



**Nick Licata**  
Seattle City Councilmember

**Date:** July 28, 2014  
**To:** ~~Monica M. Simmons, City Clerk~~  
**From:** Nick Licata, Councilmember and Chair, Finance and Culture Committee  
**Re:** **2014 Green Sheet 60-1-A-1 – Capital Improvements Funding for the Egyptian Theatre**

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In approving the 2014 Budget, the City Council imposed the following proviso on capital improvement funding for the Egyptian Theatre (2014 Green Sheet 60-1-A-1):

None of the money appropriated in the 2014 budget for the Office of Arts and Cultural Affairs' (OACA) Arts Account BCL may be spent on capital improvements to the Egyptian Theatre until the Chair of the Council's Housing, Human Services, Health, and Culture Committee files with the City Clerk his or her certification that the Seattle Community College District has entered into a long-term operating agreement with a nonprofit organization that will continue to operate the Egyptian as a historic theater.

On May 15, 2014, Seattle Central College, a unit of the Seattle College District (previously called the Seattle Community College District), executed a lease agreement with the Seattle International Film Festival for the property located at 801 East Pine Street in Seattle. The property, referred to in the lease agreement as "the Masonic Temple", is also commonly known as the Egyptian Theatre. The lease agreement states that the property "shall be occupied, used, and operated by [SIFF] as a theatre and public auditorium for the exhibition of motion pictures, telecasts, theatrical performances, closed circuit television broadcasts, or other exhibition or presentation to audiences for entertainment or other purposes of public interest, and for the presentation of pictures and sound by any method or medium now in existence or which may hereafter be developed." The agreement also establishes an initial lease term of 10 years, which may be extended for additional, subsequent five year terms if mutually agreed to by both the Seattle College District and SIFF.

This memo serves as my certification that the proviso in 2014 Green Sheet 60-1-A-1 is satisfied. The Office of Arts and Culture (OAC, previously OACA) is now permitted to spend the \$75,000 appropriated for capital improvements to the Egyptian Theatre in 2014.

If you have any questions, please let me know.

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City Hall, 600 Fourth Avenue, Floor 2, PO Box 34025, Seattle, WA 98124-4025  
(206) 684-8803, Fax: (206) 684-8587, TTY: (206) 233-0025  
E-Mail: [nick.licata@seattle.gov](mailto:nick.licata@seattle.gov)

Internet: [www.seattle.gov.net/council/licata](http://www.seattle.gov.net/council/licata)

An EEO employer. Accommodations for people with disabilities provided upon request.

Attachments: 1) Memorandum from OAC, dated July 24, 2014  
2) Signed Lease Agreement for Egyptian Theatre Property, dated May 15, 2014  
3) 2014 Green Sheet 60-1-A-1

CC: Councilmember Jean Godden  
Councilmember Tim Burgess  
Councilmember Sally Bagshaw  
Randy Engstrom, Director, OAC  
Ben Noble, Director, City Budget Office (CBO)  
Catherine Cornwall, CBO  
Ann Gorman, CBO  
Sara Belz, Council Central Staff  
Frank Video, Councilmember Licata's Office



OFFICE OF ARTS & CULTURE

SEATTLE

**InterOffice Memo**

**To:** Councilmember Nick Licata  
**From:** Randy Engstrom, Director  
**Date:** July 28, 2014  
**Subject:** Lifting the Egyptian Theater Funding Proviso

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**CC:** Councilmember Jean Godden  
Councilmember Tim Burgess  
Councilmember Sally Bagshaw  
Ann Gorman  
Catherine Cornwall  
Ben Noble  
Frank Video  
Sara Belz  
Matthew Richter

I am writing to request that the budget proviso approved in Green Sheet 60-1-A-1-2013 be lifted and that \$75,000 in capital funding be released to SIFF. Please file a certification with the city clerk that the provisions described therein have been met.

I have attached SIFF's 10-year lease on the theater, as well as a note from the organization affirming their nonprofit status and their intention to renovate and operate the site as a historic theater.

Please contact me, and our Cultural Space Liaison Matthew Richter, with any questions.

Respectfully,

Randy

Randy Engstrom, Director | Ed Murray, Mayor

Street Address: 700 Fifth Avenue, Suite 1766, Seattle, WA 98104 Mailing Address: PO Box 98124-4748  
Tel: (206) 684-7171 Fax: (206) 684-7172 arts.culture@seattle.gov www.seattle.gov/arts

July 16, 2014

Mr. Matthew Richter  
Cultural Space Liaison  
City of Seattle Office of Arts & Culture  
P.O. Box 94748  
Seattle, WA 98124

SIFF

1000 1st Avenue North  
Seattle, WA 98109

[www.siff.net](http://www.siff.net)

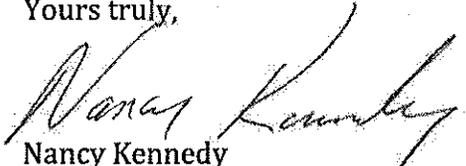
T 206.464.5830  
F 206.264.7919

Dear Matthew,

On behalf of SIFF please find attached a copy of the counter-signed lease between SIFF and Seattle Central Community College for the operation of the Egyptian Theater at 801 East Pine Street.

