THIS LEASE AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into by the CITY OF OCEAN SHORES, a Washington municipal corporation, (hereinafter referred to as the “City”) and OCEAN SHORES GOLF COURSE, INC., A Washington corporation (hereinafter referred to as “Lessee”). This Agreement supersedes all prior lease agreements between the parties.

WHEREAS, the City owns and operates the Ocean Shores Municipal Golf Course Facilities, legally described on Exhibit "A" attached hereto and incorporated herein by this reference, which golf course facilities are for the benefit of the citizens of Ocean Shores and visitors to the City; and

WHEREAS, the City wishes to ensure that the Golf Course Facilities (hereinafter referred to as the "property," the "golf course," the "pro shop," the "driving range," "the restaurant," the "golf course facility" and/or the "leased premises") are operated at no expense to the City; and

WHEREAS, it has been proven over time that the Golf Course Facilities can be more economically maintained and operated by contracting for these services rather than having the property maintained and operated by City staff; and

WHEREAS, the parties wish to set terms and conditions for the lease, maintenance and operation of the Ocean Shores Municipal Golf Course Facilities;

NOW, THEREFORE, the parties agree as follows:

I. TERM OF LEASE

1.1 This Lease shall be effective as of January 1, 2005 and shall terminate December 31, 2020, unless earlier terminated because of default by either party, or the mutual agreement of the parties. Assuming neither party is in default upon the expiration of this fifteen (15) year lease term, and further assuming that the City elects not to resume operation and maintenance of the golf course and pro shop as municipal facilities, then Lessee shall have the first right of refusal to lease the premises for an additional five (5) years, upon such terms and conditions as may be acceptable to the City, as offered by Lessee or by a third party. Specifically, prior to the expiration of this renewal term, the City may, but shall not be required to, approach third parties in any manner authorized by law and solicit proposals for the operation of the golf course facility by such third party. Any solicitation for offers must include notice to the third party that acceptance is subject to a first right of refusal in favor of Lessee. Assuming a third party makes an offer which the City believes may be acceptable, then the City will present that offer to Lessee for comment and Lessee shall be given a period of fourteen (14) days from Lessee’s receipt of such third party proposal, to submit to the City Manager a written commentary regarding the advantages and disadvantages of such offer. If after reviewing Lessee’s comments, the City concludes that the third party proposal is acceptable, the City shall so notify the Lessee in
Lessee shall have thirty (30) days from the date Lessee receives the City's written notification that the third party proposal is acceptable in which to accept or reject such proposal. If Lessee fails to accept in writing the terms of the third party’s proposal, then this Agreement shall terminate effective December 31, 2020, and City shall be free to execute a lease agreement with the third party, in accordance with the third party’s proposed terms and conditions. In order to avoid a gap in lease terms, and to ensure continuance of golf course operations, the parties mutually agree that City may begin soliciting proposals from third parties on or after January 1, 2020, and that acceptable proposals may be presented to the Lessee any date thereafter. In summary, Lessor can require Lessee to make an election regarding Lessee's option to renew as early as twelve (12) months prior to December 31, 2020.

1.2 If Lessee should still be in possession and operation of the premises after December 31, 2020, with the City's consent, then the parties agree that the terms and conditions of this Agreement shall remain in full force and effect until either party gives the other written notice of a termination date, which shall be no less than thirty (30) days from the date of service of such notice, or until such time as the parties execute a new agreement, whichever is sooner.

II. CONSIDERATION

2.1 For and in consideration of the lease of the real property described in Exhibit A (including improvements thereon), the Lessee shall pay to the City the following compensation the sum of Fifteen Thousand Dollars ($15,000.00) per year, which sum may be paid monthly; and

2.2 Lessee shall pay all storm drain fees assessed on the property. The parties acknowledge that litigation is pending concerning the constitutionality of the City's storm drain fees. In the event the City's storm drain fees are declared unconstitutional, the parties agree that the Lessee shall pay the City the monthly sum of One Thousand Eight Hundred Eighty-Seven Dollars ($1,887.00), in addition to the yearly Fifteen Thousand Dollars set forth in Paragraph 2.1 herein, or, if the storm drain fees are amended, in a sum not to exceed Two Thousand Dollars ($2,000.00) per month.

