



LICENSE FOR USE OF LAKE TAPPS RESERVOIR

This LICENSE FOR USE OF LAKE TAPPS RESERVOIR (“**License**”), made as of the last date written below (the “**Effective Date**”), is by and between CASCADE WATER ALLIANCE, a Washington municipal corporation (“**Cascade**”), and John Doe the “**Licensee**”). Cascade and Licensee are sometimes referred to individually as a “**Party**” and collectively as the “**Parties**.”

1 GRANT OF LICENSE

- 1.1 **License Term.** Cascade hereby grants to Licensee a revocable, nonexclusive license to use the Premises (defined in Section 1.2) for the purposes and under the terms and conditions set forth below. Subject to Licensee meeting the insurance requirements set forth in Section 2.3 below, this License is effective as of the Effective Date and shall continue until the earlier of: (a) the date Licensee conveys, sells, assigns, transfers or otherwise disposes of (voluntarily or involuntarily) its interest in and to all or any portion of the Licensee Property, subject to Section 2.4 below; or (b) the effective date that this License is terminated pursuant to Section 4.5 below (the “**Term**”).
- 1.2 **Premises.** Cascade owns certain real property commonly known as the Lake Tapps Reservoir, including, but not limited to, the lake bed, as well as the lands surrounding the shore of the Lake Tapps Reservoir and the islands therein, from the waterline up to the 545-foot contour line (collectively, “**Lake Tapps Reservoir**”), said real property being more particularly described by reference to the reservation of fee ownership set forth in that certain Deed dated June 22, 1954, recorded under Auditor’s No. 1686523, Volume 1063 of Deeds, Pages 485-495, records of Pierce County, Washington (the “**Deed**”). The area subject to this License (the “**Premises**”) is as follows:
 - (a) The portion of Lake Tapps Reservoir shown on Exhibit A attached to this License together with
 - (b) any Improvements (defined in Exhibit A attached to this License) owned by Cascade.
- 1.3 **Licensee Property.** Licensee owns the following described real property (the “**Licensee Property**”): Property tax parcel number and legal description.
- 1.4 **Compensation; Leasehold Excise Tax; Charges; Utilities.** No compensation or leasehold excise tax (“**LET**”) is due at this time. Cascade reserves the right in the future

to charge fair market value and/or LET if Cascade determines, in its sole discretion, that: (i) the rights granted under this License prevent Cascade from using the Premises, or (ii) Licensee is not being assessed for the Improvements, defined in Exhibit A attached hereto, as part of Licensee's real or personal property taxes, which Licensee shall be solely responsible for timely paying. If payment to Cascade is required, payment shall be sent to Cascade at the address set forth in Section 4.2.

1.4.1 **Assessments, Taxes and Other Charges.** Licensee, during the Term, shall pay to the public authorities charged with the collection thereof, promptly as the same shall become due and payable, all personal property taxes, license and permit fees, water and sewer charges, inspection fees, and other public charges or assessments imposed solely in connection with Licensee's use of the Premises.

1.4.2 **Utilities and Services.** Licensee is solely responsible for all utilities and services provided to the Premises throughout the Term and shall promptly pay such utilities and services directly to the utility or service provider.

1.5 **Approved Use; Initial Construction of Improvements; Conditions and Limitations.**

1.5.1 Subject to Cascade's Approval defined in Section 1.5.3, Licensee, its employees, agents, contractors, consultants, licensees, invitees, volunteers, or other persons associated with or acting on behalf of Licensee (collectively, "**Invitees**"), shall have the nonexclusive right to use the Premises, during the Term, for the Approved Use described in Exhibit A attached to this License, including for the construction, maintenance, and use of any Improvements described on Exhibit A, and for no other purpose. Exhibit A is an essential and material part of this License. Licensee acknowledges that its rights to use the Premises are strictly limited to the Approved Use expressly described in Exhibit A. In the event of any inconsistency between the terms of Exhibit A and the body of this License, the more restrictive provision, as determined by Cascade acting reasonably, shall control.

