ORDINANCE No. 121616

# COUNCIL BILL No. 1150 25

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the execution of a two-year concession agreement with Consolidated Restaurants, Inc. to operate a restaurant at the Seattle Aquarium on Pier 59.

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Introduced: SEP 1 3 2004	By: DELLA
Referred: SEP 1 3 2004	To: Parks, Neighborhoods
Referred:	То:
Referred:	To:
Reported:	Second Reading:
10-4-04	
Third Reading:	Signed:
10-4-04	10-4-04
Presented to Mayor:	Approved:
Returned to City Clerk:	Published: Little 2pp
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

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Honorable President:	
Your Committee on	
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Honorable President:		
Your Committee on		
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John Braden/JB DPR Consolidated Restaurants ORD 8/30/2004 version #1

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# ORDINANCE 121616

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the execution of a two-year concession agreement with Consolidated Restaurants, Inc. to operate a restaurant at the Seattle Aquarium on Pier 59.

WHEREAS, the operation of a restaurant at Pier 59 provides an important service to Aquarium visitors and generates revenue for Aquarium operations; and

WHEREAS, Consolidated Restaurants, Inc. has operated the Steamers Restaurant since 1977 and the Department of Parks and Recreation desires to continue the operation of the restaurant for at least a twenty (20) month period; and

WHEREAS, Consolidated Restaurants, Inc. has agreed to all terms and conditions established by the Department; and

WHEREAS, the Department wishes to execute and finalize this Concession Agreement with Consolidated Restaurants, Inc.; NOW THEREFORE,

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

Section 1. The Superintendent of Parks and Recreation, or his designee, is hereby authorized on behalf of the City of Seattle to execute a two (2) year Concession Agreement, substantially in the form of Attachment 1 to this ordinance, with Consolidated Restaurants, Inc.

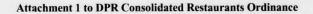
Section 2. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.



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

John Braden/JB DPR Consolidate 8/30/2004 version #1 Section 3. 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. Passed by the City Council the 4th day of October, 2004, and signed by me in open session in authentication of its passage this ut day of October, 2004. (Seal) Attachment 1: Pier 59 Concession Agreement Between the City of Seattle as Landlord and Consolidated Restaurants, Inc. as Tenant 

CITY



PIER 59 CONCESSION AGREEMENT
BETWEEN
THE CITY OF SEATTLE
AS LANDLORD
AND
CONSOLIDATED RESTAURANTS, INC.
AS TENANT

Attachment 1



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# PIER 59 CONCESSION AGREEMENT BETWEEN THE CITY OF SEATTLE AS LANDLORD AND CONSOLIDATED RESTAURANTS, INC. AS TENANT

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### PIER 59 CONCESSION AGREEMENT

THIS PIER 59 CONCESSION AGREEMENT ("Lease") is entered into by and between **THE CITY OF SEATTLE** ("Landlord"), a city of the first class of the State of Washington and **CONSOLIDATED RESTAURANTS, INC.** ("Tenant"), a corporation organized under the laws of the State of Washington.

#### RECITALS

WHEREAS, on or about January 18, 1979, the parties executed that certain document titled "Department of Parks and Recreation Concession Agreement" which the parties amended over the years; and the document, as amended ("Original Agreement"), states the terms and conditions under which Tenant would provide concessions services at Pier 59; and

WHEREAS, the Original Agreement expires December 31, 2003; and

WHEREAS, the parties wish to continue their relationship for a period of at least two years:

Now Therefore, Landlord and Tenant covenant and agree as follows:

- <u>Lease Data; Exhibits</u>. The following terms shall have the following meanings, except as otherwise specifically modified in this Lease:
  - A. <u>Building</u>: Pier 59 Pier Shed, 1483 Alaskan Way, Seattle, King County, Washington 98101, situated on real property described more particularly in Subsection 2.A.
  - B. <u>Premises</u>: A rentable area consisting of approximately 3,997 Rentable Square Feet as illustrated on the floor plan of the Building attached hereto as <u>Exhibit A</u> (the "Floor Plan of Premises").
  - C. <u>Estimated Commencement Date</u>: January 1, 2004.
  - Expiration Date: December 31, 2005, unless sooner terminated pursuant to the terms of this Lease.
  - E. Rent: Tenant shall pay (1.) Percentage Rent and (2.) Additional Charges.
    - 1. <u>Percentage Rent.</u> Tenant shall pay Landlord Percentage Rent in accordance with the terms of Section 4.



Percentage Rent. Percentage Rent is 5.36% of Tenant's Gross Receipts from the previous calendar month.

Gross Receipts means the value proceeding or accruing from the sale of foods, services, and business transactions of every kind occurring on the Premises without any deduction for costs of products sold, material used, labor, or other expenses whatsoever paid or accrued. It excludes monies collected from the purchaser of foods services and goods as Washington State Sales Taxes, or other excise taxes imposed by any government directly on sales or services to be charged the consumer although collected by the seller.

"Gross Receipts" also excludes the following: the value of coupons redeemed by Tenant's customers and other discounts, allowances and refunds to Tenant's customers; the insurance proceeds received by Tenant with respect to damaged goods; the value of meals furnished by Tenant to its employees, to the extent provided without cost to such employees; the proceeds received by Tenant from the sale of furniture, fixtures, and equipment; transfers of merchandise between Tenant's restaurants; and credits given to customers for the redemption of gift certificates at the Premises, if the gift certificates were sold elsewhere.

- Additional Charges. Whether or not so designated, all other sums due from Tenant under this Lease, including but in no way limited to leasehold excise taxes, shall constitute Additional Charges, payable when specified in this Lease, and if not so specified, within ten (10) days of demand therefore.
- F. Security Deposit: None required.
- G. Parking: None provided.
- H. <u>Use of Premises ("Permitted Use")</u>: Tenant shall use the Premises as is in the opinion of the Superintendent of the Department of Parks and Recreation of the City of Seattle compatible with the use of Pier 59 for parks and recreation purposes. As set forth in the previous sentence, the Premises shall only be used by Tenant as a self service, fast food, sit down restaurant, to be called "Steamers Seafood Cafe" offering a menu approved by Landlord. Tenant shall sell nothing other than approved menu items unless first approved by Landlord in writing. The menu may



include no alcoholic beverages other than beer and wine. The sit down restaurant shall seat at least eighty (80) people at a time. Tenant shall assume all responsibility for obtaining and maintaining all applicable licenses (including but not limited to applicable liquor licenses) necessary for its operations and paying all associated costs and expenses. The Premises shall be used for no other purpose without the prior written consent of the Superintendent of the Department of Parks and Recreation of The City of Seattle. Tenant's use of the Premises is subject to the Landlord's reserved and retained right of review and approval.

#### I. Notice Addresses:

To Landlord:

The Seattle Aquarium The City of Seattle

Department of Parks and Recreation Attention Aquarium Director 1483 Alaskan Way Pier 59 Seattle, WA 98101

To Tenant:

Consolidated Restaurants, Inc. 814 2<sup>nd</sup> Avenue Suite 400 Seattle, WA 98104-1529

J. <u>Exhibits</u>: The following exhibits are made a part of this Lease:

Exhibit A - Floor Plan of Premises.

Exhibit B - Intentionally Omitted

Exhibit C - Rules and Regulations.

Exhibit D - List of Tenant's Equipment

#### 2. Premises.

A. Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain premises (the "Premises") having the Rentable Area referenced in Section 1. The Premises are part of the Building which is located on and includes the real property described as follows:

That portion of the harbor area in front of Lots 1 and 2, portion of Lot 3, Block 176, and the south 20 feet o vacated Pike Street, Supplemental Maps of Seattle Tide Lands, included in a tract described as follows:

Beginning at point 8', being an angle point in the inner harbor line and running thence S 25° 21' 48" E 128.307 feet, along said inner harbor line, thence west 378.111 feet to the outer harbor line,



thence N 48° 49' 51" W 218.603 feet along said outer harbor line, thence E 455.730 feet to the inner harbor line and thence S 48° 49' 51" E 42.48 feet along said inner harbor line to said point of beginning.

All as shown upon the Supplemental Maps of Seattle Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

- B. <u>Condition</u>. The Premises are leased by Landlord and accepted by Tenant in an "as is" condition.
- C. <u>Common Areas</u>. During the Lease Term, Tenant and its licensees, invitees, customers and employees shall have the non-exclusive right to use the Building lobbies, stairs, corridors, restrooms and other public areas of the Building (the "Common Areas") in common with Landlord, other Building tenants and their respective licensees, invitees, customers and employees. Landlord shall at all times have exclusive control and management of the Common Areas and no diminution thereof shall be deemed a constructive or actual eviction or entitle Tenant to compensation or a reduction or abatement of rent.
- D. Alterations. Landlord, in its discretion, may increase, decrease or change the number, locations and dimensions of any hallways, lobby areas, Common Areas and other improvements shown on Exhibit A that are not within the Premises. Such increase, decrease, or change shall not materially interfere with Tenant's business as permitted in Section 1.H. Permitted Use. Landlord reserves the right from time to time (i) to install, use, maintain, repair, relocate and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to the Premises or to other parts of the Building in areas below the floor surfaces, within the walls, and in areas of the Building within the Premises and elsewhere in the Building; (ii) to alter or expand the Building; and (iii) to alter, relocate or substitute any of the Common Areas.
- 3. <u>Lease Term</u>. This Lease shall be for a term ("Lease Term") beginning on the Commencement Date specified in Subsection 1.C and ending on the Expiration Date specified in Subsection 1.D, unless the Lease Term is terminated earlier in accordance with the provisions of this Lease. The Lease Term may be extended upon mutual agreement of the parties. Landlord holds the option to terminate the Lease Term at any time on or after September 15, 2005, provided Landlord has given Tenant thirty calendar days written notice, if Landlord determines the Premises are untenantable due to structural conditions including all or any portion of Pier 59.



