

**CITY OF MONROE
RESOLUTION NO. 2023-001**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONROE, WASHINGTON, DECLARING CERTAIN
PROPERTY AS SURPLUS AND AUTHORIZING ITS
DISPOSITION THROUGH THE EXECUTION OF A
GROUND LEASE AND BUILDING TRANSFER
AGREEMENT WITH THE SKY VALLEY FOOD BANK

WHEREAS, the City owns that certain improved real property located at 233 Sky River Parkway; and

WHEREAS, the structure commonly known as the Sky Valley Food Bank Building located upon the 233 Sky River Parkway property ("Building") is surplus to the needs of the City; and

WHEREAS, the estimated fair market value of said Building is \$560,600; and without substantial improvements, the utility of said Building to the City's current operations is *de minimus*; and

WHEREAS, since approximately 1991, the Sky Valley Food Bank ("Food Bank"), a Washington nonprofit corporation, has leased the Building and the underlying land from the City, and has occupied and used the same for purposes of operating a food distribution center for low-income or otherwise food-insecure persons without the Monroe community; and

WHEREAS, the Food Bank's use of the Building serves a valuable public purpose that provides significant benefits to the Monroe community, including without limitation to low-income, food-insecure, and/or disabled or infirm individuals and families; and

WHEREAS, for the reasons set forth in the attached Ground Lease and Building Transfer Agreement ("Lease"), attached hereto as Exhibit A and incorporated herein by this reference as if set forth in full, the City desires to convey and transfer ownership of the Building to the Sky Valley Food Bank in conjunction with a long term ground lease of the underlying real property; and

WHEREAS, the City of Monroe Sale and Disposition of Real or Personal Surplus Property policy requires the Monroe City Council to pass a resolution declaring the Building as surplus prior to its disposition;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

1. That the Building located at 233 Sky River Parkway and commonly known as the Food Bank Building is declared surplus to the needs of the City.
2. That said Building should be conveyed and transferred to the Food Bank as provided in, and subject to the terms and conditions of, the Ground Lease and Building Transfer Agreement attached hereto as Exhibit A.
3. That the Mayor is hereby authorized and directed to execute on the City's behalf said Ground Lease and Building Transfer Agreement, including any minor revisions thereto deemed necessary and appropriate.

ADOPTED by the City Council of the City of Monroe, at its regular meeting thereof, and APPROVED by the Mayor this 14th day of March, 2023.

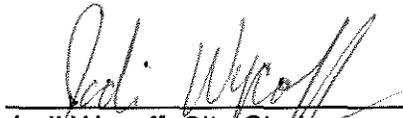
Resolution 2023-001
Approved: March 14, 2023
Effective: March 14, 2023

CITY OF MONROE, WASHINGTON



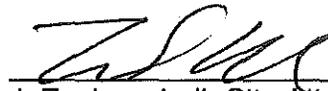
Geoffrey Thomas, Mayor

ATTEST:



Jodi Wycoff, City Clerk

APPROVED AS TO FORM:



J. Zachary Lell, City Attorney

**CITY OF MONROE
RESOLUTION NO. 2023-001
EXHIBIT A**

GROUND LEASE AND BUILDING TRANSFER AGREEMENT

THIS GROUND LEASE AND BUILDING TRANSFER AGREEMENT ("Lease") is dated this 24th day of March, 2023 ("Commencement Date"), by the City of Monroe, Washington, a Washington municipal corporation ("Landlord") and The Sky Valley Food Bank, a Washington nonprofit corporation ("Tenant") for the purposes hereafter set forth.

RECITALS

- A. Landlord is the owner of certain Property, as defined herein.
- B. The Property is currently improved with, *inter alia*, the Building, as defined herein. Due to its current configuration and condition, the Building has no direct, meaningful utility to Landlord.
- C. Pursuant to the 2019 Lease Agreement, as defined herein, and one or more previous lease agreements, Tenant has occupied and used the Property, including the Building, continuously since approximately 1991 for purposes of operating a community food bank.
- D. Landlord and Tenant agree that Tenant's use of the Property serves a valuable public purpose that provides significant benefits to the Monroe community, including without limitation by providing distribution of food to low-income persons, food-insecure persons, and other vulnerable populations.
- E. Landlord and Tenant mutually desire to terminate and supersede the 2019 Lease Agreement with a new long term ground lease under which ownership of the Building will be conveyed to Tenant, and Tenant may in its discretion improve, and/or demolish and replace, the Building at Tenant's sole expense.
- F. Landlord and Tenant desire to enter into this Lease to accomplish their mutual goals and objectives and to clearly define their respective rights, responsibilities and liabilities.

NOW, THEREFORE, in consideration of and subject to all terms and conditions specified herein, and other consideration including without limitation the public interest, the receipt and sufficiency of which are mutually acknowledged, Landlord and Tenant hereby agree and covenant as follows:

1. PURPOSE AND CONSIDERATION; DEFINITIONS.

1.1 Purpose. The purpose of this Lease is to establish the contractual parameters under which Tenant will use, and may in its discretion improve, the Property in order to operate a community food bank in accordance with the authorized uses and terms and conditions set forth herein. This Lease shall be reasonably construed in furtherance of such purpose.

1.2 Consideration. The Parties mutually acknowledge that a fundamental component of the consideration for this Lease is Tenant's use of the Property for the purpose identified in Section 1.1. The Parties further mutually acknowledge that such use serves the public interest in

a manner and to a degree such that additional consideration beyond that specified in this Lease is unnecessary to support the same. The Parties further mutually acknowledge that the failure of such consideration is grounds for termination of this Lease as set forth in Section 4 below.

1.3 Definitions. As used in this Lease:

1.3.1 "Property" means the parcel of land located at 233 Sky River Parkway, in the City of Monroe, Snohomish County, Washington, identified as Assessor's Parcel No. (APN) 00558300-800-900-00, and legally described on Exhibit A, attached hereto and incorporated herein by this reference as if set forth in full.

1.3.2 "Building" means the single-story, 4,127 square-foot structure located upon the Property, constructed in approximately 1991, and known commonly as the Sky Valley Food Bank Building.

1.3.3 "Replacement Building" means the structure, if any, that may be constructed or otherwise installed upon the Property by Tenant during the Term of this Lease in order to replace the Building.

1.3.4 "Premises" means collectively: (i) the Property; (ii) the Building; (iii) the Replacement Building, as applicable; and (iv) all other appurtenances, facilities and features located upon the Property.

1.3.5 "Improvement" or "Improvements" means any construction, demolition, alteration, expansion, extension, modification, repair, replacement or other work performed by or on behalf of Tenant upon the Property, specifically including without limitation: (i) any expansion, alteration, modification or repair of the Building; (ii) any construction, installation, alteration, modification or repair of the Replacement Building; and (iii) any demolition, including any demolition of the Building and/or the Replacement Building.

1.3.6 "2019 Lease Agreement" means that certain contract executed by Landlord and Tenant entitled *Lease Agreement Between the City of Monroe and the Sky Valley Food Bank* dated June 11, 2019, including any amendments or addenda thereto.

1.3.7 "Party" means Landlord and Tenant, individually.

1.3.8 "Parties" means Landlord and Tenant, collectively.

1.3.9 "Hazardous Substances" shall mean: "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended; "hazardous substance" as defined in the Washington State Model Toxics Control Act ("MTCA"); hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, pesticides, polychlorinated biphenyls; radioactive materials, chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.

2. LEASE OF PROPERTY, COMMENCEMENT DATE, AND POSSESSION.

2.1 Lease. Subject to the terms and conditions set forth herein, the City hereby leases the Property to Tenant and Tenant hereby leases the Property from the City.

2.2 Commencement Date. This Lease shall commence on the date upon which all of the following conditions have been satisfied:

2.2.1 This Lease has been signed by an authorized representative of Tenant and returned to Landlord at the address set forth below, accompanied by the required policies of insurance pursuant to Section 14; and

2.2.2 This Lease has been signed by a duly authorized representative of Landlord and returned to Tenant at the address set forth below.

Landlord will notify Tenant in writing of the date on which all of the conditions have been satisfied, which date shall be set forth in the preface statement above and shall be designated as the Commencement Date of this Lease.

2.3 Possession. Tenant shall be entitled to possession of the Property, including the Building, upon the Commencement Date.

3. USE.

3.1 Use. Tenant shall use the Premises for the primary purpose of operating a community food bank and for such other and further ancillary nonprofit, public benefit purposes as are directly consistent with use of the Premises as a community food bank, specifically including without limitation the collection and/or distribution of toys, educational materials, and similar items for low-income school-aged children.

3.2 Other Uses. No use of the Premises other than those uses specified in Section 3.1 is authorized without the express written consent of the Monroe City Council, which may be withheld in the City Council's sole discretion.

3.3 Uses Specifically Prohibited. Without limiting the generality of Section 3.2 above, any use of the Premises for the following purposes is expressly prohibited:

(i) Any use of the Premises to support or oppose any political party, political platform, ballot measure, and/or candidate for federal, state or local elective office;

(ii) Any use of the Premises for adult entertainment or sexually oriented business purposes;

(iii) Any use of the Premises by groups, organizations, or entities to overtly promote unlawful discrimination based upon race, color, ethnicity, age, religion, handicap, gender or sexual orientation; and

(iv) Any use of the Premises that is prohibited under applicable federal, state and local regulations, specifically including without limitation the City of Monroe zoning code.

