



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 18, 2005

Ordinance 15304

Proposed No. 2005-0397.1

Sponsors Constantine, Edmonds and Irons

1 AN ORDINANCE authorizing approval of the executed
2 twenty-five-year lease agreement between King County
3 and the Washington state Department of Natural Resources,
4 for open space and passive recreation use of the Maury
5 Island South Trust Land Transfer property.

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7

8 **STATEMENT OF FACTS:**

- 9 1. King County's population grew by over half a million people between
10 1980 and 2005, more than a forty percent increase in twenty-five years. In
11 conjunction with this rapid growth, King County has provided innovative
12 open space land conservation solutions to protect environmental quality,
13 natural resources, groundwater recharge and passive-use recreation
14 opportunities.
- 15 2. At no cost of acquisition to King County, the Washington state
16 Department of Natural Resources ("state DNR") has issued twenty-five-
17 year lease to King County for open space and passive recreation use

18 ("lease"), effective June 29, 2005, and expiring June 25, 2030, which
19 allows King County to use a 40-acre property called the Maury Island
20 South Trust Land Transfer Property owned by the state DNR on Maury
21 Island, located at Southwest 248th Street and 75th Avenue Southwest.

22 3. The lease requires that the King County council must approve the lease
23 by December 31, 2005, or the lease will terminate at that time and will not
24 extend beyond 2005.

25 4. It is the intent of King County to lease the premises for open space and
26 passive recreation, including, but not limited to, recreational trails, picnic
27 facilities and parking lot, and the preservation of wildlife habitat, per the
28 terms of the lease attached as Attachment A to this ordinance.

29 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

30 SECTION 1. The King County council hereby approves the executed twenty-
31 five-year lease agreement between King County and the Washington state Department of
32 Natural Resources for open space and passive recreation use of the Maury Island South

Ordinance 15304

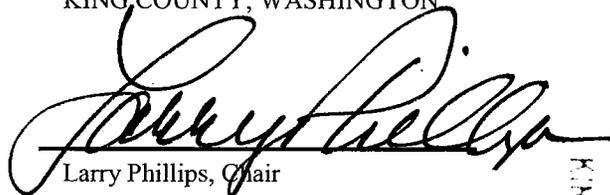
33 Trust Land Transfer property, attached as Attachment A to this ordinance, as is necessary
34 for the extension of the lease term beyond December 31, 2005.

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Ordinance 15304 was introduced on 10/3/2005 and passed by the Metropolitan King County Council on 10/17/2005, by the following vote:

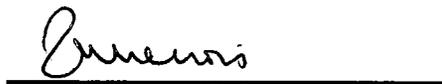
Yes: 11 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr. Ferguson, Mr. Hammond, Ms. Hague, Mr. Irons, Ms. Patterson and Mr. Constantine
No: 0
Excused: 2 - Mr. Pelz and Mr. Gossett

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



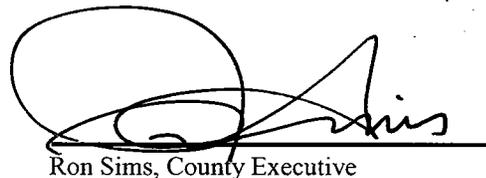
Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 21 day of OCTOBER, 2005.



Ron Sims, County Executive

RECEIVED
2005 OCT 21 PM 1:49
CLERK
KING COUNTY COUNCIL

Attachments A. State of Washington Department of Natural Resources--Doug Sutherland, Commissioner of Public Lands--Olympia, Washington 98504--Maury Island South Trust Land Transfer Lease

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
DOUG SUTHERLAND, Commissioner of Public Lands
Olympia, Washington 98504

MAURY ISLAND SOUTH
TRUST LAND TRANSFER LEASE

Agreement No. 60-077553

BY THIS LEASE, issued under the authority of Washington Laws of 2003, 1st Sp. Sess., Ch. 26, Section 421, the STATE OF WASHINGTON, [ESSB 6094 Section 950(12)] Department of Natural Resources, hereinafter called the State, leases to King County, hereinafter called the "Lessee", the use of the premises, hereinafter called the "Premises", in King County, Washington, the legal description, encumbrances, and reservations, if any, of which are set forth in Exhibit A. This Lease is made upon the terms and conditions and for the consideration enumerated herein.

SECTION 1 OCCUPANCY

1.01 Lease Term. This Lease is effective as of June 25, 2005, or date of signature by State, whichever is later, and shall expire on June 25, 2030. The Lessee's obligations to State that extend beyond the current year are contingent upon approval of the lease by the King County Council. Should such approval not occur by December 31, 2005, this lease and all County obligations hereunder will terminate.

1.02 Condition of Premises. Taking possession of the Premises by Lessee shall constitute acknowledgment by Lessee that the Premises are in good condition and that the Premises are in all respects suitable for the uses permitted in Section 2. The State has no obligation to make any repairs, additions, or improvements thereto and expressly disclaims any warranty that the Premises are suitable for such permitted use(s). The State and Lessee, however, acknowledge that topsoils on the Premises may contain arsenic, lead or cadmium. Therefore, State and Lessee agree that Lessee shall not be responsible for removal or treatment of the topsoils for conditions existing prior to this Lease on the Premises.

