

ORDINANCE No. 119546

150 Law Department

COUNCIL BILL No. 112738

The City of Seattle--Legislative

AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of a theatre lease agreement under which The Children's Museum may use and occupy the Seattle Center House Theatre for presentation of theatrical and other presentations and performances.

REPORT OF COMMITTEE

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____ report that we have considered the same and respectfully recommend

7/14/99 pass as amended 3-0 (LH)

7-19-99 Full Council Pass

COMPTROLLER FILE No. _____

Introduced: <u>6-21-99</u>	By: <u>Licata</u>
Referred: <u>6-21-99</u>	To: <u>Culture, Arts and Parks</u>
Referred:	To:
Referred:	To:
Reported: <u>7-19-99</u>	Second Reading:
Third Reading: <u>7-19-99</u>	Signed: <u>7-19-99</u>
Presented to Mayor: <u>7-19-99</u>	Approved:
Returned to City Clerk: <u>JUL 26 1999</u>	Published: <u>1 page</u> <u>TD</u>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

(V) (LH)

Committee Chair

(150)

Law Department

The City of Seattle--Legislative Department

Department,
agreement
and occupy
presentation of
ices.

Date Reported
and Adopted

REPORT OF COMMITTEE

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____
report that we have considered the same and respectfully recommend that the same:

7/14/99 pass as amended 3-0 (LH)

7-19-99 Full Council: Passed 9-0

Committee Chair

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ORDINANCE 119546

AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of a theatre lease agreement under which The Children's Museum may use and occupy the Seattle Center House Theatre for presentation of theatrical and other presentations and performances.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. As requested by the Seattle Center Director and recommended by the Mayor, the Seattle Center Director is authorized to execute, for and on behalf of The City of Seattle, a theatre lease agreement with The Children's Museum substantially in the form of agreement attached hereto as Attachment A and identified THEATRE LEASE AGREEMENT BETWEEN THE CITY OF SEATTLE and THE CHILDREN'S MUSEUM under which said Lessee is authorized to use and occupy the Seattle Center House Theatre subject to the conditions and provisions of this Agreement, during an initial term commencing on November 3, 1998 and expiring October 30, 2003.

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

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 19th day of July, 1999, and signed by me in open session in authentication of its passage this 19th day of July, 1999.

[Signature]
President of the City Council

Approved by me this 3rd day of July, 1999.

[Signature]
Paul Schell, Mayor

Filed by me this 26th day of July, 1999.

[Signature]
acting City Clerk

(SEAL)

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ATTACHMENT LIST:

- Attachment A:** Theatre Lease Agreement Between The City of Seattle
and The Children's Museum
- PART A** Special Covenants & Conditions of Lease
- PART B** General Terms & Conditions of Lease
- PART C** Premises Floor Plan / Map
- PART D** Seattle Center Vision Statement
- PART E** The Children's Museum & Performance Studio
Mission Statements & Educational Belief Statement
- PART F** Personal Property Inventory

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**THEATRE LEASE AGREEMENT
BETWEEN THE CITY OF SEATTLE AND
THE CHILDREN'S MUSEUM**

THIS LEASE is entered into as of November 3, 1998, by THE CITY OF SEATTLE (hereinafter called "City"), a municipal corporation of the State of Washington, acting by and through the Director of the Seattle Center Department ("Director"), and THE CHILDREN'S MUSEUM (hereinafter called "Lessee"), a Washington nonprofit corporation.

RECITALS

The City and Lessee are parties to a Lease Agreement executed by Lessee on December 26, 1995 and by the City on January 10, 1996 ("Museum Lease"), for the space on the first floor of the Seattle Center House in which Lessee currently operates *The Children's Museum* ("Museum Space"). Pursuant to the Museum Lease, Lessee was granted an option to lease the adjacent theatre space on the first floor of the Seattle Center House (the "Premises"). By letter to the Director dated November 2, 1998, Lessee informed the City that Lessee was exercising its option to lease the Premises.

The City and Lessee intend that Lessee's use of the Premises be consistent with both the Seattle Center Vision Statement, a copy of which is attached hereto as Part D and incorporated herein by reference and ("Seattle Center Vision Statement"), and the mission statement, educational belief statement and performance studio mission statement of Lessee, copies of which are attached hereto as "Part E" and incorporated herein by reference (collectively, "Lessee's Mission Statement").

AGREEMENT

Therefore, the parties agree as follows:

PART A: SPECIAL COVENANTS & CONDITIONS OF LEASE

A-1 INITIAL TERM OF LEASE; OPTIONAL EXTENSION; EARLY TERMINATION

a. Initial Term: The initial term of this Lease shall commence effective as of November 3, 1998, and shall expire October 30, 2003, unless terminated earlier pursuant to the provisions hereof ("Term").

b. Review and Optional Extension: On or before May 1, 2003, the Director shall review the use of the space to determine if the use is consistent with the City's intended use of the space and the goals of Seattle Center and report to the City Council on whether additional conditions or rent adjustments are recommended. On or before May 30, 2003 the Director shall provide notice to Lessee either granting or denying to Lessee the option

to extend the Term of this Lease for one (1) additional five (5) year period ending October 30, 2008, on such additional proposed terms and conditions ~~as agreed to by the parties~~ for such extension ("Extended Term"). Within ninety (90) days after Lessee's receipt of such notice, Lessee either shall exercise such option by giving notice to the Director of such exercise, or shall be deemed to have foregone such option. Notwithstanding any other provision hereof, Lessee shall have no authority to exercise such option, and any purported exercise of such option shall be void and of no effect, if Lessee fails to cure (i) any breach that occurred prior to the expiration of such ninety-day option exercising period, by the end of such period, and (ii) any breach that occurred prior to the commencement of such Extended Term by December 30, 2001.

c. Early Termination: The City may terminate this lease or the Lessee may terminate its further use and occupancy of the Premises upon six (6) months' prior written notice to the other party.

Such termination shall be without penalty, and, except as otherwise provided herein, all obligations of Lessee under this Lease shall terminate upon the termination date stated in such notice. After giving such notice, and provided Lessee is not otherwise in default hereunder, for the six month notice period, as applicable, Lessee shall not be required to pay any Additional Rent based on Subleases which otherwise would be required pursuant to Subsection A-5.d below.

d. Expiration of Lease: Notwithstanding the foregoing, unless earlier terminated or otherwise agreed in writing, this Lease will terminate on October 30, 2003.

e. No Default under Museum Lease: In no event shall a default under this Lease be considered to be a default under the Museum Lease, nor shall early termination of this Lease cause or be grounds for an early termination of the Museum Lease, it being the intention of the parties that Lessee's obligations under this Lease shall be separate and distinct from Lessee's obligations under the Museum Lease.

A-2

PREMISES DESCRIPTION

a. Legal Description of Premises: In consideration of the payment of rent and Lessee's performance of and compliance with the other covenants, conditions, and terms of this Lease, City hereby leases to Lessee, and Lessee hereby leases from City, a portion of the building at Seattle Center commonly known as the Seattle Center House and located on the following property:

Lot 1-12, Block 46, D.T. Denny's Third Addition to North Seattle,
according to plat recorded in Vol. 1 of Plats, Page 145, Records of
King County, Washington.

which portion is currently identified as the "Seattle Center House Theatre" or "Space No. 101," the floor/site plan for which is attached hereto, labeled "Part C" (which portion hereinafter shall be referred to as the "Premises").

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b. Approximate Area of Premises as of Term Commencement: Approximately 16,000 square feet of space.

c. Non-exclusive License to Use Center House Building Common Areas: City hereby grants to Lessee and its officers, employees, agents, customers and invitees non-exclusive rights during the Term or Extended Term of this Lease, to use Center House Building common areas (as defined in Subsection B-7(j) hereof) as well as the restrooms adjacent to the Premises.

A-3

MONTHLY BASE RENT

Lessee shall remit to the City as the monthly base rent, the following:

a. Monthly Amount Due for November 1998:

One Thousand One Hundred Fourteen and 75/100 Dollars (\$1,114.75).

b. Monthly Amount Due Between January 1, 1999, and December 31, 1999:

Two Thousand Two Hundred Ninety-Four and 15/100 Dollars (\$2,294.15).

c. CPI increase: The monthly base rent shall be increased effective each January 1st during the Term and any Extended Term hereof (commencing January 1, 2000) by the percentage increase (if any) in the Consumer Price Index for All Urban Consumers ("CPI-U" / 1982-84 = 100) Seattle-Tacoma-Fremerton, WA Area, as published by the U.S. Department of Labor, Bureau of Labor Statistics or its successor, that occurred during the immediately preceding calendar year; provided, that in the event of a change in the index base of (1982-84 = 100) or other modification of such index, the City shall apply whatever conversion factors are necessary to establish an adjusted CPI-U that produces the percentage increase in the CPI-U for each such annual period that would have been produced had no change been made in such index by its publisher; and in the event such index is discontinued, the Director shall select and use for such rent adjustment purpose a similar index that reflects consumer price changes.

d. Pro-Rating of Actual Rent: In the event this Lease expires or is terminated on a day other than the last day of a month, the monthly base rent for the month in which such expiration or termination occurs shall be prorated by dividing the applicable rent by thirty (30) and multiplying the resulting quotient by the number of days in such month that preceded and included the expiration or termination date. (For example, if this Lease were terminated effective June 20, 2004, and the monthly rent in 2004, as adjusted by the CPI were \$2,400.00, the rent for June 2004 would be calculated as follows: $\$2,400 \div 30 = \$80 \times 20 = \$1,600$.)

e. Credit Against Rent for Gated Days: The City and Lessee acknowledge that on the days that certain events are held at the Seattle Center, admission fees will be charged

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to the public for admission to the Seattle Center. These admission fee days are referred to hereinafter as "Gated Days." If the number of Gated Days exceed seven (7) in any calendar year, then Lessee's base or adjusted monthly rent for the month in which the eighth (8th) or any succeeding Gated Day occurs shall be reduced as follows:

(1) For Gated Days 8, 9 and 10, no base or adjusted monthly rent will be charged for each such day.

(2) For Gated Days 11 and above, no base or adjusted monthly rent will be charged for each such day, and in addition, Lessee shall receive a credit for an amount equal to the revenue from admissions, memberships and store sales that is lost as a consequence of the eleventh (11th) and succeeding Gated Days. For the purpose of calculating such revenue loss, Lessee's revenue for each such Gated Day shall equal the difference between (i) the total amount of paid admissions, memberships and store sales on such Gated Day and (ii) the average of the aggregate paid admissions, memberships and store sales for the same day of the week during the immediately preceding three (3) months. Lessee shall deliver to the Director along with any invoice for the granting or applying of any such credit, a written copy of all documentation used to support such claim including detailed accounting records of Lessee's receipts for each subject three (3) month period. Regardless of the occurrence of any Gated Day, nothing in this Subsection shall relieve Lessee from the obligation of paying any additional rent that may be due to the City under this Lease.

A-4 ANNUAL PERCENTAGE RENT

Except for any additional rent based on subleases of the Premises, as provided in Subsection A-5.d below, no rent shall be payable based on any fixed percentage of Lessee's gross or net receipts or fund raising activities.

A-5 ADDITIONAL RENT

a. Utility Service Charges: Effective January 1, 1999, Lessee shall pay, before delinquency and as additional rent, the City's charges for supplying to the Premises pursuant to Section 8 hereof, water service (excluding HVAC-related water) and electricity service, and all fees and charges incurred for the installation, change, and relocation, at Lessee's request, of any point or means of service by any City utility or waste line or system serving the Premises.

b. Repair, Restoration, Maintenance & Clean-Up Service Charges: Lessee shall pay, before delinquency, whatever amount is required to fully reimburse the City for the cost of repair and maintenance work performed by the City on behalf of Lessee pursuant to Subsections B-6.f(2) or B-10.b hereof.

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c. Tenants' Association Dues: Lessee shall not be required to pay any Tenants' Association Dues except as required under the Museum Lease.

d. Additional Rent Based on Subleases: Lessee shall pay to the City, as additional rent, fifty percent (50%) of all net receipts generated by any sublease of the Premises for a use that is inconsistent with Lessee's Mission Statement, in the form attached as Part ~~D~~^E of this Lease, which is incorporated herein by this reference. As used in this Subsection, "net receipts" means all gross receipts (as defined in Section B-2 below) which are actually received by Lessee, less a reasonable reserve for repair or replacement of theatre equipment and tenant improvements (in such amounts as Lessee and the City may agree from time to time), all actual out-of-pocket expenses incurred by Lessee with respect to the sublease (if any), a pro-rata share of rent due under this Lease and all taxes, utilities, insurance, janitorial and other operating expenses incurred by Lessee for the Premises during the sublease term (which are not reimbursed by the sublessee). (For example, if Lessee subleases the Premises to a third party for fifteen days in June 2004 for the production of a program that is inconsistent with Lessee's Mission Statement and Lessee receives \$3,000 in gross receipts with respect to such sublease, but incurs \$200 in out-of-pocket expenses in preparing the Premises for the sublease, the monthly rent at that time is \$2,400, and monthly taxes, utilities, insurance, janitorial and other operating expenses total \$1,000, the additional rent would be \$550, calculated as follows: $\$3,000 - \text{prorated rent of } \$1,200 \text{ (50\% of } \$2,400) - \text{out-of-pocket expenses of } \$200 - \text{prorated operating expenses of } \$500 = \$1,100 \div 2 = \550). Notwithstanding the foregoing, no additional rent will be payable with respect to any sublease prior to June 1, 2000.

A-6

USE OF PREMISES BY LESSEE

The Premises shall be used by Lessee for the presentation of theatrical and other presentations and performances related to Lessee's operation of *The Children's Museum* or otherwise consistent with Lessee's Mission Statement, in the form attached as Part ~~D~~^E of this Lease, which is incorporated herein by this reference, for business offices of Lessee; for meetings of Lessee's Board of Directors, staff and other personnel associated with Lessee; for educational classes; for fund-raising endeavors; for technical production and rehearsal activities and other theatre-related activities of Lessee; for the preparation and sale of food and non-alcoholic beverages in connection with such authorized activities; and for the activities of the sublessees of Lessee; provided that such activity, whether by Lessee or one of its sublessee's, must be consistent with the Seattle Center Vision Statement. The Lessee shall give preference to groups based in Seattle when subleasing the space. The City acknowledges that Lessee also may use the Premises for its business offices for *The Children's Museum*, and the City consents in advance to such use. Lessee may use the Premises for other purposes only with the prior, written approval of the Director.

A-7

REQUIRED CONDITIONS OF USE AND OCCUPANCY

a. Preservation of Performance Facility: Regardless of the improvements, alterations and additions Lessee makes in and to the Premises, Lessee shall preserve and

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maintain within that space, a theatrical/musical performance facility seating at least 199 audience members (or such larger or smaller number as may be approved or required by the Seattle Fire Marshall) as well as appropriate and necessary stage, backstop, dressing room, technical space (including but not limited to sound and lighting control booths), other support facilities, and public lobby space to make the Premises reasonably usable for a wide variety of theatrical and musical performances.

b. Portions of Premises Reserved for Event or Festival Purposes on Certain Dates: Notwithstanding any other provision hereof, the City reserves and remains the right to use, and to authorize third parties to use, as described more fully below, the stage apron and seating area of the Main Auditorium and the Public Lobby (as identified on attached Part C; collectively, the "House") during the dates identified below and in Subsection A-7.f hereof, in connection with the following events/festivals sponsored or co-sponsored by the Seattle Center:

- (1) "Northwest Folklife Festival" (Friday through Monday of Memorial Day weekend);
- (2) "Bumbershoot Festival" (Friday through Monday of Labor Day weekend);
- (3) "International Children's Festival" (on up to seven (7) consecutive days during the month of May that are identified in a Directors notice delivered to Lessee not later than ninety (90) days prior to the first date of each such intended use);
- (4) "Artspring" (for one (1) day, on a date that is identified in a Director's notice delivered to Lessee not later than ninety (90) days prior to the first date of each such intended use);

plus, for each of the events/festivals listed in subsections (1), (2), (3) and (4) above, not more than one (1) move-in day immediately before each such use period and not more than one (1) move-out day immediately following each such use period, but only if deemed by such event or festival's producers to be necessary; and

- (5) "ArtsEdge" (for three (3) consecutive days during the month of June that are identified in a Directors notice delivered to Lessee not later than ninety [90] days prior to the first date of each such intended use), plus (if deemed by ArtsEdge producers to be necessary), not more than three (3) move-in days immediately before each use period and not more than one (1) move-out day immediately following each use period. Lessee agrees that if ArtsEdge is disbanded or discontinued, the three days allotted to that event (but not the three move-in days) shall be added to the other City-reserved dates covered by Subsection A-7.c (such that the City will be entitled to reserve use of the House for eight additional dates per year, plus move-in and move-out days as provided in Subsection A-7.c).

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For purposes of this Lease, a "move-in day" shall mean the twenty-four hour period beginning at noon on the day immediately prior to the first day of the applicable event or festival as specified herein; and a "move-out day" shall mean a period until 9:00 a.m. on the day after the last day of the event or festival as specified hereby. If any of the events or festivals listed in this Subsection is renamed or is otherwise reconstituted, and such successor event or festival is scheduled to occur during generally the same time period as its predecessor event or festival and the activities of the renamed or reconstituted event or festival proposed for the House are compatible with the children and family programs of Lessee, then the opportunity to use the House shall continue and be exercisable for such renamed or reconstituted event or festival notwithstanding such renaming or reconstituting. The Director shall also provide twelve (12) months' prior notice to Lessee if the dates of any of the events/festivals identified in this Subsection will occur on dates different from those specified for the same above. In such event, Lessee and Director shall cooperate to determine mutually agreeable alternative dates for such event or festival's use. Any such re-scheduling shall not expand the number of days approved for the applicable event or festival use of the House.

c. Other City-Reserved Dates: The City further reserves use of the House during each year throughout the Term and any Extended Term of this Lease and any extension thereof, for up to five (5) additional dates, plus up to one (1) move-in date immediately preceding and up to one (1) move-out date immediately following each such additional date, for children's activities that are compatible with the general goals and Lessee's Mission Statement and the Seattle Center Vision Statement. Unless such quantity of prior notice is waived by Lessee, the Director shall give Lessee at least one hundred eighty (180) days' prior notice of each such proposed use date. The City's use of the House on such additional dates shall be contingent on approval by Lessee, which approval shall not be unreasonably withheld or delayed unless Lessee has already scheduled another use for the Premises. Lessee and the City agree to provide each other with as much advance notice of events scheduled for the Premises and to cooperate with each other to resolve any scheduling conflicts, provided that Lessee shall not be required to cancel or reschedule an already scheduled event.

d. Conditions of City Event or Festival Use of House: Use of the House by the City pursuant to Subsection A-7.b or by any producer of a event or festival approved by Lessee pursuant to Subsection A-7.c shall be exclusive of Lessee's use except as provided in this Subsection. Lessee's personnel shall have unlimited access to the Premises to monitor the activities and use of the House by the City, the event or festival producers, and their invitees. During all such use periods, Lessee (or its sublessee) shall have the right to maintain in the Premises its theatre production sets and other theatre equipment, as it deems appropriate, but the House (stage apron and seating area of the Main Auditorium and the Public Lobby) shall only contain the theatre seats and traditional lobby furniture to facilitate full event or festival use. Event or festival use shall be compatible with Lessee's use, which shall be reasonably determined by Lessee. Except as expressly provided in this Section, any such use by the City or an event or festival producer shall be on an "AS IS" basis, and Lessee shall not have any obligation to reconfigure any portion of the Premises except the House, as described in this Subsection.