4. TERM; TERMINATION

4.1 Basic Term. This Lease shall commence and be in full force upon the Commencement Date and shall expire forty (40) years thereafter ("Term"), unless sooner terminated as provided herein.

4.2 Termination. This Lease may be terminated sooner than at the end of the Term specified in Section 4.1 as follows:

4.2.1 The Parties may, by mutual written agreement, terminate this Lease at any time.

4.2.2 Landlord may terminate this Lease upon ninety (90) days' written notice if Tenant fails or ceases to operate a community food bank upon the Premises for a period of ninety (90) or more consecutive calendar days. Provided, that any time during which occupancy of the Building, or the Replacement Building, as applicable, is physically impracticable as a direct result of a current Improvement project shall be excluded from such time period.

4.2.3 Landlord may terminate this Lease upon ninety (90) days' written notice if Tenant uses, or allows the use of, the Premises for any use not listed in Section 3.1 or otherwise not authorized by Landlord in writing.

4.2.4 Tenant may terminate this Lease upon ninety (90) days' written notice pursuant to Section 15.2 in the event that the Premises are destroyed or otherwise rendered physically unusable by any casualty.

4.2.5 Either Party may terminate this Lease for a material breach of this Lease by the other Party. Such termination shall become effective ninety (90) days after the non-breaching Party notifies the breaching Party of the non-breaching Party's intent to terminate; provided, that this Lease shall not terminate if the breaching Party cures the breach within sixty (60) days from receipt of the notice.

4.2.6 Either Party may terminate this Lease as may be specifically provided by any other section hereof.

4.3 Term Extension; Pre-Expiration Notice. No earlier than three (3) years and no later than two (2) years prior to the expiration of the Term, Tenant shall provide written notice to Landlord of Tenant's intent, if any, to request a Term extension. Upon Landlord's receipt of such notice, Landlord shall within ninety (90) days provide Tenant with Landlord's written decision conceptually approving or denying such request. If Landlord conceptually approves Tenant's request, the Parties shall promptly meet and confer in good faith to negotiate the specific terms and conditions of such Term extension. Provided, that any decision to approve or deny Tenant's request for a Term extension shall be at Landlord's sole discretion, with no recourse whatsoever by Tenant. Provided further, that any Term extension shall be expressly subject to Section 28.1. The provisions of this Section 4.3 shall not apply if this Lease is terminated pursuant to Section 4.2.

5. RENT.

5.1 Rental Amount. Tenant shall pay Landlord rent for the Premises ("Rent") during the Term of this Lease in the amount of ONE DOLLAR (\$1.00) per year. Rent shall be payable

by Tenant on the Commencement Date for the first year of the Term and subsequently payable by Tenant on each anniversary of the Commencement Date. Tenant reserves the right to prepay, without penalty, the rent for the entire Term.

5.2 Leasehold Excise Tax. In addition to the Rent specified in Section 5.1, Tenant shall pay any applicable leasehold excise tax required pursuant to RCW 82.29A RCW, Chapter 458-29A WAC and Chapter 3.16 MMC. Such leasehold excise tax payments, if applicable, shall be payable by Tenant on the Commencement Date for the first year of the Term and subsequently payable by Tenant on each anniversary of the Commencement Date. In the event the State of Washington makes any demand upon Landlord for payment of leasehold excise taxes resulting from the Tenant's occupation and/or use of the Premises or withholds funds due to Landlord to enforce collection of leasehold excise taxes, Tenant shall, at its sole expense, contest such action and indemnify Landlord for all sums expended by, or withheld by the State from, Landlord in connection with such taxation.

6. CONVEYANCE OF BUILDING; REVERSION.

6.1 Intent. It is the express intent of the Parties that ownership of, and all responsibility for, the Building, be transferred from Landlord to Tenant, and that upon such transfer Landlord will have no responsibility whatsoever for the maintenance, repair, upkeep, operation, expansion, modification, alteration, demolition or replacement of the Building.

6.2 Conveyance. Landlord shall, to the fullest extent allowed by law, convey and transfer ownership of the Building to Tenant. Out of an abundance of caution and for the avoidance of doubt, such conveyance and transfer shall be effectuated through both of the following methods, each without prejudice to the other:

6.2.1 Quitclaim Deed. Simultaneously with the mutual execution of this Lease, Landlord shall execute a Quitclaim Deed conveying Landlord's interest in the Building to Tenant. Such Quitclaim Deed shall be in substantially the form attached hereto as Exhibit B, attached hereto and incorporated herein by this reference as if set forth in full.

6.2.2 Bill of Sale and Assignment. Simultaneously with the mutual execution of this Lease, Landlord shall execute a Bill of Sale and Assignment transferring Landlord's interest in the Building to Tenant. Such Bill of Sale shall be in substantially the form attached hereto as Exhibit C, attached hereto and incorporated herein by this reference as if set forth in full.

7. IMPROVEMENTS

7.1 Obligation to Ensure Usability. Tenant shall be exclusively responsible, at Tenant's sole cost and expense, for ensuring that the Premises remains physically suitable for Tenant's operation of a community food bank and the other uses specified in Section 3.1.

7.2 Improvements Authorized. During the Term of this Lease, Tenant may undertake, or cause to be undertaken, such Improvements as are consistent with this Lease and reasonably necessary to ensure compliance with Section 7.1. Such Improvements may specifically include without limitation: (i) expansion, alteration, modification or repair of the Building, and/or (ii) demolition of the Building and replacement thereof with the Replacement Building. Provided, that if Tenant proceeds with demolition of the Building, Tenant shall ensure that the Replacement Building is fully completed and available for Tenant's occupation and use no later than twelve (12) months following such demolition, unless such deadline is extended in

writing by Landlord at Landlord's sole discretion. All Improvements shall be at Tenant's sole cost and expense.

7.3 Permits. Tenant shall be solely responsible for obtaining all necessary permits, licenses and approvals for any Improvement(s), specifically including without limitation site plan approvals, construction drawing approvals, building permit approvals, side sewer connection permits, and water connection approval, as applicable. All such permits, licenses and approvals shall be obtained at the sole cost and expense of Tenant, including payment of all required application and inspection fees and utility connection fees and charges.

7.4 Regulatory Compliance. All plans, specifications, and permits submitted by Tenant with respect any Improvement(s) shall comply fully with all applicable City of Monroe codes and regulations.

7.5 Development Easements. Landlord acknowledges that certain Improvements undertaken, or caused to be undertaken, by Tenant may require the recording of utility easements and other customary easements necessary and incident to Tenant's development and use of the Premises. Landlord, in its capacity as landowner, agrees to reasonably cooperate with Tenant in conveying such necessary easements, provided that such easements are in locations upon the Premises that are satisfactory to Landlord; do not unreasonably burden any property of Landlord other than the Premises; do not restrict or adversely affect Landlord's use of its other property; and that all applicable recording fees are paid by Tenant.

8. TIME; DELAY IN PERFORMANCE

8.1 Time. Time is of the essence with respect to this Lease and each of its provisions in which performance is a factor.

8.2 Force Majeure. Neither Party shall be considered in breach of its obligations under this Lease in the event of delays in the performance of its obligations due to causes beyond such Party's reasonable control and without its negligence, including but not restricted to, any delays or suspensions of construction compelled by court order, acts of God, acts of a public enemy, unforeseeable acts of a unit of local state or federal government, unforeseeable acts or omissions by other parties, fires, floods, pandemics, strikes, embargoes, delays in essential utility services and unusually severe weather or delays of contractors or subcontractors due to such causes. The time for the performance of the underlying obligation shall be extended for the period of the delay if such Party shall promptly request an extension of time in writing from the other Party but, in any event within thirty (30) days after the first Party becomes aware, or reasonably should have been aware, of the cause resulting in any such delay.

9. TAXES AND UTILITY CHARGES

9.1 Taxes. Without prejudice to Section 5.2, Tenant shall pay, before delinquency, all taxes, levies, and assessments arising from its activities on, or occupancy of, the Premises, including, but not limited to taxes arising out of the activity or business conducted on the Premises; taxes levied on its personal property, equipment, and Improvements on and to the Premises.

9.2 Utility Charges. Tenant, at its sole expense, shall pay, when due, all costs for providing all utilities and other services on or to the Premises, including but not limited to, electricity, gas, water, telephone, sewer, storm water, garbage, heating, janitorial, security, and grounds keeping, and shall also pay all charges for utility installation and modifications thereto.

Landlord shall not be required to upgrade any utilities on or for the Premises. Landlord shall not be liable for any injury, loss or damage caused by or resulting from any interruption or failure of utility services to the Premises due to any causes whatsoever. Tenant shall not be entitled to an offset, reduction, or return of Rent, or any other compensation or remuneration whatsoever, as a result of any interruption or failure of said services.