SECTION 2: USE OF PREMISES

2.01 Permitted Use. Lessee may put the Premises to the following use: open space and passive recreation including but not limited to recreational trails, picnic facilities and parking lot, and the preservation of wildlife habitat. It is the intent of Lessee and State to use the Premises solely for open space, passive recreation, and the preservation of wildlife habitat.

2.02 Plan of Development. Lessee shall not make any improvements to nor modify the Premises without submitting in advance to State for its approval a general plan for the development of the Premises. The State will review the plan, and, if acceptable, issue written approval; which written approval shall not be unreasonably withheld. Lessee shall comply with the agreed upon terms of the approved plan of development. The plan shall include, but is not limited, to the following:

1. map showing areas and acreage to be developed, and location of improvements;
2. land clearing, and leveling plans; with acreage figures;
3. estimated total costs of improvements, including costs of individual component facilities;
4. preliminary and final design blueprints for all improvements; and
5. schedule of completion dates for proposed improvements.

Any proposed changes in acreage, improvements or use of the Premises must be submitted in advance, in writing to, and approved by, State as a plan of development; which approval shall not be unreasonably withheld. Permitted uses may be limited by Section 6 and Subsection 2.04.

All costs and fees associated with development, construction, maintenance and removal of improvements during the term of and at the end of the Lease term upon the Premises shall be the sole responsibility of Lessee.

2.03 Compliance Specifications. On all improvements relating to the development of the Premises, State:

1. may make compliance inspections during construction. If construction is not in accordance with approved plans and specifications, Lessee shall immediately take such actions as required to correct any deficiency.
2. shall make a final inspection of the completed project and, if acceptable, shall issue its written acceptance; which written acceptance shall not be unreasonably withheld.

The State's approval or disapproval of any plans, specifications, improvements or completed projects, shall not obligate or render State liable in any way.

2.04 Limitations on Use. The following restrictions shall apply to use of the Premises:

1. Lessee shall conform to all applicable laws, rules and regulations of any public authority affecting the Premises and the use thereof and shall bear, at Lessee's

sole expense, any costs of such compliance including any attorney fees, costs, fines or penalties.

2. Lessee shall remove no valuable material, including but not limited to forest products, timber, minerals, sand, or gravel, unless Lessee has received State's prior written approval and made arrangements to compensate the State for the value thereof. All timber, forest products and valuable material ownership and the management thereof remain with State. During the term of this Lease State shall not sell, extract or in any way dispose of timber, minerals, including rock, sand and gravel, oil, gas and other valuable surface and subsurface materials. During the term of this Lease, State shall not transfer or contract to transfer its rights to timber, minerals, including rock, sand and gravel, oil, gas and other valuable surface and subsurface materials to any entity other than Lessee. Lessee and State acknowledge that Lessee may submit a plan to State for approval for limited forestry on the Premises in order to maintain the health of the forest on the Premises, and that such approval shall not be unreasonably withheld. At the time of such submittal Lessee and State will discuss in good faith whether compensation is due for such limited forestry to maintain the health of the forest. Further, Lessee and State may agree to additional sustainable commercial forestry by Lessee.
3. Lessee shall take all reasonable precautions to a) protect the Premises from fire, insects and disease and make every effort to report and suppress such fires, or outbreaks of insects and disease as may occur; and b) protect the Premises from asset value losses due to vandalism, garbage dumping, resource theft or other inappropriate public activity.
4. Prior to commencement of work, Lessee shall obtain applicable licenses or permits and pay all costs and fees associated therewith.
5. Lessee's employees shall not live, reside, or permit others to live or reside on the Premises without prior written approval from State.

SECTION 3 PAYMENT

3.01 Consideration. Under the authority of, and in compliance with Section 421, Ch. 26, Washington Laws of 2003, 1st Sp. Sess., [as amended in ESSB 6094, Section 950 (12)], the Washington State Department of Natural Resources Trust Land Transfer Program shall pay to State, at Olympia, Washington 98504, in advance, the sum of \$5,100,000.00 for the period of June 25, 2005 to June 25, 2030. The entire sum shall be deposited into the common school construction account in the same manner as lease revenues. No deduction shall be made for the resource management cost account under RCW 79.64.040.

3.02 Changes in Use. All costs and fees associated with a change in use or development of the Premises, including but not limited to permits, licenses, construction, or reconstruction shall be the sole responsibility of Lessee if the change in use or development of the Premises is due to

a request of Lessee. In addition, Lessee shall pay all costs and fees incurred by State which are associated with any change in use requested by Lessee and authorized by State. Costs and fees may include, but are not limited to, appraisals, surveys, staff time, and other similar costs.