4. Rent. Tenant shall pay to Landlord at the address and to the account specified by Landlord, without notice or demand or any setoff or deduction whatsoever, in lawful money of the United States:

On or before the tenth (10<sup>th</sup>) calendar day of each month, the Percentage Rent as specified in Subsection 1.E. The first payment shall be due February 10, 2004, and the last payment shall be due January 10, 2006.

Notwithstanding the above, the amount paid to Landlord as Percentage Rent during each calendar year of the Lease Term shall not be less than forty six thousand dollars (\$46,000.00) (the "Annual Minimum"). If the Percentage Rent paid during a calendar year is less than the Annual Minimum, then within ten days of demand therefore, Tenant shall remit the difference to Landlord.

Tenant shall further pay to Landlord Additional Charges as and when specified elsewhere in this Lease, but if not specified, then within ten (10) days after demand. As an Additional Charge tenant shall pay to Landlord on the tenth (10<sup>th</sup>) of each calendar month leasehold excise taxes.

As reasonably determined by Landlord, Additional Charges shall be prorated on a daily basis for any partial month within the Lease Term. The Annual Minimum shall be prorated on a monthly basis for any partial calendar year within the Lease Term, with any partial calendar month treated as a full month of tenancy.

- 5. <u>Late Charge; Interest.</u> If Tenant fails to pay any Base Rent or Additional Charge due hereunder within ten (10) days after the due date, a late charge equal to five percent (5%) of the unpaid amount shall be assessed and be immediately due and payable. In addition, interest shall accrue at the rate of the Prime Rate plus five percent (5%) per annum on any Base Rent or Additional Charge that is not paid when due. If Tenant defaults in making any payment of Base Rent or Additional Charges, Landlord shall have the right to require that subsequent Base Rent or Additional Charges payments be made by cashiers or certified check.
- 6. Security Deposit. Tenant shall, within two (2) business days after receiving a fully executed copy of this Lease, deposit with Landlord the sum specified in Subsection 1.F of this Lease. This sum shall belong to Landlord and shall constitute partial consideration for the execution of this Lease, subject only to repayment when required in this section. Landlord shall pay Tenant the remaining balance thereof, without any liability for interest thereon, within thirty (30) days after the expiration or prior termination of the Lease Term, or any extension thereof, if and only if Tenant has fully performed all of its obligations under the terms of this Lease. Landlord shall be entitled to withdraw from the deposit the amount of any unpaid Base Rent or Additional Charges or other amounts not paid to Landlord when due, and Tenant shall immediately redeposit an amount equal to that so withdrawn within ten (10) days after the Landlord's demand therefore.



#### 7. Tenant's Operations

- Use of Premises. Tenant shall use the Premises only for the Section 1.H Permitted Use. As Landlord's willingness to enter into this Lease with Tenant was predicated, in part, on the nature of Tenant's business, and the compatibility of such business with other tenants in the Building, Tenant shall not use or permit the use of the Premises for any other business, or purpose, or under any other name, without Landlord's prior written consent. Tenant shall promptly comply, at its sole cost and expense, with the Exhibit C rules and regulations and other such rules and regulations relating to the use of the Premises, Building and Common Areas as Landlord, from time to time, may promulgate. Any newly promulgated rules and regulations shall not materially interfere with Tenant's business as permitted in Section 1.H. Permitted Use. Tenant shall maintain the Premises in a clean, orderly and neat fashion to conform to the high standards of the Building, permitting no objectionable odors to be emitted from the Premises and shall neither commit waste nor permit any waste to be committed thereon. Tenant shall not permit any accumulation of trash on or about the Premises. Tenant shall not create or contribute to the creation of a nuisance in either the Premises or the Building, and Tenant shall not engage in or permit any action that will disturb the quiet enjoyment of any other tenant or occupant in the Building.
- B. Lawful Use; Compliance With Laws. Tenant shall not use or permit the Premises or any part thereof to be used for any purpose in violation of any municipal, county, state or federal law, ordinance or regulation, or for any purpose offensive to the standards of the community of which the Building is a part. Tenant shall promptly comply, at its sole cost and expense, with all laws, ordinances and regulations now in force or hereafter adopted relating to or affecting the condition, use or occupancy of the Premises (provided that Tenant shall not be responsible for maintaining in compliance with laws those portions of the Building that are Landlord's responsibility to maintain under terms of this Lease) including but not limited to 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.

"The Tenant agrees to comply with all state and local laws prohibiting discrimination with regard to creed, religion, race, age, color, sex, marital status, sexual orientation, gender identity, political ideology, ancestry,



national origin, or the presence of any sensory, mental or physical handicap."

"During the performance of this contract, the Tenant agrees as follows: "Tenant will not discriminate against any employee or applicant for employment because of creed, religion, race, age, color, sex, marital status, sexual orientation, gender identity, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification. Tenant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their creed, religion, race, age, color, sex, national origin, marital status, political ideology, ancestry, sexual orientation, gender identity or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Tenant agrees to post in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. Tenant will take affirmative action to ensure that all of its employees, agents and subcontractors adhere to these provisions; provided, nothing herein shall prevent an employer from giving preference in employment to members of his/her immediate family.

"Tenant will, upon the request of the Director (as used herein Director means the Director of Executive Administration, or his/her designee) furnish to the Director on such form as may be provided therefore, a report of the affirmative action taken by Tenant in implementing the terms of this provision, and will permit access to his records of employment, employment advertisements, application forms, other pertinent data and records requested by the Director for the purpose of investigation to determine compliance with these provisions.

"If, upon investigation, the Director determines that there is probable cause to believe that the Tenant has failed to comply with any of the terms of these provisions, the Tenant shall be so notified in writing. The contracting authority shall give Tenant an opportunity to be heard, after ten (10) days' notice. If the contracting authority concurs in the findings of the Director, it may suspend or terminate this lease (contract) and evict Tenant (terminate the contract) in accordance with law.

"Failure to comply with any of the terms of these provisions shall be material breach of this lease (contract).



- free and clear of, and shall indemnify, defend and hold Landlord harmless from, any and all, liens and encumbrances arising or growing out of any act or omission, or breach of this Lease or its use, improvement or occupancy of the Premises by Tenant or any of its principals, officers, employees or agents. If any lien is so filed against the Premises or Building. Tenant shall either cause the same to be fully discharged and released of record within ten (10) days after Landlord's demand therefore or within such period, provide Landlord with cash or other security acceptable to Landlord in an amount equal to one and one-half (11/2) times the amount of the claimed lien as security for its prompt removal. Landlord shall have the right to disburse such security to cause the removal of the lien if a judgment is entered against Tenant in the lien proceeding, if such lien causes difficulties for Landlord in connection with its financing of the Building, if Tenant is otherwise in default under this Lease or if Landlord otherwise deems such necessary, in Landlord's sole discretion.
- Hazardous Substances. Tenant shall not, without Landlord's prior written consent, keep on or about the Premises or Building any substance designated as, or containing any component now or hereafter designated as hazardous, dangerous, toxic or harmful and/or subject to regulation under any federal, state or local law, regulation or ordinance ("Hazardous Substances"), except customary office supplies and cleaning and dishwashing supplies in normal quantities handled in compliance with applicable laws. With respect to any Hazardous Substances stored with Landlord's consent, Tenant shall promptly, timely and completely comply with all governmental requirements for reporting and record keeping; submit to Landlord true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities; within five (5) days after Landlord's request therefore, provide evidence satisfactory to Landlord of Tenant's compliance with all applicable governmental rules, regulations and requirements; and comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of Hazardous Substances. Any and all costs incurred by Landlord and associated with Landlord's inspections of the Premises and Landlord's monitoring of Tenant's compliance with this Subsection 7.D, including Landlord's attorneys' fees and costs, shall be Additional Charges and shall be due and payable to Landlord within ten (10) days after Landlord's demand therefore. Tenant shall be fully and completely liable to Landlord for any

8 Attachment 1 to DPR Consolidated Restaurants ORD NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

and all cleanup costs and expenses and any and all other charges, expenses, fees, fines, penalties (both, civil and criminal) and costs imposed with respect to Tenant's use, disposal, transportation, generation and/or sale of Hazardous Substances in or about the Premises or Building. Tenant shall indemnify, defend and hold Landlord ("Lender") harmless from any and all of the costs, fees, penalties, charges and expenses assessed against, or imposed, upon Landlord, (as well as Landlord's attorneys' fees and costs) as a result of Tenant's use, disposal, transportation, generation and/or sale of Hazardous Substances.

#### 8. <u>Utilities</u>.

- A. General. Tenant shall be solely responsible for and shall pay when due and directly to the appropriate utility company all bills for telephone and all other separately metered utilities to the Premises, and shall reimburse Landlord for the cost of all other utilities provided to the Premises. Utilities include refuse collection, water, sewer, electricity, heat, air conditioning, fuel, light, and landscape maintenance.
- Refuse Collection. Tenant shall coordinate refuse collection for all of the tenants of Pier 59, including the Aquarium, subject to Landlord's continual right of review and approval. Landlord may choose at any time to take over coordination of refuse collection for all of the tenants of Pier 59. As long as Tenant coordinates refuse collection for all of the tenants, it shall also pay the refuse collection bills as they become due, subject to reimbursement from the other tenants for the cost of providing refuse collection to their respective premises. The tenants' and Tenant's respective shares of the cost of providing refuse collection to the premises and the Premises shall be reasonably determined by Landlord. Whether refuse collection for all of the tenants of Pier 59 is coordinated by Landlord or Tenant, Tenant shall be solely responsible for the cost of providing refuse collection to the Premises, which is deemed to be forty one percent (41%) of the cost of providing refuse collection to all of Pier 59. If, as a result of Tenant's activities, any pickup(s) and/or service is required in addition to that usually provided, then Tenant shall pay, in addition to its 41%, the cost of such additional pickup(s) and/or service unless otherwise mutually agreed by Landlord and Tenant in writing.
- C. <u>Trash Compactor</u>. On or before the tenth (10<sup>th</sup>) of each calendar month, Tenant shall pay Landlord as an Additional Charge two hundred sixty dollars (\$ 260.00) as Tenant's share of the cost of the trash compactor serving all tenants of Pier 59.