9.3 Right to Contest. Tenant shall have the right to contest or review by legal proceedings or in such other manner as may be established by law, any tax, assessment, utility charge or other governmental imposition mentioned above and to pay such items under protest; provided, that nothing in this section shall be construed to restrain the exercise of any remedy by any City of Monroe utility for nonpayment; provided further, that notwithstanding any protest or challenge, Tenant shall timely pay such amounts as are necessary to avoid interruption in service or foreclosure of any lien, including any interruption or foreclosure that would occur from application of the normal policy or procedure of any City of Monroe utility or other applicable government entity.

10. ACCEPTANCE OF PREMISES "AS IS" WITH NO WARRANTIES; HAZARDOUS SUBSTANCES.

10.1 Tenant Accepts the Premises "AS IS". Tenant has fully inspected the Premises. Tenant is fully familiar with the condition of the same. Tenant accepts the Premises, specifically including without limitation the Building, "AS IS" and ASSUMES THE RISK of any defects in the condition of the Premises and of all the matters set forth below. Landlord makes NO WARRANTIES OR REPRESENTATIONS OF ANY KIND WHATSOEVER. Tenant agrees that any express or implied representations or warranties made by or on behalf of the Landlord prior to the date hereof, unless expressly set forth in this Lease, are hereby revoked and canceled and shall have no force or effect. Tenant further agrees that no representations or warranties are implied by any provision of this Lease or any other words or conduct in connection with the transaction effectuated hereby.

10.1.1 No Warranty. Without limiting the generality of Section 10.1 above, Tenant agrees that, except as may be specifically set forth in this Lease, neither Landlord nor any person for whom Landlord may have any responsibility makes, or has made, any representation, warranty or promise of any kind with regard to any of the following: (i) the physical condition of the Premises, whether or not readily determined by inspection; (ii) the presence or absence of any underground tanks or any Hazardous Substances, defects or conditions on or about the Premises, or on adjacent properties; (iii) the history of the Property or activities that may have occurred or been conducted thereon or thereunder; (iv) soils conditions or drainage; (v) the square footage of the Property; (vi) encroachments or encumbrances; (vii) the location or condition of utility lines; (viii) the fitness of the Premises for Tenant's intended use; or (ix) the ability of Tenant to obtain permits, licenses and other approvals for such use.

10.1.2 No Liability. Tenant agrees that Landlord shall have no liability or obligation whatsoever as a result of any defect or condition of the Premises, including without limitation latent defects. Landlord shall have no obligation for any repairs, maintenance, Improvements as defined herein, and/or work of any kind except as expressly set forth in this Lease.

10.1.3 Provision Expressly Bargained For. Tenant and Landlord acknowledge that this Section 10.1 has been specifically bargained for and mutually agreed upon, and that

Landlord would not be willing to lease the Premises upon the terms and conditions set forth herein without Tenant's unconditional agreement to the terms of this section.

10.2 Hazardous Waste or Materials.

10.2.1 Disclaimer by Landlord. Landlord has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the existence or non-existence of any Hazardous Substances or underground storage tanks, or the actual or threatened release, deposit, seepage, migration or escape of Hazardous Substances, from or into the Premises, and the compliance or noncompliance of the Premises with applicable federal, state, county and local laws and regulations, including, without limitation, environmental laws and regulations and seismic/building codes, laws and regulations.

10.2.2 Restriction on Use by Tenant. Tenant shall not dispose of or otherwise cause or allow the release of any Hazardous Substances in, on or under the Property, or any adjacent property, or in the Building or Replacement Building, as applicable. Tenant represents, warrants and agrees that Tenant's uses of the Premises (including uses by Tenant's employees, agents, invitees, licensees, contractors and Sublessees) shall not involve the use, production, disposal, storage or bringing onto the Premises of any Hazardous Substances, except for cleaning and maintenance supplies normally used in the operation of similar buildings that shall be used, stored and disposed of in compliance with all applicable laws, regulations and prudent practices. Tenant understands and agrees that flammable materials or Hazardous Substances are not allowed on the Premises without the express written permission of Landlord. In the event such written permission is granted by Landlord, Tenant shall handle and dispose of such materials in accordance with all applicable laws. Prior to bringing any Hazardous Substances onto the Premises, Tenant shall prepare and submit to Landlord a Hazardous Substances response plan, acceptable to Landlord. Tenant shall comply fully with such plan, at Tenant's sole expense.

10.2.3 Compliance. Tenant shall promptly comply, at Tenant's expense, with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, treatment, disposal, storage, control, removal or cleanup of Hazardous Substances in, on, around or under the Premises or Improvements to be constructed thereon if resulting from a release caused by the act or omission of Tenant, any sublessee, or any of their respective employees, agents, contractors, Tenants, licensees or invitees.

10.2.4 Rights of Landlord. After notice to Tenant and a reasonable opportunity for Tenant to effect such compliance, Landlord may, but is not obligated whatsoever to, enter the Property, including without limitation the Building or the Replacement Building, as applicable, and take such actions and incur such costs and expenses to comply with any applicable laws, regulations or guidelines regarding Hazardous Substances as Landlord deems reasonably advisable to protect its interests; provided, however, that Landlord shall not be obligated to give Tenant notice and an opportunity to effect such compliance if (i) such delay might result in material harm, or (ii) an emergency exists. Whether or not Tenant has actual knowledge of the presence or release of Hazardous Substances as described in Subsection 10.2.1, Tenant shall reimburse Landlord on demand for the full amount of all costs and expenses incurred by Landlord in connection with compliance activities performed in connection with Hazardous Substances on the Premises due to acts or omissions of Tenant, any sublessee, or any of their respective agents,

employees, contractors, Tenants, licensees or invitees, and such obligation shall continue even after the termination of this Lease.

10.2.5 Tenant's Duty to Notify and Cooperate; Response to Release. Tenant agrees to cooperate in any environmental assessments conducted by or at the direction of Landlord. Tenant agrees to provide Landlord with notice of every governmental inspection of the Premises, notice of violation, and order to clean up contamination, within five (5) days after the receipt thereof by Tenant. Tenant agrees to permit Landlord to participate in all settlement or abatement discussions. In addition, Tenant shall notify Landlord immediately of the presence or release of any Hazardous Substances as described in Subsection 10.2.1 (other than Hazardous Substances permitted under said subsection) that are stored, used, handled and disposed of in compliance herewith) and shall take timely and appropriate steps to protect persons and property from, and remedy the effects of, any such Hazardous Substances, which steps shall include immediate action in the case of any material release of Hazardous Substances.

10.2.6 Removal upon Surrender. Upon surrender of the Premises to Landlord, whether upon expiration or earlier termination of this Lease, Tenant shall remove and properly dispose of any Hazardous Substances that were brought onto the Premises at any time during Tenant's occupancy and use thereof, or were introduced onto any part of the Property by Tenant, any Sublessee, or any of their respective employees, agents, contractors, licensees or invitees.

10.2.7 Indemnity. Separate from and additional to the provisions of Section 14 below, Tenant shall defend, indemnify and hold harmless Landlord, its officers, elected officials, agents, employees, representatives, engineers, consultants and volunteers from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, clean-up costs, remedial actions, costs and expenses (including, without limitation, consultants' fees, attorneys' fees and disbursements) that may be imposed on, incurred or paid by, or asserted against Landlord or the Property by reason of, or in connection with: (i) any misrepresentation, breach of warranty or other default by Tenant under this Lease; (ii) the acts or omissions of Tenant, any sublessee or any of their respective employees, agents, contractors, Tenants, licensees or invitees, resulting in the release of any Hazardous Substances; (iii) any actual or alleged injury, illness, death or damage to any person resulting from the presence or release of any Hazardous Substance; or (iv) any off-site disposal, handling, treatment, storage, or transportation of any Hazardous Substances, including without limitation petroleum products, removed from the Premises by Tenant or its Sublessees, or their respective invitees, contractors or subcontractors. This indemnity provision shall survive termination or expiration of this Lease.

11. MAINTENANCE.

11.1 Obligation to Maintain. Tenant shall at all times keep the Premises in a neat, clean, safe and sanitary condition; shall not cause or permit waste, damage or injury; and shall use and maintain the Premises in fully compliance with all applicable laws of the State of Washington, and ordinances and codes of the City of Monroe, and in accordance with all valid rules and regulations of the Fire Marshal and other appropriate officers of the City of Monroe. Tenant shall comply with this Section 11 at its sole cost and expense, except as otherwise expressly provided herein. Tenant shall not cause or permit any waste, damage, or injury to the Premises; maintain anything on the Premises that may be dangerous to life or limb; permit any objectionable noise or odor to escape or to be emitted from the Premises; or permit anything to be done in or around the Premises that in any way would tend to create a nuisance.

11.2 Grounds and Building Maintenance. Except as otherwise expressly set forth in this Lease or as otherwise agreed to in writing by Landlord: (i) Tenant shall be exclusively responsible for the ordinary maintenance of the grounds, driveways, parking areas, buildings (including without limitation the Building and the Replacement Building, as applicable), and other Improvements on or to be constructed on the Property, including lawn mowing, trimming or removal of plants when required, control of noxious weeds, clearing of leaves and other natural debris, and general utility and property maintenance; and (ii) Tenant shall be exclusively responsible for clearing snow, ice, obstructions and hazards from sidewalks, driveways, parking areas, walkways, steps, ramps and other paved surfaces on the Premises.