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e. Use of Theatre Equipment; Reimbursement of Costs: Use of the House by the City or any such event or festival producer shall not give the City or any such producer the right to use of any of Lessee's equipment therein except for the then-existing light plot and lights and soft goods; provided, that lights shall not be re-focused or moved. In the event any such event or festival use requires operation of any of Lessee's equipment, such equipment shall be operated by qualified personnel designated by the Director, subject to Lessee's supervision, or, at the election of Lessee, by Lessee's personnel. The City shall reimburse, or shall contractually obligate such event and festival producer to reimburse within thirty (30) days after the date of Lessee's invoice therefor, Lessee's direct costs for such operation or supervision; provided that the City (only) shall not be charged for any use of Lessee's equipment or the House if such equipment and the House are returned to Lessee in the same condition as received by the City. Lessee's direct costs may include wages for Lessee's personnel, at the rates normally paid by Lessee for such work, including overtime rates, if applicable, as well as out of pocket costs.

f. City Cleaning, Repair, and Reimbursement for Utility Use. For all dates reserved pursuant to Subsections A-7.b and A-7.c hereof, including move-in, move-out and cleanup dates, the City shall, or shall contractually obligate the event or festival producer to, reimburse Lessee within thirty (30) days after the date of Lessee's invoice, for Lessee's actual expenses for utilities, supplies, perishable items, and labor provided to the House during such City or event or festival use. In addition, by the end of the move-out day, the City shall perform, or shall enforce its contract with the event or festival producer to perform, the necessary clean-up of the House and repair of any portion thereof and all improvements and Lessee's property therein that has been damaged in connection with or as a result of such City or event or festival producer's use, which repair shall be to the condition such Premises, improvements, and Lessee's property were in at the outset of such City or event or festival producer's use; provided, that if a longer period of time is required for such repair work, that work shall be completed as quickly as is reasonably possible.

g. City Responsibility for Damage. The City acknowledges that members of the public will be in attendance at the Premises during the use periods reserved for the City and its event or festival producers under Subsections A-7.b and A-7.c and that the City shall be responsible for providing supervision to protect the Premises from damage and all such members of the public from injury. The City shall be responsible for, and shall indemnify, defend and hold Lessee harmless from, any and all losses, damages, suits, and claims of any nature whatsoever made against or incurred by Lessee or any other person arising out of use of the House by the City or any of its event or festival producers, or arising out of activities permitted by the City during such use periods (including without limitation payment and performance of obligations of event or festival producers under Subsections A-7.e, A-7.f or A-7.g hereof). The City shall also require the applicable event or festival producer to secure and maintain during the period of its use of the House under this Lease, public liability insurance coverage against personal injury and property damage that names Lessee as an additional insured and is otherwise in the form and in the amounts reasonably required by Lessee, and to provide to Lessee not less than seven (7)

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days prior to the first scheduled event or festival activity in the Premises, evidence that such insurance has been secured and is being maintained. The indemnification provided for in this paragraph shall survive any termination or expiration of this Lease and shall be in addition to the indemnification provided under other sections of this Lease.

h. Use of House and Lessee Equipment at No Cost to City or Event or Festival Producers. All use of the House and of Lessee equipment pursuant to this Subsection A-7 shall be at no cost to the City or to event or festival producers except as provided in Subsections A-7.e, A-7.f and A-7.g hereof.

i. Limitation on Event or Festival Use. Lessee shall be entitled to require that any event or festival producer using the Premises pursuant to Subsections A-7.b or A-7.c deposit with Lessee in cash or immediately available funds such sum as Lessee, in its reasonable discretion, may determine appropriate to cover the direct costs expected to be incurred by Lessee in connection with such event or festival. The failure to deliver such deposit shall constitute good cause for Lessee to deny use of the House to such event or festival producer. If the amount deposited with Lessee is greater than the actual direct costs incurred by Lessee, the surplus will be returned to the producer within thirty (30) days after the end of the event. If the amount deposited with Lessee is less than the actual direct costs incurred by Lessee, the producer will reimburse Lessee for the difference within thirty (30) days after the date of Lessee's invoice therefor. If Lessee, without good cause, has not been paid amounts due under this Subsection or Subsection A-7.e, A-7.f or A-7.g hereof in connection with a use by an event or festival producer, Lessee may deny subsequent use of the Premises to such event or festival producer until the amounts in arrears have been paid and Lessee has received adequate security or other assurance of payment and performance by such event or festival producer.

j. Coordination of Programming With Seattle Center "Winterfest" Activities: Before Lessee schedules or books any activity or performance to occur in the House between the day after Thanksgiving through the next succeeding January 7th (i.e., during the period of any Seattle Center "Winterfest"), Lessee shall consult with the Director regarding any such proposed activity or performance to facilitate coordinated and supporting advertising and to enhance the quality and quantity of Seattle Center "Winterfest" activities, among other objectives.

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CONDITION OF PREMISES

The parties acknowledge that (i) the prior tenant of the Premises (The Group Theatre) did not clean or repair the Premises or remove all of its furniture, fixtures, equipment and other personal property when it abandoned possession of the Premises; and (ii) some furniture, fixtures, equipment and other personal property that belongs to the City is unusable, obsolete, inoperative or otherwise not wanted by Lessee. Accordingly, the City agrees to remove, at its expenses, all such unwanted furniture, fixtures, equipment and other personal property, to clean the Premises, and to perform such repairs as may be reasonably required to return the Premises to a clean, sanitary and safe condition, including without limitation removing certain paint and other potentially hazardous

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materials from the work-shop area of the Premises. Lessee agrees to cooperate with the City in such endeavors and to assist in identifying any furniture, fixtures, equipment or other personal property or materials to be removed from the Premises, and the City agrees, from time to time until December 31, 1999, upon notice from Lessee, to remove from the Premises any such furniture, fixtures, equipment or other personal property or materials. Subject to the foregoing, Lessee accepts the Premises in their current condition.

A-9 EQUIPMENT PROVIDED TO LESSEE

a. **Included Equipment:** Attached hereto as "Part F" is an itemized list of theatre, office and other equipment ("Equipment") included with the Premises, which list identifies the respective owners of the Equipment, and has been reviewed and approved by the City and Lessee. The City leases the City-owned Equipment to Lessee, for the Term and Extended Term hereof, at no additional charge. Except as otherwise provided in Part E, the City owns or has caused the Equipment to be leased to Lessee, and is fully authorized to do so, and the City agrees to indemnify, defend and hold Lessee harmless from and against any adverse claims to the Equipment. Lessee agrees to release, indemnify, defend and hold the City harmless from any claims, damages, losses or liability arising out of or connected with Lessee's use of the Equipment. Lessee is hereby authorized to affix tags or notices to the Equipment to identify the City's or other entity's ownership interest therein. Except as set forth in this Subsection or Part F, the City makes no representations or warranties whatsoever regarding the Equipment, and Lessee assumes all risks with respect to the fitness of the Equipment for its intended use.

b. **Repair and Maintenance:** Lessee shall keep in good working order and repair each item of Equipment and shall return all such items of Equipment to the City upon expiration or earlier termination of this Lease, in good working order, reasonable wear and tear excepted, unless otherwise agreed by the City in writing; provided that Lessee shall not be required to repair or replace any Equipment that has reached the end of its useful life or becomes inoperable through no fault of Lessee or its sublessees or invitees. Notwithstanding the foregoing, Lessee shall replace every theatrical instrument lamp within the Premises, whether installed in City-owned or Lessee-owned equipment or otherwise, as soon as is reasonable after such item burns out or is broken.

c. **The City's Responsibilities:** In addition to the City's responsibilities specified in Subsections A-8, A-9 and B-10.a, the City shall clean, repair and maintain the public restroom facility that is adjacent to both the Premises and Museum Space, the exterior entrance to the Premises and the Building.

d. **Replacement or Exchange of Equipment:** The City acknowledges that some of the lighting components or other Equipment may not be well suited for the Premises and agrees that Lessee shall be authorized to exchange such components or Equipment for more suitable components or equipment, subject to the City's prior written approval, which will not be unreasonably withheld.

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e. Use of Equipment by Third Parties: The City acknowledges that the standard practice in the Seattle theatre community is to lease or loan equipment among organizations as needed from time to time, and the City hereby agrees that Lessee shall be authorized to engage in such practice, and shall be entitled to retain any consideration received by Lessee with respect to such lease or loan; provided that Lessee shall be responsible for any damage to such Equipment. In the event such leased or loaned Equipment is damaged or lost, Lessee agrees to indemnify, defend and hold the City harmless from any claims, losses, costs or expenses related to the damage, loss or recovery of such Equipment.

f. Lessee-Owned Equipment: The City agrees that any furniture, fixtures or equipment purchased or otherwise obtained by Lessee shall remain the property of Lessee and may be removed from the Premises by Lessee at the expiration or termination of this Lease.

A-10 PERSONNEL

a. Lessee shall have the right to use its own admissions, stage and sound personnel or volunteers for its productions on the Premises. Lessee's personnel shall supervise the admissions personnel of every sublessee that is other than a nonprofit performing arts organization or school. The City acknowledges that Lessee's personnel are not union members, and acknowledges that, as of the date of exercise of the option and as of the date of execution of the Lease, that no union has historically or traditionally enjoyed jurisdiction over the Premises with respect to its long term lessees, and that the Premises is not and has not been the subject of any present or past labor agreement which requires or would require the long term lessee of the Premises to employ union members.

b. If for any reason (i) any union asserts jurisdiction over the Premises or any City-owned equipment at the Premises (except during City-reserved dates pursuant to Section A-7 above), or (ii) Lessee is required to employ union members for operation of the Premises, and if Lessee determines that any resulting union requirements will significantly impair Lessee's ability to operate the Premises or to carry out Lessee's Mission Statement, then upon request by Lessee, the City agrees to meet with Lessee and to negotiate, in good faith, possible modification of the rent or other terms of this Lease. If, in such event, the parties are unable to agree upon mutually acceptable modifications to this Lease, notwithstanding any other provision of this Lease, Lessee shall have the right to terminate this Lease upon sixty (60) days written notice to the Director.

A-11 SIGNAGE

a. Existing Signs and Directories: The City acknowledges that Lessee intends to change the name of the Premises from "The Group Theatre" but has not yet determined the new name. Until such time as Lessee determines a new name for the Premises, existing Seattle Center signs and directories referring to the Premises shall not be removed or changed, and in no event shall any signs or directories referring to the Premises be combined with signs or directories referring to *The Children's Museum* (it

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being understood that the intent is to keep the identities of the two facilities separate). Upon notice from Lessee of the new name for the Premises, the City shall modify Seattle Center signs and directories, without charge to Lessee, to reflect the new name decided upon by Lessee. Lessee acknowledges that once the City has so modified the Seattle Center signs and directories, any additional name change shall be made only upon payment by Lessee of the full cost of such sign and directory modification.

b. **Additional Signs.** The City agrees that Lessee may erect signs for the Premises at or near the stairwell in the Seattle Center House and adjacent to the Northeast entrance to the Premises; provided that such signs conform to the site standards for Seattle Center and Lessee receive the City's prior approval of the plans and specifications for such signs, which approval will not be unreasonably withheld.

c. **Reader Board Usage:** Lessee shall be provided with the opportunity from time to time to advertise performances or events at the Premises on the Seattle Center reader boards located at Fifth Avenue and Mercer Street and at First Avenue and Thomas Street, and on banners on the Mercer Street overpass, as such advertising spaces are available, but not less than one week per calendar quarter. Lessee and the City shall cooperate to determine reasonably acceptable dates for such advertising opportunities.

A-12

CONSULTATION REQUIRED BEFORE CITY ACTIVITY NECESSITATING SUSPENSION OF LESSEE'S USE OF PREMISES

Notwithstanding any provision to the contrary in Section B-13, before the City commences any inspection, repair, alteration, addition or improvement work that will necessitate the temporary suspension of Lessee's business or operations in, on or from the Premises, the City shall consult with Lessee regarding the work and the anticipated impact on Lessee's business and operations, and shall make a good faith effort to minimize such impact by work schedule adjustments or other measures to the extent the same can be accomplished without a cost increase to the City.

A-13

ATTENDANCE AND SAFETY STANDARDS

The Seattle Fire Marshall or his or her designee shall have the authority to determine, in the reasonable exercise of his or her discretion, the number of persons that may be admitted to, and safely and freely move about in, the Premises. Neither Lessee nor any of its sublessees shall sell or issue tickets or credentials for admission to the Premises in an aggregate number that exceeds, nor admit to the Premises more people than, the number so determined by the Fire Marshall. Lessee shall not permit any chair or moveable seat or other obstruction to be erected or placed in any passageway or fire exit. Sidewalks, grounds, entries, passages, vestibules, halls, elevators, abutting streets and all ways of access to the Premises shall not be obstructed by Lessee or any of its sublessees or used for any purpose other than for ingress and egress to the Premises, without the prior written consent of the City, which will not be unreasonably withheld.

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A-14 CONTENTS OF LEASE

This Lease consists of the following parts, which are attached hereto and, by this reference, incorporated herein:

PART A	Special Covenants and Conditions of Lease
PART B	General Terms and Conditions of Lease
PART C	Premises Floor Plan/Map
PART D	Seattle Center Vision Statement
PART E	Lessee's Mission Statement, Educational Belief Statement and Performance Studio Mission Statement
PART F	Personal Property Inventory

These six (6) parts constitute the complete and final expression of the intentions of the parties hereto. All prior and contemporaneous oral and written understandings between the parties regarding the subject matter of this Lease have been incorporated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease by having their authorized representative(s) sign his/her/their name(s) in the spaces below.

LESSEE:

THE CHILDREN'S MUSEUM

By _____
Cynthia Captain
Executive Director

Address for Notices:

The Children's Museum
Attention: Executive Director
305 Harrison Street
Seattle, WA 98109-4645

LESSOR:

THE CITY OF SEATTLE

By _____
Virginia Anderson, Director
Seattle Center Department

Address for Notices:

Director, Seattle Center Department
The City of Seattle
305 Harrison Street
Seattle, WA 98109-4645

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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Cynthia Captain is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Executive Director of The Children's Museum to be her free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: _____

Print Name: _____

NOTARY PUBLIC for the State of
Washington, residing at

My appointment expires:

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Virginia Anderson is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Director of the Seattle Center Department of the City of Seattle to be her free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: _____

Print Name: _____

NOTARY PUBLIC for the State of
Washington, residing at

My appointment expires:

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THEATRE LEASE AGREEMENT

PART B: GENERAL COVENANTS & CONDITIONS

B-1. TIME AND PLACE OF PAYMENT

- a. Due Date for Monthly Rent (Non-Standard Provision): The Monthly Rent specified in Part A hereof is due and payable, without setoff or deduction of any kind or nature, on or before the first (1st) day of each and every month of the initial Term and every extension thereof, unless such day is a weekend or a City holiday, in which case such rent shall be due and payable on the next subsiding Seattle Center business day. Until such time as Lessee receives the Director's notice of the amount of the latest CPI-adjusted rental rate to be used for the calculation of rent payable by Lessee in that calendar year, Lessee shall remit to the City, as a partial payment of rent payable in that calendar year, rent calculated at the rate in effect during the immediately preceding calendar year. After Lessee's receipt of the Director's latest notice of the adjusted monthly rental rate to be used for the calculation of rent payable to the City, Lessee shall remit the full amount of rent due to the City, which shall be calculated using the adjusted rental rate specified in the latest such Director's notice, and within forty-five (45) days after the receipt of such notice, Lessee shall remit the difference between the aggregate amount of Lessee's partial payments of rent for the year in which such rate adjustment notice is given and the aggregate amount of rent due to the City calculated using the rental rate specified in the latest such notice.
- b. Due Date for Additional Rent and Charges (Non-Standard Provision): Amounts due as additional rent or charges are due and payable without any setoff or deduction of any kind or nature, within thirty (30) days after the date of the City invoice therefor.
- c. Due Date for Minimum Monthly Promotion and Advertising/Public Programming Charge: (Deleted Provision)
- d. Due Date for Supplemental Monthly Promotion and Advertising/Public Programming Charge: (Deleted Provision)
- e. Due Date for Tenants' Association Dues (Non-Standard Provision): Lessee's Tenants' Association Dues for any year during the term hereof shall be due and payable to the City, without setoff or deduction of any kind or nature, on or before January 1st; provided, that City shall invoice Lessee for such dues annually and provided further, for the first year of the term hereof, such dues shall be due and payable within five (5) days following execution of this Lease. In the event the Term of this Lease does not commence on January 1st and end on December 31st, such dues shall be prorated.
- f. Due Date for Reimbursements: Any reimbursement(s) of City expenditures for and on behalf of Lessee including but not limited to Lessee's prorated share of insurance premiums due pursuant to Subsection B-5.j and any reimbursement due pursuant to

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Subsections B-6.e, B-10.b, B-10(c), B-11(g)(6) and B-18.c hereof shall be due and payable, without any set off or deduction of any kind or nature, within thirty (30) days after the date of the City's invoice therefor.

g. Place of Payment: All payments shall be delivered to The City of Seattle, Seattle Center Accounting Office, 305 Harrison Street, Seattle, Washington, 98109, or to such other address as the Director shall specify by notice to Lessee.

B-2. BOOKS AND RECORDS; "GROSS RECEIPTS" DEFINED (Non-Standard Provision)

a. Keeping of Records: Lessee shall keep true, accurate, complete and editable records of all of Lessee's gross receipts from any subleases of the Premises, which records shall be separate from all of the other business records of Lessee.

b. Payment Reports: Lessee shall submit to the City each month, at the address in Section B-1.g above, a report of any gross receipts from any subleases of the Premises during the previous month for which Additional Rent is payable pursuant to Section A-5.d of this Lease.

c. Identification of Lessee's Fiscal Year: Lessee's "fiscal year" is from January 1 through December 31 of each year. Lessee shall give notice to the Director of any change in Lessee's fiscal year.

d. Statement to Director Regarding Annual Gross Receipts: Not later than sixty (60) days after the end of any fiscal year of Lessee during the Term of this Lease, Lessee shall deliver to the Director a written statement identifying the amount of any gross receipts from subleases of the Premises in such fiscal year for which Additional Rent is payable pursuant to Section A-5.d of this Lease, which statement shall be certified as to its accuracy by an officer of Lessee.

e. Definition of Gross Receipts: As used in this Lease, the term "gross receipts" means and includes the total income received by Lessee with respect to a sublease of the Premises, including but not limited to all rent and other amounts received by Lessee for use of the sublet premises and any proceeds Lessee receives from all retail and wholesale sales of food, beverages, merchandise, and services of any kind whatsoever, for cash, barter, exchange or credit; sales from vending devices; mail or telephone orders received or filled on or from the Premises; all deposits not refunded to a sublessee or purchaser; orders taken although filled elsewhere; fees; commissions; catalog sales; and rental receipts. The term "gross receipts" does not mean or include the amount of money refunded to a sublessee or customer who terminates a sublease or does not accept any goods or services provided by Lessee; and Washington State Sales Tax and any other tax imposed by any government agency directly on such sublease or sales; and all admission taxes collected by Lessee. (Business and occupation taxes are not taxes imposed directly

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on sales and shall not be deducted from the amount of "gross receipts.")

