



## STAFF REPORT

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**COMMISSION MEETING DATE:** 5/7/25

**ITEM TITLE:** Port Rail Leases and Rate Structure

**DEPARTMENT:** Business Development

**SUBMITTED BY:** Derek Jaeger, Director of Business Development | Jessica Warta, Lease Administrator

**STAFF RECOMMENDATION:** Workshop Item

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**SUMMARY:** The Port is in the process of evaluating rail leases and rate structure to better cover capital and operational expenditures for the rail line in the industrial park. The presentation will outline: 10-year revenue and expenditures, current rail leases, and discuss short-term lease with Kiva and ADS while we evaluate overall restructuring of agreements over the next 6 months.

Commission Consideration: should rail license agreements cover 100% expenses, generate positive cash flow, or be an asset the Port maintains as infrastructure with offsetting revenue like the docks for the marina or runway for the airport tenants.

**BUDGET IMPACT:** The revised rail lease and rate structure is expected to positively impact Port overall budget by generating additional revenue to better support both capital and operational expenditures. Further evaluation is needed in the next 6 months to specify impact.

**STRATEGIC PLAN or OTHER PLANS:** Increases revenue and financial sustainability of the Port.

**SUSTAINABILITY IMPLICATIONS:** N/A

**DIVERSITY, EQUITY & INCLUSION IMPLICATIONS:** N/A

**PRELIMINARY AGENDA FOR REGULAR MEETING**

**May 7, 2025**

**I. WORKSHOP**

**11:30 AM**

Discussion of Port Rail Leases

**II. OPEN SESSION**

**12:00 PM**

Pledge of Allegiance

**PUBLIC COMMENT: ITEMS ON THE AGENDA**

Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit comments in writing to the Chief Executive Officer.

**City of Camas/City of Washougal Updates**

**CONSENT ITEMS**

All matters listed under Consent Items have been distributed to each member of the Commission for review, are considered routine, and will be enacted by the motion of the Commission with no separate discussion. If a separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

**A.** Approval of Minutes of the Regular Meeting on April 16, 2025.

**B.** Approval of Checks

**NEW BUSINESS/DISCUSSION ITEMS**

**C.** Contract Award: 2025 Slurry Seal Projects - Environmental Project Manager Jennifer Taylor & Contract Manager Nichole Chambers

**D.** Lease: Building 12, Bays 3 & 4: Corrosion Company- Director of Business & Real Estate Derek Jaeger

**PUBLIC COMMENT**

Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit comments in writing to the Chief Executive Officer.

**ACTION ITEMS**

**E.** Contract Award: 2025 Slurry Seal Projects

**STAFF REPORTS & COMMENTS**

**COMMISSIONER REPORTS & DISCUSSION**

**ADJOURN**

**Regular business and meetings that may be attended by members of the Commission:**

<b><u>Date</u></b>	<b><u>Meeting</u></b>
<b>May 9, 2025</b>	2025 Legislative Review
<b>May 14-16, 2025</b>	WPPA Spring Conference

(\*Denotes events in which two (2) or more Commissioners may attend)

Join the meeting on the Conference Call Line: (253) 215-8782

Meeting ID: 829 0393 6339

Passcode: 154722 or via this video link:

<https://us06web.zoom.us/j/82903936339?pwd=U01pdWY1V0tES3dMZWFkNjJNbUNVZz09#success>

**MINUTES OF THE REGULAR COMMISSION MEETING  
PORT OF CAMAS-WASHOUGAL  
April 16, 2025**

By: Mackenzey Thomason, Administrative Assistant

An Executive Session was held prior to the Regular Meeting at 11:30 am to discuss one matter related to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price & one matter related to legal risks of a proposed action that the agency has identified when public discussion of the legal risks is likely to result in an adverse legal or financial consequence to the agency. The Executive Session was expected to last 20 minutes and ended at 11:50 am. No decisions were made in the Executive Session; however, action may be taken afterward in the open, public session, as a result of the Executive Session discussion.

A Regular Meeting of the Commissioners of the Port of Camas-Washougal was held in person and virtually on Wednesday, April 16, 2025, at 12 p.m. The Regular Meeting was suspended and began at 12:24 p.m. due to technical difficulties.

PRESENT: Commissioner Cassi Marshall, Commissioner Larry Keister, Commissioner John Spencer, Chief Executive Officer Trang Lam, Director of Business & Real Estate Derek Jaeger, Director of Finance Krista Cagle, Director of Facilities Eric Plantenberg, HR Manager Jen West, Attorney Carolyn Lake, Administrative Assistant Mackenzey Thomason, and members of the press and public. The public has access through a designated Zoom conference call line or video link.

Following the Pledge of Allegiance, Commissioner Marshall called to open the Regular Session public meeting to order. The meeting is being recorded, and the chat function has been disabled.

**PUBLIC COMMENT #1 (Items on the Agenda):**

No comments.

**CONSENT ITEMS**

**Minutes & Checks**

The minutes from the Regular Meeting on April 2, 2025, the Lease Termination Building 20-Paradigm Outdoors (Grit Overland), Lease Building 20-Bay 4 Fresh Perspective, electronic payments, and the issuance of general fund checks 10155-10189 totaling \$498,559.47 were presented for approval. After a brief discussion, Commissioner Spencer made a motion, seconded by Commissioner Keister, and the consent items were carried unanimously.

**NEW BUSINESS/DISCUSSION ITEMS**

**2026-2030 Strategic Plan Update- CEO Trang Lam:**

Lam explained the Port has been working on the Strategic Plan since the beginning of the year. Lam explained that there has been extensive public engagement between outreach with staff, Commissioners, partners, and the community. Lam stated this presentation is an overview of the

engagement feedback and draft strategic plan goals and strategies. Lam also mentioned it is the Port's 90<sup>th</sup> anniversary this year, on October 7th, but the Port will be celebrated throughout the summer.

**Abbi Russell of Maul Foster & Alongi, Inc; Jim Darling, Leewards Strategies; and CEO Trang Lam presented the findings of the engagement and draft goals and strategies:**

**Please see attached presentation slides for more detail.** The presentation included the following:

- How has the Port gathered input for its Strategic Plan update?
  - o What did we learn from document reviews?
  - o What did we learn from the staff workshops & comment box?
  - o What did we learn from the inter-port interview?
  - o What did we learn from external stakeholders and focus groups?
  - o What did we learn from community survey?
  - o What did we learn from Commissioners about strengths and weaknesses?
  - o What did we learn from Commissioners about opportunities and threats?
  - o What did we learn from Commissioners and senior staff interviews (internal)?
- What is strategic planning?
- Three Goal Areas
  - o Culture & Community – Draft Goals and Strategies
  - o Organizational Resilience – Draft Goals and Strategies
  - o Economic Development - Draft Goals and Strategies
- Project Timeline
- Project Open House – April 30

**2024 Close Year Presentation- Director of Finance Krista Cagle:**

Cagle explained that her presentation is live on the Port's website under the Finance tab. Cagle explained that the 2024 end-of-the-year cash reserves totaled \$6,285,642. Cagle explained the Port's cash reserves increased by \$1,595,253. Cagle stated the Port's net income was \$544,362. Cagle explained that the total 2024 revenue was \$12,318,629. Cagle stated the total grant revenue was \$3,155,898. Cagle explained that if your home was assessed at \$500,000, then you would pay the Port a total of \$114.20 per year or a total of \$9.52 a month.

**Grove Field:**

Cagle explained that the total net income for the Airport was \$149,792. Most of this revenue came from the Port's hangar and tie-down leases. Cagle stated the expenditures were mainly related to payroll and insurance. Cagle stated the airport stayed 100% occupied, and an existing tie-down was paved.

**Parkers Landing Marina:**

Cagle stated the marina's net income was \$379,063. Cagle explained that the revenue is made up of the moorage and wave runner leases. Expenditures were made up of payroll and insurance. Cagle explained the average occupancy was 100%, however, 2024 ended with five vacant slips.

**Parks and Trails:**

Cagle explained that the park reservations increased, the Marina Park overlook was replaced, and the Washougal Waterfront Park sidewalk was replaced.

**Industrial Park:**

Cagle stated the industrial park's net income was \$1.8 million. Cagle explained that this amount came from the building and land leases.

**RKm Development, Inc. Ground Lease- CEO Trang Lam:**

Lam stated the Hyas Point project has made progress. Lam stated RKm has two agreements with the Port. Lam stated that one of the agreements is a Master Lease, which is for the entire property, and the other is the Ground Lease for phase one. Lam explained RKm has approached the Port requesting amendments to the Master Lease Agreement and Ground Lease related to timing for various milestones. Lam explained that it is proposed that both parties agree to pause both leases for 60 days to allow the parties to discuss and potentially reach an agreement on the proposed amendments with the following conditions - Commission approval (as is sought today); the 60-day term does not impair any existing remedies provided to the parties in the Leases; and RKm posting with the Port a performance bond or other security acceptable to the Port which provides adequate assurance of the ability to complete Phase I. Approval will be requested during action items.

**PUBLIC COMMENT #2:**

No comments.

**ACTION ITEMS:**

**RKm Development, Inc. Ground Lease**

Commissioner Marshall requested formal approval of the pause for negotiations requested by RKm by authorizing the CEO to execute the “Temporary & Conditional Forbearance” agreements for the RKm Master Lease Agreement and the RKm Ground Lease, subject to the conditions as presented by the CEO.

Upon motion by Commissioner Keister, seconded by Commissioner Spencer, and carried unanimously, the RKm Development Inc. Ground Lease effective April 16, 2025.

**STAFF REPORTS & COMMENTS**

**CEO Trang Lam:**

Lam stated she had met with someone from the NW Natural team regarding thermal energy. Lam stated that their team focuses on alternative energy sources. Lam stated that she discussed whether the Port could partner with them. Lam stated she had been attending the City of Washougal’s Comprehensive Planning meetings. Lam stated they are speaking about land use alternatives, which has been approved by their Planning Commission and City Council. Lam also stated she is attending the Washougal Climate subcommittee meetings. Lam stated she feels good about the progress on the legislation surrounding the commissioner's terms expanding from 4-6 years. Lam explained it is currently in the 2<sup>nd</sup> reading in the House.

**Director of Finance Krista Cagle:**

Cagle stated the Port’s audit is going well. Cagle stated she and Project Manager Taylor had a meeting set up with Josh, who is the supervisor, on Monday. Cagle stated they will speak about the change orders related to the Waterfront Soils Project.

**Director of Business & Real Estate Derek Jaeger:**

Jaeger stated he has a tour of the Ferguson building scheduled. Jaeger stated that we are looking at invest money in the building, such as the roof. Jaeger explained the Port had a lease with Ferguson, and they bring great revenue to the Port. Jaeger stated that he hasn’t toured the building, and this tour would provide an opportunity to meet the new managers of the business to build the

relationship. Jaeger plans to schedule additional tenant visits for he and the CEO to continue building relationships, and he encourages the commission to join him as he tours more buildings in the industrial park.

**Director of Facilities Eric Plantenberg:**

Plantenberg stated Plastic Forming Services moved out last month. Plantenberg stated his team did great work prepping the building for the new tenant. Plantenberg stated Generator Guy has officially moved in. Plantenberg stated his team will pave an existing tie-down at the airport soon.

**HR Manager Jen West:**

West stated she had a meeting yesterday to review applicants for the open Grounds Maintenance position. West stated there were over 200 applicants, and there were more in-person applicants than the Port has seen in a long time. West stated she has narrowed the pool down to 18 applicants that the Port will bring in for an interview. West stated she will start to schedule interviews today and tomorrow.

**COMMISSIONER REPORTS & DISCUSSION**

**Commissioner Keister:**

Keister mentioned the Port of Vancouver had made a great video explaining what their Port does. Keister stated he will be attending the Gateway to Success meeting tomorrow, and they will speak about economic uncertainty. Keister stated that tomorrow morning he will attend the CREDC Executive Session. Keister stated that Russell and he had been reaching out to the Port of Ridgefield, offering help with their waterfront project.

**Commissioner Spencer:**

Spencer stated he had attended the open house for the RFA that the City of Washougal put on in the Port Offices. Spencer stated they did a great job presenting the information.

**Commissioner Marshall:**

Marshall stated the City of Camas hired a Parks Director. Marshall stated that the Legacy lands planning is happening again. Marshall stated she used to be on that committee.

The meeting was adjourned at 2:19 pm.