1.5.2 Licensee is responsible for determining and complying with all applicable federal, state, and local laws, regulations, ordinances, safety codes, and other codes applicable to the Approved Use (defined in Exhibit A attached hereto), including constructing, operating, and maintaining the Improvements (defined in Exhibit A attached hereto). This License is conditioned on Licensee obtaining and continuously maintaining all applicable federal, state, and local permits, licenses, authorizations, or other approvals required for the Approved Use, including the construction, maintenance, and use of the Improvements (including, but not limited to, such laws or permits as may pertain to building, zoning, shoreline regulation, environmental protection, or other matters pertaining to the general public health, safety, and welfare). **Cascade makes no representation or warranty as to any permits, licenses, authorizations, or other approvals that may be required for the Improvements or the Approved Use.**

- 1.5.3 Licensee shall provide to Cascade a copy of Licensee's plans and specifications (including, if necessary, any plans for removing or placing fill materials), prior to undertaking construction of the Improvements or the placement of any fill materials upon the Premises. Cascade may inspect the area where the work is to be done and review Licensee's plans and specifications to ensure that the plans and specifications are consistent with Exhibit A and the Approved Use, and do not interfere with Cascade's use of Lake Tapps Reservoir ("Approval"). **Cascade makes no warranty, express or implied, as to the suitability of the Premises for the Approved Use, and Cascade expressly disclaims any such warranties. Cascade's Approval shall not be evidence of the correctness, adequacy, accuracy, or desirability of Licensee's plans and specifications nor whether Licensee's plans and specifications are in conformance with applicable laws, codes and regulations, nor shall it relieve Licensee from any obligation under this License.** Cascade reserves the right to require Licensee, now or in the future, to provide Cascade with any (a) permits, licenses, authorizations, or other approvals obtained by Licensee in connection with the Premises and Improvements, and (b) professional opinions or reports, at Licensee's expense, to evidence that the Approved Use does not create an operational danger or other concern for Cascade or Lake Tapps Reservoir (e.g., issues relating to dike or reservoir integrity, water quality, or recreational safety). Notwithstanding anything to the contrary, for any activities within the Premises or in connection with the Improvements that require permits, licenses, authorizations or other approvals, the Approved Use under this License shall automatically decrease in scope to encompass only the activities for which Licensee actually obtains the relevant permit(s), license(s), authorization(s), or other approval(s). No approval, review, inspection, or failure to object by Cascade shall be deemed to expand, modify, or waive the Approved Use. Exhibit A may be amended only by a written instrument expressly identifying the amendment as a modification to Exhibit A and executed by both Parties.
- 1.5.4 Licensee shall cause all construction and fill activities upon or within the Premises to be done in a safe, careful and workmanlike manner so as to prevent bodily harm to persons and damage to property. Licensee shall ensure that all labor, services, materials, equipment, supplies or other items employed or provided in connection with the Improvements and the Approved Use are of good quality and suitable for the intended purpose. Licensee shall maintain the Premises and any Improvements located thereon in good repair and in a neat, clean and safe condition. Licensee shall promptly pay (and shall secure the discharge of any liens asserted by) all persons or entities furnishing any labor, services, materials, equipment, supplies or other items to or upon the Premises on Licensee's behalf.
- 1.5.5 Any bulkhead allowed under this License is subject to inundation due to Cascade's filling the Lake Tapps Reservoir to 543 feet NGVD. Licensee acknowledges this potential for inundation and releases Cascade from any liability and waives all rights to any purported claim for damage. The bulkhead may not extend beyond the Premises,

and Cascade recommends that the vertical height of the bulkhead should, at all points along the bulkhead, be constructed and maintained to an elevation of not less than 544 feet (said elevation being determined by reference to the 545-foot contour line described in Section 1.2).