12. COMPLIANCE WITH LAWS AND PERMITS.

12.1 General Requirement. Tenant, at its sole cost and expense, shall comply with all applicable laws of the United States and the State of Washington, including without limitation all applicable regulations, standards and requirements related to procurement, bidding and wages in relation to any Improvement(s); all ordinances, codes and regulations of the City; all rules, regulations, orders, and directives of their administrative agencies and officers thereof; and all present and future requirements associated with any funding source for Tenant's Improvement(s) of, use of, and operations upon, the Premises. Tenant shall take all reasonable measures to cause each Sublessee, and each of their employees, agents, contractors, invitees and licensees, to comply with all requirements of all of the foregoing.

12.2 Licenses and Permits. Tenant shall, at its sole cost and expense, secure and maintain in full force and effect during the term of this Lease, all required licenses, permits, approvals, and similar legal authorizations, and comply with all requirements thereof, including but not limited to, the requirements of any and all site plan entitlement and building permit approvals.

12.3 Nondiscrimination.

12.3.1 Generally. Tenant shall comply fully with all Federal, State and local laws, ordinances and policies prohibiting discrimination with regard to race, color, national origin, age, "families with children status," ancestry, creed, religion, political ideology, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap.

12.3.2 Equal Employment Opportunity. Tenant shall comply fully with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and the City of Monroe, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

13. LIENS

Tenant shall not cause or suffer any lien or encumbrance to be placed upon the Property without the express written consent of Landlord. If, because of any act or omission of Tenant or any Sublessee, any mechanic or other lien or order for payment of money shall be filed against the Property, Tenant shall at its sole expense cause the same to be discharged within thirty (30) days after the date of such filing. Provided, that nothing in this Section 13 shall be construed as a concession that the Property is subject to lien under Washington law.

14. INDEMNIFICATION AND INSURANCE.

14.1 Indemnification.

14.1.1 Tenant shall indemnify, defend and hold harmless Landlord, its officers, officials, agents, employees, representatives, engineers, consultants and volunteers from and against any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, including costs and attorneys' fees in defense thereof (collectively, "Claims"), including without limitation Claims for injuries, sickness or death of persons, or for loss or damage to property which, in whole or in part, are caused by or arises out of Tenant's use of the Premises, Tenant's operations, Tenant's acts, errors or omissions in the performance of any rights, privileges, authority or obligation created by this Lease, and/or from any activity, work or thing done, permitted or suffered by Tenant in or about the Premises; provided, however, that Tenant's obligation to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole negligence or intentional misconduct of Landlord, its officers, officials, agents, employees, representatives, engineers, consultants or volunteers.

14.1.2 With respect to the obligations to hold harmless, indemnify and defend, provided for herein, but only as they relate to Claims brought against Landlord, its officers, officials, agents, employees, representatives, engineers, consultants and volunteers, Tenant agrees to waive its immunity under industrial insurance, Title 51 RCW, for any injury or death suffered by Tenant's employees which is caused by or arises out of Tenant's acts, errors or omissions in the performance of the rights or obligations created under this Lease, and Tenant further agrees that the obligation to indemnify, defend and hold harmless provided for herein extends to any Claim brought by or on behalf of the any employee of Tenant. This waiver is mutually negotiated by the Parties.

14.1.3 Should a court of competent jurisdiction determine that this Lease in relevant part is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Tenant and Landlord its officers, officials, employees, and volunteers, Tenant's liability hereunder shall be only to the extent of Tenant's negligence.

14.1.4 Tenant shall ensure that every contract executed by it pertaining to any work on or in relation to the Premises, specifically including without limitation work on or in relation to any Improvement(s), shall contain substantially the following indemnification provision:

The contractor agrees to protect, defend, indemnify, and hold harmless the City of Monroe and the City's officers, officials, agents, employees, representatives, engineers, consultants and volunteers from and against all claims, demands, and causes of action (including all costs and fees for defense thereof), judgments and/or awards of damage arising from or in connection with the performance of this agreement by the contractor or from the activities of any subcontractor or other person or entity employed by or having a contract with the contractor:

a) Arising out of bodily injury or death to persons or damage to property, except this obligation shall not apply to the extent such injury or damage is the fault of the City or its officers, officials, agents, employees,

representatives, engineers, consultants and volunteers, and when such injury or damage results from the concurrent negligence of the City or its officers, officials, agents, employees, representatives, engineers, consultants and volunteers, the contractor shall protect, defend, indemnify and hold the City harmless to the extent of the contractor's negligence.

b) Arising out of other than bodily injury or death to persons or damage to property, except this obligation shall not apply to the extent such injury or damage is the fault of the City.

c) Arising from the use of any design, process, or equipment which constitutes, or is alleged to constitute, an infringement of any United States patent presently issued, or violates any other proprietary interest, including copyright, trademark, or trade secret.

Contractor shall also hold the City harmless from any expense incurred to enforce the City's rights under this section.

In the event that any action is brought against the City by any employee of contractor, its subcontractors, sub-subcontractors, agents, or anyone directly or indirectly employed by any of them the indemnification obligation of the contractor set forth in this section shall not be limited by a limit on the amount or type of damages, compensation, or benefits payable by or for contractor or any subcontractor under RCW Title 51, the Industrial Insurance Act, or any other employee benefit acts. In addition, as to actions arising out of the performance of this agreement, contractor waives its immunity under RCW Title 51.

This indemnification agreement and waiver of immunity under Title 51 RCW has been mutually negotiated by the parties and shall survive the termination of this agreement.

14.1.5 Any sublease of the Premises or any portion thereof shall contain provisions whereby the Sublessee agrees to indemnify, defend and hold harmless Landlord to the same extent as Tenant has agreed to herein.

14.1.6 Tenant's obligations arising under this Section 14.1 shall survive expiration or termination of this Lease and surrender of the Premises.

14.2 Insurance. Tenant shall obtain (or with respect to the insurance described in Subsection 14.2.3 below, shall direct Tenant's Contractor to obtain) and keep in force during the term of this Lease a policy or policies of insurance with companies reasonably satisfactory to Landlord, and shall furnish prior to the Commencement Date and annually upon the anniversary of the Commencement Date thereafter a certificate thereof evidencing the existence of such insurance to Landlord, covering the following risks:

14.2.1 Tenant's General Liability Insurance for Premises. Tenant will procure and maintain during the term of this Lease a policy or policies of comprehensive commercial general liability and business auto liability insurance, written by an insurance company or companies authorized to conduct business in Washington and reasonably satisfactory to Landlord

and rated "A" or better by A.M. Best, insuring both Landlord and Tenant against any and all losses, claims, demands or actions whatsoever for injury to or death of any one or more persons, for damage to property, including contractual liability coverage insuring Tenant's indemnity obligations set forth herein, arising from Tenant's conduct and operations upon the Premises, including the conduct and operation of any Sublessees, permitted occupants or invitees of Tenant, upon the Premises, including any acts or omissions by any of their respective officers, employees, agents, contractors, invitees or licensees. Such policy shall provide an aggregate limit of not less than Ten Million Dollars (\$10,000,000) per occurrence.

14.2.2 Property Insurance for Improvements. Tenant shall procure and keep in effect at all times during the term of this Lease, fire and extended coverage property casualty insurance, written by an insurance company or companies authorized to conduct business in Washington and reasonably acceptable to Landlord and rated "A" or better by A.M. Best, in an amount not less than the full replacement value of the Building, the Replacement Building, as applicable, and all personal property of Tenant located upon the Premises (the "Casualty Insurance"). If Landlord, Tenant and the insurer are unable to agree upon the full replacement value of the Improvements then, upon written request by Landlord to Tenant, but not more frequently than once every five (5) years during the term of this Lease, Tenant shall, at Tenant's sole cost and expense, obtain an appraisal of Building, the Replacement Building, as applicable, and all personal property of Tenant located upon the Premises from an appraiser acceptable to Landlord for purposes of substantiating the replacement value thereof. In the event of any loss covered by such insurance, the proceeds there from shall be payable to Tenant, in trust, to be spent solely upon any necessary, repair, replacement or construction necessary as a result of such covered casualty to return the Premises to its condition prior to the date of such casualty. To insure the proceeds are so expended, Landlord may require establishment of such escrow, construction or similar accounts under its control with all disbursements subject to Landlord's prior approval.