III. LESSEE'S RESPONSIBILITIES

3.1 Lessee shall be responsible for all maintenance and repair on the premises, including the grounds, and each and every structure on the premises, including but not limited to: the Club House, the Pro Shop, and the restaurant; and

3.2 Lessee shall be responsible for payment of all utilities, taxes, and insurance for Lessee's equipment and furnishings on the premises; and

3.3 The Lessee shall obtain a general liability insurance policy indemnifying both Lessee and the City from claims of personal injury and/or general liability in the amount of not less than One Million Dollars ($1,000,000.00) per occurrence. Such a policy shall name the City as an additional insured and shall require at least thirty (30) days' prior written notice to the City of termination for any reason. Lessee shall be required to present a certification of such
insurance to the City as a condition to the renewal of the Lease. The City shall be required to maintain liability and property damage insurance on the premises with the exception that Lessee shall be required to maintain personal property insurance on each item of his own personal property stored on or about the premises. In the event Lessee does not obtain such personal property insurance, Lessee shall fully indemnify the City for any loss or damage to Lessee's personal property.

3.4 Use of Leased Premises.

3.4.1 Lessee agrees to use the leased premises solely for the purpose of operating a public golf course facility, club house, and restaurant, and providing usual services generally provided by golf courses, including regular and group playing, golf instruction, automobile parking facilities for patrons of the golfing facilities and the operation of a golf course pro shop in which golfing equipment and apparel customarily sold in golf pro shops throughout the area may be offered for sale. Lessee shall have knowledge and understanding of the principles and practices of golf course management and implement and utilize such principles and practices in its operation of the leased facility.

3.4.2 Lessee shall provide sufficient and competent employees to adequately manage and operate said golf course facilities, including maintenance, and shall be obligated to pay all salaries for such employees including the withholding of payroll and social security taxes as may be applicable.

3.4.3 Lessee shall be obligated to secure and pay for all federal, state and local licenses and permits and pay all sales, leasehold and excise taxes required for the operation of any concession and apparel and equipment sale or rental.

3.4.4 Lessee shall not erect or display, or permit to be erected or displayed, on the leased premises, any permanent sign or advertising matter of any kind, without first obtaining the written consent of the City Manager or designee.

3.4.5 The leased premises shall not be used for any illegal purpose, nor in violation of any valid regulation of any governmental body, nor in any manner to create any nuisance or trespass, nor in any manner which may invalidate the insurance coverage of the leased premises or increase the rate of insurance coverage on the leased premises.

3.5 Condition of Leased Premises.

3.5.1 Lessee has inspected the property, buildings and structures upon the leased premises and accepts the same as is, where is. Exhibit "C" attached hereto and incorporated herein by this reference provides a detailed description with photographs of the course conditions and structures upon the leased premises as of May 15, 2005. Lessee agrees to return the leased premises back to the City in the same or better condition at the termination of this Agreement.

3.5.2 This agreement is subject to all easements relating to the leased premises.

3.6 Maintenance.
3.6.1 Lessee shall maintain the leased premises in accordance with generally-accepted golf course management practices, and other generally-accepted management practices for all of the other facilities in or upon the leased premises. Lessee shall, at his sole cost and expense, provide all equipment and supplies necessary for the proper maintenance of the Golf Course.

3.6.2 Ball washers and towels shall be located at each hole and maintained in good working condition. A sign shall be located at each tee which displays the hole number, yardage from each tee box, men’s and women’s par, and graphically depicts the hole layout.

3.7 **Pro Shop Operation.** The Lessee shall be responsible for the operation of the pro shop which shall include but not be limited to:

3.7.1 Collection of all green fees and other rental income.

3.7.2 Maintenance of a fully-stocked, full-service pro shop, including but not limited to a minimum of eight (8) power carts in good working order and merchandise with a wholesale value of at least Fifteen Thousand Dollars ($15,000.00)

3.7.3 Pro shop staff will include a PGA Class A professional.

3.7.4 Weather permitting, all golf course facilities shall be operated by Lessee, and shall be made available to the public every day of the year except Christmas during normal Northwest golf course operating hours. In the event the City and the Lessee cannot agree upon normal operating hours, such hours shall be established by a qualified arbitrator mutually acceptable to the parties. If the parties cannot agree on an arbitrator, they shall each select their own arbitrator and their nominees shall select a third arbitrator and the decision of the majority of the arbitrators shall be binding.