SIFF is a non-profit arts organization with 501(c)(3) IRS status and we plan on operating the Egyptian Theater as a historic theater.

Yours truly,

  
Nancy Kennedy  
Director of Strategic Partnerships

The logo for SIFF (Seattle International Film Festival) features the word "siff" in a bold, lowercase, sans-serif font. Above the letters "i" and "f" are three horizontal bars of varying lengths, resembling a film strip or a stylized graphic element.

## SEATTLE CENTRAL COLLEGE COMMERCIAL PREMISES LEASE AGREEMENT

This Lease is made as of the 15 day of May 2014 by and between Seattle International Film Festival (SIFF), a 501c3, not for profit entity organized under the laws of the State of Washington, with business address of 305 Harrison St, Seattle, WA, 98109 (hereinafter Lessee) and Seattle Central College, a unit of Seattle College District VI, agencies of the State of Washington (hereinafter Lessor).

**PREMISES:** Lessor owns the real property at 801 East Pine, Seattle, Washington 98122 (herein called the Masonic Temple) more particularly described as:

The North 20 feet of lot 4 and all of lots 5 and 6, block 15, plat of an addition to the City of Seattle as laid off by DT Denny, guardian of the estate of JH Nagle according to the plat thereof recorded in volume 1 of plats page 153 in King County Washington, except that portion condemned for alley under City of Seattle ordinance number 22905.

Lessor leases to Lessee, on the terms and conditions herein, that portion of the Masonic Temple outlined on the map and detail attached hereto and incorporated as Exhibit A (herein called the "Premises"), which shall remain the property of the Lessor and be surrendered at the end of the Lease term in good order and condition, reasonable wear and tear excepted.

**USE OF PREMISES:** The Premises shall be occupied, used, and operated by the Lessee as a theatre and public auditorium for the exhibition of motion pictures, telecasts, theatrical performances, closed circuit television broadcasts, or other exhibition or presentation to audiences for entertainment or other purposes of public interest, and for the presentation of pictures and sound by any method or medium now in existence or which may hereafter be developed (hereinafter these shall be collectively referred to as "Activities"). Lessee covenants and agrees that no portion of the Premises shall at any time be operated as an "adult theatre" exhibiting or allowing any activities generally considered pornographic. This restriction would also preclude the showing of motion pictures with a Motion Picture Association of America rating of "X".

The Premises may also be used for the sale from counters or coin-operated vending machines of such food, beverages, and other concessions items as are customarily sold by Lessee at the concessions stands of other theatres. Smoking by anyone on the premises is strictly prohibited and Lessee will take reasonable measures to enforce this prohibition throughout the term(s) of this Lease. The sale of alcoholic beverages on the Premises will be regulated by Lessee and according to all the laws and statutes of the State of Washington. If Lessee should wish to sell alcoholic beverages on the Premises, Lessee will ensure that all proper permits are acquired and all necessary precautions are taken with regard to the sales of alcoholic beverages to minors. Lessee represents and warrants to Lessor that the activities permitted hereunder are activities of SIFF. Lessee shall not use the Premises for any other purpose without prior written consent of the Lessor, which consent shall not be unreasonably withheld.

Lessee shall not use or allow the use of the Premises for any illegal purpose. Lessee shall comply with all governmental rules, orders, regulations, or requirements relating to the use and occupancy of the Premises and shall not commit or allow to be committed any waste or nuisance on the Premises.

Lessee shall provide without charge to the Lessor the use of the Premises for up to ten (10) days per year, rent free, for the term of this Lease and any extensions thereto. The Lessor's usage under this provision shall not interfere with any scheduled use of the Premises by the Lessee and the Lessor agrees to pay any labor charges

such usage may incur. Lessor must give Lessee at least thirty (30) business days advance notice of its desire to use the Premises. All use of the Premises under this provision shall be scheduled through the Lessor's Facilities or Auxiliary Services Department. Each day shall consist of no more than eight (8) hours use and occur between the hours of 8am – 5pm, Monday through Friday excluding holidays. The parties expressly agree that in no event shall Lessor have any right to use the Premises for any reason during the Seattle International Film Festival dates.

**TERM:** This Lease shall be for an initial term of ten (10) years. This term commences on October 1, 2014 and terminates on September 30, 2024. Options to extend this Lease for additional terms of five (5) years shall be by mutual written agreement of the parties.

Notwithstanding the foregoing, the parties both agree that either party may elect to terminate this Lease without penalty after five (5) years. In the event either party elects to do so, the party that elects to do so must give the other party written notice of its intent to do so not later than 90 days prior to October 1, 2019. Option or options to extend this Lease for any additional terms after the initial term shall be by mutual written agreement of the parties. Any agreement to extend the Lease will contain a provision allowing the Lease to be terminated with twelve (12) months written notice from the Lessor, should the Lessor decide to pursue a Capital improvement project on the property.