SECTION 4 RESERVATIONS

4.01 Compliance. The State shall have access to the Premises at all reasonable times to determine and secure compliance with this Lease. Failure to inspect or enforce compliance shall not be construed as a waiver of State's right to declare a breach, nor relieve Lessee of any liability to State for any breach of the terms, conditions, or requirements of this Lease.

4.02 Access. The State reserves the right to grant easements on the Premises with Lessee's prior written consent, provided that any easement granted shall not interfere with use of the Premises for open space, passive recreational uses and preservation of wildlife habitat. The State shall not grant an easement during the term of the Lease that allows or enables the sale, extraction or disposition of timber, minerals, including rock, sand and gravel, oil, gas and other valuable surface and subsurface materials. During the term of the lease State shall not grant an easement which allows for the transfer of State's rights to timber, minerals, including rock, sand and gravel, oil and gas, and other valuable surface and subsurface materials. The easement applicant may be required to remedy any damages to the Premises. Lessee's plan of development and placement of improvements must be such that access to State's adjacent ownership, if any, will not be impaired.

4.03 Resource Disposal. Timber, minerals, including rock sand and gravel, and other valuable materials shall remain the property of the State. During the term of this lease State shall not sell, extract, or in any way dispose of timber, minerals, rock, sand and gravel, coal, gravel or other surface or subsurface materials or minerals including oil and gas from the Premises. During the term of this Lease, State shall not transfer or contract to transfer its rights to timber, minerals, including rock, sand and gravel, oil, gas and other valuable surface and subsurface materials to any entity but the Lessee. Lessee's primary use of the site shall be for open space, passive recreational uses and the preservation of wildlife habitat and State shall not engage in activities or contract for activities that interfere with this use.

SECTION 5 ASSESSMENTS, TAXES, INSURANCE

5.01 Assessments. Lessee shall pay all assessments that may be charged against the Premises. Assessments for improvements shall be paid in an amount proportionate to the remaining term of this Lease and the life of the improvements, unless otherwise provided in writing by State. Lessee obligations under this subsection are not limited to assessments relating to the encumbrances (if any) listed in the legal description referred to in Exhibit A of this Lease, but extend to all assessments that may be charged against the Premises, including, but not limited to, weed assessments, watershed protection district assessments, conservation district assessments, storm water runoff assessments, and local improvement district assessments.

5.02 Utilities. Lessee shall be liable for all electrical power and other utility charges or expenses, including power minimums and disconnect charges incurred prior to termination or expiration of this Lease.

5.03 Taxes. Lessee shall pay leasehold excise tax if required by Chapter 82.29A of the Revised Code of Washington. Lessee shall pay all federal, state and local taxes including, but not limited to, personal property tax and excise tax, if any that may be charged against the Lease and improvements located on the Premises. If State must pay any assessments, taxes, penalties or interest because of Lessee's failure to pay such assessments, taxes, penalties or interest, Lessee shall immediately reimburse State for such expenditures and the obligation shall accrue interest until paid.

5.04 Insurance. Unless expressly waived in writing by State, Lessee, at its own expense, shall procure and maintain during the term of this Lease and require its contractors, subcontractors, or other permittees to procure and maintain while operating on the Premises the insurance described below. All insurance must be purchased on an occurrence basis, and be issued by a carrier admitted by the Insurance Commissioner to do business in the State of Washington. Non-admitted or surplus lines carriers, or admitted carriers with a Best rating of "B" or below must be approved in advance by the Risk Manager for the Department of Natural Resources. During the term of this lease, insurance requirements including, but not limited to, term and limits may be reviewed and changed by State. In the event that Lessee is self-insured, a letter shall be sent to State, obligating Lessee's self-insurance fund to the herein stated responsibilities and said letter shall be signed by a person with appropriate authority to obligate Lessee.

Types of Required Insurance.

Commercial General Liability. Insurance written under Insurance Services Office (ISO) Form CG0001 or its equivalent with minimum limits as set out below covering liability arising from premises, operations, independent contractors, personal injury, products completed and liability assumed under an insured contract. Description:

General Aggregate Limit:	\$2,000,000
Each Occurrence Limit:	\$1,000,000

Business Auto Policy (BAP). Insurance on an ISO CG0001 form or equivalent providing Bodily Injury and Property Damage Liability coverage for all owned, hired or non-owned vehicles assigned to, or used in, the performance of the contract for a combined single limit or not less than (\$1,000,000 *OR* \$500,000) each occurrence.

Terms of Insurance. The policies required under this section shall name the State of Washington, Department of Natural Resources as an additional insured (except for State of Washington Worker's Compensation coverage). Lessee shall provide to the State a certificate of insurance and, if requested, copies of policies, from the insurer of said

Lessee certifying that coverage in not less than the above named amounts is in force and that, in the event of cancellation or modification of such coverage, the insurer will give the State forty-five (45) days written notice prior to any cancellation or modification. State's receipt of such certificates or policies does not constitute approval by State of the terms of such policies. These notices shall be sent to the state office as identified in section 9.03 via certified mail. The (policy/policies) must reference the State's Lease number.