3.7.5 Lessee will provide scheduling for a minimum of ten (10) golf tournaments per year, with five (5) of said tournaments being allowed for weekend scheduling.

3.8 **Taxes and Utilities.**

3.8.1 Lessee shall pay all taxes of whatever character that may be lawfully levied upon or charged against the leasehold estate in the leased premises or the structures, improvements, or other property on the leased premises, or upon Lessee’s operation hereunder. Lessee shall pay all license or permit fees necessary for operation and/or required by law for the conduct of it is operations hereunder. Any special assessments, including but not limited to LIDs, ULIDs, and/or RIDs, will be separately negotiated between the parties.

3.8.2 Lessee shall be responsible for paying any and all utility charges assessed against the leased premises, including the golf course restaurant. Utilities include, but are not limited to: electricity, cable television, telephone and water, sewer, storm drain, and garbage.
Lessee will promptly pay all required utilities and not allow such charges to become a lien against the leased premises.

3.9 Liens.

3.9.1 Lessee shall keep all of the leased premises and every part thereof, and all buildings and other improvements at any time located thereon, free and clear of any and all mechanic’s, materialman’s, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of Lessee, any alteration, improvement, or repairs or additions which Lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee on or about the premises, or any obligations of any kind incurred by Lessee. Lessee shall at all times promptly and fully pay and discharge any and all claims on which lien may or could be based, and shall indemnify the City and all of the premises and all the building and improvements thereon against such liens and claims of liens and suits and other proceedings pertaining thereto.

3.9.2 If Lessee desires to contest any such lien, it shall notify the City of its intention to do so within fifteen (15) days after the filing of such lien. In such case, and provided that Lessee shall on demand protect the City by good and sufficient surety bond against such lien and any cost, liability, or damage arising out of such contest, Lessee shall not be in default of this Agreement until thirty (30) days after the final determination of the validity of the lien. Within that thirty (30) day time period, Lessee shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon; such delay shall be a default of Lessee hereunder. In the event of any such contest, Lessee shall protect and indemnify the City against all loss, expense, and damage resulting therefrom, including all attorney fees and costs of litigation which may be incurred in connection with said dispute.

3.10 Improvements to Leased Premises.

3.10.1 During the lease period, the Lessee shall make the following improvements to the leased premises, at Lessee's sole expense, and in the following priority:

a. Repair the maintenance shop roof, to include warranty on new roof. Make structural repairs to building as needed including sheetrocking and electrical; and

b. Make necessary repairs to the bridge on the ninth hole; and

c. Make necessary repairs to driving range netting and poles; and

d. Install automated irrigation system on back nine holes; and
e. Leveling of Fairways 1, 3, 4, 8, and 15 (in the event the Contingency Agreement becomes effective, Fairway #4 would be exempt from leveling as described herein); and

f. New tees on Holes 1, 2, 3, 13, 15, and 16; and

g. New green on hole 14; and

h. Install drainage for 2nd fairway and 3rd green; and

j. Paint Pro Shop and cart storage building exterior, pressure wash and address rusty nail spots before painting; and

k. Paint interior and install new carpet in Pro Shop; and

l. Install shut-off faucets and motion sensor lighting in restroom on course.

3.10.2 The Lessee shall report to the City Council at least two (2) times per year on the progress of improvements to the leased premises, and/or with requests to alter the improvement priorities set forth in Paragraph 3.10.1 herein. The first report shall be at the first City Council meeting in January, and the second report shall be at the first City Council meeting in June.

3.10.3 The City also retains the right to make whatever capital improvements it deems necessary or desirable at any time without expense to Lessee. Before making any such improvements, the City shall meet with Lessee to discuss the effect of the proposed improvements upon Lessee’s operation of the leased premises. Lessee shall make itself available for such discussions. If the making of the improvement will have an effect upon Lessee’s operation of the leased premises, the City and Lessee shall negotiate what, if any, modifications of the lease provisions may be necessary as a result of such effect. If, after such negotiation, the parties cannot agree regarding which of the lease provisions should be modified, the matter shall be referred to binding arbitration. The City shall make a good-faith effort to minimize or limit any adverse effect of any such improvement upon Lessee’s operation of the leased premises. However, both parties understand and agree that regardless of the inconveniences or interruptions of Lessee’s operation of the golf course which may occur as a result of the City’s making any capital improvements, Lessee shall not be relieved of any of Lessee’s obligations under this Agreement, as it now exists or is hereafter amended by the parties.