- D. <u>Security Systems</u>. Tenant shall supply, install, and maintain at its sole expense a security system which shall be operational during the term of this Lease in either of the following ways:
  - (a) by an ultrasonic detecting device system, or
  - (b) by a magnetic contact device system

either of which may be supplied by a third party and both of which are subject to the prior written approval of the Superintendent.

Interruption. Landlord shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption or failure of services due to any cause whatsoever, including, but not limited to, electrical surges, or from failure to make any repairs or perform any maintenance. No temporary interruption or failure of such services incident to the making of repairs, alterations or improvements or due to accident, strike or conditions or events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or to relieve Tenant from any of Tenant's obligations hereunder or to give Tenant a right of action against Landlord for damages. Tenant acknowledges its understanding that there will be Landlord-planned utility outages affecting the Building and that such outages may interfere, from time to time, with Tenant's use of the Premises. Landlord shall endeavor to provide Tenant with 48 hours prior notice of any Landlord-planned electricity outage in the Building but shall not be liable to Tenant for Landlord's failure to provide such notice. Landlord has no obligation to provide emergency or backup power to Tenant. The provision of emergency or backup power to the Premises or to enable the equipment therein to properly function shall be the sole responsibility of Tenant. If utilities are interrupted at the Premises due to the negligence of Landlord at the

Premises or Building, as opposed to the negligence of Seattle City Light off-site, then the Annual Minimum Rent of the year shall be abated for the duration of the disruption in the proportion that the number of days of the disruption bears to the number of days of the year.

9. <u>Licenses and Taxes</u>. Without any deduction or offset whatsoever, Tenant shall be liable for, and shall pay prior to delinquency, all taxes, license and excise fees and occupation taxes covering the business conducted on the Premises and all personal property taxes and other impositions levied with respect to all personal property located at the Premises; Tenant shall pay all fees, charges, or costs, for any governmental inspections or examinations relating to Tenant's use and occupancy of the Premises (if The City of Seattle is the governmental entity conducting the inspection in the ordinary course of City of Seattle business as is done for other non City owned locations, then Tenant shall pay all fees, charges,



or costs for inspections as normally conducted and charged), and pay all taxes on the leasehold interest created by this Agreement (e.g., leasehold excise taxes).

Delivery of Premises. Landlord shall deliver the Premises to Tenant in an "AS IS" condition.

#### 11. Care of Premises.

- A. 1. General Obligation. Tenant shall take good care of the Premises and shall reimburse Landlord for all damage done to the Premises that results from any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, including, but not limited to, cracking or breaking of glass.
  - 2. Common Restroom and Breezeway Maintenance Costs. On or before the tenth (10<sup>th</sup>) of each calendar month during 2004, Tenant shall pay Landlord one thousand five hundred ninety dollars (\$1,590.00) as an Additional Charge for Common Restroom and Breezeway Maintenance cost (i.e., an annual amount of \$19,080). Each year thereafter, Tenant's Common Restroom and Breezeway Maintenance cost shall increase as Landlord's costs increase.
  - 3. Custodial Service for Premises. Tenant shall at its own expense, at all times, keep the Premises and areas immediately adjacent thereto in a very neat, clean, safe, and sanitary condition; keep the glass of all windows and doors clean and presentable, and shall remove snow and ice. Tenant's snow and ice removal obligations shall not extend to the Common Areas. Tenant shall furnish all cleaning supplies and materials needed to operate the facility in the manner prescribed in this Agreement; Tenant shall provide all necessary janitorial service to adequately maintain the inside of the Premises using a company reasonably approved by Landlord. Tenant shall be responsible for keeping the sidewalks, boardwalks, and aprons immediately adjacent to the perimeter of the Premises free of litter and clean of spills resulting from Tenant's operations.

If, after Landlord provides verbal notice to Tenant of Tenant's failure to comply with this Section, Tenant fails to take good care of the Premises, Landlord, at its option, may do so, and in such event, upon receipt of written statements from Landlord, Tenant shall promptly pay the entire cost thereof as an Additional Charge. Landlord shall have the right to enter the Premises for such purposes. Landlord shall not be liable for interference with light, air or view. All normal repairs necessary to maintain the Building in a reasonable condition, as determined by Landlord, shall be performed under Landlord's direction and at its expense, except as otherwise provided herein. There shall be no abatement or

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reduction of rent arising by reason of Landlord's making of repairs, alterations or improvements.

- Prohibition Against Installation or Integration of Any Work of Visual Art on Premises Without Landlord's Consent. Landlord reserves to and for itself the right to approve or disapprove of the installation or integration on or in the Premises of any "work of visual art," as that term is defined in the Visual Artists Rights Act of 1990, as now existing or as later amended, and to approve or disapprove of each and every agreement regarding any such installation or integration. Tenant shall not install on or integrate into, or permit any other person or entity to install on or integrate into, the Premises any such work of visual art without the prior, express, written consent of Landlord. Landlord's consent to the installation of any such art work may be granted, granted upon one or more conditions, or withheld in Landlord's discretion; Provided, however, that Landlord's consent to the installation by or for Tenant of any such art work shall not be required under the following three (3) circumstances:
  - If such art work (a) weighs less than fifty (50) pounds; and (b) is of a size and has such dimensions and material composition that makes its passage through an open 32" x 78" or larger doorway a simple and easy maneuver; and (c) is to be installed on the floor, a piece of furniture, or similar surface without further anchoring of any kind or nature, or on a wall using no more than two (2) simple picture hooks and wire; all so that the easy removability from the Premises of such art work without its destruction, distortion, mutilation or other modification by reason of such removal is undeniable; or
  - If Tenant delivers to Landlord a waiver appropriately executed by the art work creator, for the benefit of Landlord and its successors and assigns as the owner of the Premises, of the creator's right of integrity regarding such art work, in a form of waiver that satisfies both Landlord and the requirements of 17 U.S.C. §106A(e), as the same now exists or is hereafter modified; or
  - If Landlord executes with the creator of a work of visual art to be installed in the Premises a consent agreement of the type contemplated by 17 U.S.C. §113(d)(1), as the same now exists or is hereafter amended, and in the form and manner specified by

In the event the creator of any work of visual art installed in the Premises by or for Tenant has not executed a waiver, or such creator and Landlord have not executed a consent agreement, each as described herein, Tenant shall ensure that, prior to removing or allowing the removal from the Premises of any such art work, such creator is given both notice, as

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contemplated in 17 U.S.C. §113(d)(2), of the intended removal of such art work, and the time required by that statutory provision to respond to such notice, and that Tenant takes whatever other action(s) may be required by such legislation to ensure that no claim, action or suit alleging a violation of the Visual Artists Rights Act of 1990, as now existing or hereafter amended, and arising out of any act or omission of or for Tenant or any of its officers, employees, or agents, is filed or lodged against Landlord in its capacity as the Premises owner.

Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990. Tenant shall protect, defend, and hold Landlord harmless from and against any and all claims, suits, actions or causes of action, damages and expenses (including attorneys' fees and costs) arising as a consequence of (a) the installation or integration of any work of visual art on or into the Premises; (b) the destruction, distortion, mutilation or other modification of the art work that results by reason of its removal; or (c) any breach of Subsection 13.B of this Lease; or (d) any violation of the Visual Artists Rights Act of 1990, as now existing or hereafter amended; by Tenant or any of its officers, en.ployees or agents This indemnification obligation shall exist regardless of whether Landlord or any other person employed by Landlord City has knowledge of such installation, integration, or removal or has consented to any such action or is not required to give prior consent to any such action. The indemnification obligation of this subsection shall survive the expiration or earlier termination of this Lease.

#### 12. Surrender of Premises.

At the expiration or sooner termination of the Lease General Matters. Term, Tenant shall return the Premises to Landlord in the same condition in which received (or, if altered, then the Premises shall be returned in such altered condition unless otherwise directed by Landlord), reasonable wear and tear excepted. Prior to such return, Tenant shall remove its moveable trade fixtures and appliances and equipment that have not been attached to the Premises, and shall repair any damage resulting from their removal. The parties agree that the items listed in Exhibit D are Tenant's moveable trade fixtures and appliances and equipment that have not been attached to the Premises. In no event shall Tenant remove floor coverings; heating, ventilating and air conditioning equipment; lighting equipment or fixtures; or floor, window or wall coverings unless otherwise specifically directed by Landlord in writing. Tenant's obligations under this Section shall survive the expiration or termination of this Lease. Tenant shall indemnify Landlord for all damages and losses suffered as a result of Tenant's failure to remove voice and data cables, wiring and communication lines and moveable trade fixtures and appliances and to redeliver the Premises on a timely basis.

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- B. Cable and Wiring. Notwithstanding any provision to the contrary in this Lease, on or by the respective Expiration Date for each portion of the Premises leased by Tenant, or if this Lease is terminated before the Expiration Date, within fifteen (15) days after the effective termination date, whichever is earlier, Tenant shall remove all voice and data communication and transmission cables and wiring installed by or for Tenant to serve any telephone, computer or other equipment located in that portion of the Premises, which wiring and cabling shall include all of the same located within the interior and exterior walls and through or above the ceiling or through or below the floor of such portion of the Premises or located in any Building equipment room, vertical or horizontal riser, raceway, conduit, channel, or opening connecting to the portion of the Premises to be vacated and surrendered to Landlord as of such Expiration Date or earlier termination date. Tenant shall leave the mud rings, face plates and floor boxes in place.
- 13. Waiver; Indemnification. Tenant shall indemnify and hold Landlord free and harmless from liability from any and all claims, demands, losses, of death, injury or disability of any person and/or damage to any property or business occurring on or about the Premises during Tenant's occupancy thereof, or arising, directly or indirectly, out of or suffered by any person by reason of or in connection with any actions or omissions of Tenant. In the event of a suit against Landlord, Tenant agrees to appear and defend the same, provided Tenant is timely notified of the suit. In the event judgment is rendered against Landlord, Tenant will cause the same to be satisfied within ninety (90) days after final determination thereof. Such indemnity shall include but not be limited to any liability as may arise or occur, or be alleged to arise or occur, from concurrent, contributing or joint actions or omissions of Tenant and Landlord.

