

WASTEWATER PLANT SITE

GROUND LEASE

This Ground Lease Agreement (the "Ground Lease") is made as of this 1st day of May, 2025, by and between THE CITY OF SNOQUALMIE, WASHINGTON, a Washington municipal corporation ("Lessor") and NLS, a Washington LLC ("Lessee").

RECITALS

- A. Lessor is the owner of the real estate described on Exhibit A attached hereto (the "Land") located in the City of Snoqualmie, King County, Washington, on which Lessor operates a municipal wastewater treatment plant; and
- B. Lessor has determined that a portion of the Land is surplus to Lessor's needs for wastewater treatment or other municipal utility purposes; and
- C. RCW 35.42.200 authorizes Lessor to enter into a lease with a private party for the lease of any real or personal property, and RCW 35.94.040 authorizes Lessor to lease for any term of years any lands, property, or equipment originally acquired for public utility purposes that is surplus to the city's needs and is not required for providing continued public utility service; and
- D. Lessor desires to lease a portion of the Land to the Lessee pursuant to this Ground Lease, and the Lessee intends to operate thereon a Landscaping business; and
- E. Lessor has determined the fair market rental value of the portion of the Land to be a lease for \$4932 per-month; and
- F. All capitalized terms used in this Ground Lease shall have the meanings set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties hereto agree this Ground Lease as follows and attached hereto:

ARTICLE I

LEASE

1.1 Lease. In consideration of the rents, covenants and agreements contained in this Ground Lease, Lessor hereby leases to Lessee that portion of the Land legally described in Exhibit B attached hereto and incorporate herein, containing approximately 0.63 acres (27,398 square feet) ("the Leased Premises"), and Lessee hereby leases the Leased Premises from Lessor upon

and subject to the conditions set forth in this Ground Lease, and subject to all encumbrances and matters of record as of the date of this Ground Lease.

1.2. Condition of Land. Lessee hereby accepts the Leased Premises "as is" in their existing condition. Lessor shall not be responsible for any claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the release or disposal of hazardous substances on the Leased Premises during the term of this Lease or hereafter, and the responsibility for the same shall remain solely with Lessee.

1.3. Lessor's Right to Inspect. Lessor shall have the right to inspect the Leased Premises at any time.

1.4 Use of Leased Premises. The Leased Premises shall be used and occupied only for the purpose of landscaping services but, until Lessee commences such use and occupancy, Lessor reserves the right to continue to use and occupy the Leased Premises for Lessor's own purposes at no cost.

1.5. Maintenance/Restoration.

1.5.1. Lessee shall, at its own expense, maintain the Leased Premises or facilities on or attached to the Leased Premises in a safe condition, in good repair and in a commercially reasonable manner subject to force or unless affected by destruction which is not the result of Lessee's activities or operations. Additionally, Lessee shall keep the Leased Premises free of debris and (excepting Hazardous Substances which are addressed in Section 14 below) anything of a dangerous, noxious, or offensive nature or which would create a hazard or undue vibration, heat, noise or any interference with Lessor's use of the Land. Except as otherwise expressly set forth herein, Lessee shall have sole responsibility for the maintenance, repair, and security of its facilities and leasehold improvements. Any tree pruning or cutting that is required for use of the Leased Premises shall require the Lessee to obtain a Tree Trimming/Cutting Permit from Lessor which shall not be unreasonably withheld, conditioned, or delayed. All tree work shall be done at the direction of the City Arborist to ensure that best management practices are followed.

1.5.2. In the event that Lessee causes damage of any kind to the Leased Premises during the course of its occupancy and business operations, including without limitation any damage to the Leased Premises caused by cutting, boring, jack hammering, excavation, other work, or latent damage not immediately apparent at the time of the work, Lessee shall repair the damage and restore the Leased Premises at its sole cost and expense, without delay or interruption and within the reasonable time period prescribed by Lessor. Prior to vacating the Leased Premises, the Lessor shall restore the property as follows:

a. The land shall be leveled and graded to drain to the southwest edge of the Leased Premises. This includes all dirt mounds, holes, etc.

b. All equipment, trailers, containers, concrete blocks, fencing, and trash shall be removed.