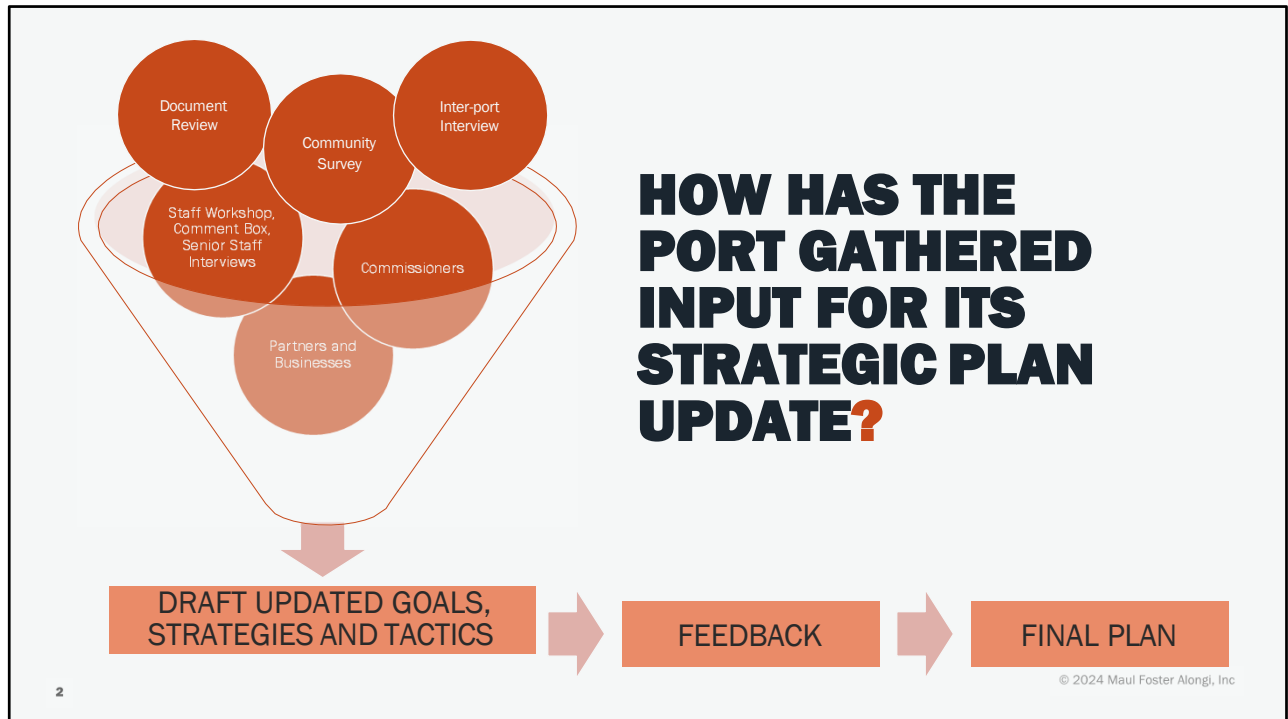
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## WHAT DID WE LEARN FROM THE DOCUMENT REVIEW?

- Generally good policies in place, however, would recommend a review using the WPPA 'Policy and Practice Checklist' (Chmelik).
- Should the existing 5-year projected maintenance need policy be revisited? Is it long enough?
- Recommend revisiting the policies regarding:
  - Fees and rates
  - Use of property taxes



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## WHAT DID WE LEARN FROM THE STAFF WORKSHOPS & COMMENT BOX?

- Dedicated employees and leaders who take pride in the Port and their work.
- Continue supporting staff development through collaboration, communication, tools.
- Improve internal and external communication, transparency, and proactive planning.
- Opportunities exist in job growth, tourism, and asset maintenance and modernization.
- Threats include limited expansion space (facilities and land) and economic uncertainty.
- Focus on aging infrastructure, environmental sustainability, managing public misinformation.



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## WHAT DID WE LEARN FROM THE INTER-PORT INTERVIEW?

- The single biggest challenge is rising construction costs and increased regulations (i.e., stormwater regs)
- Tax use is generally restricted to capital projects but not codified and is considered during budget deliberations
- Commission-staff relationship is good; have an unwritten rule that if a Commissioner approaches senior staff, senior staff is obligated to let ED know and confer on a response if appropriate
- Only use key performance indicators (KPIs) when the analysis is relevant during a project consideration
- Include the strategic objective in every Commission action request
- Communications relies heavily on social media



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## WHAT DID WE LEARN FROM EXTERNAL STAKEHOLDERS & FOCUS GROUPS?

- The Port is a trusted and valued partner, professional and effective.
- Desire to better work together with the Port for local and regional benefit.
- Lack of awareness about the Port's activities among the community.
- Unique strength in its ability to acquire and develop land.
- More tourism/regional attraction opportunities through ongoing economic development along the waterfront and more commercial uses at the marina.
- Growth is viewed as an opportunity to increase tax revenue and take on new capital projects.
- Connector and relationship builder between Camas and Washougal. Strong emphasis on leveraging partnerships for economic development.
- Desired connections are physical, too – assets, properties, etc.



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## WHAT DID WE LEARN FROM EXTERNAL STAKEHOLDERS & FOCUS GROUPS?

- The Port should play a role in the GP property; its re-development would be a boon for the local area and region.
- There are opportunities to improve the existing Grove Field facilities, better use the airport as an asset, and use it as a connector to other, similar regional airports.
- Desire for more customer focus, with a “how do we figure this out” approach.
- Focus on holistic growth management when considering evolution of the airport and marina.
- The Port should partner with schools to support the local and regional job pipeline.
- The Port’s location, assets, and natural surroundings support an identity as the “Gateway to the Gorge.”
- Have an active role in comprehensive planning with Clark County, cities of Camas and Washougal.



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## WHAT DID WE LEARN FROM THE COMMUNITY SURVEY?

- Maintain and upgrade airport, marina, and industrial park—focus on outdated buildings, parking, and worn facilities.
- Key needs at Grove Field include developing an airport layout plan to help improve the overall facility.
- Focus on underutilized waterfront and marina properties for commercial, residential, and recreational use.
- At Grove Field, expand hangar space, enhance runways, and add amenities and events.
- Improve transparency and responsiveness about Port activities and potential disruptions.
- Expand events and recreational activities overall to better serve community, attract visitors.
- Focus on environmental cleanup and sustainability around climate change, though opinions vary on priorities.
- Promote growth through development and partnerships that align with local objectives.
- Consider cost-saving measures and tax reductions to support affordability for local users and tenants.

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## WHAT DID WE LEARN FROM COMMISSIONERS ABOUT STRENGTHS & WEAKNESSES?

### Strengths

- Staff are a major asset to the Port and community
- The Port has had a unique history of good public and private partnerships.
- Social and political capital is strong (communications can always be improved)
- Solid relationship between staff and Commission
- Financial health is good, although the Port has additional financial demands

### Weaknesses

- Need additional staff and increased technology tools
- Need plans for Grove Field

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## WHAT DID WE LEARN FROM COMMISSIONERS ABOUT OPPORTUNITIES & THREATS?

### Opportunities

- Georgia Pacific property
- Regional property development
- Public sector leadership in economic development
- Use of Grove Field for regional emergency response

### Threats

- Increasing costs – labor and materials for new building construction
- Increasing regulations
- Shortage of developable lands
- Future of federal government
- Possible recession – interest rates
- Climate change
- Use of Grove Field for regional emergency response



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## WHAT DID WE LEARN FROM COMMISSION & SENIOR STAFF INTERVIEWS (INTERNAL)?

- Port's Identity and Mission – Articulate and seek internal alignment on the Port's self-identify and role through refreshing the mission statement, as well as institute approaches to institutionalize the refreshed mission and Strategic Plan in day-to-day decisions
- Conduct a Funding Capacity Analysis – Assess the Port's mid- and long-term financial capacity to undertake new challenges and opportunities with new and expanded funding sources including an IDD, borrowings, grants, etc.
- Capital and Asset Maintenance Projection – Complete a 20-year asset maintenance financial forecast for significant Port facilities and institutionalize a formulaic determination of required asset maintenance costs as part of the deliberations on new investments



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## WHAT DID WE LEARN FROM COMMISSION & SENIOR STAFF INTERVIEWS (INTERNAL)?

- Jobs Audit and Organizational Structure– Undertake a jobs audit to evaluate the current staff workload and opportunities to balance the workload. Explore the pros and cons of migrating to a “line of business” organizational structure vs the current “functional roles” structure.
- Port Offices – Develop a business plan for expanding the Port's administrative offices following the jobs audit and, in doing so, consider opportunities to use leased space to provide the resources to support the Port's internal office needs.
- Asset Management – Refresh the Port's policy on selling vs leasing properties as part of the Funding Capacity Analysis.



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## WHAT DID WE LEARN FROM COMMISSION & SENIOR STAFF INTERVIEWS (EXTERNAL)?

- GP property - Develop the Port's role in the future of the Georgia Pacific property
- Grove Field – Complete an Airport Layout Plan as a non-jet airfield with IFR and acceptance of FAA funding
- Steigerwald Industrial Park – Complete the Steigerwald Industrial Park Plan to include property expansion
- Marina Expansion Plan - Explore the options to expand the moorage capacity through expanded marina facilities



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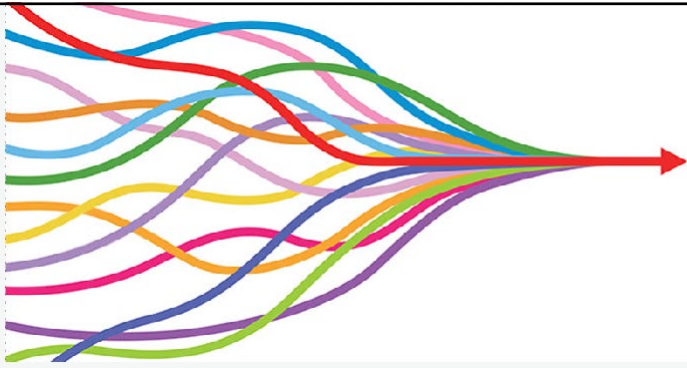
## WHAT DID WE LEARN FROM COMMISSION & SENIOR STAFF INTERVIEWS (EXTERNAL)?

- Economic Development - Develop a focused and well-planned role for the Port in regional programmatic economic development
- Marina and Airport Advisory Committees - Consider establishing marina and airport committees to help guide the operation and management of these assets
- Marina and Airport Fees - Undertake a fees analysis to explore a formulaic approach to establishing user rates




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## WHAT IS STRATEGIC PLANNING?

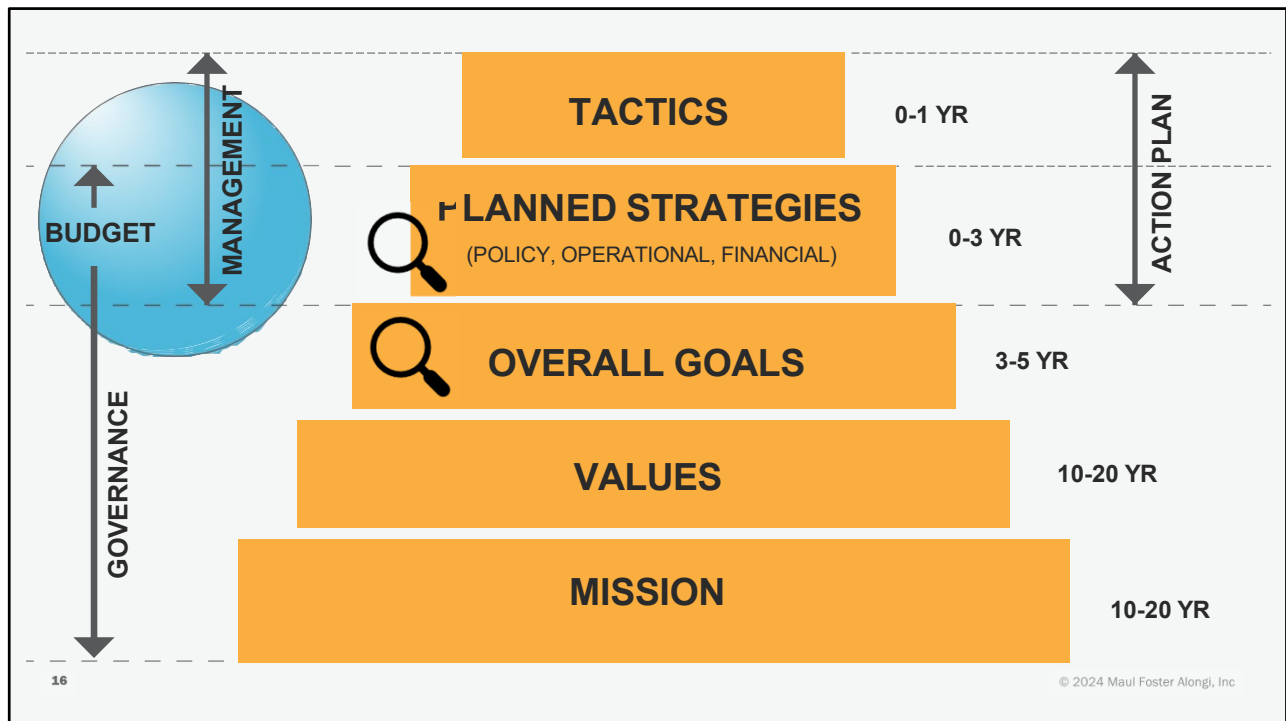
Developing alignment on multi-year priorities and effectively embracing them to link the present to the future.