- 1.5.6 Any and all proposed removal, replacement or placement of fill material shall be included in the plans and specifications required under Section 1.5.4. Without separate written authorization from Cascade, Licensee may only remove, replace or place fill material from that portion of Lake Tapps Reservoir which is within the Premises and lying below the 545-foot contour line, and from no other area, including from an offsite source. Prior to removing such fill, Licensee shall consult with Cascade to confirm the location and amount of fill to be removed. Any placement or removal of such fill by Licensee shall not cause net loss of water storage to Lake Tapps Reservoir. Upon removal of such fill material, Licensee shall cause the portion of Lake Tapps Reservoir disturbed by the removal of such fill to be leveled and graded so as to leave no depressions or water retention areas. If for any reason Licensee shall be unable to utilize such fill material for construction of the Improvements and for filling the Premises, Licensee shall obtain Cascade's written permission and approval prior to depositing any other fill material upon the Premises. **Cascade's approval described herein is in addition to any other jurisdictional approvals or authorizations that may be required for the removal or placement of fill material within Lake Tapps Reservoir.**
- 1.5.7 Licensee acknowledges that the Premises is part of an operating utility property of Cascade and Cascade's use includes, but is not limited to, the operation of a reservoir to serve Cascade's municipal water supply. Notwithstanding the rights granted to Licensee set forth in this License, Cascade may use the Premises during the Term for purposes of its utility operations as fully as if this License had not been given. Licensee shall not, at any time, undertake any activities which interfere with or otherwise impair the safe and reliable operation of the Premises as an operating utility property.
- 1.5.8 Licensee acknowledges that this License and the Premises are further subject to any and all restrictions, reservations, limitations or other matters of record, including, but not limited to, those matters set forth in the Deed. Licensee acknowledges that Cascade's rights under the Deed are in no way affected by the granting of this License, including, but not limited to, the right to raise the waters within Lake Tapps Reservoir at any time and from time to time up to the 545-foot contour line.

2 LICENSEE'S OBLIGATIONS

- 2.1 **Licensee Authority.** Licensee warrants and covenants that: (a) Licensee has the power and the right to enter into this License and shall reasonably, peaceably, and quietly enjoy the use of the Premises upon the terms, covenants, and conditions set forth in this License

throughout the Term; and (b) no person other than the individual(s) executing this License, has a fee ownership interest in the Licensee Property.

2.2 **Costs and Expenses.** Except as otherwise provided herein, Licensee shall be solely responsible for all of its costs incurred by or associated with the Approved Use.

2.3 **Insurance. Notwithstanding anything to the contrary, this License is conditioned on Licensee continuously meeting the insurance requirements described in this Section 2.3, and this License shall not be effective until a certificate of insurance reflecting full compliance with the requirements set forth in Section 2.3 is provided to Cascade.**

During the Term, Licensee shall carry and maintain [commercial] general liability insurance written on an occurrence basis with available limits of not less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury, including death, and property damage combined. If vehicles will be used in connection with this License, Licensee shall carry and maintain, and shall ensure that any contractor who uses vehicles in connection with this License carries and maintains, automobile liability insurance covering all vehicles, whether owned, hired, rented, borrowed, or otherwise, with limits of liability of not less than One Million Dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage. Licensee shall maintain, and shall require any contractor to maintain, insurance in accordance with applicable laws relating to workers' compensation with respect to all of their respective employees working on or about the Premises, regardless of whether such coverage is mandatory or elective under the law. The insurance specified in this Section shall be in a form and with insurers acceptable to Cascade, acting reasonably, and shall contain coverage for all premises and operations, broad form property damage, and contractual liability. Unless otherwise agreed, insurance policies shall be obtained and maintained with companies rated A- or better by Best's Key Rating Guide. Any policy which provides the insurance required under this Section shall:

- (a) be endorsed to name Cascade, its affiliated entities and their respective directors, officers, employees, members and agents as additional insureds (the "**Additional Insureds**") with respect to any liability arising out of Licensee's or any contractor's presence on or about the Premises;
- (b) be endorsed to be primary and noncontributory to any insurance maintained by the Additional Insureds;
- (c) contain a severability of interest provision in favor of the Additional Insureds; and
- (d) contain a waiver of any rights of subrogation against the Additional Insureds.

Licensee shall not access the Premises for the Approved Use under this License unless Licensee shall have first provided to Cascade a certificate of insurance reflecting full

compliance with the requirements set forth in this Section. Such certificate and policy shall list Cascade as a certificate holder and shall be kept current and in compliance throughout the Term and shall provide for thirty (30) days' advance written notice to Cascade in the event of cancellation. The limits of insurance carried by Licensee and its contractors and subcontractors shall in no way diminish Licensee's indemnification obligations to Cascade set forth in this License. The insurance coverage and minimum limits required in this License shall not eliminate Licensee's obligation to carry additional coverage or increased limits as otherwise necessary or appropriate for Licensee.