14.2.3 Builder's Risk Coverage. At all times when Tenant is undertaking any Improvement(s) upon the Premises, in addition to insurance Tenant is otherwise required to maintain hereunder, Tenant shall procure and maintain, or require Tenant's Contractor to maintain, in effect as least the following minimum insurance coverages: (a) Workers' Compensation -- statutory limits; (b) Employers' Liability -- \$1,000,000.00; (b) Commercial General Liability and Business Auto Liability as follows: (i) Bodily Injury and Property Damage -- combined single limit of \$10,000,000.00; (ii) Products/Completed Operations Coverage shall be kept in effect for ten (10) years after completion of the work; (iii) "XCU" Hazard Endorsement, if applicable; (iv) "Broad Form" Property Damage Endorsement; (v) "Personal Injury" Endorsements; and (vi) "Blanket Contractual Liability" Endorsement. If any such insurance is canceled or expires and is not renewed or replaced with insurance meeting the minimum requirements set forth herein, Tenant shall immediately stop all work upon the Premises until the required insurance is reinstated or replacement insurance is obtained

14.2.4 Endorsements - Notice of Cancellation. All policies of insurance required to be maintained by Tenant hereunder shall name Landlord, and any person designated by Landlord, as additional insured and be endorsed with a provision requiring the insurer to give Landlord not less than thirty (30) calendar days written notice prior to any cancellation or change in policy provisions.

14.2.5 Waiver of Subrogation. Notwithstanding anything set forth in this Lease to the contrary, the Parties, to the fullest extent permitted by law, do hereby waive any and all rights of recovery, claim, action or cause of action against each other and their respective officers,

directors, partners, employees, agents and contractors for any injury to persons or loss or damage that may occur to the Premises, any portion(s) thereof, and/or any contents therein (including personalty) by reason of liabilities, fire or any of the other perils required to be insured hereunder, or for which Landlord or Tenant (as the case may be) may in fact be reimbursed as a result of insurance coverage effecting any loss suffered by either party, regardless of cause or origin, including the negligence of Landlord or Tenant or their respective permittees, to the extent such loss or damage is covered by valid and collectible insurance in effect at the time of such loss or damage and so long as and to the extent that all fire and other casualty insurance policies carried by either Party covering the Premises, or any portion(s) thereof, or the personalty located therein, shall expressly waive any right on the part of the insured against the other party and its officers, directors, partners, employees, agents, contractors, invitee and licensees for damage to or destruction of any buildings, including without limitation the Building and the Replacement Building, as applicable, or other improvements located thereon resulting from the acts, omissions or negligence of the other Party or its officers, etc. and contain a waiver of subrogation by the insurer against the other Party. Landlord and Tenant each hereby agree to use commercially reasonable efforts to cause their respective policies to contain such clauses or endorsements, and to expressly advise the other Party if such clause or endorsement is not obtained.

14.2.6 Failure to Maintain Insurance. Failure on the part of Tenant to maintain the insurance required under this Lease shall constitute a material breach, upon which Landlord may, after providing ten (10) business days' notice to Tenant, at Landlord's discretion and without prejudice to any other available remedy, procure or renew such insurance and pay any and all premiums therewith, with such sums so expended to be repaid by Tenant to Landlord on demand.

14.2.7 No Limitation. Tenant's maintenance of insurance as required by this Lease shall not be construed to limit the liability of Tenant to the coverage provided by such insurance, or otherwise limit Landlord's recourse to any remedy available at law or equity.

14.2.8 Other Insurance Provisions. The insurance policies required under this section shall contain, or be endorsed to contain that Tenant's insurance coverage shall be primary insurance as respect to Landlord. Any insurance, self-insurance, or self-insured pool coverage maintained by Landlord shall be excess of Tenant's insurance and shall not contribute with it.

14.2.9 Landlord Full Availability of Tenant Limits. If Tenant maintains higher insurance limits than the minimums shown above, Landlord shall be insured for the full available limits of Commercial General and any Excess or Umbrella liability maintained by Tenant, irrespective of whether such limits maintained by Tenant are greater than those required by this Lease or whether any certificate of insurance furnished to Landlord evidences limits of liability lower than those maintained by Tenant.

15. CASUALTY

15.1 Insured Damage. If during the Term, the Premises are partially or totally destroyed by any casualty that is covered by the insurance described in Section 14.2 rendering the Premises partially or totally inaccessible or unusable, Tenant shall restore the Premises to substantially the same condition as they were in immediately before such destruction, if (i) the insurance proceeds available to Tenant equals or exceeds the cost of such restoration, (ii) such restoration can be completed within a period which is not longer than twenty four (24) months from the date of such destruction, and (iii) such restoration is permitted under then existing laws to be done in such a manner as to return the Premises to substantially the same condition as they were in immediately before such destruction. Tenant will advise Landlord with respect to the

preceding conditions and, accordingly, whether such restoration of the Premises can proceed, on or before that date which is one hundred and twenty (120) days after the date of destruction. If the foregoing conditions cannot be met, such destruction shall be treated as "Underinsured Damage" in accordance with the provisions of Section 15.2. Destruction which is required to be restored by Tenant in accordance with the terms of this Section 15.1 shall not terminate this Lease and there shall be no abatement of Rent otherwise payable hereunder.

15.2 Underinsured Damage. If during the term of this Lease, the Premises are partially or totally destroyed by any casualty and the conditions set forth in Section 15.1, captioned "Insured Damage" cannot be met, Tenant shall provide written notice to Landlord within ninety (90) days after the date of such damage or destruction. Such notice shall describe the extent of the destruction, which of the conditions(s) cannot be met, and the estimated time necessary for a restoration of the Premises and whether Tenant, at its sole option, elects to either (i) restore such portion of the Premises as is damaged or the entirety thereof to substantially the same condition as they were in immediately before such destruction, or (ii) terminate this Lease effective as of the date of such destruction subject to removal of debris and restoration of the Premises as described below. If Tenant elects to restore the Premises (or damaged portion thereof) or if Landlord and Tenant agree that restoration of the Premises (or damaged portion thereof) will occur in accordance with the provision of Section 15.1, such destruction shall not terminate this Lease and there shall be no abatement of Rent otherwise payable hereunder. In the event Tenant elects to terminate the Lease, the insurance proceeds shall be used, at the discretion of Landlord, to remove any debris, foundations and similar materials from the Premises upon which the damage or destruction occurred and return such portion of the Premises to a useable condition.

16. INSPECTIONS

Tenant shall permit Landlord, its agents and employees, subject to applicable Landlord-Tenant laws, to enter upon the Premises, including the Building and the Replacement Building, as applicable, at reasonable hours for the purpose of inspecting the same in order to determine compliance with the terms, covenants and conditions of this Lease. Tenant's permission shall not constitute any indemnity nor create any liability concerning claims or causes of action by Sublessees or Tenant related to such entering or inspection, except that Tenant shall indemnify Landlord for any liability, loss, damage or expense to Landlord resulting from any failure by Tenant to include, in any Sublease or other agreement with a Sublessee, the rights of Landlord contemplated by this section.

17. SUBLEASES AND ASSIGNMENTS

17.1 General Rules. Tenant shall not assign any interest in this Lease, nor sublease any portion of the Premises, nor renew any Sublease, nor consent to the assignment or further subletting thereunder, without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. Without limitation of the foregoing, Tenant shall not enter into any Sublease that permits any use not expressly permitted hereunder or any Sublease that reasonably could impair the ability of Tenant to perform Tenant's obligations to Landlord under this Lease or any other agreement, or to perform Tenant's obligations to any other government agency. The following requirements shall apply to all Subleases:

17.1.1 Use of the Subleased space shall be restricted to the specified uses consistent with this Lease;

17.1.2 Tenant and its Sublessees must provide to Landlord reports and maintain records as may be reasonably necessary to demonstrate that the use of the Subleased space is consistent with the terms of this Lease;

17.1.3 All Subleases shall be subject to termination for material breach, which shall expressly include any breach of the obligations under this Lease; and

17.1.4 All Subleases shall be subject to, and shall incorporate by reference, the terms of this Lease.

17.2 Sublease Revenue. Tenant shall use all Sublease revenue: (i) to pay Rent hereunder; (ii) to pay the necessary operating costs of the Premises, such as utilities, insurance, and maintenance; (iii) with Landlord's written consent, to pay any debt service on any debt incurred by Tenant for any Improvement(s); and (iv) to otherwise perform the obligations of Tenant under the terms of this Lease.

18. SURRENDER; ABANDONMENT

18.1 Surrender of Possession. Upon the expiration or prior termination of this Lease, Tenant shall promptly yield and deliver to Landlord possession of the Premises. Subject to Landlord's election pursuant to Subsection 18.2, Tenant shall surrender the Premises, and any and all structures upon the Property, including without limitation the Building or the Replacement Building, as applicable, in good repair, and in a reasonably clean, good and safe condition, ordinary wear and tear excepted.

18.2 Demolition at Landlord's Option. No later than One-Hundred Eighty (180) days following the expiration or termination of this Lease, Tenant shall, if so requested by Landlord in Landlord's sole discretion and at Tenant's sole cost and expense, cause to be demolished, completely removed from the Property and properly disposed of the Building or the Replacement Building, as applicable. Tenant shall be solely responsible for obtaining all applicable licenses, permits and approvals necessary to effectuate said demolition, removal and disposal. Landlord hereby grants Tenant and its contractors and agents a limited license to enter upon the Property as may be necessary in order to accomplish the purposes of this Subsection 18.2.

