



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 16, 2012

Ordinance 17434

Proposed No. 2012-0345.2

Sponsors

1 AN ORDINANCE authorizing the King County executive
2 to execute a lease agreement with Backbone Community
3 Solar, in order to construct and operate a community solar
4 project on land at the Vashon transfer station pursuant to
5 RCW 82.16.110 through 82.16.140.

6 STATEMENT OF FACTS:

- 7 1. The Washington state Legislature enacted the renewable energy system
8 cost recovery program to provide financial incentives for solar energy
9 projects in Washington state, including manufacturing of solar
10 components. The program provides generous production incentives if
11 made-in-Washington panels and equipment are utilized.
- 12 2. The community solar program, a part of the Washington state
13 renewable energy system cost recovery program, RCW 82.16.110 through
14 82.16.140 and WAC 458-20-273, provides a framework for citizen
15 investment groups formed to install solar energy projects on public
16 property owned by local governments.
- 17 3. The program provides an important opportunity for the county to
18 promote sustainability and economic development in our region. State
19 law currently authorizes the program until 2020.

20 4. The state program defines a community solar project as a solar energy
21 system, capable of producing no more than seventy-five kilowatts of
22 electricity that is owned by a community investment group and placed on
23 property owned by a cooperating local government.

24 5. The department of natural resources and parks determined that the best
25 way to promote these types of solar projects is to make land available to
26 community investment groups interested in developing projects.

27 6. Projects provide benefits to the county through reliable on-site power,
28 net-metering that can reduce electric bills, and implementation of
29 renewable energy and green technology strategies outlined in the 2010
30 King County Energy Plan.

31 7. Leasing King County property for community solar projects will
32 promote clean solar power in the county, reduce greenhouse gas emissions
33 in the region and potentially stimulate the growth of the state's solar
34 manufacturing and power industries.

35 8. Backbone Community Solar ("BCS") is a Washington not-for-profit
36 corporation formed for the purpose of developing and implementing
37 community solar projects, and BCS has represented that it is ready,
38 willing, and able to pursue such a project at its sole cost and expense.

39 9. Pursuant to K.C.C. chapter 4.56 the executive has negotiated a lease
40 with BCS to facilitate BCS's construction and operation of a fifty- to sixty-
41 five-kilowatt community solar project on county-owned land at the

42 Vashon transfer station in furtherance of RCW 82.16.110 through

43 82.16.140.

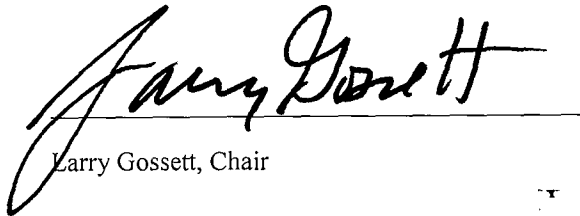
44 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

45 SECTION 1. The executive is authorized to execute a lease agreement with
46 Backbone Community Solar substantially in the form of Attachment A to this ordinance.
47


Ordinance 17434 was introduced on 8/20/2012 and passed as amended by the Metropolitan King County Council on 10/15/2012, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.
McDermott
No: 0
Excused: 0

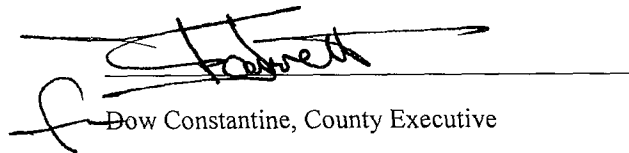
KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 26 day of October, 2012.


Dow Constantine, County Executive

Attachments: A. Lease Agreement For Community Solar Project at Vashon Transfer Station, dated 10-15-12

RECEIVED
2012 OCT 26 PM 4:02
CLERK
KING COUNTY COUNCIL

ATTACHMENT A 10-15-2012

Lease #

LEASE AGREEMENT

For Community Solar Project at Vashon Transfer Station

1. **PARTIES.** This Lease agreement ("Lease") is executed by and between KING COUNTY, a home rule charter county and political subdivision of the State of Washington, the Backbone Campaign, an Oregon non-profit corporation doing business in Washington State ("Lessee"), and is effective as of the date it is fully executed by Lessee and King County ("Effective Date"). This Lease is executed when signed, dated, and acknowledged by Lessee and King County. Together, King County and Lessee are each referred to herein as a "Party" and together as the "Parties."
2. **PREMISES.** King County hereby leases to Lessee, upon the following terms and conditions, the premises as depicted on the diagram in Exhibit A, attached to and incorporated herein by this reference (the "Premises"), which Premises consist of a portion of the real property commonly known as Vashon Transfer Station, 18900 Westside Highway SW, Vashon, WA 98070 and legally described as:

LEGAL DESCRIPTION.