1.6. Safety/Housekeeping. All work done shall be done in a manner that minimizes interruptions or inconvenience to the public and/or City staff. All work shall be carried on with

due regard for the safety of the public, and Lessee, when deemed necessary by the Lessor, shall maintain strict compliance with the appropriate provisions relating to control of traffic and pedestrians through work areas as set forth in the Manual on Uniform Traffic and Control Devices (current edition) as adopted by the Washington State Department of Highways. Property and streets adjacent to the Leased Premises shall be kept free and clear at all times from accumulations of mud, dirt, gravel, rock, and other matter. Lessee will be responsible for daily and final clean up and disposal of refuse, waste, and debris produced by its operation. Refuse shall not be permitted to accumulate to the extent that it interferes with vehicular and pedestrian safety. Should the Lessor determine Lessee is not fulfilling its obligation in this regard, the Lessor reserves the right to take such action as may be necessary, and to charge Lessee any costs that may be incurred in such remedial action.

1.7. Non-Interference.

A. Lessee shall not use the Leased Premises in any way that materially interferes with the use of the Land by Lessor, or by other lessees or licensees of Lessor, nor shall Lessee make any change in its operations that causes or is intended to cause material interference with such other lessees' or licensees' prior existing operations. All operations of Lessee shall be in compliance with all applicable laws and regulations.

B. Lessor shall have the right to permit co-location of other lessee's and licensor's equipment on the Land, and Lessee hereby consents to the same.

C. For the purposes of this Section 1.7, "material interference" includes but is not limited to any other use on the Lessor's Property that causes material or physical obstruction or interference with, or degradation of, the Lessee's use of the Land. Any level of discernible or measurable interference is deemed as material in nature and will fall within this Section

1.8. Access and Utilities. Lessee shall have such vehicular access to the Leased Premises as follows: Entrance / Exit is located where shown on the vicinity map under Exhibit A. Lessee and its officers, agents and employees shall park within the area designated on the vicinity map. Power, water sewer shall be the lessee's responsibility. Lessor and Lessee further agree to mutually cooperate regarding parking on the Land and/or Leased Premises. Lessor and Lessee agree to execute such instruments as may be necessary to provide for such vehicular access, parking and utilities and agree to cooperate in the location thereof.

ARTICLE II

TERM

2.1 Commencement. Subject to the terms and conditions of this Lease, the term of this Ground Lease shall commence on the effective date of the City of Snoqualmie Resolution approving this Ground Lease ("Commencement Date").

2.2 Duration. The term of this Ground Lease shall continue from the Commencement Date until the earlier of (i) three hundred sixty five (365) days following the Commencement Date or (ii) such earlier termination by Lessor or Lessor pursuant to Section 2.3 below ("the Term").

2.3. Termination. This Agreement may be terminated, without any penalty or further liability, on sixty (60) days written notice as follows:

2.3.1. Unless otherwise set forth herein, by either party on default of any covenant or term hereof by the other party, as defined in Section 8.1 below.

2.3.2. By Lessee if any certificate, permit, license, or approval affecting Lessee's ability to use the Premises in the manner originally intended by Lessee is rejected through no fault of Lessee and after Lessee has used reasonable efforts to maintain such approvals, or if any previously issued certificate, permit, license, or approval is cancelled, expires, lapses, or is otherwise withdrawn or terminated by the applicable governmental agency through no fault of Lessee and after Lessee has used reasonable efforts to maintain such approvals.

2.3.3. By Lessee if the Premises are or become unacceptable to Lessee due to interference this Agreement pursuant to Section 1.6 "Non-Interference."