B-3. AUDIT (Non-Standard Provision)

Solely for the purpose of determining (a) the appropriate amount of credit in any year where rent credits are made for Gated Days or (b) the amount of additional rent based on subleases payable pursuant to Subsection A-5.d, Lessee shall permit the City, within one (1) year following the end of the year to be audited, to inspect and audit in King County, Washington, at any and all reasonable times, all books and records pertaining to Lessee's gross receipts, to verify the amount of gross receipts generated by Lessee on or from the Premises, or net receipts, to verify the amount of net receipts generated by any sublease of the Premises for a use that is inconsistent with the mission statement of Lessee, and shall supply the City with, or shall permit the City to make, a copy of any such books and records and any portion thereof, upon the request of such official or his/her successor or designee. The Director shall give notice to Lessee of the amount of any over- or underpayment found. Any overpayment shall be a credit against any rent or additional rent subsequently due or, at Lessee's option shall be refunded to Lessee. In the event of an underpayment, Lessee shall pay to the City within thirty (30) days after the date of the invoice therefor, the amount of such underpayment plus the cost incurred by the City in auditing Lessee's books and records, which cost shall constitute additional rent.

B-4. PERFORMANCE GUARANTEE (Provision Deleted)

B-5. LIABILITY

a. Indemnification (Non-Standard Provision):

(1) By Lessee: Lessee shall indemnify, defend and hold the City, its officers, employees and agents (collectively, "City Indemnified Parties") harmless from any and all losses, claims, actions, or damages, incurred by or brought against the City Indemnified Parties including but not limited to trademark, patent, and copyright infringement, by reason of or resulting from the use and occupancy of the Premises by Lessee or any of its officers, employees, contractors or agents, or any other act or omission of any of the same under this Lease; provided, that in the event the City determines that one or more principles of government or public law are involved, the City retains the right to participate in such action. The indemnification provided for in this paragraph shall survive any termination or expiration of this Lease.

(2) By City: The City shall indemnify, defend and hold Lessee, its directors, trustees, officers, employees and agents (collectively, "Lessee Indemnified Parties") harmless from any and all losses, claims, actions, or damages incurred by or brought against Lessee Indemnified Parties, including but not limited to trademark, patent and copyright infringement, by reason of or resulting from any



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act or omission of the City or any of its officers, employees, contractors or agents, undo this Lease. The indemnification provided for in this paragraph shall survive any termination or expiration of this Lease.

b. Liability Insurance: Unless the City secures and maintains such insurance for itself and Lessee's benefit pursuant to Section B-5 hereof, Lessee shall secure and maintain in full force and effect at all times during the Term of this Lease, at no cost or expense to the City, one or more policies of commercial general liability insurance as required below. Evidence of such insurance, shall be delivered to the address set forth below.

(1) Commercial General Liability Insurance: A policy of Commercial General Liability Insurance, written on an insurance industry standard occurrence form (CG 00 01) or equivalent, including all the usual coverages known as:

- Premises/Operations Liability
- Products/Completed Operations
- Personal/Advertising Injury
- Contractual Liability
- Independent Contractors Liability
- Stop Gap/Employers Contingent Liability
- Liquor Liability/Host Liquor Liability*
- Fire Damage Legal Liability
- Elevator & Hoist Liability*

* These coverages are only required when this lease agreement includes exposures to which these specified coverages respond.

Such policy(ies) must provide the following minimum limit:

Bodily Injury and Property Damage:	
\$2,000,000	General Aggregate
\$2,000,000	Products & Completed Operations Aggregate
\$1,000,000	Personal & Advertising Injury
\$1,000,000	Each Occurrence
\$100,000	Fire Damage

Stop Gap Employers Liability:	
\$1,000,000	Each Accident
\$1,000,000	Disease - Policy Limit
\$1,000,000	Disease - Each Employee

A deductible or self-insured retention of no more than Two Thousand Five Hundred Dollars (\$2,500) for property damages only. The cost of any claim

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payments falling within the deductible shall be the responsibility of Lessee.

(2) Business Automobile Liability: A policy of Business Automobile Liability, including coverage for owned, non-owned, leased or hired vehicles written on an insurance industry standard form (CA 00 01) or equivalent.

Such policy(ies) must provide the following minimum limit:
Bodily Injury and Property Damage - \$1,000,000 per accident

(3) Worker's Compensation: A policy of Worker's Compensation. As respects Workers' Compensation insurance in the state of Washington, Lessee shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. If Lessee is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, Lessee shall so certify by providing a copy of the state Certificate of Self-Insurance, and setting forth the limits of any policy of excess insurance covering its employees.

(4) Property Insurance: A policy of Property Insurance covering its furniture, fixtures, equipment and inventory located on the Premises and all improvements which the City or Lessee makes to the Premises in an amount equal to replacement cost thereof, against (a) 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 (CP 10 30), (b) Loss or damage from water damage, or sprinkler systems now or hereafter installed in on the premises; (c) Loss or damage by explosion of steam boilers, pressure vessels, oil or gasoline storage; (d) Business Interruption or Extra Expense, with sufficient coverage to provide for the payment of rent and other fixed costs during any interruption of Lessee's business because of fire or other cause.

(5) Additional Insured and Changes of Coverage and Limits: Such insurance, as provided under subsections (1), (2) and (4) above, shall be endorsed to include the City, its officers, elected officials, employees, agents and volunteers as additional insureds, and shall not be reduced or canceled without forty-five (45) days prior written notice to the City at the following addresses:

Seattle Center Director	Risk Manager
Seattle Center Department	Finance Department
The City of Seattle	The City of Seattle
305 Harrison	600 Fourth Avenue
Seattle, WA 98109	Seattle, WA 98104

In addition, Lessee's insurance shall be primary, as respects the City, and any other insurance maintained by the City shall be excess and not contributing

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insurance with Lessee's insurance.

(6) Coverage and/or Limits: Coverage and/or limits may be altered or increased as necessary, to reflect type of or exposure to risk. The City shall have the right to periodically review the appropriateness of such limits in view of inflation and/or changing industry conditions and to require a reasonable increase in such limits upon ninety (90) days prior written notice.

(7) Evidence of Insurance: The following documents must be provided as evidence of insurance coverage:

- 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.
- A copy of the endorsement naming the City as an Additional Insured, showing the policy number, and signed by an authorized representative of the insurance company on Form CG2026 (ISO) or equivalent.
- A copy of the "Endorsements Form List" to the policy or policies showing endorsements issued on the policy, and including any company-specific or manuscript endorsements.
- A copy of an endorsement stating that the coverages provided by this policy to the City 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 City.
- A copy of a "Separation of Insureds" or "Severability of Interests" clause, indicating essentially that - except with respect to the limits of insurance, and any rights or duties specifically assigned to the first named insured, this insurance applies as if each named insured were the only named insured, and separately to each insured against whom claim is made or suit is brought (for Commercial General Liability and Business Automobile Liability Insurance).

(8) All policies shall be subject to approval by the City's Risk Manager as to the insuring company (which must be rated A-: VII or higher in the 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), form and coverage, and primary to all other insurance.

(9) If Lessee fails to maintain such insurance, the City may do so, and Lessee shall reimburse the City for the full expense thereof upon demand. Lessee shall not keep or use in or about the Premises any article which is prohibited by the City's insurance policy. Lessee shall pay as an expense reimbursement any increase in the City's premiums for insurance during the term of this Lease that

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results from Lessee's use of the Premises, or such prorated share of the insurance premium as determined by the Director in the reasonable exercise of the Director's discretion.

(10) Waiver of Subrogation. Neither the City nor Lessee shall be liable to the other party or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or tangible personal property of the other occurring in or about the Premises or Building, even though such loss or damage might have been occasioned by the negligence of such party, its' agents or employees, if such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required under the terms of this Lease to be covered by insurance procured by the party suffering the loss.

(11) Self-Insurance: Should Lessee be self-insured, under subsections (1) or (2) above, a letter from the Corporate Risk Manager, or appropriate Finance Officer, is acceptable - stipulating if actuarially funded and fund limits; plus any excess declaration pages to meet the contract requirements. Further, this letter should advise how Lessee would protect and defend the City as an Additional Insured in their self-insured layer, and include claims handling directions in the event of a claim.

B-6. LESSEE'S IMPROVEMENTS, ADDITIONS, AND ALTERATIONS TO PREMISES

a. Acceptance Of Premises (Non-Standard Provision): Except as to the City's obligations described in Section A-8 hereof, Lessee accepts the Premises in their condition as of the execution of this Lease. The City disclaims all representations, statements, and warranties, expressed or implied, with respect to the condition of the Premises or the use and occupancy authorized other than those contained in this Lease.

b. Prior Approval of Plans and Specifications Required (Non-Standard Provision): With respect to any modification(s) that Lessee desires to make or has made to the structural, mechanical, or electrical system(s) of the Premises or the building of which the Premises forms a part (the "improvements, alterations or additions" and each an "improvement," "alteration," or "addition"), to convert the same to the condition desired for the operation of its business, Lessee shall submit for approval by the Contracts and Concessions Manager or such other official as may be specified by the Director, schematic designs, design development drawings, and final working drawings and specifications for the construction of such modifications. All such designs, drawings and plans shall be prepared by a licensed architect or engineer, who shall have affixed to the same his/her signature and seal. No change shall be made to any electrical wiring or plumbing in the Premises, or any utility service to or from the Premises, or any structural portion of the Premises, as of the date of execution of this Lease and at any time subsequent thereto, other than a change made by the appropriate type of building trade

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professional having a valid professional and business license to perform the type of work required. No demolition, remodeling, or construction work shall begin on any improvement, addition, or alteration on the Premises or to any utility service connecting with the Premises or any portion thereof, or to any other City facility, until after the Director has approved the same and all other required authorizations have been secured for such work; provided, however, that such modification(s) shall be defined approved by the Director unless such official has made an objection to the same, in writing, within twenty (20) days after such official's receipt of the required documentary submission regarding such proposed modification(s):

c. No Representation or Liability Created by Approval: The approval of any plans and specifications by the Director shall not constitute an opinion or representation by the City as to their completeness; design sufficiency; compliance with any law, ordinance, rule or regulation; or their adequacy for other than the Seattle Center's own purposes. No such approval shall create or form the basis of any liability on the part of the City or any of its officers, employees, or agents for any injury or damage resulting from any inadequacy or error therein or any failure to comply with any applicable law, ordinance, rule or regulation.

d. Work Inconsistent with Approved Plans and Specifications (Non-Standard Provision): No improvement, alteration, or addition shall be constructed, placed, or erected on the Premises except in accordance with plans and specifications therefor approved by the Director and the City in writing (unless such approval is not required legally or by the terms of this Lease). Following Lessee's receipt of notice by the City of any nonapproved improvement, addition, or alteration in, on, or being made to the Premises, Lessee shall immediately stop the making of such unauthorized modification(s) and within such reasonable time thereafter as is permitted by the Director or other City official, either remove such unauthorized modification(s) or make the same consistent with approved plans and specifications therefor.

e. Changes in City Facilities, Utilities or Services: In the event an improvement, addition, or alteration made or desired to be made by Lessee requires or would require any change in any facility, utility or service provided by the City, Lessee shall reimburse all sums paid and any costs incurred by the City in making such change or otherwise in connection therewith.

f. Work at Lessee's Expense (Non-Standard Provision):

(1) Except as to City improvements described in Section A-10 hereof, all improvements, additions, and alterations made to the Premises or the building of which the Premises forms a part, to convert the same to the condition desired by Lessee for the operation of its business, shall be at the expense of Lessee, and at no expense to the City unless otherwise specifically agreed upon in writing. Lessee shall not be responsible for payment of any portion of the cost to upgrade

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that part of the Center House Building that is outside of the Premises, as may be required by law from time to time, including the cost of compliance with the Americans with Disabilities Act or other building code requirement, unless such upgrading is the direct consequence of a modification being or to be made to the Premises or the building of which the Premises forms a part.

(2) In the event any act or omission of Lessee, or any of its officers, employees, volunteers, contractors, invitees or agents results damage to City property or any other lessee's premises or property, and the City is required to perform any repair, restoration, or cleanup activity with respect to the same, Lessee shall pay to the City, as additional rent under Subsection A-5(b) hereof, the full cost of such City work (including but not limited to Seattle Center labor and project management).

g. Improvements, Additions and Alterations and Fixtures Become City Property (Non-Standard Provision): All improvements, additions, alterations and fixtures specified in Part F or in a subsequent agreement shall remain in and be surrendered with the Premises as a part thereof without molestation, disturbance or injury at the time the Premises are vacated by Lessee. Lessee shall have the right to remove any and all Lessee equipment and other personal property not specified in Part F.

h. No Liens or Encumbrances (Non-Standard Provision): Lessee shall keep the Premises free and clear of any liens and encumbrances arising or growing out of its use and occupancy of the Premises except for those encumbrances that are specifically authorized by the Director, whose authorization may be granted, granted on conditions, or withheld in the exercise of such official's sole discretion. At the request of the Director, Lessee shall deliver to the Director, written proof of the payment of any item which could be the basis of such a lien, if not paid.

i. Construction Bond (Non-Standard Provision): Before any alteration, addition or improvement work is started on the Premises, Lessee shall file with the Director a good and sufficient corporate surety bond approved by the City Attorney as to form and surety, conditioned upon the completion and installation of said addition, alteration or improvement as described in plans submitted to and approved by the Director and the City and in accordance with the provisions of this Lease and all licenses, permits, ordinances, statutes, regulations and laws governing the making of said improvement, and further conditioned upon the payment of all persons supplying labor and material for the making of said addition, alteration and improvement, and upon the making of said addition, alteration, and improvement without cost and expense to the City; provided, however, that the Director may waive or reduce this surety bond requirement if, in the opinion of the Director, such surety bond coverage either is unavailable or available only at a cost deemed by the Director to be unreasonable under the circumstances.

j. Construction Liability Insurance: Lessee shall require its general contractor to

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furnish and maintain during the full period of the making of any part of any physical addition, alteration or improvement to the Premises, at no cost to the City, a policy of public liability and property damage insurance issued by an insurance company licensed to do business in the State of Washington, protecting Lessee and the City from any and all claims for damages for personal injury, including death, and for property loss or damage that may arise from any activity related to the making of said addition, alteration or improvement, whether such activity is by Lessee, its contractor(s), any subcontractor, or by anyone directly or indirectly employed by or under contract to any of them. Said policy shall provide coverage in the following minimum amounts: One Million Dollars (\$1,000,000) Combined Single Limit, One Million Dollars (\$1,000,000) Annual Aggregate. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Lessee from liability in excess of such coverage. The above insurance limits will be reviewed annually by the parties to assure that coverage is reasonable. Lessee shall adjust the above insurance limits after such review if it is determined by the Director that any increase is reasonable and justifiable based on changed legal or economic conditions. Such policy shall name The City of Seattle as an additional insured and provide that the terms thereof cannot be modified or terminated without thirty (30) days' prior written notice to the City, all in the manner and form required by the City's Risk Manager or such official's successor. Evidence of such insurance must be provided to the City, consistent with the requirements of Subsection B-5.g hereof, prior to the commencement of work. All such insurance shall be primary to any insurance maintained by the City.

k. Delivery of "As-Built" Drawings: Immediately after the completion of each improvement, addition, or alteration to the Premises, Lessee shall deliver to the Director a complete set of reproducible 24" x 36" drawings reflecting the final "as-built" condition of said improvement, addition and alteration, together with either the original or a copy of all maintenance and operation manuals necessary for the repair and maintenance of any architectural, mechanical or electrical building system or piece of equipment installed on the Premises that is all or part of such improvement, addition or alteration

l. Testing of Premises: Lessee may make such tests, borings and other minor disturbances of the Premises as may be necessary to develop designs and plans for all required or desired improvements, additions and alterations to the Premises, including installations and modifications to accommodate changes in trade fixtures intended for use on the Premises. A report of the findings and results of each such test or boring shall be submitted to the Director within thirty (30) days after the date such findings and results are obtained. Lessee shall require its general contractor to furnish and maintain during the full period of the making of any part of any physical addition, alteration or improvement to the Premises, at no cost to the City, a policy of public liability and property damage insurance issued by an insurance company licensed to do business in the State of Washington, protecting Lessee and the City from any and all claims for damages for personal injury, including death, and for property loss or damage that may arise from any activity related to the making of said addition, alteration or improvement, whether

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such activity is by Lessee, its contractor(s), any subcontractor, or by anyone directly or indirectly employed by or under contract to any of them. Said policy shall provide coverage in the following minimum amounts: One Million Dollars (\$1,000,000) Combined Single Limit, One Million Dollars (\$1,000,000) Annual Aggregate. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Lessee from liability in excess of such coverage. The above insurance limits will be reviewed annually by the parties to assure that coverage is reasonable. Lessee shall adjust the above insurance limits after such review if it is determined by the Director that any increase is reasonable and justifiable based on changed legal or economic conditions. Such policy shall name The City of Seattle as an additional insured and provide that the terms thereof cannot be modified or terminated without thirty (30) days' prior written notice to the City, all in the manner and form required by the City's Risk Manager or such official's successor. Evidence of such insurance must be provided to the City, consistent with the requirements of Subsection B-5.g, hereof, prior to the commencement of work. All such insurance shall be primary to any insurance maintained by the City.