SW 1/4 OF SW 1/4 LESS HWY TGW S 1/2 OF NW 1/4 OF SW 1/4 LYING NLY & ELY OF
 NLY & ELY MGN OF HWY TGW W 280 FT OF SW 1/4 OF NE 1/4 OF SW 1/4 ALL
 LOCATED IN 36-23-02 AKA POR OF KC LEGAL LOT L07M0018 DATED 05-03-07

Also known as King County Assessor's Tax Parcel No. 3623029009.

3. **TERM.**
 - A. The Lease term shall commence upon Lessee formally taking possession of the Premises on a date determined by mutual agreement ("Commencement Date"), and end at 11:59 PM on the 30th day of June, 2020 ("Expiration Date"), unless the Lease is renewed or extended. If the Washington State solar incentive program codified at RCW 82.16.110-.120 ("State Solar Incentive") is extended beyond June 30, 2020, then the Term shall be automatically extended and shall expire (a) upon the expiration of the extended State Solar Incentive, or (b) twenty (20) years after the Commencement Date, whichever occurs first.
 - B. If King County is unable to deliver possession of the Premises by the Commencement Date as a result of causes beyond King County's reasonable control, King County shall not be liable for any damage caused for failing to deliver possession, and this Lease shall not be void or voidable. Lessee shall not be liable for rent until King County delivers possession of the Premises to Lessee, which date shall then become the Commencement Date.
 - C. Lessee may terminate this Lease at any time, without cause, upon not less than ninety (90) days prior written notice to King County; but in no event shall Lessee's termination relieve

Lessee of any duties or obligations under Sections 7, 10, 11, 13, or 18 of this Lease, or any other obligation or liability under this Lease that by its nature survives termination.

- D. If Lessee fails to complete the Improvements as defined in Section 6 within twelve (12) months of the Commencement Date, then this Lease shall automatically terminate without further action of either Party and without further liability or obligation of either Party hereto. Termination under this Section 3.D is not subject to dispute resolution under Section 14. Termination under this Section 3.D shall not relieve Lessee of any duties or obligations under Sections 7, 10, 11, 13, or 18 of this Lease, or any other obligation or liability under this Lease that by its nature survives termination.

4. RENT.

- A. Lessee shall be and hereby is obligated to pay to King County the sum of two thousand dollars (\$2,000.00) as rent payable for every calendar month of the Term (hereinafter called "Rent"). Rent shall be due by thirtieth day of September each year, except as otherwise reduced by Section 4.C. To the extent applicable by law, and consistent with Subsection 16.B of this Lease, Lessee shall also pay a Leasehold Excise Tax (presently 12.84%). As set forth in Section 4.D, below, and except for the Winding Up Period as defined in Section 7.D the Rent shall automatically and immediately increase if Lessee holds over beyond the expiration or earlier termination of the Term. All Rent and Leasehold Excise Tax shall be made payable to the King County Office of Finance and shall be sent to:

Solid Waste Division
King County Department of Natural Resources and Parks
201 S Jackson Street, #701, Seattle, WA 98104

- B. The Rent and Leasehold Excise Tax are exclusive of any other sale, franchise, business or occupation, local improvement district tax, or other tax or assessment that may exist at the time this Agreement is executed or arise during the term thereof. Should any such taxes apply during the term of this Lease, then the Rent shall be increased by such amount.
- C. Notwithstanding any provision of this Agreement to the contrary, and except for the Winding Up Period under Section 7.D, Lessee shall be entitled to a credit against payment of monthly Rent (the "Rent Credit") equal to the production meter totals shown on King County's monthly electric utility bill, multiplied by the cost per kilowatt-hour charged to King County by the utility serving the Premises. Any difference between Rent and the Rent Credit for the twelve months from July 1st to the following June 30th shall be reconciled annually in the third quarter of that calendar year via invoice or warrant from King County to Lessee. King County will promptly supply to Lessee each year, as soon as practical after June 30th, King County's electric utility bills for the Premises or other information necessary for the Lessee to apply for any available solar incentive payments. Lessee understands, acknowledges, and agrees that the Rent Credit shall not apply towards any Leasehold Excise Tax ("LET") due under Subsection 16.B.

