

GROUND LEASE AGREEMENT  
Renton Fire Station No. 12

This Ground Lease (the "Ground Lease") is executed as of the 5 day of July, 2016 (the "Commencement Date") by and between the CITY OF RENTON, a Washington municipal corporation ("City"), as landlord and RENTON REGIONAL FIRE AUTHORITY, a Washington municipal corporation ("RRFA"), as tenant. City and RRFA are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties".

RECITALS

A. On April 26, 2016, voters within the jurisdictions of the City and King County Fire Protection District No. 25 ("District") voted to create the RRFA in order to provide fire protection, emergency medical and life safety services, and approved the Renton Regional Fire Authority Plan ("RFA Plan") which sets forth how property will be distributed between the RRFA and City. The RRFA came into existence and became effective on July 1, 2016.

B. The RFA Plan requires the City to lease its Fire Station No. 12 to the RRFA for One Dollar (\$1.00) per year as long as Fire Station No. 12 is used for fire purposes. This Ground Lease memorializes the conditions of the lease agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals; Definitions. Each recital set forth above is incorporated into this Ground Lease as though fully set forth herein. All capitalized terms not otherwise defined herein shall have the same definition as set forth on Exhibit A attached hereto and by this reference incorporated herein.

2. Leased Property.

A. Lease. City hereby demises and leases to RRFA, and RRFA hereby hires and leases from City the Fire Station No. 12 site legally described on Exhibit B attached hereto, subject to any existing easements and other encumbrances or imperfections to the City's title thereto ("Leased Property"). The Leased Property is leased to RRFA in its present condition and state of repair and except as otherwise expressly provided herein, RRFA agrees to accept the Leased Property "AS IS" and in its existing condition.

B. Title to Fire Station Building and Contents. City acknowledges that RRFA is the owner of the fire station building now located on the Leased Property ("Fire Station") and, except as otherwise provided herein, all trade fixtures, equipment, furniture, furnishings, and other personal property now or hereafter located on the Leased Property or used in connection with RRFA's provision of fire protection, emergency medical and life safety services,

together with all additions, modifications, expansions or improvements now or hereafter made to the Fire Station during the Term of this Ground Lease. Upon the expiration or earlier termination of this Ground Lease, the Fire Station and all attached building systems and equipment installed in the Fire Station and other improvements affixed to the Leased Property shall become the property of City. Notwithstanding the foregoing, upon expiration or earlier termination of this Ground Lease, RRFA shall have the right to remove all of its trade fixtures and other personal property from the Leased Property (including but not limited to signage, equipment, furniture, furnishings, books, computers, art work and other RRFA materials and personal property now or hereafter located in the Fire Station or used in connection with RRFA services) and shall repair any damage to the Leased Property caused by such removal. RRFA shall not remove any building service equipment or other fixtures affixed to or necessary for the operation of the building unless authorized in writing by the City.

C. Title to Personal Property on Building's Second Floor. RRFA acknowledges that the City is the owner of the information technology equipment, including backup servers, and all equipment, furniture, and other personal property used by the City for emergency management services and back up information technology purposes. All such personal property is currently located on the second floor of the Fire Station. If the City discontinues its use of its property, it will either transfer ownership of the property to the RRFA or remove the property and repair any damage to the Fire Station or Leased Property caused by such removal.

D. Use of and Access to Building's Second Floor. The City retains an exclusive right to use the second floor of the Fire Station, principally as an emergency operations center and to operate backup servers for the City's information technology infrastructure. At such time as the City no longer uses the second floor as its emergency operations center, use of the second floor shall transfer to the RRFA and shall be considered as part of the Leased Property subject to the City's retained right to locate and operate its backup servers. Except as may be agreed in writing by the Parties, RRFA shall not modify or replace the Fire Station in any way that would interfere with the City's exclusive use of the second floor.

3. Lease Term.

A. Initial Term. This Ground Lease shall commence on the Commencement Date and shall expire on the fiftieth (50th) anniversary of the Commencement Date (the "Expiration Date") unless sooner terminated as provided herein or unless the Term is extended pursuant to Section 3.B. This Ground Lease shall terminate if RRFA discontinues operating a fire station on the Leased Property.

B. Options to Extend. At the expiration of the Initial Term, this Ground Lease shall be automatically extended for two (2) additional terms of fifty (50) years each on the same terms and conditions (the Initial Term together with extensions, constitutes the "Term").

4. Rent. City acknowledges receipt of the sum of Fifty Dollars (\$50.00) which represents prepaid Rent for the entire Initial Term of this Ground Lease. RRFA will pay City for subsequent renewal terms at the rate of One Dollar (\$1.00) per year.