Further, all insurance policies described in this section shall:

1. be written as primary policies not contributing with and not in excess of coverage that State may carry;
2. contain an express waiver of any right of subrogation by the insurance company against State and State's elected officials, employees, or agents;
3. expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Lessee which might otherwise result in a forfeiture of said insurance;
4. expressly provide that State shall not be required to give notice of accidents or claims for which State has no liability for premiums; and
5. in regard to physical damage and builders risk coverage, expressly provide that all proceeds shall be paid jointly to State and Lessee.

If Lessee fails to procure and maintain the insurance described above, Lessee shall be in material breach of this Lease. In case of breach, State, at its election, shall have the right to terminate the Lease or to procure and maintain, at Lessee's expense, substitute insurance with right of offset against any money due Lessee.

5.04.1 Self-insurance.

King County, charter county government under the constitution of the State of Washington, hereinafter referred to as "Lessee", maintains a fully funded Self-Insurance program as defined in King County Code 4.12 for the protection and handling of the Lessee's liabilities including injuries to persons and damage to property.

State acknowledges, agrees and understands that the Lessee is self-funded for all of its liability exposures. The Lessee agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Lease Agreement. The Lessee agrees to provide the State with at least 30 days prior written notice of any material change in the Lessee's self-funded program and will provide the State with a certificate of self-insurance as adequate proof of coverage. State further acknowledges, agrees and understands that the Lessee does not purchase Commercial General Liability insurance and is a self-insured governmental entity; therefore the Lessee does not have the ability to add the landlord as an additional insured. The Lessee will require its contractors of any tier to comply with the requirements of section 5.04 above.

SECTION 6 MANAGEMENT

6.01 Weed Control. Lessee shall control all county, state or federally listed noxious weeds, on all lands under this Lease. Lessee shall be responsible for, or shall immediately reimburse State, any noxious weed control cost incurred as a result of Lessee's failure to control noxious weeds on said Premises.

6.02 Deleterious, Hazardous, Toxic, or Harmful Substances.

1. **Deleterious Material.** Lessee shall not make, or suffer to be made, any filling in of the Premises or any deposit of rock, earth, ballast, refuse, garbage, waste matter, chemical, biological or other wastes, hydrocarbons, any other pollutants, or other matter within or upon the Premises, except as approved in writing by State. If Lessee fails to remove all non-approved fill material, refuse, garbage, wastes or any other of the above materials from the Premises, Lessee agrees that State may, but is not obligated to, remove such materials and charge Lessee for the cost of removal and disposal. State and Lessee acknowledge that topsoils on the Premises may contain arsenic, lead or cadmium. Therefore, State and Lessee agree that Lessee shall not be responsible for removal or treatment of the topsoils for conditions existing prior to this Lease on the Premises.

2. **Hazardous, Toxic, or Harmful Substances.**

a. Lessee shall not keep on or about the Premises, any substances now or hereinafter designated as or containing components now or hereinafter designated as hazardous, toxic, dangerous, or harmful, and/or which are subject to regulation as hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance (hereinafter collectively referred to as "Hazardous Substances") unless such are necessary to carry out Lessee's permitted use under Subsection 2.01 and unless Lessee fully complies with all federal, state and local laws, regulations, statutes, and ordinances, now in existence or as subsequently enacted or amended.

b. Lessee shall:

- (1) Immediately notify State of (i) all spills or releases of any Hazardous Substance affecting the Premises, (ii) all failures to comply with any federal, state, or local law, regulation or ordinance, as now enacted or as subsequently enacted or amended, (iii) all inspections of the Premises by, or any correspondence, orders, citations, or notifications from any regulatory entity concerning Hazardous Substances affecting the Premises, (iv) all regulatory orders or fines or all response or interim cleanup actions taken by or proposed to be taken by any government entity or private party concerning the Premises; and

- (2) On request, provide copies to State of any and all correspondence, pleadings, and/or reports received by or required of Lessee or issued or written by Lessee or on Lessee's behalf with respect to the use, presence, transportation or generation of Hazardous Substances related to the Premises.

c. Lessee shall be fully and completely liable to State, and shall indemnify, defend, and hold harmless State and its agencies, employees, officers, and agents with respect to any and all damages, costs, fees (including attorneys' fees and costs), penalties (civil and criminal), and cleanup costs assessed against or imposed as a result of Lessee's use, disposal, transportation, generation and/or sale of Hazardous Substances or that of Lessee's employees, agents, assigns, lessees, contractors, subcontractors, licensees or invitees, and for any breach of this subsection, except to the extent such damages, costs, fees, penalties and cleanup costs are assessed against or imposed as a result of State, its officers, employees or agents use, disposal, transportation, generation and/or sale of Hazardous Substances. This Section 6.02(2)(c) shall not apply to conditions existing prior to the commencement of this Lease.