- 2.3.1 Cascade may at any time request a copy of the insurance policy or policies and endorsements reflecting full compliance with this Section 2.3, and Licensee shall comply with Cascade's request within ten (10) days. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Cascade may in its sole discretion update its insurance requirements for this License.
- 2.3.2 Licensee's contractors shall carry and maintain commercial general liability insurance in the amounts and under the terms provided above for Licensee until any and all final permits and approvals have been received from the authority having jurisdiction over the Improvements and all equipment is removed. Licensee shall require and verify that its contractors and all subcontractors maintain insurance meeting all requirements stated herein, and shall provide copies to Cascade pursuant to the terms of this Section 2.3. Licensee shall ensure that Cascade is an additional insured on insurance required from contractors and subcontractors.
- 2.4 **Non-Assignment.** This License is personal to Licensee and does not run with the land. Licensee shall not sublet or assign this License or any rights or obligations under this License without the express written consent of Cascade, which may be withheld in Cascade's sole discretion; provided, however, should Licensee convey, sell, assign, transfer or otherwise dispose of (voluntarily or involuntarily) its interest in and to all or any portion of the Licensee Property, this License will terminate automatically upon such change of ownership, unless the new owner of the Licensee Property (a) promptly notifies Cascade of such change in ownership; (b) provides Cascade with a certificate of insurance reflecting full compliance with the requirements set forth in Section 2.3; and (c) agrees in writing to such other terms and conditions as Cascade may apply, in Cascade's discretion, at such time.
- 2.5 **Hazardous Substances.** Licensee agrees that it will not use, generate, store, or dispose of or otherwise allow or cause the release or migration of any Hazardous Substances on, under, about, or within the Premises. Licensee represents and warrants to Cascade that its intended exercise of the rights hereunder will not involve the use, production, disposal or bringing onto the Premises of any Hazardous Substances.

- (a) As used herein, the term “**Hazardous Substances**” includes any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state or local statute, regulation, rule or ordinance now or hereafter in effect, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 *et seq.* or the Washington Model Toxics Control Act, Chapter 70A.305 RCW.
- (b) Licensee shall comply with all statutes, regulations, and ordinances, and with all orders, decrees, or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, treatment, disposal, storage, control, removal, or cleanup of Hazardous Substances in, on, or under the Premises or any adjacent property, to the extent Licensee is responsible for the use, collection, treatment, disposal, storage, control, removal, or cleanup of such Hazardous Substances, or their incorporation into any Improvements, at Licensee’s expense.
- (c) Licensee shall notify Cascade immediately of any actual or suspected release or migration of any Hazardous Substances in, on, to, under or from the Licensee Property onto the Premises, or any other real property or waters owned, managed, or controlled by Cascade. Cascade may perform any inspections, audits and surveys of the Premises as Cascade deems necessary or advisable at any time during the term of this License.
- (d) Licensee shall indemnify, defend and hold harmless Cascade and its employees, members, contractors, directors, officers, agents, volunteers, and representatives, and their respective successors and assigns (collectively, the “**Cascade Parties**”) against any and all demands, claims, actions, causes of action, losses, liabilities, damages, fines, penalties, judgments, charges, liens, obligations, cleanup costs, remedial actions, costs and expenses of every kind or nature whatsoever, whether direct or indirect, including, without limitation, court costs, consultant fees, reasonable attorneys’ fees and costs, costs of investigation, monitoring, response, removal, restoration, remediation, and governmental oversight, whether or not a third-party claim or governmental enforcement action has been initiated. (collectively, “**Covered Claims**”) which may be imposed on, incurred or paid by, or asserted against the Cascade Parties or with respect to the Premises or any other real property, water body, or interest therein owned, managed, or controlled by Cascade, directly or indirectly arising out of or related to Hazardous Substances and: (i) this License, or any rights or interests granted pursuant to this License, (ii) any misrepresentation, breach of warranty or other default by Licensee under this License, (iii) the acts or omissions by Licensee under this License, or (iv) the acts or omissions of Licensee or Invitees, or other person for whom Licensee would otherwise be liable, resulting in the release or migration of any Hazardous Substances. This Section 2.5 shall survive the Termination of this License. Notwithstanding anything to the contrary in this License, the indemnification

obligations set forth in this Section 2.5(d) shall be independent of, and shall not be limited by, Section 3 or any fault-based limitation set forth therein, except to the extent a claim arises solely from the gross negligence or willful misconduct of Cascade.