B-7. COVENANTS REGARDING OPERATION OF LESSEE'S BUSINESS

- a. Obligation to Open for Business: *Deleted Provision*
- b. Business Hours (Non-Standard Provision): Lessee shall not leave the Premises unoccupied or vacant, but shall open and maintain its operation therein ready for the transaction of business with the public on such days and during such minimum operating hours as may be approved by the Director, from time to time, with the exception of temporary closures for such period(s) as may be necessary for repairs, redecorating, or circumstances beyond Lessee's control.
- c. Maximization of Gross Receipts: *Deleted Provision*
- d. Personnel: Lessee shall employ courteous, competent, and efficient help in such numbers, skills, and experience as to properly conduct its activities on the Premises. Lessee shall have on the Premises, at all times it is open for business, a qualified representative authorized to represent Lessee in dealings with the City, and shall keep the Director informed of the identity of such person.
- e. Business Name: Lessee shall not change the name by which it carries on its business without the written consent of the Director whose consent shall not be unreasonably withheld. Notwithstanding the foregoing, the City acknowledges that Lessee intends to change the name of the theatre at the Premises, and agrees that it shall not unreasonably withhold its consent to such name change.
- f. Fixtures, Furnishings, and Trade Equipment: *Deleted Provision*
- g. Personal Property Inventory: *Deleted Provision*

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h. Deliveries: All deliveries shall be made to a delivery location or entrance designated by the Director and shall be completed prior to 11:00 a.m. or the Director's specified deadline when special arrangements have been made with the Director.

i. No Nuisances or Objectionable Activity: Lessee shall not permit any excessive or objectionable noise, odor, dust, vibration or similar substance or condition to remain on or be emitted from the Premises; shall not interfere with access from the Seattle Center or any part thereof, including the Premises, or with the traffic thereon; shall not create any nuisance in or adjacent to the Seattle Center, and shall not do anything on the Seattle Center that will create a danger to life or limb.

j. Use of Common Areas (Non-Standard Provision): Lessee may place displays within the common area immediately adjacent to the Premise so long as such displays have been approved in advance by the Director, which approval shall not be unreasonably withheld. Except as provided in the previous sentence, neither Lessee nor any of its officers, employees, agents or contractors shall use any part of the common area of Seattle Center for any particular Lessee purpose without the express, written approval of the Director.

k. Reservation of Rights by City; Prohibition against Installation or Integration of any Work of Visual Art on Premises without Director's Consent. The City reserves to and for itself the right to approve or disapprove 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 ("Act"), and to approve or disapprove of each and every agreement regarding any such installation or integration. Lessee 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 the Director. The Director's consent to the installation of any such work of visual art may be granted, granted upon one or more conditions, or withheld in the Director's discretion; provided, however, that the Director's consent to the installation by or for Lessee of any such work of visual art shall not be required if (1) such work of visual art (a) weighs less than fifty (50) pounds, and (b) is of a size and has such dimensions and material composition that may be moved through an open 32" x 78" or larger doorway, 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 picture hooks and wire; all so that it is removable from the Premises without its destruction, distortion, mutilation or other modification by reason of such removal; or (2) Lessee delivers to the Director an appropriately executed waiver, for the benefit of the City and its successors and assigns as the owner of the Premises, of the artist's right of integrity regarding such work of visual art, in a form that satisfies both the Director and the requirements of 17 U.S.C. § 106A(e), as the same now exists or is hereafter modified. The Director also shall not withhold consent to the installation on or in the Premises by or for Lessee of any work of visual art to which the artist has executed, for the benefit of the

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City and in the form and manner specified by the Director, a consent agreement of the type contemplated by 17 U.S.C. § 113(d)(1), as the same now exists or is hereafter amended. In the event the creator of any work of visual art presently installed on or in the Premises by or for Lessee has not executed a waiver, or such creator and the City have not executed a consent agreement, each as described above, Lessee shall ensure that, prior to removing or allowing the removal from the Premises of any such work of visual art, (x) such creator is given both notice, as contemplated by 17 U.S.C. § 113(d)(2), of the intended removal of such work of visual art, and the time required by that statutory provision to respond to such notice, and (y) Lessee takes whatever other action(s) as may be required by the Act to avoid the filing or lodging against the City as owner of the Premises of any claim, action or suit alleging a violation of the Act and arising out of any act or omission of or for Lessee or any of its officers, employees or agents.

l. Lessee's Indemnification of City against Liability under Visual Artists Rights Act of 1990. Lessee shall protect, defend and hold the City 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 by Lessee, or its officers, employees, agents, sublessees or licensees, of any work of visual art on or in the Premises except to the extent such claim, suit, action or cause of action arises from or relates to condition(s) imposed by the Director for such installation or integration; (b) the destruction, distortion, mutilation or other modification of any visual work of art that results by reason of its removal by Lessee, or its officers, employees, agents, sublessees or licensees; (c) any breach of Lessee's obligations under Subsection B-7.k of this Lease; or (d) any violation of the Act by Lessee, or its officers, employees, agents, sublessees or licensees. Except as otherwise provided herein, Lessee's indemnification obligations under this Subsection shall exist regardless of whether the Director or any other person employed by the City has knowledge of such installation, integration or removal or has consent to such action or is not required to give prior consent to such action, and shall survive the expiration or earlier termination of this Lease.

m. Illumination of Premises: The Premises and all fixtures, furnishings, and trade equipment thereon shall be effectively illuminated during all hours Lessee is open for business.

n. Fire Extinguisher With Premises (Non-Standard Provision): During the Term of this Lease, Lessee shall secure, maintain and install in the Premises, in a prominent location, the type(s) and number(s) of fire extinguisher(s) or alternative fire suppression device(s) as are approved by the Seattle Fire Marshall, and Lessee shall instruct all staff regarding its appropriate use. Every such fire extinguisher shall be recharged not less than once a year and immediately following any use.

o. No Use of Prohibited Food-Serving Material (Non-Standard Provision): Lessee shall not serve or permit any other person or entity to on the Premises any food or

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beverage in any plastic or polystyrene foam food or beverage container or in any other type of foot or beverage container that is hereafter legally prohibited.

p. Objectionable Merchandise or Material: *Deleted Provision*

B-8. UTILITY SERVICES AND PARKING

a. Extent of City Service (Non-Standard Provision): The City shall provide basic utility service including but not limited to sewer, water at approximately 60 psi pressure, electricity, heating, ventilation and air conditioning for the Premises. Lessee shall secure from an independent source whatever telephone, video-cable, and other communication services it desires within the Premises and shall pay the charges for all such services before the same become delinquent.

b. Limitation on City Liability Regarding Utility Service: The City shall not be liable for the interruption of any utility service, regardless of whether such interruption is the result of maintenance work or another cause, except to the careens that such interruption is due to the City's negligence.

c. Special Services and Facilities Subject to Prior City Approval, and at Lessee's Cost: In the future, Lessee, directly or through a third party, may install, secure, maintain and repair, at no expense to the City, any utility service related to Lessee's operations and its use of the Premises that is not provided or maintained by the City pursuant to Subsection B-8.a above. Any special utility or waste disposal facility, item of equipment, or service beyond that provided to the Premises by City, must be installed only in accordance with plans and specifications approved by the Director and other appropriate City officials, in writing, in advance of such installation. Lessee shall not install on the Premises any fixture, furnishing or trade equipment that exceeds the capacity of any utility or waste facility for such location. Lessee shall pay before delinquency all fees and charges for the installation, change and relocation of any point or means of service by any such utility or waste line or system. Lessee shall make arrangements with the utility service provider for separate metering, where possible, of such service and the direct billing Lessee for the delivery of such service.

d. Cooperative Parking: As of the date of this Lease, the Seattle Center has a "Cooperative Parking Status" under Title 23 of the Seattle Municipal Code. Accordingly, unless otherwise specifically provided herein, the City does not provide any parking that is specifically for or associated with the Premises (including but not limited so that required by or for Lessee stay suppliers or customers), and whatever general non-reserved parking the City makes available for Seattle Center tenants and their respective staffs, suppliers, and customers shall be shared on a first come, first-served basis.

B-9. ADVERTISING AND PUBLICITY



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a. Prohibited Promotion And Other Material; Removal Of Same (Non-Standard Provision): Except as agreed in or pursuant to the Signage Plan set forth in Part G hereof, Lessee shall not display, post, or distribute any sign, symbol, advertising of any nature, or any printed material on any part of the Seattle Center except after receiving written permission therefor from the Director, and may undertake such activity only in or on location(s) approved by the Director. On or before the expiration or termination date of this Lease, whichever is earlier, Lessee shall remove, at no expense to the City, all such signs, symbols, advertising and printed material; and correct any unsightly condition, and repair any damage or injury to City property caused by such signs, symbols, advertising and printed material, and the removal thereof. Unauthorized signs and advertising may be removed from City property by the City.

b. Use of Photos & Similar Materials: Deleted Provision

B-10. MAINTENANCE, CLEANING AND REPAIR

a. City General Responsibilities (Non-Standard Provision): The City shall maintain and repair the exterior of the building and structural elements of the Premises as well as the common areas of the building of which the Premises forms a part (those areas designated by the Director as being for the general and shared use by building tenants and their employees and invitees, City employees, and Seattle Center visitors, and not within the exclusive control of any tenant, which areas include but are not limited to public hallways, stairways, escalators and elevators, public lounges and seating areas, and public restrooms). The City shall also clean such common areas, but not the interior or window areas of Premises. Such maintenance, cleaning and repairing shall be to the ordinary standard of work performed on other, major use facilities at Seattle Center, to keep the same in good condition, normal wear and tear and damage and destruction by fire or other extraordinary casualty excepted. In connection therewith, the City shall remove garbage and other refuse from locations designated by the City for such purpose, and repair potable water, sewer, and storm water lines outside the Premises connecting with similar lines on the Premises. In undertaking such maintenance, the City shall make a good faith effort to not unreasonably interfere with Lessee's business on the Premises. Lessee waives all claims for damages, including for any loss of business, resulting from City maintenance, cleaning and repair work except to the extent of City negligence and the City's unreasonable interference with Lessee's use of the Premises. Except as otherwise specified in this Lease, all maintaining, repairing and cleaning by the City hereunder shall be at no cost to Lessee.

b. Lessee's General Responsibilities (Non-Standard Provision): Except as indicated in Part A hereof, Lessee at its own cost and expense, shall keep the non-structural elements of the Premises and all real property improvements, alterations, and additions thereto (including but not limited to the exterior surface areas of structural elements and all window areas of the Premises) at all times and otherwise in good repair and in a neat, clean, and sanitary condition, except for the effects of normal wear and tear and damage



by fire or other unavoidable casualty. In carrying out such responsibilities, Lessee, among other things, shall:

- (1) Replace any glass in a window, door, display case, or equipment immediately after it become cracked or broken;
- (2) Periodically repaint all painted surfaces that have become chipped, spotted, faded, or otherwise unattractive;
- (3) Keep all drainage pipes free and open;
- (4) Repair all damage resulting from any plumbing fixture and any equipment connected to any plumbing or any pipe installed in the Premises by or on behalf of Lessee; and any damage caused by Lessee's failure to keep any plumbing fixture or pipe installed within and intended to serve the Premises in good operating condition;
- (5) Maintain and periodically clean all exhaust system duct work on the Premises and its connection with the City's common duct system, to eliminate all risk of fire;
- (6) Replace every lamp and light bulb as soon as reasonably possible after the same becomes inoperative;
- (7) Remove, periodically, in a timely and careful manner, to all areas designated by the Director, all debris generated by or peculiar to Lessee's operations on the Premises;
- (8) Prevent the presence of vermin, insects, and other pests on the Premises by contracting for the providing of professional pest control services to the Premises at least six (6) times per year and by delivering to the Director a copy of each invoice or such services within thirty (30) days after the providing of the same;

and in the event Lessee fails to satisfy, in a timely manner after its receipt of notice from the Director of the need for such work, any of the obligations specified in this Subsection, the City reserves the right (but shall have no obligation) to undertake such work. In the event the City undertakes such work for Lessee pursuant to this Subsection, Lessee shall pay the City reimbursement of the actual expenses incurred by the City in undertaking such work (including but not limited to Seattle Center labor and project management) plus an administrative charge of \$250.00.

c. City to Coordinate Emergency Plumbing Repair Work (Non-Standard Provision): Lessee acknowledges that there are a variety of food-service establishments and plumbing fixtures and pipes immediately above portions of the Premises, and that, as a

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consequence, the Premises may be subject to drainage from water and other liquids. The City shall make a good faith effort to minimize any such damage by ensuring that emergency repairs are made to stop leaks from such plumbing fixtures or pipes and by reminding the tenants located immediately above the Premises of the need to properly maintain plumbing and pipes that are installed in the areas under their respective control and are otherwise a tenant responsibility.

B-11. COMPLIANCE WITH LAW

a. General Requirements: Lessee, at no cost to the City, shall perform and comply with all applicable, current and future laws of the United States and the State of Washington; the Charter and Municipal Code of The City of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof. Lessee shall use its best efforts to ensure that every person it admits to the Premises similarly performs and complies with the same. Whenever Lessee or its authorized representative is informed of any violation of any such law, ordinance, rule, regulation, license, permit, or authorization committed by it or any person admitted to the Premises, Lessee shall immediately desist from and/or prevent or correct such violation.

b. Licenses and Other Authorizations: Lessee, at no cost to the City, shall secure and maintain in full force and effect during the terms of this Lease, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

c. Taxes: Lessee shall pay, before delinquency, all taxes, levies, and assessments arising from its activities on or occupancy of the Premises, including but not limited to taxes arising out of the City or business conducted on the Premises; taxes levied on its property, equipment and improvements on the Premises; and taxes on Lessee's interest in this Lease and any leasehold interest deemed to have been created thereby under RCW Ch. 82.29A; and in the event the State of Washington makes any demand upon the City for payment of leasehold excise taxes resulting from Lessee's occupancy of the Premises or withholds funds due to the City to enforce collections of leasehold excise taxes, Lessee shall remit the taxes demanded together with any interest and penalties associated therewith or, at no expense to the City, contest such collection action and indemnify the City for all sums expended by, or withheld by the State of Washington from the City in connection with such taxation.

d. Nondiscrimination and WMBE Utilization - General: Notwithstanding any other provision in this Lease, City women- and minority-owned business (WMBE) utilization requirements shall not be applicable from and after December 3, 1998, and no minimum level of WMBE subtenant, consultant, contractor or supplier participation shall be required as a condition of the City's execution of this Lease.

(1) Nondiscrimination: Lessee shall not create barriers to open and fair opportunities for WMBEs to participate in all City contracts and to obtain or



compete for contracts and subcontracts as sources of supplies, equipment, construction and services. In considering offers from and doing business with contractors and suppliers, Lessee shall not discriminate on the basis of race, color, creed, religion, sex, age, nationality, marital status, sexual orientation or the presence of any mental or physical disability in an otherwise qualified disabled person.

(2) Record-keeping: Lessee shall maintain, for at least twelve (12) months after the expiration or earlier termination of this Lease, relevant records and information necessary to document Lessee's utilization of WMBEs and other businesses as contractors and suppliers under this Lease and in its overall public and private business activities. Lessee shall also maintain all written quotes, bids, estimates, or proposals submitted to Lessee by all businesses seeking to participate as contractors or suppliers under this Lease. The City shall have the right to inspect and copy such records.

(3) Affirmative Efforts to Utilize WMBEs: The City encourages the utilization of minority owned businesses ("MBEs") and women-owned businesses ("WBEs") (collectively, "WMBEs"), in all City contracts. The City encourages the following practices to open competitive opportunities for WMBEs:

(a) Attending a pre-solicitation conference, if scheduled by the City, to provide project information and to inform WMBEs of Lessee contracting and subcontracting opportunities.

(b) Placing all qualified WMBEs attempting to do business in the City of Seattle on solicitation lists, and providing written notice of contracting and subcontracting opportunities to WMBEs capable of performing the work, including without limitation all businesses on any list provided by the City, in sufficient time to allow such businesses to respond to the written solicitations.

(c) Breaking down total requirements into smaller tasks or quantities, where economically feasible, in order to permit maximum participation by small businesses including WMBEs.

(d) Establishing delivery schedules, where the requirements of this Lease permit, that encourage participation by WMBEs.

(e) Providing WMBEs that express interest with adequate and timely information about plans, specifications, and requirements of this Lease.

(f) Utilizing the services of available minority community organizations, minority contractor groups, local minority assistance

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offices, The City of Seattle, and other organizations that provide assistance in the recruitment and placement of WMBEs.

(4) **Sanctions for Violation:** Any violation of the mandatory requirements of the provisions of Subsections B-11.d(1) and (2) shall be a material breach of contract for which Lessee may be subject to damages and sanctions provided for by the Lease and by applicable law.

f. **Recycling of Waste Materials:** Lessee, at no cost to the City, shall collect, sort and separate into such categories as may be legally required, all solid waste products on the Premises, and recycle all such products that are locally accepted for recycling. Each separately sorted category of waste products shall be placed in separate receptacles reasonably approved by the City, which receptacles shall be dumped or removed from the Seattle Center at such minimum frequency as is specified by the Director. The City reserves the right to refuse to collect or accept from Lessee any waste product that is not sorted and separated as required by law, ordinance, rule or regulation, and to require Lessee to arrange for the collection of the same at Lessee's sole cost and expense using a contractor satisfactory to the City. Lessee shall pay all costs, fines, penalties, and damages that may be imposed on the City or Lessee as a consequence of Lessee's failure to comply with the provisions of this Subsection.

g. **Environmental Standards:**

(1) **Definitions:** For the purpose of this Subsection, the following terms shall be defined as provided below unless the context clearly requires a different meaning:

(a) "Laws or Regulation" shall mean any environmentally related local, state or federal law, regulation, ordinance or order (including without limitation any final order of any court of competent jurisdiction of which Lessee has knowledge), now or hereafter in effect including but not limited to the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act as amended by the Solid and Hazardous Waste Amendments of 1984, the Occupational Safety and Health Act, the Emergency Planning and Community Right-to-Know Act of 1986, and the Solid Waste Disposal Act.

(b) "Hazardous Substances" shall mean any hazardous, toxic, or dangerous substance, waste, or material that is regulated under any federal, state, or local statute, ordinance, or regulation relating to environmental protection, contamination or cleanup.



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(2) Restrictions on Activities:

(a) Lessee: Lessee shall not cause to occur upon the Premises or permit the Premises to be used to generate, produce, manufacture, refine, transport, treat, store, handle, dispose, transfer, or process Hazardous Substances except in compliance with all applicable Laws and Regulations. Lessee shall provide the Director with Lessee's USEPA Waste Generator Number (if any), and with a copy of every Material Safety Data Sheet (MSDS), Generator Annual Dangerous Waste Report, environmentally related regulatory permit or approval (including every revision or renewal thereof) and any correspondence Lessee receives from, or provides to, any governmental unit or agency in connection with Lessee's handling of Hazardous Substances or the presence, or possible presence, of any Hazardous Substance on the Premises.

(b) City: The City shall not cause to occur upon the Center House Building or permit the Center House Building to be used to generate, produce, manufacture, refine, transport, treat, store, handle, dispose, transfer, or process Hazardous Substances except in compliance with all applicable Laws and Regulations. The City shall provide Lessee with the City's USEPA Waste Generator Number (if any), and with a copy of every Material Safety Data Sheet (MSDS), Generator Annual Dangerous Waste Report, environmentally related regulatory permit or approval (including every revision or renewal thereof) and any correspondence the City receives from, or provides to, any governmental unit or agency in connection with the City's handling of Hazardous Substances or the presence, or possible presence, of any Hazardous Substance within the Center House Building.

(3) Correction of Violations: If either party violates any of the terms of this section concerning the presence or use of Hazardous Substances or the handling or storing of hazardous wastes, such party shall promptly take such action as is necessary to mitigate and correct the violation. If Lessee does not act in a prudent and prompt manner, the City reserves the right, but not the obligation, to come onto the Premises and to take such action as the City deems necessary to ensure compliance or to mitigate the violation. If the Director has a reasonable belief that Lessee is in violation of any law or regulation, or that any action or inaction of Lessee presents a threat of violation or a threat of damage to the Premises, the City reserves the right to enter onto the Premises and take such corrective or mitigating action as the Director deems necessary. All reasonable costs and expenses incurred by the City in connection with any such action shall become immediately due and payable by Lessee upon presentation of an invoice therefor.

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(4) Testing: Lessee shall provide the City with access to the Premises to conduct an annual environmental inspection at City's sole cost and expense in January of each year of the term hereof or at such other time(s) as may be mutually agreed upon. In addition, Lessee shall permit the City access to the Premises at any time, upon reasonable notice, for the purpose of conducting environmental testing at the City's expense. Except in case of emergency, Lessee shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining the Director's written consent, which shall not be unreasonably withheld. Lessee shall promptly inform the Director of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Premises whenever the same becomes known to Lessee, and Lessee shall provide a written copy of the same to the Director within thirty (30) days after the preparation of any such material.

(5) Removal of Hazardous Substances Prior to Vacation of Premises. Prior to vacation of the Premises, in addition to all other requirements under this Lease, Lessee shall remove any Hazardous Substances placed on the Premises during the term of this Lease, and shall demonstrate such removal to the Director's reasonable satisfaction. City acknowledges that there is asbestos on and within the Premises at commencement of this Lease, none of which was placed there by Lessee, and Lessee has no obligation to remove such asbestos or pay for the cost of any such removal from and after the date of this Lease.

(6) Reimbursement of City Costs: In addition to any remedy provided above, the City shall be entitled to full reimbursement from Lessee whenever the City incurs any cost resulting from Lessee's violation of any of the terms of this Subsection B-11.g, including, but not limited to, the cost of clean-up or any other remedial activity, fines, penalties assessed directly against the City, injuries to third persons or other property.

