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## COUNCIL BILL No. 111538

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# The City of Seattle-I

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The City of Seattle-Legislative Department

REPORT OF COMMITTEE	and Adopted
Hongrable President:	
You: Committee on	
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# ORDINANCE 118515

AN ORDINANCE relating to Sand Point; authorizing the Director of the Office of Management & Planning to enter into a sublease with the Seattle School District No. 1 for the renovation and use and occupancy of certain buildings at the Naval Station Puget Sound at Sand Point.

#### BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of the Office of Management and Planning is hereby authorized to execute and deliver, on behalf of The City of Seattle, a sublease with Seattle School District No. 1 substantially in the form of the agreement attached hereto and identified as Exhibit "A", for the renovation of buildings 9, 18 and 47 at the Nava! Station Puget Sound, and their sequent use and occupancy.

ection 2. The Director of the Office of Management & Planning is further authorized to execute on behalf of the City a memorandum of sublease to be filed in the Office of the King County Recorder indicating that said sublease is available for viewing at the Office of the City Clerk of the City of Seattle.

Section 3. Any act consistent with and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 4. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

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	HH/Ls March 3, 1997 111538.DOC (Ver. )
1	Passed by the City Council the <u>3</u> day of <u>Man</u> , 1997, and signed by me in open
2	session in authentication of its passage this <u>3</u> day of <u>Man</u> , 1998.
3	Can Dean
4	President of the City Council
5	Approved by me this day of, 1996.
6	Approved by the this day of, 1996.
7	
8	Мауог
9	Filed by me this <u>18</u> day of <u>March</u> , 1997.
10	Filed by me this 18 day of March, 1996.  Magaut Cata  Clerk
11	Clerk
12	
13	(SEAL)
14	The foregoing Council Bill No. 111538 was, on the 4th day of March, 1997,
15	presented to the Mayor who returned the same to the City Council without his approval or disapproval on the 18th day of March, 1997.
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Exhibit A

Approved Version - February 21, 1997

### SUBLEASE AND ACCESS AGREEMENT

Between

The City of Scattle

and

Seattle School District No. 1

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

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#### SUBLEASE AND ACCESS AGREEMENT

#### Between

#### The City of Seattle and Seattle School District No. 1

This Sublease is made this \_\_ day of \_\_ , 1996, by and between the City of Seattle, a municipal corporation of the State of Washington ("City"), acting through its Director of the Office of Management and Planning ("Director"), and the Seattle School District No. 1, a municipal corporation of the State of Washington ("District").

#### RECITALS

WHEREAS, the United States Navy identified the Naval Station Puget Sound at Sand Point ("Sand Point") for closure in 1991, and requested that the City sponsor a local reuse planning effort to determine how said property should be reused; and

WHEREAS, the Seattle City Council adopted the Community Preferred Reuse Plan for Sand Point in November of 1993, which contemplates transfer of the property to the City, the National Oceanographic and Atmospheric Administration and the United States Biological Service; and

WH TEAS, the City is in the process of applying to the United States government to secure title to certain of the Sand Point properties; and

WHEREAS, the District is qualified and willing to sublease, rehabilitate and improve a portion of the premises within Sand Point to provide a temporary location for the educational and administrative activities of Ballard High School while said school is being remodeled; and

WHEREAS, the City and the District recognize that the utilities and other infrastructure elements serving Sand Point properties require upgrading and the District agrees to contribute to the costs of such upgrades; and

WHEREAS, the City and the District recognize that the District's use of the premises must be coordinated with other uses of Sand Point and must comply with the terms and conditions of the Master Lease between the City and the United States Navy; and

WHEREAS, the City and the District also recognize that if the subleased portions of Sand Point are transferred to the City during the term of this sublease, the District's use of the premises must comply with any deed restrictions or other legal requirements imposed by the United States pursuant to such transfer.

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NOW, THEREFORE, in consideration of the terms, covenants, and conditions hereinafter set forth, the City and the District as hereby agree as follows:

#### 1. DE: .TIONS.

The following capitalized terms used in this Sublease shall have the following meanings unless the context othe, vise requires:

"Access Property" means the real property to be used by the District for ingress and egress to the Buildings.

"Approved Costs" means the actual costs paid by the District for the renovations to Buildings 9, 18 and 47 described in construction documents approved by the City and as categorically approved in accordance with Exhibit H.

"Codes" include all land use, building, housing, fire, electrical, mechanical, plumbing and other codes applicable under City ordinances or State law, and all interpretations thereof issued by the agencies responsible for the administration thereof.

"Effective Date" means the date when all conditions contained in Article 5 of this Sublease have been satisfied.

"Infrastructure Upgrades" means improvements to the water, sewer and electrical systems on the portion of Sand Point controlled by the City as described in Exhibit G of this Sublease.

"Management Costs" means all costs incurred by the City, or by such other entity as may be designated by the City, to perform overall management functions, including grounds maintenance and security services, for the portion of Sand Point controlled by the City.

"Master Lerse" means the lease of a portion of Sand Point between the United States of America and The 'the of Scattle, dated July 5, 1996, as amended.

"Personal Property" means all personal property on the Premises at the inception of this Sublease and all replacements or substitutions therefor.

"Premises" means the buildings, Access Property and parking described in Article 2.

"Renovation" means the rehabilitation and modification of the buildings subject to this Sublease as depicted in construction documents approved by the City.

"Site Improvements" means improvements made by the City to the portion of Sand Point controlled by it, including streets, sidewalks, landscaping, signs and lighting, as described in Exhibit G.

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#### 2. PREMISES.

- 2.1. Subject to the terms and conditions set forth herein and in the Master Lease and all exhibits and attachments thereto, a copy of which is attached hereto as Exhibit C and incorporated herein by reference, the City subleases to the District the buildings depicted as numbers 9, 18 and 47 on the attached Exhibit A ("the Buildings"), and legally described on Exhibit B, which is hereby incorporated by reference.
- 2.2. Accessory to the Sublease and coextensive with its duration, the City grants the District a non-exclusive easement across the real property depicted on Exhibit A ("Access Property") for purposes of ingress and egress to and from the Buildings.
- 2.3. In addition for the duration of this Sublease, the District shall have the right to use 320 parking spaces located generally in the areas depicted on Exhibit A. Said spaces shall be available for Ballard High School during the hours of 6:00 a.m. through 5:00 p.m., Monday through Friday, and for occasional evening events at the high school. In addition, the District shall have the right to use up to 50 of the spaces depicted on Exhibit A after hours and on weekends for students and staff.

