

KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

Signature Report

December 13, 2010

Ordinance 16993

	Proposed No. 2010-0508.2 Sponsors Patterson
1	AN ORDINANCE approving one public health clinic lease
2	in order to provide continuing public health services in
3	Auburn, Washington.
4	BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:
5	SECTION 1. Findings:
6	A. King County department of public health provides essential public health
7	services in the cities of Auburn and Seattle.
8	B. The King County executive has negotiated a lease for the King County public
9	health clinic located in Auburn. The lease is necessary to provide essential public health
10	services. The Auburn Public Health Clinic is located at 901 Auburn Way North, Auburn,
11	WA.
12	C. In accordance with K.C.C. 4.04.040, the King County council may adopt an
13	ordinance permitting the county to enter into contracts requiring the payment of funds
14	from the appropriation of subsequent fiscal years. These leases are subject to K.C.C.
15	4.04.040.
16	SECTION 2. The appropriate county officials, agents and employees are hereby
17	authorized to take all actions necessary to implement these leases and all actions up to
18	now taken by county officials, agent and employees consistent with the terms and
19	purposes of the lease agreement are hereby ratified, confirmed and approved.

20	SECTION 3. If any one or more of the covenants or agreements provided in this
21	ordinance to be performed on the part of the county is declared by any court of competent
22	jurisdiction to be contrary to law, then such covenant or covenants, agreement or
23	agreements are null and void and shall be deemed separable from the remaining
24	covenants and agreements of this ordinance and in no way affect the validity of the other
25	provisions of this ordinance or of the lease.
26	SECTION 4. The lease at the following location, executed by the King County

27 executive, is hereby approved:

Auburn Public Health Clinic - 901 Auburn Way North, Auburn WA.

29

Ordinance 16993 was introduced on 9/13/2010 and passed by the Metropolitan King County Council on 12/13/2010, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague, Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr. McDermott No: 0 Excused: 0

> KING COUNTY COUNCIL KING COUNTY, WASHINGTON

RECEIVE TEC 22 PH 4:

Robert W. Ferguson, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this <u>als</u> day of <u>Delember</u>, 2010.

XU

Dow Constantine, County Executive

Attachments: A. Lease Agreement--Lease#1882



2010-0508 Attachment A 16993

Lease #1882

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated $(\underline{\mu} \underline{\mu} \underline{30}, 2008 \text{ (for reference purposes only),}$ is made by and between M-4 LLC, a Washington limited liability company (hereinafter called Lessor) and King County, a political subdivision of the State of Washington (hereinafter called Lessee):

WITNESSETH:

1. <u>Premises:</u> Lessor does hereby agree to lease to Lessee for use as a medical/public health clinic and related office space those certain premises consisting of a single tenant use building comprising approximately 8500 square feet, shown outlined in red on Exhibit A attached hereto, situated in the City of Auburn, County of King, Washington, at 901 Auburn Way North, and legally described on Exhibit A.1:

2. <u>Term:</u>

2.1 The term of this lease shall be for one hundred twenty (120) months, commencing on or about the 1st day of September, 2008 (or such earlier or later date as set forth in 2.2 below) and terminating on the 30th day of July, 2018.

2.2 This lease shall commence on the date the construction of tenant improvements is substantially complete so that Lessee may occupy the premises, which shall be called the "Date of Possession" hereunder. If Lessor cannot deliver possession of the premises to Lessee on September 1, 2008, the above commencement date, possession of the premises shall be delivered to the Lessee within a reasonable time, not to exceed ninety (90) days. The Lessee's obligation to pay rent under Section 4 shall not begin until Lessor delivers possession of the premises to Lessee. If the Lessor fails to deliver possession of the premises to the Lessee on or before ninety (90) days, this lease shall be voidable at the sole option of the Lessee, unless such delay is caused by Lessee.

2.3 The County's obligations to Lessor that extend beyond 2008 are contingent upon approval of the execution of the lease by the King County Council on or before December 31, 2008. Additionally, The County's obligations to Lessor that extend beyond 2008 are contingent upon the appropriation by the King County Council of sufficient funds to pay such obligations. Should such initial lease approval or funding appropriation not occur, this lease and all County obligations hereunder will terminate at the end of the calendar year in which such approval or appropriation expires. In addition, if grant funding for the project is cancelled or not renewed, this lease and all County obligations

hereunder will terminate. Notwithstanding the above, and in light of the substantial sum of money being spent by Lessor for tenant improvements, in the event this lease is terminated at any time during the ten (10) years of the lease term, Lessee agrees to pay a termination fee of One Million Dollars (\$1,000,000), which amount shall be reduced by Eight Thousand Three Hundred Thirty Three Dollars (\$8333) for every month during the lease term that rent has been paid. This termination fee will be waived by Lessor if the lease is terminated, after proper notice, at any time during the last twelve (12) months of the ten (10) year least term. Lessee will not be released from its obligations under this lease until such termination fee is paid.