5. Utilities and Taxes. RRFA shall be responsible for the payment of all charges for utilities used or consumed at the Leased Property and shall make any necessary arrangements to have all such utilities billed to and paid for directly by RRFA. The RRFA reserves the right, after December 31, 2019 to determine the City's share of utilities based prior usage and to pass that cost on to the City. City shall be responsible for the payment of all real property taxes and assessments, if any, that are imposed upon the Leased Property and shall pay all such taxes directly to the applicable Governmental Authority prior to delinquency. RRFA shall be responsible for the payment of all required leasehold taxes and personal property taxes, if any, assessed against RRFA's furnishings, furniture, equipment, books, computers and all other of RRFA's personal property contained in the Leased Property and shall pay all such taxes directly to the applicable Governmental Authority prior to delinquency.

6. Use of Leased Property.

A. Permitted Use. The Leased Property shall be used by RRFA for the purpose of operating and maintaining a fire station and providing fire protection, emergency medical and life safety services to the public, including residents of the City of Renton.

B. Compliance with Laws. RRFA shall, at its sole cost and expense, promptly comply with all Laws now or hereafter in force and affecting RRFA's use and operation of the Fire Station, and obtain all permits, licenses or other approvals required by Governmental Authorities to operate the Fire Station. Provided, however, the City shall remain solely responsible for any such costs or expenses associated with its use of the second floor and the RRFA shall not be responsible for taking any actions under this paragraph when such actions are for the primary benefit of the City's use of the second floor. RRFA shall have the right to contest, by appropriate legal proceedings, any Law or other requirement affecting the Leased Property and to postpone compliance with the same during the pendency of such contest provided that the enforcement of such Law or other requirement is stayed during the pendency of such contest and the contest will not subject City to criminal or civil penalty or fine or jeopardize title to the Leased Property. City will execute documents or provide such information as RRFA may reasonably request in furtherance of such proceedings. RRFA shall proceed diligently and in good faith to resolve such contest and shall not postpone compliance with any Law or other requirement if the same would invalidate any insurance required by this Ground Lease. If RRFA is contesting any Law or other requirement then so long as RRFA continues to operate the Leased Property as a fire station serving the public, RRFA shall not be in default under this Ground Lease by reason of such noncompliance unless and until there is a final determination entered by a court of competent jurisdiction and all applicable appeal periods have expired or, if RRFA has duly appealed the determination and enforcement is stayed pending appeal, then until all appeals have been finally decided against RRFA and RRFA has failed to comply with the resulting decision within thirty (30) days following the issuance of such final determination.

C. Quiet Enjoyment. Upon the observance and performance of the covenants, terms and conditions on RRFA's part to be observed and performed, City represents and warrants that RRFA shall peaceably and quietly hold and enjoy the Leased Property for the Term hereby demised without hindrance or interruption by City or any Person(s) claiming by, through or under City.

7. Maintenance, Repair and Alterations.

A. Maintenance and Repair. Except as otherwise expressly provided herein and except for damage caused by the negligent acts or omissions of City, from and after the Commencement Date of this Ground Lease, RRFA shall, at RRFA's sole cost and expense, maintain the Fire Station and Leased Property and every part thereof, including landscaping, in good order, condition and repair and will take all action and will perform all maintenance and repairs required to keep all parts of the Fire Station and Leased Property including landscaping in good condition and repair, subject to ordinary wear and tear and damage by fire or other casualty excepted.

B. Additional Improvements. From and after the Commencement Date of this Ground Lease, RRFA may, at RRFA's sole cost and expense and without further consent from City, make modifications, alterations and additions to the Leased Property or the Fire Station, provided that such modifications, alterations and additions do not interfere with the City's exclusive use of the second floor, and such modifications, alterations and additions are completed in a good and workmanlike manner and in compliance with all applicable Laws and the requirements of all insurance policies required to be maintained by RRFA. RRFA agrees that it will procure all necessary permits before making any such repairs, alterations or additions. City agrees to cooperate with RRFA in obtaining such permits. RRFA agrees to pay promptly when due the cost of any work done by the RRFA to the Leased Property or the Fire Station after the Commencement Date so that the Leased Property and the Fire Station shall remain free of all construction liens.

C. Maintenance, Repair of, and Improvements to Second Floor of Fire Station. Notwithstanding RRFA's duty to maintain the Fire Station and systems therein, distinct costs which are uniquely attributable to the City's use of the second floor of the Fire Station shall be charged to or paid directly by the City. In addition, for so long as the City uses the second floor as an EOC, the City shall be responsible for 7.5% of building envelope and roof maintenance, HVAC maintenance and other maintenance that proportionally benefits the City's use of the second floor. The City shall be solely responsible for the costs of repairing any damage to the Fire Station that is caused by or arises out of the City's use of the second floor.