2.3.4. By Lessor, for reasons involving public health, safety, or welfare. In addition, if the public health, safety, or welfare is endangered by the operations of Lessee's operations and Lessee fails to discontinue its operations as soon as is reasonably possible after receipt of notice thereof, and thereafter Lessee is unable to cure the conditions causing the endangerment as soon as practicable but no longer than thirty (30) days after receipt of such notice, Lessor may immediately terminate this Agreement. For purposes of this Section 2.3.4, reasons involving public health, safety or welfare shall be deemed to mean the operations of the Lessee pose an imminent threat to the general public.

2.3.5. By Lessor, if Lessee fails to comply with all applicable federal, state and local laws, including, without limitation, all governmental codes, ordinances, resolutions, standards and policies as now existing or hereafter adopted or amended, including, without limitation, within any applicable grace or cure period of written notice from the Lessor.

In the event of any termination under this Section, Lessee shall pay Lessor all monies due as of the date of termination, including rent, attorneys' and collection fees. In addition, Lessee shall, at its sole expense, return the Premises to the same or better condition than existed on the Commencement Date (normal wear and tear, and casualty beyond Lessee's control, excepted), and shall remove all equipment

ARTICLE III

RENT

3.1 Rent. Within twenty (20) days of the commencement date of this Agreement and on the first of each month thereafter, Lessee shall pay to the Lessor at the address set forth below or as Lessor shall otherwise direct in writing without deduction offset, prior notice or demand the amount equal to \$0.18 per square foot per month (\$4,932) plus leasehold tax \$633.27, for a total of \$5,565.27 ("Monthly Rent"). Monthly Rent for any fractional or partial month at the beginning or at the end of the Term or Renewal Term shall be prorated on a daily basis at the rate of 1/30 of the Monthly Rent. Lease Payment shall be payable to the City of Snoqualmie at PO Box 987, Snoqualmie, WA, 98065.

3.2. Rent Following Holdover. In the event of any holdover beyond the expiration of the Term, Rent shall be increased by ten percent (10%) over the Rent set forth in Section 3.1 above.

3.3. Additional Consideration.As additional consideration for this Agreement, within thirty (30) days after the Commencement Date, Lessee shall reimburse Lessor for all of Lessor's actual and reasonable costs and expenses to negotiate and execute this Agreement, including attorney's and consultants' fees and the time expended by the City staff and City Attorney's Office. The parties stipulate that three thousand, five hundred dollars and no/100 (\$3,500.00) shall be paid by Lessee to Lessor in full compensation for its costs and expenses incurred in negotiating this Agreement and Lessee agrees that no further documentation shall be required from Lessor to substantiate such costs and expenses.

ARTICLE IV

TAXES, UTILITIES AND FEES

4.1. Lessee's Responsibility. Lessee shall be solely responsible for the payment of and shall pay and discharge all utility charges which are incurred as part of Lessee's use and occupancy of the Leased Premises. Lessee shall be solely responsible for the payment of excise taxes imposed under the authority of Chapter 82.29A RCW and Snoqualmie Municipal Code Chapter 3.40. Lessee shall also secure and pay for all permits, fees, and licenses necessary for conducting business within the City of Snoqualmie the performance of this Lease, including but not limited to, a City of Snoqualmie business license.

4.2. Lessor's Responsibility. Lessor shall pay all utility charges that do not arise as part of Lessee's business operation and/or occupancy of the Lease Premises, and all real property taxes and assessments that are imposed upon the Land, not including excise taxes imposed under the authority of Chapter 82.29A RCW or Snoqualmie Municipal Code Chapter 3.40, which shall be the responsibility of Lessee. In accordance with RCW 35.42.090, this Ground Lease shall be exempt from any taxes imposed under the authority of Chapter 82.45 RCW, RCW 82.04.040, or RCW 82.08.090.

ARTICLE V

LIENS: SECURITY INTEREST

Lessee's Duty. Lessee shall not directly or indirectly create or permit to be created or to remain, and will discharge any other mortgage, lien, security interest, encumbrance, or charge on, pledge of or conditional sale or other title retention agreement with respect to the Land, the Leased Premises, or any part thereof.