6.03 Condition of Premises at End of Lease. Prior to vacating the Premises, Lessee shall leave the Premises and all improvements thereon to which State has elected to claim title in the state of repair and cleanliness required to be maintained by Lessee during the term of this Lease, and shall peaceably and quietly surrender the same to State.

SECTION 7 LEASES, SUBLEASES AND ASSIGNMENTS

7.01 Leases and Subleases. The Premises, in whole or in part, and the appurtenances thereon shall not be leased or subleased without prior written approval from State. If leased or subleased, Lessee shall remain obligated and responsible for all actions on the Premises, including compliance with all provisions contained in this Lease.

7.02 Assignment. Lessee shall not hypothecate, mortgage, assign, encumber, transfer, or otherwise alienate this Lease, or any interest therein, or engage in any other transaction which has the effect of transferring or affecting the right of enjoyment of the Premises, without the prior written approval of State.

7.03 Assignee/Transferee Obligations. Each permitted assignee, or transferee of Lessee shall assume and be deemed to have assumed all obligations of Lessee under this Lease. Notwithstanding any such assignment or transfer, Lessee shall be and remains jointly and severally liable with the assignee or transferee for all obligations under this Lease, unless released, in writing, by State.

7.04 Quiet Enjoyment. State covenants and agrees that Lessee, upon performance of all

Lessee's obligations under this lease, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Lease without disturbance by lessor or by any person having title paramount to Lessor's title or by any person claiming under Lessor, subject to the other terms and provision of this lease.

SECTION 8 IMPROVEMENTS

8.01 Authorized Improvements. No improvement shall be placed on the Premises without the prior written consent of State, which written consent shall not be unreasonably withheld. Consent shall be granted through this Lease or a written Letter of Authorization issued by State. Unauthorized improvements shall either be removed by Lessee without damage to the Premises, removed by State at Lessee's expense, or become the property of State, at State's option.

All improvements currently on the lease premises belong to the state except those authorized improvements, which, if any, are listed in Exhibit B. Exhibit B may be supplemented with a Letter of Authorization issued by the state, for the purpose of authorizing additional improvements to the lease premises during the term of this lease, which Letters of Authorization shall not be unreasonably withheld. Letters of Authorization shall be cumulative and become addenda to Exhibit B when determining the sum of all authorized improvements.

8.02 Disposition of Authorized Improvements. Upon the expiration or termination of this Lease, all authorized improvements shall belong to State as provided in RCW 79.13.050 without compensation to Lessee, or, at the election of State, the Lessee shall remove the improvements from the Premises at the Lessee's sole cost. In the event the State elects to have the improvements removed and the Lessee fails to remove the improvements within 90 days, the State may have the improvements removed at Lessee's expense.

8.03 Removal of Improvements During Lease. During the term of this Lease, authorized improvements owned by Lessee may be removed by Lessee by submitting a general plan for removal of authorized improvements and restoration of the Premises. The State will review the plan and, if acceptable, issue written approval, which written approval shall not be unreasonably withheld. Lessee shall comply with the agreed upon terms of the approved plan. Lessee shall be liable for any and all costs and or fees and any and all damage to the Premises or any improvement belonging to State resulting from such removal.

8.04 State's Repairs. The State shall not be required or obligated to make any repairs, alterations, maintenance, replacements, or repairs in, on, or about the Premises, or any part thereof, during the term of this Lease.

8.05 Lessee's Repairs, Alteration, and Maintenance. Lessee shall, at its sole cost and expense, keep and maintain the Premises and all improvements thereon and all facilities appurtenant thereto (regardless of ownership) in good order and repair and safe condition for the safe conduct of any activities or enterprises conducted on the Premises pursuant to this Lease, and keep and maintain the whole of the Premises, including all improvements in a clean, sanitary and attractive condition. Lessee shall maintain and repair State-owned improvements at Lessee's

own expense.

SECTION 9 DEFAULT AND REMEDIES

9.01 Nonwaiver. Waiver by State of strict performance of any provision of this Lease shall not be a waiver of, nor prejudice State's right to require strict performance of the same provision in the future or of any other provision. The acceptance of performance, rent, or any other sum owing, by State following a breach by Lessee of any provision of this Lease shall not constitute a waiver of any right of State with respect to such breach and State shall be deemed to have waived any right hereunder only if State shall have expressly done so in writing.

9.02 Attorney Fees and Venue. Each party shall be responsible for their own attorney fees and court costs in the event of a dispute arising out of this agreement. Venue for resolving such disputes shall be in Thurston County Superior Court of Washington.