**RENT:** The Lessee agrees to pay SCCC for the use and occupancy of the Premises, in lawful money of the United States of America, a base monthly rent for the extended ten (10) year term of the lease per the following schedule:

October 1, 2014 through September 30, 2015	\$2500.00 per month
October 1, 2015 through September 30, 2016	\$2575.00 per month
October 1, 2016 through September 30, 2017	\$2652.25 per month
October 1, 2017 through September 30, 2018	\$2731.82 per month
October 1, 2018 through September 30, 2019	\$2813.77 per month
October 1, 2019 through September 30, 2020	\$2898.18 per month
October 1, 2020 through September 30, 2021	\$2985.13 per month
October 1, 2021 through September 30, 2022	\$3074.68 per month
October 1, 2022 through September 30, 2023	\$3166.92 per month
October 1, 2023 through September 30, 2024	\$3261.93 per month

In addition to the base monthly rent, the Lessee shall pay on a monthly basis, under the same conditions as the base monthly rent the currently assessed Leasehold Excise Tax (LET). The current LET is calculated at Twelve Point Eight Four Percent (12.84%) of the base rent. Unless that rate changes, LET due each month during this lease shall be as per the following schedule:

October 1, 2014 through September 30, 2015	\$321.00 per month
October 1, 2015 through September 30, 2016	\$330.63 per month
October 1, 2016 through September 30, 2017	\$340.55 per month
October 1, 2017 through September 30, 2018	\$350.77 per month
October 1, 2018 through September 30, 2019	\$361.29 per month
October 1, 2019 through September 30, 2020	\$372.13 per month
October 1, 2020 through September 30, 2021	\$383.29 per month
October 1, 2021 through September 30, 2022	\$394.79 per month
October 1, 2022 through September 30, 2023	\$406.63 per month
October 1, 2023 through September 30, 2024	\$418.83 per month

**SCHEDULE OF TOTAL PAYMENT OF RENT AND TAXES:**

October 1, 2014 through September 30, 2015	\$2821.00 per month
October 1, 2015 through September 30, 2016	\$2905.63 per month
October 1, 2016 through September 30, 2017	\$2992.80 per month
October 1, 2017 through September 30, 2018	\$3082.59 per month
October 1, 2018 through September 30, 2019	\$3175.06 per month
October 1, 2019 through September 30, 2020	\$3270.31 per month
October 1, 2020 through September 30, 2021	\$3368.42 per month
October 1, 2021 through September 30, 2022	\$3469.47 per month
October 1, 2022 through September 30, 2023	\$3573.55 per month
October 1, 2023 through September 30, 2024	\$3680.76 per month

In addition to monthly rent and taxes, Lessee will also provide to Lessor payment in the amount of 10% of single ticket and pass revenue sales for any amount of revenue Lessee collects above \$500,000 gross in single ticket and pass revenue sales from year round operations of the venue excluding any revenues from the Seattle International Film Festival, special event fundraisers or third party rentals. A detailed annual income statement shall be provided to Lessor yearly upon the anniversary of this lease. SIFF will have this annual statement certified by an independent financial auditor. This statement shall be provided to Lessor no later than May 1<sup>st</sup> of the following year, and remittance (if any) should be made at that time.

Total of rent, and LET is payable in advance on the first day of each calendar month of the Lease term, without deduction, set off, prior notice, or demand. Rent and all other charges for any period during the term of this Lease which is for less than one (1) full calendar month shall be prorated based on the actual number of days of the calendar month involved. Payments of rent and other charges shall be made to Lessor at its address stated in this Lease or to such other address as Lessor may from time to time designate in writing to Lessee.

**LATE PAYMENT:** A rent payment not paid within 5 days of its due date will be subject to a late charge equaling 5% of the monthly rent.

**UTILITIES AND FEES:** From October 1, 2014, Lessee shall pay its share of the utility bills for the utilities serving the Theater not separately metered, which includes the water, sewer, and surface water management charges. Lessee's share shall be for any usage over and above 17CCF per month at current utility rates. Lessor will pay the basic service charge for the use of the utilities. Lessee's share of a utility bill shall be paid by Lessee within thirty (30) days after Lessee's receipt of invoice, along with a copy of the utility bill(s), therefor from Lessor. Lessee shall pay one hundred percent (100%) of the electricity utility to the Premises, which is separately metered, and this also shall be paid by Lessee within thirty (30) days after Lessee's receipt of invoice. Utilities shall be billed on a quarterly basis.

Lessee shall be solely responsible for telephone, internet, waste management and recycling/composting, and janitorial services to the Premises.

**PARKING:** During the term of this Lease the Lessee and its customers, invitees, and employees shall have the same rights to the use of the Lessor's parking facilities as any other public (non-college) user of those facilities. Lessee may purchase 4 parking permits, available for sale per quarter, at the price per permit Lessor sells such permits.