ARTICLE VI

INDEMNITY AND INSURANCE

6.1. Indemnity. Lessee agrees to hold harmless, indemnify, and defend Lessor, its officers, agents, and employees, from and against any and all claims, losses, or liability, for injuries, sickness, or death of persons, including employees of Lessee, or damage to property, arising out of any willful misconduct or negligent act, error, or omission of Lessee, its officers, agents, contractors, subcontractors or employees, in connection with Lessee's use of the Land, provided, however, that:

6.1.1. Lessee's obligations to indemnify, defend and hold harmless shall not extend

to injuries, sickness, death or damage caused by or resulting from the sole willful misconduct or sole negligence of Lessor, its officers, agents, contractors, subcontractors or employees; and

6.1.2. Lessee's obligations to indemnify, defend and hold harmless for injuries, sickness, death, or damage caused by or resulting from the concurrent negligence or willful misconduct of Lessee and Lessor, or of Lessee and a third party other than an officer, agent, contractor, subcontractor or employee of Lessee, shall apply only to the extent of the negligence or willful misconduct of Lessee.

6.2. Waiver of Title 51 Immunity. Pursuant to RCW 4.24.115, Lessee agrees that to the extent necessary to hold harmless, indemnify, and defend Lessor and its officers, agents, and employees from any claims, losses, or liability for injuries, sickness, or death of Lessee's employees, but only to such extent, Lessee waives Lessee's immunity under industrial insurance, Title 51 RCW, for any such injury, sickness, or death. By signing this Ground Lease, Lessee and Lessor acknowledge that this waiver has been mutually negotiated.

6.3. Lessee's Insurance. Lessee shall, at all times during the Term of this Ground Lease, obtain, maintain, and keep in force the following insurance coverage, and shall name Lessor as a named insured under each of the policies required below:

6.3.1. Property Insurance. Property insurance fully insuring all improvements constructed on the Land as well as all of Lessor's personal property and trade fixtures located on the Land against loss or damage by fire and lightning, and insurance against risks customarily covered by extended coverage endorsement, including but not limited to loss by windstorm, hail, explosion, riot, vehicles, smoke damage, vandalism and malicious mischief in amounts sufficient to prevent Lessor or Lessee from becoming a co-insurer of any loss under the applicable policies, but in any event in amounts not less than the full replacement cost of all buildings, equipment, and other improvements to the Land, including the cost of debris removal. The property insurance policy shall meet the requirements set forth in this section.

6.3.2. Commercial General Liability. Limits no less than \$1,000,000.00 combined single limit per occurrence and \$2,000,000.00 aggregate for personal injury, bodily injury and property damage. Coverage shall be as broad as Insurance Services Office form number (CG 00 01) covering Commercial General Liability.

6.3.3. Automobile Liability Insurance. Limits no less than \$1,000,000.00 combined single limit per accident for bodily injury and property damage. Coverage shall be as broad as Insurance Services Office form number (CA 00 01) covering Business Auto Coverage, symbol 1 "any auto"; or the combination of symbols 2, 8, and 9.

6.3.4. Employer's Liability or "Stop Gap". Coverage shall be at least as broad as the protection provided by the Workers Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the general liability policy;

6.3.5. The insurance policies shall specifically name the Lessor, its elected or appointed officials, officers, employees, and volunteers as insureds with regard to damages and defense of claims arising from (1) activities performed by or on half of the Lessee; or (2) products and completed operations of the Lessee; or (3) premises owned, leased, or used by the Lessee. Such policy shall also contain an endorsement or policy wording naming the Lessor shall provide for not less than 30 days prior written notice to the Lessor of any change, cancellation or expiration of such policy

6.3.6. The insurance policies (1) shall state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) shall be primary insurance with regard to the Lessor; and (3) shall state that the Lessor will be given at least 30 days' prior written notice of any cancellation, suspension or material change in coverage.