Landlord, its employees and agents, shall not be liable for any injury or death to any persons(s) or for damage to any property, sustained or alleged to have been sustained by Tenant or others as a result of any of the following:

- (a) Any condition including existing or future defects in the Premises;
  - (b) Any occurrence whatsoever arising from or related in any way to the Premises, Tenant's use and occupancy of the Premises, or Tenant's use of property adjacent thereto; or
  - (c) Any actions of the public in or about the Premises.



All personal property on the Premises shall be at the risk of the Tenant and Landlord shall not be responsible therefore.

Tenant agrees that the foregoing indemnity specifically covers actions brought by its own employees. This indemnity with respect to acts or omissions during the Lease Term shall survive termination or expiration of this Lease. The foregoing indemnity is specifically and expressly intended to constitute a waiver of Tenant's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide Landlord with a full and complete indemnity. Tenant shall promptly notify Landlord of casualties or accidents occurring in or about the Premises. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF THIS SECTION 13 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

#### 14. Insurance.

#### A. Minimum Insurance to be Secured and Maintained

(1) Prior to the commencement of any Premises use under this Lease, Tenant shall secure and shall thereafter maintain, in full force and effect, at no expense to Landlord, and throughout the entire Lease Term, insurance as specified below:

#### (a) Commercial General Liability Insurance including:

Premises/Operations Liability
Products/Completed Operations Liability
Personal/Advertising Liability
Contractual Liability
Stop Gap/Employers Contingent Liability
Independent Contractors Liability
Liquor Liability/Host Liquor Liability
Fire Damage Legal Liability

Such policy(ies) must be endorsed as provided in Subsection 14.B(1) hereof and provide the following minimum limits:

\$2,000,000 each Occurrence Combined Single Limit
Bodily Injury and Property Damage
\$2,000,000 each Offense Personal and Advertising Injury
\$ 100,000 each Occurrence Fire Legal Liability



\$1,000,000 each Accident/ Disease - Each Employee Stop Gap

- (b) Business Automobile Liability including coverage for owned, non-owned, leased or hired vehicles with a minimum limit of \$2,000,000 each Occurrence Combined Single Limit Bodily Injury and Property Damage
- (c) Workers' Compensation securing Tenant's liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington; <u>Provided</u>, that if Tenant is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, Tenant shall certify that qualification by a letter that is signed by a corporate officer of Tenant and delivered to the Landlord that sets forth the limits of any policy of excess insurance covering its employees; and
- Property Insurance under which the Tenant's furniture, fixtures, equipment and inventory and all alterations, additions and improvements that Tenant makes to the Premises are insured throughout the Lease Term in an amount equal to the replacement cost thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss, not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises; (iv) loss from business interruption or extra expense, with sufficient coverage to provide for the payment of rent and other fixed costs during any interruption of Tenant's business. Landlord shall be named as a loss payee as respects property insurance covering alterations, additions and improvements under such policy.

Landlord shall insure the Building, Premises and Landlord's furniture, fixtures, equipment and inventory (exclusive of Tenant's furniture, fixtures, equipment and inventory and all alterations, additions and improvements that Tenant makes to the Premises) in an amount equal to the replacement cost 'Liereof, against the following hazards:

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(i) loss from the perils of fire and other risks of direct physical loss, not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; and(iii) loss or damage by explosion of steam boilers, pressure vessels, oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises.

#### B. General Requirements Regarding Tenant's Insurance

- (1) The insurance required by Subsections 14.A(1)(a) and (b) shall be endorsed to include the City of Seattle and its officers, elected officials, employees, agents and volunteers as additional insureds. The insurance required by Subsections 14.A(1)(a) and (b) shall be primary as respects Landlord; shall provide that any other insurance maintained by Landlord shall be excess and not contributing insurance with Tenant's insurance; and shall provide that such coverage shall not be reduced or canceled without forty-five (45) days' prior written notice to Landlord, except ten (10) days prior written notice to Landlord with respect to non-payment of premium, at its address as specified in or pursuant to Subsection 1.1 hereof.
- (2) All insurance policies required hereunder shall be subject to approval by the Landlord's Risk Manager as to company, form and coverage. All policies shall be issued by a company rated A-:VII or higher in the then-current A. M. Best's Key Rating Guide and licensed to do business in the State of Washington or issued as a surplus line by a Washington surplus lines broker.
- (3) Any deductible or self-insured retention in excess of \$10,000 must be disclosed to, and shall be subject to approval by, the Landlord's Risk Manager. The cost of any claim payments falling within the deductible shall be the responsibility of Tenant.
- (4) Coverage and/or limits may be altered or increased as necessary to reflect type of or exposure to risk. Landlord shall have the right to periodically review the appropriateness of such coverage and limits in view of inflation and/or changing industry conditions and to require an increase in such coverage or limits upon ninety (90) days' prior written notice; provided, Landlord shall not require an increase in such coverage or limits prior to December 31, 2005.



- C. Evidence of Insurance. The following documents must be delivered to the Landlord at its address as specified in or pursuant to Subsection 1.I hereof, as evidence of the insurance coverage secured and maintained by Tenant:
  - (1) On or before the Commencement Date, and thereafter, not later than five (5) days prior to the expiration or renewal date of each such policy:
    - (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 specifying all endorsements listed on the policy including any companyspecific or manuscript endorsements;
    - (b) A copy of the endorsement naming the City of Seattle and its officers, elected officials, employees, agents and volunteers as additional insureds (whether on ISO Form CG 20 26 or an equivalent additional insured or blanket additional insured policy wording), showing the policy number, and the original signature and printed name of the representative of the insurance company authorized to sign such endorsement;
    - (c) A copy of an endorsement stating that the coverages provided by such policy to Landlord or any other named insured shall not be terminated, reduced or otherwise materially changed without providing at least forty-five (45) days prior written notice to the Landlord, except ten (10) days prior written notice to Landlord with respect to non-payment of premium, at its address as specified in or provided pursuant to Subsection 1.1 hereof; and
    - (d) For the Commercial General liability and Business Automobile insurance to be secured and maintained pursuant to Subsection 14.A(1)(a) and (b) hereof, a copy of the "Separation of Insureds" or "Severability of Interests" clause in such policy.
  - (2) Pending receipt of the documentation specified in Subsection 14.C(1) hereof, a copy of a current complete binder. An Acord certificate of insurance will not be accepted in lieu thereof.
- D. <u>Reconstruction Following Loss</u>. Tenant shall proceed with reasonable diligence as soon as sufficient funds are available therefore, to prepare plans and specifications for, and thereafter to carry out, all work necessary



to repair and restore the alterations, additions and improvements that Tenant made to the Premises that is at least equivalent to, or more suitable than, the alterations, additions and improvements that were damaged or destroyed.

- Waiver of Subrogation. Landlord and Tenant waive all subrogation rights E. against each other, any contractors, architect, architects' consultants, service providers, and all of their respective subcontractors, for damage to or destruction of the Building, Premises and Landlord's and Tenant's furniture, fixtures, equipment and inventory to caused by fire or other perils to the extent such damages that exceed \$100,000, except such rights as they have to proceeds of such insurance held by Landlord and Tenant as fiduciaries. Tenant shall require a similar waiver from every contractor performing any work on the Premises. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid the insurance premium directly or indirectly, and whether or not the person or entity has an insurable interest in the property damaged unless such waiver would invalidate such property insurance.
- F. <u>Assumption of Risk</u> The placement and storage of its personal property in the Premises shall be the responsibility, and at the sole risk, of Tenant.
- Assignment or Sublease. Tenant shall not sublet or encumber the whole or any part of the Premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of Landlord. The granting of consent to a given transfer shall not constitute a waiver of the consent requirement as to future transfers. Any assignment or sublease, without Landlord's prior written consent, at Landlord's option, shall be void. No assignment or sublease shall release Tenant from primary liability hereunder. Each assignment and sublease shall be by an instrument in writing in form satisfactory to Landlord. If Tenant assigns its interest in this Lease or sublets the Premises, Tenant shall pay to Landlord any and all consideration received by Tenant for such assignment or sublease. If Tenant is a corporation, then any transfer of this Lease by merger, consolidation or liquidation, or any direct or indirect change, in the ownership of, or power to vote the majority of, Tenant's outstanding voting stock, shall constitute an assignment for the purposes of this Lease. If Tenant is a partnership, then a change in general partners in or voting or decision-making control of the partnership shall also constitute an assignment. Tenant shall also pay all legal fees and other costs incurred by Landlord in connection with Landlord's consideration of Tenant's request for approval of agnments or subleases,



including assignments for security purposes. Changes in ownership or power to vote the majority of Tenant's stock that result from death or estate planning transfers shall not be deemed to constitute an assignment.

- 16. Assignment by Landlord. If Landlord sells or otherwise transfers the Building, or if Landlord assigns its interest in this Lease, other than an assignment solely for security purposes or a transfer in foreclosure or a deed in lieu of foreclosure, such purchaser, transferee, or assignee thereof shall be deemed to have assumed Landlord's obligations under this Lease arising after the date of such transfer, and Landlord shall thereupon be relieved of all liabilities under this Lease arising thereafter, but this Lease shall otherwise remain in full force and effect. Tenant shall attorn to Landlord's successor.
- **<u>Destruction</u>**. If the Premises are rendered partially or totally untenantable by fire or other casualty, and if the damage is repairable within six (6) months from the date of the occurrence, then if insurance proceeds are available to pay the full cost of the repairs Landlord shall repair the Premises with due diligence; otherwise Landlord may elect to terminate this Lease. Annual Minimum Rent shall be reduced or abated as reasonably determined by Landlord, for the period from the date of the casualty to the completion of the repairs, unless the casualty results from or is contributed to by the negligence of Tenant or any of its officers, contractors, agents, invitees, guests or employees or Tenant's breach of this Lease. If thirty percent (30%) or more of the Building Square Footage is destroyed or damaged, then regardless of whether the Premises are damaged or not, Landlord may elect to terminate this Lease. If Landlord determines the Premises are untenantable due to structural conditions including all or any portion of Pier 59, then Landlord shall not be required to make any repairs. Landlord shall advise Tenant of Landlord's election to repair or terminate by giving notice to Tenant thereof within thirty (30) days after the occurrence. In the event of damage by casualty, Tenant shall, at its sole cost and expense, repair all damage to its own personal property. Landlord shall not be liable to Tenant for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Building or Premises.