Example of Rent/Rent Credit Calculation:

Rent = \$2,000

Rent Credit ((production meter totals on King County's monthly electric utility bill) x [cost per kWh charged to King County by utility]) = \$2,500

Utility meter service fee = \$0

Net payment: \$2,000 rent - \$2500 Rent Credit + \$50 utility meter service fees = \$450 due from King County to Lessee in the first quarter of Year 2

LET payment: \$256.80 due from Lessee to King County in the first quarter of Year 2

Any Rent not offset by the Rent Credit would be paid by check by Lessee to King County. Any Rent Credit above the value of Rent would be paid by warrant by King County to Lessee.

- D. HOLDING OVER. If the Lessee holds over after the expiration or earlier termination of the Term or the Winding Up Period as defined in Section 7.D hereof without the express written consent of King County, Lessee shall become a tenant at sufferance only at a rental rate equal to one hundred-fifty percent (150%) of the Rent in effect upon the date of such expiration or termination (prorated on a daily basis), and otherwise subject to the terms, covenants, and conditions herein specified so far as applicable. Acceptance by King County of Rent or application of the Rent Credit after such expiration or earlier termination shall not result in a renewal of this Lease, nor affect King County's right of re-entry or any rights of King County hereunder or as otherwise provided by law. If Lessee fails to surrender the Premises upon the expiration or earlier termination of this Lease despite demand to do so by King County, Lessee shall indemnify and hold King County harmless from all loss or liability including, without limitation, any claim made by any succeeding Lessee founded on or resulting from such failure to surrender, together with interest, attorney's fees, and costs.
- E. Any dispute arising under or relating to Subsection 4.A-C shall be resolved using the dispute resolution process set forth in Section 14 of this Lease. Subsection D is not subject to dispute resolution under Section 14.

5. LIMITATION ON USE.

- A. Subject to the other restrictions on use included in this Lease, Lessee shall use the Premises for the following purposes only and for no other use or purpose: The installation, construction, operation, maintenance, and repair of improvements consisting of a solar array not to exceed 66 kilowatt, including photovoltaic cells, inverters, production meters, supporting structures, utility connections, security fencing, and other minor improvements or betterments relating to the solar array, all as described or illustrated in **Exhibit B** attached hereto, which exhibit is incorporated by this reference as if fully set forth herein (the "Improvements"). The Improvements shall include an exterior disconnect switch, which switch shall be the sole means of after-hours response. The Improvements shall include measures to inhibit vegetation (such as landscape fabric, weed barrier, mulch, bark, gravel, or other ground cover, etc) so as to minimize the need for landscape maintenance around and under the solar array.
- B. Except as authorized under Paragraph A of this Section 5, Lessee may make no installation, alteration, addition, or improvement to the Premises without King County's

prior written consent, which consent may not be unreasonably withheld by King County if the installation, alteration, addition or improvement is reasonably necessary for Lessee to effectuate the uses authorized in Paragraph A of this Section 5..

- C. Lessee shall pay for all costs, expenses, fees, services, and charges of all kinds for heat, light, water, gas, power, and telephone, and for all other public utilities used by Lessee on the Premises so that the same shall not become a lien against the Premises.
 - D. (1) Lessee shall provide and allow unobstructed access over, across, and under the Premises for King County, and the Washington State Department of Ecology ("DOE") or other governmental authority (collectively "Authorities"), and their respective employees, agents, consultants, invitees, licensees and designees, for purposes of testing, monitoring, inspection, remediation, and other activities or purposes arising out of or relating to environmental contamination (each, "Environmental Access"). Lessee acknowledges that Environmental Access may occur at any time for any reason, without advance notice to Lessee, 24 hours a day 7 days a week, all in the sole and absolute discretion of King County, and its respective employees, agents, contractors, invitees, licensees or designees.
 - (2) As between King County and Lessee, King County shall be responsible for any damage to the Improvements resulting from Environmental Access contemplated under paragraph 5.D(1); provided that this paragraph 5.D(2) shall not operate to bar King County from seeking payment or contribution from, or shifting liability to, the person or entity that actually caused the damage.
 - E. Lessee shall not obstruct activities or access to or placement of any test wells or other monitoring equipment or other facilities related to environmental contamination. King County, Authorities, and their respective employees, agents, contractors, invitees, licensees or designees shall have access to all test wells or other monitoring equipment or facilities now or later located on the Premises, at all times and without advance notice to Lessee.
 - F. As between King County and Lessee, King County shall be responsible for any damage to the Improvements resulting from any activity by Authorities, their agents, employees, consultants, invitees, licensees and designees; provided that this paragraph 5.F shall not operate to bar King County from seeking payment or contribution from, or shifting liability to, the person or entity that actually caused the damage.
 - G. Except for Lessee's obligations under Paragraphs D and E, any dispute arising under or relating to this Section 5 shall be resolved using the dispute resolution process set forth in Section 14 of this Lease.
6. LESSEE IMPROVEMENTS.
- A. Prior to constructing the Improvements, and as soon as is reasonably practical after this Lease is executed as defined in Section 1, Lessee shall submit to King County detailed plans and specifications ("Plans") for at least the first phase of the Improvements described in **Exhibit B**. Except as otherwise provided herein, Lessee shall be the legal and beneficial

