. Said surety or security agreement shall not expire until ninety (90) days after expiration of this Lease. After the Lessee establishes good credit, and if the Lessee has paid its account in advance for a year, the Lessee may apply to the Lessor to waive the lease security requirements. These provisions as to lease surety, or security, are subject to revision and adjustment as may hereafter result from changes in state requirements or as established by the Port Commission.

34. Disposition of Personal Property. In the event of any entry in, or taking possession of, the Leased Premises as aforesaid, the Lessor shall have the right, but not the obligation, to remove from the Leased Premises all personal property located therein, and may store the same in any place selected by Lessor, including, but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, with fifteen (15) days' written notice to Lessee, after it has been stored for a period of thirty (30) days, or more, the proceeds of such sale to be applied to the costs of said sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof, and the balance, if any, to be paid to Lessee.

35. Signs - Advertisements. All signs or symbols posted or displayed on the Leased Premises by Lessee shall be subject to the prior approval of the Lessor or Lessor's agent.

36. Offensive Conditions. Lessee further agrees that it will not cause or permit offensive sights, sounds or odors to exist upon or at the Leased Premises.

37. Hold Harmless/Indemnification. Lessee hereby agrees to hold harmless and indemnify Lessor of and from any default or breach by Lessee of any provisions of this Lease and any injuries or damage to persons or property related in any way to the Leased Premises.

Nothing in this Paragraph shall be construed as indemnifying Lessor should liability result from the negligence of Lessor or its agents.

38. Tenant Waiver of Immunity. For purposes of the indemnity obligations of Tenant set forth in the foregoing Section 37, Tenant expressly waives any and all immunity as would otherwise be enjoyed under the Washington State Industrial Act, a/k/a. Worker's Compensation Law, RCW Title 51 (as now existing or as hereafter amended); and Tenant acknowledges that such waiver of immunity has been separately negotiated and mutually agreed upon by tenant and landlord, and is binding upon tenant, its successors and assigns.

39. Assignment. The covenants of this Lease shall be binding upon the legal heirs, successors and assigns of any or all of the parties hereto.

40. Expenses Due to Breach. If, by reason of any default on the part of any party in the performance of any of the provisions of this Lease, it becomes necessary for the non-defaulting party to incur any expense, or to employ an attorney, the defaulting party shall pay all costs, expenses (including collection agency charges) and attorneys' fees expended or incurred by the non-defaulting party in connection therewith.

41. Guarantors. The undersigned Guarantors hereby guarantee the performance of all the terms and provisions of the foregoing Lease by the Lessee therein named.

42. Payments for Legal Expenses - Lease Documents. Lessee agrees to pay any reasonable legal expenses incurred by Lessor in connection with the preparation or review of any Lease documents requested or required by Lessee or their bank or other financial institution.

DATED this _____ day of _____, 20__ .

LESSOR: **PORT OF ILWACO**, a municipal corporation

Chairman Butch Smith

Commissioner Steve Newell

Commissioner Mike Shirley

LESSEE: **JOSHUA R. COCHRAN**, an individual

Joshua R. Cochran

STATE OF WASHINGTON)
) ss.
County of Pacific)

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared **Butch Smith**, known to be the Chairman of the Port of Ilwaco, a Washington municipal corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument on behalf of the corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Signature

Printed Name

NOTARY PUBLIC in and for the State of
Washington residing at _____

STATE OF WASHINGTON)
) ss.
County of Pacific)

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared **Steve Newell**, known to be the Commissioner of the Port of Ilwaco, a Washington municipal corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument on behalf of the corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Signature

Printed Name

NOTARY PUBLIC in and for the State of
Washington residing at _____

STATE OF WASHINGTON)
) ss.
County of Pacific)

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared **Mike Shirley**, known to be the Commissioner of the Port of Ilwaco, a Washington municipal corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument on behalf of the corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Signature

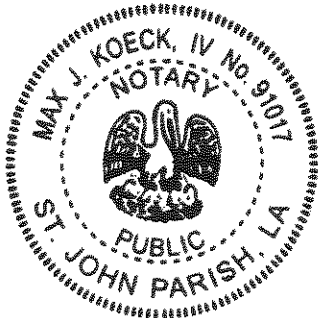
Printed Name

NOTARY PUBLIC in and for the State of
Washington residing at _____

STATE OF LOUISIANA)
Parish) ss.
County of JEFFERSON)

I certify that I know or have satisfactory evidence that JOHNS R. COCHRAN (is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 17th day of November, 2017.



[Signature]
Notary Public in and for the State of
Louisiana residing at Metairie,
LA. My commission expires on
20 19 FOR LIFE

MAX J. KOECK, IV
Notary Public # 91017
Louisiana Bar Roll #33221
3500 N. Causeway Blvd., Suite 1070
Metairie, Louisiana 70002
Telephone (504) 581-2000
My commission expires at death