

**AMENDMENT NO. 2 TO
LEASE AGREEMENT FOR PARADISE VALLEY CONSERVATION AREA**

THIS AMENDMENT NO. 2 TO LEASE AGREEMENT FOR PARADISE VALLEY CONSERVATION AREA (the "Second Amendment") is made and entered into this 12 day of December, 2018, by and between Snohomish County, a political subdivision of the State of Washington (the "County" or "Lessor"), and Foundation for Sustainable Community, dba Farmer Frog, a Washington 501(c)(3) not for profit corporation (the "Lessee").

RECITALS

A. Whereas Lessor is the owner of certain real property located in Snohomish County, Washington, containing approximately 30 acres, commonly known as the "James and Eliza Lloyd Family Farmstead Park," and Lessor and Lessee entered into a lease agreement dated April 13, 2017 ("Lease Agreement") whereby Lessee resides on the on that real property pursuant to the terms of the Agreement;

B. Whereas the parties anticipated that for the first 3 to 5 years of the term of the Lease Agreement that any and all monies raised or collected by Farmer Frog, at the Paradise Farm location (as identified in the Lease Agreement) only, would be re-invested by Lessee in the infrastructure improvements needed at the Premises (as identified in the Lease Agreement) and that Base Rent (as defined in the Lease Agreement) would be waived or reduced accordingly while Lease Hold Excise Tax, agreed upon utilities, etc., would be paid by Lessee. Per the Lease Agreement, it was also contemplated that the parties would identify shared costs of certain improvements to the Premises, to be agreed upon in writing, such as the development of parking areas, removal of trash accumulated on the site over the past century, restoration of forested areas, etc.

C. Whereas prior to entering into the Lease Agreement, beginning in April 2, 2015, Lessee, through Snohomish County's Volunteer program, performed certain volunteer work projects identified in Exhibit D to the Lease Agreement, pending negotiation and execution of the formal Lease Agreement.

D. Whereas the parties executed Amendment #1 on July 12, 2018, in which the Base Rent formula for the raw land and structures was updated and the current Surface Water Management fees were identified. Additionally, as of December 31, 2017, the Lessee had accumulated \$232,589.45 credit toward the Base Rent (per documented materials/supplies, volunteer hours, and administrative overhead). This credit potentially would satisfy the Base Rent owed by Lessee beyond the first seven (7) year term of the Lease Agreement, a second seven (7) year term of the Lease Agreement, and a third seven year term of the existing Lease Agreement, which Base Rent currently is calculated at:

Structures: \$6130.00 annually
Raw Land: \$3500.00 annually
LHET :\$1236.49 annually

\$ 10,866.49 x 21 years = \$ 228,196.29

E. Whereas the parties wish to continue to track and document only the expenses for materials/supplies, volunteer hours, and administrative overhead specifically related to the log cabin/house/residence identified in the Lease Agreement because of deed restrictions placed on the Lloyd Family Farmstead Property as a condition of the Purchase and Sale Agreement whereby the County obtained said Property. Such deed restrictions, known as CC&Rs, are recorded under Auditor File number 200012220804. The parties agree that such expenses for materials/supplies, volunteer hours, and administrative overhead related to the log cabin/house/residence will be credited toward the Base Rent.

(Lessor and Lessee agree that Lessee may choose to track and document the materials/supplies, volunteer hours and administrative overhead for other improvements on their own, but will only be given future credit toward Base Rent for the log cabin/house/residence.)