Notwithstanding the above, if and when the lease is initially approved by the King County Council, Lessee agrees that it will thereafter provide Lessor with at least twelve (12) months prior written notice of its intention to terminate the lease under this section 2.3 (or pay rent and other amounts due hereunder for such period of time that is less than twelve (12) months), and that any such termination will be exercised only in the event that the public health program being provided in the premises is not able to secure necessary appropriations or funding from the King County Council to continue. Such termination right will not be unreasonably utilized by Lessee.

3. <u>Preparation of Premises and Delivery of Possession:</u> Lesse accepts the premises in their current, as is condition. Lessor shall have no obligation to perform any work in the premises except as expressly set forth in Section 37 with regard to construction of tenant improvements. The premises shall be deemed completed and premises delivered on the Date of Possession as set forth in Section 2.2.

4. <u>Rent:</u> For the first sixty (60) months of the lease term, Lessee covenants and agrees to pay Lessor, at Lessor's address, without deduction or offset, except as provided in Section 2 above, monthly rent in the amount of Seventeen Thousand Dollars (\$17,000) payable in advance, without prior notice or demand, on the first day of each month of the lease term, beginning on the date Lessor delivers possession of the premises to Lessee. After five years, the monthly rent shall increase to the amount of Nineteen Thousand Forty Dollars (\$19,040) for the remaining sixty (60) months of the lease term. Rent for any fractional calendar month, at the beginning of the calendar term, shall be prorated.

5. <u>Taxes and Insurance</u>: Lessee hereby agrees to pay before delinquency (or to reimburse Lessor for the payment of as part of the operating expenses, whichever Lessor directs) Lessee's share of all taxes, general and special, including assessments for local improvements, and the premiums payable for a fire/all risk insurance policy covering the premises, in an amount equal to the replacement cost.

Utilities and Service: The Lessee shall pay for, at its sole expense, electricity,

water, sewer, garbage removal, air conditioning and all other utilities and services which may be separately charged to the premises. Lessee shall also pay its share of the Common Area/operating expenses (discussed in Section 33 below) for maintenance of the shopping center in which the premises is located, commensurate with good building management practices, as defined by the guidelines of the Building Owners and Managers Association. To the extent utilities are not separately metered, these will be paid by Lessee as part of the operating expenses allocated to Lessee.

6. <u>Alterations and Maintenance</u>: 6.1 Lessee shall not make any alterations or additions to the premises without the prior written permission of the Lessor, which consent shall not be unreasonably withheld. Any alterations shall become the property of Lessor upon termination of the lease, unless Lessor requires to removal of some or all of such alterations or additions, in which event Lessee shall restore the premises to their condition prior to the installation, normal wear and tear excepted.

6.2 Except for those obligations of Lessor as set forth below in this Section 6.2, and as provided in Sections 13 and 18 and 37, Lessee at its sole cost, agrees to keep all portions of the building in which the premises are located and the premises in good repair, suitable for use as the purpose so defined in paragraph one of this lease. Lessee shall comply with all laws and regulations applicable to the premises. Additionally, Lessee shall at all times keep in effect a contract with an independent contractor for the maintenance of the air conditioning, heating and ventilation equipment serving the Premises; provided that Lessor may elect to employ a company to provide such services, the cost of which will be paid for by Lessee as part of its share of the operating costs. If the Lessee fails to perform its obligations hereunder, Lessor may, but is not required to, after seven (7) days written notice, perform them and the cost thereof shall be due and payable by Lessee.

During the term of this lease, and after construction of the tenant improvements, the Lessor shall be responsible only to repair and maintain the structural portions of the building in which the premises is located, unless such repairs are required as a result, in whole or in part, of the act or neglect of any duty by Lessee, its agents, servants, employees, or invitees, in which event Lessee shall pay to Lessor the reasonable cost of such maintenance and repairs. Lessor shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Lessor by Lessee.

7. <u>Signs:</u> All signs placed by Lessee on or about the premises shall be subject to Lessor's prior written approval, and the approval of the City of Auburn and any other applicable agency.

8. <u>Fixtures:</u> All fixtures attached to the premises solely by the Lessee may be removed by the Lessee at any time provided (a) that the Lessee shall restore the premise to their condition prior to the installation of the fixtures, normal wear and tear excepted; (b) the Lessee shall not then be in default; and (c) that the removal will be made on or before the expiration of the

term or any extension thereof.

9. <u>Indemnity and Hold Harmless:</u> Lessor and Lessee mutually agree that in any and all causes of action and/or claims, or third party claims, arising under the terms, activities, use and /or operations of this Lease, including the leased premises, each party shall be responsible to the other only to the extent of each other's comparative fault in causing alleged damages or injuries. Notwithstanding the provisions of 11 (below), each party agrees to indemnify the other to the extent of the indemnitor and indemnitee's proportional share.

As to any and all causes of actions and/or claims, or third-party claims, arising under the sole fault of a party to this Lease, said party shall have a duty to defend, save, and hold the other party harmless, and upon failure to do so, said party shall pay reasonable attorney's fees, costs and expenses incurred by the other party to this Lease in defense of said claims and/or actions.

10. <u>Insurance</u>: The Lessor acknowledges, accepts, and agrees that the Lessee is selfinsured and Lessee will provide proof of such self-insurance upon the request of the Lessor.