- 2.6 **Water Quality.** Licensee agrees that it will use best management practices regarding its presence on the Premises, and all activities which may affect water quality, including, but not limited to, meeting all regulatory requirements applicable to Licensee's activities.

3 LIABILITY

- 3.1 **Release.** Cascade is not responsible for injuries incurred by Licensee or Invitees while on the Premises (including injuries incurred due to the accidental acts of the Cascade Parties). By signing below, Licensee agrees not to sue the Cascade Parties for any injuries incurred on the Premises during the Term (regardless of their cause), and if any of the Cascade Parties is sued for any injuries or damage occurring during the Term, Licensee shall hold the Cascade Parties harmless and defend and indemnify the Cascade Parties to the extent and subject to the limitations set forth in Section 3.2. Licensee's obligations set forth in this Section shall survive the Termination of this License.
- 3.2 **Indemnification.** Licensee shall indemnify, defend, and hold harmless the Cascade Parties from and against all Covered Claims (excluding claims arising from or relating to Hazardous Substances, which are governed exclusively by Section 2.5) incurred, suffered by, or claimed against Cascade arising out of or in any way connected with Licensee's or Invitees' entry or use of the Premises or exercise of the rights conferred by this License. The obligations in this Section shall not include such claims, costs, damages, or expenses to the extent caused by the acts of Cascade or its authorized agents or employees; provided that, if the claims or damages are caused by or result from the concurrent acts of (a) Cascade, its agents or employees and (b) Licensee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the acts of Licensee's agents or employees. Without limiting the generality of the foregoing, Licensee hereby waives any immunity, defense, or other protection that may be afforded by any workers' compensation, industrial insurance, or similar laws (including, but not limited to, the Washington Industrial Insurance Act, Title 51 of the Revised Code of Washington), and acknowledges that this waiver was mutually negotiated by the Parties. Licensee's obligations set forth in this Section 3.2 shall survive the Termination of this License.
- 3.3 **Attorneys' Fees.** In the event that either Party brings any action to enforce any of the provisions of this License, or defends any action brought by the other Party with respect to this License, and in the further event that one Party shall prevail in such action, the losing Party shall, in addition to all other payments required therein, pay all of the

prevailing Party's reasonable attorneys' fees and actual costs in connection with such action, as the court or courts may order.

- 3.4 **Condemnation.** If the Premises or any part thereof is condemned or taken for a public or quasi-public use, any interest of Licensee in the Premises or the part thereof so taken shall terminate as of the date of final award. In the event of a partial taking, this License shall remain in full force and effect as to any portion of the Premises not taken. Notwithstanding the foregoing, if any part of the Premises is taken which would render the remainder thereof unusable for the Approved Use, Licensee may elect to terminate this License and all obligations of either Party hereunder accruing from and after the date of such taking. Any award or payment made with respect to a taking shall be allocated between Cascade and Licensee as their respective interests may appear.
- 3.5 **Damage or Destruction.** No loss or damage by fire or other casualty resulting in either partial or total destruction of the Premises or any improvements located thereon shall operate to terminate this License, to relieve or discharge Licensee from the performance and fulfillment of any of Licensee's obligations and undertakings herein, except that if due to casualty the Premises is rendered unusable for the Approved Use for a period of three (3) months, Licensee may at its option terminate this License by written notice to Cascade given within thirty (30) days following the expiration of such three-month period, in which event such termination shall be effective as of the date of the notice and thereafter this License shall be of no further force or effect.
- 3.6 **Waste.** Licensee will not commit waste on the Premises, or any part thereof, or otherwise damage or deface, or do anything that would reduce the value of the Premises.
- 3.7 **Relocation of Cascade Facilities.** Licensee shall promptly pay to Cascade the cost of any relocation, alteration, restoration, and other changes or repairs to Cascade's facilities which Cascade shall reasonably deem necessary by reason of Licensee's use and maintenance of the Premises. For purposes of this paragraph, "cost" shall be defined as all direct or allocable costs of materials, labor, and services, including overhead; charges for transportation of personnel, materials, and equipment; storage of materials; rental equipment; and related expenses.
- 3.8 **Condition of Premises.** Licensee acknowledges that it has had an opportunity to fully inspect the Premises and is satisfied with the condition thereof and accepts the Premises in their present condition, "AS IS," WITHOUT WARRANTIES BY CASCADE OF ANY KIND OR NATURE, WHETHER EXPRESS OR IMPLIED.