**HAZARDOUS SUBSTANCES:** Lessee will not cause or permit any activities on the Premises that directly or indirectly could result in the Premises or surrounding property being contaminated with Hazardous Substances in violation of applicable law. Hazardous Substances shall mean any substance or material designated as -

hazardous or toxic waste or other similar term, by any federal, state, or local environmental statute, regulation, or ordinance in effect presently or in the future.

No termination, cancellation, or release agreement entered into by Lessee and Lessor shall release lessee and Lessor from their respective obligations under this Lease with respect to Hazardous Substances.

#### **INDEMNIFICATION:**

a. Lessee shall indemnify, protect, defend, and hold Lessor, its agents, employees and the Premises, harmless from and against any and all losses, damages, liabilities, judgments, costs, claims, liens, expenses, penalties, permits, and attorneys' and consultants' fees arising during or after the Lease term out of or in any way relating to the presence of any Hazardous Substance brought onto the Premises or surrounding property by or for the Lessee or under Lessee's control in violation of applicable law. Lessor shall indemnify, protect, defend, and hold Lessee, its agents, employees and the Premises, harmless from and against any and all losses, damages, liabilities, judgments, costs claims, liens, expenses, penalties, permits, and attorneys' and consultants' fees arising during or after the Lease term out of or in any way relating to the presence of any Hazardous Substance in violation of applicable law that was not brought onto the Premises or surrounding property by or for the Lessee.

b. The parties' indemnification obligations include losses, including but not limited to fines, penalties and corrective measures sustained by reason of a failure to comply with all applicable federal, state and local laws, ordinances, rules, regulations and other acts of any governmental authority.

c. The parties' duties to indemnify each other shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the party seeking indemnification, or their agents or employees.

d. The parties' duties to indemnify each other for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of the parties shall apply only to the extent of negligence of the party from whom indemnification is sought.

e. LESSOR AND LESSEE SPECIFICALLY AND EXPRESSLY WAIVE ANY IMMUNITY THAT MAY BE GRANTED TO THEM UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW. FURTHER, THE INDEMNIFICATION OBLIGATION UNDER THIS LEASE SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD PARTY UNDER WORKER'S COMPENSATION ACTS, DISABILITY BENEFITS ACTS, OR OTHER EMPLOYEE BENEFITS ACTS; PROVIDED THE PARTIES' WAIVER OF IMMUNITY BY THE PROVISION OF THIS PARAGRAPH EXTENDS ONLY TO CLAIMS BETWEEN LESSEE AND LESSOR, AND DO NOT INCLUDE, OR EXTEND TO, ANY CLAIMS BY LESSOR'S EMPLOYEES AGAINST LESSEE AND/OR BY LESSEE'S EMPLOYEES AGAINST LESSOR.

f. The Indemnification provisions in this Lease shall survive expiration and/or termination of this Lease.  
QUIET ENJOYMENT: Lessor covenants and agrees that upon performance of all of Lessee's obligations under this Lease, Lessee shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Lease without disturbance by Lessor or by any person having title paramount to Lessor's title or by any person claiming under Lessor, subject to the other terms and provisions of this Lease and subject to any mortgage, reversionary interest, or other underlying matter of record to which this Lease is or may become subordinate.  
ASSIGNMENT AND SUBLETTING: Neither this Lease nor any right hereunder may be assigned, transferred, encumbered or sublet in whole or in part by Lessee, by operation of law or otherwise, without Lessor's prior written consent, which consent shall not be unreasonably withheld; provided, however, that Lessee may without Lessor's consent make the Premises available for short-term third-party rentals. Any merger, consolidation or liquidation of Lessee shall constitute an assignment, whether the result of a single transaction

or a series of transactions. Where assignment is permitted, such assignee assumes, in full the obligations of Lessee under this Lease.

**LIABILITY INSURANCE:** Without limiting the Lessee's indemnification, Lessee shall at all times during the term of this Lease, at its sole cost and expense, carry and maintain general liability insurance, against claims for bodily injury, personal injury, death, or property damage occurring or arising out of services provided under this Lease. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the Lessee or its officers, agents, representatives, or assigns. The limits of liability insurance, which may be increased from time to time as deemed necessary by the State, shall not be less than as follows:

General Aggregate Limits:	\$2,000,000
Each Occurrence:	\$1,000,000
Medical Expense Limit (any one person):	\$5,000

Such insurance policy or policies shall name Seattle College District VI, an Agency of the State of Washington, as an additional insured and shall not be reduced or canceled without thirty (30) days prior written notice and shall contain a waiver of subrogation clause. Written proof of such insurance shall be provided within ten (10) days of the commencement of this Lease for an initial one (1) year period. Lessee shall annually provide to Lessor proof of continuation of said insurance in the amounts and terms indicated above. Insurance required under this Lease shall be in companies duly licensed to transact business in the State of Washington.

Please be advised that all Seattle College District VI (which includes Lessor) employees, officers, and agents are protected against claims based on their negligence while acting as agents of the state and for Seattle Community College District VI. This protection is provided by the State of Washington Self-Insurance Program and the Tort Claims Act (RCW 4.92.070). Claims or judgments against the state, its employees, and/or its agents will be paid from the Revolving Trust Fund as provided in RCW 4.92.130.