3.10.4 In the event the proposed sale of a portion of the golf course to a developer closes, the Contingency Agreement attached hereto as Exhibit "B" and incorporated herein by this reference as though fully set forth, will replace and supercede Section 3.10.3 of the Agreement.

3.10.5 Any and all buildings, structures, alterations, additions and improvements shall be the property of the City, and shall remain upon and be surrendered with the premises as
a part thereof at the termination of this Agreement, without compensation to Lessee. This shall also/not apply to furniture or moveable trade fixtures installed at the expense of the Lessee.

3.11 Inspection and Accounting.

3.11.1 Lessee shall submit to the City a monthly itemized statement of gross receipts for the entire operation of the leased facilities, including the pro shop; this statement shall be submitted to the City by the twenty-fifth (25th) day of each month, showing an accounting of gross receipts for the previous month. The Lessee shall submit to the City an annual profit and loss statement for the entire operation of the leased facilities, including the pro shop, which statement must be submitted to the City within thirty (30) days immediately following the end of Lessee’s fiscal year. The annual financial statement shall be prepared by a Certified Public Accountant pursuant generally accepted accounting principles. Lessee shall meet with such Certified Public Accountant before the commencement of this Lease for consultation regarding accounting methods, practices and procedures to be utilized by Lessee in its operation of the leased premises. The Lessee shall keep or cause to be kept such reasonable books, records, journals, accounts and ledgers as may be required to properly and accurately reflect the amounts of revenues and expenses in accordance with generally acceptable accounting principles. The cost of the preparation of the annual financial statement by a Certified Public Accountant shall be equally divided between the City and Lessee.

3.11.2 The City Manager shall have the right, at any time, at any and all reasonable hours, upon reasonable notice, to inspect and verify the books of Lessee with reference to the operation of the entire lease facilities, including the pro shop, and the income and expenses in connection therewith. The City shall have the right at City’s expense, at any time, at any and all reasonable hours, and upon reasonable notice, to have an audit performed upon the Lessee’s operation of the leased facilities, as the City may deem necessary or desirable.

3.11.3 Lessee shall also keep and make available to the City, upon reasonable notice, all cash register tapes from all gross revenue items. Any and all financial records, reports and information Lessee provides to the City must be categorized separately into information pertaining to the Ocean Shores Municipal Golf Course.

3.11.4 The City shall have the right of access to any and all portions of the leased premises, at any time, at any and all reasonable hours, and upon reasonable notice, for the purpose of inspecting, analyzing, and/or gathering information relating to the premises itself or the operation of the golf course.

3.12 Statistical Records and Information.

Lessee will provide to the City appropriate statistical records regarding activity at and use of the leased premises by the public on a monthly basis. Such records shall be submitted to the City by the first Wednesday of the second week of the following month. Such records and information shall include the number and category of golf rounds played, the categories and numbers of passes sold, and shall make available to the City, upon reasonable notice, copies of a daily register which is a sign up sheet for each and every golfer patronizing the golf facilities.
The Lessee shall provide and/or make available any other information requested by the City relating to the recreational use of the facilities by the public.

3.13 Security Deposit/Performance Bond.

3.13.1 Lessee shall provide a security deposit of Ten Thousand Dollars ($10,000) to the City, or at Lessee's option, Lessee shall provide a performance bond of Thirty Thousand Dollars ($30,000.00) to the City. This deposit and/or bond shall be used by the City, at the option and in the sole discretion of the City, to reimburse the City for any default by the Lessee, as defaults are defined in Paragraph 4 herein) of any provision of this Agreement, including, but not limited to, failure to pay rent, failure to maintain or restore premises, failure to provide adequate insurance coverage, failure to pay for utilities, or any other violation of any term of this lease. This amount is not intended by either party to cover all damages resulting from Lessee's breach of this Agreement.

3.13.2 The total sum of Ten Thousand Dollars ($10,000) shall be on deposit by the Lessee with the City for each year of this Agreement. Any amount that has been expended by the City from the original Ten Thousand Dollar ($10,000) security deposit for defaults occurring in the previous year of this Agreement, shall be paid by the Lessee to the City by January 1st, so that the City has available to it the total sum of Ten Thousand Dollars ($10,000) as a security deposit for the next year of the Agreement.