18.3 Transfer of Incidentals. Upon the expiration or prior termination of this Lease, Tenant shall promptly deliver to Landlord: (a) all keys to the Building, or the Replacement Building, as applicable; (b) all plans, blueprints, surveys, diagrams, leases, contracts and documents relating to the Building, or Replacement Building, as applicable.

18.4 Removal of Personalty. Upon the expiration or prior termination of this Lease, Tenant shall promptly remove from the premises all of Tenant's personalty.

18.5 Holding Over. If Tenant remains in possession of the Premises after expiration or termination of the Lease Term, such possession by Tenant shall be deemed a month-to-month tenancy terminable by either Party upon thirty (30) days' written notice to the other Party. During any such month-to-month tenancy, rent shall accrue at the rate of SIX THOUSAND DOLLARS (\$6,000) per month beginning in 2023 ("Holdover Rent"), payable in advance by the tenth day of each month. Throughout the duration of such month-to-month tenancy, the amount of Holdover Rent shall increase effective January 1st of each succeeding year by the greater of (i) the June-to-June Seattle-Tacoma-Bremerton Consumer Price Index for All Urban Consumers, and (ii) five

percent (5%). All other provisions of this Lease shall apply with respect to any month-to-month tenancy created under this section.

18.6 Abandonment. Should Tenant vacate or abandon the Premises or be dispossessed by process of law or otherwise, such abandonment, vacation or dispossession shall be deemed a breach of this Lease, and, in addition to any other rights which Landlord may have, Landlord may remove any personal property belonging to Tenant which remains on the Premises and store or dispose of the same to the fullest extent legally permissible, the cost of such removal, storage and/or disposal to be charged to Tenant.

18.7 Transfer of Contracts. Upon any termination of this Lease prior to expiration of its term, Tenant shall, immediately upon Landlord's demand, assign and transfer to Landlord or Landlord's designee any and all contracts relating to the Premises, including without limitation any contracts for operating subsidies, rent supplements, or other support of the Building, the Replacement Building, as applicable, or the operation thereof. Tenant shall take all actions necessary or appropriate to expedite and complete the transfer of such contracts, immediately upon the demand of Landlord.

18.8 Re-entry by City. If the Premises, shall be vacated or abandoned by Tenant, or in the event of the termination of this Lease under any provision hereof, Landlord may re-enter the same in such manner as Landlord may deem necessary in its sole discretion, and Landlord may repossess the Premises by summary proceedings or by any other procedure provided by law or equity.

18.9 Survival of Liabilities. Any liability of Tenant hereunder for negligent or intentional acts or omissions occurring during the Term of this Lease, or arising under the indemnity provisions of this Lease, shall survive termination and surrender (whether or not any claim giving rise to such liability shall have accrued). Without limitation of the foregoing the provisions of this Section 18 shall survive the expiration or termination of this Lease.

19. ORGANIZATION

19.1 Non-Profit Organization. Tenant shall at all times be a nonprofit corporation duly organized and validly existing under the laws of the State of Washington, exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code (or successor provision).

19.2 Staff. Tenant shall maintain at all times a staff sufficient in number and competent to discharge its responsibilities under this Lease and any Subleases, as well as its obligations under all other contracts related in any manner to the Premises.

19.3 Background Check. Tenant warrants and represents that Tenant and every employee, contractor or sublessee of Tenant that will have interaction with and/or access to children, developmentally disabled persons and/or vulnerable adults upon the Premises will have successfully passed a background check pursuant to RCW 43.43.830 -.845. For purposes of this section, "successfully passed" shall mean that the background check has not revealed any "crime against children or other persons" as defined by RCW 43.43.830.

19.4 Verification. Tenant shall provide to Landlord, promptly upon Landlord's request at any time during the Term, records demonstrating compliance with this section.

20. CITY'S CONSENT OR APPROVALS

20.1 Consent for Lease Purposes. Whenever Landlord's consent or approval in writing to any act to be performed by Tenant is required under this Lease, (a) Tenant must obtain a consent or approval in writing expressly for purposes of this Lease, regardless of whether a consent or approval shall have been granted by Landlord in its regulatory, public utility, or other capacity; and (b) unless otherwise expressly stated herein, such consent or approval may be withheld in Landlord's sole discretion. In any case in which it is stated herein that Landlord's consent or approval shall not be unreasonably withheld, Tenant agrees that valid reasons for withholding consent or approval shall include, without limitation, Landlord's desire to maintain or ensure compliance with any of the following: any applicable law, regulation, ordinance, or grant agreement; any City of Monroe Comprehensive Plan provision; any City of Monroe functional plan or neighborhood plan or policy; or any condition attached to any federal, state, or county funding, provided such withholding is reasonably related to such purpose(s).

20.2 Consent Not for Regulatory Purposes. Any permission, consent, or approval of Landlord contained herein or given pursuant to this Lease is or shall be granted solely in Landlord's capacity as owner and lessor of the Premises, and not in its regulatory, legislative or public utility capacity. No such consent or approval shall be construed as any representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing. It shall be the sole obligation of Tenant to obtain, at its own expense, all regulatory approvals, consents, permits, and licenses necessary or convenient for Tenant's operations upon the Premises and any Improvement(s) from all relevant authorities, including without limitation any permits from the City of Monroe Community Development Department. Nothing herein shall be construed as assurance that any such approvals will be granted or that the City of Monroe, in its regulatory capacity, will grant consents, approvals or modifications hereunder for the purpose of compliance with the conditions of any permit, approval, license or funding agreement sought or obtained by Tenant.

21. NO DISQUALIFICATION

The Parties each represent and warrant that they are not disqualified or debarred under federal, state or other laws, or under the rules or regulations of any governmental department or authority, from acquiring, owning, leasing and holding any interest in real property or from obtaining any government contract.

22. BENEFIT

22.1 Successors and Assigns. The terms, covenants and conditions contained in this Lease and in the Exhibits hereto shall bind Tenant and its successors, assigns, and Sublessees, and shall inure to the benefit of Landlord and its successors and assigns. The terms, covenants and conditions of this Lease shall inure to the benefit of Tenant's successors, assigns, or Sublessees only if the assignment, Sublease, or other transfer (whether voluntary or involuntary) of Tenant's interests shall have received the express written consent of Landlord.

22.2 No Third Party Beneficiary.

This Lease is executed for the exclusive benefit of the signatory Parties and their respective successors and assigns. Except as expressly set forth in Section 22.1, nothing herein

shall be construed as creating any enforceable right, interest, claim or cause of action in or for any third-party.

23. NOTICE

23.1 Addresses. Any notice called for in this Lease shall be in writing and shall be hand-delivered to the respective Parties at the addresses below, or deposited in the United States mail, postage prepaid, addressed as follows:

If to Landlord:

City of Monroe
Attn: City Administrator
806 W. Main Street
Monroe, WA 98272-2198

If to Tenant:

Sky Valley Food Bank
Attn: Executive Director
233 Sky River Parkway
Monroe, WA 98272-2198

23.2 Effectiveness of Notice. Notices shall be deemed to have been received by the Parties three (3) working days after mailing or upon actual delivery or receipt by electronic or physical means during normal business hours, whichever first occurs. The Parties by notice given may designate any further or different addressees and/or addresses to which some or all notices, certificates or other communications shall be sent.

24. TERMINOLOGY

24.1 Headings. The headings of the various sections of this Lease have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions herein.

24.2 Gender and Number. Words of any gender utilized in this Lease shall be deemed to include any other gender and words in singular numbers shall be deemed to include the plural when the context so requires.

25. SEVERABILITY

If any provision of this Lease, or any section, subsection, sentence or clause, or its application to particular circumstances, is held invalid by a court or tribunal of competent jurisdiction, this Lease shall be construed as if the invalid part were never included or were expressly made inapplicable to such circumstances, as the case may be, and this Lease shall remain valid and in force to the fullest extent permitted by law.

26. APPLICABLE LAW; VENUE

26.1 Washington Law. This Lease shall be governed by and construed in accordance

with the laws of the State of Washington.

26.2 Venue and Attorneys' Fees. Venue for any legal action under this Lease shall be in the Snohomish County Superior Court. The substantially prevailing Party in any such litigation shall be entitled to an award of its reasonable attorneys' fees. The provisions of this Section 26.2 shall survive the expiration or termination of this Lease.

27. NEGOTIATED AGREEMENT

The Parties acknowledge that this Lease is a mutually negotiated agreement, that they have had the opportunity to have this Lease reviewed by their respective legal counsel, and that the terms and conditions of this Lease are not to be construed against any Party on the basis of such Party's draftmanship thereof.

28. INTEGRATION; 2019 LEASE SUPERSEDED

28.1 Integration Generally. The provisions of this Lease constitute the entire agreement of the parties regarding the Premises, and supersede all understandings, offers, negotiations, and other leases concerning the subject matter contained herein. There are no representations or understandings of any kind between the Parties not set forth herein. Any amendment or modification of this Lease must be in writing and signed by both Parties.

28.2 2019 Lease Superseded. Without limitation of the foregoing provisions of Section 28.1, this Lease is expressly intended to replace and supersede the *Lease Agreement Between the City of Monroe and the Sky Valley Food Bank* dated June 11, 2019, including any amendments or addenda thereto. Upon the Commencement Date of this Lease, the 2019 Lease shall be deemed to be terminated.