For the purposes of this Lease, Lessor and Lessee shall not be considered the agent of the other party.

**FIRE INSURANCE:** Lessee shall, at Lessee's expense, maintain on all of Lessee's personal property a policy of standard fire and casualty insurance, with extended coverage, in the amount of replacement value. Lessee shall also, at Lessee's expense, maintain on its leasehold improvements and alterations on the Premises a policy of standard fire and casualty insurance, with extended coverage, in the amount of replacement value, naming Lessee and Lessor as co-insured's. All proceeds of such insurance on leasehold improvements and alterations shall be applied to the restoration of fixtures, improvements, and alterations to the extent provided under the section titled "Damage or Destruction"; any proceeds of such insurance remaining after such restoration shall belong to Lessee.

**RELEASE AND WAIVER OF SUBROGATION:** Lessee and Lessor each hereby release each other and waive any right of recovery against the other, by subrogation or otherwise, due to loss of or damage to the property of either party or any third party when such loss or damage to property arises out of the Acts of God or any of the property perils that would be covered by a fire and extended coverage ("all-risk") policy of property insurance, whether or not such perils have been insured, self-insured or non-insured against.

**DAMAGE OR DESTRUCTION:** If the Premises or the Masonic Temple are damaged or destroyed by fire or any cause other than any act or omission of Lessee, its employees, agents, or invitees, Lessor shall restore same, except for such fixtures, improvements, and alterations as were installed by Lessee, as nearly as practicable to their immediately prior condition. Lessee shall be responsible for restoring, replacing, or otherwise providing fixtures, improvements, and alterations that had been previously installed by Lessee. Lessor, at Lessee's expense, shall also restore the Premises and the Masonic Temple with respect to all damage caused by any act or omission of Lessee, its employees, agents, and invitees, and, subject to the release and waiver of subrogation set forth above,

Lessee agrees to reimburse Lessor upon demand for reasonable sums expended. The parties agree that Lessee will in no event be responsible for paying for betterments as part of any restoration. The obligations to restore provided in this paragraph shall be subject to Lessor's and Lessee's termination rights provided below. Neither Lessee nor Lessor shall be liable for any consequential damages by reason of any such damage or destruction. If this Lease is not terminated due to any damage to or destruction of the Premises as provided herein, Lessee shall have the right, at Lessee's option, to extend the term of this Lease for a period equivalent to the period in which the Lessee is unable to operate its business at the Premises due to the damage or destruction or repair thereof. Lessee shall make such election not later than sixty (60) days after reopening for business at the Premises.

Notwithstanding the foregoing, if the Premises or Masonic Temple is destroyed or damaged to such an extent that the Lessor in its sole discretion deems it not economically feasible to restore the same, then Lessor may terminate this Lease as of the date of the damage or destruction by giving Lessee notice to that effect no later than thirty (30) days after the occurrence of the event. Similarly if the Lessee, in its sole discretion, deems it not economically feasible to continue to occupy the Premises, then Lessee may terminate this Lease as of the date of damage by giving the Lessor notice no later than sixty (60) days after the occurrence of the event. If Lessor undertakes to restore the Premises and Lessee does not elect to terminate the Lease, the rent for the Premises shall be abated for the un-tenantable portion, except that there shall be no abatement to the extent that any such damage or destruction was caused by any act or omission of the Lessee, its employees, agents, or invitees.

**WARRANTIES:** It is understood that no express or implied guarantees or warranties, representations, promises, or statements have been made by the Lessor unless specifically set forth in this Lease.

**ACCEPTANCE OF PREMISES:** Lessee agrees it has visually inspected said Premises and accepts said Premises in their as is present condition.

**ALTERATIONS, REPAIRS, AND MAINTENANCE BY LESSEE:** Lessee shall make no changes, improvements, or alterations to the Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the parties understand and agree that Lessee will during the course of the Lease be remodeling and improving the Premises. All consents given by Lessor shall be deemed conditioned upon Lessee acquiring all applicable permits required by governmental authorities; the furnishing of copies of such permits together with a copy of the plans and specifications prior to the commencement of the work; and compliance by Lessee with all conditions of such permits. Promptly after completion of any Alteration or Installations, Lessee shall furnish Lessor with as-built plans and specifications therefor. Any alterations, repairs, installations, or maintenance by Lessee during the term of this Lease shall be done in a good and workmanlike manner, with new and suitable materials, and in compliance with all Applicable Laws. All such changes, improvements, or alterations, which are permanently affixed to the Premises shall remain on the Premises and shall become the property of the Lessor upon the expiration or sooner termination of this Lease. Any Lessor approved changes, improvements, or alterations shall be at the sole cost and expense of the Lessee.

Lessee covenants and agrees to keep the Premises free of mechanic's and material men's liens and other liens of like nature other than liens created or claimed by reason of any work done by or at the request of the Lessor; and at all times fully to protect and indemnify Lessor against all such liens and against all attorney's fees and other costs and expenses growing out of or incurred by reason of or on account of any such claim or lien. Lessor shall have the right to post and maintain on the Premises a notice of non-responsibility.

