

LEASE

Masonic Lodge and the City of White Salmon

This Lease is made effective the day of _____, 2022, between the White Salmon Masonic Building Association (Lessor), and City of White Salmon, a Washington Municipal Corporation (Lessee).

Recitals

Lessor operates a WA Fraternal Building Association in White Salmon, Washington and wishes to enter into a ground lease with the City of White Salmon motor vehicle parking.

The parties are willing to enter into a lease subject to the terms and conditions contained herein.

Agreements

Real Property Lease Agreement.

Lessor agrees to rent to Lessee and Lessee agrees to rent from Lessor the premises described as:

The North 60 feet (approximately) of the West 1/2 of Lot 1 and the East 25 feet of Lot 2, Block C, Lauterback's First Addition, NE SE of 24 03 10 to White Salmon, Washington, as recorded at Klickitat County records.

The Lease Term.

The lease term shall commence on the 1st day of April, 2021 and continue through the 31st day of March, 2026. Afterwards, the Lessee shall have the right to renew the lease annually in writing. Extensions shall be renewed on April 1, 2026, and April 1 of each successive year unless Lessee gives Lessor notice within sixty (60) days prior to the renewal date of its intent not to renew the Lease for an additional term.

Rent.

Rent for the Leased Premises shall be the sum of \$500 per month, due on the first day of each month. Effective April 1, 2023, and for each subsequent lease term, rent per month for each year shall increase by 3% or the Annual Consumer Price Index (CPI) West, Size B/C for Urban Wage Earners and Clerical Workers (CPI-W) as determined by the Bureau of Labor Statistics ("BLS"), whichever is greater. If the CPI-W is greater than 5% a BLS statement of the CPI-W will be provided by the lessor to the Lessee during February prior to the rate adjustment on April 1st.

Rent for the Leased Premises for April 1, 2021 through December 31, 2021 shall be the sum of \$375 per month. Upon execution of this lease, the Lessee shall pay the difference per month (\$200 for April 1, 2021 through December 31, 2021) and \$325 for 2022 to date), based on payments already made by the Lessee, to the Lessor.

Use of Leased Premises.

Any permits required for business use of the Leased premises shall be provided by Lessee. Lessee agrees to comply, at its expense, with all applicable laws and regulations of any public authority affecting the Leased premises. Signage may be placed on the Leased Premises only with the written consent of the Lessor.

Lessee Improvements.

Lessee agrees to surface (Compacted gravel/rock, chip seal, or other appropriate surfacing method appropriate for a parking surface), repairing potholes, and striping of the parking lot at Lessee's own expense as needed or biennially, whichever comes first, to maintain usability as a parking area. Any further improvements to the Leased Premises require Lessor's written approval prior to commencement of the improvements. All improvements to the leased Premises shall be the property of the Lessor when installed and shall remain on the Leased premises at the termination of this lease.

Assignment and Successor Interests

This Lease inures to the benefit of the parties, their successors and assigns. Lessee may not assign, transfer, or sublease the Leased Premises without the written consent of Lessor, not to be unreasonably withheld. Any successor of Lessor shall assume all obligations of Lessor hereunder, and upon such assumption, Lessor shall be released from any further liability under this Lease.

Indemnity for Loss or Damage.

Lessee shall indemnify, defend and hold harmless the Lessor and any of its agents, for any loss or damage to the Leased Premises arising out of the actions, omissions or negligence of Lessee, its invitees or agents. Lessor will keep the Leased Premises insured at the Lessor's expense against fire and other risks covered by a standard fire insurance policy. Lessee shall bear the risk of loss to any property or equipment of Lessee, its invitees or agents, which may hereafter be placed or permitted by the Lessee on the Leased Premises.

Liability Insurance.

During the term of this lease, Lessee shall maintain public liability insurance in the amount of at least \$1,000,000 combined limits naming Lessor as an additional insured. Such insurance shall cover all risks arising directly or indirectly out of Lessee's activity or any condition of the Leased Premises. Certificates establishing that such coverage is in effect shall be provided to Lessor upon request at any time during the Lease.

Repairs and Maintenance.

Lessor shall be responsible for repairs and maintenance of the leased premises not covered in paragraph 5. Notwithstanding, Lessee shall be responsible for additional repairs necessitated by the negligence of Lessee, its agents and invitees only if such damage is caused by negligence or malfeasance by the Lessee. Lessee shall also be responsible for snow removal. Lessor shall have the right of reasonable access to the Leased Premises for purposes of inspection and to determine the necessity of repairs or maintenance.

Waiver of Subrogation.

Neither party shall be liable to the other for any loss or damage caused by fire or any risk enumerated in a standard fire and casualty insurance policy as required in this Lease, and neither party's insurance company shall have a subrogated claim against the other. Damage and Destruction.

If the Leased Premises are destroyed during the lease term, the obligation to pay rent shall be suspended for the duration of any necessary repairs. If there is any significant damage, which interferes with the ability of the Lessee to use the premises for usual business purposes, either party may terminate this Lease.

Termination for Convenience with Reasonable Notice.

Either party may terminate this Agreement without cause and at any time upon giving 30 days' prior written notice to the other party. Such termination will be effective on the date stated in the notice.

Default.

The following shall be events of Default:

Default in Rent. Failure of Lessee to pay any rent or other charge within 20 days after written notice from Lessor that rent is due and owing.