4 OTHER TERMS

- 4.1 **Contractors.** Licensee is responsible for all actions of its contractors and subcontractors, if any, in execution of work under this License and shall require its contractors and

subcontractors to comply with the terms and conditions provided herein, including the provision for a certificate of insurance reflecting full compliance with the requirements set forth herein. Contractors shall specifically and expressly waive any immunity granted under the Washington Industrial Insurance Act, Title 51 RCW and shall be licensed and bonded in the State of Washington.

- 4.2 **Notices.** All notices or requests required by this License, or by law, shall be in writing and deemed given: (a) when delivered in person; (b) when deposited with a reputable overnight courier service, provided that any such notice shall not be deemed received until the next business day after deposit; (c) forty-eight (48) hours after mailing by certified mail, return receipt requested, postage prepaid or (d) by electronic mail if a copy of the notice is also sent by overnight courier or certified mail, return receipt requested, postage prepaid. Notice described under the foregoing (d) shall be deemed delivered on transmittal by electronic mail before 5:00 p.m. on a business day, with a courtesy copy sent by overnight courier or mail (otherwise, it shall be deemed received on the next business day). All notices must be properly addressed to the Parties as follows:

Cascade:

Paula Anderson
Director of Land Use
Cascade Water Alliance
11400 SE 8th St, Suite 400
Bellevue, WA 98004
Email: panderson@cascadewater.org
Phone: 425-241-7370

Licensee:

John Doe
Address
Email
Phone

- 4.3 **Modification.** This License may only be amended or modified by a written instrument executed by both Parties.
- 4.4 **Non-Waiver.** The failure of Cascade to insist upon the strict performance of any provision of this License or to exercise any rights under this License shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same shall be and remain in full force and effect.

4.5 Termination.

- 4.5.1 In the event of a determination by Cascade, in its sole discretion (i) of a breach of the terms and conditions of this License by Licensee, and failure by Licensee to cure such breach within thirty (30) days after receipt of notice from Cascade (unless a longer time is required to reasonably cure such breach and Licensee diligently pursues such cure), (ii) to restrict or limit use of all or a portion of Lake Tapps Reservoir in a manner that would be incompatible with this License, or (iii) that termination of this License is otherwise necessary for Cascade's operations or the use of Lake Tapps Reservoir, then Cascade may terminate this License upon sixty (60) days' written notice to Licensee ("**Termination Notice**"). This License shall terminate upon written notice as provided in this Section or as otherwise set forth in this License, including Section 2.4 above ("**Termination**"). The expiration of such sixty (60) day period is the "**Termination Date**." For a Termination because of operational reasons as described in the foregoing (ii) or (iii), Cascade may exercise its right of termination notwithstanding Licensee's full compliance with the terms and conditions of this License. In the event Cascade elects to exercise its right of termination in connection with the failure of Licensee to fully comply with the terms and conditions of this License as described in the foregoing (i), such right of termination shall be in addition to (and not a limitation of) any and all other rights and remedies afforded to Cascade for such noncompliance arising under this License or otherwise by law. Termination of this License shall not relieve Licensee of any obligation to pay any LET, or other sums that accrued prior to the Termination Date, nor of any obligations that expressly survive.
- 4.5.2 Unless otherwise instructed by Cascade pursuant to Section 4.5.3 below, Licensee shall remove or otherwise dispose of the Improvements constructed on the Premises pursuant to this License in a reasonable and safe manner prior to the Termination Date. In addition, prior to the Termination Date, Licensee shall restore at Licensee's expense the Premises to the condition it existed prior to the construction of any Improvements. If Licensee has not fully performed under this Section 4.5.2 as of the Termination Date, then Cascade may (a) provide Licensee a reasonable time to remedy the condition of the Premises, provided that Cascade may require Licensee to enter into a right of entry or other use authorization prior to Licensee's entry upon the Premises; or (b) take steps reasonably necessary to remedy the condition of the Premises. At Cascade's election, any Improvements remaining on the Premises after the Termination Date shall be deemed abandoned by Licensee, and Cascade shall own and have the right to keep, repair, remove or otherwise dispose of such Improvements. Upon demand by Cascade, Licensee shall pay all costs of Cascade's remedy, including but not limited to the costs of removing and disposing of the Improvements, remediation, and administrative and legal costs.
- 4.5.3 At its election in its sole discretion, Cascade may provide written instruction to Licensee to leave the Improvements in place following the Termination Date. In such event,

Licensee shall comply with Cascade's instructions and shall be deemed to have abandoned the Improvements, and Cascade shall own and have the right to keep, repair, remove, or otherwise dispose of the Improvements at Cascade's expense. Licensee shall cooperate in executing any documentation reasonably related to the same as may be requested by Cascade.