D. Maintenance, Repair of, and Improvements of Elevator. So long as the City has exclusive use of the second floor, the City shall be solely responsible for the cost of maintaining, repairing, improving or replacing the elevator.

E. Maintenance, Repair, and Replacement of Fire Station Generator. The City acknowledges the RRFA owns the generator currently serving the Fire Station. RRFA acknowledges the generator is necessary to support the City's uses on the second floor of the

Fire Station. RRFA agrees to maintain, repair, and replace the generator as necessary to continue to serve the Parties' mutual back up power needs. The City agrees to reimburse the RRFA for 50% of such costs for so long as the City has exclusive use of the second floor.

8. Hazardous Substances.

A. RRFA Obligations. RRFA shall not use the Leased Property for the transportation, storage, generation, disposal or release of any Hazardous Substances in violation of Environmental Laws. From and after the Commencement Date of this Ground Lease and to the extent permitted by Law, RRFA shall be solely responsible for all debts, demands, obligations, liens, judgments, claims, liabilities, losses, damages, cleanup costs and expenses (including reasonable attorneys' fees) now or hereafter arising in connection with the presence, transportation, storage, disposal or release of Hazardous Substances located in, on or about the Leased Property and caused by or resulting from the actions of RRFA, its officials, officers, agents or employees after the Commencement Date of this Ground Lease including, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Governmental Authority because of the presence or suspected presence of Hazardous Substances in violation of Environmental Laws, which costs may include, but not be limited to, sums paid in settlements of claims, attorney's fees, consultant's fees and expert fees, excluding (a) any Hazardous Substances present on the Leased Property prior to the Commencement Date of this Ground Lease or which migrate onto the Leased Property from adjoining property through no act or omission of RRFA; (b) any debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense resulting from the actions or omissions of City, its officials, officers, agents, employees, contractors, subcontractors or invitees; or (c) any debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense resulting from City's violation of any contractual obligation under this Ground Lease, or any other document executed by City. This obligation shall survive the Expiration Date of this Ground Lease.

B. City Obligations. City shall not use the Leased Property for the transportation, storage, generation, disposal or release of any Hazardous Substances in violation of Environmental Laws. City shall be solely responsible for (a) all debts, demands, obligations, liens, judgments, claims, damages, penalties, fines, cleanup cost, expenses, liabilities or losses relating to the presence, transportation, storage, disposal or release of Hazardous Substances on the Leased Property prior to the Commencement Date of this Ground Lease or which migrates onto the Leased Property from adjoining property through no act or omission of the City; (b) any debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense resulting from the actions or omissions of City, its officials, officers, agents, employees, contractors, subcontractors or invitees; or (c) any debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense resulting from City's violation of any contractual obligation under this Ground Lease, or any other document executed by City including, without limitation in each case, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work

required by any Governmental Authority because of the presence or suspected presence of Hazardous Substances in violation of Environmental Laws. Such costs may include, but not be limited to, sums paid in settlements of claims, attorney's fees, consultant's fees and expert fees. This obligation shall survive the Expiration Date of this Ground Lease.

9. Insurance.

A. RRFA's Insurance. During the Term of this Ground Lease, RRFA shall maintain the following types of insurance:

(i) Commercial general liability insurance on an occurrence basis insuring RRFA against claims for personal injury (including without limitation, bodily injury or death), property damage liability and such other loss or damage from such causes of loss as are embraced by insurance policies of the type now known as "commercial general liability" insurance covering the Leased Property, together with business automobile liability (owned, hired or non-owned vehicles) covering the risks of bodily injury (including death) and property damage, including coverage for contractual liability. Such insurance shall initially be in an amount of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) general aggregate. The required amount of coverage may be changed by the City from time to time over the life of the Ground Lease upon no less than one (1) year written notice provided by the City to the RRFA. Any increase in required coverage levels shall be based upon economic or risk factors that reasonably justify the increase and are consistent with industry standard practices. The RRFA's commercial general liability insurance, or equivalent policy, shall name City as an additional named insured in a form reasonably acceptable to City.

(ii) Property insurance covering the Fire Station against loss or damage from such causes of loss as are embraced by insurance policies of the type now known as "All Risks" or "Special Cause of Loss" property insurance on a replacement cost basis in an amount not less than one hundred percent (100%) of the then full replacement cost of the Fire Station (exclusive of the cost of excavations, foundations and footings below the lowest basement floor), without deduction for physical depreciation thereof. Such property insurance shall be in builder's risk form during any restoration accomplished in connection with damage or destruction of the Fire Station.