9.03 Notices. Any notice given under this Lease shall be deemed received when delivered by hand or five (5) days after deposit in the United States mail with first-class postage affixed, addressed as noted below. Changes of address shall immediately be given in accordance with this subsection. Any notice or missive given under this Lease shall be sent:

To State:

Where Lease provisions require submissions to State office:

Department of Natural Resources
Asset Management & Protection Division
PO Box 47014
Olympia, WA 98504-7014

Where Lease provisions require submission to State at its Region office:

Department of Natural Resources
South Puget Sound Region
P.O. Box 68
28329 SE 448th Street
Enumclaw, WA 98022

To Lessee:

King County Department of Natural Resources & Parks
Pam Bissonnette, Director
201 S. Jackson, Suite 700
Seattle, WA 98104-3855

9.04 Lessee Liens. Lessee shall not suffer or permit any lien to be filed against State's interest in the Premises or improvements thereon by reason of work, labor, services or materials performed thereon or supplied to, by or through Lessee. If any such lien is filed, Lessee shall immediately cause the same to be discharged of record, but in no case later than within thirty (30)

days after the date of filing or creation of such lien unless other arrangements are authorized in writing by State in advance, provided, if Lessee objects in good faith to the validity or amount of any lien or work performed on the Premises, Lessee may take reasonable and diligent steps to contest the validity or amount of such lien or work. Lessee shall indemnify State for any costs, damages or expenses (including attorneys' fees and courts' costs) incurred as a result of such liens or in obtaining their discharge whether such costs, damages or expenses were incurred prior or subsequent to Lease termination or cancellation.

9.05 Default. If Lessee breaches or defaults on any undertaking, promise or performance called for herein, State may cancel this Lease after Lessee has been given thirty (30) days' notice of the breach or default and such breach or default has not been corrected within such time. Upon such cancellation, all improvements on the Premises shall be forfeited and become the property of State subject only to any previously approved waiver of interest or security interest. The State may seek damages for any and all violations or defaults with or without canceling this Lease. In the event State deems the breach or default to constitute a threat to safety, life, or property it may elect to intervene immediately, without notice, to remedy the breach or default and Lessee hereby agrees to repay State for all costs in remedying the breach or default upon demand, together with interest thereon from the date of expenditure at the rate set forth in this Lease. Alternatively, State may require Lessee to act immediately to remedy the breach or default, should State deem it a threat to safety, life, or property.

9.06 Survival. All obligations of Lessee to be performed prior to the expiration or earlier termination shall not cease upon the termination or expiration of this Lease, and shall continue as obligations until fully performed. All clauses of this Lease, which require performance beyond the termination or expiration date, shall survive the termination or expiration date of this Lease. However, upon expiration or earlier termination of this Lease, the rights of Lessee and of all persons, firms, corporations, and entities claiming under Lessee in and to the Premises and all improvements thereon, unless specified otherwise in this Lease, shall cease.

9.07 State's Right to Cure Defaults. If Lessee fails to perform and is in default of any undertaking or promise contained herein, including those set forth in any plan of development, State shall have the option, but is not obligated, to make such performance after giving ten (10) days written notice to Lessee. The State's costs and expense to correct Lessee's failure to perform shall be reimbursed by Lessee and shall be immediately due and payable, together with interest accruing from the date such cost or expense is incurred.

9.08 Remedies Cumulative. The specified remedies to which State may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which State may lawfully be entitled in case of any breach or threatened breach by Lessee of any provision of this Lease.

9.09 Force Majeure. Lessee's failure to comply with any of the obligations under this Lease shall be excused only if due to causes beyond Lessee's control and without the fault or negligence of Lessee, including acts of God, acts of the public enemy, fires, floods, epidemics and strikes.

SECTION 10 GENERAL PROVISIONS

10.01 Indemnity. From and after the Lease commencement date, Lessee shall indemnify and hold harmless State, its employees, officers, and agents from any and all liability, damage, expense, cause of action, suit, claim, judgment, or costs (including reasonable attorney fees incurred in defending any action), whether or not the action results in judgment, is settled using some form of alternative dispute resolution process such as mediation or arbitration, or is appealed by any reason whatsoever caused by the use, occupation, or control of the Premises by Lessee, Lessee's sublessees, invitees, agents, employees, licensees, or permittees excepting only that which is due to the willful or negligent act of State or State's employees, officers, or agents.

10.02 No Partnership. The State is not a partner nor a joint venturer with Lessee in connection with the activities conducted and business carried on under this Lease, and State shall have no obligation with respect to Lessee's debts or other liabilities.

10.03 State's Authority. This Lease is entered into by State pursuant to the authority granted under Section 421, Ch. 26, Washington Laws of 2003, [ESSB 6094, Section 950 (12),] by statute and the Constitution of the State of Washington. The terms and conditions hereof are subject to such statutory and constitutional provisions as may be now in effect and such provisions which do not impair the contractual rights of Lessee under this Lease, which may lawfully be enacted subsequent to the date of this Lease.

10.04 Preservation of Markers. Any legal land subdivision survey corners, reference points or monuments are to be preserved if any exist. If such are destroyed or disturbed, State shall be notified immediately and prior to re-establishment. Upon approval of State, they shall be re-established by a licensed land surveyor in accordance with U.S. General Land Office standards at Lessee's expense. Corners and/or reference points or monuments that must necessarily be disturbed or destroyed in the process of carrying out the operations allowed by this Lease must be adequately referenced and/or replaced in accordance with Chapter 58.09 RCW. Such references and replacements must be approved in writing by State prior to removal of said corners, reference points or monuments.