#### 18. Eminent Domain.

A. Taking. If all of the Premises are taken by Eminent Domain, this Lease shall terminate as of the date Tenant is required to vacate the Premises and all Rent and Additional Charges shall be paid to that date. The term "Eminent Domain" shall include the taking or damaging of property by, through or under any governmental or statutory authority, and any purchase or acquisition in lieu thereof, whether the damaging or taking is by government or any other person. If a taking of any part of the Premises by Eminent Domain renders the remainder thereof unusable for the



business of Tenant, in the reasonable judgment of Landlord, the Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after Landlord gives Tenant written notice of the taking, and such termination shall be effective as of the date when Tenant is required to vacate the portion of the Premises so taken. If this Lease is so terminated, all Rent and Additional Charges shall be paid to the date of termination.

B. Award. Landlord reserves all right to the entire damage award or payment for any taking by Eminent Domain, and Tenant waives all claim whatsoever against Landlord for damages for termination of its leasehold interest in the Premises or for interference with its business. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to such damages and agrees to execute and deliver such further instruments of assignment as Landlord, from time to time, may request. Tenant, however, shall have the right to claim from the condemning authority all compensation that may be recoverable by Tenant on account of any loss incurred by Tenant in moving Tenant's merchandise, furniture, trade fixtures and equipment, provided, however, that Tenant may claim such damages only if they are awarded separately in the eminent domain proceeding and not out of or as part of Landlord's damages.

#### 19. Default by Tenant.

A. <u>Definition</u>. If Tenant violates, breaches, or fails to keep or perform any term, provision, covenant, or any obligation of this Lease; or if Tenant files or is the subject of a petition in bankruptcy, or if a trustee or receiver is appointed for Tenant's assets or if Tenant makes an assignment for the benefit of creditors, or if Tenant is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or liquidated, voluntarily or otherwise; then Tenant shall be deemed in default ("Default").

If Tenant has Defaulted and such Default continues or has not been remedied to the reasonable satisfaction of the Superintendent within thirty (30) days after written notice thereof has been provided to Tenant, or within ten (10) days if such Default is for nonpayment of any monetary obligations owed under this Lease or for vacation or abandonment of the Premises, then Landlord shall have the following nonexclusive rights and remedies at its option: (i) to cure such default on Tenant's behalf and at Tenant's sole expense and to charge Tenant for all costs and expenses incurred by Landlord in effecting such cure as an Additional Charge; (2) to terminate the Lease. Provided, however, that if the nature of Tenant's obligation (other than monetary obligations and other than vacation or

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abandonment of the Premises) is such that more than thirty (30) days is required for performance, then Tenant shall not be in default if it commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

- Re-entry by City Upon Termination. Upon the termination of this Lease, Landlord may reenter the Premises, using such means as permitted by law, take possession thereof, and remove all persons therefrom, for which actions Tenant shall have no claim thereon or hereunder. Tenant shall be liable and shall reimburse Landlord upon demand for all costs and expenses of every kind and nature incurred in retaking possession of the Premises. If Landlord retakes the Premises, Landlord shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located therein and may place the same in storage at any place selected by Landlord, including a public warehouse, at the expense and risk of Tenant. Landlord shall have the right to sell such stored property without notice to Tenant or such owner(s), after it has been stored for a period of thirty (30) days or more. The proceeds of such sale shall be applied first, to the cost of such sale; second, to the payment of the charges for storage, if any; and third, to the payment of any other sums of money that may be due from Tenant to the Landlord; the balance, if any, shall be paid to Tenant.
- Vacation or Abandonment. If Tenant vacates or abandons the Premises and fails to reoccupy them within ten (10) days after Landlord (1) delivers a notice to the Premises (which will be unoccupied) demanding such reoccupancy and (2) mails by certified or registered mail a copy of the notice to any forwarding address given by Tenant to Landlord in writing, Tenant shall be in default under this Lease and, in addition to all of Landlord's rights and remedies provided for above, in the event of such a default by Tenant, Landlord shall have the right to increase the Rent during the entire time that the Premises are abandoned or have been vacated to one hundred twenty-five percent (125%) of the Minimum Rent otherwise in effect during such period under Subsection 1.E. Moreover, Tenant agrees that such right on the part of Landlord to increase the Minimum Rent shall not be deemed to be a penalty; rather, the 125% figure has been agreed to by Landlord and Tenant as a fair approximation of the damages Landlord will suffer as a result of a vacation or abandonment by Tenant, which damages would otherwise be extremely difficult to ascertain.
- D. <u>City's non-exclusive remedies upon Termination due to Default of Tenant.</u> Notwithstanding any reentry by Landlord and anything to the contrary in this Lease, in the event of the termination of this Lease due to the Default of Tenant, the liability of Tenant for the all sums due under this Lease



provided herein shall not be extinguished for the balance of the term of this Lease and shall be subject to the late fees and interest provided elsewhere in this Lease. Tenant shall also be liable to Landlord for any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including but not limited to, any costs or expenses incurred in maintaining or preserving the Premises after such Default, and any costs incurred in authorizing others the use and occupancy of the Premises and in preparing the Premises for such use and occupancy, and such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of Washington.

- 20. Landlord's Remedies Cumulative; Waiver. Landlord's rights and remedies hereunder are not exclusive, but cumulative, and Landlord's exercise of any right or remedy due to a default or breach by Tenant shall not be deemed a waiver of, or alter, affect or prejudice any other right or remedy that Landlord may have under this Lease or by law or in equity. Neither the acceptance of rent nor any other act or omission of Landlord at any time or times after the happening of any event authorizing the cancellation or forfeiture of this Lease shall operate as a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Landlord of its right to cancel or forfeit this Lease, upon the written notice provided for herein, at any time that cause for cancellation or forfeiture may exist, or be construed so as to estop Landlord at any future time from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease.
- 21. <u>Default by Landlord</u>. Landlord shall be in default if Landlord fails to perform its obligations under this Lease within thirty (30) days after its receipt of notice of nonperformance from Tenant; provided, that if the default cannot reasonably be cured within the thirty (30) day period, Landlord shall not be in default if Landlord commences the cure within the thirty (30) day period and thereafter diligently pursues such cure to completion.
- 22. Attorneys' Fees. If either party retains the services of an attorney in connection with enforcing the terms of this Lease, each party agrees to bear its own attorneys' fees and costs.
- 23. Access by Landlord. Upon Landlord's providing twenty four (24) hours verbal notice, except in case of emergency, Landlord and its agents shall have the right to enter the Premises at any time to examine the same, and to show them to prospective purchasers, lenders, tenants or others, and to make such repairs, alterations, improvements, additions or improvements to the Premises or Building as Landlord may deem necessary or desirable. If Tenant is not personally present to permit entry and an entry is necessary in an emergency, Landlord may enter the



same by master key or may forcibly enter the same, without rendering Landlord liable therefore. Nothing contained herein shall be construed to impose upon Landlord any duty of repair or other obligation not specifically stated in this Lease.

- 24. Holding Over. Unless otherwise agreed in writing by the parties hereto, any holding over by Tenant after the expiration of the Lease Term, whether or not consented to by Landlord, shall be construed as a tenancy from month-to-month on the terms and conditions set forth herein, except for Minimum Rent, which shall be increased to two (2) times the Minimum Rent, and except for Percentage Rent, which shall be increased to one and one half (1 1/2) times the Percentage Rent in effect during the last month of the Lease Term immediately preceding the holdover period. Any holdover tenancy may be terminated by either party by written notice delivered to the other party not later than twenty (20) days prior to the end of month. If Tenant fails to surrender the Premises upon the expiration or termination of this Lease, Tenant shall indemnify, defend and hold harmless Landlord from all losses, damages, liabilities and expenses resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant arising out of such failure.
- <u>Lease Subordinate to Mortgages</u>. This Lease shall be automatically subordinate to all of Landlord's mortgages or deeds of trust that heretofore and hereafter affect the Premises or Building; to any sale and leaseback; to any and all advances made or to be made thereunder; to the interest on the obligations secured thereby; and to all renewals, modifications, consolidations, replacements or extensions thereof; all provided that for so long as Tenant is not in default hereunder beyond the applicable Section 19 cure period, Tenant shall have continued enjoyment of the Premises and the rights provided under this Lease, free from any disturbance or interruption by reason of any exercise of remedies by Lender under or in connection with its deed of trust or mortgage. This subordination shall be self operative, and no further instrument of subordination shall be necessary to effect such subordination. Tenant, nevertheless, shall execute such instrument of subordination as may be required by any Lender if such instrument of subordination carries out the terms of this Section 25. In the event of sale or foreclosure of any such mortgage or deed of trust, or exercise of the power of sale thereunder, or in the event of a transfer in lieu of foreclosure, Tenant shall attorn to the purchaser (or transferee) of the Building at such foreclosure or sale and recognize such purchaser (or transferee) as Landlord under this Lease if so requested by such purchaser (or transferee). Such attornment shall be self operative and no further instrument need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.