(iii) Any insurance to be provided by RRFA may be included in a policy or policies of insurance covering additional items, locations or insureds, so long as such policies satisfy the requirements of this Section 9.A.

B. City's Insurance. During the Term of this Ground Lease, City shall maintain commercial general liability insurance on an occurrence basis insuring City against claims for personal injury (including without limitation, bodily injury or death), property damage liability and such other loss or damage from such causes of loss as are embraced by insurance policies of the type now known as "commercial general liability" insurance, together with business automobile liability (owned, hired or non-owned vehicles) covering the risks of bodily injury (including death) and property damage, including coverage for contractual liability. Such insurance shall initially be in an amount of not less than one million dollars (\$1,000,000)

per occurrence and two million dollars (\$2,000,000) general aggregate. The required amount of coverage may be changed from time to time over the life of the Ground Lease upon no less than one (1) year written notice provided by the City to the RRFA. Any increase in required coverage levels shall be based upon economic or risk factors that justify the increase and are consistent with industry standard practices. The City's commercial general liability insurance, or equivalent policy, shall name RRFA as an additional named insured in a form reasonably acceptable to RRFA.

(i). The City shall be responsible for maintaining its own fire and hazard insurance on City owned personal property and any leasehold improvements placed within the Property by the City.

C. Waiver of Subrogation Rights. City and RRFA do each release the other, and the other Party's officials, officers, employees, agents and authorized representatives, to the extent legally possible for it to do so, from any claims such releasing Party may have for damage to the Leased Property, the Fire Station, the personal property, improvements and alterations of any Party in or about the Leased Property to the extent the same is covered by a policy of property insurance insuring such Party; provided, however, that this waiver shall be ineffective as to any such damage not covered by insurance required to be carried hereunder or, if greater in amount, insurance actually carried. Such waiver is conditioned upon the Parties' ability to enter into such a waiver and is valid only to the extent allowed by their respective insurers. RRFA shall use its best efforts to cause each property insurance policy obtained by it with respect to the Leased Property or any portion thereof to provide that the insurance company waives all right to recover by way of subrogation against the City in connection with any matter covered by such policy, by endorsement or otherwise. A waiver of subrogation shall be effective as to a Person even though such Person would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the Person had an insurable interest in the property damaged.

D. Other Insurance Matters. All insurance policies required under this Ground Lease shall be in forms and issued by insurers reasonably approved by the other party.

#### 10. Indemnification.

A. Indemnification by RRFA. RRFA shall defend, indemnify and hold City and its elected and appointed officers, officials and employees while acting within the scope of their duties as such, harmless from and against any damage, loss or liability resulting from any actual or alleged injury (including bodily injury or death) of any Person, or from any actual or alleged loss of or damage to any property (excluding indirect or consequential damages such as lost profits), arising out of or in connection with: (i) the negligent acts or omissions of RRFA or its agents, officers, officials and employees acting within the scope of their employment, or (ii) RRFA's breach of any of its obligations hereunder. RRFA agrees that the foregoing indemnity specifically covers actions brought by its own employees. In the event that any suit based upon a claim, action, loss or damage covered by this Section 10.A is brought against City, RRFA shall

defend the same as its sole cost and expense; provided, however, that City retains the right to participate in such suit at its own cost if any principle of municipal law is involved. This indemnity with respect to acts or omissions by RRFA during the Term shall survive termination or expiration of this Ground Lease. The foregoing indemnity is specifically and expressly intended to constitute a waiver of RRFA's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide City with a full and complete indemnity from claims made by RRFA and its employees, to the extent provided herein. THE PARTIES AGREE THAT THEY SPECIFICALLY NEGOTIATED THIS SECTION ON INDEMNIFICATION.

B. Indemnification by City. City shall defend, indemnify and hold RRFA and its elected and appointed officers, officials and employees while acting within the scope of their duties as such, harmless from and against any damage, loss or liability resulting from any actual or alleged injury (including bodily injury or death) of any Person, or from any actual or alleged loss of or damage to any property (excluding indirect or consequential damages such as lost profits) arising out of: (i) the negligent acts or omissions of City or its agents, officers, officials and employees acting within the scope of their employment, or (ii) City's breach of any of its obligations hereunder. City agrees that the foregoing indemnity specifically covers actions brought by its own employees. In the event that any suit based upon a claim, action, loss or damage covered by this Section 10.B. is brought against RRFA, the City shall defend the same as its sole cost and expense; provided, however, that RRFA retains the right to participate in such suit at its own cost if any principle of municipal law is involved. This indemnity with respect to acts or omissions by City during the Term shall survive termination or expiration of this Ground Lease. The foregoing indemnity is specifically and expressly intended to constitute a waiver of City's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide RRFA with a full and complete indemnity from claims made by City and its employees, to the extent provided herein. THE PARTIES AGREE THAT THEY SPECIFICALLY NEGOTIATED THIS SECTION ON INDEMNIFICATION.