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## GOALS ARE ORGANIZED INTO GOAL AREAS.



### CULTURE AND COMMUNITY

Fostering and leveraging an inclusive, vibrant environment where shared knowledge, diverse perspectives, and common values empower collective growth and success.



### ORGANIZATIONAL RESILIENCE

Building and maintaining the ability to effectively navigate opportunities and disruptions, adapt to change, and sustain long-term success through proactive planning and continuous improvement.



### ECONOMIC DEVELOPMENT

Cultivating a dynamic, inclusive, and resilient local economy that promotes sustainable growth, fuels innovation and enhances quality of life in our communities.



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## CULTURE AND COMMUNITY DRAFT GOALS.

**Draft Goal CC1: Foster strong community connectivity in Camas and Washougal.**

*Draft Strategy CC1-A: Expand public access opportunities on the waterfront, including recreation and special events.*

*Draft Strategy CC1-B: Actively engage partners and our community through collaboration and coordination on shared initiatives and community and human development opportunities.*



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## CULTURE AND COMMUNITY DRAFT GOALS.

Draft Goal CC2: Deliver strategic communication and engagement that clearly conveys the Port's mission, vision and role.

*Draft Strategy CC2-A: Develop and implement a cohesive communication framework that aligns with the Port's goals and ensures consistency across all outreach and engagement efforts.*

*Draft Strategy CC2-B: Foster greater understanding of and support for the Port and its activities through proactive outreach and clear, unified communication efforts.*



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## CULTURE AND COMMUNITY DRAFT GOALS.

Draft Goal CC3: Continue developing the Port as a competitive, world-class organization with a resilient and transparent culture.

*Draft Strategy CC3-A: Reassert the Port's self-identity (mission) and embed it in day-to-day decision-making.*

*Draft Strategy CC3-B: Strengthen organizational capacity by conducting a job audit to align roles with skills, enhancing training, fostering a culture of feedback and accountability, and promoting inclusivity.*



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## ORGANIZATIONAL RESILIENCE DRAFT GOALS.

Draft Goal OR1: Develop long-term business and resiliency plans for the marina line of business.

Draft Strategy OR1-A: Assemble a Marina Advisory Committee consisting of marina moorage stakeholders and define its specific purpose.

Draft Strategy OR1-B: Explore industry approaches to establishing fees and rates for marinas and, if appropriate, work with the Marina Advisory Committee to establish an approach to re-setting fees and rates.

Draft Strategy OR1-C: Perform a marina-capacity options and demand study.

Draft Strategy OR1-D: Complete a plan and business development strategy for supporting commercial marine uses.



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## ORGANIZATIONAL RESILIENCE DRAFT GOALS.

Draft Goal OR2: Finalize a long-term approach to the development and operational future of Grove Field.

Draft Strategy OR2-A: Assemble an Airport Advisory Committee consisting of airport stakeholders and define its specific purpose.

Draft Strategy OR2-B: Explore industry approaches to establishing fees and rates for Grove Field and, if appropriate, work with the Airport Advisory Committee to establish an approach to re-setting fees and rates.

Draft Strategy OR2-C: Complete a Grove Field airport layout plan and draft business development strategy.



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## ORGANIZATIONAL RESILIENCE DRAFT GOALS.

Draft Goal OR3: Expand and stabilize the Port's real estate portfolio.

Draft Strategy OR3-A: Complete the Steigerwald Industrial Park Plan.

Draft Strategy OR3-B: Following the job audit, develop a business plan for an expanded or new office facility for the Port that uses lease revenues to offset the costs of construction and operation.

Draft Strategy OR3-C: Develop a draft land-acquisition strategy to build and diversify the Port's real estate portfolio.



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## ORGANIZATIONAL RESILIENCE DRAFT GOALS.

Draft Goal OR3: Expand and stabilize the Port's real estate portfolio.

Draft Strategy OR3-D: Create a 20-year maintenance forecast to protect the integrity of the Port's physical assets.

Draft Strategy OR3-E: Undertake a funding capacity analysis to explore project funding options, including a review of the Port's sell vs. lease policy for fixed real estate assets.



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## ORGANIZATIONAL RESILIENCE DRAFT GOALS.

Draft Goal OR4: Evaluate the Port's operational effectiveness and community impact.

Draft Strategy OR4-A: In FY 2026 perform a policy and practice checkup against the Washington Public Ports Association checklist, including a review of the Port's property tax use policy.

Draft Strategy OR4-B: Following the adoption of the strategic plan in 2025, undertake an organizational structure review to determine if structural changes need to be made in consideration of the FY 2026 budget.



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## ORGANIZATIONAL RESILIENCE DRAFT GOALS.

Draft Goal OR5: Integrate environmental and social responsibility into decision-making to enhance the Port's adaptability and competitiveness.

Draft Strategy OR5-A: Recognize natural resources as valuable community assets and manage properties to enhance environmental sustainability and economic vitality for the Port and our communities.

Draft Strategy OR5-B: Enhance the resilience of Port properties by proactively evaluating and addressing potential climate change impacts.

Draft Strategy OR5-C: Fully integrate our decarbonization plan across Port planning activities, assets, and operations.



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## ECONOMIC DEVELOPMENT DRAFT GOALS.

Draft Goal ED1: Define and promote the Port's role in regional economic development.

Draft Strategy ED1-A: By Q4 2026, in consultation with partner agencies, the Port will define, develop, and adopt a strategic, measurable, and community-aligned role in delivering local and regional economic development programs.

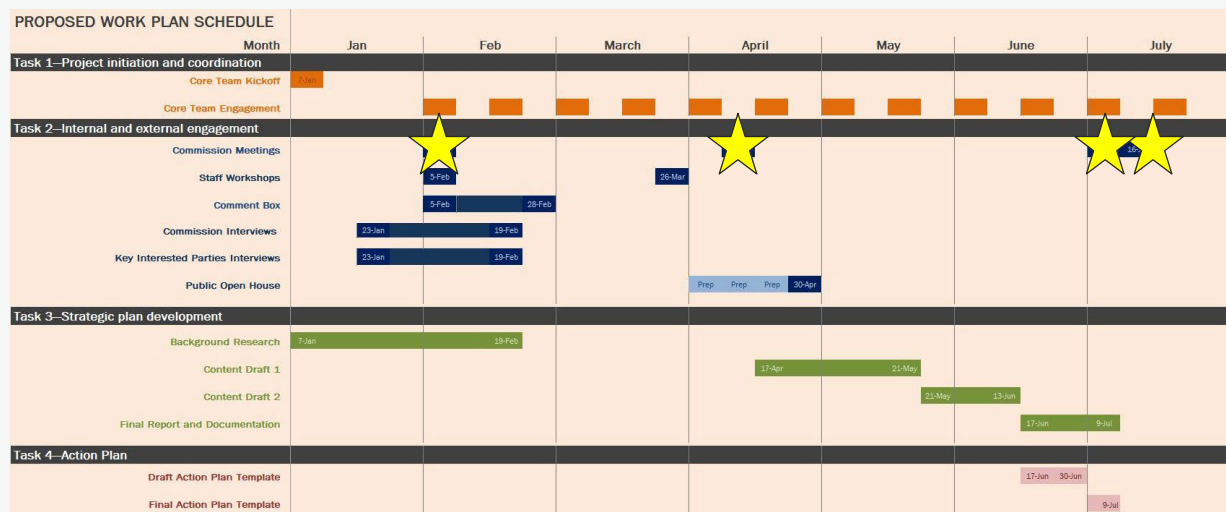
Draft Strategy ED1-B: Define the Port's role in the future of the Georgia Pacific property.



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## TIMELINE



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# OPEN HOUSE

## Strategic Plan Update

Join us to learn more about the plan, meet Commissioners and staff, ask questions and share your feedback.



### JOIN US!

-  4:30 - 6:30 pm
-  Wednesday  
April 30, 2025
-  24 South 'A' Street  
Washougal, WA  
98671



**THE  
PORT**  
CAMAS-WASHOUGAL

ter Alongi, Inc



## **STAFF REPORT**

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**COMMISSION MEETING DATE:** May 7, 2025

**DEPARTMENT:** Project Management

**SUBMITTED BY:** Jennifer Taylor / Nichole Chambers

**STAFF RECOMMENDATION:** Award Construction Contract to Blackline Inc.

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### **SUMMARY:**

The 2025 Slurry Seal Projects include pavement improvements to the Grove Field entrance and the parking lots of Buildings 6, 9 and 17. Slurry sealing the existing pavement will provide additional longevity to the surfaces.

Bids were solicited using the small works roster process. Two bids were received. The Quam's Handyman was the lowest responsible bidder and awarded the contract on March 19. However, they did not successfully provide all the required contract documents and their award was revoked. Blackline was the second lowest bidder and has experience performing pavement work for the Port.

### **BUDGET IMPACT:**

A total of \$130,000 was included in the 2025 Capital Budget for slurry seal projects. The bid amount is \$76,220.94.

### **STRATEGIC PLAN or OTHER PLANS:**

Pavement maintenance helps to operate industrial properties and the airport in a safe and economically sustainable manner.

### **SUSTAINABILITY IMPLICATIONS:**

There should be minimal implications to sustainability from resurfacing existing paved surfaces.

### **DIVERSITY, EQUITY & INCLUSION IMPLICATIONS:**

Blackline, Inc. is a small business but is not certified under any programs.



## **PUBLIC WORKS CONTRACTUAL AGREEMENT**

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This contract is made and entered into by and between the Port of Camas-Washougal, hereinafter referred to as the “PORT”, and the below named firm, hereinafter referred to as “CONTRACTOR”.

**Name (Contractor):** Blackline, Inc.  
**Project Name:** 2025 Slurry Seal Projects  
**Port Project Number:** SPA-225/SPI-225/SPI-325/SPI-725  
**Mailing Address:** 13023 NE Hwy 99, Suite 7, Vancouver, WA 98686  
**Phone:** 360.225.1080  
**WA State UBI Number:** 601 000 623

In consideration of the commitments and conditions contained herein, including those set forth in Attachment “A” and any Exhibits hereto, incorporated herein as though fully set forth, the PORT and CONTRACTOR do agree as follows:

### **SCOPE OF WORK**

CONTRACTOR to provide labor, materials and equipment for the 2025 Slurry Seal Projects in accordance with the CONTRACTORS’s proposal. The work will be performed in accordance with the Request for Quote (RFQ) documents dated February 13, 2025.

### **PERIOD OF PERFORMANCE**

The period of performance under this contract will be from May 7, 2025, or date of execution, whichever is later, through September 30, 2025.

### **TERMINATION**

The effective dates of this Agreement are as specified. Anything to the contrary herein notwithstanding, PORT or CONTRACTOR may terminate this agreement 30 days prior written notice to the other party. In the event of termination, all finished and unfinished work



prepared by the CONTRACTOR pursuant to this Contract shall be provided to the PORT. In the event the PORT terminates this Contract prior to completion without cause, the CONTRACTOR may complete such analyses and records as may be necessary to place its files in order, and as mutually agreed to by the parties. The CONTRACTOR shall be entitled to receive just and equitable compensation for satisfactory work completed prior to the date of termination, not to exceed the total compensation set forth herein.