3.13.3 In the event Lessee elects to provide a performance bond, as set forth in 3.13.1 hereinabove, said performance bond shall be provided to the City for each year of this Agreement. Any amount that has been expended by the City from the original Thirty Thousand Dollar ($30,000) performance bond for defaults occurring in the previous year of this Agreement, shall be replaced by the Lessee not later than January 1st, so that the City has available to it the total performance bond amount of Thirty Thousand Dollars ($30,000) for the next year of the Agreement.

3.13.4 Any balance remaining in the security deposit shall be released and refunded by the City to Lessee within sixty (60) days from the date of the termination of the last year of this lease.

3.14 Compliance with Laws - Hazardous Substances.

3.14.1 Lessee shall comply with all applicable rules, regulations, laws, ordinances, statutes, or orders of any governmental authority, federal, state, or local, lawfully exercising authority over the demised premises or over the operations carried out pursuant to this Agreement. Lessee shall take such actions as may be necessary to the protection of health, safety and welfare of the public.

3.14.2 Lessee covenants and agrees that Lessee has not used, nor will ever use, any chemical, including but not limited to herbicides, pesticides and fertilizer which is not approved for such use by local, state and/or federal law and that the application and disposal of all chemicals used on the leased premises is done in compliance with local, state and federal
regulations, as well as with the manufacturer’s specifications and recommendations. Lessee further agrees to indemnify and hold the City harmless from any and all claims or damages which may arise out of Lessee’s improper application, storage or disposal of such chemicals, including reasonable attorney fees and all costs associated with the defense of such claims.

IV. GENERAL TERMS AND CONDITIONS

4.1 Indemnity Provisions

4.1.1 Lessee shall indemnify and hold harmless the City from any and all losses, costs (including attorney fees), damages, expense and liability (including statutory liability and liability under Worker’s Compensation Laws) in connection with claims for damages as a result of injury or death of any person or property damage to any property sustained by Lessee, its agents, employees, customers, invitees, contractors, subcontractors and all other persons which may arise from and in any manner grow out of an act or neglect on or about the leased premises by Lessee, Lessee’s agents, employees, customers, contractors, subcontractors, and all other persons.

4.1.2 The City shall indemnify and hold harmless the Lessee from and against any and all losses, costs (including attorney fees), damages, expense and liability in connection with any claims for damages arising from the City’s negligence on or about the leased premises.

4.2 Defaults

4.2.1 Any or all of the following shall be considered events of default under the terms of this Agreement:

a. If Lessee fails to perform or defaults in any of the amounts due to the City as set forth in this Agreement, or in the observance or performance of any of the covenants, agreements, commitments, or conditions contained in the Agreement, and if any such default continues unremedied for a period of fifteen (15) days after written notice of such default or failure to perform has been given to Lessee, via either United States Mail, first-class postage prepaid, via facsimile transmission, or via electronic mail; or

b. If Lessee makes an assignment of its property for the benefit of creditors; or

c. If Lessee petitions any court to be adjudged a bankrupt; or

d. If a petition in bankruptcy is filed in any court against Lessee; or

e. If Lessee is judicially determined to be insolvent; or
f. If Lessee is adjudged a bankrupt; or

g. If a receiver or other officer is appointed to take charge of the whole or any part of Lessee’s property or to wind up or liquidate its affairs; or

h. If Lessee seeks a reorganization under any of the terms of the Federal Bankruptcy Code, as amended, or under any insolvency laws; or

i. If Lessee admits, in writing, its inability to pay its debts as they become due; or

j. If any final judgment is rendered against Lessee and remains unsatisfied for a period of thirty (30) days from the date on which it shall become final; or

k. If Lessee abandons the golfing facilities; or

l. If the City fails to perform or defaults with regard to the observance or performance of any of the covenants, agreements, commitments, or conditions contained in this Agreement, and if such default continues unremedied for a period of fifteen (15) days after written notice of such default or failure to perform has been given to the City, via either United States Mail, first-class postage prepaid, via facsimile transmission, or via electronic mail, such failure shall be considered a default of this Agreement. In the event of such default, the Lessee may, at its option and in addition to all other rights and remedies which it may have at law or in equity against the City, including expressly the specific enforcement hereof, forthwith have cumulative right to immediately terminate this Agreement.