Lessee shall at all times during the term of this Lease, at its sole cost and expense, keep the interior and furnishings of the Premises in good order, condition, and repair, (whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements, or the age of such portion of the Premises),

including, without limitation, fixtures, carpet, interior doors, interior walls, and the like. Lessee shall also be responsible for keeping all drain pipes free and open; to protect water, heating, gas, and other pipes to prevent freezing or clogging. Lessee shall permit no waste, damage, or injury to the Premises. Lessee shall remove ice and snow from sidewalks adjoining the Premises. Lessee, in keeping the Premises in good order, condition, and repair, shall exercise and perform good maintenance practices.

**REPAIRS, AND MAINTENANCE BY LESSOR:** Lessor shall, at its sole cost and expense, keep in good condition and repair the roof, foundations, exterior walls, exterior doors, windows (including but not limited to replacing all glass in windows and doors of the Premises which may become cracked or broken), awnings, fire sprinkler and/or standpipe and hose or other automatic fire extinguishing system, including fire alarm and/or smoke detection systems and equipment, and other structural components of the Premises and all utility systems, pipes, and conduits (except to the extent that the same are the obligation of any public utility company); provided, however, the Lessor shall not be required to make repairs necessitated by reason of the negligence of the Lessee or by reason of the failure of Lessee to perform or observe any of the terms and conditions of this Lease. It is the intention of the parties that from and after the Commencement Date, this Lease shall govern Lessee's and Lessor's obligation as to the maintenance and repair of the Premises and Lessee and Lessor each expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease with respect to any needed repairs. Notwithstanding the foregoing, Lessee is responsible for repairing all damage to all systems created by any alterations it undertakes on the Premises.

**SIGNS:** In its operation of the Premises, Lessee shall have the right to use all existing signs (including the theatre marquee) attached to or located on the exterior of and inside the Premises. The Lessee shall not cause or permit the display on any additional exterior door or wall of the Premises of any sign, notice, advertising matter, awning, canopy, or other thing without Lessor's prior written consent, which shall not be unreasonably withheld. Any such item for which Lessor has given consent shall be maintained in good condition and repair at all times and comply with all federal, state, and local laws, codes, regulations, ordinances, or requirements applicable to the Premises.

**LESSOR'S ACCESS TO PREMISES:** Lessor may inspect the Premises at all reasonable times and enter the same, upon notice to Lessee that is reasonable under the circumstances, for the purpose of repairing, altering, improving, or exhibiting the Premises, but nothing herein shall be construed as imposing any obligation on the Lessor to perform any such work. Lessor may in an emergency enter the Premises without Lessee's consent.

**DEFAULT AND REMEDIES:** The occurrence of any of the following events shall be deemed a breach of this Lease, namely: the vacating of the Premises without the intention to reoccupy the same; the abandonment of the Premises; the failure by the Lessee to pay base rent or make any other payment required to be made by Lessee hereunder as agreed; if Lessee or Lessor makes an assignment for the benefit of creditors or files a voluntary petition under any bankruptcy act or other law for the relief of debtors; if an involuntary petition is filed against Lessee or Lessor under any such law and is not dismissed within sixty (60) days after filing; if a receiver is appointed for the property of Lessee or Lessor and is not discharged or removed within sixty (60) days; or if any department of any government or any officer thereof takes possession of the business or property of Lessee. Upon any such occurrence Lessee or Lessor, at its option, may terminate this Lease by notice to the other, and upon such termination Lessee shall quit and surrender the Premises to Lessor, provided that the defaulting party shall remain liable as hereinafter provided.

If Lessee violates any term or provision of this Lease, Lessor shall give written notice to Lessee of the default. Lessee shall have twenty (20) days to cure the default. If not remedied, Lessor may, upon giving Lessee forty (40) days prior notice, terminate this Lease; provided however, that if the nature of Lessee's obligation is such that more than thirty (30) days after such notice are reasonably required for its performance, then Lessee shall not be in default under this Lease if performance is commenced within such thirty (30) day period and thereafter

diligently pursued to completion.. Upon such termination Lessee shall quit and surrender the Premises to Lessor, and (in the case of termination after Lessee has violated a term of this Lease) Lessee shall remain liable as hereinafter provided.

If this Lease is terminated, Lessor may immediately or at any time thereafter remove any and all persons and property from the Premises, by any suitable proceeding at law, without liability therefor, and re-enter the Premises, without such re-entry diminishing Lessee's obligation to pay rent for the full term hereof, and Lessee agrees to pay Lessor the aggregate of the base rent and all other charges payable by the Lessee hereunder that would have accrued until the end of the Lease term.

In the event of a lawsuit or other legal proceeding by either party in any way related to this Lease, the prevailing party shall be entitled to recover its actual attorneys' fees and costs, which shall include, *inter alia*, all fees and costs of expert witnesses.

If in the event of default it becomes necessary for the Lessor to take possession of the Premises, the Lessor shall have the right, but not the obligation, to remove from the Premises all personal property located therein and place the same in public storage at the expense and risk of the Lessee.