C. Limitation on Indemnification. In compliance with RCW 4.24.115 as in effect on the date of this Ground Lease, all provisions of this Ground Lease pursuant to which City or RRFA (the "Indemnitor") agrees to indemnify the other (the "Indemnatee") against liability for damages arising out of bodily injury to Persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of any building, road or other structure, project, development or improvement attached to real estate, including the Leased Property: (i) shall not apply to damages caused by or resulting from the sole negligence of the Indemnatee, its agents or employees, and (ii) to the extent caused by or resulting from the concurrent negligence of (a) the Indemnatee or the Indemnatee's agents or employees, and (b) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence.

11. Minor Damage, Destruction or Partial Condemnation. RRFA shall notify City promptly following the occurrence of partial condemnation to, or damage to or destruction of, the Leased Property covered by the insurance described in Section 9.A. If (a) the cost of repair or reconstructing the Leased Property and the Fire Station located thereon to substantially the same condition as existed prior to such damage or destruction is not in excess of fifty percent



(50%) of the replacement cost of the Fire Station located on the Leased Property, (b) adequate funds are available from the property insurance required to be carried by RRFA pursuant to this Ground Lease or, in the event of a partial condemnation, condemnation proceeds to effect such repair or restoration, and (c) such repair or reconstruction of any such damage or destruction can be made under then existing Law to substantially the same condition as the portion damaged or destroyed, RRFA shall repair and restore the Leased Property and/or the Fire Station located thereon to substantially the same condition as existed prior to said damage or destruction with such alterations thereto as RRFA shall reasonably deem prudent or valuable under the circumstances including any changes required to comply with applicable Laws, with the then prevailing construction practices, or the design then utilized in other RRFA buildings. All insurance and/or condemnation proceeds payable with respect to such damage, destruction or partial condemnation shall be paid to RRFA and RRFA shall complete such repair and restoration as soon as reasonably practical. If the foregoing conditions cannot be met, such damage, destruction or condemnation shall be treated as an event of major damage, destruction or condemnation in accordance with the provisions of Section 12.

12. Major Damage, Destruction or Condemnation. If the cost of repairing or reconstructing said damage or destruction to the Leased Property and/or the Fire Station located thereon to substantially the same condition as it was in prior to such damage or destruction is in excess of fifty percent (50%), or insurance proceeds are unavailable or are not sufficient to effect the repair or restoration or if the restoration cannot be made under then existing Law or in the event that there is a taking or condemnation of all or substantially all of the Leased Property or the Fire Station at any time during the Term, the Parties shall confer and the City may elect whether to have RRFA use the insurance proceeds together with such additional funds provided by the City as may be necessary to rebuild the Fire Station , or, in the event of a condemnation, to use the portion of the condemnation proceeds attributable to the value of the Leased Property and Fire Station to construct a fire station in another location. Notwithstanding the foregoing, RRFA shall be entitled to recover from the condemning authority the value of its personal property including, but not limited to, furniture, furnishings, equipment, books, computers, art work and moving expenses.

13. Assignment. Neither RRFA nor the City shall have the right to transfer or assign this Ground Lease, in whole or in part or any of its rights and obligations hereunder, without the prior written consent of the other Party. Provided, however, the assignment of this Ground Lease by the RRFA to a successor entity created through annexation, merger or contractual consolidation with another municipal fire protection and emergency medical services entity shall be permitted. Provided, further, the RRFA shall not be required to obtain the consent of the City prior to subleasing any portion of the building for purposes related to the RRFA's use of the premises consistent with Section 6. If consent is once given by either Party to the assignment of this Ground Lease, or any interest herein, the consenting Party shall not be barred from afterwards refusing to consent to any further assignment. In the event of any assignment or subletting of this Ground Lease with the consent of City, RRFA shall nevertheless remain fully liable upon all the terms and conditions contained herein, unless otherwise agreed to by City in writing and, in the event of any assignment of its interest under this Ground Lease

with the consent of RRFA, City shall nevertheless remain fully liable upon all the terms and conditions contained herein, unless otherwise agreed to by RRFA in writing.