10.05 Condemnation. If all of the Premises are taken by any public authority under the power of eminent domain, this Lease shall terminate as of the date possession is taken by said public authority pursuant to such condemnation. If any part of the Premises is so taken and, in the opinion of Lessee, it is not feasible to continue this Lease, then Lessee may terminate the Lease. Such termination shall be made by notice to State given not later than thirty (30) days after possession is so taken, the termination to be effective as of the later of thirty (30) days after said notice or the date possession is so taken. No refunds or prorations on sums paid or due will be made. All damages awarded for the taking or damaging of all or any part of the Premises shall belong to and become the property of State, and Lessee hereby disclaims and assigns to State any and all claims to such award.

The State will not claim any interest in any award for personal property belonging to Lessee.

State will not claim a share of any award made to Lessee for moving expenses.

10.06 Time of Essence. Time is expressly declared to be of the essence of this Lease and each and every covenant of Lessee hereunder.

10.07 Lease Changes and Additions. Any changes or additions to this Lease or the attached exhibits shall be made in writing, executed by the parties hereto, and neither State nor Lessee shall be bound by verbal or implied agreements.

10.08 Entire Agreement. This written Lease or its successor or replacement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement or promise made by any party hereto, or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid. This Agreement may be executed in any number of counterparts.

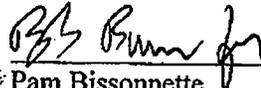
10.09 Invalidity. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent prove to be invalid, unenforceable, void, or illegal, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be not affected thereby, and each term and provision of this Lease shall be valid and be enforced as written to the fullest extent permitted by law.

10.10 Discrimination. Lessee shall not conduct or suffer any business or activity upon the Premises, which unlawfully discriminates against any person on the basis of race, color, creed, religion, sex, age, or physical or mental handicap.

10.11 Exhibits. Any exhibit attached hereto shall be deemed a part of this agreement and incorporated herein by reference.

Signed this 28 day of June, 2005.

Lessee



Pam Bissonnette
Director, King County Department of Natural
Resources and Parks

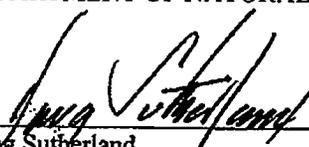
Approved as to Form this
28 day of June, 2005


Peter G. Ramels
Senior Deputy Prosecuting Attorney

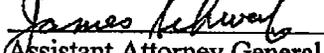
(Commissioner's Seal)

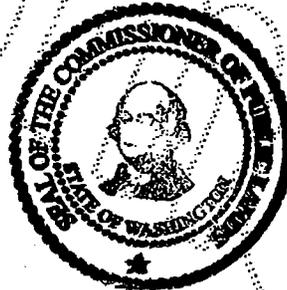
STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: June 29, 2005


Doug Sutherland
Commissioner of Public Lands

Approved as to Form this
29 day of June, 2005


Assistant Attorney General



Agreement No. 60-077553

NOTARIAL CERTIFICATE
COUNTY

STATE OF WASHINGTON)
)SS.
COUNTY OF KING)

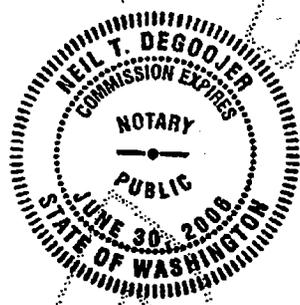
I certify that I know or have satisfactory evidence that ^{DEPUTY} ~~Pam Bissonnette~~ ^{BIB BURNS} is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Director, Department of Natural Resources and Parks of King County to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 6/28/05

Neil T. DeGoojer

NEIL T. DEGOOJER
Printed name

NOTARY PUBLIC in and for the State of
Washington, residing at RENTON
My appointment expires 6/30/06



NOTARIAL CERTIFICATE
COMMISSIONER OF PUBLIC LANDS

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

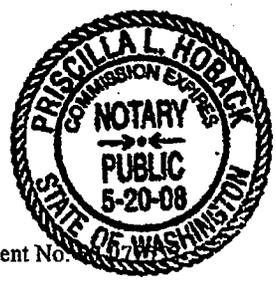
On this 29th day of June, 2005, personally appeared before me Doug Sutherland, the duly elected, qualified and acting Commissioner of Public Lands, State of Washington, who executed the within and foregoing instrument on behalf of the State of Washington, and acknowledged the said instrument to be the free and voluntary act and deed of the State of Washington, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the State of Washington.