29. RIGHTS RESERVED BY THE LANDLORD

29.1 Reservation. In entering into this Lease, and without prejudice to all other applicable rights, entitlements, privileges and remedies set forth under this Lease or otherwise available by law or equity, Landlord expressly reserves the following rights:

29.1.1 The right to enter the Premises, including the Building and the Replacement Building, as applicable, with reasonable notice to Tenant and any Sublessees in accordance with applicable landlord-tenant laws, for the purpose of determining compliance with this Lease; and

29.1.2 The right to construct, install, maintain, use, and/or modify streets, roads, sidewalks, walkways, bicycle paths, utility lines and poles, and all other public facilities of any kind across, over, and under the Property, provided that the same do not unreasonably interfere with the Building and the Replacement Building, as applicable, and provided that Landlord reasonably restores, as nearly as practicable, the portion(s) of the Premises disturbed as a result of the exercise of its rights under this subsection.

29.2 Transfer. The rights reserved under this Section 29 may be transferred by Landlord wholly or in part to any private or public parties, whether or not in connection with the Lease or any part thereof.

30. EASEMENTS AND ENCUMBRANCES

This Lease is expressly subject to all outstanding easements, rights-of-way, and encumbrances, of record or otherwise, affecting or otherwise relating to the Property. Further, this Lease is subject to the right of Landlord to grant such additional easements and rights-of-way over, under, across, in and upon the Property as Landlord shall determine to be in the public interest; provided, that any such additional easements or rights-of-way shall be conditioned on the assumption by the grantee thereof of liability to Tenant for such damages as Tenant shall suffer for any Improvements destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder, and provided, further, that such easements shall not unreasonably interfere with Tenant's reasonably access to and use of the Building or the Replacement Building, as applicable. There is hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located thereon pursuant to the terms of such easements, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

31. NON-WAIVER

The failure of either Landlord or Tenant to insist upon strict performance of any of the covenants, promises or agreements contained in this Lease shall not be construed as a waiver thereof. Waiver of a particular breach or default shall not be deemed to be a waiver of any subsequent breach or default.

32. NO EMPLOYMENT RELATIONSHIP

Nothing herein shall be construed as establishing an employment relationship between Landlord and any employee, agent or contractor of Tenant, or between Tenant and any employee, agent or contractor of Landlord.

33. REGULATORY AUTHORITY PRESERVED

Tenant expressly acknowledges that Landlord is a municipal corporation organized under the laws of the state of Washington and has executed this Lease in its capacity as owner of the Property. Nothing in this Lease shall be construed as waiving, abridging or otherwise limiting the City of Monroe's regulatory authority, police power and/or legislative discretion, which are hereby expressly reserved in full. Without prejudice to the foregoing, nothing in this Lease shall be construed as entitling Tenant to receive any permit, license or other regulatory approval, or as waiving or excusing Tenant's compliance with any applicable regulatory process.

34. RECORDS

34.1 Records Retention; Audit and Inspection Rights. Tenant shall keep and retain for a period of six (6) years accurate books, records and financial statements regarding Tenant's operations, use and occupation of the Premises. Landlord shall have the right to inspect, audit and copy such records maintained on the Property or elsewhere upon reasonable advance notice to Tenant. The purpose of such inspection and copying shall be solely to determine whether Tenant is in full compliance with the terms of this Lease. Tenant shall fully cooperate with Landlord with respect to any such inspection and audit.

34.2 Public Records Disclosure. Tenant expressly acknowledges that Landlord is an “agency” as defined by Chapter 42.56 RCW, and is fully subject to the provisions governing the disclosure of public records codified in that statute. To the extent required or otherwise authorized by said statutes or other applicable law:

A. Any public records submitted to or generated by Landlord in connection with this Lease are potentially subject public to inspection and copying upon request. Tenant expressly waives any claim or cause of action against Landlord arising out of such disclosure.

B. Tenant shall fully cooperate with and assist Landlord with respect to any request for public records received by Landlord and related to any public records generated, produced, created and/or possessed by Tenant and related to this Lease. Upon written demand by Landlord, the Tenant shall furnish Landlord with full and complete copies of any such records within ten business days. Tenant’s failure to timely provide such records upon demand shall be deemed a breach of this Lease. To the extent that Landlord incurs any monetary penalties, attorneys’ fees, and/or any other expenses as a result of such breach, Tenant shall fully indemnify and hold harmless Landlord.

For purposes of this section, the term “public records” shall have the same meaning as defined Chapter 42.56 RCW, as said chapter has been construed by Washington courts.

The provisions of this Section 34 shall survive the expiration or termination of this Lease.

35. SIGNATORY AUTHORITY

Each signatory hereto represents and warrants that he/she is authorized to sign this Lease on behalf the party whom he/she is purporting to sign.

36. RECORDING

This Lease, or a Memorandum of Lease referring hereto in a form mutually acceptable to the Parties, shall be recorded with the Snohomish County Auditor by Landlord.

37. RIGHT-OF-WAY—AUTHORITY RESERVED

Notwithstanding any other provision of this Lease, it is expressly understood and agreed by the Parties that:

A. Landlord expressly reserves its exclusive, discretionary authority to use, maintain, improve, dispose of, vacate, and/or otherwise modify any and all present or future public right-of-way area(s) located upon and/or adjacent to the Property, including without limitation any public sidewalk, street, and utility infrastructure located within such public right-of-way area(s);

B. Tenant shall have no exclusive use rights in relation to such public right-of-way area(s), including without limitation any public sidewalk located therein, and shall be entitled to use such area(s) only in a manner co-extensive with that of the public at large; and

C. Tenant shall not occupy, improve, build upon, or otherwise modify such public right-of-way area(s), including without limitation any public sidewalk located therein, except as may be authorized in writing by Landlord, which authorization may be withheld in Landlord’s sole discretion.

38. EXHIBITS

The following exhibits are attached to this Lease and incorporated herein as fully as if set forth:

Exhibit A	Legal Description
Exhibit B	Quitclaim Deed
Exhibit C	Bill of Sale and Assignment

This certificate of notary is attached to a GROUND LEASE AND BUILDING TRANSFER AGREEMENT signed by Matthew Campbell on March 24, 2023 (date).

TENANT:
SKY VALLEY FOOD BANK

STATE OF WASHINGTON)
) ss.
COUNTY OF Snohomish)

On this 24th day of MARCH, 2023, before me personally appeared Matthew Campbell, to me known to be the Executive Director of the Sky Valley Food Bank and executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, 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.



Jodi Wycoff
(Signature)

Jodi Wycoff
(Name legibly printed or stamped)

Notary Public in and for the State of Washington,
residing at Duvall
My appointment expires 2-9-27

Exhibit A

Legal Description

ROBERTS BROS 1ST ADD TO MONROE BLK 008 D-00 TH PTN OF LOT 9 DAF COM SE
COR OF SD LOT 9 TPB TH S88*46 31W 116.38FT TO SW COR OF SD LOT 9 TH
N01*1150W 9.37FT TH N88*50 05E 116.38FT TO E LN OF SD LOT 9TH S01*12 21E 9.25FT
TO POB & TGW ALL LOTS 10,11 & 12 & ALSO TGW TH PTN VAC PARK ST LY ADJ TO LOT
7 THRU 12 INCL & TGW TH PTN OF ALLEY VAC BY CITY OF MON ORD NO 934 PER BLA
REC AF NO9008090343 AKAPARCEL E SD BLA

EXHIBIT B

QUITCLAIM DEED

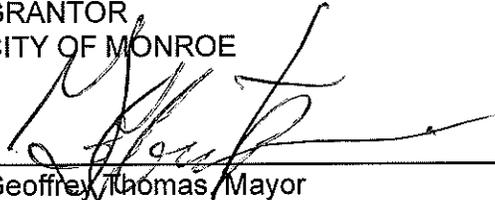
THE GRANTOR, CITY OF MONROE ("GRANTOR"), a Washington municipal corporation, for good and valuable consideration, conveys and quitclaims to SKY VALLEY FOOD BANK ("GRANTEE"), a Washington non-profit corporation, all right, title and interest in and to the following described property ("Building"), situated in the county of Snohomish, State of Washington:

That certain single-story, 4,127 square-foot structure, located at 233 Sky River Parkway, constructed in approximately 1991, known commonly as the Sky Valley Food Bank Building, and constructed upon the real property described in Exhibit A, attached hereto and incorporated herein by this reference as if set forth in full, but expressly excluding such real property itself.

GRANTEE shall have all interest in the Building for the life of, and subject to, that certain Ground Lease and Building Transfer Agreement executed between GRANTOR and GRANTEE dated March 24, 2023 and recorded under Snohomish County No. 2023042800166, and GRANTOR shall maintain a remainder interest in the Building that shall vest automatically upon the expiration or termination of the aforementioned Ground Lease and Building Transfer Agreement.

Without limitation of the foregoing, GRANTEE expressly accepts the Building in "As-Is" condition, and assumes the risk of any defects in the condition of the Building.