#### 3. USE/PURPOSE.

In the absence of prior written approval by the City and the United States, the Buildings shall be used exclusively as a temporary location for Ballard High School, including the administrative functions associated therewith. The City shall have the right to terminate this Sublease by written notice to the District if the Premises cease to be used for the purposes identified in this Article.

#### 4. TERM.

This Sublease: commence upon satisfaction of the conditions precedent set forth in Article 5, and shall terminate October 1, 1999, unless sooner terminated as provided herein, or unless converted into a lease in accordance with Article 20. In addition, this Sublease shall terminate immediately upon termination of the Master Lease.

#### 5. EFFECTUATION OF AGREEMENT.

This Sublease shall not become effective until all of the following conditions have been satisfied:

- (a) the United States Department of the Navy has approved this Sublease in writing, as required under paragraph 27 of the Master Lease;
- (b) the City has approved the District's application for a Master Use Permit in connection with the District's use of the Premises as contemplated herein and the Master Use Permit has been issued in final, unappealable form.

- (c) the Sublease has been signed by an authorized representative of the District and returned to the Director at the address set forth below, accompanied by the required policies of insurance; and
- (d) the Sublease has been signed by the Director pursuant to ordinance authority.

The City shall notify the District in writing when all conditions precedent have been satisfied. Such notice shall expressly state the Effective Date of this Sublease.

#### 6. POSSESSION AND OCCUPANCY.

Upon the Effective Date of this Sublease, the District shall have possession of the Premises subject to the rights reserved by the City herein; provided, that no Building shall be occupied until a Certificate of Occupancy has been obtained by the District and the Director has approved such occupancy. The Director's approval shall not be unreasonably withheld or delayed.

#### 7. RENT.

7.1. <u>Rental Equivalent</u>: In lieu of rent, the District shall pay the City on the dates set forth below the following amounts for Infrastructure Upgrades, Site Improvements (which Infrastructure Upgrades and Site Improvements are described in Exhibit G to this Sublease) and Management Costs:

#### For Building 9:

1997: \$ 92,000 1998: 214,000 1999: 92,000

### For Buildings 18 and 47:

1997: \$ 65,000 1998: 68,000 1999: 65,000

- 7.2. <u>Time and Manner of Payment</u>: The rental equivalent for 1997 shall be due and payable on the Effective Date of this Sublease or February 1, 1997, whichever is later. For each subsequent year of the Sublease the rental equivalent shall be paid on or before February 1. All payments shall be by check or money order payable to the City, and shall be sent in care of the Director at the address shown in Article 36.
- 7.3. Interest on Late Payments: All fees and charges due from the District pursuant to this Sublease shall be delinquent if not paid within thirty (30) days after the date due. Delinquent fees and charges shall bear interest at a rate of eighteen percent (18%) per annum from the date due to the date paid.

7.4. No Prepayment Penalty: The District shall have the right to prepay all or any portion of the rental equivalent.

#### 8. TAXES, UTILITIES AND SERVICES.

- 8.1. Taxes: The District shall pay, before delinquency, all taxes, levies, and assessments that may arise from its activities on or occupancy of the Premises, including, but not limited to taxes arising out of the activity or business conducted on the Francises such as the rental or sale of goods or services; taxes levied on its property, equipment, and improvements on the Premises; and taxes on the District's interest under this Sublease and any leasehold interest eleemed to have been created thereby under Ch. 82.29A RCW.
- 8.2. Utilities: The District, at its sole expense, shall install meters for water, sewer, electricity, gas (if available) and other utilities, as necessary, and shall pay before delinquency all costs for utilities and other services provided on or to the Premises, including but not limited to, elevator service, electricity, gas, water, telephone, sewer, garbage, heating, janitorial, security, and litter removal. The City shall ensure that water, sewer and electric service sufficient to enable the District to obtain is occupancy permit shall be delivered to the Buildings. In the event the District requires additional utility installations and/or modifications of existing installations within or in the immediate area of any of the Buildings, including new connections to water or sewer mains required in connection with the construction, rehabilitation, modification or use thereof as contemplated by this Sublease, such installation and/or modification shall be paid for solely by the District. The City shall not be liable for any injury, los, or damage caused by or resulting form any interruption or failure of utility services occurring in the ordinary course of constructing the Infrastructure Upgrades and Site Improvements contemplated by this Sublease, nor shall the District be entitled to an offset, reduction, or return of rental as a result of any interruption or failure of said services.
- 8.3. No Charges for Service to Other Property. Nothing contained herein shall requite the District to pay any charge for utility service furnished to those portions of Sand Point controlled by the City and not subject to this Sublease.
- 8.4. The District's Right To Contest. The District shall have the right to contest or review by legal proceedings or in such other manner as may be legal, any tax, assessment, utility charge or other governmental imposition and to pay such items under protest; provided, that nothing in this Section shall be construed to restrain the exercise of any remedy by any City utility for nonpayment, and provided further that notwithstanding any protest or challenge the District shall timely pay such amounts as are necessary to avoid interruption in service, including any interruption that would occur from application of the normal policy or procedure of any City utility.