## **COMPENSATION**

1. As full compensation for the performance of its obligations of this Agreement and the services to be provided, the PORT shall pay CONTRACTOR the maximum amount as specified in this Agreement. Such payment shall be the total compensation for all work performed under this Agreement, including but not limited to all labor, materials and supplies, incidental expenses, subcontractor's fees, reimbursable expenses, and equipment expenses.

2. This will be accomplished on a Lump Sum Basis and will not exceed **~~\$76,220.94~~**, which includes WA State sales tax, without prior written approval from the Port.

3. To be eligible for payment, CONTRACTOR shall submit detailed numbered invoices showing description of work items being invoices, work order number, title of project, total authorized, total current invoice, and balance of authorization. All invoices shall note "Prevailing wages have been paid in accordance with the approved Intent." Invoices shall be sent directly to the attention of Accounts Payable, at 24 South A Street, Washougal, WA 98671. Payment shall be made through the Port's ordinary payment process and shall be considered timely if made within 30 days of receipt of a properly completed invoice.

4. The PORT may withhold payment to the CONTRACTOR for any work not completed to the PORT'S satisfaction, until such time as the CONTRACTOR modifies such work to the satisfaction of the PORT.

5. All payments shall be subject to adjustment for any amounts, upon audit or otherwise, determined to have been improperly invoiced.

6. In the event CONTRACTOR incurs cost in excess of the sum stated above, CONTRACTOR shall pay such excess from its own funds, and the PORT shall not be required to pay any part of such excess, and CONTRACTOR shall have no claim against the PORT on account thereof.

7. Prevailing wages must be paid, rates are published on the WA Department of Labor & Industry (L&I) website at: <https://www.lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>. The project will be performed in Clark County. The Port also has a hard copy of the rates available upon request. Per RCW 39.12 Section 5 (2) a copy of certified payroll records shall be filed with the Department of L&I using its online system.

## **CHANGE ORDERS**

A Change Order is a written order signed by the PORT and the CONTRACTOR and issued after execution of the Contract, authorizing a change in the Work and/or adjustment in the date of contract closing. The amount of the Contract and the closing date can be changed only by Change Order. The PORT, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, and the amount of the Contract shall be adjusted accordingly. Any addition or deletion requiring an adjustment to the cost or date of the contract must be approved by both parties by Change Order prior to execution.

## **PERFORMANCE BONDS:**

CONTRACTOR shall, at the time of delivery of this contract, furnish duly executed bonds, upon forms furnished or approved by the PORT, signed by an approved surety or sureties authorized to do business in the State of Washington, in the full amount of the contract price plus change orders, conditioned upon the faithful performance of the contract by the CONTRACTOR within the time prescribed therein. Such bond shall provide that the surety or sureties will agree to protect and indemnify the PORT against any direct or indirect loss that shall be suffered or claimed by reason of any or all of the following:

- A. The failure of the CONTRACTOR or any of the CONTRACTOR'S employees, subcontractors or agents to faithfully perform the said contract, or
- B. The failure of the CONTRACTOR to pay all laborers, mechanics, subcontractors, agents, material men, and all persons who shall supply such CONTRACTOR, subcontractor or agents with provision or supplies for carrying on such work.

At any time and as often as may be deemed necessary, the PORT may require any or all sureties or any surety company to appear and qualify themselves upon the bond. Whenever such surety or sureties are deemed by the PORT to have become insufficient, the PORT may demand in writing that the CONTRACTOR furnish additional surety in an amount not exceeding that originally required as may be deemed necessary considering the work remaining to be done. No further payments will be made on the contract until such additional surety a required is furnished.

## **RETAINAGE**

[ ] Retainage Held by Port: Contractor specifically acknowledges that five percent (5%) of all payments that would otherwise be payable to Contractor shall be subject to retainage pursuant to the requirements of RCW 60.28.011. Upon completion of the work by Contractor under the terms of this agreement and upon final acceptance by the Port, the Port will make final payment to Contractor of the balance due. Payment will be made within thirty (30) days of receipt of (1) all approved "Affidavits of Wages Paid" by the Contractor and subcontractors and (2) all certificates of release from the Washington State Department of Labor and Industries, Department of Revenue, and Employment Security to release the retainage.

[ ] Retainage Held by Port: For projects under \$150,000, IN LIEU OF PROVIDING PAYMENT AND PERFORMANCE BONDS, Contractor specifically acknowledges that ten percent (10%) of all payments that would otherwise be payable to Contractor (authorized under RCW 39.08.010) shall be subject to retainage pursuant to the requirements of RCW 60.28.011.

[ ] Retainage Bond: IN LIEU OF HAVING RETAINAGE WITHHELD, Contractor shall, at the time of delivery of this contract, furnish a duly executed retainage bond upon such form as is furnished or approved by the Port, signed by an approved surety or sureties authorized to do business in the State of Washington. Such bond shall provide that the surety or sureties will agree to protect and indemnify the Port against any direct or indirect loss that shall be suffered or claimed by reason of the failure of the Contractor to pay all laborers, mechanics, subcontractors, agents, material men, and all persons who shall supply such Contractor, subcontractor or agents with provisions or supplies for carrying on such work.

**PORT OF CAMAS-WASHOUGAL**

**BLACKLINE, INC.**

BY:

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BY:

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NAME:

Trang Lam

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NAME:

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TITLE:

Chief Executive Officer

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TITLE:

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DATE:

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DATE:

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## Attachment A Standard Terms

1. Representatives

The Port's Project Manager and Contractor's Representative for this Agreement are as specified. Alternate representatives may be appointed by either party with written notice to the other party.

2. Key Personnel

The Contractor's key personnel, as described in Contractor's selection submittals, shall remain assigned for the duration of the Project unless otherwise agreed to by the Port.

3. Contract Administration, Records, and Right to Audit

All communications with the Port will be through the Port's Project Manager. The Project Manager shall provide Contractor with all information and documents pertinent to the services Contractor is to perform.

Until the expiration of six years after the term of this Agreement, Contractor agrees to maintain accurate records of all work done in providing services specified by the Agreement and to deliver such records to the Port upon termination of the Agreement or otherwise as requested by the Port.

Upon the Port's request, Contractor shall make available to the Port all accounts, records, and documents related to the Scope of Work for the Port's inspection, auditing, or evaluation during normal business hours as reasonably needed by the Port to assess performance, compliance, and/or quality assurance under this Agreement.

4. Relationship of Parties

Contractor, is and shall be at all times during the term of this Contract, an independent Contractor, and not an employee of the Port. Nothing contained herein shall be deemed to create a relationship of employer and employee or of principal and agent.

This Agreement shall be for the sole benefit of the parties hereto, and nothing contained herein shall create a contractual relationship with, or create a cause of action in favor of, a third party against either party hereto.

5. Conflict of Interest

No officer, employee or agent of the Port who exercises any function or responsibilities in connection with the planning and carrying out of the program to which this Agreement pertains, nor any member of the immediate family of any such officer, employee or agent shall have any personal financial interest, direct or indirect, in this Agreement, either in fact or in appearance. Contractor further covenants that in performance of this Agreement, no person having any such interest shall be employed.

6. Compliance with Laws

Contractor shall, during the term of this Agreement, comply with all local, state, tribal and federal laws and regulations applicable to the project, including building codes, environmental protections, and permitting regulations existing at the time this Agreement was executed and those regarding employee safety, health, the workplace environment, and employment eligibility verifications as required by the Immigration and Naturalization Service.

Contractor certifies that it has, or shall obtain prior to starting work under this Agreement, all licenses, registrations, permits and/or any other authorization required under federal, state, local or tribal law to perform the work as defined in this Agreement. Contractor agrees to indemnify and hold the Port harmless from and against any claims or demands made or brought against the Port and for costs (including, but not limited to attorneys' fees and costs), the Port incurs due to the Contractor's failure to: (1) comply with all applicable laws and regulations, and/or (2) have or maintain the required licenses, registrations, permits and/or other authorizations, as required by this Agreement.

In the event Contractor fails to pay any taxes, assessments, penalties, or fees imposed by any governmental body, including a court of law, then Contractor authorizes the Port to deduct and withhold or pay over to the appropriate governmental body those unpaid amounts upon demand made to the Port by the governmental body. Any such payments shall be deducted from Contractor's total compensation.

The Port shall furnish Contractor with the information required by the Hazard Communication standard for materials preexisting on the project site. Contractor will ensure that this information is made available to the Contractor's personnel and subcontractors, and incorporated into the contract documents as appropriate.

7. Ownership of Work

The services to be performed by Contractor shall be deemed instruments of service for purposes of the copyright laws of the United States. The Port has ownership rights to the plans, specifications, and other products prepared by the Contractor. Contractor shall not be responsible for changes made in the plans, specifications or other products by anyone other than the Contractor. Contractor shall have free right to retain, copy and use any tangible materials or information produced but only for its own internal purposes. Use of documents or other materials prepared under this Agreement for promotional purposes shall require the Port's prior consent.

8. Standard of Care

Contractor shall perform its work to conform to generally accepted professional standards. Contractor shall be responsible for the professional quality, technical adequacy and accuracy, timely completion and coordination of all plans, designs, drawings and specifications prepared under this Agreement. Contractor shall, without additional compensation, correct or revise any errors or omissions in such work.

9. Disclosure

All information developed by the Contractor and all information made available to the Contractor by the Port, and all analyses or opinions reached by the Contractor shall be confidential and shall not be disclosed by the Contractor without the written consent of the Port.

10. Deliverables

All tangible materials produced as a result of this Agreement shall be prepared as specified by the Port's Project Manager. Delivery of materials produced shall consist both of the tangible materials and one copy of any computer file used in the creation of the tangible product submitted electronically in a PDF format or other format specified by the Port. Deliverable drawings shall be prepared in accordance with the Port's "Contractor Drawing Submittal Procedure" and "Technical Specification Development Procedure". The Port may offset from the Contractor's fee expenses incurred by the Port in correcting drawings or specifications not prepared in accordance with the Port's procedure.

11. Indemnification

Contractor shall indemnify, defend, and hold harmless the Port, its officials, officers, agents, and employees from any and all claims, damages, lawsuits, liabilities, losses, liens, expenses and costs arising out of the subject matter of this Agreement; provided that this provision shall not apply to the extent that damage or injury results from the fault of the Port, or its officers, agents, or employees. The term "fault" as used herein shall have the same meaning as set forth in RCW 4.22.015, as that statute may be amended.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injuries or damages to property caused by or resulting from the concurrent negligence of the Contractor and the Port, its officers, officials, employees and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence.

It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. CONTRACTOR RECOGNIZES THAT THIS WAIVER WAS THE SUBJECT OF MUTUAL NEGOTIATION.

The indemnification shall extend to and include attorney's fees and the cost of establishing the right of indemnification hereunder in favor of the Port. This indemnification shall survive the termination of this Agreement.

12. Insurance

Contractor shall obtain and keep in force during the terms of the Agreement, or as otherwise required, the following insurance with companies or through sources approved by the State Insurance Commissioner pursuant to RCW 48.

- a. Worker's Compensation and Employer's Liability insurance as required by the State.
- b. Commercial General Liability insurance in the amount of at least \$1,000,000 per occurrence; \$2,000,000 general aggregate.
- c. Automobile Public Liability Insurance coverage with total liability limits for Bodily Injury Liability and Property Damage Liability in the amount of \$1,000,000 per accident.
- d. All policies shall be issued by a company having an A. M. Best rating of A:VI or better. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled or reduced in coverage or limits except after 45 days prior written notice has been given to the Port. The Port shall be named as an additional insured on all policies on ISO Form CG 20 10 Form B. The certificates of insurance shall specify the project name, project number, and contract number.

- e. The Contractor must furnish the Port with verification of insurance and endorsements prior to any release of funds.
- f. Contractor shall ensure that each subconsultant of every tier obtain at a minimum the same insurance coverage and limits as stated herein for the Contractor. Upon request from the Port, the Contractor shall provide evidence of such insurance.

13. Competitive Specification

If the scope of work includes development of specifications:

Contractor shall provide for the maximum use of materials, equipment, construction methods and products that are readily available through competitive procurement, or through standard or proven production techniques.

Contractor shall not produce a design or specification which would be restrictive or written in a manner as to contain proprietary requirements other than those based on performance, unless such requirements are necessary to demonstrate a specific outcome or to provide for necessary interchangeability of parts and equipment. Contractor shall justify in writing the use of any sole source. Where brand names are identified, they shall be followed by the salient product performance characteristics and the words "or approved equal" so that comparable quality or utility may be determined.