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual benefits conferred on both parties, the parties agree to amend the Lease Agreement as follows:

1. Subsection 3.1 (3) of the Original Agreement is amended to read in its entirety as follows:

3.1 Base Rent

(3) The Base Rent shall be reduced by the Lessor if improvements and alterations to the premises are: 1) approved in writing by the Lessor prior to those improvements or alterations being made; 2) agreed rent reduction is determined by mutual agreement of Lessor and Lessee; 3) completed by Lessee and; 4) inspected and approved by Lessor. Improvements and alterations contemplated are (but not limited to): upstairs renovation of the house; downstairs renovation of the house; main floor renovation of the house; installation of an ADA compliant path to the downstairs; driveway upgrade; interior and exterior painting; etc. For purposes of calculating the reduction, Lessee will submit to Lessor documentation of purchased materials/supplies and labor. For purposes of such reduction, materials/supplies will be calculated at actual cost to Lessee and labor shall be calculated at the current value placed on volunteer labor (either as published by the State of Washington and/or in a website, https://www.independentsector.org/volunteer_time) and/or at an agreed upon hourly rate prior to work commencing. Exhibit E includes tracking of accumulated labor, materials and equipment.

As of December 31, 2017, the Lessee had accumulated \$232,589.45 credit toward the Base Rent (per documented materials/supplies, volunteer hours, and administrative overhead). This credit potentially would satisfy the Base Rent owed by Lessee beyond the first seven (7) year term of the Lease Agreement, a second seven (7) year term of the Lease Agreement, and a third seven (7) year term of the existing Lease Agreement, which Base Rent currently is calculated at:

Structures: \$6300.00 annually
Raw Land: \$3500.00 annually
LHET : \$1236.49 annually

\$ 10,535.54 x 21 years = \$ 228,196.29

For purposes of credit toward rent, the parties will track and document only the materials/supplies, volunteer hours and administrative overhead specifically related to the log cabin/house/residence because of deed restrictions/requirements put upon the Parks Department as part of the purchase and sale agreement for the property.

The Lessee may choose to track and document the materials/supplies, volunteer hours and administrative overhead for other improvements on their own but will only be given future credit for the log cabin/house/residence with the understanding that at the end of the term(s) no refund or payout will be due the Lessee from the Lessor, irrespective of accumulated credit and irrespective of how such credit was generated.

2. All other terms and conditions of the Lease Agreement shall remain in full force and effect except as expressly modified by the First Amendment or this Second Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the day and year first written above.

LESSOR:

Snohomish County, a political subdivision
of the State of Washington

By 
Name: KEN KLEIN
Title: Executive Director

LESSEE:

Foundation for Sustainable Community, DBA
Farmer Frog
a Washington 502(c)(3) not for profit
corporation

By Zsafia Pasztor
Name: Zsafia Pasztor
Title: Executive Co-Director

Approved as to form


Deputy Prosecuting Attorney
Snohomish County, WA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – MANAGERS OR
LESSORS OF PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designation Of Premises (Part Leased To You):
Name Of Person(s) Or Organization(s) (Additional Insured): Any person or organization acting as a manager or lessor of a premises that you are required to name as an additional insured on this policy, under a written contract, lease or agreement currently in effect, or becoming effective during the term of this policy.
Additional Premium: Included
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you, and only with respect to liability for “bodily injury”, “property damage”, or “personal and advertising injury”, caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Any offense which constitutes "personal and advertising injury" which is committed after you cease to be a tenant in that premises; or
3. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insured, the following is added to Section III - Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/25/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Redmond General Insurance Agcy PO Box 847 Redmond, WA 98073-0847 Karen Ford	425-885-2283	CONTACT NAME: Myra Schnarr PHONE (A/C, No, Ext): 425-885-2283 FAX (A/C, No): 425-898-4621 E-MAIL ADDRESS: Myra.schnarr@assuredpartners.com													
	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A : ALLIANCE MEMBER SERVICES</td> <td></td> </tr> <tr> <td>INSURER B :</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : ALLIANCE MEMBER SERVICES		INSURER B :		INSURER C :		INSURER D :		INSURER E :		INSURER F :
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INSURED Farmer Frog 10 108th St SE Everett, WA 98208-7079															

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			23143	09/01/2018	09/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			23143	09/01/2018	09/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Re: Paradise Farm, Bellevue, WA Snohomish County, its officials, employees and volunteers are additional insured per attached form #ANI-RRG-E67 08 17. This policy is primary.

CERTIFICATE HOLDER Snohomish County Parks & Recreation 6705 Puget Park Drive Snohomish, WA 98296	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Karen Ford</i>
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