All amounts owing by the Lessee under this Lease shall, after default, bear interest at the rate of three quarters of a percent (0.75%) per month, compounded monthly, until paid in full.

**LESSOR'S DEFAULT:** The following events shall constitute a default by Lessor under this Lease: a failure by Lessor to pay when due any sum payable hereunder by Lessor and the continuation of such failure for a period of ten (10) days after written notice to Lessor and of the Premises whose name and address shall have been furnished to Lessee in writing for such purpose; or failure by Lessor to perform any of the non-monetary terms, covenants, agreements, or conditions contained herein to be performed by Lessor, and the continuation of such failure for a period of thirty (30) days after notice by Lessee that such obligation has not been performed; provided however, that if the nature of Lessor's obligation is such that more than thirty (30) days after such notice are reasonably required for its performance, then Lessor shall not be in default under this Lease if performance is commenced within such thirty (30) day period and thereafter diligently pursued to completion. Upon default by Lessor under this Lease, Lessee shall have all the rights and remedies available to Lessee under applicable law.

**PERFORMANCE UNDER PROTEST:** If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under this Lease, the party against whom the obligation to pay the money is asserted shall have the right to make the payment "under protest." Any payment made under protest shall not be regarded as a voluntary payment and there shall survive on the part of the party making the payment the right to institute suit for recovery of such sum. If it shall be adjudicated that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under this Lease, plus 12 percent annual simple interest.

**BUSINESS EQUIPMENT:** Lessee may install on the Premises such equipment as is customarily used in the type of business conducted by the Lessee on the Premises. Upon the expiration or sooner termination of this Lease, Lessee shall, at Lessee's expense, remove from the Premises all such equipment and all other such business property (Trade Fixtures) of Lessee and repair any damage to the Premises occasioned by the removal thereof. Any property left in the Premises after the expiration or sooner termination of this Lease shall be deemed to have been abandoned by the Lessee and become the property of the Lessor to dispose of as Lessor deems expedient without accounting to the Lessee therefor.

Lessee's Trade Fixtures as used in this Lease, means all fixtures, furnishings, equipment and machinery installed in, on, or about the Premises at Lessee's expense that are not permanently affixed to the Premises, including, theatre seats, screens, projection and sound equipment, and ticketing and concessions equipment. If any of the

Lessee installed Trade Fixtures necessitated the removal of Lessor equipment or Trade Fixtures, Lessor, in its sole discretion, may require the removed items restored to their original condition at Lessee's expense upon removal of Lessee's Trade Fixtures; provided, however, that Lessor shall not require the reinstallation of any fixtures or equipment the removal of which it approves unless Lessor stipulates that reinstallation will be required at the time Lessee's plans are approved. Any damage to the Premises due to the removal of Lessee's Trade Fixtures shall be repaired at Lessee's expense.

**CONDEMNATION:** If the Premises or the Masonic Temple is taken by a government authority under the power of eminent domain, this Lease shall terminate as of the date possession is taken by said authority pursuant to such condemnation.

All damages awarded for the taking or damaging of all or any part of the Premises or Masonic Temple shall belong to and be the property of the Lessor, and Lessee hereby assigns to Lessor all claims to such award, but nothing herein contained shall be construed as precluding Lessee from asserting any claim Lessee may have against such governmental authority for disruption or relocation of Lessee's business on the Premises. Lessee shall be entitled to any compensation separately awarded to Lessee for Lessee's relocation expenses, loss or damage to Lessee's Trade Fixtures and personal property, and/or other related claims.

**NOTICES:** All notices, approvals, demands, and requests given by either party to the other hereunder shall be in writing, and shall be sent by United States registered or certified mail, postage prepaid, addressed to Lessee at 305 Harrison St, Seattle, WA 98109, and addressed to Lessor at 1701 Broadway, BE1143, Seattle, Washington 98122 or at such other address as Lessee or Lessor may designate.

**SURRENDER OF PREMISES:** Lessee, at the expiration or sooner termination of this Lease shall quit and surrender the Premises in good, neat, clean, and sanitary condition, except for reasonable wear and tear and damage that Lessee is required by this Lease to repair.

**HOLDOVER:** If Lessee lawfully holds over after the expiration of the term of this Lease, such tenancy shall be a month to month tenancy. Rent for such tenancy to be negotiated, but Lessee agrees to be bound by all the other covenants and conditions of this Lease.

**NON-WAIVER:** No failure of Lessee or Lessor to insist upon the strict performance of any provision of this Lease shall be construed as depriving Lessee or Lessor of the right to insist on strict performance of such provision or any other provision in the future. No waiver by Lessee or Lessor of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by the party against whom the waiver is being enforced. No acceptance of rent or of any other payment by Lessor from Lessee after default by Lessee shall constitute a waiver of any such default or any other default. Consent by Lessor or Lessee in any one instance shall not dispense with the necessity of consent by Lessee or Lessor in any other instance.