(7) Indemnification: In addition to all other indemnities provided in this Lease, and notwithstanding the expiration or earlier termination of this Lease, Lessee agrees to and shall defend, indemnify and hold the City free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence or discovery of any Hazardous Substance on the Premises resulting from a violation of any of the terms of this Section, or the migration of any Hazardous Substance from the Premises to other property or into the surrounding environment that is the result of a violation of any of the terms of this Section; whether made, commenced or incurred (a) during the term of this Lease, or (b) after the expiration or termination of this Lease if arising out of an event occurring during

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the Term (or Extended Term) of this Lease.

In addition to all other indemnities provided in this Lease, and notwithstanding the expiration or earlier termination of this Lease, the City agrees to and shall defend, indemnify and hold Lessee free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence or discovery of (i) any Hazardous Substance within any portion of the Center House Building other than the Premises resulting from a violation of any of the terms of this Subsection B-11.g, or (ii) the migration of any Hazardous Substance from any portion of the Center House Building to other property or into the surrounding environment in violation of any of the terms of this Subsection B-11.g, or (iii) any Hazardous Substance within the Premises, that was present prior to the commencement of this Lease, whether made, commenced or incurred (a) during the term of this Lease, or (b) after the expiration or termination of this Lease if arising out of an event occurring during the termination of this Lease.

B-12 CITY'S CONTROL OF BUILDINGS, GROUNDS AND ACTIVITIES
(Non-Standard Provision)

Lessee acknowledges that notwithstanding any other provision of this Lease, the City, after consultation with Lessee (except in the event of an emergency), may:

- a. Physical Appearance *(Non-Standard Provision)*: Make any improvement, alteration, and addition to the Center House Building that does not materially and detrimentally impact Lessee; and increase, reduce and change, in any manner whatsoever, the number, appearance, dimensions, and locations of any Seattle Center walkway, building, landscaping, parking, and service area adjacent thereto;
- b. Traffic & Parking Regulation *(Non-Standard Provision)*: Regulate all traffic within and adjacent to the Seattle Center, and restrict or prohibit the parking on City-owned or leased property of any motor vehicle owned or operated by Lessee or any of its officers, employees, agents, contractors, caterers, suppliers, or invitees;
- c. Admission Charges *(Non-Standard Provision)*: Impose a reasonable charge for admission to the Seattle Center and facilities therein, including parking facilities, subject to the provisions of Subsection A-3.d hereof,
- d. Promotions & Events *(Non-Standard Provision)*: Erect, display and remove promotional exhibits and materials and permit special events on the Seattle Center grounds, buildings, and facilities including the common areas of the Center House Building (as defined in Subsection B-10.a, hereof) but excluding in or on the Premises;



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provided that no such Center House display or exhibit shall materially and detrimentally block reasonable access to Lessee;

e. Rules and Regulations: Promulgate, from time to time, reasonable rules and regulations regarding the use and occupancy of any area of Seattle Center;

f. Hours of Operation; Identity of Other Tenants (Non-Standard Provision): Determine the days and hours the Seattle Center and various business operations will be open to the public, and determine what other business operations will be tenants in the Center House Building and what those businesses may offer for sale to the public;

g. Other Businesses & Operations: Deleted Provision

h. Signage: Deleted Provision

i. Interference: Interfere with light, air or view, or Lessee's operations or use and occupancy of the Premises, either in connection with or as a result of operations by or for City in the construction of any public work or its subsequent use and occupancy, or the repair and maintenance of any City facility or improvement. The City will make a good faith effort, however, to minimize such interference to the extent it is reasonably economical for the City to do so.

B-13 CITY'S ACCESS TO, & INSPECTION, REPAIR & IMPROVEMENT OF PREMISES & OTHER PROPERTY

a. Access To Premises (Non-Standard Provision): Lessee shall provide the City and its contractors and consultants, their subcontractors, subconsultants and agents with access to the Premises at all reasonable times and upon reasonable notice to inspect the same and to make any inspection, repair or improvement deemed necessary by the Director, but this right of access shall not impose on the City any obligation to make any repair, alteration, addition, or improvement except as specifically provided herein. Where reasonably possible, such repair or improvement work shall be scheduled to be performed at times that will not unreasonably interfere with Lessee's business.

b. Permitted Interference with Lessees Operations (Non-Standard Provision): In inspecting, and in making repairs, alterations, additions, and improvements, the City may erect barricades and scaffolding in and outside of the Premises, and may otherwise interfere with the conduct of Lessee's business and operations where such action is reasonably required by the nature of the City's work; and such interference shall not be deemed to be a breach or default under this Lease. Where reasonably possible, blockage of access to the Premises shall be scheduled to occur at times that will not unreasonably interfere with Lessee's business.

c. Suspension of Lessee's Operations and Obligation to Pay Monthly Rent (Non-



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Standard Provision): In the event any City inspection, repair, alteration, addition, or improvement work necessitates the temporary suspension of Lessee's business or operations in, on, or from the Premises, the Director shall notify Lessee of such necessity and the anticipated beginning and ending dates of such suspension as soon as reasonably possible after such information is made known to the Director. The monthly rent due to the City pursuant to Part A hereof shall be prorated during each month in which Lessee's business or operations are required by the City to be suspended pursuant to this Subsection, and Lessee shall have no obligation to pay such prorated rent during the period that Lessee's business or operations are suspended. If any Property of Lessee is damaged or destroyed as a consequence of such City work the City shall also pay the direct cost for the repair or replacement of such damaged property.

d. City's Right to Enter Premises (Non-Standard Provision): The City shall have the right to use any and all means that the Director deems proper to open the doors that are accessible to the City hereunder in an emergency, in order to obtain entry to the Premises and every portion thereof, without liability to Lessee except for any failure to exercise due care for Lessee's property. Any entry to the Premises obtained by the City by any of said means, or otherwise, shall not be construed or deemed to be an eviction of Lessee or a forcible or unlawful entry into, or a detainer of, the Premises or any portion thereof. In the event the City makes any emergency entry into the Premises pursuant to this Subsection the City shall provide notice to Lessee, by telephone only, within two (2) hours after such entry has occurred regarding the fact and reason(s) for such entry.

B-14. ASSIGNMENTS, SUBLEASES & OTHER TRANSFERS OF INTERESTS

a. Director's Prior Written Consent Required for Assignment & Subleases (Non-Standard Provision): No purported assignment, sublease or other transfer of the Premises or any portion thereof or of any aspect of Lessee's interest in this Lease shall be effective without the prior written consent of the Director, which shall not be unreasonably withheld or delayed. Every proposed sublease, assignment, or other interest; transferring agreement shall be submitted to the Director for review and approval or disapproval not less than fourteen (14) calendar days prior to the commencement date of the proposed subtenant's, assignee's, or transferee's intended use of any portion of the Premises under such agreement or the assumption of any right or interest in any portion of the Premises or this Lease. The merger, consolidation, or liquidation of Lessee shall be deemed as assignment. No assignment or sublease of this Lease, with or without the Director's consent, shall release or relieve Lessee of or from any of the obligations on Lessee's part to be kept and performed under this Lease.

b. Lease Interests Not Transferable by Action of Law or Court: Neither this Lease, nor any right, privilege, or other interest conferred by this Lease shall pass to any trustee or receiver in bankruptcy or to any receiver or assignee for the benefit of creditors; nor shall this Lease or any rights, privilege, or interest be transferable by operation of law or proceeding of any court.



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c. Change of Lessee's Organizational Structure or Ownership Constitutes Assignment: Deleted Provision

d. Lessee's Authorization to Use Premises Constitutes Assignment or Sublease: Every sublease shall require the sublessee to submit to the Director and Lessee not more than ten (10) days after the end of each month during the term of its sublease and the month after the expiration or earlier termination of such sublease, a written statement identifying the amount of gross receipts generated by such sublessee on and from the portion of the Premises used and occupied by such sublessee during the immediately preceding month. In the event of any assignment of this Lease, Lessee shall cause to be delivered to the Director simultaneously with such assignment, an instrument, in writing, executed by the assignee, in which the assignee shall assume and agree to perform all of the terms and provisions of this Lease on Lessee's part to be kept and performed that theretofore have not been fully performed.

e. Consent Not Required for Certain Subleases (Non-Standard Provision): Notwithstanding Subsection B-14.a, Lessee shall not be required to obtain the prior written consent of the Director to a sublease of the Premises if each of the following conditions is met: (i) the sublessee shall be a nonprofit performing arts organization or school; (ii) the term of the sublease shall not exceed fourteen (14) days; and (iii) the sublessee executes a sublease in the form attached hereto as Part D.

B-15. EXCUSE & SUSPENSION OF OBLIGATIONS

Whenever a party's performance under this Lease is prevented by an act of nature; war or war-like operations; civil commotion; riot; labor dispute including a strike, lockout, or walkout; sabotage; Federal or State regulation or control; or other condition beyond the reasonable control of such party, performance of such affected obligation shall be suspended, but only for the duration of such condition.

B-16. DAMAGE OR DESTRUCTION

a. Report of Damage or Destruction: Lessee shall submit a written report to the Director regarding the circumstances of any damage (except minor damage or normal wear and tear) to the Premises, within twenty-four (24) hours after its discovery.

b. Rent Obligation in Event of Damage or Destruction (Non-Standard Provision): In the event the Premises are destroyed by fire or other casualty, or are damaged so extensively as to render the Premises unusable, Lessee's obligation to pay rent shall be suspended until the Premises are made usable; but in the event only a portion of the Premises are damaged or destroyed by such a fire or other casualty and the remainder of the Premises remains usable, Lessee shall pay only a prorated rent that is proportionate to the extent of the Premises that remains usable for the purposes identified in Part A,



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hereof.

c. Rebuilding, Repair & Restoration: In the event that insurance proceeds payable to the City will provide sufficient funds to enable the City to rebuild, repair and restore the Premises after their damage or destruction, and neither Lessee nor the City elects to terminate this Lease pursuant to Subsection B-16.d hereof, the City shall diligently prosecute such rebuilding, repair, and restoration. Upon the rebuilding, repair and reconstruction of the Premises, Lessee shall immediately re-occupy the Premises and again pay rent and additional rent for the right granted herein to use and occupy such area through the expiration or termination date of this Lease, whichever is earlier.

d. Termination Rights in Event of Damage or Destruction:

(1) By Lessee: Notwithstanding any other provision in this Lease to the contrary, in the event that fifty percent (50%) or more of the Premises is damaged or destroyed by fire or other casualty not occasioned by an act or omission of Lessee, Lessee may terminate this Lease by providing notice thereof to the Director.

(2) By City: Notwithstanding any other provision in this Lease to the contrary, in the event that fifty percent (50%) of the Center House Building on which the Premises are located is destroyed or is so damaged by fire or other casualty as to be untenable or unusable, or if the City desires to discontinue Lessee's operations because of substantial destruction of the Center House Building or other part of Seattle Center, regardless of whether the Premises are destroyed, damaged, or otherwise, the City may terminate this Lease by providing prior written notice thereof to Lessee.

(3) Notice of Termination: Any notice of termination pursuant to this section shall be provided within sixty (60) days after the occurrence of the damage or destruction and shall specify the effective date of such termination.

B-17. DEFAULT & BREACH

a. Default & Breach by Lessee (Non-Standard Provision): The following acts and omissions shall constitute a default and material breach of this Lease by Lessee:

(1) The failure to remit rent and additional rent due and payable to the City before any such sum becomes delinquent; or

(2) The failure to comply with all of the requirements of Section B-5 hereof, regarding insurance; or

(3) The violation of any law, Charter provision, ordinance, rule, regulation,



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governmental authority's order or directive; or

(4) The abandonment or vacating of the Premises; or

(5) The failure to perform or the violation of any other condition or covenant of this Lease where such default or deficiency in performance was not remedied within a reasonable time.

b. City's Notice of Default & Breach: The Director shall provide written notice to Lessee in the event Lessee commits any act or omission specified in Subsection B-17.a hereof, specifying the nature of the act or omission, the reasonable number of days (but not more than thirty (30) days) after the date of the notice within which such failure must be corrected or the violation must be ceased or remedied to avoid termination, and the City's intention to terminate this Lease in the event such act or omission has not been corrected within such stated period; provided, however, that if the nature of Lessee's obligation is such that more than thirty (30) days are required for performance, then Lessee shall not be in default if Lessee commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. The notice shall also describe special procedures (if any) provided by law, Charter, ordinance, rule, or regulation permitting Lessee to have a hearing on such failure or violation.

c. Remedies: In the event Lessee fails to correct, remedy, or cease such failure or violation within the time specified in the Director's notice, the City may thereafter terminate this Lease without any further proceedings, re-enter the Premises, lease and license others to use said Premises during any portion of the period of use remaining under this Lease had it not been terminated, and receive rent, additional rent and license fees therefor; provided, that notwithstanding such termination and re-entry, Lessee's liability for the rent and additional rent to be paid to the City hereunder shall not be extinguished, and Lessee shall pay to the City the difference between said rent and additional rent and the sum the City receives for the use of the Premises by one or more other users during the period beginning on the date Lessee's rights under this Agreement are terminated and ending on the scheduled expiration date of this Lease. Such payment shall be made monthly, within fifteen (15) days after the date of the City's invoice to Lessee. Such termination and payments shall not relieve Lessee from liability to the City for any damages caused by Lessee's default and breach and expenses incurred in the leasing or relicensure of the Premises.

d. Default by City: The City shall not be in default of any obligation to perform under this Lease unless the City fails to perform such obligation within a reasonable time, which time shall not extend more than thirty (30) days after written notice by Lessee to the Director specifying the particular obligation that the City has failed to perform; provided, however, that if the nature of the City's obligation is such that more than thirty (30) days are required for performance, then the City shall not be in default if the City commences performance within such thirty (30) day period and thereafter diligently

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prosecutes the same to completion.

B-18. SURRENDER OF PREMISES; HOLDING OVER

a. Surrender & Delivery: Upon the expiration or termination date of this Lease, whichever is earlier, Lessee shall surrender the Premises and promptly deliver to the Director all keys Lessee and any of its officers, agents, and employees have to the Premises or any other part of the Seattle Center.

b. Removal of Lessee's Property (Non-Standard Provision): Prior to the expiration date of this Lease, or in the event this Lease is terminated, within fifteen (15) days after the termination date, whichever is earlier, Lessee shall remove, at its sole expense, all exhibitry, trade equipment and personal property owned or installed by Lessee in, on, or from the Premises, but shall not remove any of those improvements, alterations and additions to the Premises that are specified in Part F hereof as now or hereafter amended. In performing such removal work Lessee shall take due care to not unreasonably injure or damage the Premises and shall remove any debris from the Premises.

c. Storage of Lessee's Property (Non-Standard Provision): In the event Lessee fails to remove its personal property within the time specified in Subsection B-18.b therefor, the City may, but shall not be required to remove such material from the Premises and store the same, all at Lessee's expense; and in the event the City removes or arranges for the storage of such material, the City shall be reimbursed its costs therefor, including any administrative costs, which reimbursement shall constitute a claim upon Lessee.

d. Hold-Over Use & Occupancy of Premises (Non-Standard Provision): If Lessee holds over after the date the Term or Extended Term of this Lease expires, the resulting use and occupancy shall be on a monthly basis, during which time both parties shall be bound by all of the provisions of this Lease.

e. No Claim for Removal: In no event shall Lessee make any claim or demand upon the City nor shall the City be liable for any inconvenience, annoyance, disturbance, or loss of business or any other damage suffered by Lessee arising out of removal operations under Subsections B-18.b and B-18.c hereof.

f. Inspection upon Surrender of Premises (Non-Standard Provision): Immediately following the vacating of the Premises and the surrender of the same to the City, a representative of Lessee shall inspect the Premises with the Director to determine the condition of the Premises and what property removal and Premise's repair, maintenance, janitorial work, and other actions, if any, must be taken by Lessee to comply with the provisions of this Lease. The results of such inspection shall be summarized by the Director on a Premises inspection report, a copy of which shall be provided to Lessee.

B-19. NOTICES

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All notices from either party to the other shall be in writing and delivered or mailed, postage prepaid, to the intended recipient at the address specified on the signature page of Part A hereof, or to such other address as may be specified, from time to time, by either party, by notice to the other party.

B-20. NO RELATIONSHIP ESTABLISHED

The City shall in no event be construed to be a partner, associate, or joint venturer of Lessee, or any party associated with Lessee. Lessee is not an agent of City for any purpose whatsoever. Lessee shall not create any obligation or responsibility on behalf of the City or bind the City in any manner.

B-21. DEFINITION AND AUTHORITY OF DIRECTOR (Non-Standard Provision)

The term "Director," as used throughout this Lease in regard to permission, warrant, consent, approval, rights, interpretation, and discretionary matters, shall mean the Seattle Center Director or his/her designee or functional successor; provided, that the action of the Director pursuant to or in implementation of this Lease does not constitute any official action by any other City Department or official that may be required by law, ordinance, rule or regulation before Lessee may rightfully commence, suspend, enlarge, or terminate any particular undertaking or may obtain or exercise any particular right or privilege under this Lease. Except as otherwise provided herein, any approval, consent or permission of the Director required under this Lease shall not be unreasonably withheld, delayed or conditioned.

B-22. AMENDMENTS

No modification or amendment of any of the terms hereof shall be elective unless in writing and signed by an authorized representative of each of the parties hereto. The parties hereto expressly reserve the right to modify this Lease from time to time, by mutual agreement.

B-23. NO WAIVER (Non-Standard Provision)

Nothing other than a written document signed personally by the Director and specifically declaring a City intent to waive a particular breach or default by Lessee shall constitute a waiver of such breach or default. No such document shall waive Lessee's failure to fully comply with any term or condition of this Lease not specifically referenced therein, irrespective of any knowledge any City officer or employee may have of such breach, default, or noncompliance. No waiver by either party shall be construed to be, or operate as, a waiver of any subsequent default in full performance of any provision of this Lease. The payment or acceptance of rent after a default shall not be deemed to constitute consent to or acceptance of such default or acceptance of defective or incomplete

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performance in the future.

B-24. REMEDIES CUMULATIVE

Rights under this Lease are cumulative; failure to exercise on any occasion any right shall not operate to forfeit such right on another occasion. Each party shall also have any other remedy given by the law. The use of one remedy shall not be taken to exclude or waive the right to use another.

B-25. JOINT & SEVERAL LIABILITY

In the event Lessee is composed of more than one person, entity, or corporation, each of the persons, entities, and corporations composing Lessee shall be jointly and severally liable under this Lease.

B-26. USE OF LANGUAGE

Terms used in the neuter gender include the masculine and feminine; and terms used in the singular or plural include the other, as the context may require.

B-27. CAPTIONS

The titles of sections are for convenience only and do not define or limit the contents.

B-28. VALIDITY OF PARTICULAR PROVISIONS

Should any term, provision, condition, or other portion of this Lease or the application thereof be held to be inoperative, invalid or unenforceable, the remainder of this Lease or the application of such term or provision to person or circumstances other than those to which it is held invalid or unenforceable shall not be affected hereby and shall continue in full force and effect.

B-29. GOVERNING LAW & VENUE

This Lease shall be interpreted and construed using Washington Law. The venue for any action under this Lease shall be in the Superior Court of the State of Washington for King County.

B-30. BINDING EFFECT

The provision, covenants, and conditions contained in this Lease apply to bind the parties, their legal heirs, representatives, successors, and assigns.