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

Priscilla L. Hoback

Priscilla L. Hoback
Printed name

NOTARY PUBLIC in and for the State of
Washington, residing at yelm
My appointment expires 5/20/2008

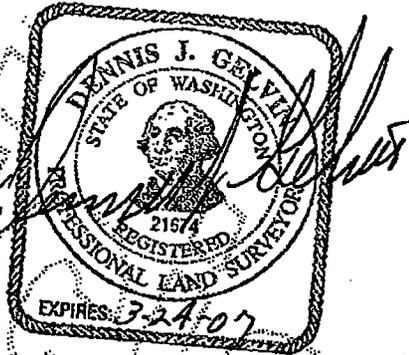


Agreement No. 07745

EXHIBIT A

Legal Description of Premises, and Encumbrances, if any

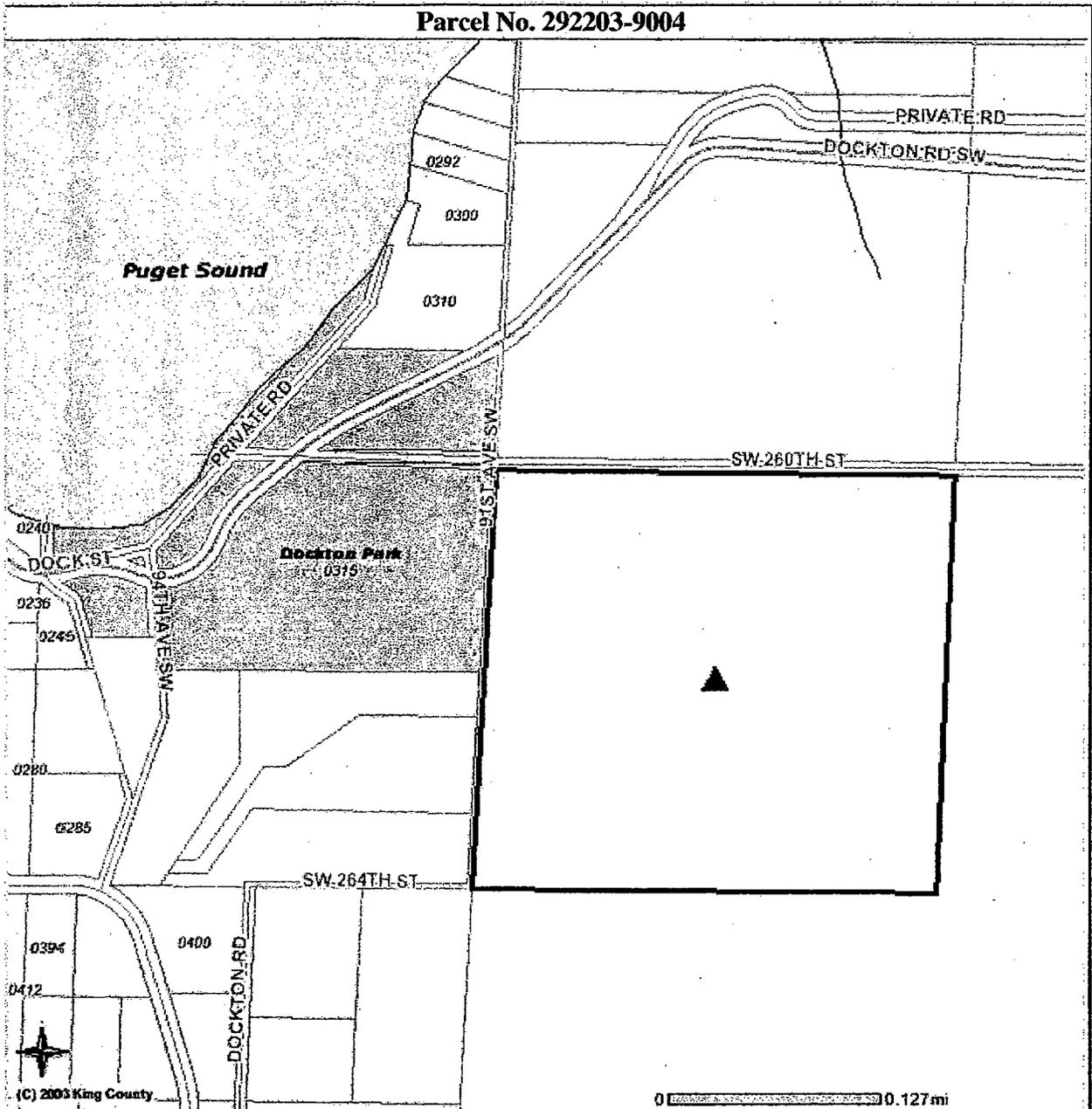
The SW1/4 of the NE1/4 of Section 29, Township 22 North, Range 3 East, Willamette Meridian, King County, Washington, according to U.S. Government subdivision procedures.



Dennis J. Gelvin, PLS 21674
Land Description & R/W Specialist
State Land Survey Unit
PO Box 47060
Olympia, WA 98504-7060

Dated 6-24-05

SUBJECT TO: No encumbrances of record



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