6.3.7. Before occupancy, Lessee shall provide to the Lessor a Certificate of Insurance evidencing the required insurance accompanied by endorsements as are necessary to comply with the requirements of this paragraph. The Lessor reserves the right to request and receive a certified copy of all required insurance policies.

6.3.8. Any payment of deductible or self-insured retention shall be the sole responsibility of Lessee.

6.3. Financially Responsible Insurers. All of the insurance obtained under this Section 8.2 shall be written by companies which are legally qualified to issue such insurance and which have a Best's rating of no less than A:III, or, if not rated by Best's, which have a rating in one of the two highest categories maintained by S&P and Moody's, and shall name Lessor as an additional named insured. Lessor shall be given forty-five (45) days advance notice of any termination or intent to terminate or cancel any policy referred to in this Article.

6.4. Waiver of Subrogation. Every insurance policy maintained pursuant to Article VI shall provide that the insurer waives all rights of subrogation against a named insured, and any successor to a named insured's interest in the Land. Lessee shall hold Lessor harmless from all damages arising out of the damage to any person or property occurring in, on, or about the Land and the Leased Premises other than damages arising out of the intentional misconduct or breach of this Lease by Lessor, its employees or agents.

6.5 Evidence of Insurance. Lessee shall deliver to Lessor prior to the commencement of the Term of this Lease certificates of insurance evidencing all the insurance which is then required to be maintained by Lessee, and Lessee shall, within forty-five (45) days prior to the expiration of any such insurance, deliver other certificates of insurance evidencing the renewal of such insurance.

ARTICLE VII

EMINENT DOMAIN

7.1. Award. In the event of any taking, partial or whole, Lessor shall be entitled to the entire award judgment or settlement from the condemning authority for the value of the Land taken by the condemning authority.

ARTICLE VIII

EVENTS OF DEFAULT BY LESSEE AND LESSOR'S REMEDIES

8.1 Events of Default. The following occurrences or acts shall constitute an event of default under this Lease:

8.1.1. Failure to Perform. If Lessee:

- (1) Fails to pay rent or any other amount due on time to Lessor; or,
- (2) Fails to observe or perform any provision of this Lease,

And the default continues for thirty (30) days after the Lessor provides written notice demanding payment or performance, then:

- If the default can be remedied by payment, the Lessee must cure via payment within thirty (30) days.
- If the default cannot be remedied via payment, the Lessee must begin to cure the default immediately and continue working diligently until it is fully resolved. If the Lessee does not take necessary steps to resolve the default within thirty (30) days or the default is not resolved within thirty (30) days, Lessor may exercise any remedy which may be available to Lessor at law or equity, including but not limited to actions for damages, and/or injunctive relief, or termination as set forth herein.

8.1.2. Lessee's Financial Condition. If Lessee shall make a general assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or shall fail seasonably to contest the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties.

8.2. Remedies Upon Lessee's Default. In the event of any default by Lessee as defined hereinabove which default remains uncured after the expiration of the respective period set forth above, Lessor may exercise any remedy which may be available to Lessor at law or equity, including but not limited to actions for damages, and/or injunctive relief, or termination as set forth herein.

8.3. Cumulative Rights and Remedies. The rights and remedies reserved to Lessor herein, including those not specifically described, shall be cumulative, and except as provided by Washington statutory law in effect at the time, Lessor may pursue any and all such rights and remedies at the same time or independently.

ARTICLE IX

QUIET ENJOYMENT

Lessee's Occupation of Land. If and so long as Lessee shall pay all rent and all other amounts payable by Lessee hereunder whenever the same shall become due and shall keep all of the covenants and conditions required by it to be kept during this Lease and shall perform all of its other obligations hereunder, Lessor covenants and agrees that, except as may otherwise be provided in this Lease, including without limitation and by way of example those limitations set forth in Article I and Article X herein, Lessor will not interfere with the peaceful and quiet occupation and enjoyment of the Land by Lessee, which occupation and enjoyment shall be without hindrance, ejection or molestation by Lessor.