14. Force Majeure Event. Any delay or failure of performance by RRFA or the City shall not constitute a default hereunder, if and to the extent such delays or failure of performance are caused by a Force Majeure Event. If either Party is affected by a Force Majeure Event, such Party shall, within five (5) business days of the date that the notifying Party's performance is affected by a Force Majeure Event, give notice to the other Party stating the nature of the event, its anticipated duration and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is reasonably required and the non-performing Party shall use its best efforts to remedy its inability to perform. The obligation to pay money in a timely manner is absolute and shall not be subject to the Force Majeure Event provisions. Within a reasonable time following the date of termination of such Force Majeure Event, the Party having invoked such Force Majeure Event as the cause for the delay shall submit to the other Party reasonable proof of the nature of that delay.

15. Legal Proceedings. The Parties are responsible for providing for their own legal services at their own expense.

16. Notices. Any notices or other communication which City or RRFA shall desire or be required to give pursuant to the provisions of this Ground Lease shall be in writing and shall be personally delivered or sent by regular mail and registered or certified mail or by facsimile transmission. The giving of such Notices shall be deemed complete on the third (3rd) business day after the same is deposited in a United States Post Office with postage charges prepaid or on the date when delivered or faxed (provided the fax machine has issued a printed confirmation of receipt). All notices shall be addressed to each Party at the respective addresses set forth below or to such other address as such Party may theretofore have designated by notice to the other Party pursuant to this Section 16:

Address of City:

City of Renton  
1055 South Grady Way  
Renton, WA 98057  
Attention: Chief Administrative Officer  
Facsimile: (425) 430-6523

Address of RRFA:

Renton Regional Fire Authority  
1055 South Grady Way  
Renton, WA 98057  
Attention: Fire Chief  
Facsimile: (425) 430-7044

Either Party may change the address to which notices shall be sent by notice to the other Party in the manner and with the effect set forth in this Section 16.

17. Non-Discrimination. Both Parties agree there shall be no discrimination under this Ground Lease against any employee or applicant for employment because of sex, age, race, color, creed, national origin, marital status, sexual orientation or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. No Person shall be denied, or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Ground Lease on the grounds of sex, race, color, creed, national origin, age, except minimum age and retirement provisions, marital status, sexual orientation or the presence of any sensory, mental or physical handicaps.

18. Memorandum of Ground Lease. At the request of either Party, the Parties shall promptly execute and record, at the cost of the requesting Party, a short form memorandum describing the Leased Property and stating the Term of this Ground Lease and such other information the Parties agree to include, and such other information as necessary to satisfy the Washington notice of lease statute.

19. Default. If either Party shall fail to observe or perform any substantial provision of this Ground Lease to be observed or performed by that Party hereunder; the non-breaching Party may declare a default by giving thirty (30) days written notice to the other Party, whereupon if such failure or breach is not cured within thirty (30) days of receiving notice from the non-defaulting Party specifying such default and demanding that the same be cured, the non-defaulting Party may seek any remedy available at law or in equity for breach of this Ground Lease, including termination of the same by written notice to the defaulting Party. In the event that the default is one which, by reason of the nature thereof, cannot be cured by the payment of money and cannot with due diligence be wholly cured within such period of thirty (30) days, then the defaulting Party shall commence cure within thirty (30) days after receiving the notice of default and shall thereafter prosecute the curing of such default to conclusion with all due diligence.

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

21. Nature of Relationship. The relationship between City and RRFA under this Ground Lease shall be solely that of landlord and tenant of real property. Nothing contained in this Ground 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 the City and RRFA, nor is either Party the agent or representative of the other, and nothing in this Ground 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. This Ground Lease is made and entered into for the sole protection and benefit of City and RRFA. No term or provision of this Ground Lease is intended to be, or shall be, for the benefit of any other Person not a party hereto nor shall any other Person have any right or cause of action hereunder.

22. No Waiver. No waiver of any breach by either Party of any term, covenant, condition or agreement herein and no failure by either Party to exercise any right or remedy in respect to any breach hereunder, shall constitute a waiver or relinquishment for the future of any such term, covenant, condition or agreement or of any subsequent breach of any such term, covenant, condition or agreement, nor bar any right or remedy of such Party in respect of any such subsequent breach. No waiver of any term, covenant, condition, provision or agreement under this Ground Lease shall be deemed to have been made unless in writing and signed by the Party intended to be bound thereby.