owner of the Improvements at all times. The Improvements are personal property and shall not be deemed a part of, or fixture to, the Premises. The Improvements shall at all times retain the legal status of personal property as defined under Section 9 of the Uniform Commercial Code.

- B. Unless King County and Lessee mutually agree to a different timeline, King County Solid Waste Division (KCSWD) must provide any comments on the Plans to Lessee within fifteen (15) business days of receiving the Plans, or KCSWD will be deemed to have waived its opportunity to submit comments on the Plans. Lessee shall incorporate KCSWD's comments into the Plans, or shall address KCSWD's comments to KCSWD's satisfaction, unless individually or collectively it is not practicable to do so. For purposes of this Agreement, the term "practicable" means a proposed revision that is capable of being designed, constructed, and implemented in a reliable and effective manner including consideration of cost. When considering cost under this analysis, a proposed revision to the Plans shall not be considered practicable if the incremental costs of the proposal are disproportionate to the incremental degree of benefits provided by the proposal over the existing proposal or other lower cost alternatives.
- C. (1) The Improvements shall be substantially complete, as evidenced by a final inspection and sign-off from all regulatory agencies with jurisdiction, with all work completed except for routine and customary punch list items, no later than one hundred eighty (180) days after (a) review of the Plans by KCSWD, or (b) Lessee's receipt of all necessary permits and approvals for the Improvements, whichever is later. The deadline for substantial completion of the Improvements may be extended upon the written agreement of Lessee and KCSWD, the approval of which shall not be unreasonably withheld by KCSWD.
- (2) If construction of the Improvements is unreasonably delayed by action or inaction of KCSWD then KCSWD shall pay to Lessee liquidated damages in an amount equal to a reasonable estimate of the increment of investment cost recovery incentive that Lessee would have been eligible for under RCW 82.16.120(4) but for KCSWD's delay. Provided, that delay caused by or arising from action or inaction of other persons, entities, or agencies shall not render KCSWD liable for any liquidated damages.
- D. Lessee shall use licensed contractors to perform the work of installing, operating, maintaining, and repairing the Improvements. Lessee shall be responsible for the conduct of its contractors and subcontractors. King County shall have no contractual relationship with Lessee's contractors or subcontractors in connection with the Improvements. Lessee shall require its contractors and subcontractors to maintain insurance applicable to their activities and meeting the requirements in Section 11. Lessee shall provide copies of contracts and contractor insurance documentation to King County upon request.
- E. Lessee shall obtain from the local electric utility all consents or approvals that may be necessary for the construction, commissioning, operation, and decommissioning of the Improvements. Lessee shall be responsible to pay all direct and necessary costs for and arrange the interconnection of the Improvements with the local electric utility in a manner

that includes bidirectional or "net metering." King County will enter into an agreement with the utility serving the Premises to implement net metering.