ARTICLE X

LESSEE TO COMPLY WITH APPLICABLE LAWS AND AGREEMENTS

10.1. Compliance with Laws. Lessee shall not use the Land or permit anything to be done in or about the Land which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and obtain all permits, licenses or other approvals required by governmental agencies or bodies. Lessee shall further comply with the requirements of any board or fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Land.

10.2. Compliance with Agreements. Lessee shall comply with all insurance policies and applicable agreements to which Lessee is a party or by which it is bound, now or hereafter in effect, and all agreements of which Lessee has notice and which are now in effect and applicable to the Land.

ARTICLE XI

WAIVER

11.1. Waiver Limitations. The waiver by either party of any term, covenant or condition herein contained on the part of the other party to be performed shall not be deemed a waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this Lease, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

ARTICLE XII

NOTICES

12.1. Mailing Addresses. All notices, requests, demands, instructions or other documents to be given hereunder to any party shall be in writing and shall either be personally delivered to the party at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery) or delivered by mail, sent by registered or certified mail, return receipt requested, as follows:

If to Lessor:

City Administrator
P.O. Box 987
Snoqualmie, WA 98065
Facsimile: (425) 831-6041

If to Lessee:

Monarch Landscape Companies
550 S Hope Street
Suite 1675
Los Angeles, CA 90071
Facsimile: (213) 816-1750

Notices so mailed shall be deemed to have been given forty-eight (48) hours after the deposit of the same in any United States Mail post office box in the state to which the notice is addressed or seventy-two (72) hours after deposit in any such post office box other than the state to which the notice is addressed, postage prepaid, addressed as set forth above. For the purpose of this paragraph addresses for notice may be changed by giving written notice of such change in the manner herein provided for giving notice.

ARTICLE XIII

ASSIGNMENT AND SUBLEASING

13.1 Subleasing. Any other proposed sublease of any portion of the Leased Premises shall be subject to the review and approval of Lessor.

13.2 Assignment. Lessee shall not assign, mortgage, or encumber this Lease or delegate the duties of the Lessee under this Lease without the prior written consent of Lessor. A consent to one assignment shall not be deemed to be a consent by Lessor to any subsequent assignment by another person. This Lease shall not, nor shall any interest of Lessee herein, be assignable by operation of law, without prior written consent of Lessor. This Lease is made only for the benefit of the Lessor and the Lessee, and no third party or person shall have any rights hereunder whether by agency or as a third party beneficiary.

ARTICLE XIV
ENVIRONMENTAL LAWS

14.1. Lessee represents, warrants and agrees that its use of the Premises and the Property shall be in compliance with all environmental laws, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.* ("CERCLA"), the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* ("RCRA"), and the Model Toxics Control Act, Ch. 70.105D RCW ("MTCA"), and federal and Washington State regulations adopted pursuant thereto. "Hazardous Substances" means asbestos or any hazardous substance, waste or material as defined in any federal, state or local environmental or safety law or regulation including, but not limited to CERCLA, SARA, RCRA and/or MTCA.

14.2. Lessor represents and warrants that it has no actual knowledge of Hazardous Substance on the Property and that its use of the Land shall be in compliance with all Environmental Laws. Lessee shall not introduce or use any such Hazardous Substance on the Property in violation of any applicable laws.

14.3. Lessor shall be responsible for, and shall promptly conduct, any investigation and remediation as required by any Environmental Laws or common law, of all spills or other releases of Hazardous Substance, not caused by Lessee, that have occurred or which may occur on the Land and which were caused by Lessor, its agents, contractors or employees.