B-31. NO BROKER

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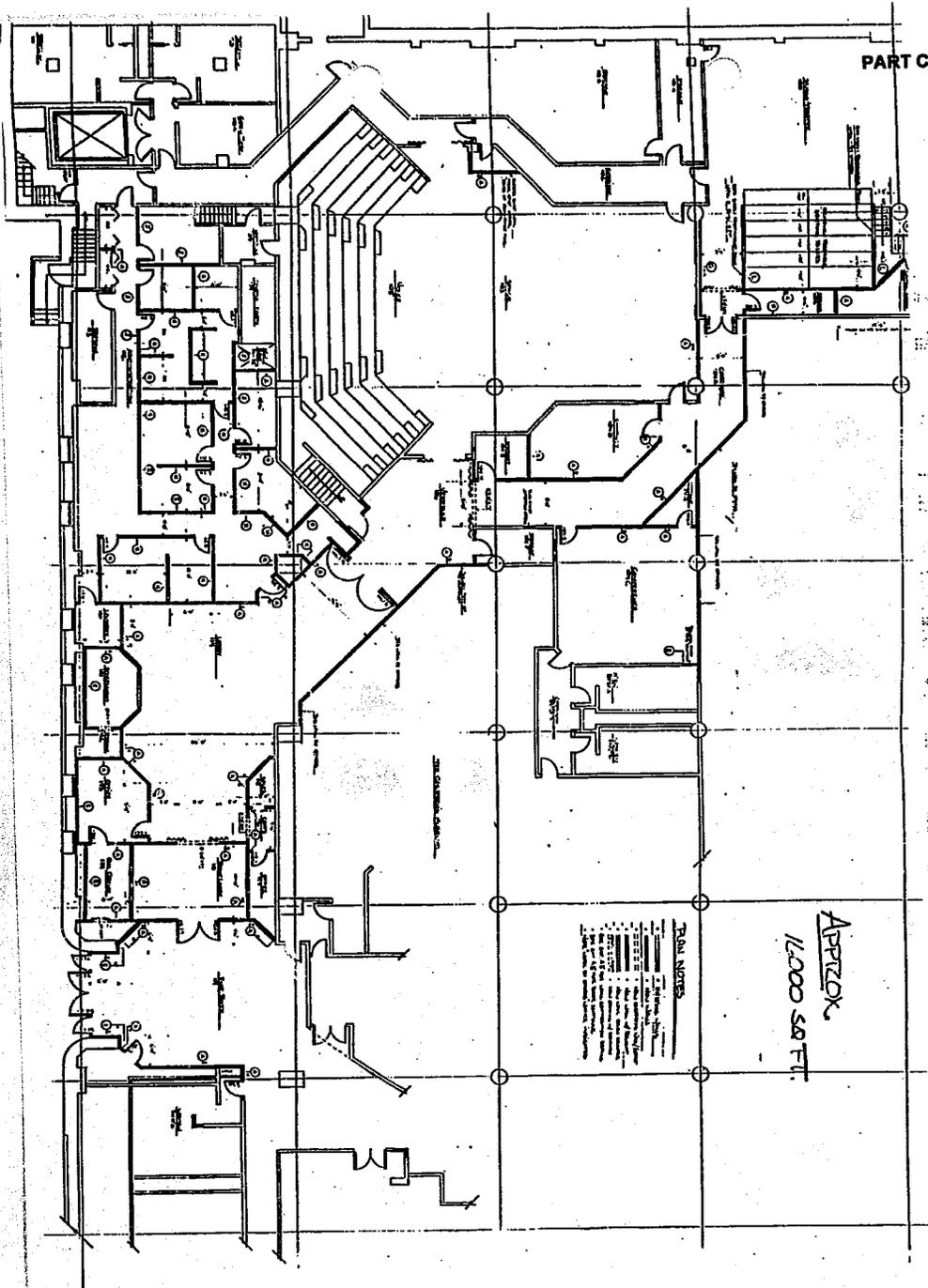
Each party represents and warrants to the other that there is no claim for any brokerage commission or finder's fee in with connection the execution of this Lease.

B-32. ACKNOWLEDGMENT OF NEGOTIATED LEASE

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

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A4	SCALE	DATE	DESIGNED BY	PROJECT NO.	PROJECT NAME	REVISIONS
	1/8" = 1'-0"	REC	REC	4/28/99	THE GROVE THEATRE HARPER ROAD & TRANSMITTAL HARRISBURG LOCAL PROJECT FLOOR PLAN PERMISSIONS	
		NORTH ↓				

4/28/99

Part



PART D



SEATTLE CENTER VISION STATEMENT

We are the nation's best gathering place
Supported by the people of Seattle,
we are home to the finest cultural and educational
organizations, sports teams, festivals,
community programs and entertainment facilities.

We exist to delight and inspire
the human spirit in each person and
bring us together as a rich and varied community.

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(Part D) 4/28/99

Accommodations for people with disabilities provided on request (206) 464-7200





PART E

MISSION STATEMENT

The Children's Museum's mission is to make learning a joy by enabling all children and adults of diverse backgrounds and abilities to stretch their minds, muscles and imaginations in safe, interactive surroundings that stimulate creativity, self-confidence and an understanding of the world. The primary focus for the museum's exhibits and programs is in the area of arts and humanities.

To accomplish this mission, The Children's Museum follows these principles:

- ◆ Provide a safe, hands-on environment where children learn through play and problem solving.
- ◆ Develop exhibits, programs and outreach activities that encourage informal multi-cultural, and intergenerational learning.
- ◆ Enable children to learn about literary, visual and performing arts; individuals and society; and the natural world.
- ◆ Help children develop an understanding of our region's ethnic diversity.
- ◆ Create educational and recreational opportunities that are sensitive to those with special needs and accessible to the entire community.
- ◆ Introduce children to the lifelong appreciation of cultural resources.

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4/28/99

Part E



PART E

Performance Studio Mission Statement

The mission statement will be provided upon adoption by
The Children's Museum Board of Trustees.
(April 27, 1999)

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PART E

EDUCATIONAL BELIEF STATEMENT

We believe in the unlimited capacity of all children and their families to learn through experiential education which is service and community based. Through involvement in such activities, we learn to understand each other, about the interconnectedness of all life, and to strive for excellence by realizing our own special gifts and unique potential.

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The Kenneth and Marleen Ahadeff Exhibit Center
305 Harrison Street ▲ Seattle, WA 98109-4645 ▲ Tel 206-441-1768 Fax 206-448-0910 ▲ tcm@thechildrensmuseum.org

4/28/99



PART F

Performance Studio at The Children's Museum
Sound Equipment Inventory 3/99

Main Sound System:

- 1 - Mackie 24.8 mixing console
- 2 - Tascam 32, 1/4 track reel to reel
- 1 - Akai GX210D, 1/4 track reel to reel
- 1 - Akai 400DS, 1/4 track reel to reel
- 2 - DBX 3231 1/3 Octave equalizers
- 1 - Audio Control c-22 equalizer
- 2 - DBX166a Compressors
- 2 - Behringer Intelligate Units
- 2 - Bose 802 c11 processor
- 1 - Yamaha SPX 900 Effects Unit
- 5 - Patchbays
- 2 - EV 7200 amps
- 1 - AB 600 LX amp
- 1 - QSC 1200 amp

Speaker Inventory

- 6 - Bose 802 series II
- 2 - Tapco 100s
- 4 - Peavey Impulse II
- 2 - Sunn AX110 wedges
- 2 - JBL 4628B
- 2 - Yamaha S3112H

Microphones

- 2 - Shure SM57-LC
- 4 - Electrovoice N/D 357B
- 2 - Audio Technica 835 short shotgun
- 1 - AT 4031 condenser
- 1 - SM 61
- 1 - Shure LC wireless set up (poor condition)
- 1 - Cetec/Vecta wireless lapel set up (poor condition)
- assorted poor quality mics

- 1 - passive direct box
- 1 - snake
- 9 - mic stands varying quality
- 4 - mic booms

Intercom

- 1 - m67 mixer
- 3 - amps
- numerous small intercom speakers (dress rms etc.)

Infra Red System (assisted listening)

- 1 - Audex modulator
- 3 - Audex IR Transmitters
- 7 - Sennheiser headset receivers

Telex Audiocom System

- 1 - IC SX matrix
- 1 - PS-x base
- 1 - PS 4000 power expander
- 1 - SPS 2000 Power supply
- 1 - US 2000 Base station
- 1 - ES 4000 base extender
- 2 - two channel belt packs
- 3 - one channel belt packs
- 2 - dead/broken one channel belt packs
- 4 - SS2F remote stations
- 4 - SS1F remote stations
- 2 - handsets
- 5 - working headsets
- 3 - broken headsets

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**Performance Studio at The Children's Museum
Soft Goods Inventory 1/99**

PART F

Scrim

- 1 - Black 11'6" h x 40' w (fairly new)
- 1 - Black 12' h x 36' w (no webbing or grommets)
- 1 - White Lone 11'6" h x 29' w

Blacks (almost new / good shape)

- | Legs | Borders |
|--------------------|--------------------|
| 4 @ 11'6" h x 8' w | 1 @ 1'6" h x 13' l |
| 3 @ 11'6" h x 4' w | 1 @ 1'6" h x 11' l |
| 3 @ 11'3" h x 8' w | 4 @ 1'6" h x 10' l |
| 4 @ 10' h x 4' w | 3 @ 1'6" h x 8' l |

Blacks (older / all have some damage, tears paint etc.)

- | Legs and drops | Borders |
|-----------------------|--------------------|
| 1 @ 22'3" h x 12'8" w | 1 @ 3'5" h x 12' w |
| 1 @ 12' h x 26' w | 1 @ 3' h x 11' w |
| 1 @ 10' h x 14' w | 1 @ 3' h x 9' w |
| 1 @ 9'9" h x 18'6" w | 1 @ 3' h x 8'9" w |

Drapes

- | | |
|-------------------|-----------------------------|
| Red Velour | Lobby Drapes (spare) |
| 2 @ 11' h x 2' w | 2 (red/blue) |
| 2 @ 11' h x 4' w | |

Drops (all previously painted)

- 1 @ 14' h x 33' w
- 1 @ 11'6" h x 16' w
- 1 @ 11' h x 16' w

Misc.

- black bobbinet (?) 15' h x 35' w (made of 7, 5' wide panels)
- black velour with snaps all around 4 @ 30" x 8'10"

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**Performance Studio at The Children's Museum
AV Equipment Inventory 1/99**

PART F

- 4 - Kodak Ektagraphic III A slide projectors
all with Elmo Zoom Lenses 70mm - 125mm
- 2 - Dove X2 computerized dissolve modules
- 1 - AVL Super Genesis 1/0
- 1 - AVL Data Booster Isolator
- 4 - Navitar Brightlight lamp modules (in projectors)
- 5 - Standard lamp modules
- 1 - box with slide control program, manuals, extra control cables
- 1 - Computer (w/ keyboard, monitor, mouse)
used as the slide controller, and for use with the light board
- 1 - Cannon BJ2000 printer, used with both the slide controller and the light board
- 9 - Slide Carousels

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Performance Studio at The Children's Museum
Lighting Inventory 2/99



TYPE	Brand	Quantity	Notes	R/Fixture	R/plug	R/clamp	R/value ea	Inv. totals
Fresnel 6"	Altman	83	750W, two missing lenses	\$ 235.00	\$ 15.00	\$ 13.00	\$ 263.00	\$ 21,829.00
Fresnel 6"	Lighting and Electronics	5		\$ 115.00	\$ 15.00	\$ 13.00	\$ 143.00	\$ 715.00
Fresnel 6"	Seattle Cent.	6	1 missing lense	\$ 115.00	\$ 15.00	\$ 13.00	\$ 143.00	\$ 858.00
	total fresnels	94						
Source Fours	ETC	18 28	Fixtures	\$ 335.00	\$ 15.00	\$ 13.00	\$ 363.00	\$ 9,438.00
	barrel inventory	12	6x16 (19 deg)	\$ 105.00			\$ 105.00	\$ 1,260.00
		16	6x12 (28 deg)	\$ 105.00			\$ 105.00	\$ 1,785.00
		18	6x9 (36 deg)	\$ 105.00			\$ 105.00	\$ 945.00
		14	So they	1.25 ¹⁰⁰				
Room Ellipse	Lee/Colortran	13	4 missing lenses 1 plug	\$ 350.00	\$ 15.00	\$ 13.00	\$ 378.00	\$ 4,914.00
Leikolites	Strand	8	6x12	\$ 340.00	\$ 15.00	\$ 13.00	\$ 368.00	\$ 2,944.00
leikolites	Strand	10	Sea.Cent. Label	\$ 285.00	\$ 15.00	\$ 13.00	\$ 313.00	\$ 3,130.00
Par 64's	Altman	10	lamped at 1k	\$ 66.00	\$ 15.00	\$ 13.00	\$ 94.00	\$ 940.00
Par 38's	Lighting & Electronics	20	65w, rigged as house lights	\$ 48.00	\$ 15.00	\$ 13.00	\$ 76.00	\$ 1,520.00
Par 38's	Altman	3	"	\$ 48.00	\$ 15.00	\$ 13.00	\$ 76.00	\$ 228.00
Mini Ellipse	CCT	7	all need work, -3 lenses	\$ 275.00	\$ 15.00	\$ 13.00	\$ 303.00	\$ 2,121.00
Mini Ellipse	Colortran	1	no lense shutter work	\$ 275.00	\$ 15.00	\$ 13.00	\$ 303.00	\$ 303.00
psoids		6	3x5, old need maint.	\$ 177.50	\$ 15.00	\$ 13.00	\$ 205.50	\$ 1,233.00
Beam Projectors		2	12"				\$ -	\$ -
Rain Lights		2		\$ 37.00	\$ 15.00	\$ 5.50	\$ 58.50	\$ 117.00
Inkies		10	6 new 4 old 2w/strip bolts	\$ 60.00	\$ 15.00	\$ 8.00	\$ 83.00	\$ 830.00
Strip Lights	Altman	6	2-3 chan. 4-4 chan	\$ 350.00			\$ 350.00	\$ 2,100.00
Strobe Lights	Diversotronics	6	tube/beacon style	\$ 95.00			\$ 95.00	\$ 570.00
							TOTAL	\$ 57,780.00

total
not
cost

Performance Studio at The Children's Museum
Lighting Inventory 2/99



TYPE	Brand	Quantity	Notes	R/Fixture	R/plug	R/clamp	R/value ea	Inv. totals
Music Stand Lights		10		\$ 24.00			\$ 24.00	\$ 240.00
Rope Light Controller		1		\$ 55.00			\$ 55.00	\$ 55.00
Bam Doors		36	4 - Sea. Cent	\$ 42.50			\$ 42.50	\$ 1,530.00
noots		16		\$ 16.00			\$ 16.00	\$ 256.00
Fogger	Roscoe	1		\$ 835.00			\$ 835.00	\$ 835.00
Fogger remote on/off	"	1		\$ 80.00			\$ 80.00	\$ 80.00
							total	\$ 2,996.00

FISCAL NOTE -- Theatre Lease Agreement with the Children's Museum

Department: Seattle Center	Contact Person/Phone: Pat Morosic 684-7115	CBO Analyst/Phone: Donnie Grabowski 233-2603
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Legislation Title: AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of a theatre lease agreement under which The Children's Museum may use and occupy the Seattle Center House Theatre for presentation of theatrical and other presentations and performances.

Summary of the Legislation:

This legislation authorizes a lease agreement with The Children's Museum for the theatre space in the first floor of Center House. As part of its education mission, the Children's Museum intends to provide theatrical performances for young children in the community. Seattle Center will receive a monthly rent and will be able to use the space at no charge for the Northwest Folklife Festival, Bumbershoot, International Children's Festival, artsEdge, and Artspring, as well as five additional days for children related activities. The Children's Museum will be responsible for maintaining the theatre space.

Background (Include justification for the legislation and any funding history, if applicable):

The theatre space was previously occupied by a non-profit theatre company, The Group Theatre. The Group closed its doors in September of 1998. The Children's Museum's lease with the City for their museum space on the first floor of Center House included an option to lease the adjacent theatre space should it become available. The Children's Museum has decided to exercise that option. The lease expires October 30, 2003.

The rental rate for the theater space will be the same as it was for the Group Theatre, with annual CPI increases. Annual rent for 1999 is \$27,530. The theatre lease agreement is retroactive to November 3, 1998. Seattle Center may receive additional rent from subleasing of the theatre space by The Children's Museum. The Center will receive 50% of the net proceeds generated by uses of the theatre space that fall outside the Mission Statement of the Children's Museum.

Sustainability Issues (related to grant awards): N/A

Estimated Expenditure Impacts: None

Estimated Revenue Impacts:

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FUND Seattle Center Operating Fund	1998	1999	2000
Leases	20,066	27,530	28,356
TOTAL			

One-time \$: N/A On-going \$: Annual CPI Increase per lease.

Note: 1998 rental income was lower because the Group Theatre ceased operations in the summer of 1998, and no further rental income was received after that time.

Estimated FTE Impacts: N/A

Other issues (including long-term implications of the legislation): N/A

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May 25, 1999

The Honorable Sue Donaldson, President
Seattle City Council
1100 Municipal Building
Seattle, Washington 98104

Via: Dwight Dively, Director, Executive Services Department

Subject: LEASE AGREEMENT WITH THE CHILDREN'S MUSEUM
FOR THEATRE SPACE IN CENTER HOUSE

Dear Councilmember Donaldson:

I am pleased to forward to the City Council legislation regarding a lease agreement with The Children's Museum for the theatre space on the first floor of Center House formerly occupied by the Group Theatre. The Children's Museum's lease with the City for their museum space on the first floor of Center House included an option to lease the adjacent theatre space should it become available. The Children's Museum has decided to exercise that option.

The term of the attached lease for the theatre space is the same as the existing lease for the museum space. The Children's Museum will pay the same rental rate that applied to the Group Theatre, with annual CPI adjustments. Additional information about the basic terms of the theatre lease is included below.

Since The Children's Museum and the City are entering into a separate lease agreement for the theatre space, the current lease for the museum space is being amended to remove the language which references The Children's Museum's option rights for the theatre space. We are also taking this opportunity to update the insurance and WMBE language in the museum lease. So there are two pieces of legislation regarding The Children's Museum lease of theatre space in Center House:

1. Authorizing the lease of the theatre space.
2. Authorizing a first amendment to the museum space lease.

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Council member Sue Donaldson
May 25, 1999
Page 2

The basic terms of the Theatre Lease Agreement are as follows:

- The term is the same as the term of the lease for the museum space, which expires September 30, 2010, with an option for an additional fifteen-year term.
- The rental rate for the theater space will be the same as it was for the Group Theatre, with annual CPI increases. Annual rent for 1999 is \$27,530. The theatre lease agreement is retroactive to December 1, 1998.
- Seattle Center may receive additional rent from subleasing of the theatre space by The Children's Museum. The Center will receive 50% of the net proceeds generated by uses of the theatre space that fall outside the Mission Statement of the Children's Museum.
- Seattle Center will have free use of the theatre space for the following community events and festivals: Northwest Folklife Festival, Bumbershoot, International Children's Festival, artsEdge, and Artspring, as well as five additional days for children related activities.

We are pleased that The Children's Museum is committed to continuing a theatre use in Center House and to providing opportunities for other community theatre groups and festivals to use the space. I recommend your approval of the attached legislation.

If you would like any additional information regarding the lease of theatre space in Center House, please call Pat Morosic at 684-7114 or Ned Dunn at 684-7212.