14. Time

Time is of the essence in the performance by the Contractor of the services required by this Agreement. The Contractor shall complete its services within the milestones set forth in the project schedule. At the end of each month the Contractor shall submit a copy of the current schedule and a written narrative description of the work accomplished, identifying scheduled milestones and the status thereof. The Contractor shall also address issues, which may result in completion beyond the established schedule or budget.

If the time allotted for completion of Contractor's services is exceeded through no fault of Contractor, additional time to complete performance may be allowed if written notice of the cost and estimated length of the delay is given to the Port within forty-eight (48) hours of Contractor's learning of the delay. Contractor will provide such additional supporting data as the Port may require in a timely manner. The sole remedy in the event of a delay, whatever its cause, is an extension of time for performance.

The Port may suspend this Agreement, at its sole discretion, upon one week's advance notice to Contractor. Such notice shall indicate the anticipated period of suspension. Any reimbursement for expenses incurred due to the suspension shall be limited to Contractor's reasonable expenses, and shall be subject to verification. Contractor shall resume performance of services under this Agreement without delay when the suspension period ends.

15. Assignability

Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the Agreement to any party without prior written consent of the Port.

16. Disputes

If a dispute arises relating to this Agreement and cannot be settled through direct discussions, the parties agree to endeavor to settle the dispute through a mediation firm acceptable to both parties, the cost of which shall be divided equally. The Port reserves the right to join any dispute under this Agreement with any other claim in litigation or other dispute resolution forum, and the Contractor agrees to such joinder, so that all disputes related to the project may be consolidated and resolved in one forum. Venue for any litigation shall be the Clark County Superior Court of the state of Washington and the prevailing party shall be entitled to recover its costs and reasonable attorney fees.

17. Non-Discrimination

During the term of this Agreement, the Contractor shall not create barriers to open and fair opportunities to participate in Port contracts or to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. During the performance of this Agreement, neither the Contractor nor any party subcontracting under the authority of this Agreement shall discriminate nor tolerate harassment on the basis of race, color, sex, religion, nationality, creed, marital status, sexual orientation, age, or the presence of any sensory, mental, or physical disability in the employment or application for employment or in the administration or delivery of services or any other benefits under this Agreement.

The selected Contractor shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination including RCW Chapter 49.60. The Contractor further agrees to comply with all applicable civil rights statutes and implementing regulations.

The Contractor shall cause the foregoing provision to be inserted in all subcontracts for any work covered by this Agreement so that such provisions shall be binding upon such third parties,

18. Safety.

Contractor expressly agrees that it shall be solely responsible for supervising its employees, that it shall comply with all rules, regulations, orders, standards and interpretations promulgated pursuant to the Occupational Safety and Health Act of 1970 [and to the Occupational and Safety Health Act of the State of Washington, including but not limited to training, provision of personal protective equipment, adherence to all appropriate lock out/tag out procedures, and providing all notices, material safety data sheets, labels, etc. required by the right-to-know standard.

19. Governing Law and Venue.

Washington law shall govern the interpretation of this Agreement. Clark County shall be the venue of any mediation, arbitration or litigation arising out of this Agreement.

20. Waiver.

A waiver of failure by either party to enforce any provision of this Agreement shall not be construed as a continuing waiver of such provision(s), nor shall the same constitute a waiver of any other provision of this Agreement.

21. Severability and Survival.

If any term, condition or provision of this Agreement is declared void or unenforceable or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable. The provisions of this Agreement, which by their sense and context are reasonably intended to survive completion, expiration of cancellation of this Agreement, shall survive termination of this Agreement.

22. Equal Opportunity to Draft.

The parties have participated and had an equal opportunity to participate in the drafting of this Agreement, and the Exhibits, if any, attached. No ambiguity shall be construed against any party upon a claim that that party drafted the ambiguous language.

23. Captions.

The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

24. Concurrent Originals.

This Agreement may be signed in counterpart originals.

25. Entire Agreement.

This Agreement represents the entire and integrated understanding between the Port and Contractor and may be amended only by written instrument signed by both the Port and Contractor. All previous or contemporaneous agreements, representations or promises and conditions relating to the subject matter of this Agreement are superseded hereby.

26. Authority to Enter Into This Agreement

The undersigned Contractor representative, by his/her signature below, represents and warrants that he/she is duly authorized to execute this legally binding Agreement for and on behalf of Contractor and further represents and warrants that he/she acknowledges reading this Agreement, understands it and agrees to be bound by its Terms and Conditions.



## STAFF REPORT

**COMMISSION MEETING DATE:** 5/7/25

**ITEM TITLE:** Lease - Corrosion Company – Bldg. 12, Bay 3 &4

**DEPARTMENT:** Business Development

**SUBMITTED BY:** Derek Jaeger, Director of Business Development | Jessica Warta, Lease Administrator

**STAFF RECOMMENDATION:** Discussion Item with request for Commission Action on 5/21/25

### SUMMARY:

Corrosion Companies is an existing tenant of the Port since 2011 and provides expertise in composites, dual laminate plastics and chemical processing equipment. Corrosion has been in business since 1956 and is currently needing additional space for expansion.

**Term:** 2 years, with three (3) one (1) year options. Commencement date is 6/15/25 pending move out of current tenant, ETEC, scheduled for 5/31/25.

**Rate:** \$6,677.62 per month (\$0.91 per SF), plus 12.84% LET, with an annual rate increase of 3%. The first month will reflect a pro-rated lease rate based on the move-in date as follows:

Corrosion Co. Rate (Bldg. 12, Bays 3-4)				Option Yr1	Option Yr2	Option Y3
Yr1 1st Month Pro-rate 6/15/25 to 6/30/25	Yr1 7/1/25 to 6/30/26	Yr2 7/1/26 to 6/30/27	Yr3 7/1/27 to 6/30/28	Yr4 7/1/28 to 6/30/29	Yr5 7/1/29 to 6/30/30	
w/d \$/SF	\$0.89	\$0.89	\$0.92	\$0.94	\$0.97	\$1.00
o \$/sf	\$1.00	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
w/d/o \$/sf	\$0.49	\$0.91	\$0.94	\$0.97	\$1.00	\$1.02
5958	\$2,828.06	\$5,302.62	\$5,461.70	\$5,625.55	\$5,794.32	\$5,968.15
1375	\$733.33	\$1,375.00	\$1,416.25	\$1,458.74	\$1,502.50	\$1,547.57
7333	<b>\$3,561.40</b>	<b>\$6,677.62</b>	<b>\$6,877.95</b>	<b>\$7,084.29</b>	<b>\$7,296.82</b>	<b>\$7,515.72</b>

**Deposit:** \$10,000. Deposit is higher than standard in the event the space requires additional cleaning due to the nature of the tenant's operations.





**BUDGET IMPACT:**

The new rate is approximately 20% higher than the existing tenant and represents a contract value of over **\$425,000**. Annual impacts are as follows:

YR1: \$80,131.44/YR at \$6,677.62/mo.

YR 2: \$82,535.38/YR at \$6,877.95/mo.

OPTION: YR 3: \$85,011.44/YR at \$7,084.29/mo.

OPTION: YR 4: \$87,561.79/YR at \$7,296.82/mo.

OPTION: YR 5: \$90,188.64/ YR at \$7,515.72/mo.

**STRATEGIC PLAN or OTHER PLANS:**

Supports expansion of existing long-term tenant and increases Port financial sustainability.

**SUSTAINABILITY IMPLICATIONS:**

N/A

**DIVERSITY, EQUITY & INCLUSION IMPLICATIONS:**

N/A

**LEASE  
BUILDING 12**

THIS LEASE is made and entered into this day by and between the PORT OF CAMAS-WASHOUGAL, a municipal corporation organized and existing under the laws of the state of Washington, hereinafter called "Lessor", and Corrosion Companies LLC, a Washington limited liability corporation authorized to engage in business and engaging in business in the State of Washington, hereinafter called "Lessee" ("Lease").

WITNESSETH:

Section 1. PREMISES LEASED: For and in consideration of the payment by Lessee of the rentals hereinafter specified, and performance by Lessee of the covenants and obligations hereinafter provided to be kept and performed by Lessee, Lessor does hereby lease, demise and let unto Lessee, Lessor's Industrial Building No. 12, Bay 3 and 4 (approximately 7,333 sf), and adjoining yard area, located at 3830 S Truman Street, Washougal, Clark County, Washington 98671, as shown in Exhibit "A" attached hereto and incorporated by this reference (hereinafter called the "Premises"). Lessee shall, in addition, have a right-of-way in common with others over and across private roads and streets giving access to the leased Premises, which right-of-way shall terminate in the event such private roads and streets are dedicated to the public.

Section 2. TERM: The term of this Lease shall commence on June 15, 2025 or as soon thereafter as Premises are available for occupancy ("Commencement Date") and shall terminate on June 30, 2027, provided however, if Tenant occupancy is delayed beyond June 15, 2025 due to Premises not ready for occupancy as determined by the Lessor, in Lessor's sole discretion, then the rent and taxes, assessments and other charges required to be paid hereunder by Lessee to Lessor shall be prorated for each day occupancy is delayed.

The term of this Lease may be extended for three (3) additional periods of one (1) year upon the following conditions. Each such extension shall be subject to the mutual agreement of Lessor and Lessee, each in its sole and absolute discretion. Lessee shall give Lessor written notice ninety (90) days prior to the expiration of the then current term regarding Lessee's intent to extend or vacate the Premises upon expiration of the then current term. Each extension shall be on the same terms, covenants, and conditions as provided in this Lease. Lessee shall not be entitled to extend if Lessee is in default under any term of this Lease at the time the extension notice is given (ninety (90) days prior to the expiration of the then current term) and the default is not cured sixty (60) days prior to the expiration of the of the then current term.

The absence of timely notice from Lessee will be deemed to be notice that Lessee intends to vacate the Premises upon expiration of the then current term.

If Lessee holds over after the expiration or termination of the term with Lessor's consent such tenancy shall be deemed to be a holdover tenancy on a month-to-month basis. All other terms, covenants, and conditions of the Lease shall remain in effect, except that rent shall be increased by the same percentage as at the beginning of the last lease year. If Lessee holds over after the expiration or termination of the term without Lessor's consent, then such tenancy shall be deemed a holdover tenancy on a month-to-month basis, on the terms, covenants, and conditions of this Lease in effect at the expiration or termination of the term, except that rent shall be increased to 200% of the rent last payable under this Lease. This section does not grant any right to Lessee to holdover, and Lessee is liable to Lessor for any and all damages and expenses of Lessor as a result of any holdover.

Section 3. POSSESSION: Lessee shall have the right to possession of the Premises pursuant to this Lease commencing on the Commencement Date of the Lease term.

Section 4. **RENT:** Lessee shall pay to Lessor, without any notice or demand, and without setoff or deduction, in addition to taxes, assessments and other charges required to be paid hereunder by Lessee, rent for the Premises in the following monthly rent:

Rent for June 15, 2025 – June 30, 2025:	\$3,561.40 per month
Rent for July 1, 2025 – June 30, 2026:	\$6,677.62 per month
Rent for July 1, 2026 – June 30, 2027:	\$6,877.95 per month

**1<sup>st</sup> Extension Period:**

Rent for July 1, 2027 – June 30, 2028:	\$7,084.29 per month
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**2<sup>nd</sup> Extension Period:**

Rent for July 1, 2028 – June 30, 2029:	\$7,296.82 per month
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**3<sup>rd</sup> Extension Period:**

Rent for July 1, 2029 – June 30, 2029:	\$7,515.72 per month
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In addition to the rental amounts specified above, Lessee shall pay to Lessor with each monthly rental payment the Washington State Leasehold Tax on the leased Premises, which tax is currently 12.84% of the monthly rental payment. Rental payments are payable in advance on the 1<sup>st</sup> day of each month during the term of this Lease.

Lessee agrees to pay a late charge, in an amount equal to 7% of the monthly rental payment then due with any rental or leasehold tax payment which is not received in full by Lessor by the tenth day of the month.

