

RESOLUTION NO. 25-84

LEASE AGREEMENT

By this lease, by and between the County of Mason, acting by and through the Board of County Commissioners, hereinafter called the COUNTY, and Kenneth M. Neyens and Phyllis H. Neyens, 9's Fair Harbor Marina called the LESSEE, the County leases to the lessee the following described tidelands in Mason County, Washington on the terms and conditions stated herein, to-wit:

Tidelands in Mason County, Washington situated in front of and adjoining the following described property:

Commencing at the Northwest Corner of Government Lot (3), Section 5, Township 21, North, Range 1 West M.M., thence East along North line of Government Lot (3), 990 feet to point of beginning, thence South 300 feet; thence East to Meander line; thence Northerly along Meander line to a point East of the point of Beginning; thence West the point of beginning. (Known as Tax 167 Ex)

SECTION 1 - OCCUPANCY

TERM This lease shall commence on the 7th day of May, 1984, and continue to the 7th day of May, 1994.

RENEWAL The Lessee shall have the right to the extent provided by law, to apply for a re-lease of the site.

SECTION 2 - USE OF THE SITE

PERMITTED USE The site shall only be used for the purpose of operating a Marina.

SECTION 3 - RENTAL

AMOUNT The Lessee shall pay to the County at the Treasurer's Office, Shelton, Washington, annually in advance the amount of \$600 per year.

SECTION 4 - RESERVATIONS

COMPLIANCE The County shall have access to the site at all reasonable times for the purpose of securing compliance with the terms and conditions of this lease.

RESTRICTIONS ON USE In connection with use of the site the Lessee shall:

- (1) Take all reasonable precautions to protect the land and improvements on the leased site.
- (2) Not allow debris or refuse to accumulate on the leased site.

SECTION 5 - REQUIREMENTS

ASSIGNMENT AND SUB-LEASE This lease or any portion thereof may not be assigned nor may the lands held hereunder be sublet without the written consent of the County.

DUTY The Lessee, at his sole cost and expense, shall at all times keep or cause all improvements installed pursuant to this lease (regardless of ownership) to be kept in as good condition and repair as originally constructed or as hereafter put, except for reasonable wear and tear. The County, shall have the legal right to

inspect the premises and improvements thereon. The Lessee shall carry a sufficient amount of fire and casualty insurance to cover the replacement cost of any or all improvements that may be damaged by fire or other casualty. In the event of fire or casualty damage to any or all of the improvements, the paid insurance benefits shall be used to immediately replace said improvements in a manner subject to reasonable approval by the County.

CONDITION OF SITE AND LIABILITY The site has been inspected by the Lessee and is accepted in its present condition. Lessee agrees to defend and hold the County harmless from any and all claims suffered or alleged to be suffered on the site or arising out of operation on the site.

ASSESSMENTS The lessee shall pay the annual payments on all assessments and taxes that are charged now or may be charged in the future to the land or the improvements thereon.

DEFAULT If any rent shall be and remain unpaid when the same shall become due, or if Lessee shall violate or default in any of the covenants and agreements herein contained, then the County may cancel this lease, provided the Lessee has been notified of the rental due, the violation or the default, 60 days prior to said cancellation.

INSOLVENCY OF LESSEE If the Lessee becomes insolvent or bankrupt, or if a receiver is appointed, the County may cancel, at its option, the lease unless the lease has been used as collateral with the County's consent.

SECTION 6 - MISCELLANEOUS

NOT PARTNERSHIP The County is not a partner nor a joint venturer with the Lessee in connection with business carried on under this lease and shall have no obligation with the respect to the Lessee's debts or other liabilities.

WARRANTY The County warrants that it is the owner of the leased site and has the right to lease it free of all encumbrances except those set out under the description of the leased premises.

NON-WAIVER Waiver by either party of strict performance of any provisions of this lease shall not be a waiver of nor prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

ATTORNEY FEES If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover costs including such sum as the Court may adjudge reasonable as attorney fees.

NOTICES Any notice required or permitted under this lease shall be given when actually deposited in the United States mail as certified mail addressed as follows: to the County: P.O. Box 400, Shelton, WA 98584 to the Lessee: At the address given by the Lessee in the signature block or as specified in writing by the Lessee.

COUNTY'S RIGHT TO CURE DEFAULTS If the Lessee is in default by failure to perform any covenant(s) of this lease, the County shall have the option to correct the default or cancel the lease after sixty (60) days' written notice to the Lessee. All of the County's expenditure to correct the default shall be reimbursed by the Lessee on demand with interest at the rate of 8% per annum from the date of expenditure by the State. The written notice shall have no effect if the Lessee cures the default specified in the notice during the 60 day period.

LEASE RECORDING Within 30 days after receipt of this lease, a notification of leasing is to be recorded by the Lessee with the Mason County Auditor's office located in Shelton, Washington.

SECTION 7 - OPERATION OF SITE

PLAN OR DEVELOPMENT Prior to the construction of any facilities or improvements on or to the site, the Lessee must submit to the County, for its written approval, a general plan of development. Such approval by the State will not be unreasonably withheld.

OPERATIONAL USES AND RESPONSIBILITIES In conjunction with the operation of the site, all construction, improvements, operations, repair, etc., made or performed under the lease shall be at the sole cost of the Lessee. The Lessee shall furnish all utilities and shall obtain all Federal, State and Local permits and licenses necessary to perform the terms, conditions and covenants of this lease.

SECTION 8 - IMPROVEMENTS

UNAUTHORIZED IMPROVEMENTS All improvements made on or to the site without the written consent of the County shall immediately become the property of the County.

OWNERSHIP OF IMPROVEMENTS All buildings and improvements, excluding removable personal property and trade fixtures, on the leased site will remain on said site after termination or expiration of this lease if this lease is not renewed, shall thereupon become the property of the County.

The Lessee expressly agrees to all covenants herein and binds himself for the payment of the rental herein before specified.

DATED this 27th day of February, 1984.

LESSEE:

9's FAIR HARBOR MARINA

Kenneth Neyens
Kenneth Neyens

Date Signed 2-27-84

Address _____

LESSOR:

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

William O. Hunter
Chairman

Ed Johnston
Commissioner

Anneth L. McGee
Commissioner

Approved as to form: John B. ... DPA