Sincerely,


Virginia Anderson

Attachments

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FISCAL NOTE -- Theatre Lease Agreement with the Children's Museum

Department: Seattle Center	Contact Person/Phone: Pat Morosic 684-7115	CBO Analyst/Phone: Donnie Grabowski 233-2603
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Legislation Title: AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of a theatre lease agreement under which The Children's Museum may use and occupy the Seattle Center House Theatre for presentation of theatrical and other presentations and performances.

Summary of the Legislation:

This legislation authorizes a lease agreement with The Children's Museum for the theatre space in the first floor of Center House. As part of its education mission, the Children's Museum intends to provide theatrical performances for young children in the community. Seattle Center will receive a monthly rent and will be able to use the space at no charge for the Northwest Folklife Festival, Bumbershoot, International Children's Festival, artsEdge, and Artspring, as well as five additional days for children related activities. The Children's Museum will be responsible for maintaining the theatre space.

Background (Include justification for the legislation and any funding history, if applicable):

The theatre space was previously occupied by a non-profit theatre company, The Group Theatre. The Group closed its doors in September of 1998. The Children's Museum's lease with the City for their museum space on the first floor of Center House included an option to lease the adjacent theatre space should it become available. The Children's Museum has decided to exercise that option. The term is the same as the term of The Children's Museum lease for their museum space, which expires September 30, 2010, with an option for an additional fifteen-year term.

The rental rate for the theater space will be the same as it was for the Group Theatre, with annual CPI increases. Annual rent for 1999 is \$27,530. The theatre lease agreement is retroactive to December 1, 1998. Seattle Center may receive additional rent from subleasing of the theatre space by The Children's Museum. The Center will receive 50% of the net proceeds generated by uses of the theatre space that fall outside the Mission Statement of the Children's Museum.

Sustainability Issues (related to grant awards): N/A

Estimated Expenditure Impacts: None

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Estimated Revenue Impacts:

FUND Seattle Center Operating Fund	1998	1999	2000
Leases	17,836	27,530	28,356
TOTAL			

One-time \$: N/A

On-going \$: Annual CPI Increase per lease.

Note: 1998 rental income was lower because the Group Theatre ceased operations in the summer of 1998, and no further rental income was received after that time.

Estimated FTE Impacts: N/A

Other Issues (including long-term implications of the legislation): N/A

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**THEATRE LEASE AGREEMENT
BETWEEN THE CITY OF SEATTLE AND
THE CHILDREN'S MUSEUM**

THIS LEASE is entered into as of December 1, 1998, by THE CITY OF SEATTLE (hereinafter called "City"), a municipal corporation of the State of Washington, acting by and through the Director of the Seattle Center Department ("Director"), and THE CHILDREN'S MUSEUM (hereinafter called "Lessee"), a Washington nonprofit corporation.

RECITALS

The City and Lessee are parties to a Lease Agreement executed by Lessee on December 26, 1995 and by the City on January 10, 1996 ("Museum Lease"), for the space on the first floor of the Seattle Center House in which Lessee currently operates *The Children's Museum* ("Museum Space"). Pursuant to the Museum Lease, Lessee was granted an option to lease the adjacent theatre space on the first floor of the Seattle Center House (the "Premises"). By letter to the Director dated November 2, 1998, Lessee informed the City that Lessee was exercising its option to lease the Premises.

The City and Lessee intend that Lessee's use of the Premises be consistent with both the Seattle Center Vision Statement, a copy of which is attached hereto as Part D and incorporated herein by reference and ("Seattle Center Vision Statement"), and the mission statement, educational belief statement and performance studio mission statement of Lessee, copies of which are attached hereto as "Part E" and incorporated herein by reference (collectively, "Lessee's Mission Statement").

AGREEMENT

Therefore, the parties agree as follows:

PART A: SPECIAL COVENANTS & CONDITIONS OF LEASE

A-1 INITIAL TERM OF LEASE; OPTIONAL EXTENSION; EARLY TERMINATION

- a. **Initial Term:** The initial term of this Lease shall commence effective as of December 1, 1998, and shall expire September 30, 2010, unless terminated earlier pursuant to the provisions hereof ("Term").
- b. **Optional Extension:** The Director shall provide notice to Lessee on or about March 1, 2010, regarding Lessee's option to extend the Term of this Lease for one (1) additional fifteen (15) year period ending September 30, 2025, on the same terms and conditions as set forth herein ("Extended Term"). Within ninety (90) days after Lessee's receipt of such notice, Lessee either shall exercise such option by giving notice to the

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Director of such exercise, or shall be deemed to have foregone such option. Notwithstanding any other provision hereof, Lessee shall have no authority to exercise such option, and any purported exercise of such option shall be void and of no effect, if Lessee fails to cure (i) any breach that occurred prior to the expiration of such ninety-day option exercising period, by the end of such period, and (ii) any breach that occurred prior to the commencement of such Extended Term by September 30, 2010.

c. Early Termination: Lessee may terminate its further use and occupancy of the Premises as follows:

- (1) From December 1, 1999, through December 31, 2004, upon six (6) months' prior written notice to the Director; and
- (2) From January 1, 2004, through the end of the Lease Term (including the Extended Term), upon twelve (12) months' prior written notice to the Director.

Such termination shall be without penalty, and, except as otherwise provided herein, all obligations of Lessee under this Lease shall terminate upon the termination date stated in such notice. After giving such notice, and provided Lessee is not otherwise in default hereunder, for the six or twelve month notice period, as applicable, Lessee shall not be required to pay any Additional Rent based on Subleases which otherwise would be required pursuant to Subsection A-5.d below.

d. Co-Terminus with Museum Lease: Notwithstanding the foregoing, unless earlier terminated or otherwise agreed in writing, this Lease will terminate at the same time as the Museum Lease.

e. No Default under Museum Lease: In no event shall a default under this Lease be considered to be a default under the Museum Lease, nor shall early termination of this Lease cause or be grounds for an early termination of the Museum Lease, it being the intention of the parties that Lessee's obligations under this Lease shall be separate and distinct from Lessee's obligations under the Museum Lease.

A-2 PREMISES DESCRIPTION

a. Legal Description of Premises: In consideration of the payment of rent and Lessee's performance of and compliance with the other covenants, conditions, and terms of this Lease, City hereby leases to Lessee, and Lessee hereby leases from City, a portion of the building at Seattle Center commonly known as the Seattle Center House and located on the following property:

Lot 1-12, Block 46, D.T. Denny's Third Addition to North Seattle,
according to plat recorded in Vol. 1 of Plats, Page 145, Records of
King County, Washington.

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which portion is currently identified as the "Seattle Center House Theatre" or "Space No. 101," the floor/site plan for which is attached hereto, labeled "Part C" (which portion hereinafter shall be referred to as the "Premises").

b. Approximate Area of Premises as of Term Commencement: Approximately 16,000 square feet of space.

c. Non-exclusive License to Use Center House Building Common Areas: City hereby grants to Lessee and its officers, employees, agents, customers and invitees non-exclusive rights during the Term or Extended Term of this Lease, to use Center House Building common areas (as defined in Subsection B-7(j) hereof) as well as the restrooms adjacent to the Premises.

A-3 MONTHLY BASE RENT

Lessee shall remit to the City as the monthly base rent, the following:

a. Monthly Amount Due for December 1998:

One Thousand One Hundred Fourteen and 75/100 Dollars (\$1,114.75).

b. Monthly Amount Due Between January 1, 1999, and December 31, 1999:

Two Thousand Two Hundred Ninety-Four and 15/100 Dollars (\$2,294.15).

c. CPI increase: The monthly base rent shall be increased effective each January 1st during the Term and any Extended Term hereof (commencing January 1, 2000) by the percentage increase (if any) in the Consumer Price Index for All Urban Consumers ("CPI-U" / 1982-84 = 100) Seattle-Tacoma-Bremerton, WA Area, as published by the U.S. Department of Labor, Bureau of Labor Statistics or its successor, that occurred during the immediately preceding calendar year; provided, that in the event of a change in the index base of (1982-84 = 100) or other modification of such index, the City shall apply whatever conversion factors are necessary to establish an adjusted CPI-U that produces the percentage increase in the CPI-U for each such annual period that would have been produced had no change been made in such index by its publisher; and in the event such index is discontinued, the Director shall select and use for such rent adjustment purpose a similar index that reflects consumer price changes.

d. Pro-Rating of Actual Rent: In the event this Lease expires or is terminated on a day other than the last day of a month, the monthly base rent for the month in which such expiration or termination occurs shall be prorated by dividing the applicable rent by thirty (30) and multiplying the resulting quotient by the number of days in such month that preceded and included the expiration or termination date. (For example, if this Lease were terminated effective June 20, 2004, and the monthly rent in 2004, as adjusted by the CPI were \$2,400.00, the rent for June 2004 would be calculated as follows: $\$2,400 \div 30 = \$80 \times 20 = \$1,600.$)

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e. Credit Against Rent for Gated Days: The City and Lessee acknowledge that on the days that certain events are held at the Seattle Center, admission fees will be charged to the public for admission to the Seattle Center. These admission fee days are referred to hereinafter as "Gated Days." If the number of Gated Days exceed seven (7) in any calendar year, then Lessee's base or adjusted monthly rent for the month in which the eighth (8th) or any succeeding Gated Day occurs shall be reduced as follows:

(1) For Gated Days 8, 9 and 10, no base or adjusted monthly rent will be charged for each such day.

(2) For Gated Days 11 and above, no base or adjusted monthly rent will be charged for each such day, and in addition, Lessee shall receive a credit for an amount equal to the revenue from admissions, memberships and store sales that is lost as a consequence of the eleventh (11th) and succeeding Gated Days. For the purpose of calculating such revenue loss, Lessee's revenue for each such Gated Day shall equal the difference between (i) the total amount of paid admissions, memberships and store sales on such Gated Day and (ii) the average of the aggregate paid admissions, memberships and store sales for the same day of the week during the immediately preceding three (3) months. Lessee shall deliver to the Director along with any invoice for the granting or applying of any such credit, a written copy of all documentation used to support such claim including detailed accounting records of Lessee's receipts for each subject three (3) month period. Regardless of the occurrence of any Gated Day, nothing in this Subsection shall relieve Lessee from the obligation of paying any additional rent that may be due to the City under this Lease.

A-4

ANNUAL PERCENTAGE RENT

Except for any additional rent based on subleases of the Premises, as provided in Subsection A-5.d below, no rent shall be payable based on any fixed percentage of Lessee's gross or net receipts or fund raising activities.

A-5

ADDITIONAL RENT

a. Utility Service Charges: Effective January 1, 1999, Lessee shall pay, before delinquency and as additional rent, the City's charges for supplying to the Premises pursuant to Section 8 hereof, water service (excluding HVAC-related water) and electricity service, and all fees and charges incurred for the installation, change, and relocation, at Lessee's request, of any point or means of service by any City utility or waste line or system serving the Premises.

b. Repair, Restoration, Maintenance & Clean-Up Service Charges: Lessee shall pay, before delinquency, whatever amount is required to fully reimburse the City for the cost of repair and maintenance work performed by the City on behalf of Lessee pursuant to Subsections B-6.f(2) or B-10.b hereof.

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c. Tenants' Association Dues: Lessee shall not be required to pay any Tenants' Association Dues except as required under the Museum Lease.

d. Additional Rent Based on Subleases: Lessee shall pay to the City, as additional rent, fifty percent (50%) of all net receipts generated by any sublease of the Premises for a use that is inconsistent with Lessee's Mission Statement, in the form attached as Part D of this Lease, which is incorporated herein by this reference. As used in this Subsection, "net receipts" means all gross receipts (as defined in Section B-2 below) which are actually received by Lessee, less a reasonable reserve for repair or replacement of theatre equipment and tenant improvements (in such amounts as Lessee and the City may agree from time to time), all actual out-of-pocket expenses incurred by Lessee with respect to the sublease (if any), a pro-rata share of rent due under this Lease and all taxes, utilities, insurance, janitorial and other operating expenses incurred by Lessee for the Premises during the sublease term (which are not reimbursed by the sublessee). (For example, if Lessee subleases the Premises to a third party for fifteen days in June 2004 for the production of a program that is inconsistent with Lessee's Mission Statement and Lessee receives \$3,000 in gross receipts with respect to such sublease, but incurs \$200 in out-of-pocket expenses in preparing the Premises for the sublease, the monthly rent at that time is \$2,400, and monthly taxes, utilities, insurance, janitorial and other operating expenses total \$1,000, the additional rent would be \$550, calculated as follows: \$3,000 - prorated rent of \$1,200 (50% of \$2,400) - out-of-pocket expenses of \$200 - prorated operating expenses of \$500 = \$1,100 ÷ 2 = \$550). Notwithstanding the foregoing, no additional rent will be payable with respect to any sublease prior to June 1, 2000.

A-6

USE OF PREMISES BY LESSEE

The Premises shall be used by Lessee for the presentation of theatrical and other presentations and performances related to Lessee's operation of *The Children's Museum* or otherwise consistent with Lessee's Mission Statement, in the form attached as Part D of this Lease, which is incorporated herein by this reference, for business offices of Lessee; for meetings of Lessee's Board of Directors, staff and other personnel associated with Lessee; for educational classes; for fund-raising endeavors; for technical production and rehearsal activities and other theatre-related activities of Lessee; for the preparation and sale of food and non-alcoholic beverages in connection with such authorized activities; and for the activities of the sublessees of Lessee; provided that such activity, whether by Lessee or one of its sublessee's, must be consistent with the Seattle Center Vision Statement. The City acknowledges that Lessee also may use the Premises for its business offices for *The Children's Museum*, and the City consents in advance to such use. Lessee may use the Premises for other purposes only with the prior, written approval of the Director.

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REQUIRED CONDITIONS OF USE AND OCCUPANCY

a. Preservation of Performance Facility: Regardless of the improvements, alterations and additions Lessee makes in and to the Premises, Lessee shall preserve and maintain within that space, a theatrical/musical performance facility seating at least 199 audience members (or such larger or smaller number as may be approved or required by the Seattle Fire Marshall) as well as appropriate and necessary stage, backstop, dressing room, technical space (including but not limited to sound and lighting control booths), other support facilities, and public lobby space to make the Premises reasonably usable for a wide variety of theatrical and musical performances.

b. Portions of Premises Reserved for Event or Festival Purposes on Certain Dates: Notwithstanding any other provision hereof, the City reserves and remains the right to use, and to authorize third parties to use, as described more fully below, the stage apron and seating area of the Main Auditorium and the Public Lobby (as identified on attached Part C; collectively, the "House") during the dates identified below and in Subsection A-7.f hereof, in connection with the following events/festivals sponsored or co-sponsored by the Seattle Center:

- (1) "Northwest Folklife Festival" (Friday through Monday of Memorial Day weekend);
- (2) "Bumbershoot Festival" (Friday through Monday of Labor Day weekend);
- (3) "International Children's Festival" (on up to seven (7) consecutive days during the month of May that are identified in a Directors notice delivered to Lessee not later than ninety (90) days prior to the first date of each such intended use);
- (4) "Artspring" (for one (1) day, on a date that is identified in a Director's notice delivered to Lessee not later than ninety (90) days prior to the first date of each such intended use);

plus, for each of the events/festivals listed in subsections (1), (2), (3) and (4) above, not more than one (1) move-in day immediately before each such use period and not more than one (1) move-out day immediately following each such use period, but only if deemed by such event or festival's producers to be necessary; and

- (5) "ArtsEdge" (for three (3) consecutive days during the month of June that are identified in a Directors notice delivered to Lessee not later than ninety [90] days prior to the first date of each such intended use), plus (if deemed by ArtsEdge producers to be necessary), not more than three (3) move-in days immediately before each use period and not more than one (1) move-out day immediately following each use period. Lessee agrees that if ArtsEdge is disbanded or discontinued, the three days allotted to that event (but not the three move-in days) shall be added to the other City-reserved dates covered by

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Subsection A-7.c (such that the City will be entitled to reserve use of the House for eight additional dates per year, plus move-in and move-out days as provided in Subsection A-7.c).

For purposes of this Lease, a "move-in day" shall mean the twenty-four hour period beginning at noon on the day immediately prior to the first day of the applicable event or festival as specified herein; and a "move-out day" shall mean a period until 9:00 a.m. on the day after the last day of the event or festival as specified hereby. If any of the events or festivals listed in this Subsection is renamed or is otherwise reconstituted, and such successor event or festival is scheduled to occur during generally the same time period as its predecessor event or festival and the activities of the renamed or reconstituted event or festival proposed for the House are compatible with the children and family programs of Lessee, then the opportunity to use the House shall continue and be exercisable for such renamed or reconstituted event or festival notwithstanding such renaming or reconstituting. The Director shall also provide twelve (12) months' prior notice to Lessee of the dates of any of the events/festivals identified in this Subsection will occur on dates different from those specified for the same above. In such event, Lessee and Director shall cooperate to determine mutually agreeable alternative dates for such event or festival's use. Any such re-scheduling shall not expand the number of days approved for the applicable event or festival use of the House.

c. Other City-Reserved Dates: The City further reserves use of the House during each year throughout the Term and any Extended Term of this Lease and any extension thereof, for up to five (5) additional dates, plus up to one (1) move-in date immediately preceding and up to one (1) move-out date immediately following each such additional date, for children's activities that are compatible with the general goals and Lessee's Mission Statement and the Seattle Center Vision Statement. Unless such quantity of prior notice is waived by Lessee, the Director shall give Lessee at least one hundred eighty (180) days' prior notice of each such proposed use date. The City's use of the House on such additional dates shall be contingent on approval by Lessee, which approval shall not be unreasonably withheld or delayed unless Lessee has already scheduled another use for the Premises. Lessee and the City agree to provide each other with as much advance notice of events scheduled for the Premises and to cooperate with each other to resolve any scheduling conflicts, provided that Lessee shall not be required to cancel or reschedule an already scheduled event.

d. Conditions of City, Event or Festival Use of House: Use of the House by the City pursuant to Subsection A-7.b or by any producer of a event or festival approved by Lessee pursuant to Subsection A-7.c shall be exclusive of Lessee's use except as provided in this Subsection. Lessee's personnel shall have unlimited access to the Premises to monitor the activities and use of the House by the City, the event or festival producers, and their invitees. During all such use periods, Lessee (or its sublessee) shall have the right to maintain in the Premises its theatre production sets and other theatre equipment, as it deems appropriate, but the House (stage apron and seating area of the Main Auditorium and the Public Lobby) shall only contain the theatre seats and traditional lobby furniture to facilitate full event or festival use. Event or festival use shall be

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compatible with Lessee's use, which shall be reasonably determined by Lessee. Except as expressly provided in this Section, any such use by the City or an event or festival producer shall be on an "AS IS" basis, and Lessee shall not have any obligation to reconfigure any portion of the Premises except the House, as described in this Subsection.

e. Use of Theatre Equipment; Reimbursement of Costs: Use of the House by the City or any such event or festival producer shall not give the City or any such producer the right to use of any of Lessee's equipment therein except for the then-existing light plot and lights and soft goods; provided, that lights shall not be re-focused or moved. In the event any such event or festival use requires operation of any of Lessee's equipment, such equipment shall be operated by qualified personnel designated by the Director, subject to Lessee's supervision, or, at the election of Lessee, by Lessee's personnel. The City shall reimburse, or shall contractually obligate such event and festival producer to reimburse within thirty (30) days after the date of Lessee's invoice therefor, Lessee's direct costs for such operation or supervision; provided that the City (only) shall not be charged for any use of Lessee's equipment or the House if such equipment and the House are returned to Lessee in the same condition as received by the City. Lessee's direct costs may include wages for Lessee's personnel, at the rates normally paid by Lessee for such work, including overtime rates, if applicable, as well as out of pocket costs.