**COMPLIANCE WITH CIVIL RIGHTS LAWS:** The Lessee and Lessor hereby agree that no person shall, on the grounds of age, race, creed, color, sex, national origin or sexual orientation be excluded from participation in, be denied the benefits of; or be otherwise subjected to discrimination under this Lease or under any project, program, or activity supported by this Lease.

**CAPTIONS:** The captions in this Lease are for the convenience of the reader and are not to be considered in the interpretation of its terms.

**GOVERNING LAW:** This Lease shall be governed by the law of the State of Washington.

**ESTOPPEL CERTIFICATES:** Lessee and Lessor agree from time to time promptly to execute, acknowledge and deliver to the other party a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, the contents of such modifications), whether any party is in default or breach of this Lease, and the dates to which the rent and other charges have been paid in advance, if any.

**COMMISSIONS:** Lessee and Lessor warrant and represent to each other that no broker's commission is payable as a result of this Lease.

**BINDING EFFECT:** Subject to the provisions concerning assignment and subletting, this Lease shall be binding upon the parties hereto and upon their respective executor, administrators, legal representatives, successors and assigns.

**ENTIRE AGREEMENT:** This document contains the entire and integrated agreement of the parties and may not be modified except in writing signed and acknowledged by both parties.

**COUNTERPARTS.** This Lease may be executed in counterparts, such that when taken together, such counterparts constitute a single fully executed document. Signature pages may be exchanged by electronic mail and/or facsimile and such signature pages shall be deemed valid.

**EXECUTED** as the date first above written.

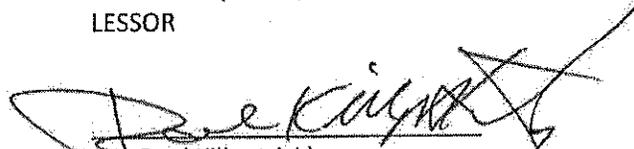
Seattle International Film Festival

Seattle Central College

Carl Spence  
LESSEE

Dr. Paul Killpatrick, President  
LESSOR

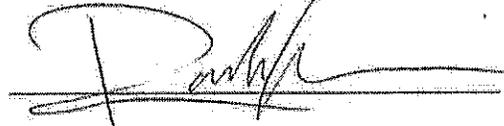
  
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(Carl Spence)

  
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(Dr. Paul Killpatrick)

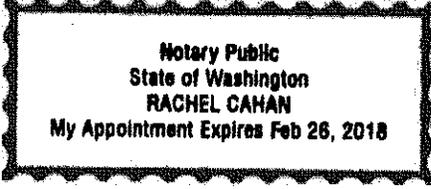
STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this 15 day of May 2014, before me personally appeared Carl Spence, to me known to be the Artistic and Co-Director of the Seattle International Film Festival, the entity that executed the within and foregoing Lease and acknowledged said Lease to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said Lease.

In witness whereof I have set my hand and affixed my official seal the day and year first above written.



NOTARY PUBLIC in and for the State of Washington residing at 1701 Broadway  
Seattle, WA 98122



My commission expires 2/26/2018

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this 14 day of May 2014 before me personally appeared Dr. Paul Killpatrick, to me known to be the President of Seattle Central Community College, the entity that executed the within and foregoing Lease and acknowledged said Lease to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said Lease.

In witness whereof I have set my hand and affixed my official seal the day and year first above written.



NOTARY PUBLIC in and for the State of Washington residing at 1701 Broadway  
Seattle, WA 98122



My commission expires 2/26/2018

2014 Seattle City Council Green Sheet

Approved

Tab	Action	Option	Version
60	1	A	1

**Budget Action Title:** Place a proviso on \$75,000 GSF in OACA for capital improvements to the Egyptian Theatre

Has CIP Amendment: No Has Budget Proviso: Yes

Councilmembers: Bagshaw; Licata; O'Brien; Rasmussen

Staff Analyst: Sara Belz

Council Bill or Resolution:

**Budget Committee Vote:**

Date	Result	SB	BH	TR	RC	TB	NL	JG	SC	MO
11/18/2013	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

**Budget Action description:**

This green sheet would impose the following budget proviso:

“None of the money appropriated in the 2014 budget for the Office of Arts and Cultural Affairs’ (OACA) Arts Account BCL may be spent on capital improvements to the Egyptian Theatre until the Chair of the Council’s Housing, Human Services, Health, and Culture Committee files with the City Clerk his or her certification that the Seattle Community College District has entered into a long-term operating agreement with a nonprofit organization that will continue to operate the Egyptian as a historic theater.”

**Background:**

OACA’s 2014 budget proposal includes \$75,000 in one-time GSF support for capital improvements to the Egyptian Theatre. The funding would provide partial support for a variety of projects, including restroom upgrades, access improvements pursuant to the Americans with Disabilities Act, seating replacements, and electrical work.

The Egyptian is owned by the Seattle Community College District, which is currently conducting a competitive process to select a new long-term operator for the facility. The intent of this green sheet is to assure any City funds directed to the Egyptian for capital improvements are used to maintain the facility as a historic theater and not to convert it to some other use.