23. Liens. RRFA agrees that it will timely pay all costs of work performed, materials furnished or obligations incurred by RRFA in connection with the Leased Property or the Fire Station located thereon and will keep the Leased Property and the Fire Station free from all construction and other liens on account of work done for RRFA or Persons claiming by, through or under RRFA. RRFA shall indemnify, defend and hold City harmless from any lien claim, judgment or litigation arising out of any work performed or materials furnished by or at the direction of RRFA. City agrees that it will timely pay all costs of work performed, materials furnished or obligations incurred by City in connection with the Leased Property or the Fire Station and will keep the Leased Property and the Fire Station free from all construction and other liens on account of work done for City or Persons claiming by, through or under City. City shall indemnify, defend and hold RRFA harmless from any lien claim, judgment or litigation arising out of any work performed or materials furnished by or at the direction of City. Should any claim of lien be filed against the Fire Station, the Leased Property or any action affecting the title to the Fire Station, the Leased Property be commenced, the responsible Party shall cause such lien to be released of record by payment or posting of a proper bond within thirty (30) days following the filing of such lien.

24. City Surplus. If The City determines that its interest in the Leased Property and this Ground Lease is surplus to the needs of the City, the City shall transfer its interest in the fee title to the RRFA by quit claim deed for no additional consideration.

25. Interpretation. The provisions of this Ground Lease shall be construed as a whole according to their common meaning and not strictly for or against any Party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Ground Lease. Each Party hereto and its counsel has reviewed and revised this Ground

Lease and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be construed in the interpretation of this Ground Lease. Paragraph headings are for convenience only and shall not be considered when interpreting this Ground Lease. All words used in the singular shall include the plural; the present tense shall include the future tense; and the masculine gender shall include the feminine and neuter genders.

25. Severability. If any provision of this Ground Lease or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Ground Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

26. Successors and Assigns. This Ground Lease shall be binding on and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

27. Remedies Cumulative. The various rights, options, elections, powers and remedies contained in this Ground Lease shall be construed as cumulative and no one of them shall be exclusive of any of the others or of any other legal or equitable remedy which either Party might otherwise have in the event of a breach or default in the terms hereof. The exercise of one right or remedy by such Party shall not impair its right to any other right or remedy until all obligations imposed on the other Party have been fully performed.

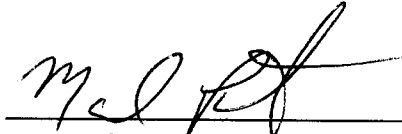
28. Entire Agreement. This Ground Lease contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings among the Parties with respect thereto including, but not limited to, the RFA Plan. This Ground Lease may be amended only by an agreement in writing signed by the Parties intended to be bound.

29. Governing Law. This Ground Lease shall be construed in accordance with and governed by the laws of the State of Washington. In the event any action is brought to enforce the provisions of this Ground Lease, the venue of any such action shall be in King County, Washington. Each agreement, term, and provision of this Ground Lease to be performed by RRFA or City shall be construed to be both a covenant and a condition. Each Party will carry out its obligations under this Ground Lease diligently and in good faith.

30. Counterparts. This Ground Lease may be executed in counterparts, each of which constitutes an original and all of which shall constitute but one original.

IN WITNESS, the parties below execute this Ground Lease, which shall become effective on the last date entered below.

**RENTON REGIONAL FIRE AUTHORITY:**



By: Mark Peterson

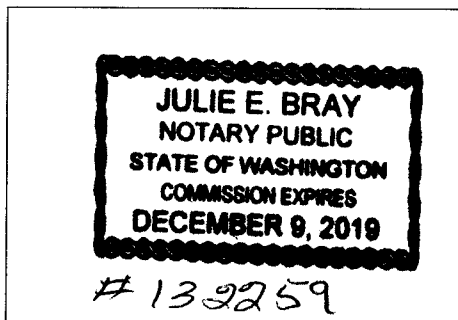
Its: Fire Chief

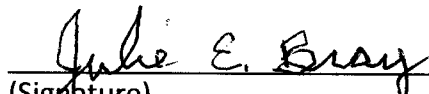
Dated: July 1, 2016

STATE OF WASHINGTON                     )  
  ) ss.  
COUNTY OF KING                     )

On this \_\_\_\_ day of \_\_\_\_\_, 2016, before me personally appeared Mark Peterson, to me known to be the Fire Chief of RENTON REGIONAL FIRE AUTHORITY, a Washington municipal corporation, that executed and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

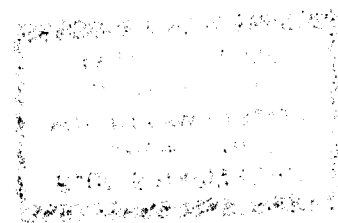
DATED 7-1-16, 2016.