- F. Lessee shall be responsible for securing all governmental permits and approvals for the construction of the Improvements and shall be solely liable for all costs, including the costs of construction, maintenance and repair thereof. **KCSWD** will support Lessee in such efforts to the extent practicable within the limitations of then-existing budget, staffing, and authority. If required by a permitting agency, the Real Estate Services Section of the Facilities Management Division in the King County Department of Executive Services will provide Lessee with a form letter and a copy of the fully executed Lease to document that Lessee has the rights of use and possession of the Premises.
- G. Lessee shall, at Lessee's sole cost and expense, keep the Improvements in good condition and repair (ordinary wear and tear excepted), in compliance with all applicable laws and regulations, and in accordance with the generally accepted practices of the electrical industry in general and the solar generation industry in particular. Lessee shall keep the Premises clear of debris, waste material, and rubbish relating to the Improvements, and shall comply with such reasonable safety or security procedures as may be established by King County from time to time.
- H. King County and Lessee agree that from time to time it may be necessary for Lessee to interrupt the electricity production of the Improvements. Examples of necessary interruptions are: repairs to the solar array or its components or supporting structure; or the installation of additional arrays. When possible, Lessee shall provide notice of necessary interruptions to King County, the electrical utility serving the Premises, and any other interested persons or entities at least 48 hours in advance. Lessee shall limit such interruptions to the minimum duration possible. Lessee understands, acknowledges, and agrees that interruptions in electricity production shall not avoid or reduce Lessee's duty to pay Rent under this Agreement.
- I. If King County requires Lessee to interrupt or shut down production of electricity from the Improvements then Lessee shall be entitled to apply toward the Rent Credit an amount equal to the estimated value of the electricity and Renewable Energy Credits ("RECs") that would have been produced during the period of interruption or shut down required by King County. The Lessee shall also be entitled to apply toward the Rent Credit an amount equal to the estimated value of any available solar incentive payments that would have been earned during the period of interruption or shut down. Determination of the amount of electricity that would have been produced during such period shall be based, during the first year of operations, on the estimated levels of production used to calculate the initial Rent Credit and, after the first year of operations, based on actual production in the same period in the previous calendar year, unless Lessee and King County mutually agree in writing to a different methodology.
- J. Output from the Improvements shall be measured by meters installed in accordance with the Plans. Lessee shall test the meters as it deems appropriate in accordance with electrical industry standards, but not less than once in any two-year period. Lessee shall pay for such testing. If the meter is shown to be in error in Lessee's favor by more than five percent

(5%), then Lessee shall notify King County and shall adjust the records of the amount of electrical energy provided by the Improvements delivered based on the period that is half-way between the date of the testing that revealed the error and the prior testing date of the meter. If the Improvements produced more electricity than originally shown by the meter then Lessee shall be entitled to an additional Rent Credit, consistent with Section 4.C. If the Improvements produced less electricity than originally shown by the meter then Lessee shall pay any Rent due and owing consistent with Section 4.C.

- K. Lessee shall receive all incentive payments available under any solar incentive program applicable to the Improvements. Lessee shall be the owner of any environmental attributes (including, but not limited to those certain attributes known as RECs), any tax attributes that may arise from or relate to the Improvements, and any payments for energy capacity or ancillary services that may become available as a result of the construction or operation of the Improvements. Lessee may choose to sell the generated electricity to a regulated utility at Lessee's sole cost and expense. Any such Power Purchase Agreement is not subject to this Lease and King County expressly disavows any participation in or liability or obligation for any such Power Purchase Agreement.
- L. King County acknowledges that Lessee does not warrant or guarantee the amount of electricity to be produced by the Improvements for any hourly, daily, monthly, annual or other period. King County acknowledges that Lessee is not a utility or an electric service provider, and does not assume any obligations of a utility or electric service provider, including any obligation to provide service or be subject to rate review by governmental authorities.
- M. Lessee understands, acknowledges, and agrees that King County's rights under this Lease to review, comment on, disapprove and/or accept designs, plan specifications, work plans, construction, equipment, and or installation (1) exist solely for the benefit and protection of King County and its employees and agents; (2) do not create or impose on King County or its employees and agents any standard or duty of care towards Lessee, all of which are hereby disclaimed; (3) may not be relied on by Lessee in determining whether Lessee has satisfied all applicable standards and requirements; and (4) may not be asserted, nor may the exercise or failure to exercise any such rights by King County and its employees and agents be asserted against King County or its employees and agents by Lessee as a defense, legal or equitable, to Lessee's obligation to fulfill such standards and requirements, notwithstanding any acceptance of work by King County or its employees or agents.
- N. Any dispute arising under or relating to Sections 6A-L shall be resolved using the dispute resolution process set forth in Section 14 of this Lease. Section 6M is not subject to dispute resolution.

7. DISPOSITION OF THE IMPROVEMENTS.

- A. During Term. During the Term of this Lease, Lessee may not sell, gift, convey, remove, relocate, abandon, dismantle, or otherwise dispose of the Improvements, except with King County's prior written approval, such approval not to be unreasonably withheld.