24 Attachment 1 to DPR Consolidated Restaurants ORD ICE: 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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- Estoppel and Other Certificates. As a material inducement to Landlord to enter into this Lease, Tenant covenants that it shall, within ten (10) days of the receipt thereof, acknowledge and deliver to Landlord (a) any subordination or non-disturbance or attornment agreement or other instrument that Landlord may require, and (b) any estoppel certificate requested by Landlord from time to time in the commercially reasonable standard form of Landlord or any mortgagee or beneficiary of such deed of trust certifying, to the extent such be true to Tenant's knowledge that (i) Tenant shall be in occupancy, (ii) this Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as modified and stating the modification(s), (iii) Minimum or Percentage Rent and Additional Charges have been paid only through a certain specified date, (iv) Tenant has no offset, defense or claim against Landlord and (v) such other matters as Landlord may reasonably request. Tenant's failure to deliver an estoppel certificate within the ten (10) day period shall be deemed its confirmation of the accuracy of the information supplied by Landlord to the prospective lender or purchaser. Tenant acknowledges and agrees that Landlord and others will be relying and are entitled to rely on the statements contained in such estoppel certificates.
- 27. Quiet Enjoyment. If Tenant fully complies with and promptly performs all of the terms, covenants and conditions of this Lease on its part to be performed, it shall have quiet enjoyment of the Premises throughout the Lease Term.
- **Notices**. Any notice, demand or request required hereunder shall be given in 28. writing to the party's address set forth in Subsection 1.K hereof by any of the following means: (a) personal service; (b) commercial or legal courier; or (c) registered or certified, first class mail, postage prepaid, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner as above provided. Notices shall be deemed to have been given upon the earlier of actual receipt, as evidenced by the deliverer's affidavit, the recipient's acknowledgment of receipt, or the courier's receipt, except in the event of attempted delivery during the recipient's normal business hours at the proper address by an agent of a party or by commercial or legal courier or the U.S. Postal Service but refused acceptance, in which case notice shall be deemed to have been given upon the earlier of the day of attempted delivery, as evidenced by the messenger's affidavit of inability to deliver stating the time, date, place and manner in which such delivery was attempted and the manner in which such delivery was refused, or on the day immediately following deposit with such courier or, if sent pursuant to subsection (c), forty-eight (48) hours following deposit in the U.S. mail.
- 29. Successors or Assigns. All of the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and, subject to the terms of Section 15, their respective heirs, administrators, executors, successors and permitted assigns, and upon any person or persons coming into



ownership or possession of any interest in the Premises by operation of law or

- Tenant Authority and Liability. Tenant warrants that this Lease has been duly authorized, executed and delivered by Tenant, and that Tenant has the requisite power and authority to enter into this Lease and perform its obligations hereunder. Tenant covenants to provide Landlord with evidence of its authority and the authorization of this Lease upon request. All persons and entities named as Tenant herein shall be jointly and severally liable for Tenant's liabilities, covenants and agreements under this Lease.
- Brokers' Commission. Not applicable. 31.
- Partial Invalidity. If any court determines that any provision of this Lease or the 32. application hereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.
- Recording. Tenant shall not record this Lease without the prior written consent of Landlord However, upon Landlord's request, both parties shall execute a memorandum of this Lease, in a form customarily used for such purpose of recordation. The memorandum shall describe the parties, the Premises and the Lease Term and shall incorporate the other terms of this Lease by reference.
- <u>Liability of Landlord</u>. Tenant shall look solely to rents, issues and profits from the Building for the satisfaction of any judgment or decree against Landlord, whether for breach of the terms hereof or arising from a right created by statute or under common law. Tenant agrees that no other property or assets of the Landlord shall be subject to levy, execution or other enforcement procedures for satisfaction of any such judgment or decree.
- Force Majeure. Neither Landlord nor Tenant shall be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such is due to any cause beyond its reasonable control, including, but not limited to an act of Nature, act of civil or military authority, fire, flood, windstorm, earthquake, strike or labor disturbance, civil commotion, delay in transportation, governmental delay, or war; provided, however, that the foregoing shall not excuse Tenant from the timely payment of Rent and Additional charges due hereunder, when due.
- Counterparts. This Lease may be executed by the parties in counterparts, which, taken together, constitute the entire Lease.

- 37. <u>Headings</u>. The section headings used in this Lease are used for purposes of convenience and do not alter in any manner the content of the sections.
- 38. Context. Whenever appropriate from the context, the use of any gender shall include any other or all genders, and the singular shall include the plural, and the plural shall include the singular.
- 39. Execution by Landlord and Tenant. Landlord shall not be deemed to have made an offer to Tenant by furnishing Tenant with a copy of this Lease with particulars inserted. No contractual or other rights shall exist or be created between Landlord and Tenant until all parties hereto have executed this Lease and it is approved by appropriate legislative authority.
- 40. Time of Essence; Time Calculation Method. Time is of the essence with respect to this Lease. Except as otherwise specifically provided, any reference in this Lease to the word "day" means a "calendar day;" Provided, that if the final day for any action required hereunder is a Saturday, Sunday or City holiday, such action shall not be required until the next succeeding day that is not a Saturday, Sunday or City holiday. Any reference in this Lease to the word "month" means "calendar month."
- 41. Continuous Operation. Tenant shall keep the Premises open and use them to transact business with the public daily during hours as designated below or as otherwise may be designated by the Director of the Seattle Aquarium ("Director"). Subject to the approval of the Director, Tenant may, upon posting a written notice to the public of not less than one week in duration prior to any approved closure, close the Steamers Seafood Cafe or a portion thereof for a reasonable period for repairs or any approved remodeling, or for taking inventory. Tenant shall close to accommodate construction by Landlord of public improvements upon one week's notice from the Director. Tenant shall furnish an approved sign at the Steamers Seafood Cafe entrance advising the public of any approved closure.

Minimum hours of operation of the Steamers Seafood Cafe are as follows:

Weekdays, Saturdays, Sundays, and Holidays:	Open	Close
October 1 through April 30	10:00 a.m	6:00
p.m. May 1 through September 30	10:00 a.m.	9:00
p.m.		

42. <u>Standards.</u> Tenant recognizes that, although it is operating its facilities as an independent operator for profit, the Department of Parks and Recreation is organized and exists for the purpose of maintaining park and recreation facilities



for the use and enjoyment of the general public. Tenant, its agents and employees, will devote their efforts toward rendering courteous service to the public as though they were employees of the City, with a view of adding to the enjoyment of the patrons of this recreational facility.

Tenant shall operate and conduct the facilities on the Premises in a businesslike manner, and will not permit any conduct on the part of Tenant's employees which would be detrimental to the Landlord's operation of Pier 59.

Tenant shall provide sufficient personnel to adequately staff the concession at all times. All personnel shall be dressed in neat appearing attire which clearly identifies them as Tenant's employees. Restaurant employees shall wear uniforms to be provided by Tenant and approved by the Director of the Seattle Aquarium.

43. City's Control of Premises and Vicinity. All common and other facilities provided by the City in or about the Premises, including any parking areas, board walks, and decks are subject to the exclusive control and management by the City. Accordingly, the City may do, therefore, any and all of the following (among other activities in support of Parks and Recreation Department of other municipal objectives), all without incurring any liability whatsoever to Tenant:

<u>Change of Vicinity.</u> The City may increase, reduce, or change in any manner whatsoever the number, dimensions, and locations of the walks, buildings, and parking areas in the vicinity of the Premises;

<u>Traffic Regulation</u>. The City may regulate all traffic within and adjacent to the Premises, including the operation and parking of vehicles of Tenant and its invitees, employees, and patrons.

<u>Display of Promotional Materials</u>. The City may erect, display, and remove promotional exhibits and materials and permit special events on property adjacent to and nearby the Premises.

<u>Promulgation of Rules.</u> The City shall promulgate, from time to time, reasonable rules and regulations regarding the use and occupancy of any Department property including, but not limited to, the Premises. The Rules and Regulations, attached as Exhibit C, is subject to the City's continued right of review and amendment.

<u>Change of Businesses.</u> The City may change the size, number, and type and identity of concessions, stores, businesses and operations being conducted or undertaken in the vicinity of the Premises.

44. Percentage Reports. On or before the tenth (10th) of each calendar month during the term of this Lease, Tenant shall submit to Landlord a written sales report, in a form prescribed by Landlord, wherein Tenant shall set forth in reasonable detail

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the amount of Gross Receipts during the proceeding month. Within thirty (30) days after the close of each calendar year, Tenant shall render to Landlord a written statement, certified by Tenant, setting forth in reasonable detail the amount of Gross Receipts and a computation of the amount of Percentage Rent payable for such calendar year. All certificates required above shall be by an authorized officer of Tenant.

45. Tenants Records. Tenant shall keep true, full, and accurate books of account setting forth Gross Receipts, together with any other information which will in any way affect the determination of Percentage Rent payable under this Lease. Landlord shall be allowed after five days prior notice, to inspect Tenant's books of account at the Premises and to procure audits thereof by a Certified Public Accountant. If in the judgment of such accountant Tenant's books of account are incomplete or improperly reflect the information necessary to an accurate determination of the rents payable under this Lease, or if the audit shall show that the reports submitted by Tenant understated Tenant's Gross Receipts by more than three percent (3%) thereof for any year covered by the audit, the costs and fees for such audit shall be paid by Tenant as an Additional Charge. If such audit discloses any willful or intentional effort to understate Gross Receipts, then, at Landlord's option, Tenant may be required to surrender possession of the Premises.

Tenant shall retain all books of accounting and any other information which will in any way affect the determination of Percentage Rent payable under this Lease for a period of four (4) years after the expiration or termination of this Lease, and Tenant shall make them available for inspection at the Premises within ten (10) days of Landlord's demand therefore. This section 46 shall survive expiration or termination of this Lease.

- 46. <u>Data to State and Federal Governments.</u> Within ten (10) days of Landlord's request therefore, Tenant shall provide, at Tenant's sole cost and expense, necessary data relating to Tenant's use of the Premises or to any aspect(s) of this Lease, including reports or information of any kind, to enable Landlord to fully comply with any and every requirement of the State of Washington and the United States of America.
- 47. Entire Agreement; Applicable Law. This Lease and the Exhibits attached hereto, and by this reference incorporated herein, set forth the entire agreement of Landlord and Tenant concerning the Premises and Building, and there are no other agreements or understanding, oral or written, between Landlord and Tenant concerning the Premises and Building. Any subsequent modification or amendment of this Lease shall be binding upon Landlord and Tenant only if reduced to writing and signed by them. This Lease shall be governed by, and construed in accordance with the laws of the State of Washington.