#### 9. CONDITION OF THE PREMISES.

Subsequent to the execution of this Sublease but prior to use and occupancy of the Premises by the District or any sublessee, a joint inspection of the Premises shall be conducted by representatives of the District and the City, and a complete inventory of the related Personal Property located therein shall be made. A report shall be made of the condition of the Premises and related Personal Property, and any deficiencies which are found to exist will be noted in such report (the "Joint Inspection Report"). Each inventory prepared for the Joint Inspection Report, upon completion, shall be identified by building number. The Joint Inspection Report shall be signed and dated by both parties to this Sublease and inserted as Exhibit D to this Sublease without the need for amendment or further legislative action. If, upon commencing occurancy of the Premises, the District detects a material difference in the condition of the Premises of the Sublease, the District may so noutly the City in writing. At the termination of this Sublease, the District shall turn over to the City the Subleased Premises in the same condition in which they were received, reasonable wear and tear excepted. Any significant variances from the original Joint Inspection Report shall be clearly documented. The close-out report will constitute the basis for settlement by the parties for any of the Premises shown to be lost, damaged or destroyed.

The District has examined, knows, and accepts the condition and state of repair of the Premises and acknowledges that the City has made no representation concerning such condition and state of repair nor any agreement or promise to alter, improve, adapt, repair, or keep in repair the same, or any item thereof, which has not been fully set forth in this Sublease, which contains all the agreements made and entered into between the District and the City with respect to the Premises.

The District acknowledges that the Buildings may not be fit for occupancy for the purposes intended, or in son treases for any purpose, without substantial rehabilitation and modifications. The District further acknowledges that the Buildings may not be in compliance with applicable Codes and may not satisfy standards of various potential funding sources for operation thereof. The District agrees that the City has no obligation to cause any of the Buildings to comply with any such Codes or standards, and that in the District fails to be any of the Buildings into compliance, the District and its sublessees will not be permitted to the or occupy such Buildings or Buildings for the purposes intended. The District and City acknowledge that this Article has been specifically bargained for and that City would not be willing to sublease the Buildings or grant access to the Premises on the terms and conditions set forth herein without the District's agreement to the terms of this Article.

#### 10. MAINTENANCE AND REPAIR SERVICES.

10.1. Maintenance: Except as set forth below, the District shall keep the Premises, including all related Presonal Property contained therein, at all times and at no expense to the City, in good repair and in a neat, clean, safe and sanitary condition, and shall use and maintain the Premises in accordance with the laws of the State of Washington, the Charter and ordinances of the City of Seattle, and all applicable Codes, rules and regulations of the Health Officer, Fire Marshal, Director of Construction and Land Use and other appropriate officers of The City of Seattle. In addition, the District shall comply at its sole cost and expense with the maintenance

- 10.2. City's Maintenance Obligations: During the term of this Sublease the City shall provide grounds naintenance, pest and weed control services as set forth in paragraph 11 of the Master Lease. The City shall have no obligation to undertake any other repairs, maintenance, or work of any kind except as expressly set forth in this Sublease. However, the City reserves an unqualified right to make repairs or alterations to the Buildings at any time (a) where conditions deemed by the Director to constitute an energency exist, (b) in c der to correct deficiencies in compliance with any applicable law, regulation or Code, or (c) in order to comply with the Master Lease. In the event the need for any such repair or alteration is reasonably determined by the Director to have been occasioned by the activities of the District or by any person for whose conduct the District is responsible, or is otherwise an obligation of the District under this Sublease, the District shall reimburse the City on demand for all costs reasonably incurred in connection with such repairs or alterations.
- 10.3. Books and Records: The District shall keep adequate records and books of account showing costs to it of all items of labor, material, equipment, supplies, services, and other items of cost of any nature constituting an item of actual cost incurred by it directly in the performance of any item of work or service in the nature of repair, restoration, protection and maintenance of the Permises. The District shall provide the City with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.
- 10.4. Contracting for Maintenance and Repairs: The District shall ensure that all contracts and subcontracts for any alterations, maintenance, repairs, and constantion activities (including contracts for related professional services) shall be made and ed into, and performed in full compliance with all federal, state and local laws, regulations, ordinances, and the terms of this Sublease and the Master Lease (collectively, "requirements"), whether such contracts are let or made by the District or by a sublessee of the District or other person. The District shall ensure, under all such contracts and subcontracts, that work shall be performed by licensed and qualified contractors, and that wages and benefits shall be paid in compliance with all applicable requirements.

MOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS IT IS DUE TO THE QUALITY OF THE DOCUMENT.

NOTICE

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- 10.5. Signs: The District shall not display, inscribe, paint or affix any sign to any part of the Premises without the prior written approval of the City. All proposed signs shall comply with the historic preservation obligations contained in paragraph 10 of the Master Lease.
- 10.6. Keys: /nny change in locks shall be at the sole expense of the District. If a lock change is made to the exterior door of any Building, the District shall provide the City with two (2) keys for each lock changed immediately after such change has been completed.
- 10.7. Personal Property: All Personal Property located on the Premises at the commencement of this Sublease shall be maintained and repaired by the District at no cost to the City. Prior to the District's occupancy of the Premises, the City shall prepare and inventory of and affix a permanent identification tag to all such Personal Property.

#### 11. ACCES 3.

The City reserves for itself, its officers, employees, agents and contractors, free access to the Premises, including the Buildings thereon, at all reasonable times for purpose of inspecting, cleaning, or making repairs, additions or alterations to the Premises or any other property owned by or under the control of the City, but this right shall not be construed as an agreement on the part of the City to make inspections, clean or make repairs, additions or alterations.

#### 12. INSTALLATIONS, ALTERATIONS, AND REMOVALS.

12.1. Minor Installations and Improvements: During the term of this Sublease the District shall have the right, at its own expense and without the prior written consent of the Director, to install such or its own machinery and equipment, to make such minor improvements and additions, and to attach such removable fixtures in or upon the Premises as may be necessary to conduct its permitted operations, and to remove same at any time prior to the expiration or termination hereof. "Minor Installations and Improvements" shall be defin 1 as ordinary repairs and any non-structural alteration of any portion of the Premises that, together with all other items of the same nature during the calendar year, cost less than \$5,000.00, and emergency repairs immediately necessary for the usual and customary usage of the Premises.