- B. Upon Damage or Destruction. Disposition of the Improvements due to damage or destruction is addressed in Section 18, Force Majeure.
- C. Upon Termination or Expiration of Lease. The Parties acknowledge that the Improvements likely will not have reached the end of their useful life upon the expiration or earlier termination of this Lease. King County acknowledges that Lessee may not have fully amortized its investment in the Improvements upon the expiration or earlier termination of this Lease. Subject to Subsection 7.D, below, the Parties agree to negotiate in good faith regarding disposition of the Improvements, and to utilize the dispute resolution process in Section 14 if necessary. These negotiations shall begin at least six (6) months before the end of the Term and, as to Option (1) below, shall conclude not less than three (3) months before the end of the Term, which will leave three (3) months for the Parties to negotiate regarding other options if necessary. Options for disposing of the Improvements could include, but are not limited to:
- (1) Acquisition by King County. Lessee shall assign any warranties in force at the time to King County. The acquisition price shall take into account the following factors:
 - (a) The present and future values of the Improvements, given their then-remaining useful life, and the estimated cost savings to King County over that remaining useful life;
 - (b) The estimated cost to operate and maintain the Improvements over the remainder of their useful life; and
 - (c) The estimated cost to renew and update any regulatory permits or authorizations needed to operate the Improvements over the remainder of their useful life.
 - (2) Retention by Lessee, subject to an extension or renewal of this Lease, or such other grant of permission (such as an easement, license, special use permit, etc.) as may provide sufficient rights or privileges in the Premises for Lessee to continue to operate the Improvements;
 - (3) Conveyance of title to the Improvements to a third party, with the Improvements to remain on the Premises, and subject to prior approval by King County, which approval shall not be unreasonably withheld; or
 - (4) Conveyance of title to the Improvements to a third party for salvage, such salvage to be undertaken by a licensed and qualified installer during regular business hours and to be completed not later than the end of the Winding Up Period as defined in Section 7.D.
 - (5) Donation of the Improvements to King County. King County is a qualified charitable organization under Internal Revenue Code section 170(c)(1). Donations to King County are tax-deductible to the extent permitted by law. Grantee shall be responsible to evaluate and bear all potential costs or risks associated with donating the Improvements to King County. Lessee shall assign any warranties in force at the time to King County.
- D. Lessee's Duty to Remove the Improvements; Winding Up Period. If the Parties are unable to agree on how to dispose of the Improvements under Subsection 7.C, then Lessee shall, at Lessee's sole cost and expense, remove the solar panels, inverters, and other equipment and non-structural elements of the Improvements (the "Solar Equipment"). Lessee is under no obligation to return or bear the cost to return the Premises to any particular condition, except for any requirements under Section 13. King County agrees that from and after the expiration or earlier termination of the Term, Lessee may take up to six (6) months to remove the Solar

Equipment (the "Winding Up Period"). The Winding Up Period is in addition to, and separate from, the Term. During the Winding Up Period, the Rent and Rent Credit shall be suspended such that Lessee shall have no duty to pay Rent and King County shall have no duty to provide a Rent Credit or other compensation for electricity produced by the Improvements. If Lessee has not completely removed the Solar Equipment by the end of the Winding Up Period, then from the end of the Winding Up Period until the Solar Equipment is completely removed Lessee shall pay Rent and King County shall provide the Rent Credit as required under Section 4.D, Holding Over.

8. CONDITION OF PREMISES.

- A. Lessee acknowledges and agrees that King County has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Premises, including, without limitation:
- (1) The water, soil and geology;
 - (2) The income to be derived from the Premises;
 - (3) The suitability of the Premises for any and all activities and uses that Lessee or anyone else may conduct thereon;
 - (4) The compliance of or by the Premises or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;
 - (5) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Premises;
 - (6) The manner or quality of the construction or materials, if any, incorporated into the Premises; or
 - (7) Any other matter with respect to the Premises.
- B. Lessee specifically acknowledges and agrees that King County has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection, pollution, zoning or land use laws, rules, regulations, orders, or requirements, including the existence in or on the Premises of hazardous materials or substances.
- C. Lessee further acknowledges and agrees that, having been given the opportunity to inspect the Premises, Lessee is relying solely on its own investigation of the Premises and not on any information provided or to be provided by King County. Lessee further acknowledges and agrees that any information provided or to be provided with respect to the Premises was obtained from a variety of sources and that King County has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Lessee further acknowledges and agrees that King County is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Premises, or the operation thereof, furnished by any real estate broker, agent, employee, servant or other person, and, to the maximum extent permitted by law, the lease of the Premises as provided for herein is made on an "AS-IS" condition and basis with all faults. It is understood and agreed that the rent reflects that the Premises are leased by King County to Lessee subject to the foregoing. All provisions of this Section 8 shall survive the expiration or earlier termination of this Lease.