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

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year indicated below.

	LANDLORD:						
THE	CITY	OF	SEATTL	E			

TENANT:

Ken Bounds, Superintendent Department of Parks and Recreation	[Signature]
	[Print or type name of signer]
	[Print or type title of signer]
STATE OF WASHINGTON ) ) ss. (Acknowledge (Acknowledge)	gement for Lessor, The City of Seattle)
for the State of Washington, duly commissioned and so known to me to be the Department of Parks and Recrea	ation Superintendent of THE CITY OF g instrument, and acknowledged said
instrument to be the free and voluntary act and deed of	
instrument to be the free and voluntary act and deed of	o execute said instrument.
instrument to be the free and voluntary act and deed of mentioned, and on oath stated that he was authorized to	o execute said instrument.



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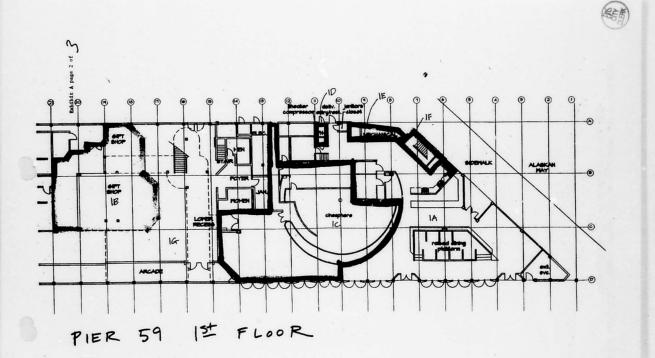
STATE OF	_) ) ss. (Acknowledgement for Tenant)
COUNTY OF	) ss. (reknowledgement for remain)
On this day of	, before me, a Notary, duly commissioned and sworn, personally
appeared	
	, to me known to be the of_
	, the entity that executed the foregoing Lease as signed the same as the free and voluntary act and deed
said entity for the uses and purposes there execute said Lease for said entity.  I certify that I know or have satisfactory or	ein mentioned and that was authorized to evidence that the person appearing before me and making true signature appears on this document.
WITNESS my hand and official seal the	day and year in this certificate above written.
[Signature]	[Printed Name]
NOTARY PUBLIC in and for the State of	of residing at
My commission expires	

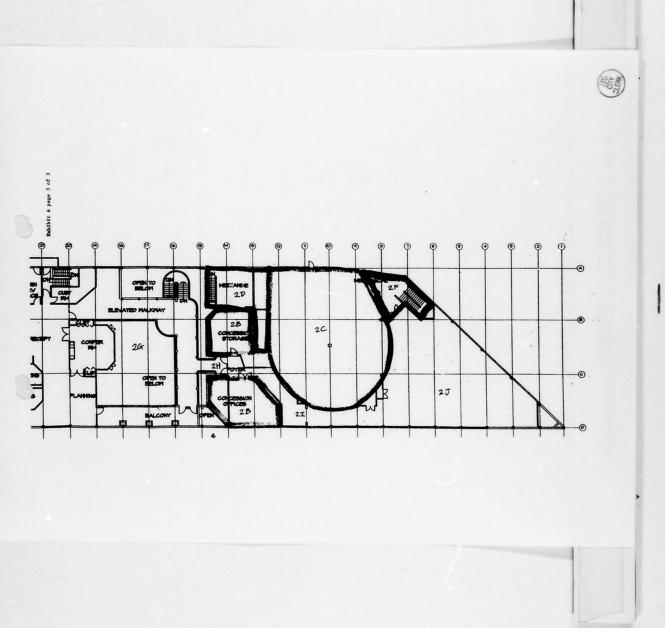
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Occupant As of 1-1-2004	Description	Floor	Area	Sq Ft
Consolidate Restaurants Total	Steamers Seafood Café	1	а	3,997
Aquarium Society/Event Networks	Seattle Aquarium Store	1	b	1,773
Aquarium Society/Event Networks	Seattle Aquarium Store Office/Storage	2	b	605
Aquarium Society/Event Networks Total				2,378
IMAX Dome	Theater, ticketing & entry	1	С	3,302
IMAX Dome	Valve?	1	d	60
IMAX Dome	IMAX Dome area	2	С	3,085
IMAX Dome	Mezzanine area	2	d	620
IMAX Dome Total				7,067
Common/Other	Mechanical	1	е	187
Common/Other	NE Exit	1	f	187
Common/Other	Breezeway	1	g	3,151
Common/Other	NE Exit	2	f	402
Common/Other	Breezeway	2	g	3,440
Common/Other	Bayview Hallway to Col 12	2	h	246
Common/Other	Bayview Hallway Col 12 to Col 9	2	i	340
Common/Other Space Total				7,953
Seattle Aquarium	Storage	2	b	453
Seattle Aquarium	Bayview Room	2	j	2,845
Seattle Aquarium Total				3,298
Total East Side Pier 59				24,693

Exhilit A Page 1 of 3 



### **EXHIBIT C**

### RULES AND REGULATIONS

- Except as specifically provided in the Lease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Building, without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.
- 2. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in, or used in connection with any window of the Building without the prior written consent of the Landlord, which Landlord may withhold in its sole and absolute discretion. Tenant shall not alter or remove any exterior window glass of the Building for any reason.
- 3. Tenant shall not obstruct any sidewalks, boardwalks, halls, passages, exits, entrances, elevators or stairways of the Building. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; providing that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of this business, unless such persons are engaged in illegal or unlawful activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building; provided that Tenant and its maintenance company may, upon prior verbal notice to the Director of the Aquarium, go onto the roof for the purpose of repairing or maintaining Tenant's exhaust system which is located on the roof. Any time Tenant and its maintenance company go onto the roof, each must follow any instructions from City. Tenant is solely responsible for safe ingress and egress to the roof and shall defend, indemnify, and hold harmless the City from all claims, demands, losses, death, injury or disability of any person and/or damage to any property arising out of Tenant's or its maintenance company's going onto the roof.
- 4. Tenant shall provide custodial services as provided in this Lease. Except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises.
- No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between

Exhibit C to Attachment 1 to DPR Consolidated Restaurants ORD



such hours and in such elevators as may be designated by Landlord. Tenant's initial move in and subsequent deliveries and removals of heavy or bulky items, such as furniture, safes and similar items shall, unless otherwise agreed by Landlord, be made during the hours of 8 P.M. to 9 A.M. and subject to such limitations as Landlord may impose. Deliveries during other hours shall be limited to normal operating supplies and other small items. No delivery shall be made that impedes or interferes with any other tenant or the operation of the Building and the Aquarium. In its use of the loading areas for the Building, Tenant shall not obstruct or permit the obstruction of said loading areas, and at no time shall Tenant park vehicles therein except for loading and unloading. Tenant, however, may make its final move out during normal business hours if the final move out occurs September 15 through March 1.

- Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. Any business machine or mechanical equipment belonging to Tenant that causes noise or vibration that may be transmitted to the structure of the Building or to any space therein, to such a degree as to be objectionable to Landlord or to any tenant in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Every person employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.
- 7. Tenant shall not use or keep in the Premises any kerosene, gasoline or flammable or combustible fluid or materials. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or any other occupant of the building by reason of noise, odors or vibrations from the Premises, nor shall Tenant bring into or keep on or about the Premises any animal other than a hearing- or seeing-guide dog.
- 8. Tenant shall not use any method of heating or air conditioning other than that supplied and/or approved by Landlord.
- 9. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day.

Exhibit C to Attachment 1 to DPR Consolidated Restaurants ORD

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- 10. Landlord reserves the right to select the name of the Building and to make such change or changes of name as it may deem appropriate from time to time, and Tenant shall not refer to the Building by any name other than: (i) the names as selected by Landlord (as same may be changed from time to time), or (ii) the postal address, approved by the United States Post Office. Tenant shall not use the name of the Building in any respect other than as an address of its operation in the Building without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the street address of the Building.
- 11. Landlord reserves the right to exclude from the Building between the hours of 6 P.M. and 7 A.M. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays and legal holidays, any person unless that person is known to person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.
- 12. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for Tenant's noncompliance with this rule. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from violation of this rule shall be borne by the Tenant who, or whose employee or invitee, shall have caused it.
- 13. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theatre tickets or any other goods or merchandise to the general public in or on the Premises except as expressly permitted in this Lease. Tenant shall not use the Premises for any business or activity other than that expressly permitted in Tenant's Lease.
- 14. Except as permitted in the Lease, Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.
- 15. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster, or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Lease pertaining to alterations. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Premises. Tenant shall not cut or bore holes for

Exhibit C to Attachment 1 to DPR Consolidated Restaurants ORD



wall or ceiling coverings in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

16. Tenant shall not install, maintain or operate upon the Premises any vending machine, video game or other coin-operated or coin-activated device without the written consent of Landlord.

wires. Tenant shall not affix any floor covering to the floor of the Premises or any

17. Canvassing, soliciting and distribution of any handbill or any other written material, and peddling in the Building are prohibited, and Tenant shall cooperate to prevent such activities.

18. Landlord reserves the right to exclude or, expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of any liquor or illegal drug or who is in violation of any of the Rules and Regulations of

19. Tenant shall store all its trash and garbage within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued, from time to time, by Landlord.

20. The Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Premises be used for any improper or immoral purpose. All equipment and its use must be in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

21. Tenant shall not use in any space or in any public hall of the Building, any hand truck except one equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicle of any kind into the Building.

22. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

23. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

24. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

25 These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of Tenant's lease of its Premises in the Building.

 Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and

> Exhibit C to Attachment 1 to DPR Consolidated Restaurants ORD Page 4 of 5

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security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations that are adopted.

- 27. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.
- 28. No smoking is permitted in any public areas. Public areas include lobbies, restrooms, stairwells and garage. No smoking is permitted on any of the exterior plaza levels, except for an area designated by the Landlord.