12.2. Major Alterations: Except as provided in Article 13 of this Sublease, the District shall not make, or cause to be made, any substantial alteration, addition or improvement to the Premises without first obtaining the written consent of both the Director and the United States Navy as required pursuant to paragraph 17 of the Master Lease. After approval by the United States Navy, the Director's approval of alterations, additions or improvements shall not be unreasonably withheld; provided, however, that before undertaking any such alteration, addition or improvement, the District shall demonstrate to the satisfaction of the Director the availability of sufficient financial resources to complete such proposed alterations, additions or improvements. All alterations, additions and improvements made shall be at the sole cost and expense of the District, and unless otherwise agreed in writing by the City, shall remain in and be surrendered with the Premises as a part thereof at the expiration or termination of this Sublease, without disturbance, molestation or injury.

#### 13. RENOVATION AND CONSTRUCTION WORK.

- 13.1. Renovation of Buildings; The District covenants and agrees to rehabilitate Buildings 9, 18 and 47 and to obtain all necessary licenses and permits therefor, at its sole expense and consistent with construction documents approved by the City (the "Renovation") so that the Buildings shall be suitable for use for the purposes described in Article 3. Prior to the start of the Renovation, the City shall seek, on the District's behalf, the approval of the United States government as required by paragraph 17 of the Master Lease. No construction shall commence until such time as the City notifies the District that such approval has been obtained. The parties shall cooperate to the maximum extent possible to ensure that all Renovation work shall be coordinated with the work of other contractors working at Sand Point.
- 13.2. Compliance with Codes and Guidelines: All plans and specifications for the Renovation and all actions of the District in connection therewith shall comply with all federal, state and local laws, Codes, regulations, ordinances and permits and, to the extent possible, with the plans and guidelines referred to in Section 15.2, as they are adopted.
- 13.3. <u>City's Right to Stop Work</u>: In the event the Director determines that any work being performed upon the Premises is inconsistent with the City's obligations under the Master Lease, he shall so notify the Licensee, in writing, and the Director shall be and hereby is authorized to stop said work, without recourse of any kind, until the matter has been corrected so that it is consistent with the requirements of the Master Lease.
- 13.4. <u>Insurance and Bonds During Renovation</u>: Throughout the period of the Renovation the District shall ensure that the insurance and bonds required by the Master Lease and as set forth in Article 23 of this Sublease are maintained in full force and effect, at no cost to the City.

- 13.5. Reimbursement of District's Approved Costs for Building 9: On or before January 1, 1998, the City in its sole discretion, shall either:
  - (a) agree to reimburse the District for fifty-seven (57%) percent of the Approved Costs for the Renovation of Building 9, to a maximum of \$2,700,000.00; or
  - (b) offer the District a fifty (50) year lease of Building 9 for educational purposes; or
  - (c) support the District in applying to the United States Department of Education for direct ownership of Building 9 for educational purposes.

If the City selects option (a) it shall elect, in its sole discretion, to either pay the District the total amount due on July 1, 1999, or to make five (5) annual payments to the District such that the aggregate payment of principal and interest in each year is equal (level debt service). Interest shall be the rate per annum specified for five year obligations on June 1, 1999, by the yield curve scale represented by Index "98" of the Delphis Hanover Corporation Daily Range of Yield Curve Scales (the "Index"); provided, that if the Index ceases to exists, then the interest rate shall be based on a comparable yield curve scale within a comparable index of yield curve scales. In the event the City elects to pay in annual installments, the first installment shall be due and payable on July 1, 1999.

If the City selects options (b) or (c), the District shall pay the City the maximum sum of \$3,352,515.00 as payment for additional Infrastructure Upgrades and Site Improvements which benefit Building 9, as determined by the City. If the District's pro rata share of the cost of these upgrades and improvements, as determined by the City, is less than the maximum sum, the District shall pay its pro rata share. Such amount shall be paid in nineteen annual installments with the first installment of \$90,609.00 due February 1, 1999. For the subsequent 18 years, the District shall pay the City on February 1 of each such year the sum of \$181,217.00. The District shall have the right to prepay the principal amount due under this option on or before January 1, 1999, at the discounted sum of \$1,881,486.00, less any previously paid rental equivalent.

13.6. Reimbursement of District's Approved Costs for Buildings 18 and 47; Contingent upon the District's completion of the Renovations to Buildings 18 and 47 to the satisfaction of the City and transfer of fee title to said Buildings to the City, the City shall reimburse the District for fifty-six (56%) percent of the Approved Costs for the Renovation of said Buildings, to a maximum of \$750,000.00. On or before February 1, 1999, the City shall elect, in its sole discretion (a) to pay the District the total amount due on July 1, 1999, or thirty (30) days after the Completion Date, whichever is later; or (b) to make five (5) annual payments to the District, the first installment of which shall be due on July 1, 1999, such that the aggregate payment of principal and interest in each year is equal (level debt service). Interest shall be calculated in accordance with the Index described in Section 13.5, above.

Delinquent payments shall bear interest at a rate of eighteen percent (18%) per annum from the date due to the date paid.

13.7. <u>Survival of Provisions</u>: The obligations provided for in this Article shall survive the expiration or termination of this Sublease.

#### 14. HISTORIC PRESERVATION.

In undertaking any installation, alteration, modification, repair, renovation or any other work on or to the Premises, the District shall comply with all applicable and lawful laws, regulations and ordinances concerning historic preservation, including paragraph 10 of the Master Lease. It shall be the sole responsibility of the District to make timely application for and to obtain, any and all applicable and lawful permits and approvals related to historic preservation in connection with the Renovation and any proposed aesthetic, structural or landscape alterations to the Premises.

#### 15. COOPERATION WITH SAY COINT COMMITTEE.

- 15.1. Formation of Sand Point Committee: The District acknowledges and agrees that the City will establish a committee, to include representatives of owners, tenants and users of other portions of Sand Point, as well as representatives of the City and neighborhood interests, to coordinate activities on Sand Point and community involvement therein ("the Committee"). The District shall be entitled to representation on the Committee and shall participate and cooperate in good faith in the processes established by the Committee, including without limitation, the development of a Sand Point parking plan. The District shall keep the Committee informed of proposed activities on the Premises, including without limitation any changes in uses, any construction or rehabilitation activities, changes in sublessees, changes in landscaping, and any changes in rules, policies or procedures that might reasonably affect or concern the tenants or users of other portions of Sand Point or residents in the area.
- 15.2. Adoption of Plans: Subject to the express terms of this Sublease and to federal, state and local laws and regulations, and subject to the District's construction contracts and school administration requirements, the District shall exercise good faith to comply to the maximum extent possible, with the terms of the following plans for Sand Point from and after the date when such plans have been approved by the City: Construction Management Plan; Transportation Plan; Parking Plan; Site Design Guidelines; Historic Resources Plan; and any amendments to any of the foregoing that shall be approved by the City. Any conflict between the District's plans in any of these areas and the approved plans shall be resolved by the parties; provided, however that the decision of the City shall be controlling in the event of any conflict.