Section 5. **PREPAID RENT AND SECURITY DEPOSIT:** Upon execution of this Lease, and in lieu of a lease bond otherwise required pursuant to RCW 53.08.085, Lessee shall deposit with Lessor the first month's pro-rated base rent and leasehold excise tax in the amount

of \$4,018.68 plus \$10,000.00 towards a total security deposit. The Security Deposit shall be held by Lessor upon the following terms and conditions:

A. The Security Deposit is given to secure Lessee's performance of all obligations under this Lease, including without limitation, the payment of rent under Section 4, the use requirements of Section 10, and the utility provisions of Section 7.

B. Lessor shall maintain the security deposit as part of its general funds and not in a separate account for this deposit, with all interest attributable to the Lessor only.

C. Upon the expiration or sooner termination of this Lease, Lessee shall only be entitled to return of said Security Deposit if all conditions of this Lease have been complied with, and the leased Premises has been returned to Lessor in its original and sound condition, free of debris, refuse, contamination and other materials and in accordance with Section 13. Lessor shall have the right to deduct all costs and damages resulting from Lessee's breach of any portions of this Lease from the security deposit, and any interest thereon, to the maximum amount held by Lessor. Lessee shall be entitled to a refund of all or any portion of the security deposit which is not necessary to compensate Lessor for Lessee's breach, ninety (90) days from Lessee's vacation of the Premises.

D. Nothing herein shall be construed to limit Lessor's right to seek other remedies, as authorized by law or this Lease, for damages to the leased Premises or violation of this Lease.

Section 6. **LEASE BOND:** Intentionally omitted

Section 7. **TAXES AND UTILITIES:**

Lessee shall pay all charges and assessments for or related to electricity, water, sewer, garbage disposal, phone, cable, and any and all other utilities and services which shall, during the

term of this Lease, be charged or imposed upon the Premises.

Lessee shall pay all taxes, assessments, and other expenses arising from Lessee's possession of the Premises, or operation of Lessee's business on the Premises, or are required because of Lessee's operations to make the property conform to government regulations, or which are imposed upon Lessee or Lessor due to the existence of this Lease.

Lessee shall pay and discharge promptly, as the same becomes due and before delinquency, the taxes, assessments and other charges as described herein Lessee shall pay, upon demand, the taxes, assessments and other charges on behalf of Lessor, or if this is not permitted by law, Lessee shall reimburse Lessor for the amount of any such tax, assessment and other charge paid by Lessor, provided that Lessee shall have the right to contest any such tax or assessment at its own expense.

Section 8. LIENS: Lessee shall keep the Premises free and clear of all liens, including mechanic's, materialmen's, or other liens for work or labor done, and liens for services, materials, appliances and power performed, contributed, furnished or used or to be used in or about the Premises, or in connection with any operations of Lessee, or any alteration, improvement, repair, or addition which Lessee may make, permit, or cause to be made or any work or construction by, for, or permitted by Lessee on or about the Premises. Lessor shall not be responsible for liens caused by Lessee's activities on the Premises.

Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Lessor, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman, for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to, or repair of the Premises or any part thereof, nor as giving Lessee any right, power, or authority to contract for or permit the rendering

of any services or the furnishing of any materials that would give rise to the filing of any lien against the Premises or any part thereof.

In the event that any lien, charge, or order for the payment of money described as the responsibility of Lessee in this section is filed against Lessor or any portion of the Premises, Lessee shall, at its own cost and expense, cause the same to be discharged of record or bonded within sixty (60) days after notice from Lessor to Lessee, in the manner provided in Section 26, of the filing thereof; and Lessee shall indemnify and save harmless Lessor against and from all costs, liabilities, suits, penalties, claims, and demands, including reasonable counsel fees, resulting therefrom.

Section 9. **CONTESTING LIENS AND TAXES:** Lessee may contest any lien set forth in Section 8 or any tax, assessment, or other charge which Lessee shall pay under Section 7, provided that Lessee notifies Lessor, in the manner provided in Section 26, of their intention to do so within sixty (60) days of the filing of such lien or within thirty (30) days of receipt of notice of such tax, assessment, or other charge; and provided further that Lessee posts a bond or other security with Lessor, prior to the contest, in an amount equal to the amount of the contested lien or tax, assessment, or other charge.

Within sixty (60) days of the determination of its validity, Lessee shall satisfy and discharge any remaining lien, or pay and discharge any remaining assessment, or other charge, and all penalties, interest, and costs in connection therewith. Satisfaction and discharge shall not be delayed until execution is had on any judgment rendered, nor shall satisfaction, payment and discharge be delayed until sale is made of the whole or any part of the Premises on account thereof. Any such delay shall be a default of Lessee under this Lease.

In the event of any such contest, Lessee shall protect and indemnify Lessor against all

loss, expense, and damage resulting therefrom.

**Section 10. USE OF PREMISES:** Lessee covenants and agrees as follows:

A. To actively and continuously use the Premises throughout the term of this Lease solely for part manufacturing in the course of Lessee's business and other uses incidental to Lessee's business. Fiberglass as a component of Lessee's operation will be permissible on the premises, subject to the following conditions:

B. All fiberglass and composite work shall be limited to hand layup, fit-up marking, and other low-impact fabrications tasks. Limited grinding is permitted only when conducted using dust collection equipment rated for fine particulate capture (HEPA filtration or equivalent), and within a fully enclosed, mechanically ventilated area specifically engineered to contain airborne particles and control odor dispersion. Mechanical chopping, resin spraying, and any high-volume or automated resin application processes are strictly prohibited within the Premises. Lessee's use and all equipment utilized by Lessee within the Premises shall fully comply with all local, State, and/or federal requirements and, in addition, Lessee shall have procured in advance all necessary permits or authorizations for such use from any local, state or federal agency, including, but not limited to, approval for the intended use from the Washougal Fire and Building Department prior to occupancy. Lessee shall not use the Premises for other purposes without Lessor's prior written consent.

C. Lessee shall, at all times and at Lessee's sole cost and responsibility, implement and maintain environmental control measures sufficient to prevent any adverse impact on the Premises or surrounding area. All activities involving fiberglass or composite material shall be conducted in a manner that effectively minimizes and controls the release of odors, fumes, dust, and noise, using industry best practices. Lessee shall utilize mechanical



ventilations systems and particle containment measures sufficient to prevent the migration of airborne contaminants beyond the immediate work area. Lessee shall ensure that its operations do not give rise to reasonable complaints, disturbances, or safety concerns from neighboring tenants, building occupants, or any governmental or regulatory authority.

D. To use the adjoining front yard area for employee and guest parking, and to use the adjoining rear yard area for shipping and receiving equipment and other goods in the course of Lessee's business, and temporary short-term staging of goods and equipment in connection with such shipping and receiving operations. Except as expressly permitted in this section, no equipment or other goods shall be stored in the rear yard area beyond the time reasonably necessary for a shipping or receiving operation. Except as expressly permitted in this section, Lessee shall not use any yard area for overnight parking, or storage of any vehicles, campers, boats, or trailers, or containers, sheds, or drums, or any other storage of any other thing whatsoever. Lessee shall at all times keep all yard areas area in good, clean, neat, orderly, and safe condition, free of any debris, and free of any material deemed objectionable by Lessor.

E. Not to use or occupy the Premises, or permit the Premises to be used or occupied, for other than legal purposes, or in a manner which shall violate any certificate of occupancy in force relating to any building or improvement hereafter erected thereon;

F. To conform to and abide by all lawful rules, laws and regulations in connection with the use of said Premises and the operation of Lessee's business thereon, and not to permit said Premises to be used in violation of any lawful rule, law, regulation or other authority; and

G. Not to commit or permit any waste of the leased Premises nor commit or permit the maintenance or commission of any nuisance on the Premises as deemed by the Lessor.

Section 11. NO REPRESENTATION: Lessee has leased the Premises after an opportunity for examination thereof and of the subsurface conditions beneath the same, and without any representation on the part of Lessor, except that Lessor states that it has no knowledge of any release of hazardous materials or the presence of any hazardous materials on the Premises as of the date of the commencement of the Lease term. As used in this Lease, the term "hazardous substances" or "hazardous materials" means any hazardous or toxic substances, materials or waste, including but not limited to those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, materials and wastes as are or become regulated under any applicable local, state or federal law. Subject to Lessor's obligations under this Lease, Lessee assumes the sole responsibility for the condition, operation, maintenance and management of the leased Premises.

Section 12. IMPROVEMENTS:

A. Lessee shall not make any changes, alterations, or improvements to the leased Premises or surrounding yard area ("Tenant Improvements") without the written consent of the Lessor being first obtained, which shall not be unreasonably withheld, conditioned or delayed. All Tenant Improvements shall be performed by Lessee at its cost, and in compliance with all applicable law, including but not limited to all applicable building permit processes.

In the event Lessor consents to a proposed Tenant Improvement, such consent shall include Lessor's written determination as to whether Lessee shall be required to remove said improvement at the expiration or termination of this Lease. In the event no such written determination exists as to any proposed Tenant Improvement made during the course of this

Lease, then at the expiration or other termination of this Lease, all such improvements for which shall remain upon the Premises, shall upon Lessor's determination, as determined in its sole and absolute discretion be either (1) removed and all damage caused to the Premises by the removal be repaired by Lessee at its sole cost and expense, or (2) become the property of Lessor, provided that if such improvement must be removed from the Premises, the Lessor will provide the Lessee with at least sixty (60) days' notice of such requirement.

All machinery, fixtures, portable buildings and equipment installed by Lessee and which are adapted only for the special use of Lessee, shall be considered to be trade fixtures and may be removed at the termination of this Lease by Lessee. Lessee shall at its own expense repair all damage caused by the removal of trade fixtures, and shall restore the Premises to its same condition as immediately prior to such removal.

Section 13. REPAIR AND MAINTENANCE: Lessor shall maintain the roof, outer walls, structural members, exterior plumbing, and landscaping on the Premises at its own expense. Lessee shall be responsible for the cost of any repairs made pursuant to this paragraph which are caused by the intentional or negligent acts of its employees, agents or licensees. Lessee shall complete all repairs within 90 days by a Lessor approved contractor or utilize Lessor maintenance staff at the Lessor contract rate. Lessee agrees to reimburse Lessor for said repairs immediately upon demand.

Lessor shall have no liability to Lessee for incidental damages or property damage suffered by Lessee as a result of its failure to maintain or repair those portions of the Premises described above, its only obligation being to maintain or repair such portions of the Premises. Lessee agrees to promptly notify Lessor of the need for exterior or structural repairs upon becoming aware of such need.

Except as provided above, Lessee agrees to maintain the Premises and all improvements in a good state of repair and at the termination of this Lease to return the Premises and all improvements and adjoining yard area to Lessor in as good state and condition as the same are in at the time Lessee commences occupying same, reasonable wear and tear from the normal use thereof and fire or other casualty being excepted. Lessee shall, at its sole cost and expense, fully remediate any and all impacts resulting from fiberglass or composite-related activities, including but not limited to odor, surface residue, dust accumulations, or containment, prior to the expiration or earlier termination of this lease. Lessee agrees to keep all adjoining yard areas at all times in good, clean, neat, orderly, and safe condition, free from any debris, and free from any material deemed objectionable by Lessor.

Section 14. INDEMNITY: Lessee shall indemnify and save harmless Lessor from and against any and all liability, claims, damage, penalties, or judgments arising from any loss, injury, death or damage to person or property sustained by any person in or about the Premises resulting from the act or omission of Lessee, Lessee's officers, agents, employees, contractors, and sublessees, or of any occupant, visitor, or user of any part of Lessee's Premises. Lessee further covenants and agrees to indemnify and hold Lessor harmless against the claims of all and every person whomsoever arising out of or in any way connected with Lessee's occupation or use of the Premises, except for claims by Lessor's employees or agents for injuries sustained during the course of employment through no fault of Lessee. Lessee shall pay all attorney's fees and other expenses incurred by Lessor in defending any and all suits which may be brought against Lessor or in which Lessor may be impleaded with others upon any of the aforementioned matters, except as may result from the acts set forth in the paragraph immediately below.

Lessor shall indemnify and hold harmless Lessee and its members, managers, directors,

officers, employees, and agents, from and against any and all losses, claims, and damages arising from Lessor's gross negligence or intentional misconduct. Except for the gross negligence or intentional misconduct of Lessor or its agents, or employees, Lessor shall not be responsible for or liable for, and Lessee, notwithstanding that joint or concurrent liability may be imposed upon Lessor by a statute or court decision, hereby waives all claims against Lessor for any damage or injury to any person or to any property on or about the Premises subject to this Lease, including liability for costs, attorney's fees and reasonable expenses arising out of said claims.