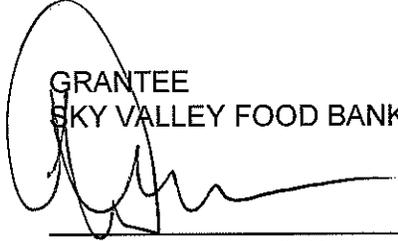
GRANTOR
CITY OF MONROE



Geoffrey Thomas, Mayor

Dated: 3-21-23

GRANTEE
SKY VALLEY FOOD BANK



Matthew Campbell, Executive Director

Dated: 3/24/23

This certificate of notary is attached to a Quitclaim Deed signed by Geoffrey Thomas on 3-21-23 (date).

GRANTOR:
CITY OF MONROE

STATE OF WASHINGTON)
) ss.
COUNTY OF Snohomish)

On this 21st day of MARCH, 2023, before me personally appeared Geoffrey Thomas, to me known to be the Mayor of the City of Monroe, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, 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.



Jodi Wycoff
(Signature)
Jodi Wycoff
(Name legibly printed or stamped)
Notary Public in and for the State of Washington,
residing at Duvall
My appointment expires 2-9-27

This certificate of notary is attached to a Quitclaim Deed signed by Matthew Campbell on March 24, 2023 (date).

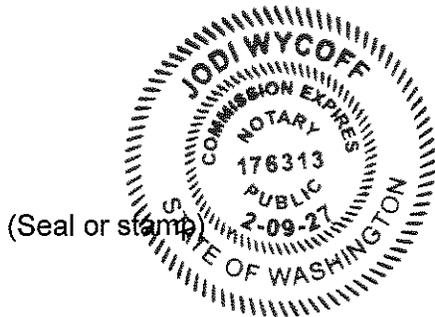
GRANTEE:

SKY VALLEY FOOD BANK

STATE OF WASHINGTON)
COUNTY OF Snohomish) ss.

On this 24th day of March, 2023, before me personally appeared Matthew Campbell, to me known to be the Executive Director of the Sky Valley Food Bank and executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation 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.



Jodi Wycoff
(Signature)

Jodi Wycoff
(Name legibly printed or stamped)

Notary Public in and for the State of Washington,
residing at DUVALL
My appointment expires 2-9-27

Exhibit A

Legal Description

ROBERTS BROS 1ST ADD TO MONROE BLK 008 D-00 TH PTN OF LOT 9 DAF COM SE
COR OF SD LOT 9 TPB TH S88°46 31W 116.38FT TO SW COR OF SD LOT 9 TH
N01°1150W 9.37FT TH N88°50 05E 116.38FT TO E LN OF SD LOT 9TH S01°12 21E 9.25FT
TO POB & TGW ALL LOTS 10,11 & 12 & ALSO TGW TH PTN VAC PARK ST LY ADJ TO LOT
7 THRU 12 INCL & TGW TH PTN OF ALLEY VAC BY CITY OF MON ORD NO 934 PER BLA
REC AF NO9008090343 AKAPARCEL E SD BLA

EXHIBIT C

BILL OF SALE AND ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS: THAT **THE CITY OF MONROE**, a Washington Municipal Corporation ("GRANTOR"), for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, hereby assigns, sells, transfers and delivers to **SKY VALLEY FOOD BANK**, a Washington nonprofit corporation ("GRANTEE"), the following described structure ("Building") located upon the real property described in Exhibit A, attached hereto and incorporated herein by this reference as if set forth in full ("Property"):

All of Grantor's right, title and interest in and to the single-story, 4,127 square-foot structure located upon the Property, constructed in approximately 1991, and known commonly as the Sky Valley Food Bank Building.

GRANTEE shall have all interest in the Building for the life of, and subject to, that certain Ground Lease and Building Transfer Agreement executed between GRANTOR and GRANTEE dated MARCH 24, 2023 and recorded at 202304280066, and GRANTOR shall maintain a remainder interest in the Building that shall vest automatically upon the expiration or termination of the aforementioned Ground Lease and Building Transfer Agreement.

Without limitation of the foregoing, GRANTEE expressly accepts the Building in "As-Is" condition, and assumes the risk of any defects in the condition of the Building.

DATED this 24th day of MARCH, 2023.

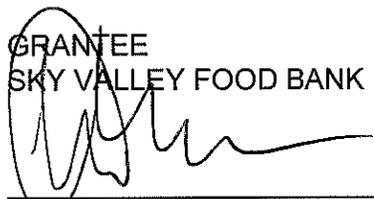
GRANTOR
CITY OF MONROE



Geoffrey Thomas, Mayor

Dated: 3-21-23

GRANTEE
SKY VALLEY FOOD BANK



Matthew Campbell, Executive Director

Dated: 3/24/23

City of Monroe Attn: City Clerk

Return Name

806 W. Main Street

Street Address

Monroe, WA 98272

City, State, ZIP

202304280066

LEASE Rec: \$206.50

4/28/2023 10:07 AM 4 PG

SNOHOMISH COUNTY, WA



Snohomish County Recording
A Division of the Auditor's Office

Standard Cover Sheet

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

Document Title(s)

- | | |
|------------------------|----------|
| 1. Memorandum of Lease | 3. _____ |
| 2. _____ | 4. _____ |

Reference Number(s) of Related Documents

_____ Additional reference numbers on page _____

Grantor(s)

- | | | | |
|-------------------|------------|----------------|-------|
| 1. City of Monroe | _____ | _____ | _____ |
| Last Name | First Name | Middle Initial | |
| 2. _____ | _____ | _____ | _____ |
| Last Name | First Name | Middle Initial | |

Additional names on page _____

Grantee(s)

- | | | | |
|-------------------------|------------|----------------|-------|
| 1. Sky Valley Food Bank | _____ | _____ | _____ |
| Last Name | First Name | Middle Initial | |
| 2. _____ | _____ | _____ | _____ |
| Last Name | First Name | Middle Initial | |

Additional names on page _____

Legal Description (abbreviated form: ie lot, block, plat or section, township, range)

SE quarter section 1, township 27 north, range 6 E, portion of Lot 9, all of Lots 10, 11, and 12, portion of the vacated Park Street adjacent to Lots 7 through 12, AKA Parcel E, BLA AF 9008090343

Assessor's Property Tax Parcel/ Account Number

00558300-800-009-00

Number not yet assigned

Additional numbers on page _____

MEMORANDUM OF LEASE

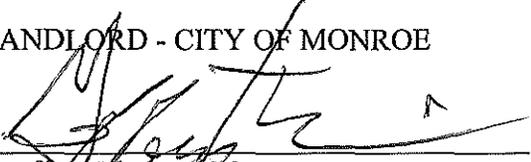
A Ground Lease and Building Transfer Agreement ("Lease") by and between the City of Monroe, Washington, a Washington municipal corporation ("Landlord"), and Sky Valley Food Bank, a Washington nonprofit corporation ("Tenant"), dated March 24, 2023 was made and executed regarding the following described real property:

See Exhibit A, attached hereto and incorporated herein by this reference as if set forth in full.

The Lease is for a term of forty (40) years beginning upon the Commencement Date as set forth and defined in the Lease and shall expire upon the fortieth (40th) anniversary of the Commencement Date, unless sooner terminated or extended in accordance with the terms thereof. A fully executed copy of the Lease, inclusive of any and all attachments, exhibits and addenda thereto, is on file and available for inspection and copying in the office of the Monroe City Clerk.

EXECUTED by the Parties on the dates set forth below and effective upon the date of the last signature.

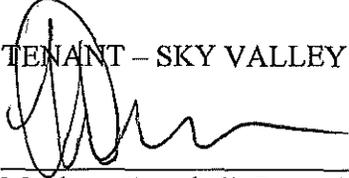
LANDLORD - CITY OF MONROE



Geoffrey Thomas, Mayor

Dated: 3-21-23

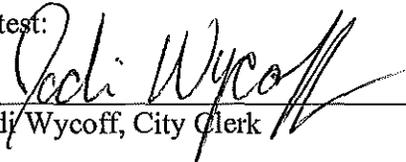
TENANT - SKY VALLEY FOOD BANK



Matthew Campbell, Executive Director

Dated: 3/24/23

Attest:



Jodi Wycoff, City Clerk

Approved as to Form:



City Attorney

**EXHIBIT A
LEGAL DESCRIPTION**

ROBERTS BROS 1ST ADD TO MONROE BLK 008 D-00 TH PTN OF LOT 9 DAF COM SE
COR OF SD LOT 9 TPB TH S88*46 31W 116.38FT TO SW COR OF SD LOT 9 TH
N01*1150W 9.37FT TH N88*50 05E 116.38FT TO E LN OF SD LOT 9TH S01*12 21E
9.25FT TO POB & TGW ALL LOTS 10,11 & 12 & ALSO TGW TH PTN VAC PARK ST LY
ADJ TO LOT 7 THRU 12 INCL & TGW TH PTN OF ALLEY VAC BY CITY OF MON ORD
NO 934 PER BLA REC AF NO9008090343 AKAPARCEL E SD BLA