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#### 16. ENVIRONMENTAL PROTECTION.

The District hereby assumes and agrees to perform all obligations and to undertake all the responsibilities, obligations and limitations of the City set forth in paragraphs 12 and 13 of the Master Lease with regard to the Premises, as if such obligations were set forth herein in full. This Sublease is subject to paragraphs 12 and 13 of the Master Lease, which are incorporated herein and are obligations and limitations of the District with regard to the Premises and/or with regard to the acts or omissions of the District. The City acknowledges that the District has any benefits that may be conferred upon the District by paragraphs 12 and 13 of the Master Lease, and the City does not undertake any of the responsibilities of or guarantee the performance of the federal government with respect to the District. This Sublease does not constitute a waiver of any of the District's rights under paragraphs 12 and 13 of the Master Lease. The District shall defend, indemnify and hold harmless the City and its officers and employees from any claim, demand, liability, fine or cost (including attorneys fees) resulting from any failure by the District to comply with obligations or limitations imposed by this paragraph.

The District shall indemnify, hold harmless and defend the City from any costs, expenses, liabilities, fines, or penalties (including attorneys fees) resulting from discharges, emissions, spills, storage or disposal of Hazardous Substances occurring during the term of this Sublease on or from the Premises, or any other action by the District or any sublessee giving rise to City liability, civil or criminal, or responsibility under Federal, state or local environmental laws. This provision shall survive the expiration or termination of this Sublease, and the District's obligations hereunder shall apply whenever the City incurs costs or liabilities for the District's actions.

"Hazardous Substance" means any hazardous, toxic, or dangerous waste, substance or material, including petroleum products, or any contaminant, pollutant or chemical defined or identified in any environmental regulation as posing a potential risk to human health or the environment.

ane District understands and agrees that flammable or Hazardous Substances, including explosives, petroleum products, paint, solvents, and resins, are not allowed on the Premises without the express written permission of the City. In the event written permission to store the preceding materials is granted by the City, disposal of such materials shall be in a legal manner by the District.

Prior to initiating any process requiring the use or storage of, or generating, on or adjacent to the leased premises, Hazardous Substances, the District covenants and agrees to obtain the City's prior approval. The City may consider approving the specific use, but only after the District demonstrates to the satisfaction of the City that District has all necessary permits for operation and a Hazardous Substances emergency response plan.

The District agrees to cooperate in any environmental audits conducted by the City's staff or independent third parties. The District agrees to provide the City with notice of every governmental inspection of the imaged Premises, notice of violation, and order to clean up contamination, within five (5) days after the receipt there of by the District. The District agrees to permit the City to participate in all settlement or abatement discussions. In the event the District fails to take remedial measures as stated in any final administrative or judicial order or decree signed by a state, federal, or local regulatory agency within 90 days of such order or decree, the City may elect to perform

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such work, and the District covenants and agrees to reimburse the City for all direct and indirect costs associated with the City's work.

The District further agrees to retain any and all liabilities arising from the off-site disposal, handling, treatment, storage, or transportation of any Hazardous Substances, including petroleum products, removed from the Premises.

The indemnities, other duties, and obligations provided for in this Article shall survive the expiration or termination of this Sublease.

#### 17. DAMAGE OR DESTRUCTION.

In the event that the Premises (a) are damaged by fire, earthquake, act of war, or other extraordin casualty to such an extent as to render them untenantable in whole or in substantial part; or (b) destroyed, the City shall not be obligated to rebuild the Premises nor to compensate the District any loss occasioned thereby. The District will not be liable for any loss, damage, or destruction the Premises, except loss, damage, or destruction caused directly by the waste, willful or negliaction of the District, or failure of the District to perform its obligations under this Suble, provided, however, that in no event shall the District be liable for any loss, damage, or destruction of the south wing of Building 9). The City shall not be obligated to restore the functionality of the Premises in the event of loss, damage, or destruction.

#### 18. MANAGEMENT AND OPERATION.

- 18.1. Management and Operating Plan: The District agrees to enforce as to its students allowed on the Premises, the District's written policy concerning Student Rights and Responsibilities, and to itself observe, and to cause its sublessees and other persons allowed on the Premises to observe, such reasonable rules and regulations governing the Premises as the City may promulgate from time to time. The District shall at all times operate the Premises in compliance with a Management and Operating Plan ("MOP") approved by the Director. The District shall submit a draft MOP to the Director and Committee for review no later than April 15, 1997. The MOP shall contain the elements described in the attached Exhibit E. The District shall make such additions and modifications to the MOP as the Director shall request within 21 days of receipt of such draft, and shall submit its final MOP no later than June 30, 1997. Nothing in the MOP shall modify any of the terms of this Sublease, and in the case of conflict, this Sublease shall be controlling.
- 18.2. Annual Update to MOP: The District shall prepare an update to its MOP covering the intended operations on the Premises for the 1998-99 school year, for submittal to the Director and the Committee for review and comment no later than March 1, 1998. The District shall make such additions and modifications to the annual update as the Director shall request within 21 days, and shall submit a final MOP update acceptable to the Director no later than April 15, 1998.

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18.3. <u>Security</u>: The District shall provide or cause to be provided all security services it deems appropriate for the security and safety of all students, invitees and licensees to the Premises, consistent with standard District practices and policies for high schools throughout The City of Seattle.