Lessee covenants and agrees to reimburse Lessor for all costs or expenses of repair or replacement of any of Lessor's property damaged or destroyed as a result of Lessee's use or occupation of the Premises or use of Port property or facilities. Lessee further covenants and agrees to carry liability insurance protecting itself and Lessor from all liability arising out of this Section 14. The provisions of this section shall survive the expiration or earlier termination of this Lease

Section 15. **INSURANCE:**

A. Lessee shall procure at its sole cost and expense and keep in effect from the date of this Lease and at all times until the end of the term either Comprehensive General Liability insurance or Commercial General Liability insurance applying to the use and occupancy of the Premises and the business operated by Lessee (or any other occupant) on the Premises and providing coverage against all Lessee's liabilities pursuant to this Lease. Such coverage shall have a minimum combined single limit of liability of at least One Million Dollars (\$1,000,000.00) and such limit shall be increased from time to time to such amount as may be mutually acceptable to Lessor and Lessee in their reasonable judgment. All such policies shall be written to apply to all bodily injury, property damage, personal injury and other covered loss,

however occasioned, occurring during the policy term; shall be endorsed to provide that such coverage shall be primary; and that any insurance maintained by Lessor shall be excess insurance only.

B. Lessee shall furnish Lessor with acceptable evidence that the insurance is in effect and in amounts sufficient to satisfy this section. All insurance policies required by this Section shall provide that they shall not be reduced, canceled or substantially amended or modified as to terms without thirty (30) days advance written notice to Lessor. All insurance policies required to be carried under this lease shall be with recognized insurance carriers, having an A- rating from A. M. Best Company or like or similar rating from an equally recognized rating company acceptable to Lessor, and shall name Lessor as an additional insured. All such insurance shall provide for severability of interests; shall provide that an act or omission of one of the named insured shall not reduce or avoid coverage to the other named insureds; and shall afford coverage for all claims based on acts, omissions, injury and damage, which claims occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Such coverage shall be endorsed to waive the insurer's rights of subrogation against Lessor and Lessee if such waiver can be obtained at reasonable cost.

Lessee shall deliver to Lessor on or before the date on which the term commences, and thereafter at least ten (10) days before the expiration dates of expiring policies, certified copies of its insurance policies, or a certificate evidencing the same issued by the insurer thereunder, showing that all premiums have been paid for the full policy period; and in the event Lessee shall fail to procure such insurance, or to deliver such policies or certificates and such failure continues for two (2) business days, Lessor may, at its option and in addition to Lessor's other remedies in the event of a default by Lessee hereunder, procure the same for the account of

Lessee, and the cost thereof shall be paid to Lessor within ten (10) days following written demand therefor.

Section 16. HAZARDOUS SUBSTANCES- LESSEE'S OBLIGATIONS: Lessee shall not, without Lessor's prior written consent, keep on or about the leased Premises, for use, disposal, treatment, generation, storage or sale, any substances designated as, or containing components designated as hazardous, dangerous, toxic or harmful (collectively referred to as "hazardous substances"), and/or which are subject to regulation by any federal, state or local law, regulation, statute or ordinance. With respect to any hazardous substances, Lessee shall:

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

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

C. Within five (5) days of Lessor's request, submit written reports to Lessor regarding Lessee's use, storage, treatment, transportation, generation, disposal or sale of hazardous substances and provide evidence satisfactory to Lessor of Lessee's compliance with the applicable governmental regulation;

D. Allow Lessor or Lessor's agents or representatives to come on the leased Premises during regular business hours, and after hours with three (3) hours advance notice to Lessee, except in an emergency, in which immediate case access shall be allowed to check Lessee's compliance with all applicable governmental regulations regarding hazardous substances;

E. Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain hazardous substances (if minimum standards or levels are applicable to hazardous substances present on the Premises, these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities and shall be set forth in an addendum to this Lease); and

F. Comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of hazardous substances.

Any and all costs incurred by Lessor and associated with Lessor's special or non-routine inspection of Lessee's Premises and Lessor's monitoring of Lessee's compliance with this section, and including Lessor's attorneys' fees and costs, shall be additional rent and shall be due and payable to Lessor immediately upon demand by Lessor. However, Lessor shall solely bear the expense of inspections made on a routine basis, without reasonable cause to believe that Lessee is in violation of this section.

Lessee shall be fully and completely liable to Lessor for any and all cleanup costs and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Lessee's use, disposal, transportation, generation and/or sale of hazardous substances, in or about the leased Premises.

Lessee shall indemnify, defend and save Lessor harmless from any and all of the costs, fees, penalties and charges assessed against or imposed upon Lessor (as well as Lessor's attorneys' fees and costs) as a result of Lessee's use, disposal, transportation, generation and/or sale of hazardous substances.

Upon Lessee's default under this section, in addition to the rights and remedies set forth



elsewhere in this Lease, Lessor shall be entitled to the following rights and remedies:

A. At Lessor's option, to terminate this Lease immediately; and

B. To recover any and all damage associated with the default, including, but not limited to cleanup costs and charges, civil and criminal penalties and fees, loss of business and sales by Lessor and other lessees of the leased Premises, and any and all damages and claims asserted by third parties and Lessor's attorneys' fees and costs.

The provisions of this section shall survive the expiration or earlier termination of this Lease

Section 17. ASSIGNMENT/SUBLETTING: Lessee shall not assign this lease nor sublet the whole or any part of the Premises without the prior written consent of Lessor, in its sole and absolute discretion. Any such assignment or sublease shall not relieve Lessee from the responsibility of paying the rentals accruing under this lease or from keeping and performing all other obligations herein imposed upon and assumed by it. It is understood and agreed that any consent by Lessor to any assignment or subletting by Lessee shall not be considered or construed to be a consent to any subsequent assignment or subletting nor as a waiver of the right of Lessor to refuse to consent to any subsequent assignment or subletting.

Section 18. QUIET ENJOYMENT:

A. Lessee, upon paying the rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, warranties, agreements, and provisions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the Lease term, subject to the provisions herein, without hindrance by Lessor.

B. Lessor warrants that it has fee simple title to the Premises and the power and authority to execute this Lease and to carry out and perform all covenants to be performed by it

hereunder.

Section 19. ACCESS: Lessor or Lessor's employees and designees shall have the right to enter upon the Premises at all reasonable times to examine the Premises and to exhibit the Premises to prospective purchasers, and prospective lessees, and Lessor shall at all times be provided a key for independent access to the Premises. Any persons other than Lessor or Lessor's employees who need access to the building will at Lessee's request sign a reasonable non-disclosure agreement before entering the building, except in an emergency.

Section 20. CURE BY LESSOR: If Lessee shall default in the performance of any provision under this lease, Lessor, at its option, may perform the same for the account and at the expense of Lessee. Upon notification to Lessee of the cost thereof to Lessor, Lessee shall promptly reimburse Lessor the amount of that cost, plus interest at the rate of twelve (12%) percent per annum from the date of incurring of such cost to the date of repayment. In the event of such default by Lessee, Lessor may enter upon the Premises for the purpose of causing such provisions to be fulfilled. Such entry shall not be deemed an eviction of Lessee. Lessor's action hereunder shall not be deemed a waiver of Lessee's default. Lessor, at its option, without relinquishing any remedy or right, may separately commence proceedings against Lessee for reimbursement of Lessor and for any other remedies for breach of this lease.

Section 21. BANKRUPTCY AND INSOLVENCY: If, after the commencement of the Lease term:

- A. Lessee then having the title to the leasehold estate created hereunder shall while having such title be adjudicated a bankrupt or adjudged to be insolvent; or
- B. A receiver or trustee shall be appointed for Lessee's property and affairs; or
- C. Lessee shall make an assignment for the benefit of creditors or shall file a

petition in bankruptcy or insolvency or for reorganization or shall make application for the appointment of a receiver; or

D. Any execution or attachment shall be issued against Lessee or any of Lessee's property, whereby the Premises or any buildings or improvements thereon shall be taken or occupied or attempted to be taken or occupied by someone other than Lessee, except as may herein be permitted, and such adjudication, appointment, assignment, petition, execution, or attachment shall not be set aside, vacated, discharged, or bonded within ninety (90) days after the issuance of the same, then a default hereunder shall be deemed to have occurred so that the provisions of Section 21 hereof shall become effective and Lessor shall have the rights and remedies provided therein. Notwithstanding anything to the contrary hereinabove contained, upon the occurrence of a default pursuant to this Section 21, if the rent due and payable hereunder shall continue to be paid and the other covenants, provisions and agreements of this lease on Lessee's part to be kept and performed shall continue to be kept and performed, no event of default shall have been deemed to have occurred and the provisions of Section 21 hereof shall not become effective.

Section 22. DEFAULT:

A. In the event any one or more of the following events shall have occurred and shall not have been remedied as hereinafter provided:

1. The occurrence of any event set forth in Section 24 hereof, without the curing of same within thirty (30) days after receipt by Lessee of notice in writing from Lessor; or

2. The filing of a petition by or against Lessee for adjudication as a bankrupt, or for reorganization or agreement, or for any similar relief, under the Bankruptcy Code as now or hereafter amended; or

3. Lessee's failure to pay any installment of rent when the same shall be due and payable and the continuance of such failure for a period of three (3) business days after receipt by Lessee of notice in writing from Lessor, in the manner provided in Section 26; or

4. Lessee's failure to perform any of the other covenants, provisions, and agreements herein contained on Lessee's part to be kept or performed and the continuance of such failure without the curing of same for a period of ten (10) business days after receipt by Lessee of notice in writing from Lessor specifying in detail the nature of such failure, or Lessee shall not cure said failure as provided in Paragraph B of this Section 22, then Lessor may, at its option, give to Lessee written notice of election to terminate the Lease term upon a date specified in such notice, which date shall not be less than twenty (20) business days (Saturdays, Sundays and legal holidays excluded) after the date of receipt by Lessee of such notice from Lessor. Upon the date specified in said notice, the term and estate hereby vested in Lessee shall cease and any and all other right, title, and interest of Lessee hereunder shall likewise cease without further notice or lapse of time, as fully and with like effect as if the entire Lease term had elapsed, but Lessee shall continue to be liable to Lessor as provided herein. Simultaneously with the sending of the notice to Lessee, as hereinabove provided, Lessor shall send a copy of such notice to any sublessee of the Premises or portions thereof that Lessor may select, in writing from time to time, and any additional persons or parties having an interest in the Premises that Lessor may select, in writing, from time to time. The curing of any default within the above time limits by any of the aforesaid parties or combination thereof, shall constitute a curing of any default hereunder with like effect as if Lessee had cured the same hereunder.

B. In the event that Lessor gives notice of a default of such a nature that it cannot be cured within the period prescribed in Paragraph A4 of this Section 22, then such default shall

not be deemed to continue, so long as Lessee, after receiving such notice, proceeds to cure the default as soon as reasonably possible and continues to take all steps necessary to complete the same within a period of time which, under all prevailing circumstances, shall be reasonable. No default under Paragraph A4 of this Section 22 shall be deemed to continue if and so long as Lessee shall be proceeding to cure the same in good faith.

C. In the event that any default of Lessee shall be cured in any manner hereinabove provided, such default shall be deemed never to have occurred and Lessee's right hereunder shall continue unaffected by such default.

D. Upon any termination of the Lease term pursuant to Paragraph A of this Section 22, or at any time thereafter, Lessor may, in addition to and without prejudice to any other rights and remedies Lessor shall have at law or in equity, re-enter the Premises and recover possession thereof and dispossess any or all occupants of the Premises in the manner prescribed by statute relating to summary proceedings, or similar statutes; but Lessee in such case shall remain liable to Lessor as provided herein.

E. In case of any such default, re-entry, termination and/or disposition by summary proceedings:

1. The rent shall become due thereupon and be paid up to the time of such re-entry, termination and/or disposition;

2. Lessor may re-let the Premises or any part thereof, either in the name of Lessor or otherwise, for a term which may, at Lessor's option, be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease and may grant concessions or free rent, but such re-letting shall not be construed as an acceptance of a surrender of the leasehold interest; and

3. Lessee or the representatives of Lessee shall also pay Lessor as liquidated damages for the failure of Lessee to observe and perform Lessee's covenants herein contained any deficiency between the rent hereby collected on account of the lease of the Premises for each month of the period which would otherwise have constituted the balance of the lease term. In computing liquidated damages, there shall be added to the said deficiency such reasonable expenses and counsel fees as Lessor may incur in connection with the default and re-letting. Any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Lessor to collect the deficiency for any subsequent month by a similar proceeding.