14.4. Lessee agrees to defend, indemnify and hold Lessor harmless from and against any and all claims, causes of action, demands and liabilities including, but not limited to, damages, costs, expenses, assessments, penalties, fines, losses, judgments and attorneys' fees that Lessor may suffer due to the release of any Hazardous Substance on the Leased Premises or on the Land, or the migration of any Hazardous Substance to other properties or released into the environment, to the extent caused by Lessee's activities on the Property.

14.5. Lessor agrees to defend, indemnify and hold Lessee harmless from and against any and all claims, causes of action, demands and liability including, but not limited to, damages, costs, expenses, assessments, penalties, fines, losses, judgments and attorneys' fees that Lessee may suffer due to the release of any Hazardous Substance on the Property or the migration of any Hazardous Substance to other properties or released into the environment, that are caused by or result from Lessor's activities on the Land.

14.6. The indemnifications in this section specifically include costs incurred in connection with any investigation of Premises conditions or any cleanup, remedial, removal or restoration work required by any governmental authority.

14.7. The provisions of this section will survive the expiration or termination of this Agreement with respect to acts or events occurring prior thereto.

ARTICLE XV

MISCELLANEOUS

15.1. Time of Essence. Time is of the essence in regard to performance of the covenants and agreements stated herein.

15.2. No Joint Venture or Agency. Nothing contained in this Lease nor any of the acts of the parties hereto shall be construed nor is it the intent of the parties, to create a joint venture or partnership between Lessor and Lessee, nor is either party the agent or representative of the other, and nothing in this Lease shall be construed to create any such agency relationship or to hold either party liable to anyone for goods delivered or services performed at the request of the other party.

15.3. Amendments. No change, modification, addition to or waiver or termination of this Lease or any part hereof, shall be valid unless made in writing and signed by or on behalf of the party charged therewith. Lessor and Lessee agree to negotiate in good faith any amendments to this Ground Lease that may be requested or required in connection with the issuance of any Bonds to finance Lessor's improvements to its wastewater treatment plant on the Land.

15.4. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Washington.

15.5. Headings. The article, section and paragraph headings herein contained are for the purposes of identification and reference convenience only and shall not be considered in construing this Lease.

15.6. Successors and Assigns. Subject to the provisions hereof restricting the sublease or assignment by Lessee, all the terms and provisions of this Lease shall be binding upon and to the benefit of and be enforceable by the parties and the successors and assigns of the parties.

15.7. No Merger. In no event shall the leasehold interest of Lessee hereunder merge with any estate of the City in or to the Land. In the event that the City acquires the leasehold interest of Lessee, such leasehold interest shall not merge with the City's fee interest in the Land, and this Ground Lease shall remain in full force and effect.

15.8. Counterparts: Recording of Memorandum. This Lease may be executed in several counterparts, each of which shall be deemed an original for all purposes. Each party agrees to cooperate with the other in executing any documents necessary to protect its rights or use of the Land or Leased Premises, including but not limited to, a Memorandum of Lease. Such documents shall be commercially reasonable in content and in form suitable for recordation.

15.9. Schedule of Exhibits. This Agreement includes the following exhibits attached hereto and incorporated herein by this reference.

EXHIBIT A Vicinity Map

EXHIBIT B Legal Description

15.10. Indemnification: Lessee shall defend, indemnify, and hold harmless the Lessor, its commissioners, officers, managers, employees, engineers, agents, and volunteers from and against all demands, claims, losses, injuries, damages, liabilities, suits, judgment, attorneys' fees and costs, and other expenses of any kind on account of, relating to, or arising out of Lessee's work under this Lease, except to the extent such injuries or damages are caused by the negligence of the Lessor. For the purposes of this indemnification, Lessee specifically and expressly waives any immunity granted under the Washington Industrial Insurance Act, Title 51 RCW. This waiver has been mutually negotiated and agreed to by the parties. If a court of competent jurisdiction determines that this lease is subject to RCW 4.24.115, Lessee's obligation to defend, indemnify, and hold harmless the Lessor, its officers, employees, agents and volunteers shall be limited to the extent of the Lessor's negligence. The provisions of this paragraph shall survive the expiration or termination of this Lease.