f. City Cleaning, Repair, and Reimbursement for Utility Use. For all dates reserved pursuant to Subsections A-7.b and A-7.c hereof, including move-in, move-out and cleanup dates, the City shall, or shall contractually obligate the event or festival producer to, reimburse Lessee within thirty (30) days after the date of Lessee's invoice, for Lessee's actual expenses for utilities, supplies, perishable items, and labor provided to the House during such City or event or festival use. In addition, by the end of the move-out day, the City shall perform, or shall enforce its contract with the event or festival producer to perform, the necessary clean-up of the House and repair of any portion thereof and all improvements and Lessee's property therein that has been damaged in connection with or as a result of such City or event or festival producer's use, which repair shall be to the condition such Premises, improvements, and Lessee's property were in at the outset of such City or event or festival producer's use; provided, that if a longer period of time is required for such repair work, that work shall be completed as quickly as is reasonably possible.

g. City Responsibility for Damage. The City acknowledges that members of the public will be in attendance at the Premises during the use periods reserved for the City and its event or festival producers under Subsections A-7.b and A-7.c and that the City shall be responsible for providing supervision to protect the Premises from damage and all such members of the public from injury. The City shall be responsible for, and shall indemnify, defend and hold Lessee harmless from, any and all losses, damages, suits, and claims of any nature whatsoever made against or incurred by Lessee or any other person arising out of use of the House by the City or any of its event or festival producers, or arising out of activities permitted by the City during such use periods (including without limitation payment and performance of obligations of event or festival producers under Subsections A-7.e, A-7.f or A-7.g hereof). The City shall also require the applicable

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event or festival producer to secure and maintain during the period of its use of the House under this Lease, public liability insurance coverage against personal injury and property damage that names Lessee as an additional insured and is otherwise in the form and in the amounts reasonably required by Lessee, and to provide to Lessee not less than seven (7) days prior to the first scheduled event or festival activity in the Premises, evidence that such insurance has been secured and is being maintained. The indemnification provided for in this paragraph shall survive any termination or expiration of this Lease and shall be in addition to the indemnification provided under other sections of this Lease.

h. Use of House and Lessee Equipment at No Cost to City or Event or Festival Producers. All use of the House and of Lessee equipment pursuant to this Subsection A-7 shall be at no cost to the City or to event or festival producers except as provided in Subsections A-7.e, A-7.f and A-7.g hereof.

i. Limitation on Event or Festival Use. Lessee shall be entitled to require that any event or festival producer using the Premises pursuant to Subsections A-7.b or A-7.c deposit with Lessee in cash or immediately available funds such sum as Lessee, in its reasonable discretion, may determine appropriate to cover the direct costs expected to be incurred by Lessee in connection with such event or festival. The failure to deliver such deposit shall constitute good cause for Lessee to deny use of the House to such event or festival producer. If the amount deposited with Lessee is greater than the actual direct costs incurred by Lessee, the surplus will be returned to the producer within thirty (30) days after the end of the event. If the amount deposited with Lessee is less than the actual direct costs incurred by Lessee, the producer will reimburse Lessee for the difference within thirty (30) days after the date of Lessee's invoice therefor. If Lessee, without good cause, has not been paid amounts due under this Subsection or Subsection A-7.e, A-7.f or A-7.g hereof in connection with a use by an event or festival producer, Lessee may deny subsequent use of the Premises to such event or festival producer until the amounts in arrears have been paid and Lessee has received adequate security or other assurance of payment and performance by such event or festival producer.

j. Coordination of Programming With Seattle Center "Winterfest" Activities: Before Lessee schedules or books any activity or performance to occur in the House between the day after Thanksgiving through the next succeeding January 7th (i.e., during the period of any Seattle Center "Winterfest"), Lessee shall consult with the Director regarding any such proposed activity or performance to facilitate coordinated and supporting advertising and to enhance the quality and quantity of Seattle Center "Winterfest" activities among other objectives.

A-8

CONDITION OF PREMISES

The parties acknowledge that (i) the prior tenant of the Premises (The Group Theatre) did not clean or repair the Premises or remove all of its furniture, fixtures, equipment and other personal property when it abandoned possession of the Premises; and (ii) some furniture, fixtures, equipment and other personal property that belongs to the City is unusable, obsolete, inoperative or otherwise not wanted by Lessee. Accordingly, the City

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agrees to remove, at its expenses, all such unwanted furniture, fixtures, equipment and other personal property, to clean the Premises, and to perform such repairs as may be reasonably required to return the Premises to a clean, sanitary and safe condition, including without limitation removing certain paint and other potentially hazardous materials from the work-shop area of the Premises. Lessee agrees to cooperate with the City in such endeavors and to assist in identifying any furniture, fixtures, equipment or other personal property or materials to be removed from the Premises, and the City agrees, from time to time until December 31, 1999, upon notice from Lessee, to remove from the Premises any such furniture, fixtures, equipment or other personal property or materials. Subject to the foregoing, Lessee accepts the Premises in their current condition.

A-9 EQUIPMENT PROVIDED TO LESSEE

- a. **Included Equipment:** Attached hereto as "Part F" is an itemized list of theatre, office and other equipment ("Equipment") included with the Premises, which list identifies the respective owners of the Equipment, and has been reviewed and approved by the City and Lessee. The City leases the City-owned Equipment to Lessee, for the Term and Extended Term hereof, at no additional charge. Except as otherwise provided in Part E, the City owns or has caused the Equipment to be leased to Lessee, and is fully authorized to do so, and the City agrees to indemnify, defend and hold Lessee harmless from and against any adverse claims to the Equipment. Lessee agrees to release, indemnify, defend and hold the City harmless from any claims, damages, losses or liability arising out of or connected with Lessee's use of the Equipment. Lessee is hereby authorized to affix tags or notices to the Equipment to identify the City's or other entity's ownership interest therein. Except as set forth in this Subsection or Part F, the City makes no representations or warranties whatsoever regarding the Equipment, and Lessee assumes all risks with respect to the fitness of the Equipment for its intended use.
- b. **Repair and Maintenance:** Lessee shall keep in good working order and repair each item of Equipment and shall return all such items of Equipment to the City upon expiration or earlier termination of this Lease, in good working order, reasonable wear and tear excepted, unless otherwise agreed by the City in writing; provided that Lessee shall not be required to repair or replace any Equipment that has reached the end of its useful life or becomes inoperable through no fault of Lessee or its sublessees or invitees. Notwithstanding the foregoing, Lessee shall replace every theatrical instrument lamp within the Premises, whether installed in City-owned or Lessee-owned equipment or otherwise, as soon as is reasonable after such item burns out or is broken.
- c. **The City's Responsibilities:** In addition to the City's responsibilities specified in Subsections A-8, A-9 and B-10.a, the City shall clean, repair and maintain the public restroom facility that is adjacent to both the Premises and Museum Space, the exterior entrance to the Premises and the Building.
- d. **Replacement or Exchange of Equipment:** The City acknowledges that some of the lighting components or other Equipment may not be well suited for the Premises and

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agrees that Lessee shall be authorized to exchange such components or Equipment for more suitable components or equipment, subject to the City's prior written approval, which will not be unreasonably withheld.

e. Use of Equipment by Third Parties: The City acknowledges that the standard practice in the Seattle theatre community is to lease or loan equipment among organizations as needed from time to time, and the City hereby agrees that Lessee shall be authorized to engage in such practice, and shall be entitled to retain any consideration received by Lessee with respect to such lease or loan; provided that Lessee shall be responsible for any damage to such Equipment. In the event such leased or loaned Equipment is damaged or lost, Lessee agrees to indemnify, defend and hold the City harmless from any claims, losses, costs or expenses related to the damage, loss or recovery of such Equipment.

f. Lessee-Owned Equipment: The City agrees that any furniture, fixtures or equipment purchased or otherwise obtained by Lessee shall remain the property of Lessee and may be removed from the Premises by Lessee at the expiration or termination of this Lease.

A-10 PERSONNEL

a. Lessee shall have the right to use its own admissions, stage and sound personnel or volunteers for its productions on the Premises. Lessee's personnel shall supervise the admissions personnel of every sublessee that is other than a nonprofit performing arts organization or school. The City acknowledges that Lessee's personnel are not union members, and acknowledges that, as of the date of exercise of the option and as of the date of execution of the Lease, that no union has historically or traditionally enjoyed jurisdiction over the Premises with respect to its long term lessees, and that the Premises is not and has not been the subject of any present or past labor agreement which requires or would require the long term lessee of the Premises to employ union members.

b. If for any reason (i) any union asserts jurisdiction over the Premises or any City-owned equipment at the Premises (except during City-reserved dates pursuant to Section A-7 above), or (ii) Lessee is required to employ union members for operation of the Premises, and if Lessee determines that any resulting union requirements will significantly impair Lessee's ability to operate the Premises or to carry out Lessee's Mission Statement, then upon request by Lessee, the City agrees to meet with Lessee and to negotiate, in good faith, possible modification of the rent or other terms of this Lease. If, in such event, the parties are unable to agree upon mutually acceptable modifications to this Lease, notwithstanding any other provision of this Lease, Lessee shall have the right to terminate this Lease upon sixty (60) days written notice to the Director.

A-11 SIGNAGE

a. Existing Signs and Directories: The City acknowledges that Lessee intends to change the name of the Premises from "The Group Theatre" but has not yet determined

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the new name. Until such time as Lessee determines a new name for the Premises, existing Seattle Center signs and directories referring to the Premises shall not be removed or changed, and in no event shall any signs or directories referring to the Premises be combined with signs or directories referring to *The Children's Museum* (it being understood that the intent is to keep the identities of the two facilities separate). Upon notice from Lessee of the new name for the Premises, the City shall modify Seattle Center signs and directories, without charge to Lessee, to reflect the new name decided upon by Lessee. Lessee acknowledges that once the City has so modified the Seattle Center signs and directories, any additional name change shall be made only upon payment by Lessee of the full cost of such sign and directory modification.

b. **Additional Signs.** The City agrees that Lessee may erect signs for the Premises at or near the stairwell in the Seattle Center House and adjacent to the Northeast entrance to the Premises; provided that such signs conform to the site standards for Seattle Center and Lessee receive the City's prior approval of the plans and specifications for such signs, which approval will not be unreasonably withheld.

c. **Reader Board Usage:** Lessee shall be provided with the opportunity from time to time to advertise performances or events at the Premises on the Seattle Center reader boards located at Fifth Avenue and Mercer Street and at First Avenue and Thomas Street, and on banners on the Mercer Street overpass, as such advertising spaces are available, but not less than one week per calendar quarter. Lessee and the City shall cooperate to determine reasonably acceptable dates for such advertising opportunities.

A-12 CONSULTATION REQUIRED BEFORE CITY ACTIVITY NECESSITATING SUSPENSION OF LESSEE'S USE OF PREMISES

Notwithstanding any provision to the contrary in Section B-13, before the City commences any inspection, repair, alteration, addition or improvement work that will necessitate the temporary suspension of Lessee's business or operations in, on or from the Premises, the City shall consult with Lessee regarding the work and the anticipated impact on Lessee's business and operations, and shall make a good faith effort to minimize such impact by work schedule adjustments or other measures to the extent the same can be accomplished without a cost increase to the City.

A-13 ATTENDANCE AND SAFETY STANDARDS

The Seattle Fire Marshall or his or her designee shall have the authority to determine, in the reasonable exercise of his or her discretion, the number of persons that may be admitted to, and safely and freely move about in, the Premises. Neither Lessee nor any of its sublessees shall sell or issue tickets or credentials for admission to the Premises in an aggregate number that exceeds, nor admit to the Premises more people than, the number so determined by the Fire Marshall. Lessee shall not permit any chair or moveable seat or other obstruction to be erected or placed in any passageway or fire exit. Sidewalks, grounds, entries, passages, vestibules, halls, elevators, abutting streets and all ways of access to the Premises shall not be obstructed by Lessee or any of its sublessees or used

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for any purpose other than for ingress and egress to the Premises, without the prior written consent of the City, which will not be unreasonably withheld.

A-14 CONTENTS OF LEASE

This Lease consists of the following parts, which are attached hereto and, by this reference, incorporated herein:

- PART A** Special Covenants and Conditions of Lease
- PART B** General Terms and Conditions of Lease
- PART C** Premises Floor Plan/Map
- PART D** Seattle Center Vision Statement
- PART E** Lessee's Mission Statement, Educational Belief Statement and Performance Studio Mission Statement
- PART F** Personal Property Inventory

These six (6) parts constitute the complete and final expression of the intentions of the parties hereto. All prior and contemporaneous oral and written understandings between the parties regarding the subject matter of this Lease have been incorporated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease by having their authorized representative(s) sign his/her/their name(s) in the spaces below.

LESSEE:

THE CHILDREN'S MUSEUM

By _____
Cynthia Captain
Executive Director

Address for Notices:

The Children's Museum
Attention: Executive Director
305 Harrison Street
Seattle, WA 98109-4645

LESSOR:

THE CITY OF SEATTLE

By _____
Virginia Anderson, Director
Seattle Center Department

Address for Notices:

Director, Seattle Center Department
The City of Seattle
305 Harrison Street
Seattle, WA 98109-4645

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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Cynthia Captain is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Executive Director of The Children's Museum to be her free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: _____

Print Name: _____
NOTARY PUBLIC for the State of
Washington, residing at _____

My appointment expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Virginia Anderson is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Director of the Seattle Center Department of the City of Seattle to be her free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: _____

Print Name: _____
NOTARY PUBLIC for the State of
Washington, residing at _____

My appointment expires: _____

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EXHIBIT E

The Performance Studio Mission Statement of the Children's Museum will be inserted upon adoption by the Board of Trustees, which is expected to occur in July of 1999. This Mission Statement will be in addition to the Educational Belief Statement currently attached as Part E."

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ORDINANCE _____

1
2
3
4 AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of a
5 theatre lease agreement under which The Children's Museum may use and occupy
6 the Seattle Center House Theatre for presentation of theatrical and other
7 presentations and performances.

8
9 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

10 Section 1. As requested by the Seattle Center Director and recommended by the
11 Mayor, the Seattle Center Director is authorized to execute, for and on behalf of The City of
12 Seattle, a theatre lease agreement with The Children's Museum substantially in the form of
13 agreement attached hereto as Attachment A and identified THEATRE LEASE
14 AGREEMENT BETWEEN THE CITY OF SEATTLE and THE CHILDREN'S MUSEUM
15 under which said Lessee is authorized to use and occupy the Seattle Center House Theatre
16 subject to the conditions and provisions of this Agreement, during an initial term
17 commencing on December 1, 1998 and expiring September 30, 2010. The Lessee has the
18 option to extend the Term of this Lease for one (1) additional fifteen (15) year period ending
19 September 30, 2025.

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

22 Section 3. This ordinance shall take effect and be in force thirty (30) days from
23 and after its approval by the Mayor, but if not approved and returned by the Mayor within
24 ten (10) days after presentation, it shall take effect as provided by Municipal Code Section
25 1.04.020.
26

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Passed by the City Council the _____ day of _____, 1999, and signed by
me in open session in authentication of its passage this _____ day of _____, 1999.

President of the City Council

Approved by me this _____ day of _____, 1999.

Paul Schell, Mayor

Filed by me this _____ day of _____, 19____.

City Clerk

(SEAL)

ATTACHMENT LIST:

- Attachment A: Theatre Lease Agreement Between The City of Seattle
and The Children's Museum
- PART A Special Covenants & Conditions of Lease
 - PART B General Terms & Conditions of Lease
 - PART C Premises Floor Plan / Map
 - PART D Seattle Center Vision Statement
 - PART E The Children's Museum & Performance Studio
Mission Statements & Educational Belief Statement
 - PART F Personal Property Inventory

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TIME AND DATE STAMP

6/16/99

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

Neil L. ...

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO:

PRESIDENT'S SIGNATURE



C S. 20.28

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STATE OF WASHINGTON - KING COUNTY

108478
City of Seattle, City Clerk

-ss.

No. 119565 ORD

Affidavit of Publication

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

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

CTOT: 119544-47, 61, 62

was published on

07/30/99

The amount of the fee charged for the foregoing publication is the sum of \$ _____, which amount has been paid in full.

Subscribed and sworn to before me on

07/30/99

Notary Public for the State of Washington,
residing in Seattle

Affidavit of Publication

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City of Seattle

TITLE ONLY PUBLICATION
The full text of the following ordinances, passed by the City Council on July 14, 1959, and published here by title only, will be mailed, at no cost, upon request for further information, to the Seattle City Clerk at 654-2344.

ORDINANCE NO. 118544

AN ORDINANCE relating to the 1959 adopted budget, reducing the expenditure allowances of the Department of Neighborhoods and the Executive Department, appropriating a like amount to the 1959 budget of the Planning Commission.

ORDINANCE NO. 118545

AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of the first Amendment to the Lease Agreement with The Children's Museum.

ORDINANCE NO. 118546

AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of a theatre lease agreement under which The Children's Museum may use and occupy the Seattle Center House Theatre for presentations of theatrical and other presentations and performances.

ORDINANCE NO. 118547

AN ORDINANCE relating to Seattle Public Utilities, authorizing the execution of a purchase and sale agreement with The Trust for Public Land for sale of certain City property located in Chelan County, Washington, ratifying and confirming certain authority granted by Ordinances 116639 and Resolution 29067, with respect to sale of said property, and authorizing the conveyance of said property, execution of closing documents, and acceptance and deposit of funds in connection with the sale.

ORDINANCE NO. 118548

AN ORDINANCE relating to funding the acquisition of certain property and property rights for facilitating Seattle Center redevelopment as authorized by Ordinances 118545 and 118546, increasing expenditure allowances in the 1959 budget of the Seattle Center Department, appropriating money from the Seattle Center General Operating Fund, and the Seattle Center Operating Fund, accepting a donation from the Fredrickson Foundation regarding Section 2 of Ordinance 118545 and ratifying and confirming prior acts, all by and through the City Council.

ORDINANCE NO. 118549

AN ORDINANCE relating to the Neighborhood Planning Early Implementation Fund, authorizing the Department of Neighborhoods, Department of Design, Construction and Land Use, Strategic Planning Office, and SEASCAN to enter into agreements for the preparation and submission of planning reports and studies regarding said fund, and authorizing the Finance Department to expend money therefor, not to exceed by \$500,000 and indicating the expenditure authority of the Finance Department and office by a total of \$500,000.

ORDINANCE NO. 118550

AN ORDINANCE appropriating money to pay certain claims and ordering the payment thereof, and authorizing the City Clerk to execute the same.

FIN. City Clerk, Seattle, July 14, 1959.
Journal of Commerce, Seattle, July 14, 1959.

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Council Bills and Ordinances Database

September 5, 2000 2:45 PM

Ordinance 119546

Document 1 of 1

Council Bill Number: 112738
Ordinance Number: 119546

Document Type: Ordinance
Document Status: PASSED

Title: AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of a theatre lease agreement under which The Children's Museum may use and occupy the Seattle Center House Theatre for presentation of theatrical and other presentations and performances.

Sponsor: LICATA
Committee Referral: Culture, Arts and Parks
Intro/Referral Date: Jun 21, 1999

Date Passed: Jul 19, 1999
Vote Count: 9-0

Presented to Mayor: Jul 19, 1999
Mayor's signature: Jul 23, 1999

Strike RETURN for next screen_:

Council Bills and Ordinances Database

September 5, 2000 2:45 PM

Ordinance 119546

Document 1 of 1

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Document 1 of 1

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