- 4.5.4 All of Licensee's obligations arising under this License which may reasonably be deemed to survive the Termination of this License (including, but not limited to, those obligations arising under Sections 2.5, 3.1 and 3.2) shall survive the Termination of this License.
- 4.5.5 Upon Termination, Licensee shall vacate and surrender the Premises, and the permanent improvements then-existing on the Premises (excluding Licensee's trade fixtures and equipment), in good condition and repair, ordinary wear and tear excepted. Notwithstanding the foregoing, upon Termination, Licensee shall remove, at Licensee's sole cost and expense, all personal property on the Premises and, at Cascade's discretion, any improvements (whether permanent or temporary) then-existing on the Premises, and Licensee shall repair any damage caused by such removal. Cascade shall have the right, in its sole judgment, to keep, remove or otherwise dispose of any personal property remaining on the Premises upon Termination and Licensee shall reimburse Cascade for any expenses it incurs relating to such removal or disposal.
- 4.6 **Reimbursement.** If Cascade pays or advances any amounts for or on behalf of Licensee, Licensee shall reimburse Cascade for the amount paid or advanced and shall pay interest on that amount at the rate of one percent (1%) per month from the date Cascade notifies Licensee of the payment or advance. This includes, but is not limited to, Cascade's payment of taxes of any kind, assessments, insurance premiums, costs of removal and disposal of materials or Improvements under any provision of this License, or other amounts not paid when due, including under any indemnification provision herein. This Section 4.6 shall survive the Termination of this License.
- 4.7 **Access, Reserved Rights.**
 - 4.7.1 **Access.** Cascade shall have access to any portion of the Premises at all times, without notice, for purposes of accessing any property owned by Cascade, or for conducting inspections and of making repairs, additions or alterations to the Premises or any improvements located thereon which Cascade elects to make, but this access shall not be construed as an agreement on the part of Cascade to make any repairs, additions or alterations.
 - 4.7.2 **Reserved Rights.** Licensee acknowledges that the Premises is an operating utility property of Cascade and the use thereof includes, but is not limited to, the operation of a reservoir to serve Cascade's municipal water supply. Cascade reserves the right to

utilize the Premises for Cascade's utility operations and any related improvements or additional facilities that Cascade, in Cascade's sole discretion, at any time may deem necessary or desirable (whether located overhead, underground, or at ground level) and shall have access to the Premises at all times for such purposes, including the right to drive and park maintenance and construction vehicles on the Premises for repair, installation and relocation of such utility facilities. Licensee shall relocate any and all improvements, entryways, driveways and other Licensee-constructed improvements upon the Premises in order to accommodate Cascade's existing and future facilities; provided however, that Cascade shall provide Licensee with at least three (3) months prior notice of any requested relocation. Any and all costs incurred by Licensee in connection with such relocation shall be paid by Licensee.

- 4.7.3 **Interference with Reserved Rights.** Licensee shall not interfere in any way with Cascade's facilities or Cascade's maintenance and operation thereof. Licensee shall not take any actions which may affect Cascade's facilities, including, without limitation, blasting, grading or burning of debris on or near the Premises, without Cascade's prior written approval and except in such a manner as Cascade may direct.
- 4.8 **Events of Default.** Upon the occurrence of any of the following events, Cascade shall have the remedies set forth in Section 4.9 below:
- 4.8.1 Licensee fails to perform any term, condition, or covenant to be performed by it pursuant to this License within thirty (30) days after written notice of such default shall have been given to Licensee by Cascade or, if such cure would reasonably require more than thirty (30) days to complete, if Licensee fails to commence performance within the thirty (30) day period and to diligently pursue such cure to completion;
- 4.8.2 Licensee's insolvency or the filing by Licensee in any court for reorganization, bankruptcy, or insolvency, or for the appointment of a receiver or trustee for all or a part of Licensee's property, or an assignment by Licensee for the benefit of Licensee's creditors.
- 4.9 **Cascade's Rights Upon Default.** Cascade shall have all rights allowed by the laws of the State of Washington in the event of a default by Licensee under this License which default is not cured in the time and manner specified. Such rights shall include, without limitation:
- 4.9.1 Cascade may elect to terminate this License. In the event of such termination, Licensee agrees to immediately surrender possession of the Premises in the condition required by this License. Should Cascade terminate this License, Cascade may recover from Licensee all damages Cascade may incur by reason of Licensee's breach, including, without limitation, the cost of regaining possession and attorneys' fees, all of which shall be due and payable upon Cascade's demand.