#### 19. COMPLIANCE WITH LAW.

- 19.1. General Requirement: This Sublease shall be construed under and governed by, and the District, at its sole cost and expense, shall comply with, ail applicable laws of the United States of America, the State of Washington and the Charter and ordinances of The City of Seattle, as well as all Codes, rules and regulations of any such governmental entity including environmental, occupational safety and health, and coastal requirements.
- 19.2. Licenses and Similar Authorizations: The District, at no expense to the City, shall secure and maintain in full force and effect during the term of this Sublease, any and emecessary licenses, permits, regulatory approvals and similar legal authorizations required for the operation, use and development of the Premises, from all relevant authorities, including without limitation any permits from the City's Department of Construction and Land Use, and shall comply with all lawful requirements thereof. Nothing herein shall be construed as assurance that any such approvals will be granted or that the City, as the City, will grant consents, approvals or modifications hereunder for the purpose of compliance with the conditions of any permit, approval, license or funding agreement sought or obtained by the District.
- 19.3. Equal Employment Opportunity and Nondiscrimination: The District shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington. and The City of Seattle, including the Seattle Municipal Code ("SMC"), notably SMC Ch. 20.44, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.
- 19.4. Women's & Minority Business Enterprise Utilization: The terms and conditions of this Sublease shall be administered by the District consistent with the District's policies regarding women's and minority business enterprises.
- 19.5. <u>Lead-Based Paint</u>: The District shall comply with all requirements of applicable laws and regulations with regard to use and disposal of lead-based paint. Without limiting the foregoing, the District shall comply with all provisions contained in 24 CFR Part 35, including regulations promulgated at 61 Federal Register 9063 et seq., with regard to disclosure of information concerning lead-based paint.

#### 20. ACQUISITION OF FEE TITLE BY CITY.

In the event the City acquires fee title to any portion of the Premises during the Term of this Sublease, the Sublease shall, without the necessity for further action by the parties, the converted into a lease and shall continue in full force and effect. The District agrees that such lease shall be subject to and that it will comply with, any and all deed or other restrictions which may be imposed by the United States in connection with such conveyance.

#### 21. LIENS.

If, because of any act or omission of the District or any of its sublessees, any mechanic or other lien or order for payment of money shall be filed against the Premises or the improvements, the District shall at its sole expense cause the same to be discharged or bonded within thirty (30) days after the date of such filing.

#### 22. LEGAL LIABILITY.

- 22.1. <u>District Indemnification</u>: The District hereby assumes the indemnification and hold harmless obligations of the City to the United States under paragraph 18 of the Master Lease. The District shall also indemnify and hold the City, its agents and employees, harmless from all claims, suits, losses, damages, fines, penalties, liabilities and expenses resulting from any actual or alleged injury (including death) of any person or from any actual or alleged loss of or damage to, any property arising out of or in connection with the District's occupation or use of the Premises.
- 22.2. <u>City Indemnification</u>: Notwithstanding any provision of this Sublease to the contrary, the City shall indemnify and hold the District, its agents and employees, harmless from all claims, suits, losses, damages, fines, penalties, liabilities and expenses resulting from any actual or alleged injury (including death) of any person or from any actual or alleged loss of or damage to, any property arising out of or in connection with the City's occupation or use of Sand Point.
- 22.3. Waiver of Immunity: Solely with respect to claims for indemnification under this Sublease, each party waives as to the other, only, its immunity under Title 51 RCW. The City and the District acknowledge that the indemnification provisions of this Article 21 were specifically negotiated and agreed upon by them.
- 22.4. <u>Survival of Provision</u>: This indemnity with respect to acts or omissions during the term of this Sublease shall survive termination or expiration of this Sublease.
- 22.5. Waiver and Release: In the event of any administrative or legal challenge to this Sublease or to the uses or development authorized by this Sublease, including any regulatory permits required for such use or development, the District waives any cause of action for damages against the City arising from the application or administration of applicable laws.

22.6. <u>Assumption of Risk</u>: The placement and storage of personal property on the Premises shall be the responsibility, and at the sole risk, of the District.

#### 23. INSURANCE AND BONDS.

- 23.1. <u>Insurance Requirements</u>: The District shall comply and shall ensure that each of its contractors complies with the insurance requirements set forth in paragraph 5 of the Master Lease. In addition, whenever any renovation or construction activity is in process on the Premises, the District shall ensure that each of its contractors maintain continuously, at no cost to the City, the insurance described in Exhibit J hereto. The District shall provide the City and the United States, at the address shown in Section 23.2, not less than thirty (30) days' prior written notice of any anticipated termination, ection or material change of the insurance required hereunder.
- 23.2. Evidence of Insurance: The Ollowing documents must be delivered to the Director and to the City's Risk Manager as evidence of insurance coverage prior to the District occupying the Premises or commencing any work thereon:
  - (a) A copy of the policy's declarations pages, showing the insuring company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements.
  - (b) A copy of the endorsement naming The City of Seattle and the United States as Additional Insureds, showing the policy number, and signed by an authorized representative of the insurance company.
  - (c) A copy of the "Endorsements Form List" to the policy or policies showing endorsements issued on the policy, and including full copies of any company-specific or manuscript endorsements.

The District shall also cause to be delivered promptly to the United States a certificate of insurance evidencing the insurance required by this Sublease to:

United States of America Commanding Officer Engineering Field Activity, Northwest (Code 24) Naval Facilities Engineering Command 19917 7th Avenue NE Poulsbo, WA 98370-7570

- 23.3. <u>Self-Insurance</u>: The District shall provide the City with a letter from the District's corporate risk manager or appropriate financial efficer providing evidence of self-insurance and stating if actuarially funded and if so, the fund limits. Such letter shall enclose copics of any excess insurance declaration pages meeting the requirements of Section 23.1 of this Sublease.
- 23.4. Contractors' Bonds: The District shall require each contractor employed by it to perform any construction work on or to the Premises to secure and maintain, at no cost to the City, the performance and payment bonds described in Exhibit J hereto.