  
(Signature)  
Julie E Bray  
(Name legibly printed or stamped)  
Notary Public in and for the State of Washington,  
residing at Renton  
My appointment expires: 12-9-19

**APPROVED AS TO FORM:**

  
Attorney for RRFA



**CITY OF RENTON:**

Denis Law

By: Denis Law

Its: Mayor

Dated: 7/5/16

ATTEST:

Jason A. Seth  
Jason A. Seth, City Clerk



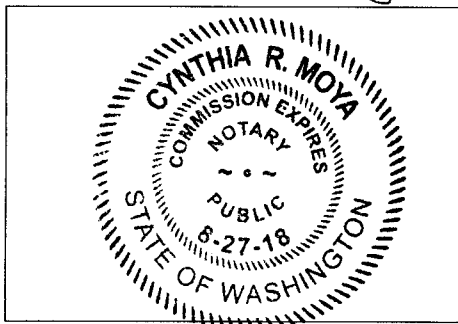
STATE OF WASHINGTON

)  
) ss.  
)

COUNTY OF KING

On this 5<sup>th</sup> day of July, 2016, before me personally appeared Denis Law to me known to be the Mayor of CITY OF RENTON, a Washington municipal corporation, that executed and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

DATED July 5, 2016.



Cynthia R. Moya  
(Signature)  
Cynthia R. Moya  
(Name legibly printed or stamped)  
Notary Public in and for the State of Washington,  
residing at Renton, Wa  
My appointment expires: 8/27/2018

**APPROVED AS TO FORM:**

Larry Warren  
Larry Warren, City Attorney



## EXHIBIT A DEFINITIONS

"Environmental Laws" means, as amended from time to time, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., Federal Hazardous Material Transportation Control Act, 49 U.S.C. § 1801 et seq., Federal Clean Air Act, 42 U.S.C. § 7401 et seq., Federal Water Pollution Control Act, 33 U.S.C. § 1321, Federal Water Act of 1977, 93 U.S.C. § 1251 et seq., Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. § 136 et seq., Federal Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., Federal Safe Drinking Water Act, 42 U.S.C. § 300f et seq., Washington Water Pollution Control Act, RCW ch. 90.48, Washington Clean Air Act, RCW ch. 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW ch. 70.95, Washington Hazardous Waste Management Act, RCW ch. 70.105, Washington Hazardous Waste Fees Act, RCW ch. 70.95E, Washington Model Toxics Control Act, RCW ch. 70.105D, Washington Nuclear Energy and Radiation Act, RCW ch. 70.98, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW ch. 70.99, Washington Underground Petroleum Storage Tanks Act, RCW ch. 70.148, and any regulations promulgated thereunder, and any future enacted laws with similar purposes of protecting the environment.

"Expiration Date" means the earliest of: (i) the date which is fifty (50) years after the Commencement Date (subject to extension in accordance with the provisions of Section 3.B); (ii) the date on which this Ground Lease is terminated as a result of the RRFA's exercise of its right of first offer to purchase the Leased Property pursuant to the provisions of Section 24 above; or (iii) any date on which this Ground Lease terminates in accordance with its terms.

"Force Majeure" means strikes, war, insurrection or terrorism, labor troubles, acts of God, governmental requirements, shortages of fuel, labor or building materials or any other cause beyond the reasonable control of a Party to this Ground Lease. Financial inability is not an event of Force Majeure.

"Governmental Authority" means any national, state, provincial, local, tribal or municipal government, any political subdivision thereof or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law; provided, however, that "Governmental Authority" will not in any event include any Party.

"Hazardous Substances" means any material, waste, substance, industrial waste, toxic waste, chemical contaminant, petroleum, asbestos, polychlorinated biphenyls or other substances regulated or classified by Environmental Laws as hazardous, toxic or lethal to persons or property.

"Law" or "Laws" means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of any Governmental Authority having jurisdiction over the Parties or the Leased Property, or both, in effect either on the Commencement Date of this Ground Lease or at any time during the Term, including without

limitation, any regulation or order of a quasi official entity or body (e.g., board of fire examiners or public utilities) including, but not limited to Environmental Laws and all rules, laws and regulations issued thereunder, as the same may be amended from time to time.

“Person” means a natural person, firm, corporation, partnership, limited liability company, a trust, an unincorporated organization, a Governmental Authority or any other separate legal entity, public or private.

EXHIBIT B  
LEGAL DESCRIPTION OF THE LEASED PROPERTY

LOTS 3 THROUGH 8, INCLUSIVE, BLOCK 44, CORRECTED PLAT, RENTON HIGHLANDS NO. 2, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 57 OF PLATS, PAGES 92 THROUGH 98, INCLUSIVE, IN KING COUNTY, WASHINGTON.