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Exhibit C to Attachment 1 to DPR Consolidated Restaurants ORD Page 5 of 5



	STEAMERS PIER 59
	PHYSICAL INVENTORY
-	Description
OFFICE	SAFE
OTTIOL	Desk
	TMI TIME MGNT SYSTEM
+	586 COMP (Accounting & TMI)
-	UPS-POWER
-	NETWORK HARDWARE
-	TIME CLOCK
-	POS (9 regular + 1 manager station)
-	Upgrade-P333
-	POWER-BKUP
+	FAX MACHINE
-	SECURITY SYSTEM
-	BACKGROUND MUSIC SYSTEM
KITCHE	N/DINING
KITOTIL	Prep Area
-	BERMIXER
-	TRAY RACK
+	Lot Misc. SHELVING
+	WORK TABLE
+	PREP AND POT SINKS
-	STEAM KETTLE
+	WALK IN COOLER
+	WALK IN FREEZER
+	RANGE HOOD
-	1 LOT COFFEE EQUIPMENT
-	PASS SHELVES
	CABINET STORAGE
-	GREENS MACHINE
-	WORK TABLE WITH HANDSINK
+	WORK TABLE
-	REACHIN REFRIGERATOR
-	CONE MACHINE
-	FRYER COVER
-	REACHIN FREEZER-ICE CREAM
-	FREEZER -REMOTE
-	BINS-INGREDIENT
-	4 FRYERS W/SS DOOR
-	TOASTER CONVEYOR
	BUN WARMER
	KEFER/FREEZER DUAL TEMP.
	CLAM DRAWER
	DIPPING CABINET
	BEER SYSTEM
-	BEV. COUNTER/DISPENSER
	BUS CABINET
	SERV COUNTER "L" shape
	COUNTER-ICE CREAM CABINE
	OVERHEAD DOOR HEATER

Exhibit D to Attachment 1 Page 1 of 2

DIAMOND PLATE DIE DETAIL PEPSI DISPENSING SYSTEM D-BAR PASS SHELVELVES RAILS-INTERIOR/EXTERIOR COOKTOP SHORTY CABINET &TRAY SLIDE CABINET BETWEEN FRYER/REF STAINLESS WALL FLASHING & PADS S/S TOPS, SHELVES, TRIM MISC. TRACK & LIGHTING FIXTURES 6 CUSTOM CHANDELIERS 4 CEILING FANS MENU BOARD MENU BOARD 3 CONE MACHINES 2 TAYLOR SOFT SERVE MACHINES **AWNINGS** 1 LOT CHAIRS & TABLE SHADES-LEVOLOR
PAGING/SOUND SYSTEM FRAMED PRINTS/PICTURES CHAIRS & TABLES 1 LOT FIRE EXTINGUISHERS GAS RANGE PREP TABLE 60 REEFER UNDERCOUNTER ICE MACHINE TRACK LIGHTING & LAMPS 8 BANNER POLES 2 SIGNS-"ICE CREAM CONE" U.C. REFRIGERATOR SLUSH MACHINE FRYER FILTER- PORTABLE 3 DBL BOOTHS RECOVER 4 SGL BOOTHS RECOVER REMOTE REFRIGERATION UNITS EXHAUST FAN MOTOR 2 HYPERSTEAM STEAMER SHAKE MACHINE-ICE CREAM HOT WATER TANK ROLLING DUMPSTER FLOOR POLISHER 1 LOT MISC. SMALLWARES 1 LOT MISC STOREROOM SHELVING

> Exhibit D to Attachment 1 Page 2 of 2

John Braden 08/19/04 DPR Consolidated Restaurants Ordinance Version #.1

Form revised March 16, 2004

### FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:		
Parks and Recreation	John Braden 386-4350	Marilynne Gardner 233-5109		

#### Legislation Title:

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the execution of a concession agreement with Consolidated Restaurants, Inc. to operate a restaurant at the Seattle Aquarium on Pier 59.

### • Summary of the Legislation:

The proposed Council Bill authorizes the Superintendent of Parks and Recreation to enter into a short-term Concession Agreement with Consolidated Restaurants to continue to operate Steamers Restaurant at the Seattle Aquarium on Pier 59.

#### • Background:

The concession agreements to operate a restaurant, theater, and gift shop on Pier 59 expired at the end of 2003. Because a major renovation of Pier 59 is anticipated to begin in late 2005, the Department of Parks and Recreation has elected to enter into short-term leases to operate these facilities until construction begins.

Previously, Consolidated Restaurants operated both the restaurant and a gift shop. As a result of an analysis of the standard financial return in the aquarium industry from these activities, it was decided to issue a separate RFP for the gift shop portion of the prior agreement. As the financial return for the restaurant met industry standards and the term of the agreement is limited by the proposed construction, a new Concession Agreement was negotiated with the current operator incorporating operational changes to the existing agreement, but with financial terms essentially unchanged. The agreement provides for payment to the City of 5.36% of gross sales, with a minimum payment of \$40,000 Based on previous year's sales, the anticipated revenue for 2004 will be \$90,000. The area of t'e pier shed in which the restaurant is located would be demolished in late 2005 as pa't of the Pier 59 renovation, and rebuilt over a nine-month period. The pier shed will be rebuilt as part of the City's structural repairs. Tenant improvements will be paid for by the Seattle Aquarium Society and the selected operator of the restaurant. The Aquarium would then seek an operator for the new food service space through a competitive RFP process.



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• Piease check one of the following:

This legislation does not have any financial implications.

# X This legislation has financial implications.

Appropriations: No appropriation is requested as a result of the proposed legislation.

Fund Name and	Department	Budget Control	2004	2005 Anticipated
Number		Level*	Appropriation	Appropriation
TOTAL				

<sup>\*</sup>See budget book to obtain the appropriate Budget Control Level for your department.

### Notes:

Anticipated Revenue/Reimbursement: Resulting From This Legislation:

Fund Name and Number	Department	Revenue Source	2004 Revenue	2005 Revenue
Park and Recreation Fund (10200)	Parks and Recreation	Annual Concession Payments from Consolidated Restaurants, Inc.	\$90,000	\$70,000
TOTAL			\$90,000	\$70,000

Anticipated revenues are based upon revenues generated from 1999-2003. Estimated revenue for 2005 assumes that construction on Pier 59 will be underway in the 4<sup>th</sup> quarter. The annual Consolidated Restaurants Revenue since 1999 is as follows:

1999	\$ 72,731
2000	\$ 71,705
2001	\$ 78,982
2002	\$ 86,339
2003	\$ 86,952



John Braden John Braden 08/19/04 DPR Consolidated Restaurants Ordinance Version #.1

Notes: The structural repairs will disrupt Aquarium operations. It is anticipated that funding to cover lost revenues will be included in the financing plan for the Pier 59 construction which will be included in the Mayor's Proposed 2005-2006 Budget.

It is anticipated that the new contract will include catering activities not included in the present agreement. The revenue from the restaurant itself is not expected to increase. The operation is being changed to emphasize service to Aquarium visitors and the increased revenues will be realized from increased catering/rentals and increased gate receipts.

# Total Regular Positions Created Or Abrogated Through This Legislation, Including FTE

Position Title and Department*	Fund Name	Fund Number	Part- Time/ Full Time	2004 Positions	2004 FTE	2005 Positions**	2005 FTE**
TOTAL							

\* List each position separately

\*\* 2005 positions and FTE are total 2005 position changes resulting from this legislation, not incremental changes. Therefore, under 2005, please be sure to include any continuing positions from 2004

### Notes:

• Do positions sunset in the future? No

### Spending/Cash Flow: Not Applicable.

Fund Name and	Department	Budget Control	2004	2005 Anticipated	
Number		Level*	Expenditures	Expenditures	
TOTAL					

\* See budget book to obtain the appropriate Budget Control Level for your department.

### Notes:

• What is the financial cost of not implementing the legislation?

The City would lose at least \$46,000 per year in revenue from the restaurant concession which is used to offset the cost of operating the Aquarium.



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What are the possible alternatives to the legislation that could achieve the same or similar objectives?

The restaurant is located directly on Alaskan Way and it is necessary to have an active use in that area. Another operator could have been sought, but the two-year limitation due to the anticipated renovations makes the necessary investment not financially feasible.

• Is the legislation subject to public hearing requirements? No.

Other Issues: None.

Please list attachments to the fiscal note below:

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





# City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

August 31, 2004

Honorable Jan Drago President Seattle City Council City Hall, 2<sup>nd</sup> Floor

Dear Council President Drago:

I am pleased to transmit the attached proposed Council Bill authorizing the Superintendent of Parks and Recreation to execute a short-term Concession Agreement with Consolidated Restaurants, Incorporated (CRI) for the operation of a restaurant at the Seattle Aquarium on Pier 59 and Pier 60. CRI has operated Steamers Restaurant at this location since the Aquarium opened in 1977. Maintaining food services for Aquarium visitors is important to the success of the Aquarium.

We are proposing the new Concession Agreement for only a two-year period due to the proposal to begin a complete structural renovation of Pier 59 in 2005. While the new Concession Agreement continues the operation of the existing restaurant through the end of 2005, there is a provision to terminate early if the proposed renovation of Pier 59 in late 2005 is initiated. The Concession Agreement guarantees payment to the City of \$46,000 annually plus a percentage of the gross sales if the minimum is exceeded. Based on past performance, the City anticipates receiving a total of \$90,000 per year from restaurant revenues

Thank you for your consideration of this legislation. Should you have questions, please contact John Braden at 386-4350.

Sincerely,

GREG NICKELS Mayor of Scattle

cc. Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, 1DD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@seattle.gov

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# STATE OF WASHINGTON - KING COUNTY

CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

## **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 12<sup>th</sup> 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

CT:121614-121618 (121616)

was published on

10/20/2004

cribed and sworn to before me on

Notary public for the State of Washington residing in Seattle

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State of Washington, King County

# City of Seattle TITLE-ONLY PUBLICATION

Page 2 of affidavit

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