Lessor, at its option, may make such alterations, repairs, replacements, and/or decorations in the Premises as Lessor, in Lessor's sole judgment, considers advisable and necessary for the purpose of re-letting the Premises; and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Lessee from liability hereunder. Lessor agrees to mitigate in good faith all damages and to re-let the Premises in the event of any default specified herein.

Section 23. **WAIVERS:** Failure of Lessor to complain of any act or omission on the part of Lessee, no matter how long the same may continue, or the receipt of rent by Lessor with knowledge of any breach or default of this lease by Lessee, shall not be deemed to be a waiver by Lessor of any of its rights herein. No waiver by Lessor at any time, express or implied, of any breach of any provision of this lease shall be deemed a waiver of any subsequent breach of the same or any other provision. Failure of Lessor to insist upon strict performance or to exercise any option herein conferred in any one or more instances in the event of default shall not be construed to be a waiver or relinquishment of any such or any other right herein extended to the

Lessor.

Section 24. GOVERNMENTAL REGULATIONS: During the Lease term, Lessee shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of the federal, state, county, town, and city governments and of all other governmental authorities affecting the Premises or appurtenances thereto or any part thereof whether the same are in force at the commencement of the Lease term or may in the future be passed, enacted, or directed, and Lessee shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims, and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed because of the failure of Lessee to comply with the covenants of this Section 24.

Section 25. NOTICE OF LITIGATION AND COUNSEL FEES:

A. Within ten (10) days of Lessee having knowledge of any litigation or other proceeding that shall be commenced against Lessee or against the Premises to secure or recover possession thereof or that may affect the interests of Lessor in the Premises, Lessee shall give written notice thereof to Lessor.

B. In the event any party shall bring suit to compel performance of or to recover for any breach of any covenant, agreement or condition of this Lease, the prevailing party in said action shall be entitled to recover from the other party costs and reasonable attorney's fees.

C. Notwithstanding anything to the contrary hereinabove contained, in the event that Lessor is made a party to litigation against the Lessee, relating to the Premises, or against the Premises commenced by a third party, wherein Lessor is not at fault, Lessee shall pay, upon demand, all of Lessor's counsel fees and costs.

Section 26. **NOTICES:** Every notice, consent or other communication authorized or required by this Lease shall be deemed to be sufficient if in writing, and sent postage prepaid by registered or certified mail, return receipt requested, directed to the other party at the address listed below, or at such other address as the other party may designate by notice given from time to time in accordance with this section. In the event a party notifies the other in writing of a change of address in accordance with this section, said address shall substitute for the address listed below for all subsequent notices. Notices shall be deemed effective when personally served, or upon delivery or refusal of delivery by the addressee if mailed in the manner provided by this section:

Lessor: Port of Camas-Washougal  
24 So. "A" Street  
Washougal, WA 98671

Lessee: Corrosion Companies, Inc.  
Attn: Chris Kellogg, President  
3725 Grant Street  
Washougal, WA 98671

Section 27. **RIGHTS CUMULATIVE:** The rights, powers, and remedies of Lessor, as provided herein, shall be deemed to be cumulative, and no one of them shall be exclusive of any other, or of any other right, power, or remedy allowed by law.

Section 28. **TIME OF THE ESSENCE:** Time and punctual and exact performance and observation by Lessor and Lessee of the provisions herein are of the essence of this Lease.

Section 29. **SEVERABILITY:** In the event that any provision of this Lease shall be declared invalid by any court of competent jurisdiction, such provisions shall be severed from this Lease, and such declaration shall not affect the remainder of this Lease. This Lease shall remain in full force and effect for the balance of its Lease term.



Section 30. **INTERPRETATION:** Whenever the singular number is used herein, the same shall include the plural, and vice versa, as the context shall require. The section headings used herein are for reference and convenience only. Upon any sale or assignment of the interest of either Lessor or Lessee herein, their respective successors in interest shall, during the term of this ownership of their respective estates herein, be deemed to be Lessor or Lessee, as the case may be.

Section 31. **SUCCESSORS:** All of the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Lessor, Lessee, and their respective heirs, personal representatives, successors and assigns, and upon any person coming into ownership or possession of any interest in the Premises by operation of law, or otherwise, and shall be construed as covenants running with the land.

Section 32. **ENTIRE AGREEMENT:** This Lease constitutes and shall be construed as the entire agreement of the parties. No oral statement shall have any force or effect. This Lease shall not be modified or canceled except by writing subscribed by Lessor and Lessee.

**SIGNATURES ARE ON NEXT PAGE**

IN WITNESS WHEREOF, the parties have executed this lease in duplicate as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

LESSOR:

PORT OF CAMAS-WASHOUGAL

By: \_\_\_\_\_  
Trang Lam, CEO

LESSEE:

Corrosion Companies, Inc

By: \_\_\_\_\_  
Chris Kellogg, President

By: \_\_\_\_\_

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF CLARK         )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2025, before me personally appeared TRANG LAM, to me known to be the Chief Executive Office. of the Port of Camas-Washougal, the entity that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

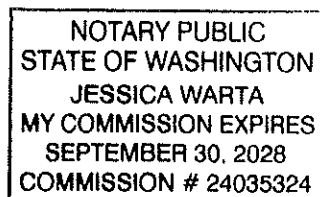
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of  
Washington, residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF CLARK         )

On this 24th day of April, 2025, before me personally appeared CHRIS KELLOGG to me known to be the President of Corrosion Companies, Inc, the entity that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

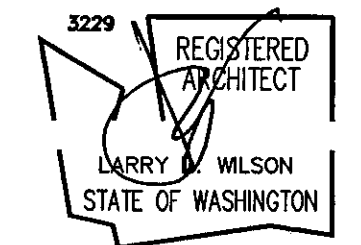
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Jessica Warta  
Notary Public in and for the State of  
Washington, residing at Clark County  
My commission expires September 28, 2028



WILSON ASSOCIATES  
ARCHITECTS  
& PLANNERS AIA  
404 E 15th ST #7  
VANCOUVER WA  
98663  
(360) 696-4722



ENVIRONMENTAL TECHNOLOGIES T.I.  
AT THE PORT OF CAMAS/WASHOUGAL  
BUILDING 12  
3830 S TRUMAN ST.  
WASHOUGAL WA. 98671

DATE	SCALE
3/9/12	SEE PLAN
JOB NO.	DRAWN BY
3912	Ryan
REVISIONS:	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

A1  
FLS  
PLAN



# Bldg. 12 (bays 3-4)

## Exhibit A

Total: approx.  
7,333 sf

Warehouse:  
~5,958 sf

Office: ~1,375 sf  
less lab, new  
storage, bathroom  
in warehouse

EXIST WAREHOUSE  
5,309 SF.

### OCCUPANT LOAD CALCULATIONS

WAREHOUSE SPACE:	5,309 SF.
GROSS SQUARE FOOTAGE:	5,309
LOAD FACTOR:	11
LOAD:	3
EXITS REQUIRED:	4
EXITS PROVIDED:	3
OCCUPANTS PER EXIT:	0.8 INCHES
WIDTH PER EXIT (4 x 0.2)	0.8 INCHES
OPEN OFFICE SPACE:	2,024 SF.
GROSS SQUARE FOOTAGE:	2,024
LOAD FACTOR (5)	21
TOTAL LOAD:	21
EXITS REQUIRED:	1
EXITS PROVIDED:	1
OCCUPANTS PER EXIT:	21
WIDTH PER EXIT (21 x 0.2)	42 INCHES

### EGRESS WIDTH CALCULATIONS:

DOOR	OCCUPANTS	X WIDTH FACTOR	MIN EGRESS WIDTH 1009.1	MIN. REQ'D WIDTH 1009.1	ACTUAL WIDTH
101	21	0.2	42"	32"	36"
102	4	0.2	0.8"	32"	36"
103	4	0.2	0.8"	32"	36"
104	4	0.2	0.8"	32"	36"

#### NOTE:

ALL EGRESS DOORS ARE EXISTING TO REMAIN.

### FIRE PROTECTION:

#### NOTES:

1) FEC = FIRE EXTINGUISHER CABINET. PROVIDE RECESSED WALL TYPE CABINET AS SHOWN ON PLAN OR AT MAX SPACING OF 15 FT PER FIRE MARSHALL REQUIREMENTS.

TRAVEL DIST = 14'-0"

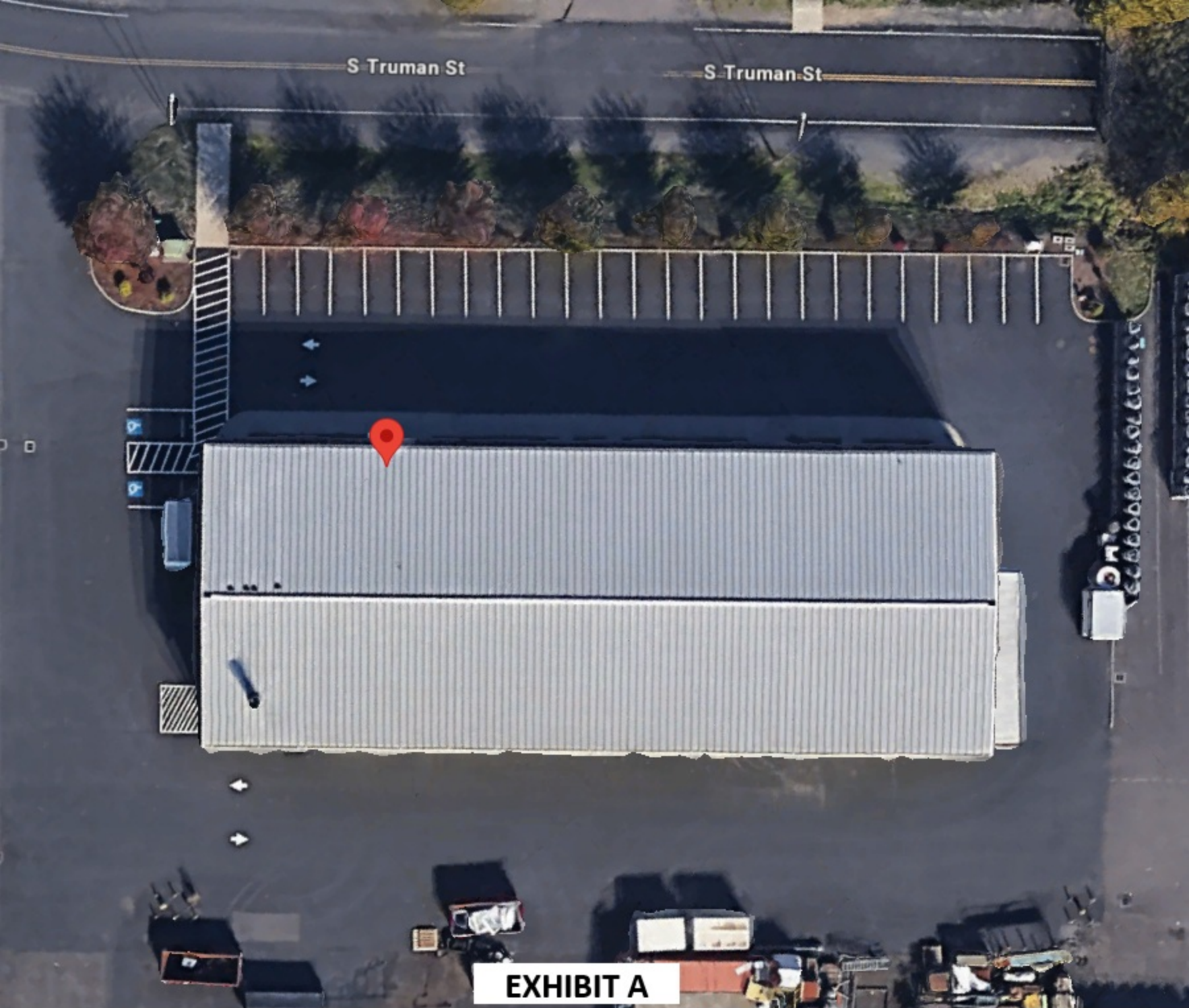
21' 3 1/4" Pipe rack.  
Bx 12 1/2' racks.  
16'

Work Bench.

3

2

1



**EXHIBIT A**