#### 24. DEFAULT AND TERMINATION.

- 24.1. Default: Cure Periods, Termination: In the event the City is notified by the United States of its intent to terminate the Master Lease in accordance with subparagraph 6.a thereof, the City shall give a copy of such notice to the District at the address shown below within 48 hours of the City's receipt thereof, and the District shall be bound by and shall comply with all obligations of the City contained in the notice and in the Master Lease, and this Sublease shall terminate on the date set forth in such notice; provided, however, that if the notice to terminate is predicated upon a default by the City of its obligations under the Master Lease, then with the City's consent and upon such terms as are agreeable to the parties and to the United States, the District shall have the right to cure such default. In addition, the District's failure to comply with any term or provision of this Sublease shall be a default, and if such default shall continue, after notice from the City specifically identifying the nature of the default, for a period of thirty (30) days, or such longer period as
  - (i) may be specified by another applicable Section of this Sublease, or
  - (ii) may be reasonably required to cure the default, if the District commences cure within said thirty day period and covenants to diligently complete same within a total period of 120 days,

then the City shall have the right, at the City's option, to terminate this Sublease or any extension of it, as well as all right, title and interest of the District thereunder by giving the District at least ninety (90) days notice in writing of said termination. Upon the expiration of the date and time fixed in the notice of termination, all right, title and interest of the District under this Sublease, and unless otherwise directed by the City all rights of the Districts, shall wholly cease and expire. The District shall then immediately surrender to the City the Premises and all improvements and Personal Property, as more fully set forth in Article 29.

- 24.2. <u>Partial Termination</u>: The City may, in its sole discretion, exercise its rights of termination under this Article as to one or more Buildings rather than as to the entire Premises. In such case the Sublease shall remain in full force and effect with respect to all portions of the Premises except those Parcels expressly designated by the City in the notice of termination.
- 24.3. <u>Remedies Cumulative</u>: The remedies under this Article 24 are in addition to, and not in limitation of, any other remedies provided in this Sublease.

## 25. SUBJECTION TO EXISTING AND FUTURE EASEMENTS AND RIGHTS OF WAY.

This Sublease is subject to all outstarding easements and rights of way identified on Exhibit A of the Master Lease for location of any type of facility over, across, in and upon the Premises, or any portion thereof, and to the right of the United States and of the City to grant such additional easements and rights of way over, across, in and upon the Premises as they shall determine to be in the public interest; provided, that any such additional easement or right of way shall be conditioned on the assumption by the grantee thereof of liability to the District for such damages as the District shall suffer for property destroyed or property rendered unusable on shount of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights of way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located thereon pursuant to the terms of such easements, and to any Federal, State or local official engaged in the official inspection thereof, such reasonable rights of it gress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

#### 26. RIGHTS RESERVED BY CITY.

The City reserves the right to enter into the Buildings and, with reasonable advance notice to the District, and to use any portion of the Premises for any purpose not inconsistent with the use and operation of the Premises by the District, including without limitation the rights:

- (a) To construct, install, maintain, use, and/or modify -- across, under and over the Premises -- streets, rocals, sidewalks, bicycle paths, utility lines and poles, and facilities of all kinds related to any of the foregoing.
- (b) To install, maintain, remove, or modify any and all landscaping, trees, skrabs, signs, fences, and accessory structures of any kind.

The rights reserved hereunder may be transferred by the City wholly or in past to any private or public parties, whether or not in connection with the transfer of a fee interest in the Premises or any part thereof, and shall be exercised in such manner as does not unreasonably interfere with the District's access to and use of the Buildings on the Premises.

#### 27. REIMBURSEMENT.

In the event the City elects to reimburse the District for the Angeoved Coats for Renovation of Building 9 as provided in Section 13.5 of thi. Subleme and the District imbsequently obtains title to Building 9 by any process, then, within thirty (30) days after acquiring such title, it shall reimburse the City for all amounts paid to the District pursuant to Section 13.5 hereof, plus interest at the rate of Lighteen (18%) per cent per annum for the period of time the City was without the use of its funds.

#### 28. SUBLEASES AND ASSIGNMENTS.

The District shall not enter into any sublease of the Premises or any portion thereof or any assignment of any interest in this Sublease, whether long- or short-term in nature, without the written consent of the City and of the United States, consistent with the provisions of paragraph 27 of the Master Lease.

#### 29. SURRENDER.

Upon the expiration of this Sublease or its prior termination, the District shall surrender the Premises, including all improvements, alterations, changes and additions thereto, in good repair, good order and in a clean and safe condition. If so requested by the City, the District shall convey to the City by special warranty deed all improvements, subject only to such encumbrances and subleases as shall have been specifically approved in writing by the City and the United States. On or before such date the District shall deliver to the City (a) all keys to any structures, fixtures or Personal Property on the Premises; (b) all plans, blueprints, surveys, diagrams, subleases, contracts and documents relating to the Premises or the improvements; and (c) all security deposits, prepaid rent and any other deposits from sublessees still in possession (but nothing herein shall be construed as the City's consent to any such continued possession), and the balances in reserve accounts maintained for the Premises or improvements pursuant to any grant agreem . Ioan documents, or other financing or subsidy arrangements for the Premises or any improveme. s. The Listrict, on or before said termination date, shall remove from the Premises all of the District's personal property other than Personal Property as defined in Article 1 hereof. All property not removed by the District shall be deemed to have been abandoned by the District and may be appropriated, sold, stored, destroyed or otherwise disposed of by the City without notice to the District and without obligation to account therefor. If the Sublease shall be terminated as a portion of the Premises then this Article shall apply to such portion and all improvements thereon, together with all related Personal Property.

#### 30. CITY'S CONSENT OR APPROVAL.

Whenever the City's consent or approval in writing to any act to be performed by the District is required under the Sublease (a) the District must obtain a consent or approval in writing expressly for purposes of this Sublease, regardless of whether a consent or approval shall have been granted by the City in its regulatory, public utility, or other capacity; and (b) unless otherwise expressly stated herein, such consent or approval may be withheld in the City's sole and absolute discretion. In any case in which it is stated that the City's consent or approval shall not be unreasonably withheld, the District agrees that valid reasons for withholding consent or approval shall include the City's good faith desire to maintain or ensure compliance with any law, regulation, ordinance, the City's Comprehensive Plan or any term or condition of the Master Lease.