15.11. Entire Agreement. This Lease and its attachments contain the entire understanding between the Lessor and Lessee relating to the Project which is the subject of this Lease. This Lease merges all prior discussions, negotiations, letters of understanding or other promises whether oral or in writing.

15.12. No Waiver. No delay or omission of Lessor to exercise any right or remedy shall, except as expressly provided herein, be construed as a waiver of any such right or remedy or of any default by Lessee hereunder. The acceptance by Lessor of rent or any additional rent hereunder shall not be a waiver of any preceding breach or default by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent accepted, regardless of Lessor's knowledge of such preceding breach or default at the time of acceptance of such rent. Further, . waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Lease.

15.13. Severability. If any term, covenant or condition of this Lease is held by a court of competent jurisdiction to be invalid, the remainder of this Lease shall remain in effect.

15.14. Dispute Resolution. If any dispute, controversy, or claim arises out of this Lease, the parties agree to first try to settle the dispute, controversy, or claim in non-binding mediation with the assistance of a recognized professional mediation service. The parties shall each designate a representative with full settlement authority who will participate in the mediation. The parties shall bear all expenses charged by the mediation service equally; the parties shall be responsible for their own attorneys' fees incurred as a result of mediation.

15.15. Jurisdiction/Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington and the City of Snoqualmie. Any suit to enforce or relating to this Lease shall be brought in King County Superior Court, King County, Washington.

15.16. Attorneys' Fees. If either party incurs any expenses, including but not limited to reasonable attorneys' fees, consultant and expert witness fees (including, without limitation, those incurred on appeal), in connection with any action or proceeding instituted by any party by reason of any default or alleged default of a party hereunder, the party prevailing in such action or proceeding shall be entitled to recover its reasonable expenses from the other party hereof. For purposes of this provision, in any action or proceeding instituted pertaining to the Lease, a party shall be deemed the prevailing party if (a) judgment is entered substantially in favor of said party, or (b) before trial or judgment the other party shall pay all or any portion of the charges claimed by said party, or the other party shall eliminate the condition(s), cease the act(s) or otherwise cure the omissions(s) claimed by said party to constitute a default by the other party hereunder.

IN WITNESS WHEREOF Lessor and Lessee have executed this Ground Lease as of the date set forth in the first paragraph of this Ground Lease to evidence their agreement to the terms of this Ground Lease.

CITY OF SNOQUALMIE (“LESSOR”)

NORTHWEST LANDSCAPE SERVICES
LLC (“LESSEE”)

By _____

By _____

Printed Name _____

Printed Name _____

Its Mayor _____

Its _____

Phone (425) 888 1555 _____

Phone_(800) 613 0291 _____

Fax (425) 831 6041 _____

Fax:_(213) 816 1750 _____

Date _____

EXHIBIT B

LEGAL DESCRIPTION

That portion of the Northwest Quarter of the Northeast Quarter, Section 30, Township 24 North, Range 8 East, **W.M.**, in the City of Snoqualmie, King County, Washington, described as follows:

Commencing at the Northeast Corner of said Section 30;
Thence N 89°04'56" W along the north line of said section, a distance of 1845.31 feet;
Thence S 00°55'04" W, a distance of 756.68 feet to the **Point of Beginning**;

Thence S 36°45'40" E, a distance of 145.51 feet;
Thence S 36°45'19" E, a distance of 54.50 feet;
Thence S 46°34'50"W, a distance of 110.90 feet;
Thence N 77°21'19" W, a distance of 28.23 feet;
Thence N 47°38'35" W, a distance of 20.83 feet;
Thence S 42°21'25" W, a distance of 14.57 feet;
Thence N 36°46'31" W, a distance of 143.23 feet;
Thence N41°30'22" E, a distance of 149.94 feet to the **Point of Beginning**.

Having an area of 27,398 square feet, or 0.63 acres, more or less.

September 22, 2016