4.2.2 In the event the parties disagree whether the Lessee’s performance has been satisfactory, the parties shall request the opinion of a mutually acceptable independent certified golf course superintendent selected from the lists of certified members of the Golf Course Superintendent Association of America, or the opinion of an independent agronomist employed at Western Washington Research and Extension Center, Washington State University, Puyallup, Washington. If the parties can not agree upon a mutually acceptable third party, then each party shall select an expert of their choosing and those experts shall then choose an expert they believe to be independent and competent. That expert shall then render a decision which will be binding upon the parties on the issue of performance. If the performance in dispute is with respect to the management and operation of the golf course, as opposed to its cultivation and maintenance, then the independent expert shall be a PGA member mutually acceptable to the parties. If the parties can not agree on a mutually acceptable PGA member then the same selection process previously described in this paragraph shall apply to the choice of the PGA expert.
4.2.3 In the event of any or all such defaults, the City may, at its option and in addition to all other rights and remedies which it may have at law or in equity against Lessee, including expressly the specific enforcement hereof, forthwith have the cumulative right to immediately terminate this Agreement and all rights of Lessee hereunder and to commence forfeiture of the security deposit and/or performance bond described in Paragraph 3.13 hereinafore. In addition to forfeiture of said security deposit and/or performance bond, in the event the City terminates the Agreement based upon the default or breach of this Agreement by Lessee, Lessee shall also pay the full monthly lease payments to the City until an acceptable replacement tenant is found, or for a period of twelve (12) months, whichever is sooner. However, receipt of payment from the security deposit and/or cancellation of this Agreement shall not constitute a cancellation or waiver by the City of any remedies at law or in equity available to the City, or for any damages or losses resulting from or which may be sustained by the City on an account of Lessee's default, assignment, insolvency, adjudication, failure to perform or other default as provided herein above in this section, including any expenses incurred by the City in exercising its rights under this Agreement.

4.2.4 In the event that an independent certified golf course superintendent or an independent PGA expert determines that Lessee’s performance in any area has been unsatisfactory, the City may give notice of termination sixty (60) days prior to termination; PROVIDED that if the Lessee alters its performance to the comply with any expert findings and/or recommendations within thirty (30) days thereafter, the City shall notify the Lessee that the notice of termination is retracted.

4.3 Lessee shall not mortgage, pledge, encumber, sublet, or assign the leasehold interest herein created without the express written consent of the City, which consent shall be within the City's sole discretion.

4.4 This Agreement shall be binding upon the parties hereto, their respective heirs, devisees, personal representatives, administrators, successors, and assigns. It cannot be varied or waived by an oral representation or promise of any agent or agents who executed this agreement.

4.5 No waiver by the City or Lessee of any breach of any provision of this Agreement shall be deemed for any purpose to be a waiver of any breach of any other provision hereof, or of any continuing or subsequent breach of the same provision.

4.6 Each right of the parties hereto is cumulative and is in addition to each other legal right, which the party may have in the event of any default of the other.

4.7 In the event any covenant, condition or provision herein contained is held to be invalid by a final judgment of any court of competent jurisdiction, that covenant, condition or provision shall not in any way affect the validity of any other covenant, condition or provision herein contained.
4.8 This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. Venue for any litigation arising under this Agreement shall be laid in Grays Harbor County, Washington.

IN WITNESS WHEREOF, the parties have executed this agreement on this 25th day of April 2005.

CITY OF OCEAN SHORES

By: ________________________________
   DAVID A. WEISER
   City Manager

OCEAN SHORES GOLF COURSE, INC.

By: ________________________________
   CURTIS ZANDER, President

STATE OF WASHINGTON )
COUNTY OF GRAYS HARBOR ) ss.

I certify that I know or have satisfactory evidence that DAVID A. WEISER is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the City Manager of the City of Ocean Shores to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATE: ______________ ________________

Notary Public in and for the State of Washington. My appointment expires:

OCEAN SHORES GOLF COURSE
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STATE OF WASHINGTON )
COUNTY OF GRAYS HARBOR ) ss.

I certify that I know or have satisfactory evidence that CURTIS ZANDER, is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the President of Ocean Shores Golf Course, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATE: ______________

Notary Public in and for the State of Washington. My appointment expires: