

ORDINANCE No.

115429

COUNCIL BILL No.

108283

AN ORDINANCE relating to the Department of Administrative Services; amending Seattle Municipal Code (SMC) Section 3.18.200A and SMC 3.18.240 to increase the term and the amount of annual rent per square foot for which non-City-owned properties may be leased by the City.

Law Department

The City of

Honorable President:

Your Committee on

to which was referred the within Council report that we have considered the same

COMPTROLLER FILE No.

Introduced: SEP 24 1990	By: SIBONGA
Referred: SEP 24 1990	To: Budget
Referred:	To:
Referred:	To:
Reported: NOV 20 1990	Second Reading: NOV 20 1990
Third Reading: NOV 20 1990	Signed: NOV 20 1990
Presented to Mayor: NOV 20 1990	Approved: DEC 6 1990
Returned to City Clerk: DEC 6 1990	Published:
Vetoes by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

Full Council vote

40

Department

# The City of Seattle--Legislative Department

## REPORT OF COMMITTEE

Date Reported  
and Adopted

to President:

Submitted on

Budget

was referred the within Council Bill No.

108283

it we have considered the same and respectfully recommend that the same:

Do PASS

Council vote 8-0

Committee Chair

ORDINANCE 115429

AN ORDINANCE relating to the Department of Administrative Services; amending Seattle Municipal Code (SMC) Section 3.18.200A and SMC 3.18.240 to increase the term and the amount of annual rent per square foot for which non-City-owned properties may be leased by the City.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code (SMC) 3.18.200A is amended as follows:

A. The Director of Administrative Services is authorized to negotiate and execute for and on behalf of the City, real property leases for the purpose of acquiring necessary facilities for use by City departments and agencies to carry out authorized functions and programs. The term of any such lease shall not exceed (~~((thirty-six-(36)))~~) sixty (60) consecutive calendar months.

Section 2. Seattle Municipal Code 3.18.240 is amended as follows:

All leases executed pursuant to the authority of Section 3.18.200 shall conform to the following requirements:

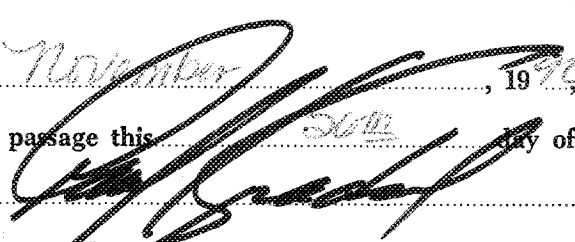
A. Rental payments for office space shall not exceed a rate of (~~((Thirteen-Dollars-(\$13.00)))~~) Fifteen Dollars (\$15.00) per square foot per year and the total square footage leased in any one (1) rental agreement in any one (1) calendar year shall not exceed five thousand (5,000) square feet for such space in any single building or other facility.

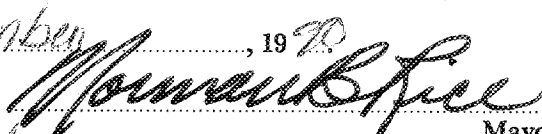
B. Rental payments for improved space other than office space shall not exceed (~~((Five-Dollars-(\$5.00)))~~) Six Dollars (\$6.00) per square foot per year, and the total square footage leased in any one (1) rental agreement in any one (1) calendar year shall not exceed nine thousand (9,000) square feet for



(To be used for all Ordinances except Emergency.)

Section 4.... This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 26th day of November, 1970,  
and signed by me in open session in authentication of its passage this 26th day of November, 1970.  
  
President of the City Council.

Approved by me this 6th day of December, 1970.  
  
Mayor.

Filed by me this 6th day of December, 1970.

Norward J. Brooks  
Attest: City Comptroller and City Clerk.

(SEAL)

Published.....

By Margaret Cantin  
Deputy Clerk.



1 such space in any single building, structure or other  
2 facility.

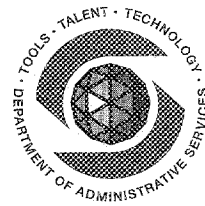
3 C. Rental payments for unimproved real estate, or land  
4 used for parking or open storage purposes shall not exceed  
5 ~~((Two-Dollars-and-Fifty-Cents-(\$2.50)))~~ Three Dollars and  
6 Fifty Cents (\$3.50) per square foot per year, and the total  
7 square footage leased in any one (1) calendar year shall not  
8 exceed eighteen thousand (18,000) square feet for such space  
9 in any single building, structure or other facility.

10 D. The dollar amounts specified in Subsections  
11 3.18.200A, -B, and -C shall be increased annually, by the  
12 percentage increase in the Consumer Price Index For All Urban  
13 Consumers, Seattle-Tacoma Metropolitan Area (1982-84 = 100) as  
14 published by the U.S. Department of Labor, Bureau of Labor  
15 Statistics, or its successor; Provided, that if the Consumer  
16 Price Index is discontinued or its base is changed, a  
comparable index shall be substituted.

17 Section 3. Any act consistent with the authority and  
18 prior to the effective date of this ordinance is hereby  
19 ratified and confirmed.  
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City of Seattle  
Department of Administrative Services

James P. Ritch, Director  
Norman B. Rice, Mayor



RECEIVED OMB

AUG - 9 1990

August 2, 1990

Honorable Paul Kraabel, President  
City Council  
City of Seattle

845707

VIA: Andrew Lofton, Budget Director

Dear President Kraabel:

SUBJECT: Rent Paid By This City For Non-City Owned Property

The Mayor is proposing that the attached legislation increase the amount of rent that can be paid for non-City owned property by the Department of Administrative Services.

Background

In 1981 the Council approved Ordinance 110304 which set the terms and conditions under which DAS could sign leases without seeking specific Council approval. Those limits were:

Amount of Rent

- o \$13.00 per square foot annual rent for office space
- o \$ 5.00 per square foot annual rent for other improved space (warehouse, etc.)
- o \$ 2.50 per square foot annual rent for land

Size of Space

- o 5,000 square feet for office space
- o 9,000 square feet for other space
- o 18,000 square feet for land

Term - Lease to be no longer than 36 months.

Legislation

The legislation proposed is to increase the rental amounts from those cited above to the following;

- o \$15.00 per square foot for office space
- o \$ 6.00 per square foot for other space
- o \$ 3.50 per square foot for land

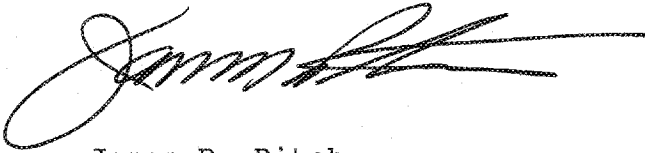
In addition it is proposed that the above rent limits be increased annually by the application of C.P.I. increases. No change is proposed for the size of spaces rented.

Honorable Paul Kraabel  
Rental Legislation  
August 2, 1990  
Page 2

Finally it is proposed that the term of such bases be lengthened from three to five years. DAS believes that this term would enable us to more effectively negotiate competitive rent rates.

Thank you for your attention. If I or my staff can provide further information please call on us.

Sincerely,

A handwritten signature in dark ink, appearing to read 'James P. Ritch', with a large, sweeping flourish extending to the right.

James P. Ritch  
Director

Attachments

JPR:sw:dbc



ROUTING SLIP FOR REQUEST FOR LEGISLATIVE ACTION

Originating Department: Department of Administrative Services

Council Sponsor: \_\_\_\_\_

Date: \_\_\_\_\_

Subject: AN ORDINANCE relating to the Department of Administrative Services, amending  
Seattle Municipal Code (SMC) Section 3.18.200 and SMC 3.18.240 to increase  
the authorized term and the amount of annual rent per square foot that may  
be paid by the City under leases of non-City-owned properties.

Date  
Received

Date  
Forwarded

OMB: \_\_\_\_\_

Law: \_\_\_\_\_

City Clerk: \_\_\_\_\_

Legislation should be routed in the order listed.

# City of Seattle

Executive Department-Office of Management and Budget

Andrew J. Lofton, Director  
Norman B. Rice, Mayor

COPY RECEIVED  
90 AUG 30 PM 4:05  
SEATTLE CITY ATTORNEY



August 28, 1990

The Honorable Mark Sidran  
City Attorney  
City of Seattle

#2  
Davidson  
Gray  
HJG

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING  
DEPARTMENT: Administrative Services

SUBJECT: An ordinance relating to the Department of Administrative Services, amending Sections 3.18.200 and 3.18.240 of the Seattle Municipal Code to increase the term of leases and increase certain expenditure authorizations for rent to be paid by the City for non-City-owned properties.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMB. Any specific questions regarding the legislation can be directed to Bruce Petersen, 4-8080.

Sincerely,

Norman B. Rice  
Mayor

by

  
ANDREW J. LOFTON  
Budget Director

AL/bp/lw

Enclosure

cc: Director, DAS

TIME AND DATE STAMP

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:

*Deborah Stenger*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

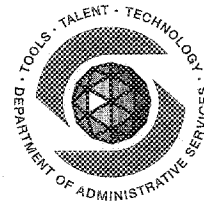


ORD# 115429

City of Seattle  
Department of Administrative Services

Kenneth J. Nakatsu, Director

Norman B. Rice, Mayor



ord 115429

MEMORANDUM

April 13, 1995

To: Judith Pippin, City Clerk  
ATTENTION: Margaret Carter, Minute Clerk  
From: *Connie Patmore-Farr*  
Connie Patmore-Farr, Sr. Real Property Agent  
Subject: Filing of Executed Lease

FILED  
CITY OF SEATTLE  
95 APR 14 PM 1:36  
CITY CLERK

Enclosed for your records is an original executed sublease for space at 501-19th Avenue East; Lessee: United In Outreach.

If you have any questions regarding this document, please call me at 684-0406.

CPF:cpf

fileclrk

## LEASE AGREEMENT SPECIAL TERMS AND CONDITIONS

I. PARTIES: THIS LEASE AGREEMENT is entered into by and between THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Sub-Lessor (hereinafter referred to as the "City," and the UNITED IN OUTREACH (UIO), a non-profit corporation organized under the laws of Washington authorized to do business in the State of Washington (hereinafter referred to as "Sub-Lessee").

II. PREMISES: The City, as Lessee of that certain real property commonly known as 501 19th Avenue East in Seattle, King County, Washington that may be further described as follows:

Lot 9, Block 10, Law's Addition, according to plat thereof recorded in Volume 1 of Plats, page 51, Records of King County, Washington;

hereby leases to the Sub-Lessee and the Sub-Lessee hereby leases from the City approximately 100 square feet of the above described space, all subject to the terms and conditions of this Lease and of the Master Lease between the City and John D. and D. Ruth Goetzinger. (Such property shall be referred to in this as the "Premises").

III. USE/PURPOSE: The Premises may be used only for the following use(s) and purpose(s): office space.

IV. TERM: The term of this Lease begins April 1, 1995 and ends March 31, 1996. If the Sub-Lessee, with the implied or written consent of the Sub-Lessor, shall holdover after the expiration date hereof, the Sub-Lessee shall remain bound by all terms and conditions hereof, except that the tenancy shall be month-to-month and rent shall be increased or decreased based on changes in operating expenses as provided in the master lease.

V. RENT: In consideration of this Lease, the Sub-Lessee shall pay to the City, as rent, the following monthly sum: Fifty Five and no/100 Dollars (\$55.00). Rent shall be paid in advance, on or before the first of each month.

VI. INSURANCE: The Sub-Lessee, at no expense to the City, shall secure and maintain during the full term of this Lease, one or more policies of general comprehensive liability insurance that fully protect the City from any and all claims and risks in connection with the Sub-Lessee's occupation of, or activities upon, the Premises, under which policies the following aggregate amounts of coverage shall be provided:

\$100,000            for injury to, or loss of life of, any individual person;

\$100,000            in the aggregate for personal injuries suffered in each occurrence;

\$100,000            for property damage suffered in each occurrence; and under which  
The City of Seattle shall be named as an additional insured in the  
following manner:

"The City of Seattle is an additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected by this policy and for any and every injury, death, damage, and loss of any sort sustained by any person, organization, or corporation in connection with any act or omission of the Sub-Lessee under a Lease between The City of Seattle and United In Outreach (UIO).

"The coverages provided by this policy to the City or any other named insured shall not be terminated, reduced or otherwise changed in any respect without providing at least thirty (30) days' prior written notice to The City of Seattle, Attention: Director of Administrative Services, 618 Second Avenue, 12th Floor, Seattle, Washington 98104, or to such other address as may be specified in writing by the City."

VII. UTILITIES AND SERVICES: The City shall provide all utilities and services to the Premises except telephone. The Sub-Lessee shall, at its sole cost, provide telephone services for use.

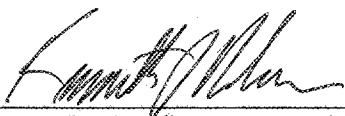
VIII. AGREEMENT CONTENTS: This Lease consists of these special terms and conditions as well as the general terms and conditions and Attachment 1. It embodies the entire agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties relating to the subject matter of this Lease.

IX. EFFECTUATION OF AGREEMENT: In order to be effective, this Lease must be (1) signed by an authorized representative of the Sub-Lessee and returned to the Director at the address set forth below, accompanied by any required policy of insurance, and (2) signed by the Director pursuant to Ordinance authority.

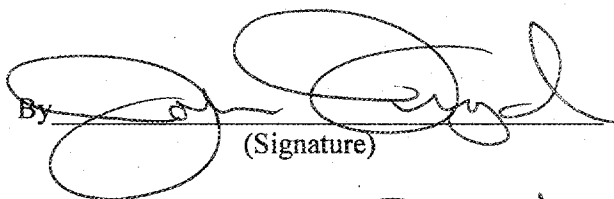
IN WITNESS WHEREOF, the parties hereto have affixed their signatures below:

SUB-LESSOR, THE CITY OF SEATTLE

SUB-LESSEE, UNITED IN OUTREACH

By   
Director of Administrative Services

Authorizing Ordinance 115429

By   
(Signature)  
John Froyd  
(Print or Type Name)

Director - United In Outreach  
(Print or Type Title)

City's address for all communications:

Department of Administrative Services  
Property Management Section  
618 Second Avenue, 14th Floor  
Seattle, Washington 98104

Lessee's address for all communications:

United In Outreach (UIO)  
501 19th Avenue East  
Seattle, Washington 98112

ref: FacSvcs Lease No. 11 (UIO.STC)

March 7, 1995



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that JOHN FROYD  
is the individual who appeared before me, and said individual acknowledged that HE signed this  
instrument, on oath stated that HE was authorized to execute the instrument and acknowledged  
it as the DIRECTOR of UNITED IN OUTREACH  
to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: APRIL 4, 1995



Genny M. Agopowicz  
(Notary Signature)

GENNY M. AGOPOWICZ  
(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at SEATTLE

My appointment expires 11-8-97

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that KENNETH J. NAKATSU is the person  
who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that  
he was authorized to execute the instrument and acknowledged it as the Director of Administrative  
Services of THE CITY OF SEATTLE to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

Dated: 4-12-95



Joyce L. Fritts  
(Notary Signature)

Joyce L. Fritts  
(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle

My appointment expires 4-5-96

## LEASE AGREEMENT GENERAL TERMS AND CONDITIONS

1. POSSESSION. In the event of the inability of the City to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this Lease, neither the City nor any of its officers, employees or agents shall be liable for any damage caused thereby, nor shall this Lease thereby become void or voidable nor shall the term herein specified be in any way extended, but in such event, the Sub-Lessee shall not be liable for any rent until such time as the City can deliver possession. In the event the Sub-Lessee takes possession of the Premises prior to the commencement date of this Lease, the Sub-Lessee and the City shall be bound by all of the provisions and obligations of this Lease during such prior period, including the obligation to pay rent and leasehold excise taxes at the rates stated herein, prorated on a daily basis.

2. UTILITIES AND SERVICES. The Sub-Lessee shall pay all charges for utility installations and modifications thereto occasioned by the Sub-Lessee's requirements. The City shall not be liable for any injury, loss or damage caused by or resulting from any interruption or failure of such services to any cause whatsoever except the City's negligence. The Sub-Lessee shall not be entitled to an offset, reduction or return of rental as the result of any interruption or failure of said services.

### 3. LIABILITY.

(a) Indemnification: The Sub-Lessee shall indemnify and hold the City harmless from any and all claims whatsoever arising out of the use and occupation of the Premises including claims arising by reason of accident, injury or death caused to persons or property of any kind as a direct or indirect consequence of any act or omission of the Sub-Lessee, its officers, employees, agents, licensees, or invitees.

(b) Assumption of Risk: The placement and storage of personal property on the Premises shall be the responsibility, and at the sole risk, of the Sub-Lessee.

(c) Insurance: Evidence, to the reasonable satisfaction of the Director, of the Sub-Lessee's maintenance of insurance as required by this Lease shall be submitted to the Director prior to the initial occupancy of any portion of the Premises, and thereafter, within a reasonable time after the Sub-Lessee's receipt of a request for such evidence, which time, in no event, shall exceed four (4) City business days. The "ACORD" form of Certificate of Insurance shall not be submitted as such evidence, and shall not be deemed to be satisfactory evidence unless the following changes are made on such form:

The wording of the top of the form:

*"This certificate is issued as a matter of information only and confers no rights upon the certificate holder."*

shall be deleted in its entirety.

The wording at the bottom of form:

*"Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail thirty (30) days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation of any kind upon the company."*

shall be changed to read –

*"Should any of the above described policies be canceled, reduced as to coverage, or otherwise changed before the expiration date thereof, the issuing company shall provide written notice of such action to the below named certificate holder/City of Seattle, Property Management Division, 618 Second Avenue, 14th Floor, Seattle, WA 98104, at least thirty (30) days prior to the effective date of such change or cancellation."*

Notwithstanding any provision herein to the contrary, the failure of the Sub-Lessee to comply with the requirements of this Lease regarding insurance shall subject this Lease to immediate termination without notice and without recourse by any person in order to protect the public interest.

### 4. COMPLIANCE WITH LAW.

(a) Applicable Law: This Lease shall be construed under and governed by all applicable laws of the United States of America and the State of Washington and the Charter and ordinances of The City of Seattle, as well as all rules and regulations of any such governmental entity.

(b) Licenses, Permits and Taxes: The Sub-Lessee shall be liable for, and shall pay throughout the term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the Premises, and all taxes on personal property of the Sub-Lessee on the Premises and any excise or other taxes on the leasehold interest created by this Lease; and in the event the State of Washington makes any demand upon the City for payment of leasehold excise taxes resulting from the Sub-Lessee's occupation of the Premises or withholds funds due to the City to enforce collection of leasehold excise taxes, the Sub-Lessee, at its sole expense, shall contest such action and indemnify the City for all sums expended by, or withheld by the State from, the City in connection with such taxation.

(c) Nondiscrimination and Affirmative Action. The Sub-Lessee shall comply with all state and local laws prohibiting discrimination with regard to creed, religion, race, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap.

In the event the Sub-Lessee has three (3) or more employees, the following provision shall be deemed part of this Lease:

"During the performance of this Lease, the Sub-Lessee agrees as follows:

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

"Sub-Lessee will, upon the request of the Director of the Department of Administrative Services or his/her designee, furnish to the Director of the Department of Administrative Services on such form as may be provided therefor, a report of the affirmative action taken by the Sub-Lessee in implementing the terms of this provision, and will permit access to the Sub-Lessee's records of employment, employment advertisements, application forms, other pertinent data and records requested by the Director of the Department of Administrative Services for the purpose of investigation to determine compliance with these provisions.

"If, upon investigation, the Director of the Department of Administrative Services determines that there is probable cause to believe that the Sub-Lessee has failed to comply with any of the terms of these provisions, the Sub-Lessee shall be notified in writing. The Director shall give the Sub-Lessee an opportunity to be heard, after ten (10) days' notice. If the Director concurs in the findings of the Director of the Department of Administrative Services, the Director may suspend or terminate this Lease and evict the Sub-Lessee in accordance with law.

"Failure to comply with any of the terms of these provisions shall be a material breach of this Lease.

"The foregoing provisions will be inserted in all subleases entered into under this Lease."

(d) Women's & Minority Business Enterprise Utilization. Although there are no requirements in this Lease Agreement that Sub-Lessee specifically set-aside a percentage of work for Women-owned or Minority-owned Business Enterprises, the following language is required to be inserted in every City contract by Seattle Municipal Code 20.46 A, and therefore it is included in this agreement:

This lease hereby incorporates by reference Seattle Municipal Code (SMC) Ch. 20.46A. The failure of the Sub-Lessee to comply with any of the requirements of SMC Ch.20.46A shall be a material breach of contract. The purpose of Seattle's WMBE Program is to provide a prompt remedy for the effects of past discrimination. The City in general, and this Program in particular, are damaged when a contract, or portion of a contract, to be performed by a WBE or MBE is not actually performed by a WBE or MBE in compliance with SMC Ch. 20.46A. Because the actual amount of such damage is not reasonably calculable, the parties agree and stipulate that liquidated damages equal to the unmet dollar amount of any WBE or MBE set-aside will fairly compensate the City for resulting delays in carrying out the purpose of the program, the costs of meeting utilization targets through additional contracts, the administrative costs of investigation and enforcement, and other damages and costs caused by the violation.



During the term of this lease, the Sub-Lessee shall:

- a. Meet the WBE and MBE set-asides established for the lease, if any;
- b. Make affirmative efforts to utilize WMBEs in performing the terms of the lease, whether as subcontractors, suppliers, or in any other capacity;
- c. Require that all subcontractors make affirmative efforts to utilize WMBEs in performance of the lease;
- d. Maintain records reasonably necessary for monitoring compliance with the provisions of this chapter, and submit such information as may be requested by the Director of the Department of Administrative Services in order to monitor and enforce compliance; and
- e. Require that subcontractors maintain records reasonably necessary for monitoring the subcontractors' compliance with the provisions of this chapter, and that the subcontractors submit such information as may be requested by the Director of the Department of Administrative Services in order to monitor and enforce compliance.

(e) Permits: The Sub-Lessee, at no expense to the City, shall obtain any and all building permits, change of use permits, and/or certifications of occupancy from the City as may be required and shall deliver a copy of the same to the Director prior to occupying the Premises.

5. NO SUBLEASES OR ASSIGNMENTS; LIMITATIONS ON USE AND PURPOSE. Notwithstanding any other provision hereof, the Sub-Lessee shall not enter into any sublease of the Premises or any portion thereof or any assignment of any interest in this Lease, whether long- or short-term in nature, or engage in any activity with respect to or on the Premises other than for the express uses and purposes stipulated herein, without obtaining the prior explicit written authorization therefor from the Director.

6. USE AND CARE OF THE PREMISES.

(a) General Condition: The Sub-Lessee shall keep the Premises at all times and at no expense to the City, in a neat, clean, safe and sanitary condition; and shall keep and use the Premises in accordance with the laws of the State of Washington and Charter and ordinances of The City of Seattle, and in accordance with all authorized rules and regulations of the Health Officer, Fire Marshall, Building Inspector and other officers of The City of Seattle. The Sub-Lessee shall not permit any waste, damage, or injury to the Premises; use or permit on the Premises anything that will increase the rate of fire insurance thereon; maintain anything on the Premises that may be dangerous to life or limb; overload the floors, permit any objectionable noise or odor to escape or to be emitted from the Premises; permit anything to be done upon the Premises that in any way will tend to create a nuisance or, in the event of multiple occupancy, to disturb any other tenants of the building in which the Premises form a part; or to use or permit the use of the Premises for lodging or sleeping purposes.

(b) Maintenance-Repairs: The Premises have been inspected by both parties and are accepted by Sub-Lessee in their existing condition as of the commencement date of this Lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. All normal repairs to roof, walls and foundations and existing utility connections to and from the Premises necessary to maintain the Premises in a tenantable condition shall be done by or under the direction of the City, and at the City's expense, except those caused by the negligence or acts of the Sub-Lessee, or the Sub-Lessee's officers, employees, agents or invitees, which repairs shall be made at the sole expense of the Sub-Lessee.

(c) Alterations: The Sub-Lessee shall not make, or cause to be made, any alteration, addition or improvement in the Premises without first obtaining the written consent of the Director for such work. All alterations, additions and improvements that are made, shall be at the sole cost and expense of Sub-Lessee, and shall become the property of the City, and shall remain in and be surrendered with the Premises as part thereof at the termination of this Lease, without disturbance, molestation or injury. The City reserves an unqualified right to make alterations to the Premises or to the building in which the Premises are situated (1) where conditions deemed by the Director to constitute an emergency, exist; and (2) in order to correct code-deficiencies; and (3) where such alterations do not unreasonably interfere with the ordinary operation of the Premises by the Sub-Lessee.

(d) Access: The City reserves for itself, its officers, employees, agents and contractors, free access to the Premises at all reasonable times for the purposes of inspecting, cleaning or making repairs, additions or alterations to the Premises or any other property owned by or under the control of the City, but this right shall not be construed as an agreement on the part of the City to make inspections, clean, or make repairs, additions or alterations. The Sub-Lessee shall have reasonable access to other property of the City where necessary to provide utility services to the Premises; all of the Sub-Lessee's work on such other City property shall be at no expense to the City.

(e) Signs: The Sub-Lessee shall not display, inscribe, paint or affix to any part of the Premises any sign except a sign that has been approved, in writing, by the Director, prior to such placement.

7. DAMAGE OR DESTRUCTION. In the event that the Premises (a) are damaged by fire, earthquake, act of war, or other extraordinary casualty to such an extent as to render them untenable in whole or in substantial part; or (b) are destroyed, the City shall have the option to repair or rebuild the Premises. Within forty-eight (48) hours after the happening of any such event, the Sub-Lessee shall give the Director notice of such event. The Director shall have sixty (60) days after the Director's receipt of such notification to notify the Sub-Lessee, in writing, of the City's intention to repair or rebuild the Premises, or any part so damaged. If the City elects to

rebuild or repair the Premises, the City shall prosecute the work of such repairing or rebuilding without unreasonable delay, in accordance with the then-existing City procedures, and during such period the rent for the Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy bears to the whole of the Premises; upon the completion of such rebuilding or repair, the Sub-Lessee shall immediately reoccupy the Premises and pay the full rent set forth in this Lease. In the event the building in which the Premises are located is substantially destroyed or damaged even though the Premises are not so damaged or destroyed, and if, in the opinion of the Director, it would not be practical to repair or rebuild the building, then the City shall have the option of terminating this Lease by providing to the Sub-Lessee thirty (30) days' prior written notice of termination. The Sub-Lessee shall also have the right to declare this Lease terminated, by providing to the City thirty (30) days' prior written notice of such termination, which notice shall be given within sixty (60) days after such damage or destruction. Notwithstanding any other provision of this Lease, no party to this Lease shall be liable in damages to any other party for terminating this Lease in accordance with the provisions of this section, because of the damage or destruction of the Premises or the building in which the Premises forms a part.

#### 8. INTERIM TENANT STATUS/RELOCATION.

(a) Under no circumstance shall the Sub-Lessee be deemed to be or to have become a "displaced person" as defined and used in State and Federal laws, rules and regulations pertaining to relocation assistance, and no cancellation, termination, or failure to extend the term of this Lease shall qualify the Sub-Lessee for any of the benefits under such relocation assistance laws or regulations.

(b) The amount of rental stipulated as consideration for this Lease includes, as a part thereof, full settlement for relocation benefits, if any are to be paid by the City, as a consequence of the Sub-Lessee's status as a tenant.

9. NOTICES. Any notice to be given by either party to the other shall be in writing and may either be delivered, personally, or may be deposited in the United States mail, postage prepaid, as either certified or regular mail, addressed as provided in the Special Terms and Conditions hereof, or to such other respective addresses as either party may, from time to time, designate in writing.

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

11. DEFINITION OF "DIRECTOR". The term "Director", as used throughout this Lease in regard to permission, warrant, consent, approval, rights, interpretation, and discretionary matters, shall mean the Director of Administrative Services or his/her designee except where the granting of approval, consent or permission or the taking of any other official action by any other City official is required by law, ordinance, resolution, rule, or regulation before the Sub-Lessee may rightfully commence, suspend, enlarge, or terminate any particular undertaking or may obtain any particular right or privilege under this Lease.

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

13. NO WAIVER OF DEFAULT. The City does not waive full compliance with the terms and conditions of this Lease by acceptance of rent. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants and conditions of this Lease to be performed, kept and observed by the other party.

14. TERMINATION. In the event that the Sub-Lessee defaults in the performance of any of the terms, provisions, covenants, and agreements on the Sub-Lessee's part to be kept, observed, and performed, and such default is not corrected within thirty (30) days after the receipt of notice thereof from the City, or such shorter period as the City may determine is reasonable; or if the Sub-Lessee shall abandon, desert, vacate, or remove from the Premises; then, in such event, the Director, at his/her option at any time thereafter, may terminate this Lease together with all of the estate, right, and title thereby granted to or vested in the Sub-Lessee, and may re-enter said Premises using such force as may be required. Notwithstanding such re-entry by the City and anything to the contrary in this Lease, the liability of the Sub-Lessee for the rent provided for herein shall not be extinguished for the balance of the term of this Lease, and such rent shall be immediately due and payable.

15. SURRENDER OF PREMISES. At the expiration or termination of this Lease, the Sub-Lessee shall quit and surrender the Premises and all keys thereto, without notice and in as good condition as received at the commencement of the term, except for ordinary wear and tear; damage or destruction by fire or other casualty or circumstances uncontrollable by the Sub-Lessee; and alterations, improvements, and additions made with the approval of the Director unless otherwise agreed as a condition of such approval.

16. BINDING EFFECT. This Lease shall be binding upon the heirs, successors, and assigns of the parties hereto.

17. INVALIDITY OF PROVISIONS. Should any term, provision, condition or other portion of this Lease be held to be inoperative, invalid, or void, the same shall not affect any other term, provision, condition or other portion of this Lease; and the remainder of this Lease shall be effective as if such term, provision, condition, or portion were not a part hereof.

ref: FacSvcs Lease No. 12 (SLT-GTC.MST)

January 10, 1995

**LEASE AGREEMENT  
ATTACHMENT 1**

The City and Sub-Lessee, United In Outreach, hereby agree to the following additional provisions:

- I. The Sub-Lessee shall have visible office space near the front entrance of the location; approximately 100 square feet.
- II. The Sub-Lessee shall be permitted to have a sign on exterior of the building; size, style and location, etc. shall be subject to the approval of the City.
- III. The City shall provide Sub-Lessee a key to the entrances of the Premises.

Ord # 115429 J.P.H. 06348 ✓

City of Seattle  
Department of Administrative Services

Kenneth J. Nakatsu, Director  
Norman B. Rice, Mayor

MEMORANDUM

March 6, 1995

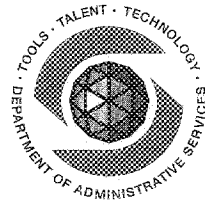
To: Compliance Division, DAS  
From: *Connie Patmore-Farr*  
Connie Patmore-Farr, Sr. Real Property Agent  
Facility Services Division  
Subject: Filing of Executed Lease

Enclosed for your records is a copy of an executed lease for space at 1825 South Jackson Street; Lessor: Terry Nakano.

If you have any questions regarding this document, please call me at 684-0406.

CPF:cpf

[nakano.com](mailto:nakano.com)



Ord 115429  
FILED  
CITY OF SEATTLE  
CITY CLERK  
56 MAR -5 PM 3:25

**LEASE AGREEMENT  
PART A - SIGNATURE FORM**

**PARTIES**

THIS LEASE AGREEMENT, entered into by and between TERRY NAKANO, an individual (hereinafter referred to as the "Lessor"), and THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Lessee (hereinafter referred to as the "City"), WITNESSES THAT:

**PREMISES**

The Lessor hereby leases to the City, and the City hereby leases from the Lessor, a portion of that certain real property commonly known as 1825 South Jackson Street, in Seattle, King County, Washington that may be further described as follows:

Lots 9, 10, 11 and 12, Block 24, Hill Tract Addition to the City of Seattle as per plat recorded in Volume 8 of Plats, page 42, records of King County, Washington EXCEPT for the south 40 feet thereof conveyed to the City of Seattle for street purposes,

and which portion consists of Suite 101, approximately 580 square feet of office space, and Suite 103, approximately 450 square feet of office space (hereinafter referred to as the "Premises").

**PURPOSES**

Premises shall be used as a Neighborhood Service Center and for such other municipal purposes as the City may deem consistent therewith. The City may permit other governmental agencies and community groups approved by the City to use and occupy the Premises under City supervision and control, for which expanded use the written consent of Lessor shall not be required.

**TERM**

The term of this lease shall commence on January 15, 1995, and terminate on January 14, 1997.

**RENT**

In consideration of this lease and the Lessor's performance of all covenants and agreements contained herein, the City shall pay to the Lessor as the monthly rental for said Premises, the sum of Six Hundred Forty Eight and 27/100 Dollars (\$648.27) upon receipt from the Lessor of an invoice for said rental.

**INSURANCE**

The policy of public liability insurance required of the Lessor in Part B hereof shall be in at least the following amounts:

\$1,000,000            for injury to, or loss of life of, any individual person;

\$1,000,000            in the aggregate for personal injuries suffered in each occurrence;

\$500,000             property damage suffered in each occurrence.

**UTILITIES  
AND OTHER  
SERVICES**

Notwithstanding the provisions of Part B, Section 3 hereof, the City shall pay for the following utilities and other services: electricity, telephone and security.

**AGREEMENT  
CONTENTS**

This lease consists of this Part A - Signature Form plus Part B - General Terms and Conditions, and Attachment 1 - Tenant Improvements, all of which, by this reference, are incorporated herein, and embody the entire agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties relating to the subject matter hereof.

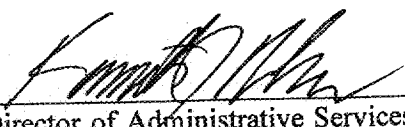
**EFFECTUATION  
OF AGREEMENT**

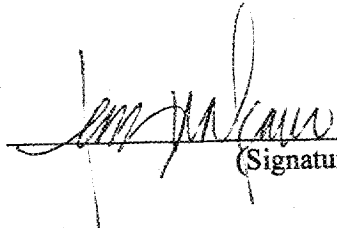
In order to be effective, this lease must be (1) signed by an authorized representative of the Lessor and returned to the City at the address set forth below, accompanied by the required certificate of insurance, and (2) signed by the City's Director of Administrative Services pursuant to ordinance authority.

IN WITNESS WHEREOF, the parties hereto have affixed their signature below:

LESSEE, THE CITY OF SEATTLE

LESSOR, TERRY NAKANO

By   
Director of Administrative Services

  
(Signature)

Authorizing Ordinance 115429

TERRY NAKANO  
(Print or Type Title)

City's address for all communications:

Department of Administrative Services  
Property Management Section  
618 Second Avenue, 14th Floor  
Seattle, Washington 98104

Lessor's address for all communications:

Terry Nakano  
1825 South Jackson, Suite 100  
Seattle, Washington 98144

ref: FacSvcs Lease No. 11 (TN.SF)

January 9, 1995





STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Terry Nakano  
(is/are) the individual(s) who appeared before me, and said individual(s) acknowledged that he  
signed this instrument and acknowledged it to be his free and voluntary act for the uses and  
purposes mentioned in the instrument.

Dated: 1/25/95



A handwritten signature of Lana Tran in cursive script.

(Notary Signature)

**LANA TRAN**

(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle Washington

My appointment expires 12-22-1998.



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that KENNETH J. NAKATSU is the person  
who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that  
he was authorized to execute the instrument and acknowledged it as the Director of Administrative  
Services of THE CITY OF SEATTLE to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

Dated: 2/8/95

A handwritten signature of Lisa S. Peyon in cursive script.

(Notary Signature)

**LISA S PEYON**

(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle

My appointment expires 5/9/95

**LEASE AGREEMENT**  
**PART B - GENERAL TERMS AND CONDITIONS**

1. POSSESSION. In the event of the inability of the Lessor to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this lease, the City, at its option may elect to retain the lease and insist upon possession or to cancel this lease as a result of the Lessor's failure to deliver possession. In the event the City elects to cancel, the Lessor shall be liable for incremental costs and other damages incurred by the City in acquiring comparable property. In the event the City elects to retain the lease, the City shall not be liable for any rent until such time as the Lessor can deliver possession. In the event that, by mutual agreement, the City shall take possession of the Premises, or any part thereof, prior to the commencement of the specified term of this lease, the City shall pay as rent for that additional period that percentage of the monthly rent payable under Part A hereof, prorated on a daily basis, that is equivalent to the percentage of the floor area of the Premises actually occupied by the City during said period.
2. ACCESS. The City shall allow the Lessor or the Lessor's agent free access at all reasonable times to said Premises to inspect, clean, or make repairs, additions or alterations to the Premises or any connected property owned by or under the control of the Lessor, but this right shall not be construed as an agreement on the part of the Lessor to make such repairs, additions or alterations.
3. UTILITIES AND OTHER SERVICES. The Lessor, at the Lessor's sole expense, shall provide or shall otherwise pay for, when due, all costs for providing all utilities and other services on or to the Premises including but not limited to elevator service, electricity, gas, water, sewer, garbage, heating and cooling or air conditioning, janitorial, and security. The City shall pay all charges for utility installations and modifications thereto occasioned by the City's requirements.
4. CARE OF PREMISES. The Premises shall at all times be kept and used in accordance with the laws of the State of Washington and ordinances of The City of Seattle, and in accordance with all duly authorized directions, rules, and regulations of the Health Officer, Fire Marshall, Building Official or other proper officer of The City of Seattle; and the City will not permit any waste, damage or injury to the Premises, use or permit in said Premises anything that will increase the rate of fire insurance thereon, maintain anything that may be dangerous to life or limb, permit any objectionable noise or odor to escape or to be emitted from said Premises, or permit anything to be done upon said Premises that in any way will tend to create a nuisance.
5. MAINTENANCE - REPAIRS. The Premises have been inspected by both parties and are accepted by the City in their existing condition as of the commencement date of this lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. Except as otherwise provided for herein, the Lessor, at its sole expense, shall keep and preserve the Premises in good repair, including but not limited to all structural and non-structural parts thereof, elevators, plumbing, heating, cooling, and electrical, gas and other utility systems; and other equipment and appurtenances of the Premises and the structure of which the Premises form a part.
6. DAMAGE OR DESTRUCTION. In the event the Premises are damaged by fire, earthquake, act of war, or other extraordinary casualty to such an extent as to render the same untenantable in whole or in a substantial part thereof, or are destroyed, it shall be optional with the Lessor to repair or rebuild the same, and after the happening of any such event, the City shall give the Lessor or the Lessor's agent written notice thereof within forty-eight (48) hours of such occurrence. The Lessor shall have not more than ten (10) days after the date of such notification to notify the City in writing of the Lessor's intentions to repair or rebuild said Premises; and if the Lessor elects to repair or rebuild said Premises, the Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay. During any period in which the Premises are rendered unfit for occupancy because of any such casualty, the rent of said Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. In the event the building in which the Premises are located is destroyed or is damaged (even though the Premises hereby leased shall not be damaged thereby) to such an extent that, in the opinion of the Lessor, it is not practicable to repair or rebuild, then the Lessor may, at its option, terminate the lease by providing written notice thereof to the City within thirty (30) days after such damage or destruction has been determined to be irreparable.
7. COMPLIANCE WITH LAW
  - (a) General Requirement. The Lessor shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter and ordinances of The City of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof.

(b) Licenses and Similar Authorizations. The Lessor and/or the City, when applicable, shall secure and maintain in full force and effect during the term of this Agreement, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

(c) Taxes. The Lessor shall pay, before delinquency, all taxes, levies and assessments to the Premises.

(d) Nondiscrimination and Affirmative Action. The Lessor agrees to and shall comply with all Federal, State and local laws and ordinances prohibiting discrimination with regard to race, color, national origin, ancestry, creed, religion, political ideology, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap.

(e) Women's & Minority Business Enterprise Utilization. Although there are no requirements in this Lease Agreement that Lessor specifically set-aside a percentage of work for Women-owned or Minority-owned Business Enterprises, the following language is required to be inserted in every City contract by Seattle Municipal Code 20.46 A, and therefore it is included in this agreement:

This lease hereby incorporates by reference Seattle Municipal Code (SMC) Ch. 20.46A. The failure of the Lessor to comply with any of the requirements of SMC Ch.20.46A shall be a material breach of contract. The purpose of Seattle's WMBE Program is to provide a prompt remedy for the effects of past discrimination. The City in general, and this Program in particular, are damaged when a contract, or portion of a contract, to be performed by a WBE or MBE is not actually performed by a WBE or MBE in compliance with SMC Ch. 20.46A. Because the actual amount of such damage is not reasonably calculable, the parties agree and stipulate that liquidated damages equal to the unmet dollar amount of any WBE or MBE set-aside will fairly compensate the City for resulting delays in carrying out the purpose of the program, the costs of meeting utilization targets through additional contracts, the administrative costs of investigation and enforcement, and other damages and costs caused by the violation.

During the term of this lease, the Lessor shall:

- a. Meet the WBE and MBE set-asides established for the lease, if any;
- b. Make affirmative efforts to utilize WMBEs in performing the terms of the lease, whether as subcontractors, suppliers, or in any other capacity;
- c. Require that all subcontractors make affirmative efforts to utilize WMBEs in performance of the lease;
- d. Maintain records reasonably necessary for monitoring compliance with the provisions of this chapter, and submit such information as may be requested by the Director of the Department of Administrative Services in order to monitor and enforce compliance; and
- e. Require that subcontractors maintain records reasonably necessary for monitoring the subcontractors' compliance with the provisions of this chapter, and that the subcontractors submit such information as may be requested by the Director of the Department of Administrative Services in order to monitor and enforce compliance.

8. INDEMNIFICATION. The Lessor shall hold City harmless from all claims for accident or injury caused to persons or property by the fault or neglect of the Lessor, its employees or agents; or occurring in, about, or by the areas of the structure of which the Premises form a part that are under the control of the Lessor; or caused by faults or defects inherent in said structure or defects in or malfunctions thereof not discernable by reasonable inspection. The City will hold the Lessor harmless from all claims for accident or injury caused to persons or property by the fault or neglect of the City, its employees or agents, to the extent of the fault or neglect of the City. All personal property of the City on said Premises shall be at the risk of and the responsibility of the City.

9. INSURANCE. The Lessor shall secure and maintain in effect during the full term of this lease and any extensions thereof, public liability insurance covering the ownership including the Premises, with policy limits in the amount set forth in Part A hereof. A copy of a certificate of insurance documenting such action shall be filed with the Property Management Division of the Department of Administrative Services of The City of Seattle. The Lessor shall provide the City with written notice of the cancellation, termination, reduction or any other change in such insurance coverage not less than twenty-five (25) days prior to the effective date of such change.

10. SIGNS. The City may place identification signs upon the Premises, subject to the prior approval of the Lessor; and permission to place such signs shall not be unreasonably withheld by the Lessor. The Lessor shall have the right to place and maintain "For Rent" signs in a conspicuous place on said Premises and to show the Premises to prospective tenants for thirty (30) days prior to the expiration of this lease.

## 11. ALTERATIONS, ADDITIONS AND IMPROVEMENTS.

(a) Within 30 days after the commencement date hereof, the Lessor, at the Lessor's sole expense, shall complete tenant improvements as required by the City to utilize the Premises, which improvements are more fully described in Attachment 1 - Tenant Improvements, unless modified by mutual agreement between the City and the Lessor.

(b) The City shall not make or cause to be made any alterations, additions or improvements to said Premises without first obtaining the written consent of the Lessor for such work. Any said improvement that is made solely for the convenience of the City, its employees or agents, or of the program to be conducted on the Premises shall be at the sole cost and expense of the City or the program being conducted on the Premises except for improvements occasioned by inherent damages or latent defects in the Premises or of the structure in which the Premises form a part, the cost of which improvements shall be as agreed upon by the City and the Lessor.

(c) The Lessor shall pay the cost of all alterations, additions, and improvements initiated for the Lessor's convenience, and save the City free and harmless from damage, loss or expense arising out of said alterations performed by the Lessor or on its behalf.

(d) If the said improvements as installed by the City may be removed without disturbance, molestation, or injury to the Premises, the City at its option, may remove or cause to be removed said improvements at the City's own expense or may surrender the same with the Premises to remain as a part thereof and to become the property of the Lessor upon the expiration or termination of this lease. In the event said improvements are surrendered, the Lessor and the City shall agree as to their value, and if they constitute a benefit to the Premises, compensation in the agreed amount therefor shall be made to the City within fifteen (15) days of said surrender. If the City and the Lessor cannot agree upon compensation for said benefit to the Premises, the City shall remove said improvements, exercising due caution and care to minimize damage to the Premises. The Lessor shall accept responsibility for the minimal repair resulting from said improvement removal.

(e) The City shall not without the written consent of the Lessor, operate or install any electrical equipment or machinery (other than ordinary office equipment), or replace or relocate any electric light fixtures.

## 12. TERMINATION.

(a) Notwithstanding any other provision herein, in the event that either party to this lease defaults in the performance of any of the terms, provisions, covenants and agreements to be kept, observed and performed as provided in the following sections:

Part A – TERM  
RENT

Part B – §3 UTILITIES AND OTHER SERVICES  
§4 CARE OF PREMISES  
§5 MAINTENANCE-REPAIRS

and such default is not corrected within thirty (30) days after the receipt of written notice thereof from the other party, then the non-breaching party may, at its option, immediately terminate this lease, without notice or other proceedings, and in such event the Lessor may also re-enter and take possession of the Premises. Damages may be claimed for a default in the performance of the other lease obligations, but such default shall not be cause for termination of this lease unless such default is repeated upon three or more occasions and a notice to comply is provided after each such instance.

(b) It is understood that funds for the payment of the rent herein are allocated out of monies received by the City from tax sources and/or other governmental entities and that funding for the program that occupies the Premises can be increased, changed, decreased, or eliminated by administrative (Mayor) or legislative (City Council) action. Therefore, it is agreed by the Lessor and the City that notwithstanding any other provision herein, in the event said funding and/or program is increased, changed, decreased, or eliminated, or in the judgment of the administrative (Mayor) or legislative (City Council) authority of the City, continuation of the lease to its full term would be an unnecessary expenditure of public funds, then the City may terminate this lease without further obligation to the Lessor, after making available to the Lessor reasonable documentation of such administrative (Mayor) or legislative (City Council) action and after providing the Lessor with written notice of such termination at least ninety (90) days prior to the effective date thereof.

13. SURRENDER OF PREMISES. Upon the expiration or termination of this lease, including any extensions thereof, whichever is earlier, the City shall quit and surrender said Premises and all keys thereto, without notice and in as good condition as received at the commencement of the term hereof except for ordinary wear and tear; damage or destruction by fire or other casualty or circumstances uncontrollable by the City; property damaged, removed, or destroyed by the Lessor or its agents; latent

defects or faulty construction of the structure of which the Premises comprised a part, not discoverable by inspection at the time of taking possession; and alterations, additions or improvements made to the Premises by the City.

14. ADJUDICATION. This lease shall be construed under all of the applicable laws, statutes, ordinances, rules and regulations of the United States of America, the State of Washington, and The City of Seattle. In the case of a dispute between the parties, jurisdiction over such dispute shall be with the Superior Court of King County, Washington.

15. NOTICES. All notices to be given by either of the parties hereto to the other party, including but not limited to invoices, shall be in writing and may either be delivered personally or may be deposited in the United States Mail, postage prepaid, as either certified or regular mail, addressed as specified in Part A hereof or to such other respective addresses as either party may from time to time designate in writing.

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

17. AMENDMENTS. The parties hereto expressly reserve the right to renegotiate any and all of the provisions hereof from time to time as may be necessary and to amend this lease accordingly; Provided, however, that no alteration or modification of the terms or conditions hereof shall be valid and binding unless made in writing and signed by the authorized representative of the parties hereto.

18. NO WAIVER OF DEFAULT. The City does not waive full compliance with the terms and conditions of this lease by the payment of rent. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operated as, a waiver of any subsequent default or of any of the terms, covenants, and conditions herein contained, to be performed, kept and observed by the other party.

19. BINDING EFFECT. This lease shall be binding upon the heirs, successors, assigns, and all other parties legally empowered with signatory rights of any or all of the parties hereto.

20. INVALIDITY OF PROVISIONS. Should any term, provision, condition or other portion of this lease be held to be inoperative, invalid or void, the same shall not affect any other term, provision, condition or other portion of this lease; and the remainder of this lease shall be effective as if such term, provision, condition or portion had not been contained herein.

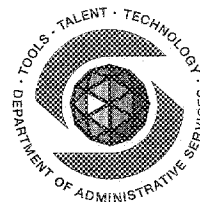
ATTACHMENT 1

TENANT IMPROVEMENTS  
at 1825 South Jackson Street

As provided in Part B, Paragraph 11(a) of this Lease, the Lessor, at Lessor's sole expense, shall complete the following improvements to the Premises:

1. Paint the interior walls.
2. Clean the carpet.
3. Do as-needed work on the heating system in order to adequately heat the staff's office area. Note: there are two heat vents located in the front entry (customer reception area); there is only one vent in the staff's office area.

CH #115429



ord 115429

City of Seattle  
Department of Administrative Services

Kenneth J. Nakatsu, Director

Norman B. Rice, Mayor

Date: November 17, 1994

To: Judith Pippin, City Clerk

From: *Connie Patmore-Farr*  
Connie Patmore-Farr, Sr. Real Property Agent  
Facility Services Division

Subject: Filing of Executed Lease

Enclosed for your records is an original executed lease for space at:  
708 North 34th Street in Seattle, King County, Washington.

FILED  
CITY OF SEATTLE  
NOV 18 PM 1:14  
CITY CLERK

If you have any questions regarding these documents, please call me at 684-0406.



**LEASE AGREEMENT  
PART A - SIGNATURE FORM**

**PARTIES** THIS LEASE AGREEMENT, entered into by and between TRP General Partnership (hereinafter referred to as the "Lessor"), and THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Lessee, (hereinafter referred to as the "City"), WITNESSES THAT:

**PREMISES** The Lessor hereby leases to the City, and the City hereby leases from the Lessor, a portion of that certain real property commonly known as 708 North 34th Street in Seattle, King County, Washington that may be further described as follows:

Lots 3 through 8, Block 33, Denny & Hoyt's Addition to the City of Seattle, per plat recorded in Volume 2 of Plats, page 136, records of King County,

and which consists of approximately 710 square feet of office space (hereinafter referred to as the "Premises").

**PURPOSES** Premises shall be used as office space for the City's Fremont Neighborhood Service Center and for such other municipal purposes as the City may deem consistent therewith. The City may permit other governmental agencies and community groups approved by the City to use and occupy the Premises under City supervision and control, for which expanded use the written consent of Lessor shall ~~not~~ be required. 11/9/94  
KJM KTB

**TERM** The term of this lease shall commence on November 1, 1994, and terminate on October 31, 1995.

**RENT** In consideration of this lease and the Lessor's performance of all covenants and agreements contained herein, the City shall pay to the Lessor as the monthly rental for said Premises, the sum of Eight Hundred Seventy Five and no/100 Dollars (\$875.00) upon receipt from the Lessor of an invoice for said rental.

**INSURANCE** The policy of public liability insurance required of the Lessor in Part B hereof shall be in at least the following amounts:

\$1,000,000	for injury to, or loss of life of, any individual person;
\$1,000,000	in the aggregate for personal injuries suffered in each occurrence;
\$ 50,000	property damage suffered in each occurrence.

**UTILITIES AND OTHER SERVICES** Notwithstanding the provisions of Part B, Section 3 hereof, the City shall pay for the following utilities and other services: janitorial and telephones.

**AGREEMENT CONTENTS** This lease consists of this Part A - Signature Form plus Part B - General Terms and Conditions, all of which, by this reference, are incorporated herein, and embody the entire agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties relating to the subject matter hereof.

**EFFECTUATION OF AGREEMENT** In order to be effective, this lease must be (1) signed by an authorized representative of the Lessor and returned to the City at the address set forth below, accompanied by the required certificate of insurance, and (2) signed by the City's Director of Administrative Services pursuant to ordinance authority.

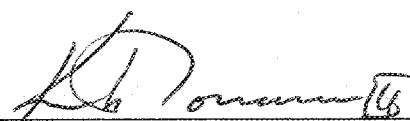
FILED  
CITY OF SEATTLE  
NOV 13 PM 1:46  
CITY CLERK

IN WITNESS WHEREOF, the parties hereto have affixed their signature below:

LESSEE, THE CITY OF SEATTLE

LESSOR, TRP GENERAL PARTNERSHIP

By   
Director of Administrative Services

By   
(Signature)

Authorizing Ordinance 115429

Kirby Torrance Tu  
(Print or Type Name)

Manager  
(Print or Type Title)

City's address for all communications:

Department of Administrative Services  
Property Management Section  
618 Second Avenue, 14th Floor  
Seattle, Washington 98104

Lessor's address for all communications:

TRP General Partnership  
712 North 34th Street  
Suite 200  
Seattle, Washington 98103

ref. FacSvcs Lease No. 8 (TRP.LSE)

September 19, 1994

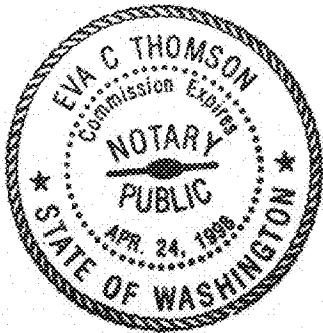
STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Kirby Torrance  
is the individual who appeared before me, and said individual acknowledged that he signed  
this instrument, on oath stated that he was authorized to execute the instrument and  
acknowledged it as a partner of TRP General Partnership, a  
General partnership, to be the free and voluntary act of such party for  
the uses and purposes mentioned in the instrument.

Dated: 11/9/94

Eva C. Thomson  
(Notary Signature)

EVA G. THOMSON  
(Print Name)



NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle

My appointment expires 4/24/98

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that KENNETH J. NAKATSU is the person  
who appeared before me, and said person acknowledged that he signed this instrument, on oath stated  
that he was authorized to execute the instrument and acknowledged it as the Director of Administrative  
Services of THE CITY OF SEATTLE to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

Dated: 11/16/94

Lisa S. Peyer  
(Notary Signature)

LISA S. PEYER  
(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle

My appointment expires 5/29/95

**LEASE AGREEMENT**  
**PART B - GENERAL TERMS AND CONDITIONS**

1. POSSESSION. In the event of the inability of the Lessor to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this lease, the City, at its option may elect to retain the lease and insist upon possession or to cancel this lease as a result of the Lessor's failure to deliver possession. In the event the City elects to cancel, the Lessor shall be liable for incremental costs and other damages incurred by the City in acquiring comparable property. In the event the City elects to retain the lease, the City shall not be liable for any rent until such time as the Lessor can deliver possession. In the event that, by mutual agreement, the City shall take possession of the Premises, or any part thereof, prior to the commencement of the specified term of this lease, the City shall pay as rent for that additional period that percentage of the monthly rent payable under Part A hereof, prorated on a daily basis, that is equivalent to the percentage of the floor area of the Premises actually occupied by the City during said period.

2. ACCESS. The City shall allow the Lessor or the Lessor's agent free access at all reasonable times to said Premises to inspect, clean, or make repairs, additions or alterations to the Premises or any connected property owned by or under the control of the Lessor, but this right shall not be construed as an agreement on the part of the Lessor to make such repairs, additions or alterations.

3. UTILITIES AND OTHER SERVICES. The Lessor, at the Lessor's sole expense, shall provide or shall otherwise pay for, when due, all costs for providing all utilities and other services on or to the Premises including but not limited to elevator service, electricity, gas, water, sewer, garbage, heating and cooling or air conditioning, janitorial, and security. The City shall pay all charges for utility installations and modifications thereto occasioned by the City's requirements.

4. CARE OF PREMISES. The Premises shall at all times be kept and used in accordance with the laws of the State of Washington and ordinances of The City of Seattle, and in accordance with all duly authorized directions, rules, and regulations of the Health Officer, Fire Marshall, Building Official or other proper officer of The City of Seattle; and the City will not permit any waste, damage or injury to the Premises, use or permit in said Premises anything that will increase the rate of fire insurance thereon, maintain anything that may be dangerous to life or limb, permit any objectionable noise or odor to escape or to be emitted from said Premises, or permit anything to be done upon said Premises that in any way will tend to create a nuisance.

5. MAINTENANCE - REPAIRS. The Premises have been inspected by both parties and are accepted by the City in their existing condition as of the commencement date of this lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. Except as otherwise provided for herein, the Lessor, at its sole expense, shall keep and preserve the Premises in good repair, including but not limited to all structural and non-structural parts thereof, elevators, plumbing, heating, cooling, and electrical, gas and other utility systems; and other equipment and appurtenances of the Premises and the structure of which the Premises form a part.

6. DAMAGE OR DESTRUCTION. In the event the Premises are damaged by fire, earthquake, act of war, or other extraordinary casualty to such an extent as to render the same untenable in whole or in a substantial part thereof, or are destroyed, it shall be optional with the Lessor to repair or rebuild the same, and after the happening of any such event, the City shall give the Lessor or the Lessor's agent written notice thereof within forty-eight (48) hours of such occurrence. The Lessor shall have not more than ten (10) days after the date of such notification to notify the City in writing of the Lessor's intentions to repair or rebuild said Premises; and if the Lessor elects to repair or rebuild said Premises, the Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay. During any period in which the Premises are rendered unfit for occupancy because of any such casualty, the rent of said Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. In the event the building in which the Premises are located is destroyed or is damaged (even though the Premises hereby leased shall not be damaged thereby) to such an extent that, in the opinion of the Lessor, it is not practicable to repair or rebuild, then the Lessor may, at its option, terminate the lease by providing written notice thereof to the City within thirty (30) days after such damage or destruction has been determined to be irreparable.

7. COMPLIANCE WITH LAW

(a) General Requirement. The Lessor shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter and ordinances of The City of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof.

(b) Licenses and Similar Authorizations. The Lessor and/or the City, when applicable, shall secure and maintain in full force and effect during the term of this Agreement, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

(c) Taxes. The Lessor shall pay, before delinquency, all taxes, levies and assessments to the Premises.

(d) Nondiscrimination and Affirmative Action. The Lessor agrees to and shall comply with all Federal, State and local laws and ordinances prohibiting discrimination with regard to race, color, national origin, ancestry, creed, religion, political ideology, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap.

(e) Women's & Minority Business Enterprise Utilization. Although there are no requirements in this Lease Agreement that Lessor utilize Women-owned or Minority-owned Business Enterprises, the following language is required to be inserted in every City contract by Seattle Municipal Code 20.46 A, and therefore it is included in this agreement:

This lease hereby incorporates by reference Seattle Municipal Code (SMC) Ch. 20.46A. The failure of the Lessor to comply with any of the requirements of SMC Ch.20.46A shall be a material breach of contract. The purpose of Seattle's WMBE Program is to provide a prompt remedy for the effects of past discrimination. The City in general, and this Program in particular, are damaged when a contract, or portion of a contract, to be performed by a WBE or MBE is not actually performed by a WBE or MBE in compliance with SMC Ch. 20.46A. Because the actual amount of such damage is not reasonably calculable, the parties agree and stipulate that liquidated damages equal to the unmet dollar amount of any WBE or MBE set-aside will fairly compensate the City for resulting delays in carrying out the purpose of the program, the costs of meeting utilization targets through additional contracts, the administrative costs of investigation and enforcement, and other damages and costs caused by the violation.

During the term of this lease, the Lessor shall:

- a. Meet the WBE and MBE set-asides established for the lease, if any;
- b. Make affirmative efforts to utilize WMBEs in performing the terms of the lease, whether as subcontractors, suppliers, or in any other capacity;
- c. Require that all subcontractors make affirmative efforts to utilize WMBEs in performance of the lease;
- d. Maintain records reasonably necessary for monitoring compliance with the provisions of this chapter, and submit such information as may be requested by the Director of the Human Rights Department in order to monitor and enforce compliance; and
- e. Require that subcontractors maintain records reasonably necessary for monitoring the subcontractors' compliance with the provisions of this chapter, and that the subcontractors submit such information as may be requested by the Director of the Human Rights Department in order to monitor and enforce compliance.

8. INDEMNIFICATION. The Lessor shall hold City harmless from all claims for accident or injury caused to persons or property by the fault or neglect of the Lessor, its employees or agents; or occurring in, about, or by the areas of the structure of which the Premises form a part that are under the control of the Lessor; or caused by faults or defects inherent in said structure or defects in or malfunctions thereof not discernable by reasonable inspection. The City will hold the Lessor harmless from all claims for accident or injury caused to persons or property by the fault or neglect of the City, its employees or agents, to the extent of the fault or neglect of the City. All personal property of the City on said Premises shall be at the risk of and the responsibility of the City.

9. INSURANCE. The Lessor shall secure and maintain in effect during the full term of this lease and any extensions thereof, public liability insurance covering the ownership including the Premises, with policy limits in the amount set forth in Part A hereof. A copy of a certificate of insurance documenting such action shall be filed with the Property Management Division of the Department of Administrative Services of The City of Seattle. The Lessor shall provide the City with written notice of the cancellation, termination, reduction or any other change in such insurance coverage not less than twenty-five (25) days prior to the effective date of such change.

10. SIGNS. The City may place identification signs upon the Premises, subject to the prior approval of the Lessor; and permission to place such signs shall not be unreasonably withheld by the Lessor. The Lessor shall have the right to place and maintain "For Rent" signs in a conspicuous place on said Premises and to show the Premises to prospective tenants for thirty (30) days prior to the expiration of this lease.

11. ALTERATIONS, ADDITIONS AND IMPROVEMENTS.

(a) The City shall not make or cause to be made any alterations, additions or improvements to said Premises without first obtaining the written consent of the Lessor for such work. Any said improvement that is made solely for the convenience of the City, its employees or agents, or of the program to be

conducted on the Premises shall be at the sole cost and expense of the City or the program being conducted on the Premises except for improvements occasioned by inherent damages or latent defects in the Premises or of the structure in which the Premises form a part, the cost of which improvements shall be as agreed upon by the City and the Lessor.

(b) The Lessor shall pay the cost of all alterations, additions, and improvements initiated for the Lessor's convenience, and save the City free and harmless from damage, loss or expense arising out of said alterations performed by the Lessor or on its behalf.

(c) If the said improvements as installed by the City may be removed without disturbance, molestation, or injury to the Premises, the City at its option, may remove or cause to be removed said improvements at the City's own expense or may surrender the same with the Premises to remain as a part thereof and to become the property of the Lessor upon the expiration or termination of this lease. In the event said improvements are surrendered, the Lessor and the City shall agree as to their value, and if they constitute a benefit to the Premises, compensation in the agreed amount therefor shall be made to the City within fifteen (15) days of said surrender. If the City and the Lessor cannot agree upon compensation for said benefit to the Premises, the City shall remove said improvements, exercising due caution and care to minimize damage to the Premises. The Lessor shall accept responsibility for the minimal repair resulting from said improvement removal.

(d) The City shall not without the written consent of the Lessor, operate or install any electrical equipment or machinery (other than ordinary office equipment), or replace or relocate any electric light fixtures.

## 12. TERMINATION.

(a) Notwithstanding any other provision herein, in the event that either party to this lease defaults in the performance of any of the terms, provisions, covenants and agreements to be kept, observed and performed as provided in the following sections:

Part A – TERM  
RENT

Part B – §3 UTILITIES AND OTHER SERVICES  
§4 CARE OF PREMISES  
§5 MAINTENANCE-REPAIRS

and such default is not corrected within thirty (30) days after the receipt of written notice thereof from the other party, then the non-breaching party may, at its option, immediately terminate this lease, without notice or other proceedings, and in such event the Lessor may also re-enter and take possession of the Premises. Damages may be claimed for a default in the performance of the other lease obligations, but such default shall not be cause for termination of this lease unless such default is repeated upon three or more occasions and a notice to comply is provided after each such instance.

(b) It is understood that funds for the payment of the rent herein are allocated out of monies received by the City from tax sources and/or other governmental entities and that funding for the program that occupies the Premises can be increased, changed, decreased, or eliminated by administrative (Mayor) or legislative (City Council) action. Therefore, it is agreed by the Lessor and the City that notwithstanding any other provision herein, in the event said funding and/or program is increased, changed, decreased, or eliminated, or in the judgment of the administrative (Mayor) or legislative (City Council) authority of the City, continuation of the lease to its full term would be an unnecessary expenditure of public funds, then the City may terminate this lease without further obligation to the Lessor, after making available to the Lessor reasonable documentation of such administrative (Mayor) or legislative (City Council) action and after providing the Lessor with written notice of such termination at least ninety (90) days prior to the effective date thereof.

13. SURRENDER OF PREMISES. Upon the expiration or termination of this lease, including any extensions thereof, whichever is earlier, the City shall quit and surrender said Premises and all keys thereto, without notice and in as good condition as received at the commencement of the term hereof except for ordinary wear and tear; damage or destruction by fire or other casualty or circumstances uncontrollable by the City; property damaged, removed, or destroyed by the Lessor or its agents; latent defects or faulty construction of the structure of which the Premises comprise a part, not discoverable by inspection at the time of taking possession; and alterations, additions or improvements made to the Premises by the City.

14. ADJUDICATION. This lease shall be construed under all of the applicable laws, statutes, ordinances, rules and regulations of the United States of America, the State of Washington, and The City of Seattle. In the case of a dispute between the parties, jurisdiction over such dispute shall be with the Superior Court of King County, Washington.

15. NOTICES. All notices to be given by either of the parties hereto to the other party, including but not limited to invoices, shall be in writing and may either be delivered personally or may be deposited in the United States Mail, postage prepaid, as either certified or regular mail, addressed as specified in Part A hereof or to such other respective addresses as either party may from time to time designate in writing.

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

17. AMENDMENTS. The parties hereto expressly reserve the right to renegotiate any and all of the provisions hereof from time to time as may be necessary and to amend this lease accordingly; Provided, however, that no alteration or modification of the terms or conditions hereof shall be valid and binding unless made in writing and signed by the authorized representative of the parties hereto.

18. NO WAIVER OF DEFAULT. The City does not waive full compliance with the terms and conditions of this lease by the payment of rent. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operated as, a waiver of any subsequent default or of any of the terms, covenants, and conditions herein contained, to be performed, kept and observed by the other party.

19. BINDING EFFECT. This lease shall be binding upon the heirs, successors, assigns, and all other parties legally empowered with signatory rights of any or all of the parties hereto.

20. INVALIDITY OF PROVISIONS. Should any term, provision, condition or other portion of this lease be held to be inoperative, invalid or void, the same shall not affect any other term, provision, condition or other portion of this lease; and the remainder of this lease shall be effective as if such term, provision, condition or portion had not been contained herein.



City of Seattle  
Department of Administrative Services

Kenneth J. Nakatsu, Director  
Norman B. Rice, Mayor

MEMORANDUM

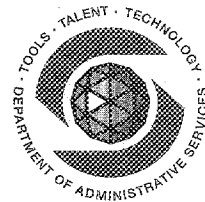
July 8, 1994

To: Judith Pippin, City Clerk  
From: *Connie Patmore-Farr*  
Connie Patmore-Farr, Sr. Real Property Agent  
Facility Services Division  
Subject: Filing of Executed Leases

Enclosed for your records are:

1. An original executed lease for space at 4859 Rainier Avenue South; Lessor, Philip Hannum.
2. An original executed lease for space at 525 4th Avenue North, Kent, Washington; Lessor, City of Kent.
3. An original executed lease for space at 205 Columbia Street; Lessor; TRA, Ltd.

If you have any questions regarding these documents, please call me at 684-0406.



Ord. 115429

FILED  
CITY OF SEATTLE  
CITY CLERK  
JUL 11 1994

**LEASE AGREEMENT  
PART A - SIGNATURE FORM**

**PARTIES** THIS LEASE AGREEMENT, entered into by and between PHILIP HANNUM (hereinafter referred to as the "Lessor"), and THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Lessee, (hereinafter referred to as the "City"), WITNESSES THAT:

**PREMISES** The Lessor hereby leases to the City, and the City hereby leases from the Lessor, certain real property commonly known as 4859 Rainier Avenue South in Seattle, King County, Washington that may be further described as follows:

A portion of that property described as Lot C, together with the south 12.1 feet of Lot B and the north 11.1 feet of Lot D, all in Block 8, Columbia Addition, according to plat thereof recorded in Volume 7 of Plats, page 97, Records of King County, Washington;

and which consists of approximately 1,328 square feet of office space (hereinafter referred to as the "Premises").

**PURPOSES** Premises shall be used as office space and for such other municipal purposes as the City may deem consistent therewith. The City may permit other governmental agencies and community groups approved by the City to use and occupy the Premises under City supervision and control, for which expanded use the written consent of Lessor shall not be required.

**TERM** The term of this lease shall commence on July 1, 1994, and terminate on June 30, 1997.

**RENT** In consideration of this lease and the Lessor's performance of all covenants and agreements contained herein, the City shall pay to the Lessor as the monthly rental for said Premises, the sum of One Thousand Three Hundred Eleven and 59/100 Dollars (\$1,311.59) for the period July 1, 1994 through June 30, 1995; One Thousand Three Hundred Seventy Seven and 17/100 Dollars (\$1,377.17) for the period July 1, 1995 through June 30, 1996; and One Thousand Four Hundred Forty Six and 02/100 (\$1,446.02) for the period July 1, 1996 through June 30, 1997, upon receipt from the Lessor of an invoice for said rental.

**INSURANCE** The policy of public liability insurance required of the Lessor in Part B hereof shall be in at least the following amounts:

\$100,000.00	for injury to, or loss of life of, any individual person;
\$100,000.00	in the aggregate for personal injuries suffered in each occurrence;
\$100,000.00	property damage suffered in each occurrence.

**UTILITIES AND OTHER SERVICES** Notwithstanding the provisions of Part B, Section 3 hereof, the City shall pay for the following utilities and other services: electricity, gas, garbage, security, telephone and janitorial service.

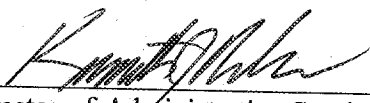
**AGREEMENT CONTENTS** This lease consists of this Part A - Signature Form plus Part B - General Terms and Conditions, and Attachment 1 - Tenant Improvements, all of which, by this reference, are incorporated herein, and embody the entire agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties relating to the subject matter hereof.

**EFFECTUATION OF AGREEMENT** In order to be effective, this lease must be (1) signed by an authorized representative of the Lessor and returned to the City at the address set forth below, accompanied by the required certificate of insurance, and (2) signed by the City's Director of Administrative Services pursuant to ordinance authority.

IN WITNESS WHEREOF, the parties hereto have affixed their signature below:

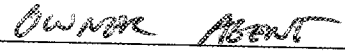
LESSEE, THE CITY OF SEATTLE

LESSOR, PHILIP HANNUM

By   
Director of Administrative Services

By   
(Signature)

Authorizing Ordinance 115429

  
(Print or Type Title)

City's address for all communications:

Department of Administrative Services  
Property Management Section  
618 Second Avenue, 14th Floor  
Seattle, Washington 98104

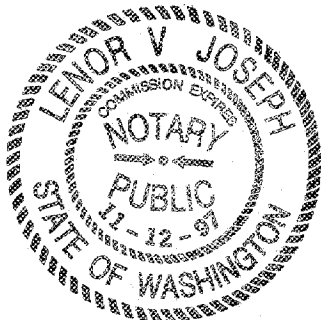
Lessor's address for all communications:

Philip Hannum  
3826 South Lucile Street  
Seattle, Washington 98118

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that PHILIP HANNUM  
(is/are) the individual(s) who appeared before me, and said individual(s) acknowledged that HE  
signed this instrument and acknowledged it to be HIS free and voluntary act for the uses and  
purposes mentioned in the instrument.

Dated: JUNE 28, 1994.



Lenor V. Joseph  
(Notary Signature)

LENOR V. JOSEPH  
(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at SEATTLE

My appointment expires 11/12/97

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that KENNETH J. NAKATSU is the person  
who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that  
he was authorized to execute the instrument and acknowledged it as the Director of Administrative  
Services of THE CITY OF SEATTLE to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

Dated: 7/6/94

Lisa S. Peyen  
(Notary Signature)

Lisa S. Peyen  
(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle

My appointment expires 5/29/95

**LEASE AGREEMENT**  
**PART B - GENERAL TERMS AND CONDITIONS**

1. POSSESSION. In the event of the inability of the Lessor to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this lease, the City, at its option may elect to retain the lease and insist upon possession or to cancel this lease as a result of the Lessor's failure to deliver possession. In the event the City elects to cancel, the Lessor shall be liable for incremental costs and other damages incurred by the City in acquiring comparable property. In the event the City elects to retain the lease, the City shall not be liable for any rent until such time as the Lessor can deliver possession. In the event that, by mutual agreement, the City shall take possession of the Premises, or any part thereof, prior to the commencement of the specified term of this lease, the City shall pay as rent for that additional period that percentage of the monthly rent payable under Part A hereof, prorated on a daily basis, that is equivalent to the percentage of the floor area of the Premises actually occupied by the City during said period.
2. ACCESS. The City shall allow the Lessor or the Lessor's agent free access at all reasonable times to said Premises to inspect, clean, or make repairs, additions or alterations to the Premises or any connected property owned by or under the control of the Lessor, but this right shall not be construed as an agreement on the part of the Lessor to make such repairs, additions or alterations.
3. UTILITIES AND OTHER SERVICES. The Lessor, at the Lessor's sole expense, shall provide or shall otherwise pay for, when due, all costs for providing all utilities and other services on or to the Premises including but not limited to elevator service, electricity, gas, water, sewer, garbage, heating and cooling or air conditioning, janitorial, and security. The City shall pay all charges for utility installations and modifications thereto occasioned by the City's requirements.
4. CARE OF PREMISES. The Premises shall at all times be kept and used in accordance with the laws of the State of Washington and ordinances of The City of Seattle, and in accordance with all duly authorized directions, rules, and regulations of the Health Officer, Fire Marshall, Building Official or other proper officer of The City of Seattle; and the City will not permit any waste, damage or injury to the Premises, use or permit in said Premises anything that will increase the rate of fire insurance thereon, maintain anything that may be dangerous to life or limb, permit any objectionable noise or odor to escape or to be emitted from said Premises, or permit anything to be done upon said Premises that in any way will tend to create a nuisance.
5. MAINTENANCE - REPAIRS. The Premises have been inspected by both parties and are accepted by the City in their existing condition as of the commencement date of this lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. Except as otherwise provided for herein, the Lessor, at its sole expense, shall keep and preserve the Premises in good repair, including but not limited to all structural and non-structural parts thereof, elevators, plumbing, heating, cooling, and electrical, gas and other utility systems; and other equipment and appurtenances of the Premises and the structure of which the Premises form a part.
6. DAMAGE OR DESTRUCTION. In the event the Premises are damaged by fire, earthquake, act of war, or other extraordinary casualty to such an extent as to render the same untenable in whole or in a substantial part thereof, or are destroyed, it shall be optional with the Lessor to repair or rebuild the same, and after the happening of any such event, the City shall give the Lessor or the Lessor's agent written notice thereof within forty-eight (48) hours of such occurrence. The Lessor shall have not more than ten (10) days after the date of such notification to notify the City in writing of the Lessor's intentions to repair or rebuild said Premises; and if the Lessor elects to repair or rebuild said Premises, the Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay. During any period in which the Premises are rendered unfit for occupancy because of any such casualty, the rent of said Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. In the event the building in which the Premises are located is destroyed or is damaged (even though the Premises hereby leased shall not be damaged thereby) to such an extent that, in the opinion of the Lessor, it is not practicable to repair or rebuild, then the Lessor may, at its option, terminate the lease by providing written notice thereof to the City within thirty (30) days after such damage or destruction has been determined to be irreparable.
7. COMPLIANCE WITH LAW
  - (a) General Requirement. The Lessor shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter and ordinances of The City of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof.

(b) Licenses and Similar Authorizations. The Lessor and/or the City, when applicable, shall secure and maintain in full force and effect during the term of this Agreement, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

(c) Taxes. The Lessor shall pay, before delinquency, all taxes, levies and assessments to the Premises.

(d) Nondiscrimination and Affirmative Action. The Lessor agrees to and shall comply with all Federal, State and local laws and ordinances prohibiting discrimination with regard to race, color, national origin, ancestry, creed, religion, political ideology, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap.

(e) Women's & Minority Business Enterprise Utilization. Although there are no requirements in this Lease Agreement that Lessor utilize Women-owned or Minority-owned Business Enterprises, the following language is required to be inserted in every City contract by Seattle Municipal Code 20.46 A, and therefore it is included in this agreement:

This lease hereby incorporates by reference Seattle Municipal Code (SMC) Ch. 20.46A. The failure of the Lessor to comply with any of the requirements of SMC Ch.20.46A shall be a material breach of contract. The purpose of Seattle's WMBE Program is to provide a prompt remedy for the effects of past discrimination. The City in general, and this Program in particular, are damaged when a contract, or portion of a contract, to be performed by a WBE or MBE is not actually performed by a WBE or MBE in compliance with SMC Ch. 20.46A. Because the actual amount of such damage is not reasonably calculable, the parties agree and stipulate that liquidated damages equal to the unmet dollar amount of any WBE or MBE set-aside will fairly compensate the City for resulting delays in carrying out the purpose of the program, the costs of meeting utilization targets through additional contracts, the administrative costs of investigation and enforcement, and other damages and costs caused by the violation.

During the term of this lease, the Lessor shall:

- a. Meet the WBE and MBE set-asides established for the lease, if any;
- b. Make affirmative efforts to utilize WMBEs in performing the terms of the lease, whether as subcontractors, suppliers, or in any other capacity;
- c. Require that all subcontractors make affirmative efforts to utilize WMBEs in performance of the lease;
- d. Maintain records reasonably necessary for monitoring compliance with the provisions of this chapter, and submit such information as may be requested by the Director of the Human Rights Department in order to monitor and enforce compliance; and
- e. Require that subcontractors maintain records reasonably necessary for monitoring the subcontractors' compliance with the provisions of this chapter, and that the subcontractors submit such information as may be requested by the Director of the Human Rights Department in order to monitor and enforce compliance.

8. INDEMNIFICATION. The Lessor shall hold City harmless from all claims for accident or injury caused to persons or property by the fault or neglect of the Lessor, its employees or agents; or occurring in, about, or by the areas of the structure of which the Premises form a part that are under the control of the Lessor; or caused by faults or defects inherent in said structure or defects in or malfunctions thereof not discernable by reasonable inspection. The City will hold the Lessor harmless from all claims for accident or injury caused to persons or property by the fault or neglect of the City, its employees or agents, to the extent of the fault or neglect of the City. All personal property of the City on said Premises shall be at the risk of and the responsibility of the City.

9. INSURANCE. The Lessor shall secure and maintain in effect during the full term of this lease and any extensions thereof, public liability insurance covering the ownership including the Premises, with policy limits in the amount set forth in Part A hereof. A copy of a certificate of insurance documenting such action shall be filed with the Property Management Division of the Department of Administrative Services of The City of Seattle. The Lessor shall provide the City with written notice of the cancellation, termination, reduction or any other change in such insurance coverage not less than twenty-five (25) days prior to the effective date of such change.

10. SIGNS. The City may place identification signs upon the Premises, subject to the prior approval of the Lessor; and permission to place such signs shall not be unreasonably withheld by the Lessor. The Lessor shall have the right to place and maintain "For Rent" signs in a conspicuous place on said Premises and to show the Premises to prospective tenants for thirty (30) days prior to the expiration of this lease.

## 11. ALTERATIONS, ADDITIONS AND IMPROVEMENTS.

(a) Within 30 days after the commencement date hereof, the Lessor, at the Lessor's sole expense, shall complete tenant improvements as required by the City to utilize the Premises, which improvements are more fully described in Attachment 1 - Tenant Improvements, unless modified by mutual agreement between the City and the Lessor.

(b) The City shall not make or cause to be made any alterations, additions or improvements to said Premises without first obtaining the written consent of the Lessor for such work. Any said improvement that is made solely for the convenience of the City, its employees or agents, or of the program to be conducted on the Premises shall be at the sole cost and expense of the City or the program being conducted on the Premises except for improvements occasioned by inherent damages or latent defects in the Premises or of the structure in which the Premises form a part, the cost of which improvements shall be as agreed upon by the City and the Lessor.

(c) The Lessor shall pay the cost of all alterations, additions, and improvements initiated for the Lessor's convenience, and save the City free and harmless from damage, loss or expense arising out of said alterations performed by the Lessor or on its behalf.

(d) If the said improvements as installed by the City may be removed without disturbance, molestation, or injury to the Premises, the City at its option, may remove or cause to be removed said improvements at the City's own expense or may surrender the same with the Premises to remain as a part thereof and to become the property of the Lessor upon the expiration or termination of this lease. In the event said improvements are surrendered, the Lessor and the City shall agree as to their value, and if they constitute a benefit to the Premises, compensation in the agreed amount therefor shall be made to the City within fifteen (15) days of said surrender. If the City and the Lessor cannot agree upon compensation for said benefit to the Premises, the City shall remove said improvements, exercising due caution and care to minimize damage to the Premises. The Lessor shall accept responsibility for the minimal repair resulting from said improvement removal.

(e) The City shall not without the written consent of the Lessor, operate or install any electrical equipment or machinery (other than ordinary office equipment), or replace or relocate any electric light fixtures.

## 12. TERMINATION.

(a) Notwithstanding any other provision herein, in the event that either party to this lease defaults in the performance of any of the terms, provisions, covenants and agreements to be kept, observed and performed as provided in the following sections:

Part A – TERM  
RENT

Part B – §3 UTILITIES AND OTHER SERVICES  
§4 CARE OF PREMISES  
§5 MAINTENANCE-REPAIRS

and such default is not corrected within thirty (30) days after the receipt of written notice thereof from the other party, then the non-breaching party may, at its option, immediately terminate this lease, without notice or other proceedings, and in such event the Lessor may also re-enter and take possession of the Premises. Damages may be claimed for a default in the performance of the other lease obligations, but such default shall not be cause for termination of this lease unless such default is repeated upon three or more occasions and a notice to comply is provided after each such instance.

(b) It is understood that funds for the payment of the rent herein are allocated out of monies received by the City from tax sources and/or other governmental entities and that funding for the program that occupies the Premises can be increased, changed, decreased, or eliminated by administrative (Mayor) or legislative (City Council) action. Therefore, it is agreed by the Lessor and the City that notwithstanding any other provision herein, in the event said funding and/or program is increased, changed, decreased, or eliminated, or in the judgment of the administrative (Mayor) or legislative (City Council) authority of the City, continuation of the lease to its full term would be an unnecessary expenditure of public funds, then the City may terminate this lease without further obligation to the Lessor, after making available to the Lessor reasonable documentation of such administrative (Mayor) or legislative (City Council) action and after providing the Lessor with written notice of such termination at least ninety (90) days prior to the effective date thereof.

13. SURRENDER OF PREMISES. Upon the expiration or termination of this lease, including any extensions thereof, whichever is earlier, the City shall quit and surrender said Premises and all keys thereto, without notice and in as good condition as received at the commencement of the term hereof except for ordinary wear and tear; damage or destruction by fire or other casualty or circumstances uncontrollable by the City; property damaged, removed, or destroyed by the Lessor or its agents; latent



defects or faulty construction of the structure of which the Premises comprise a part, not discoverable by inspection at the time of taking possession; and alterations, additions or improvements made to the Premises by the City.

14. ADJUDICATION. This lease shall be construed under all of the applicable laws, statutes, ordinances, rules and regulations of the United States of America, the State of Washington, and The City of Seattle. In the case of a dispute between the parties, jurisdiction over such dispute shall be with the Superior Court of King County, Washington.

15. NOTICES. All notices to be given by either of the parties hereto to the other party, including but not limited to invoices, shall be in writing and may either be delivered personally or may be deposited in the United States Mail, postage prepaid, as either certified or regular mail, addressed as specified in Part A hereof or to such other respective addresses as either party may from time to time designate in writing.

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

17. AMENDMENTS. The parties hereto expressly reserve the right to renegotiate any and all of the provisions hereof from time to time as may be necessary and to amend this lease accordingly; Provided, however, that no alteration or modification of the terms or conditions hereof shall be valid and binding unless made in writing and signed by the authorized representative of the parties hereto.

18. NO WAIVER OF DEFAULT. The City does not waive full compliance with the terms and conditions of this lease by the payment of rent. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operated as, a waiver of any subsequent default or of any of the terms, covenants, and conditions herein contained, to be performed, kept and observed by the other party.

19. BINDING EFFECT. This lease shall be binding upon the heirs, successors, assigns, and all other parties legally empowered with signatory rights of any or all of the parties hereto.

20. INVALIDITY OF PROVISIONS. Should any term, provision, condition or other portion of this lease be held to be inoperative, invalid or void, the same shall not affect any other term, provision, condition or other portion of this lease; and the remainder of this lease shall be effective as if such term, provision, condition or portion had not been contained herein.

ATTACHMENT 1

TENANT IMPROVEMENTS

at 4859 Rainier Avenue South

As provided in Part B, Paragraph 11(a) of this Lease, the Lessor, at Lessor's sole expense, shall complete the following improvements to the Premises:

1. Install carpeting in the front entry.
2. Install a ceiling fan.
3. Modify the window located above the back door such that it opens and closes.
4. Install four smoke detectors, one in each of the four offices.
5. Do as-needed work on the air conditioner to keep it operating and to prevent its icing up and dripping water.

SENSC.tnt

LEASE AGREEMENT

Between

CITY OF KENT

and

THE CITY OF SEATTLE

for

2,576 Square Feet

of

Office Space

in the

KENT COMMONS

525 4th Avenue North

Kent, Wa. 98032-4497

March 1, 1994 - February 28, 1996

## LEASE AGREEMENT

THIS LEASE, dated the first day of March, 1994, is by and between the City of Kent, a municipal corporation of the State of Washington, hereinafter called the Owner, and The City of Seattle, a municipal corporation of the State of Washington, hereinafter called the Tenant.

1. PREMISES

The Owner hereby lets and leases to the Tenant those certain premises situated at 525 4th Avenue North in the City of Kent, Washington, that are described as 2,576 square feet of office space in the Kent Commons facility, hereon after the "Commons", for use by Seattle-King County Division On Aging, Department of Human Resources. The area so leased is hereinafter called the premises.

2. USE

The premises shall be used for office use and for no other purpose, without the written consent of Owner. No use shall be made of premises, nor act done in or about premises, which is illegal, unlawful, or which will increase the existing rate of insurance upon the building. Tenant shall not commit or allow to be committed upon premises, any waste or any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other occupant in the Commons, nor shall Tenant, without the written consent of Owner, use any apparatus, machinery or device in or about premises which shall cause any substantial noise or vibration. If any Tenant's office machines should disturb the quiet enjoyment of any other occupant in the building, the Tenant shall provide adequate insulation, or take such action as may be necessary to eliminate the disturbance. Tenant shall observe such reasonable rules and regulations as may be adopted and published by Owner for the safety, care and cleanliness of premises or the Commons and the preservation of good order therein. Tenant will comply, at Tenant's own cost and expense, with all reasonable orders, notices, regulations or requirements of any municipality, state or other governmental authority respecting the use of the premises.

3. TERM

The term of this lease shall be for two years and shall commence on the 1st day of March, 1994, and end on February 28, 1996.

4. RENT

Tenant covenants and agrees to pay the Owner as rental for said premises an annual rent of \$10.31 per square foot, or \$2,213.21 per month in lawful money of the United States to be paid monthly in advance on the 1st day of each month of the lease term, upon receipt of a monthly invoice, subject to the further provisions to Owner's Agent, or to such other party or at such other place as the Owner may hereafter designate. The City may at it's option adjust this rental amount for the period March 1, 1995-February 28, 1996. Rate increase shall not exceed 5%.

5. TAXES

Tenant shall pay any tax that this Agreement, or the interest created thereby, may be subject to at any time during the term of this Lease.

6. RE-DELIVERY

Tenant at the expiration of the term hereof or upon any sooner termination thereof, will without notice quit and deliver up said premises to the Owner peaceably, quietly, and in as good order and condition as the same now are or may hereafter be placed by Owner, reasonable use and wear thereof excepted.

7. DAMAGES

Owner agrees to keep and maintain the roof in good order and repair and make necessary structural repairs to the building not occasioned by Tenant's negligence during the continuance of this lease, upon receipt in writing from Tenant when such repairs are necessary. All other repairs shall be made by Tenant at its sole cost and expense at all times while this lease is in effect.

8. REPAIRS AND ALTERATIONS

All normal repairs necessary to maintain premises in a tenantable condition shall be done by or under the direction of Owner, and at Owner's expense, except those caused by negligence or acts of Tenant, his agents or invitees, which repairs shall be made at the sole cost of Tenant.

Tenant shall not make any alterations, additions or improvements in said premises, without the consent of Owner in writing first, which will not be unreasonably withheld, and all alterations, additions and improvements which shall be made, shall be at the sole cost and expense of Tenant, and shall become the property of the Owner except for improvements that Owner, at Owner's option, agrees that they are the property of Tenant or elects to request Tenant to remove, and shall remain in and be surrendered with the premises as a part thereof at the termination of this lease, without disturbance, molestation or injury. If the Tenant shall perform work with the consent of the Owner, as aforesaid, Tenant agrees to comply with all laws, ordinances, rules, regulations of the appropriate City or County, and any other authorized public authority. The Tenant further agrees to save the Owner free and harmless from damage, loss or expense arising out of the said work. Tenant agrees that Owner has the right to make alterations to the building in which the premises are situated. Tenant will be entitled to a fair abatement of rent if such alterations materially interfere with Tenant's use of the premises.

9. UTILITIES

As long as Tenant is not in default in any of the provisions of this lease, Owner shall furnish a reasonable amount of electricity (i.e. normal lighting and low power usage office equipment), heat, water, and full janitor service except no janitorial service on week-ends and City holidays, but shall not be liable nor shall rental be abated for interruption of said service caused by accident or necessity for repairs or improvements, or for any other reason beyond Owner's control. In the event of a recognized energy crisis affecting the electrical power available for the premises, Owner and Tenant shall adjust the hours of use of the premises to meet such crisis. If in Owner's reasonable opinion, Tenant uses more than a reasonable amount of electricity and/or water, Tenant shall, upon notification by Owner, pay for such excess at such times as the same becomes due and payable to the public utility furnishing the same.

10. INSURANCE

Both parties to this agreement acknowledge, accept and agree that each party is self-insured and that each party therefore agrees to fully accept total responsibility for claims for injury or damage, the fault of one party, and defend itself against any action arising from such fault, and hereby hold the other party harmless from any claim arising from said fault or liability. In the event Claimant shall file against the innocent party, the other shall defend the innocent party with the same vigor and effort as applied to its own defense.

Tenant shall indemnify and save harmless the Owner from and against any and all loss, cost (including attorney's fees), damages, expense and liability (including statutory liability and liability under Worker's Compensation laws) in connection with claims for damages as a result of injury or death of any person or property damage to any property sustained by the Tenant and all other persons which arise from or in any manner grow out of any act or neglect on or about the leased premises by the Tenant, Tenant's agents, employees, invitees, contractors and subcontractors.

11. HOLD HARMLESS

Tenant will hold the Owner harmless from any and all claims whatsoever by reason of accident, injury, death or damage caused to persons or property of any kind occurring by the fault or neglect of the Tenant, Tenant's employees, its agents or invitees, which occur anywhere on the premises, anywhere in the building wherein the premises are under Owner's control, including the parking lots. The Owner will hold the Tenant harmless from any and all claims whatsoever by reason of accident, injury, death or damage caused to persons or property of any kind by the fault or neglect of the Owner, its employees, elected officials, or agents or occurring without the fault or neglect of the Tenant in areas under control of the Owner. All personal property on said premises shall be the responsibility and at the risk of the Tenant.

12. ASSIGNMENT

Tenant shall not assign this lease or any part thereof and shall not let or sublet the whole or any portion of the premises without the written consent of Owner, or Owner's agent, which consent will not be unreasonably withheld by Owner. This lease shall not be assignable by operation of law.

13. ACCESS

Tenant will allow Owner or Owner's agent free access at all reasonable times to said premises for the purposes of inspection, cleaning or making repairs, additions or alterations, but this right shall not be construed as an agreement on the part of the Owner to make repairs, additions or alterations.

The Owner shall have the right to place and maintain "For Rent" signs in a conspicuous place on said premises and to show premises to prospective tenants for 150 days prior to the expiration of this lease.

14. DAMAGE OR DESTRUCTION

In the event the premises or the building is damaged to such extent as to render the premises untenable in whole or in a substantial part thereof, or is destroyed, the Tenant shall give Owner or Owner's agent immediate written notice thereof, and, it shall be optional with the Owner to repair or rebuild the same; Owner shall have not more than 60 days after date of such notification to notify the Tenant in writing of Owner's intentions to repair or rebuild said premises, or the part so damaged as aforesaid, and if Owner elects to repair or rebuild said premises, Owner shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during such period, if the damage is not the fault of the Tenant, its employees, agents or invitees, the rent of said premises shall be abated (starting when the premises or a substantial part thereof first becomes untenable), in the same ratio that that portion of the premises rendered for the time being unfit for occupancy shall bear to the whole of the leased premises. If the Owner shall fail to give the notice aforesaid

Tenant shall have the right to declare this lease terminated, effective when the premises or a substantial part thereof first became untenable, by written notice served upon the Owner or Owner's agent.

In the event the building in which the premises hereby leased are located shall be damaged (even though the premises hereby leased shall not be damaged thereby or rendered untenable) to such an extent that in the opinion of Owner it shall not be practicable to repair or rebuild, or is destroyed, then it shall be optional with Owner to terminate this lease by written notice served on Tenant within 60 days after such damage.

15. NOTICES

All notices to be given by the parties hereto shall be in writing and may either be served personally or may be deposited in the United States Mail, postage prepaid, by either registered mail or by regular mail with certificate of mailing obtained; and if to be given Owner, to be addressed to the Owner, or Owner's agent, or, if to be given Tenant, may be addressed to Tenant at the Tenant designated address.

16. SIGNS

No sign, picture, advertisement or notice shall be displayed, inscribed, painted or affixed to any of the glass, woodwork or walls of the premises, except those approved by the Owner in writing. Owner will not unreasonably withhold such approval, and the sign shall be painted by a sign painter designated by the Owner. All signs so placed shall be removed at Tenant's expense prior to termination of tenancy. No signs or devices shall be hung or placed against the windows of said premises nor be visible from the exterior of the building; and no furniture, curtain or other obstruction of any kind or size shall be placed against or in front of any glass partition dividing said premises from the corridors of said building, or placed in any way so as to interfere with the typical and ordinary appearance of the premises as viewed from the corridor and the exterior.

17. COSTS AND ATTORNEYS FEES

If by reason of any default on the part of Tenant it becomes necessary for the Owner to use an attorney or in case Owner shall bring suit to recover any rent due hereunder, or for breach of any provision of this lease or to recover possession of the leased premises, or if Tenant shall bring any action for any relief against Owner, declaratory or otherwise, arising out of this lease, the prevailing party shall have and recover against the other party in addition to the cost allowed by law, such sum as the court may adjudge to be a reasonable attorney's fee.

18. HEIRS AND SUCCESSORS

Subject to the provision hereof pertaining to assignment and subletting, the covenants and agreements of this lease shall be binding upon the legal representatives and assigns of any or all of the parties hereto.

19. CONDITIONS OF OCCUPANCY

Tenant agrees to abide and be bound by the following rules and policies of Owner, which shall be considered as covenants of this lease:

Light and Air

This lease does not grant or purport to grant any rights of access to light or air over property, and this lease does not warrant or protect against interferences with light or air in the leased premises by any construction upon adjacent, abutting or nearby property.

#### Electrical Installation

Tenant shall not, without the written consent of Owner, operate or install any electrical equipment or machinery (other than ordinary office equipment, including but not limited to copying machines), or replace or move any electric light fixtures; provided, however, that with the consent of Owner, Tenant may replace building light fixtures of his own choice with the express understanding that such installation will not increase the Tenant's consumption of electricity, and that the cost of such fixtures and installation shall be at Tenant's sole expense. It is further agreed that Tenant shall, at the expiration or sooner termination of the lease, upon demand of Owner, pay the cost of replacing the standard light fixtures belonging to Owner.

#### Awnings

No awnings shall be attached to the outside of any windows or to the building of which the premises are a part.

#### Windows

The Tenant shall not allow anything to be placed on the outside window ledge of said premises; and nothing shall be thrown by the Tenant or others out of any window of said building.

#### Floor Coverings

The Tenant or other person shall not lay linoleum or other floor covering without prior written approval of the Owner. The tacking or fastening of any flooring material to the baseboard or baseboard molding is expressly prohibited. Tacking strips installed by Tenant, with Owner's consent, shall, at the option of Owner, be removed and floor repaired at the expiration of lease, at Tenant's expense.

#### Furniture and Bulky Articles

Safes, furniture or bulky articles shall be moved in or out of said premises only at such hours and in such manner as shall least inconvenience other occupants of the building, and when and as the Owner shall reasonably decide; and no safe or other article of over 2,500 pounds shall be moved into said premises without the consent of the Owner, which consent will not be unreasonably withheld, the Owner to have the right to fix the position of any article of such weight in said premises.

#### Miscellaneous

(a) Water closets and other water fixtures shall not be used for any purposes other than those for which they are intended, and any damage resulting from misuse on the part of the Tenant, its agents or employees, shall be paid for by Tenant. No person shall waste water by interfering or tampering with the faucets or otherwise.

(b) Owner reserves the right to close and keep locked all entrance and exit doors of the building during such hours as Owner may deem to be advisable for the adequate protection of the property provided that the Tenant shall have access to the premises.

(c) The Tenant agrees that Tenant and Tenant's employees shall use only the parking stalls designated in Clause #20 of this lease.

(d) Owner reserves the right to make such other and further reasonable regulations as in its judgement may from time to time be needed or desirable for the safety, care and cleanliness of the premises of the building and the preservation of good order therein.

(e) All doors to public corridors shall be kept closed except for ingress and egress.



20. PARKING FACILITIES

Parking for Tenant and its employees will only be provided on the South side of the Commons building in the designated "Staff Parking Only" area.

21. EARLY TERMINATION

It is understood that funds for the payment of the rent herein are allocated out of monies received by the Tenant from tax sources and/or other governmental entities and that funding for the program that occupies the premises can be increased, changed, decreased or eliminated, or in the judgement of the administrative (Mayor) or legislative (City Council) authority of the Tenant, continuation of the lease to its full term would be an unnecessary expenditure of public funds, then the Tenant may terminate this lease without obligation to the Owner, after making available to the Owner reasonable documentation of such administrative (Mayor) or legislative (City Council) action and after providing the Owner with written notice of such termination at least ninety (90) days prior to the effective date thereof.

The foregoing conditions are mutually agreed to by the Owner and the Tenant.

TENANT: The City of Seattle

BY: [Signature]

TITLE: Director of Administrative Services, The City of Seattle.

ATTEST: [Signature]

BY: City Comptroller

DATE: [Signature]

OWNER: City of Kent, a municipal corporation of the State of Washington.

BY: \_\_\_\_\_

TITLE: Mayor

APPROVED AS TO FORM:

BY: [Signature]

TITLE: City Attorney

DATE: 4/6/94

**LEASE AGREEMENT  
PART A - SIGNATURE FORM**

**PARTIES** THIS LEASE AGREEMENT, entered into by and between TRA, Ltd., a Washington Corporation (hereinafter referred to as the "Sublessor"), and THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Sublessee, (hereinafter referred to as the "City"), WITNESSES THAT:

**PREMISES** The Sublessor hereby leases to the City, and the City hereby leases from the Sublessor, certain real property commonly known as 205 Columbia Street, in Seattle, King County, Washington that may be further described as follows:

A portion of Lots 2 and 3, Block 6, Boren and Denny's Addition to the City of Seattle,

and which consists of approximately 4,999 square feet of office space on the third floor, Suite No. 300 (hereinafter referred to as the "Premises").

**PURPOSES** Premises shall be used as office space and for such other municipal purposes as the City may deem consistent therewith.

**TERM** The term of this lease shall commence on June 1, 1994, and terminate on March 31, 1995. If the City, with the implied or written consent of the Sublessor, shall holdover after the expiration date thereof, the City shall remain bound by all terms and conditions thereof, except that the tenancy shall be month-to-month.

**RENT** In consideration of this lease and the Sublessor's performance of all covenants and agreements contained herein, the City shall pay to the Sublessor as the monthly rental for said Premises, the sum of Six Thousand and no/100 Dollars (\$6,000.00) upon receipt from the Sublessor of an invoice for said rental.

**SECURITY DEPOSIT** The City shall deposit with the Sublessor the sum of \$6,000.00. The Sublessor may apply such deposit against default by the City in the payment of rent or to cover damage to furnishings caused by the City. The Sublessor shall return any unused portion of the security deposit to the City upon expiration or earlier termination of this lease.

**INSURANCE** The policy of public liability insurance required of the Sublessor in Part B hereof shall be in at least the following amounts:

\$1,000,000	for injury to, or loss of life of, any individual person;
\$1,000,000	in the aggregate for personal injuries suffered in each occurrence;
\$1,000,000	property damage suffered in each occurrence.

**UTILITIES AND OTHER SERVICES** Notwithstanding the provisions of Part B, Section 3 hereof, the City shall pay for the following utilities and other services: none.

**AGREEMENT CONTENTS** This lease consists of this Part A - Signature Form plus Part B - General Terms and Conditions, Attachment 1 - Special Terms and Conditions, Exhibit A (floor plan of subject premises), and Exhibit B (Master Lease), all of which, by this reference, are incorporated herein, and embody the entire agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties relating to the subject matter hereof.

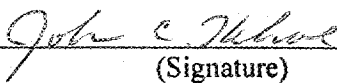
**EFFECTUATION OF AGREEMENT** In order to be effective, this lease must be (1) signed by an authorized representative of the Sublessor and returned to the City at the address set forth below, accompanied by the required certificate of insurance, and (2) signed by the City's Director of Administrative Services pursuant to ordinance authority.

IN WITNESS WHEREOF, the parties hereto have affixed their signature below:

SUBLESSEE, THE CITY OF SEATTLE

SUBLESSOR, TRA, Ltd.

By   
Director of Administrative Services

By   
(Signature)

Authorizing Ordinance 115429

John C. Kehoe  
(Print or Type Name)

Vice President Administration and Finance  
(Print or Type Title)

City's address for all communications:

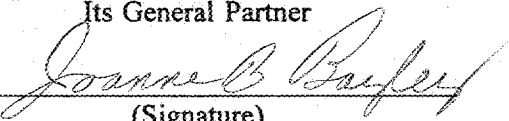
Department of Administrative Services  
Property Management Section  
618 Second Avenue, 14th Floor  
Seattle, Washington 98104

Sublessor's address for all communications:

TRA, Ltd.  
215 Columbia Street  
Seattle, Washington 98104-1551

The undersigned Landlord (Lessor), under the Lease attached hereto (referred to as Exhibit B, Master Lease), hereby consents to the subletting of the Premises described therein on the terms and conditions contained in the Sublease Agreement. This Sub Lease does not relieve TRA, Ltd. of any obligations or responsibilities that TRA, Ltd. has to the Landlord under the terms of the Master Lease.

LANDLORD, COLUMBIA SECOND ASSOCIATES

By: BAYLEY COLUMBIA, INC.  
Its General Partner  
  
(Signature)

Secretary

(Title)

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that John C. Kehler  
is the individual who appeared before me, and said individual acknowledged that He signed this  
instrument, on oath stated that He was authorized to execute the instrument and acknowledged  
it as the Vice President Admin Finance of T.R.A. Ltd  
to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: May 22, 1994

Debra J. Tvedt  
(Notary Signature)

DEBRA J. Tvedt  
(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at Enumclaw

My appointment expires February 15, 1996

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that KENNETH J. NAKATSU is the person  
who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that  
he was authorized to execute the instrument and acknowledged it as the Director of Administrative  
Services of THE CITY OF SEATTLE to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

Dated: 6/3/94

Lisa S. Peyer  
(Notary Signature)

LISA S. PEYER  
(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle

My appointment expires 5-29-95

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Joanne B. Bayley  
is the individual who appeared before me, and said individual acknowledged that She signed this  
instrument, on oath stated that She was authorized to execute the instrument and acknowledged  
it as a partner of Bayley Columbia Inc.,  
a General partnership, to be the free and voluntary act of such party for  
the uses and purposes mentioned in the instrument.

Dated: June 1, 1994

Debra J. Ivedt  
(Notary Signature)

DEBRA J. IVEDT  
(Print Name)

NOTARY PUBLIC in and for the State of  
Washington, residing at Enumclaw

My appointment expires February 15, 1996

**LEASE AGREEMENT**  
**PART B - GENERAL TERMS AND CONDITIONS**

1. POSSESSION. In the event of the inability of the Sublessor to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this lease, the City, at its option may elect to retain the lease and insist upon possession or to cancel this lease as a result of the Sublessor's failure to deliver possession. In the event the City elects to cancel, the Sublessor shall be liable for incremental costs and other damages incurred by the City in acquiring comparable property. In the event the City elects to retain the lease, the City shall not be liable for any rent until such time as the Sublessor can deliver possession. In the event that, by mutual agreement, the City shall take possession of the Premises, or any part thereof, prior to the commencement of the specified term of this lease, the City shall pay as rent for that additional period that percentage of the monthly rent payable under Part A hereof, prorated on a daily basis, that is equivalent to the percentage of the floor area of the Premises actually occupied by the City during said period.

2. ACCESS. The City shall allow the Sublessor or the Sublessor's agent free access at all reasonable times to said Premises to inspect, clean, or make repairs, additions or alterations to the Premises or any connected property owned by or under the control of the Sublessor, but this right shall not be construed as an agreement on the part of the Sublessor to make such repairs, additions or alterations.

3. UTILITIES AND OTHER SERVICES. The Sublessor, at the Sublessor's sole expense, shall provide or shall otherwise pay for, when due, all costs for providing all utilities and other services on or to the Premises including but not limited to elevator service, electricity, gas, water, sewer, garbage, heating and cooling or air conditioning, janitorial, and security. The City shall pay all charges for utility installations and modifications thereto occasioned by the City's requirements.

4. CARE OF PREMISES. The Premises shall at all times be kept and used in accordance with the laws of the State of Washington and ordinances of The City of Seattle, and in accordance with all duly authorized directions, rules, and regulations of the Health Officer, Fire Marshall, Building Official or other proper officer of The City of Seattle; and the City will not permit any waste, damage or injury to the Premises, use or permit in said Premises anything that will increase the rate of fire insurance thereon, maintain anything that may be dangerous to life or limb, permit any objectionable noise or odor to escape or to be emitted from said Premises, or permit anything to be done upon said Premises that in any way will tend to create a nuisance.

5. MAINTENANCE - REPAIRS. The Premises have been inspected by both parties and are accepted by the City in their existing condition as of the commencement date of this lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. Except as otherwise provided for herein, the Sublessor, at its sole expense, shall keep and preserve the Premises in good repair, including but not limited to all structural and non-structural parts thereof, elevators, plumbing, heating, cooling, and electrical, gas and other utility systems; and other equipment and appurtenances of the Premises and the structure of which the Premises form a part.

6. DAMAGE OR DESTRUCTION. In the event the Premises are damaged by fire, earthquake, act of war, or other extraordinary casualty to such an extent as to render the same untenable in whole or in a substantial part thereof, or are destroyed, it shall be optional with the Sublessor to repair or rebuild the same, and after the happening of any such event, the City shall give the Sublessor or the Sublessor's agent written notice thereof within forty-eight (48) hours of such occurrence. The Sublessor shall have not more than ten (10) days after the date of such notification to notify the City in writing of the Sublessor's intentions to repair or rebuild said Premises; and if the Sublessor elects to repair or rebuild said Premises, the Sublessor shall prosecute the work of such repairing or rebuilding without unnecessary delay. During any period in which the Premises are rendered unfit for occupancy because of any such casualty, the rent of said Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. In the event the building in which the Premises are located is destroyed or is damaged (even though the Premises hereby leased shall not be damaged thereby) to such an extent that, in the opinion of the Sublessor, it is not practicable to repair or rebuild, then the Sublessor may, at its option, terminate the lease by providing written notice thereof to the City within thirty (30) days after such damage or destruction has been determined to be irreparable.

7. COMPLIANCE WITH LAW

(a) General Requirement. The Sublessor shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter and ordinances of The City of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof.

(b) Licenses and Similar Authorizations. The Lessor, Sublessor and/or the City, when applicable, shall secure and maintain in full force and effect during the term of this Agreement, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

(c) Taxes. The Lessor shall pay, before delinquency, all taxes, levies and assessments to the Premises.

(d) Nondiscrimination and Affirmative Action.

(1) The Sublessor agrees to and shall comply with all Federal, State and local laws and ordinances prohibiting discrimination with regard to race, color, national origin, ancestry, creed, religion, political ideology, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap.

(2) Women's and Minority Business Enterprise Utilization:

(a) Reference: The provisions of Seattle Municipal Code Ch. 20.46 (Women's and Minority Business Enterprise Utilization Ordinance), as amended are hereby incorporated by reference and made a part hereof as if fully set forth herein.

(b) Compliance: During the term of this Sublease, the Sublessor shall:

1. Continue to make every effort to utilize minority business enterprises ("MBEs") and women's business enterprises ("WBEs") in subcontracting under this Sublease.
2. Require every contractor and subcontractor utilized by the Sublessor for work in fulfillment of the Sublessor's obligations under this Agreement to make every effort to utilize WBEs and MBEs; and
3. Maintain records reasonably necessary for monitoring compliance with the provisions of Seattle Municipal Code Ch. 20.46, as amended.

Inasmuch as the Seattle Human Rights Department is authorized and empowered by Seattle Municipal Code Ch. 20.46, as amended, to monitor compliance with the Sublessor's WBE and MBE commitment during the term of this Sublease, the Sublessor shall furnish to such department within a reasonable time after a request has been made for the same, whatever reports or other information is reasonably necessary to determine compliance.

8. INDEMNIFICATION. The Sublessor shall hold City harmless from all claims for accident or injury caused to persons or property by the fault or neglect of the Sublessor, its employees or agents; or occurring in, about, or by the areas of the structure of which the Premises form a part that are under the control of the Sublessor; or caused by faults or defects inherent in said structure or defects in or malfunctions thereof not discernable by reasonable inspection. The City will hold the Sublessor harmless from all claims for accident or injury caused to persons or property by the fault or neglect of the City, its employees or agents, to the extent of the fault or neglect of the City. All personal property of the City on said Premises shall be at the risk of and the responsibility of the City.

9. INSURANCE. The Lessor shall secure and maintain in effect during the full term of this lease and any extensions thereof, public liability insurance covering the ownership including the Premises, with policy limits in the amount set forth in Part A hereof. A copy of a certificate of insurance documenting such action shall be filed with the Property Management Division of the Department of Administrative Services of The City of Seattle. The Lessor shall provide the City with written notice of the cancellation, termination, reduction or any other change in such insurance coverage not less than twenty-five (25) days prior to the effective date of such change.

10. SIGNS. The City may place identification signs upon the Premises, subject to the prior approval of the Lessor; and permission to place such signs shall not be unreasonably withheld by the Lessor. The Lessor shall have the right to place and maintain "For Rent" signs in a conspicuous place on said Premises and to show the Premises to prospective tenants.

11. ALTERATIONS, ADDITIONS AND IMPROVEMENTS.

(a) The City shall not make or cause to be made any alterations, additions or improvements to said Premises without first obtaining the written consent of the Lessor for such work. Any said improvement that is made solely for the convenience of the City, its employees or agents, or of the program to be conducted on the Premises shall be at the sole cost and expense of the City or the program being conducted on the Premises except for improvements occasioned by inherent damages or latent defects in the Premises or of the structure in which the Premises form a part, the cost of which improvements shall be as agreed upon by the City and the Lessor.

(b) The Sublessor shall pay the cost of all alterations, additions, and improvements initiated for the Sublessor's convenience, and save the City free and harmless from damage, loss or expense arising out of said alterations performed by the Sublessor or on its behalf.



(c) If the said improvements as installed by the City may be removed without disturbance, molestation, or injury to the Premises, the City at its option, may remove or cause to be removed said improvements at the City's own expense or may surrender the same with the Premises to remain as a part thereof and to become the property of the Sublessor upon the expiration or termination of this lease. In the event said improvements are surrendered, the Sublessor and the City shall agree as to their value, and if they constitute a benefit to the Premises, compensation in the agreed amount therefor shall be made to the City within fifteen (15) days of said surrender. If the City and the Sublessor cannot agree upon compensation for said benefit to the Premises, the City shall remove said improvements, exercising due caution and care to minimize damage to the Premises. The Sublessor shall accept responsibility for the minimal repair resulting from said improvement removal.

(d) The City shall not without the written consent of the Sublessor, operate or install any electrical equipment or machinery (other than ordinary office equipment), or replace or relocate any electric light fixtures.

## 12. TERMINATION.

(a) Notwithstanding any other provision herein, in the event that either party to this lease defaults in the performance of any of the terms, provisions, covenants and agreements to be kept, observed and performed as provided in the following sections:

Part A – TERM  
RENT

Part B – §3 UTILITIES AND OTHER SERVICES  
§4 CARE OF PREMISES  
§5 MAINTENANCE-REPAIRS

and such default is not corrected within thirty (30) days after the receipt of written notice thereof from the other party, then the non-breaching party may, at its option, immediately terminate this lease, without notice or other proceedings, and in such event the Sublessor may also re-enter and take possession of the Premises. Damages may be claimed for a default in the performance of the other lease obligations, but such default shall not be cause for termination of this lease unless such default is repeated upon three or more occasions and a notice to comply is provided after each such instance.

(b) It is understood that funds for the payment of the rent herein are allocated out of monies received by the City from tax sources and/or other governmental entities and that funding for the program that occupies the Premises can be increased, changed, decreased, or eliminated by administrative (Mayor) or legislative (City Council) action. Therefore, it is agreed by the Sublessor and the City that notwithstanding any other provision herein, in the event said funding and/or program is increased, changed, decreased, or eliminated, or in the judgment of the administrative (Mayor) or legislative (City Council) authority of the City, continuation of the lease to its full term would be an unnecessary expenditure of public funds, then the City may terminate this lease without further obligation to the Sublessor, after making available to the Sublessor reasonable documentation of such administrative (Mayor) or legislative (City Council) action and after providing the Sublessor with written notice of such termination at least ninety (90) days prior to the effective date thereof.

13. SURRENDER OF PREMISES. Upon the expiration or termination of this lease, including any extensions thereof, whichever is earlier, the City shall quit and surrender said Premises and all keys thereto, without notice and in as good condition as received at the commencement of the term hereof except for ordinary wear and tear; damage or destruction by fire or other casualty or circumstances uncontrollable by the City; property damaged, removed, or destroyed by the Sublessor or its agents; latent defects or faulty construction of the structure of which the Premises comprise a part, not discoverable by inspection at the time of taking possession; and alterations, additions or improvements made to the Premises by the City.

14. ADJUDICATION. This lease shall be construed under all of the applicable laws, statutes, ordinances, rules and regulations of the United States of America, the State of Washington, and The City of Seattle. In the case of a dispute between the parties, jurisdiction over such dispute shall be with the Superior Court of King County, Washington.

15. NOTICES. All notices to be given by either of the parties hereto to the other party, including but not limited to invoices, shall be in writing and may either be delivered personally or may be deposited in the United States Mail, postage prepaid, as either certified or regular mail, addressed as specified in Part A hereof or to such other respective addresses as either party may from time to time designate in writing.

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

17. AMENDMENTS. The parties hereto expressly reserve the right to renegotiate any and all of the provisions hereof from time to time as may be necessary and to amend this lease accordingly; Provided, however, that no alteration or modification of the terms or conditions hereof shall be valid and binding unless made in writing and signed by the authorized representative of the parties hereto.

18. NO WAIVER OF DEFAULT. The City does not waive full compliance with the terms and conditions of this lease by the payment of rent. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operated as, a waiver of any subsequent default or of any of the terms, covenants, and conditions herein contained, to be performed, kept and observed by the other party.

19. BINDING EFFECT. This lease shall be binding upon the heirs, successors, assigns, and all other parties legally empowered with signatory rights of any or all of the parties hereto.

20. INVALIDITY OF PROVISIONS. Should any term, provision, condition or other portion of this lease be held to be inoperative, invalid or void, the same shall not affect any other term, provision, condition or other portion of this lease; and the remainder of this lease shall be effective as if such term, provision, condition or portion had not been contained herein.

## LEASE AGREEMENT

### ATTACHMENT I -- SPECIAL TERMS AND CONDITIONS

The Sublessor and the City hereby agree to the following provisions:

1. Sublessor will provide 3 parking passes, at no charge to the City, within one block of the subject suite.
2. Sublessor will provide the following additional services:
  - a. Use of existing furniture at no charge.
  - b. Use of existing phone system at no charge.
  - c. Use of existing conference facilities at no charge.
  - d. Receptionist service at no charge.
  - e. Access to reprographic facilities to be charged on a per-copy basis.
3. Sublessor reserves the right to relocate City, with sixty (60) days notice, to an acceptable space within the 205 Columbia Building or the adjacent 215 Columbia Building at Sublessor's cost. Said relocation is subject to City's written approval, which will not be unreasonably withheld.

ref:Fac Svcs Lease #9(TRA.1)

 $= 4739 \text{ m}^2$ 

EXHIBIT A

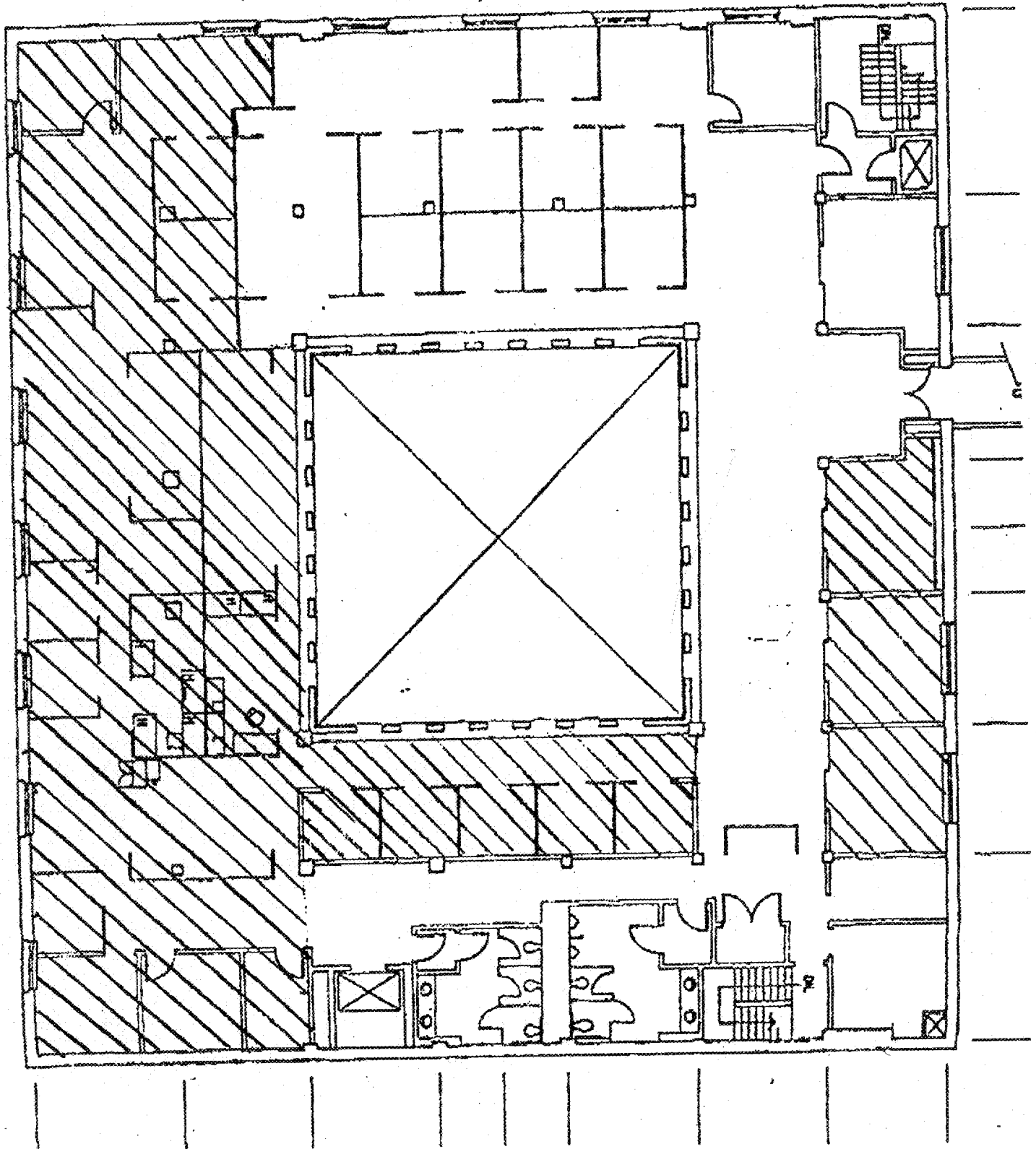
 $260 \text{ m}^2$  ACCESS HALLWAYSTOTAL = 4999 m<sup>2</sup>

EXHIBIT B

OFFICE LEASE

Between COLUMBIA SECOND ASSOCIATES,  
a Washington general partnership  
("Landlord")

and

TRA,  
a Washington general partnership  
("Tenant")

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Exhibit A - Legal Description of Building  
Exhibit B - Plan of Leased Premises



## OFFICE LEASE

THIS LEASE is made and entered into this 30th day of November, 1989, between COLUMBIA SECOND ASSOCIATES, a Washington general partnership ("Landlord"), and TRA, a Washington general partnership ("Tenant").

1. BASIC LEASE PROVISIONS AND IDENTIFICATION OF ADDENDA AND EXHIBITS.

1.1 Basic Lease Provisions.

LEASED PREMISES: See Exhibit B, containing approximately 9,624 square feet of rentable floor area comprising the entire third floor of the Building.

LEASE TERM: Nine (9) years and ten and one-half months (10-1/2) months.

COMMENCEMENT DATE: February 15, 1990.

EXPIRATION DATE: December 31, 1999.

MONTHLY BASE RENT: \$9,223.50. The Monthly Base Rent shall increase four percent (4%) per annum above the Monthly Base Rent then in effect with each increase to take effect on the anniversary of the Commencement Date.

DEPOSIT: \$-0-.

LEASE YEAR: January 1 through December 31.

APPLICABLE PERCENTAGE: Twenty and Sixty-Five Hundredths percent (20.65%) (see Subsection 4.2(a)).

BASE YEAR AMOUNT: \$198,028.75.

PERMITTED USES: General office use.

BROKER (if any): None.

ADDENDA (if any): None.

1.2 Identification of Exhibits and Addenda. The exhibits and addenda, if any, identified in and attached to this Lease are incorporated in this Lease by reference.

2. LEASED PREMISES.

2.1 Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby accepts from Landlord, subject to and with the benefit of the terms and provisions of this Lease, the Leased Premises located in the improvements which are located on the real property described in Exhibit A and depicted in Exhibit B. The real property and improvements are referred to herein as the "Building."

2.2 Tenant Improvements Provisions. Landlord will pay \$19.13 per square foot towards Tenant's total tenant improvement costs. All other tenant improvement costs will be paid for by Tenant. Landlord must approve in advance the construction drawings and specifications for the tenant improvements which Tenant proposes to construct.

3. TERM. This Lease shall be for a term ("Term") which commences at 12:01 a.m. on the Commencement Date and expires at 12:01 a.m. on the date that is ten (10) years after the Commencement Date (the "Expiration Date"). The "Commencement Date" shall be the earlier of the following dates: (i) the Scheduled Commencement Date as set forth in Section 1.1; or (ii) if Tenant occupies the Leased Premises for Permitted Uses prior to the Scheduled Commencement Date specified in Section 1.1, the date of such occupancy. Tenant authorizes Landlord to fill in the Commencement Date and the Expiration Date in Section 1.1, above, when these dates have been ascertained.

4. RENT, CHARGES AND DEPOSIT.

4.1 Monthly Base Rent.

(a) Commencing on the sixteenth (16th) day after occupancy and continuing for the first five (5) years of the Lease Term, Tenant shall pay to Landlord, without notice or demand and without any set-off or deduction whatsoever, the monthly sums set forth in Subsection 1.1 above (the "Monthly Base Rent"), which Tenant shall pay in advance on or before the first day of each calendar month of the Term. If the Term commences or expires on a day other than the first day of a calendar month, the Monthly Base Rent for such month shall be a prorated portion of the Monthly Base Rent, based upon a thirty (30) day month.

(b) Commencing on the date that is five (5) years after the Commencement Date (the "Five Year Date"), the Monthly Base Rent shall be adjusted to the then Market Rental for the Leased Premises. The Market Rental for the Leased Premises

shall be specified by Landlord and shall be the then current monthly rental rate being offered by landlords for comparable space in the Seattle, Washington area for a term equal to five (5) years. Landlord shall notify Tenant in writing of the Market Rental at least seventy-five (75) days prior to the Five Year Date. If Tenant disagrees with the Market Rental specified by Landlord, it shall so notify Landlord within twenty (20) days of delivery thereof by Landlord, and they shall meet as soon as possible thereafter in a good faith effort to resolve their disagreement. If the parties are still in disagreement twenty (20) days after delivery of such notice from Landlord to Tenant, Landlord and Tenant shall immediately choose an M.A.I. appraiser familiar with rental rates for Seattle, Washington office space, and the appraiser shall determine the Market Rental for the Leased Premises as provided herein. If Landlord and Tenant are unable to agree on the selection of an M.A.I. appraiser, either party may petition the Presiding Judge of King County Superior Court who shall select the M.A.I. appraiser. Until the Market Rental is determined as provided herein, the Tenant shall pay Base Rent based on the Market Rental specified by Landlord, and if the Market Rental is subsequently determined to be different than the Market Rental specified by the Landlord, the Landlord or Tenant, as the case may be, shall reimburse the other for such difference.

4.2 Operating Costs. In addition to the Monthly Base Rent, Tenant shall pay to Landlord in the manner provided in Subsection 4.2(b), Tenant's share of the Operating Costs described in Subsection 4.2(a).

(a) Amount. Tenant shall pay to Landlord Tenant's share of the Operating Costs of the Building for each Lease Year, or portion thereof, during the Term. From the Commencement Date until the first December 31st during the Term, Tenant's share shall be equal to \$0.354167 per month per net rentable square foot in the Leased Premises. Throughout the remainder of the Term, Tenant's share shall be equal to the sum of (i) \$0.354167 per month per net rentable square foot in the Leases Premises, plus (ii) the Applicable Percentage, multiplied by the amount, if any, by which (A) the total Operating Costs during such Lease Year, or portion thereof, exceeds (B) the Base Year Amount. The term "Operating Costs" means the total cost and expense incurred in operating, maintaining, repairing and cleaning the land, improvements and facilities of the Building, including, but not limited to: Taxes, as defined below; landscaping; fire and extended coverage insurance (with an earthquake endorsement); public liability and property damage insurance; rent insurance; all maintenance and repairs by Landlord referred to in Subsection 9.1 hereof; costs incurred in the management of the Building, if any (including wages and salaries of employees used in the management, operation and maintenance of the Building, and payroll taxes and similar governmental charges with respect thereto); air conditioning; waste disposal; heating; ventilating; elevator

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maintenance; supplies, materials, equipment; tools; maintenance costs and upkeep of all parking and common areas; lighting; sanitary control; removal of snow and trash, and other refuse; rental, maintenance or repair of machinery and equipment used in such maintenance; and the cost of personnel to implement such services including a property management fee not to exceed five percent (5.0%) of the rent payable by tenants of the Building; but excluding brokers' commissions and depreciation or amortization of costs required to be capitalized in accordance with generally accepted accounting practices (except operating costs shall include amortization of capital improvements made subsequent to the Commencement Date which are designed with a reasonable probability of improving the operating efficiency of the Building, provided that such amortization costs shall not exceed expected savings in operating costs resulting from such capital improvements). The term "Taxes" means taxes on real property and personal property, including all tenant improvements which are paid for by Landlord and not reimbursed by tenants, and taxes on property of tenants of the Building which have not been paid by such tenant directly to the taxing authority; charges and assessments levied with respect to the Building, any improvements, fixtures and equipment, and all other property of Landlord, real or personal, used directly in the operation of the Building and located in or on the Building; and any taxes levied or assessed in addition to or in lieu of, in whole or in part, such real property or personal property taxes, or any other tax upon leasing of the Building or rents collected, but excluding any federal or state income tax or franchise tax.

(b) Payment of Operating Costs. Prior to the first day of each Lease Year of the Term (or as soon thereafter as such information becomes available) Landlord will notify Tenant in writing of Landlord's estimate of Tenant's share of the Operating Costs due for the next Lease Year, if any. Landlord's estimate shall be based upon the actual amount of the Operating Costs for the immediately preceding Lease Year and Landlord's estimate of Operating Costs for the next Lease Year. Tenant shall pay the estimated Tenant's share in advance in twelve (12) equal monthly installments on the first day of each month of such Lease Year. Within thirty (30) days after the end of each Lease Year, Landlord will compute Tenant's share for such Lease Year based upon the actual amount of the Operating Costs for that Lease Year, and if the total amount paid by Tenant for such Lease Year is less than the actual amount of Tenant's share for such Lease Year, Tenant shall pay Landlord any deficiency. If the total amount paid by Tenant for such Lease Year exceeds the actual amount of Tenant's share, Landlord shall credit such excess to the next monthly payments of Operating Costs which thereafter come due. If the Term commences at a time other than the beginning of a Lease Year, Tenant shall pay the estimate of Tenant's share for the portion remaining of the Lease Year based upon the number of days of the Term in such Lease Year. If this Lease expires at a time other than the expiration date of a Lease Year, Tenant shall be obligated

to pay immediately any deficiencies which shall be computed at the expiration of that Lease Year. If the estimated amount Tenant has paid for that Lease Year exceeds the actual amount of Tenant's share, and if Tenant has otherwise complied with all of the terms and provisions of this Lease, Landlord shall refund such excess to Tenant. If at any time during a Lease Year the amount of the Operating Costs increases over the estimated amount, Landlord may, at its election, adjust the amount of monthly estimated installments due during the balance of that Lease Year to reflect such increase. Any increased payments required to be made pursuant to this Subsection shall be made within thirty (30) days after Landlord has notified Tenant thereof. Tenant's obligations under this Subsection shall survive the expiration or termination of this Lease.

4.3 Late Charges. If Tenant fails to pay when the same is due and payable, any Monthly Base Rent or any additional rent, or the Operating Costs, such unpaid amounts shall bear interest at the rate of eighteen percent (18%) per annum from the date due to the date of payment, but in no event in excess of the maximum rate, if any, permitted by applicable law. In addition to such interest, if any Monthly Base Rent installment is not received by Landlord from Tenant by the tenth day of the month for which such installment is due, Tenant shall immediately pay to Landlord a late charge equal to five percent (5%) of each installment.

4.4 Deposit. Upon occupancy, Tenant shall deliver to Landlord the first month's Monthly Base Rent and the deposit as set forth in Section 1.1. Upon expiration of the Term, if Tenant has performed its obligations hereunder, the Landlord shall refund the deposit to the Tenant.

5. PERSONAL PROPERTY TAXES. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed during the Term upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and any other personal property located in the Leased Premises.

6. LICENSES AND TAXES. Tenant shall be liable for, and shall pay throughout the Term, all license and excise fees and business and occupation taxes covering the business conducted on the Premises. If any governmental authority or unit under any present or future law effective at any time during the Term hereof shall in any manner levy a tax on rents payable under this Lease or rents accruing from use of the Leased Premises or a tax in any form against Landlord because of or measured by income derived from the leasing or rental of such property, such tax shall be paid by Tenant, either directly or through Landlord. Upon Tenant's failure to pay such amounts, Landlord shall have the same remedies as for failure to pay rent. Tenant shall not be liable to pay any net income tax imposed on Landlord.

7. USE. Tenant shall not use nor permit or suffer the use of the Leased Premises for any business or purpose other than set forth in Subsection 1.1 above. Tenant shall not do or permit anything to be done in or about the Leased Premises nor bring or keep anything therein which will in any way increase the existing rate or premiums of, or affect any, fire or other insurance upon the Leased Premises or the Building, or cause a cancellation of any insurance policy covering the Leased Premises or the Building or any part thereof or any of its contents. Tenant shall not do or permit or suffer anything to be done in or about the Leased Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building. Tenant shall, at its sole cost and expense, promptly comply with all local, state or federal laws. ✓

8. ALTERATIONS. Tenant shall not make any alterations, additions or improvements in or to the Leased Premises without the prior written consent of Landlord, which consent may be subject to such conditions as Landlord may reasonably deem appropriate. Except as otherwise expressly provided in the Tenant Improvements Provisions, any such alterations, additions or improvements consented to by Landlord shall be made at Tenant's sole cost and expense. Tenant shall secure any and all governmental permits, approvals or authorizations required in connection with any such work, and shall hold Landlord harmless from any and all liability, costs, damages, expenses (including attorneys' fees) and any and all liens resulting therefrom. All alterations, additions and improvements (and expressly including all light fixtures and floor coverings), except trade fixtures and other equipment which do not become a part of the Leased Premises, shall immediately become the property of Landlord without any obligation to pay therefor. Upon the expiration or sooner termination of the Term, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the Term, at Tenant's sole cost and expense forthwith remove any trade fixtures of Tenant designated by Landlord to be removed, but not alterations, additions or improvements made by Tenant, and Tenant shall forthwith at its sole cost and expense, repair any damage to the Leased Premises caused by such removal of trade fixtures. ✓

9. MAINTENANCE, REPAIRS AND SERVICES.

9.1 Maintenance and Repairs by Landlord. Landlord shall repair and maintain in good order and condition the public and common areas of the Building, including lobbies, stairs, elevators, corridors, rest rooms, windows, mechanical, plumbing and electrical equipment and the structure itself. However, if such maintenance and repair becomes necessary in whole or in part due to the act, neglect, fault or omission of any duty by Tenant, its employees, agents, licensees, customers, guests or invitees, or due to damage caused by actual or attempted breaking and entering of the Leased Premises or other unauthorized entry of the Leased

Premises, such maintenance and repair shall be undertaken by Landlord at Tenant's expense. There shall be no abatement of rent and no liability of Landlord by reason of any interference with Tenant's business arising from the making of any repairs, alterations or improvements to any portion of the Leased Premises, the Building, or to fixtures, appurtenances and equipment therein so long as Landlord is making reasonable good faith efforts to minimize such interference.

9.2 Maintenance and Repairs by Tenant. Tenant by occupying the Leased Premises accepts same as being in good and tenantable condition in accordance with Landlord's obligations. Tenant shall at Tenant's sole expense keep the Leased Premises and all interior partitions, door surfaces, fixtures, equipment and appurtenances (including lighting and plumbing fixtures) in good and sanitary condition and repair, ordinary wear and tear excepted; provided, however, with respect to such items that are shared with other tenants of the Building, Tenant shall pay its pro-rata share of such expenses. Tenant shall at the expiration or termination of the Lease Term surrender to Landlord the Leased Premises and all alterations, additions and improvements in the same condition as when received, ordinary wear and tear excepted. Landlord has no obligation and has made no promise to alter, remodel, improve, or repair the Leased Premises or any part thereof, except as specifically set forth in this Lease. Tenant also acknowledges that Landlord has made no representations or warranties respecting the condition of the Leased Premises or the Building, except as specifically set forth in this Lease. If any standard or regulation is imposed on Landlord or Tenant by any federal, state or local governmental or quasi-governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations with respect to the Leased Premises.

9.3 Failure to Maintain. If Tenant fails to keep and preserve the Leased Premises as set forth in Subsection 9.2 above, Landlord may, at its option, put or cause the same to be put in the condition and state of repair agreed upon, and in such case, upon receipt of written statements from Landlord, Tenant shall promptly pay the entire cost thereof. Landlord shall have the right, without liability, to enter the Leased Premises for the purpose of making such repairs upon the failure of Tenant to do so with fifteen (15) days' notice to Tenant, unless Landlord deems entry necessary without notice due to an emergency.

9.4 Surrender of Leased Premises. At the expiration or sooner termination of this Lease, Tenant shall return the Leased Premises to Landlord in the same condition in which received (or, if altered by Landlord or by Tenant with the Landlord's consent, then the Leased Premises shall be returned in



such altered condition), reasonable wear and tear excepted. Tenant shall remove all trade fixtures, appliances and equipment which do not become a part of the Leased Premises and shall restore the Leased Premises to the condition they were in prior to the installation of such items, reasonable wear and tear excepted.

9.5 Services. Landlord shall furnish the Leased Premises with:

(a) Electrical service capacity of one (1) 20-amp breaker per two hundred (200) square feet of the rentable floor area as provided in Section 1.1, subject to any limits set by any governmental authority with respect thereto;

(b) Heating and air conditioning to maintain a temperature in the Leased Premises which is customary for similar office space in the downtown Seattle, Washington area (but consistent with any applicable governmental regulations with respect thereto) during normal business operations from 7:30 a.m. to 6:00 p.m. daily, except for Saturdays, Sundays and those legal holidays generally observed in the State of Washington; provided, however, that Landlord's obligations hereunder shall be conditioned upon Tenant's complying with Landlord's instructions regarding use of window coverings and thermostats and Tenant not utilizing heat-generating machines or equipment which affect the temperature otherwise maintained by the air conditioning system;

(c) Elevator service;

(d) Re-lamping of Building Standard Lights;

(e) Access to restroom facilities;

(f) Access to drinking fountains;

(g) Exterior window washing with reasonable frequency; and

(h) Janitor service five (5) days per week.

9.6 Landlord's Duties. Landlord shall not be in default under this Lease or liable for any damages resulting from or incidental to, nor shall it be an actual or constructive eviction of the Tenant, nor shall the rent be abated by reason of:

(a) The interruption of use of any equipment in connection with the furnishing of any of the services described in this Section 9;

(b) Failure to furnish or delay in furnishing any such services when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord,



including the making of necessary repairs or improvements to the Leased Premises or to the Building;

(c) Any limitation, curtailment, rationing or restrictions on the use of electricity, water, gas or any other form of energy serving the Leased Premises or the Building; or

(d) Failure to make any repair or to perform any maintenance, unless such failure shall persist for an unreasonable time after written notice of the need for such repair or maintenance is given to Landlord by Tenant.

Landlord shall use reasonable efforts to remedy any interruption in the furnishing of such services.

9.7 Governmental Regulations. Any other provisions of this Section 9 notwithstanding, if any governmental agency or utility supplier imposes any regulations, controls, conditions, or other restrictions upon Landlord, Tenant, or the Building, which require or make desirable a change in the services provided by Landlord under this Lease or the lighting or equipment used by Tenant on the Leased Premises, Landlord may comply and may require Tenant to comply with such regulations, controls, conditions or restrictions without Landlord being in default under this Lease or liable for any damages to Tenant and without said actions constituting an actual or constructive eviction of Tenant or entitling Tenant to any abatement of rent. Without limiting the generality of the foregoing, it shall specifically include curtailment, rationing, or restrictions on the use of electricity and other sources of power, and recommended or mandated changes in temperatures to be maintained in the Building or the Leased Premises.

9.8 Heat Generating Equipment. Tenant may not, except with Landlord's prior written consent, use heat-generating machines or equipment or lighting other than Building Standard lights that affect temperatures otherwise maintained by the heating, ventilation and air conditioning system. If Tenant desires to use such machines, equipment or lighting, it shall so notify Landlord in writing. Landlord shall if requested use good faith efforts to advise Tenant whether use of such heat-generating items will necessitate modification or additions to the heating, ventilation, and air conditioning facilities in the Leased Premises or the Building and the estimated cost of such modifications or additions. If Tenant uses such heat-generating items, Landlord shall have the right to install, or to require Tenant to install, supplementary heating, ventilation and air conditioning facilities in the Leased Premises or otherwise modify the heating, ventilation and air conditioning system serving the Leased Premises, and the cost of such facilities and modifications (including without limitation the cost of design, installation, metering, operation and maintenance) shall be borne by Tenant. Tenant shall not

install or operate window-mounted heating or air conditioning units.

9.9 Hours. Tenant may utilize the heating, ventilation, and air conditioning systems for the Leased Premises during those hours when these systems are normally shut off - from 6:00 p.m. to 7:30 a.m. daily, and all day on Saturdays, Sundays, and those legal holidays generally observed in the State of Washington. Tenant shall pay Landlord on a monthly basis an amount, which will be determined and revised by Landlord from time to time, which shall compensate Landlord for all of the cost it incurs (including without limitation the cost of electricity, other power, heat, maintenance, metering and administration) as a result of Tenant's utilization of the systems during the hours described above.

9.10 Electricity Use. Tenant may not, except with Landlord's prior written approval, use electricity for lighting in excess of one and 33/100 (1.33) watts per square foot of rentable floor area in the Leased Premises. In addition, Tenant may not use electricity for other purposes in excess of that normally used by general office tenants, except with Landlord's prior written consent. If such consent is given, Tenant shall pay Landlord an amount equal to the sum paid by the Landlord for such additional energy. Unless this amount can be mutually agreed upon between the parties hereto, it shall be determined by measurements through metering equipment furnished and installed by the Landlord at the Tenant's cost, and the additional cost of electrical energy so required by the Tenant shall be computed at the marginal rate charged the Landlord by the utility company. In no event shall the Tenant's use of electricity exceed the capacity of existing feeders to the Building or the risers or wiring installation, and the Landlord may prohibit the use of any electrical equipment which in the Landlord's opinion will overload such wiring or interfere with the use thereof by other tenants in the Building. If Landlord consents to the use of equipment requiring such changes, Tenant shall pay the cost of installing any additional risers, panels or other facilities that may be necessary to furnish energy to the Leased Premises.

9.11 Conservation. Tenant shall use its best efforts to conserve heat, air conditioning, electricity and water usage on the Leased Premises.

10. LIENS AND ENCUMBRANCES. Tenant shall keep the Leased Premises and the Building, free from any liens or encumbrances arising out of any work performed, materials furnished or obligations incurred by Tenant, and shall indemnify and hold Landlord harmless from any and all costs, liability or expenses (including attorneys' fees) arising therefrom.

11. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, nor sublet the whole or any part of the Leased Premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the consent of Landlord. Landlord reserves the right to refuse to give such consent if in Landlord's reasonable business judgment the quality of business experience or the financial worth of the proposed new tenant is less than that of Tenant. For the purposes hereof, if Tenant is a partnership, a transfer of twenty-five percent (25%) or more of the general partners' interests in a partnership shall be deemed an assignment. For the purposes hereof, a consolidation or merger of Tenant (or if Tenant is a partnership, one or more of whose partners is a corporation, then of such corporation(s)), or a change in more than twenty-five percent (25%) of the issued and outstanding voting or non-voting stock of Tenant (or if Tenant is a partnership, one or more of whose partners is a corporation, then of such corporation(s)) shall be deemed an assignment. Tenant agrees to reimburse Landlord for Landlord's reasonable attorneys' fees incurred in conjunction with the processing and documentation of any such requested transfer, assignment, subletting, licensing or concession agreement, change of fee ownership or hypothecation of this Lease or Tenant's interest in the Leased Premises..

12. INSURANCE AND INDEMNITY.

12.1 Indemnification. Landlord shall not be liable for injury to any person, or for the loss of or damage to any property (including property of Tenant) occurring in or about the Leased Premises from any cause whatsoever, except for Landlord's negligence or willful misconduct. Tenant hereby indemnifies and holds Landlord harmless from and against and agrees to defend Landlord against any and all claims, charges, liabilities, obligations, penalties, damages, costs and expenses (including attorneys' fees) arising, claimed, charged or incurred against or by Landlord from any matter or thing arising from Tenant's use of the Leased Premises, the conduct of its business or from any activity, work or other things done, permitted or suffered by the Tenant in or about the Leased Premises, and Tenant shall further indemnify and hold harmless Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part or to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon and in case any action or proceeding be brought against Landlord by reason of such claim. Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. The indemnification provided for in this paragraph with respect to any acts or omission during

the term of this Lease shall survive any termination or expiration of this Lease. Landlord shall not be liable for interference with light or air or view or for any latent defect in the Leased Premises. Tenant shall promptly notify Landlord of casualties or accidents occurring in or about the Leased Premises. In the event of concurrent negligence of Tenant, its agents, employees, sublessees, invitees, licensees or contractors on the one hand, and that of Landlord, its partners, directors, officers, agents, employees, or contractors on the other hand, which concurrent negligence results in the injury or damage to persons or property and relates to the construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of the Leased Premises, common areas or buildings, Tenant's obligation to indemnify Landlord as set forth in this Section shall be limited to the extent of Tenant's negligence, and that of its agents, employees, sublessees, invitees, licensees or contractors, including Tenant's proportional share of costs, and attorneys' fees and expenses incurred in connection with any claim, action or proceeding brought with respect to such injury or damage. Tenant hereby agrees to waive its immunity under Industrial Insurance. Tenant and Landlord further agree that this indemnification provision was specifically negotiated and agreed to by the parties hereto.

12.2 Insurance. During the entire Term Tenant shall, at its expense, maintain adequate liability insurance with a reputable insurance company or companies with a combined single limit of \$1,000,000 for personal injuries or property damage, to indemnify both Landlord and Tenant against any such claims, demands, losses, damages, liabilities and expenses. Landlord shall be named as one of the insureds and shall be furnished with a certificate of such insurance, which shall bear an endorsement that the same shall not be cancelled except upon not less than twenty (20) days' prior written notice to Landlord. Tenant shall also at its own expense maintain, during the Term, all-risk insurance covering its furniture, fixtures, equipment and inventory in an amount equal to the replacement cost thereof, and insurance covering all plate glass and other glass on the Leased Premises. Tenant shall provide Landlord with copies of the policies of insurance or certificates thereof.

12.3 Increase in Insurance Premium. Tenant shall not keep, use, sell or offer for sale in or upon the Leased Premises any article which may be prohibited by the standard form of fire insurance policies. Tenant shall pay any increase in premium for casualty and fire (including extended coverage) insurance that may be charged during the Term on the amount of such insurance which may be carried by Landlord on the Leased Premises or the Building, resulting from Tenant's occupancy or from the type of property which Tenant stores on the Leased Premises, whether or not Landlord has consented thereto. In such event, Tenant shall also pay any additional premium on the insurance policy that

Landlord may carry for its protection against rent loss through fire or casualty.

12.4 Waiver of Subrogation. Landlord and Tenant hereby mutually release each other from liability and waive all right of recovery against each other, their agents or employees, for any loss in or about the Leased Premises, from perils insured against under their respective fire and all-risk insurance contracts, including any extended coverage endorsements thereof, whether due to negligence or any other cause; provided that this Subsection shall be inapplicable if it would have the effect, but only to the extent it would have the effect, of invalidating any insurance coverage of Landlord or Tenant.

### 13. EMINENT DOMAIN.

1.3 Taking. If all or part of the Leased Premises are taken by the power of eminent domain exercised by any governmental or quasi-governmental authority, this Lease shall terminate as of the date Tenant is required to vacate the Leased Premises and all Monthly Base Rent and other rentals and charges due hereunder shall be paid to that date. The term "eminent domain" shall include the taking or damaging of property by, through or under any governmental or quasi-governmental authority, and any purchase or acquisition in lieu thereof, whether or not the damaging or taking is by the government or any other person. If part of the Building is taken or appropriated but no portion of the Leased Premises is taken or appropriated, this Lease may, at the option of the Landlord, be terminated by written notice given to the Tenant not more than thirty (30) days after Landlord receives notice of the taking or appropriation. If part of the Building is taken or appropriated but no portion of the Leased Premises is taken or appropriated and if such taking or appropriation has a material adverse affect on Tenant's business this Lease may, at the option of Tenant, be terminated by written notice given to Landlord within sixty (60) days of receipt of notice by Tenant of such proposed taking. Such terminations shall be effective as of the date when the Landlord or its tenants are required to vacate the portion of the Building so taken.

13.2 Damages. Landlord reserves all rights to the entire damage award or payment for any taking by eminent domain, and Tenant shall make no claim whatsoever against Landlord for damages. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to such damages to which Landlord is entitled under this Subsection 13.2 and agrees to execute and deliver such further instruments of assignment thereof as Landlord may from time to time request. Tenant shall, however, have the right to claim from the condemning authority all compensation that may be recoverable by Tenant, for damages on account of any loss incurred by Tenant in removing Tenant's merchandise, furniture, trade fixtures and equipment or for damage

to Tenant's business; provided, however, that Tenant may claim such damages only if they are awarded separately in the eminent domain proceeding and not as part of Landlord's damages.

#### 14. TENANT'S DEFAULT.

14.1 Default. After ten (10) days' prior written notice to Tenant, Landlord may at its option pay any amounts which Tenant is obligated to pay to third parties pursuant to this Lease, in which event Tenant shall pay Landlord upon demand. All amounts in addition to Monthly Base Rent which Tenant is required to pay under this Lease shall be considered "additional rent." The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.

(a) Vacating the Leased Premises. The vacating or abandonment of the Leased Premises by Tenant or the failure of Tenant to be open for business (except in the event of damage or destruction to the Leased Premises which prevents Tenant from conducting any business thereon or damage to the Leased Premises beyond Tenant's reasonable control) for more than ten (10) business days.

(b) Failure to Pay Rent. The failure by Tenant to make any payment of Monthly Base Rent, additional rent, Operating Costs, or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant.

(c) Failure to Perform. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than described in Subsection 14.1(b) above, where such failure shall continue for a period of fifteen (15) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than fifteen (15) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said fifteen (15) day period and thereafter diligently prosecutes such cure to completion.

(d) Bankruptcy. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition of reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days of filing); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at or operated from the Leased Premises or of Tenant's interest in this Lease, where such seizure is not



discharged in thirty (30) days after appointment of such trustee or receiver, or the filing of the petition for the appointment of the same, whichever shall first occur.

14.2 Remedies in Default. In the event of any such default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

(a) Terminate Lease. Terminate Tenant's right to possession of the Leased Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Leased Premises to Landlord. In such event Landlord shall be entitled to recover from the Tenant all past due rents and Operating Costs to the date of award by the court having jurisdiction thereof; the expenses of reletting the Leased Premises, including necessary renovation and alteration of the Leased Premises and reasonable attorneys' fees; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and Operating Costs called for herein for the balance of the Term after the time of such award exceeds the amount of such loss for the same period that Tenant proves could be reasonably avoided; and that portion of any leasing commission paid by Landlord and applicable to the unexpired Term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate provided in Subsection 4.3; or

(b) Continue the Lease. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Leased Premises. In such event Landlord shall be entitled to enforce all Landlord's rights and remedies under this Lease, including the right to recover the Monthly Base Rent, Operating Costs and additional rent as may become due hereunder but Landlord shall also be required to mitigate its damages by seeking to re-let the Leased Premises; or

(c) Other Remedies. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of Washington.

14.3 Legal Expenses. If either party is required to bring or maintain any action (including assertion of any counterclaim or cross-claim, or claim in a proceeding in bankruptcy, receivership or any other proceeding instituted by a party hereto or by others), or otherwise refers this Lease to an attorney for the enforcement of any of the covenants, terms or conditions of this Lease, the prevailing party in such action shall, in addition to all other payments required herein, receive from the other all the costs incurred by the prevailing party

including reasonable attorneys' fees which the prevailing party incurred in such an action or on any appeal.

14.4 Remedies Cumulative - Waiver. Landlord's remedies hereunder are cumulative and the Landlord's exercise of any right or remedy due to a default or breach by Tenant shall not be deemed a waiver of, or to alter, affect or prejudice any right or remedy which Landlord may have under this Lease or by law. Neither the acceptance of rent nor any other acts or omission of Landlord at any time or times after the happening of any event authorizing the cancellation or forfeiture of this Lease, shall operate a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Landlord of its right to cancel or forfeit this Lease, upon the written notice provided for herein, at any time that cause for cancellation or forfeiture may exist, or be construed so as at any time to stop Landlord from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease, at law or in equity.

15. DEFAULT BY LANDLORD. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice by Tenant to Landlord and to the holder of any mortgage or deed of trust covering the Leased Premises which describes the default; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall provide the holder of the mortgage or deed of trust with notice and time to cure as provided in Subsection 17.3.

16. DAMAGE OR DESTRUCTION.

16.1 Damage and Repair. In case of damage to the Leased Premises or the Building by fire or other casualty, Tenant shall give immediate notice to Landlord. If the Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed thirty percent (30%) of the replacement value of the Building (exclusive of foundations) just prior to the occurrence of the damage, or if insurance proceeds sufficient for restoration are for any reason unavailable, then Landlord may no later than the sixtieth (60th) day following the damage, give Tenant a notice of election to terminate this Lease. In the event of such an election this Lease shall be deemed to terminate on the third (3rd) day after the giving of said notice, and Tenant shall surrender possession of the Leased Premises within a reasonable time thereafter, and the Monthly Base Rent and Operating Costs shall be apportioned as of the date of said surrender and any rent paid for any period beyond said date shall be repaid to Tenant. If the cost



of restoration as estimated by Landlord shall amount to less than thirty percent (30%) of such replacement value of the Building and insurance proceeds sufficient for restoration are available, or if despite the cost Landlord does not elect to terminate this Lease, Landlord shall restore the Building and the Leased Premises (to the extent of improvements to the Leased Premises originally provided by Landlord hereunder) with reasonable promptness, subject to delays beyond Landlord's control and delays in the making of insurance adjustments by Landlord, and Tenant shall have no right to terminate this Lease except as herein provided. To the extent that the Premises are rendered untenable, the Rent shall proportionately abate, except in the event such damage resulted or was contributed to directly or indirectly from the act, fault or neglect of Tenant, Tenant's officers, contractors, agents, employees, invitees or licensees, in which event rent shall abate only to the extent Landlord receives proceeds from Landlord's rental income insurance policy to compensate Landlord for loss of rent.

16.2 Destruction During Last Year of Term. In case the Building shall be substantially destroyed by fire or other cause at any time during the last twelve (12) calendar months of the Term or of any extensions or renewals thereof, either Landlord or Tenant may terminate this Lease upon written notice to the other party hereto given within sixty (60) days of the date of such destruction.

16.3 Business Interruption. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Leased Premises or of the Building. Landlord shall use its best efforts to effect such repairs promptly.

16.4 Tenant Improvements. Landlord will not carry insurance of any kind on any improvements paid for by Tenant or on Tenant's furniture or furnishings or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same.

16.5 Express Agreement. The provisions of this Section shall be considered an express agreement governing any case of damage or destruction of the Building or Leased Premises by fire or other casualty.

17. SUBORDINATION AND ATTORNMENT: MORTGAGEE PROTECTION.

17.1 Subordination. At the request of Landlord, Tenant shall promptly execute and deliver all instruments which may be appropriate to subordinate this Lease to any existing or future mortgages or deeds of trust on the Building or on the

leasehold interest held by Landlord, and to any extensions, renewals, or replacements thereof; provided, that the mortgagee or beneficiary, as the case may be, shall agree, in exchange for the agreement of Tenant to attorn to such mortgagee or beneficiary, to recognize this Lease in the event of foreclosure if Tenant is not in default at such time.

17.2 Tenant's Certificate. Tenant shall at any time and from time to time upon not less than three (3) days' prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth the date of commencement of rents and expiration of the Lease Term hereof. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Building.

17.3 Mortgagee Protection Clause. Tenant agrees to give any mortgagees or deed of trust holders, by registered or certified mail, a copy of any notice of default served upon the Landlord, provided that prior to such notice Tenant has been notified in writing of the addresses of such mortgagees or deed of trust holders. Notwithstanding anything to the contrary in this Lease, the Landlord shall not be in default under any provision of this Lease unless written notice specifying such default is given to Landlord and to all persons who have an interest in all or part of the Building as mortgagee and/or deed of trust beneficiary, and the provisions of Section 15 have been complied with. Tenant further agrees as follows: (i) if Landlord fails to cure or commence the cure of such default within the time period allowed under Section 15, above, then a mortgagee or deed of trust beneficiary shall have an additional thirty (30) days within which to cure such default; and (ii) if such default cannot be cured within that time, then a mortgagee or deed of trust beneficiary shall have such additional time as may be necessary if within such additional thirty (30) days any mortgagee or deed of trust beneficiary has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings if necessary to affect such cure); in which event this Lease shall not be terminated if such remedies are being so diligently pursued.

18. ACCESS BY LANDLORD. Landlord or Landlord's employees, agents, and contractors shall have the right to enter the Leased Premises with reasonable notice to examine the same or to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable. If Tenant is not

personally present to permit entry and an entry is necessary, Landlord may in case of emergency forcibly enter the same, without rendering Landlord liable therefor. Nothing contained herein shall be construed to impose upon Landlord any duty of repair of the Leased Premises or Building except as otherwise specifically provided for herein.

19. SURRENDER OR ABANDONMENT OF LEASED PREMISES.

19.1 Surrender of Possession. Tenant shall promptly yield and deliver to Landlord possession of the Leased Premises at the expiration or prior termination of this Lease. Landlord may place and maintain a "For Rent" sign in conspicuous places on the Leased Premises for sixty (60) days prior to the expiration or prior termination of this Lease.

19.2 Holding Over. Any holding over by Tenant after the expiration of the Term hereof, with Landlord's consent, shall be construed to be a tenancy from month-to-month at the rents and on all of the terms and conditions set forth herein, to the extent not inconsistent with a month-to-month tenancy; provided, however, the Monthly Base Rent shall equal two hundred percent (200%) of the Monthly Base Rent in effect immediately prior to such month-to-month tenancy.

19.3 Abandonment. Should Tenant vacate or abandon the Leased Premises or be dispossessed by process of law or otherwise for more than ten (10) business days, such abandonment, vacation or dispossession shall be deemed a breach of this Lease, and, in addition to any other rights which Landlord may have, Landlord may remove any personal property belonging to Tenant which remains on the Leased Premises and store the same, the cost of such removal and storage to be charged to the account of Tenant.

19.4 Voluntary Surrender. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, but shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or operate as an assignment to it of any or all such subleases or subtenancies.

20. QUIET ENJOYMENT. Tenant, upon fully complying with and promptly performing all of the terms, covenants and conditions of this Lease on its part to be performed, and upon the prompt and timely payment of all sums due hereunder, shall have and quietly enjoy the Leased Premises for the Term set forth herein as against any adverse claim of Landlord or any party claiming under Landlord.

21. AUTHORITY OF PARTIES. If Tenant is a corporation, each individual executing this Lease on behalf of such corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance

with a duly adopted resolution of the board of directors of such corporation, that such action and execution is in accordance with the bylaws of such corporation, and that this Lease is binding upon such corporation in accordance with its terms. Tenant has designated the person named in Section 1.1 as Tenant's Representative. Landlord may rely on all communications and statements of the Tenant's Representative as the authorized communications and statements of Tenant. Tenant may notify Landlord that another individual is the Tenant's Representative and Landlord may rely on the communications and statements of such individual.

22. SIGNS. Tenant shall not place or suffer to be placed on the exterior walls of the Leased Premises or upon the roof or any exterior door or wall or on the exterior or interior of any window thereof any sign, awning, canopy, marquee, advertising matter, decoration, letter or other thing of any kind (exclusive of the signs, if any, which may be provided for in the original construction or improvement plans and specifications approved by the Landlord or Tenant hereunder), without the prior written consent of Landlord.

23. MISCELLANEOUS.

23.1 Tenant Defined. The word "Tenant" as used herein shall mean each and every person, partnership or corporation who is mentioned as a Tenant herein or who executes this Lease as Tenant.

23.2 Broker's Commission. Tenant represents and warrants that it has incurred no liabilities or claims for brokerage commissions or finder's fee in connection with the execution of this Lease and that it has not dealt with or has any knowledge of any real estate broker, agent or salesperson in connection with this Lease except the Broker whose name is set forth in Subsection 1.1. Tenant agrees to indemnify and hold Landlord harmless from all such liabilities or claims (including, without limitation, attorneys' fees).

23.3 Partial Invalidity. If any term, covenant, or condition of this Lease or the application thereof to any person or circumstances is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

23.4 Recording. Tenant shall not record this Lease without the prior written consent of Landlord. However, upon the request of Landlord or Tenant, both parties shall execute a memorandum or "short form" of this Lease for the purposes of

recordation in a form customarily used for such purposes. Said memorandum or short form of this Lease shall describe the parties, the Leased Premises and the Term and shall incorporate this Lease by reference.

23.5 Notices. Any notice required in accordance with any of the provisions herein if to Landlord shall be delivered or mailed by registered or certified mail to the address of Landlord as set forth by the signature of the Parties, or at such other place as Landlord may in writing from time to time direct to Tenant, and if to Tenant, shall be delivered or mailed by registered or certified mail to Tenant at the Leased Premises. If there is more than one Tenant, any notice required or permitted hereunder may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof.

23.6 Waiver. The waiver by Landlord or Tenant of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of Monthly Base Rent, additional rent, or any Operating Costs or sum hereunder by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant or condition of this Lease, regardless of Landlord's knowledge of such preceding default at the time of the acceptance of such sum.

23.7 Joint Obligation. If there be more than one Tenant, the obligations hereunder imposed shall be joint and several.

23.8 Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

23.9 Successors and Assigns. All the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and their respective heirs, administrators, executors, successors and assigns, and upon any person or persons coming into ownership or possession of any interest in the Leased Premises by operation of law or otherwise, and shall be construed as covenants running with the land.

23.10 Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

23.11 Choice of Law. This Lease shall be governed by the laws of the State of Washington.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above set forth.

LandlordTenant

COLUMBIA SECOND ASSOCIATES

By AreaGroup, Inc.  
Its General PartnerBy [Signature]  
Its PresidentBy Bayley Columbia, Inc.  
Its General PartnerBy [Signature]  
Its VICE PRESIDENT

TRA

By [Signature]  
Its General PartnerBy \_\_\_\_\_  
Its General PartnerBy \_\_\_\_\_  
Its General PartnerBy \_\_\_\_\_  
Its General PartnerBy \_\_\_\_\_  
Its General PartnerBy \_\_\_\_\_  
Its General PartnerBy \_\_\_\_\_  
Its General PartnerBy \_\_\_\_\_  
Its General Partner

STATE OF WASHINGTON )  
 ) ss.  
 COUNTY OF KING )

I certify that I know or have satisfactory evidence that ALLEN D. MOSES is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the CHAIRMAN of AreaGroup, Inc., the General Partner of COLUMBIA SECOND ASSOCIATES, a Washington general partnership, to be the free and voluntary act of such partnership for the uses and purposes mentioned in the instrument.

Dated: 12-14-89

(Seal or stamp)

Frederic MacDonnell  
 (Signature)  
 Title Accts Payable  
 My appointment expires 1990

STATE OF WASHINGTON )  
 ) ss.  
 COUNTY OF KING )

I certify that I know or have satisfactory evidence that Ronald E. Bayley is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of Bayley Columbia, Inc., the General Partner of COLUMBIA SECOND ASSOCIATES, a Washington general partnership, to be the free and voluntary act of such partnership for the uses and purposes mentioned in the instrument.

Dated: 1/22/90

(Seal or stamp)

Ronald E. Bayley  
 (Signature)  
 Title President R E Bayley  
 My appointment expires 1/11/91

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## STATE OF WASHINGTON - KING COUNTY

32759  
City of Seattle

—ss.

No.

### 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

ORD: 115429

was published on

12/14/90

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

M. S. Kipton  
Subscribed and sworn to before me on

DEC 14 1990  
Sheila R. Vandersark

Notary Public for the State of Washington,  
residing in Seattle



# City of Seattle

ORDINANCE 113423

AN ORDINANCE relating to the Department of Administrative Services; amending Seattle Municipal Code (SMC) Section 3.18.200A and SMC 3.18.240 to increase the term and the amount of annual rent per square foot for which non-City-owned properties may be leased by the City.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code (SMC) 3.18.200A is amended as follows:

A. The Director of Administrative Services is authorized to negotiate and execute for and on behalf of the City, real property leases for the purpose of acquiring necessary facilities for use by City departments and agencies to carry out authorized functions and programs. The term of any such lease shall not exceed ~~((thirty-six(36)))~~ sixty (60) consecutive calendar months.

Section 2. Seattle Municipal Code 3.18.240 is amended as follows:

All leases executed pursuant to the authority of Section 3.18.200 shall conform to the following requirements:

A. Rental payments for office space shall not exceed a rate of ~~((Thirteen-Dollars-(\$13.00)))~~ Fifteen Dollars (\$15.00) per square foot per year and the total square footage leased in any one (1) rental agreement in any one (1) calendar year shall not exceed five thousand (5,000) square feet for such space in any single building or other facility.

B. Rental payments for improved space other than office space shall not exceed ~~((Five-Dollars-(\$5.00)))~~ Six Dollars (\$6.00) per square foot per year, and the total square footage leased in any one (1) rental agreement in any one (1) calendar year shall not exceed nine thousand (9,000) square feet for such space in any single building, structure or other facility.

C. Rental payments for unimproved real estate, or land used for parking or open storage purposes shall not exceed ~~((Two-Dollars-and-Fifty-Cents-(\$2.50)))~~ Three Dollars and Fifty Cents (\$3.50) per square foot per year, and the total square footage leased in any one (1) calendar year shall not exceed eighteen thousand (18,000) square feet for such space in any single building, structure or other facility.

D. The dollar amounts specified in Subsections 3.18.200A, -B, and -C shall be increased annually, by the percentage increase in the Consumer Price Index For All Urban Consumers, Seattle-Tacoma Metropolitan Area (1982-84 = 1990) as published by the U.S. Department of Labor, Bureau of Labor Statistics, or its successor; Provided, that if the Consumer Price Index is discontinued or its base is changed, a comparable index shall be substituted.

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

Section 4. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 28th day of November, 1990, and signed by me in open session in authentication of its passage this 28th day of November, 1990.

PAUL KRAABEL  
President of the City Council  
Approved by me this 6th day of December, 1990.  
NORMAN B. RICE,  
Mayor  
Filed by me this 6th day of December, 1990.