Default in Other Covenants. Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within 30 days after written notice by Lessor, specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if Lessee begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

Remedies on Default.

Termination. In the event of a default this Lease may be terminated at the option of the Lessor by written notice to Lessee. Whether or not the Lease is terminated by the election of Lessor otherwise, Lessor shall be entitled to recover damages from Lessee for the default, and the Lessor may reenter, take possession of the Leased Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

Reletting. Following reentry or abandonment, Lessor may relet the Leased Premises, and in that connection may make any suitable alterations, refurbish the Leased Premises, or both, or change the character or use of the Leased Premises, but Lessor shall not be required to relet for any use or purpose other than that specified in this Lease or which Lessor may reasonably consider injurious to the Leased Premises, or to any lessee that Lessor may reasonably consider objectionable. Lessor may relet all or part of the Leased Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

Damages.

In the event of termination or retaking of possession following default, Lessor shall be entitled to recover all damages as permitted by law.

Remedies Cumulative.

The foregoing remedies shall be in addition to and shall not exclude any other remedy available to the Lessor under applicable law.

Surrender at Expiration.

Condition of Leased Premises. Upon expiration of the lease term or earlier termination on account of default, Lessee shall surrender the Leased Premises in a clean condition.

Hazardous Substances.

Without Lessor's prior written consent, Lessee shall not bring into the Leased Premises, nor allow any third party to bring into the Leased Premises, any "Hazardous Substance". "Hazardous Substance" means:

Any substance commonly known as such, including, without limitation, oil, gasoline, or any similar substance and/or

Any substance referred to as such or by any similar designation in any law or regulation now or hereafter in existence relating to health or environmental protection or the use, storage or disposal of wastes.

If Lessee desires to bring, or to allow a third party to bring into the Leased Premises any Hazardous Substance, Lessee shall request Lessor's written consent. Such requests shall be accompanied by a list of the Hazardous substances and such other information as Lessor may request. The Lessor may deny such a request.

Notwithstanding the foregoing, Lessee may, without Lessor's prior consent, but in compliance with all applicable laws, regulations, and governmental guidelines, use any ordinary and customary material reasonably required to be used by Lessee in the normal course of Lessee's business permitted on the Leased Premises, so long as such use does not expose the Leased Premises or neighboring properties to any meaningful risk of contamination or damage, or expose Lessor to any liability therefore. Lessee agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations governing environmental protection, regulation of hazardous substances and land use, and to indemnify Lessor against all losses, damages and costs resulting from any failure of Lessee or any of its employees, agents or contractors to do so, including, but not limited to, violation of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Sec 9601 et seq., the Clean Water Act 33 USC Sec. 1251 et seq., the Resource Conservation and Recovery Act 42 USC Sec. 6901, the Toxic Substances Control Act, 15 USC Sec 2610, the Federal Insecticide, Fungicide, and Rodenticide Act, 7 USC Sec. 136 et seq., the Clean Air Act, 42 USC Sec. 7401 et seq. the Oil Pollution Act of 1990, 33 USC Sec. 2701 et seq.; the Model Toxics Control Act., RCW 70.105d.010 et seq., the Washington Clean Air Act. RCW Ch. 70.94; the Washington Solid Waste Management Act. RCW Ch. 70.95, and the Washington Nuclear Energy and Radiation Act. RCW Ch. 70.89.

Lessee shall in all events use and contain any Hazardous Substances in strict compliance with all laws and shall not allow any release of the same. Lessee shall not store or keep any gasoline or other fuel or explosive substances within the Leased Premises.

Lessee shall not keep any trash, garbage, waste or other refuse on the Leased Premises except in sanitary containers and shall regularly and frequently remove the same for the Leased Premises.

Americans with Disabilities Act (ADA)

Compliance of Leased Premises within the ADA depends upon the uses of the Leased Premises, the location of each use within the Leased Premises, alterations which the Lessee makes to the Leased Premises, and changes to the ADA standards over time.

Lessee may have obligations under the ADA as an employer, which may differ from its obligations as the operator of the Leased Premises. Lessee shall make only such uses of the Leased Premises that comply

with the ADA. Lessee further specifically agrees that, in connection with it's installation of alterations and lessee improvements, including but not limited to, any requirements to improve or modify other portions or aspects of the Leased Premises in connection with, or as a result of the alterations or lessee improvements completed by the Lessee, all at the expense of the Lessee.

Taxes.

Lessor shall pay all real property taxes assessed against the Leased Premises. Lessor shall pay all local improvement district assessments assessed against the Leased Premises.

Waiver.

Waiver by either party of any provisions of this lease shall not be a waiver of any other provision of this lease, nor prejudice the party's right to require performance of that provision in the future.

Attorney's Fees.

In any litigation arising out of this lease, the losing party agrees to pay the reasonable attorney's fees of the prevailing party as set by the court at trial or upon appeal.

Notices.

Any notices under this lease shall be in writing and shall be deemed given upon mailing, first class U.S. mail, postage prepaid, to the party's at the addresses appearing after the signatures below.

Approved by the White Salmon City Council on the _____ of _____, 2022.

Lessor:

Lessee:

White Salmon Masonic Building Association

City of White Salmon, a Washington Municipal Corporation

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Chairman

Mayor

Secretary