- 4.10 **Severability.** If any term or provision of this License is held invalid or unenforceable, the remainder of this License shall not be affected thereby and each term and/or provision hereof shall be valid and enforced to the fullest extent permitted by law.
- 4.11 **Governing Law; Jurisdiction and Venue.** This License shall be governed by the laws of the State of Washington. The Parties stipulate that any lawsuit regarding this License must be brought and maintained in Pierce County, Washington, and each Party consents to personal jurisdiction and venue in the courts of Pierce County.
- 4.12 **Entire Agreement; No Implied Rights.** This License and its exhibits, upon execution, contain the entire agreement of the Parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of this License. Furthermore, the Parties agree that this License supersedes any prior license or other authorization, if any, granted by Cascade or its predecessors in interest. Licensee hereby forever waives any claims to any ownership or possessory interest in the Premises or Lake Tapps Reservoir, whether based on adverse possession, prescriptive easement, any theory of prescription based on the passage of time, use of the Premises, or any other legal theory. Cascade makes no warranties, express or implied, with respect to its title to the Premises and shall not be liable on account of any failure thereof; provided, however, that this License and Cascade's and Licensee's obligations hereunder shall terminate at such time as Licensee is denied quiet enjoyment of the Premises on account of a defect in or failure of Cascade's title. Licensee hereby releases Cascade from any and all such liability.
- 4.13 **Recording; Notice to Jurisdiction.** Licensee agrees that Cascade may, at its discretion, record this License or a notice thereof with the Pierce County Auditor for the purpose of providing notice of the terms of this License. Licensee shall execute any reasonable memorandum, notice or short-form document requested by Cascade for recording purposes, provided such document does not expand Licensee's obligations under this License. Following Termination, Cascade may at its election execute and record a termination of this License or notice. Cascade may also provide a copy of this License to any jurisdiction having regulatory authority over the Premises or the Licensee Property.
- 4.14 **Incorporation of Exhibits and Specified Documents.** All exhibits and documents specifically referred to in this License are incorporated herein by such reference and made a part of this License.
- 4.15 **Counterparts.** This License may be executed and acknowledged in counterparts as may be necessary for the convenience of the Parties, which together shall constitute one document. The original counterpart signature pages may be detached from counterpart copies and re-attached to a single original copy.

IN WITNESS WHEREOF, the Parties have executed this License as of the last date written below.

CASCADE:

CASCADE WATER ALLIANCE,
a Washington municipal corporation

By: _____
Name: John Taylor
Its: Chief Executive Officer
Date: _____

STATE OF WASHINGTON)
)
County of KING)

This record was acknowledged before me on _____ by John Taylor as Chief Executive Officer of Cascade Water Alliance, a Washington municipal corporation.



(Signature of notary public)

Notary Public
(Title of office)

My Commission Expires: _____
(Date)

LICENSEE:

Date: _____

[illegible]

This record was acknowledged before me on _____. I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

(Signature of notary public)

Notary Public
(Title of office)

My Commission Expires: _____
(Date)

EXHIBIT A

APPROVED USE; IMPROVEMENTS; PREMISES

A. Approved Use and Improvements. Subject to Cascade's Approval, defined in Section 1.5.3 above, Licensee and its Invitees, defined in Section 1.5.1 above, shall have the nonexclusive right to use the Premises, during the Term, for the construction, maintenance and use of:

Except as provided in Section 4.5 above, Licensee shall own the Improvements.

No other improvements are permitted without an additional license from Cascade. This License is not to be construed to allow any use of the Premises not related to the Approved Use described in this Exhibit A.