No permission, consent, or approval of the City contained herein or given pursuant to this Sublease is, or shall be construed as, a representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or Codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing.

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#### 31. RELATIONSHIP.

In no event shall the City be construed or held to have become in any way or for any purpose a partner, associate, or joint venturer of the District or any party associated with the District in the conduct of the District's business or otherwise. This Sublease does not make the District the agent or legal representative of the City for any purpose whatsoever.

#### 32. AMENDMENTS.

The parties hereto expressly reserve the right to renegotiate and change the provisions of this Sublease from time to time as may be necessary. No alteration or modification of the terms or conditions of this Sublease shall be valid and binding unless made in writing and signed by the authorized representatives of the parties hereto.

#### 33. NO WAIVER OF DEFAULT.

The City does not waive full compliance with the terms and conditions of this Sublease by acceptance of the rental equivalent. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants and conditions of this Sublease to be performed, kept and observed by the other party.

#### 34. BINDING EFFECT.

This Sublease shall be binding upon the successors and assigns of the parties hereto.

#### 35. NEGOTIATED AGREEMENT.

The parties to this Sublease acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Sublease reviewed by their respective legal counsel, and that the terms and conditions of this Sublease are not to be construed against any party on the basis of such party's draftsmanship thereof.

#### 36. NOTICE.

Any notice to be given by either party to the other shall be in writing and shall be hand-delivered to the respective parties at the addresses below, or deposited in the United States mail, postage prepaid, addressed as follows:

If to the City:

Office of Management and Planning
c/o Sand Point Director

600 Fourth Avenue, Suite 300

Seattle, WA 98104

If to the District:

Notices shall be deemed to have been received by the parties three (3) days after mailing or upon actual delivery, whichever first occurs. The parties, by notice given, may designate any further or different addresses to which subsequent notices or other communications shall be sent.

#### 37. CAPTIONS.

The headings of the various Articles and Sections of this Sublease are for convenience only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions herein.

#### 38. INVALIDITY OF PROVISIONS.

Should any term, provision, condition or other portion  $o_k$  u is Sublease be held to be inoperative, invalid, or void, the same shall not affect any other term, provision, condition or other portion of this Sublease, and the remainder of this Sublease shall be effective as if such term, provision, condition, or portion were not a part hereof.

#### 39. APPLICABLE LAW.

This Sublease shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any legal action under the Sublease shall be King County Superior Court.

#### 40. AGREEMENT CONTENTS.

This Sublease, including all exhibits and attachments hereto, embodies the entire agreement and understanding between the parties with respect to the sublease of the Premises and supersedes all other understandings or agreements, written or oral, between the parties relating to the subject matter of this Subleace.

### 41. RECORDING OF AGREEMENT.

The parties agree that a memorandum of this Sublease substantially in the form of Exhibit I, attached, shall be recorded in the office of the King County Recorder, informing the public that a copy of the Sublease can be found in the Office of the City Clerk of The City of Seattle.

Approved Version - February 21, 1997

Signed	;		
THE C	CITY OF SEATTLE		THE SEATTLE SCHOOL DISTRICT
Ву:	Signature Thomas M. Tierney, Jr. Director, Office of Management and Planning	Ву	Signature John Stanford Superintendent of the Seattle Schools
Date:		Date:	

OTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

	Approved Version - February 21, 1997
CITY ACKNOWLEDGMENT	
STATE OF WASHINGTON )	
COUNTY OF KING ) ss.	
Public in and for the State of Wa	, 19, before me, the undersigned, a Notary ashington, duly commissioned and sworn, personally appeared to known to be the Director of Management and Planning for The
City of Seattle, the municipal corp acknowledged the said instrument	to be the Director of Wallagement and Flamming for The coration that executed the within and foregoing instrument, and to be the free and voluntary act and deed of said municipal ses therein mentioned, and on oath stated that he was authorized
WITNESS my hand and off written.	icial seal hereto affixed the day and year in this certificate above
	NOTARY PUBLIC in and for the State
	of Washington, residing at
	My commission expires: Print Name:

SEATTLE SCHOOL I	DISTRICT ACKNOWLEDGMENT	
STATE OF WASHING		
COUNTY OF KING	) ss. )	
JOHN STANFORD, the municipal corporat said instrument to be t	day of, 19, before me, the undersigned, a State of Washington, duly commissioned and sworn, personally a to me known to be the Superintendent of the Seattle Public Schools ion that executed the within and foregoing instrument, and acknowled the free and voluntary act and deed of said municipal corporation, for mentioned, and on oath stated that he was authorized to execute the state of the said municipal corporation.	Seattle, lged the the uses
WITNESS my written.	hand and official seal hereto affixed the day and year in this certificat	e above
	NOTARY PUBLIC in and for the State of Washington, residing at	

Approved Version - February 21, 1997

### List of Exhibits:

- A. Diagram of Sand Point Property
- B. Legal Description
- Master Lease
- C. D. Joint Inspection Report
- E. Elements of Management and Operating Plan
- F. Lead-based Paint Disclosure Document
- G. Infrastructure Upgrades and Site Improvements to be performed by the City
- H.

CB 111538 And 118515

De Furned Un Signed

TICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

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SPONSORSHIP	
THE ATTACHED DOCUMENT IS SPONSORED FOR THE MEMBER(S) OF THE CITY COUNCIL WHOSE	
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FOR CITY COUNCIL PRESIDENT USE ON	ĒĀ.
COMMITTEE(S) REFERRED TO:	
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PRESID	ENT'S SIGNATURE
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## STATE OF WASHINGTON - KING COUNTY

78382 City of Seattle, City Clerk

City of Seattle

No.

ORDINANCE TI

## Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CTOT:118515

was published on 03/19/97

The amount of the fee e ... ged for the foregoing publication is the sum of \$ nt has been paid in full. 03/19/97<sup>Sub</sup> Notary Public for the State of Washington,

residing in Seattle

Affidavit of Publication