11. <u>Arbitration:</u> Lessor and Lessee agree that should any dispute arise concerning this lease both parties shall submit to binding arbitration.

12. <u>Subletting and Assignment; Use:</u> Lessee shall not sublet the whole or any part of the premises, nor assign this lease or any interest thereof, without the prior written consent of the Lessor. The use of the premises, as set forth herein and in Section 1 above, shall not change without the prior written consent of Lessor. In no event shall Lessee operate a retail pharmacy dispensing drugs to persons other than in-house patients of Lessee.

13. <u>Damage or Destruction</u>: In the event the premises are damaged to such an extent as to render them untenantable in whole or in part and Lessor elects to repair or rebuild, the work shall be prosecuted without unnecessary delay. Rent shall be abated while such work is in progress, in the same ratio that the portion of the leased premises that is unfit for occupancy shall bear to the whole of the leased premises. If after a reasonable time the Lessor shall fail to proceed to repair or rebuild, Lessee shall have the right to declare this lease terminated by written notice served on the Lessor. In the event the building, in which the leased premises are located, shall be destroyed or damaged to such extent that in the opinion of the Lessor it shall not be practical to repair or rebuild, it shall be optional with Lessor to terminate this lease by written notice to Lessee within one hundred twenty days after such damage or destruction.

14. <u>Liens:</u> Lessor and Lessee shall keep the premises and the building in which the premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee or Lessor.

15. <u>Right of Entry:</u> Lessor reserves and shall at any and all reasonable times have the right to enter the premises, inspect the same, to show the premises to prospective purchasers, mortgagees, or tenants, and to the extent required under this Lease, to repair the building of which

the premises are a part and may for the purpose erect scaffolding and other necessary structures when reasonably required by the character of the work performed, all as providing that the entrance to the premises shall not be blocked thereby, and further providing that the business of Lessee shall not be interfered with unreasonably. Except for emergencies, Lessor shall give reasonable notice before entry to repair the premises.

For each of the aforesaid purposes, Lessor shall at all times have and retain a key with which to unlock all of the doors, in, upon, and about the premises, excluding Lessee's vaults, safes, and files, and Lessor shall have the right to use any and all means which Lessor may deem proper to open said doors in an emergency, in order to obtain entry to the premises without liability to Lessee except for any failure to exercise due care for Lessee's property. Any entry to the premises obtained by Lessor by any of said means or otherwise shall not under any circumstances be construed or deemed to be forceful or unlawful entry into, or a detainer of the premises, or an eviction of Lessee for the premises or any portion thereof provided said entry relates to emergency purposes as aforesaid. Lessee agrees to allow "to lease" signs of reasonable size to be placed in and remain upon the exterior or interior of the premises during the last one hundred eighty days of the lease term.

Hazardous Substances: 16.1 Lessor and Lessee mutually agree that to the best of 16. their knowledge, no generation, use, release, handling, transportation, treatment or storage of hazardous substances (Hazardous Substances) exist on the premises. Lessor acknowledges and fully discloses that, to the best of its knowledge, the premises contain no Hazardous Substances as defined by applicable law. Upon the execution of this lease, if Lessor or Lessee subsequently discovers the existence of Hazardous Substances on the premises, Lessor and Lessee shall disclose to each other this material fact and act within full compliance of all applicable laws, regulations and safety practices governing Hazardous Substances. Lessor and Lessee further mutually agree that in any and all causes of action and/or claims, or third-party claims, arising under the terms, activities, use and/or operations of this lease, each party shall be responsible, to the extent of each other's comparative fault in causing the alleged damages or injuries. Notwithstanding paragraph eleven (above), each party agrees to indemnify, defend and hold harmless Lessor or Lessee, its appointed and elected officials, employees, from and against any and all claims, liabilities, damages, and expenses, including reasonable attorney's fees, asserted against Lessor or Lessee by a third party, including without limitation, any agency or instrumentality of the federal government, state or local government, for bodily injury, including death of a person, physical damage to or loss of use of property, or clean-up activities (including but not limited to investigation, study, response, remedial action, or removal), fines or penalties arising out of or relating to the presence, release, or threat of release of a Hazardous Substance existing or emanating from the premises, except that which existed or emanated from the premises prior to Lessee's possession of the premises or to the extent caused by the act or omission of Lessor. Lessor's and Lessee's obligations under this paragraph shall survive the expiration or other termination of this lease.

16.2 <u>Definition of Hazardous Substances</u>: "Hazardous Substances" as defined in this lease shall mean:

Any toxic substances or waste, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances; or

b. Any dangerous waste, hazardous waste, or hazardous substance as defined in:

a.

C.

- i. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereinafter amended (42 U.S.C. 9610 et seq.);
- ii. Resource Conservation and Recovery Act, as now or hereafter amended (42 U.S.C. 6901 et seq.);
- iii. Washington Model Toxics Control Act, as now or hereinafter amended (R.C.W. Chs. 70.105, 70.105A and 70.105D); or
- Any pollutant, contaminants, substances, as defined above, posing a danger or threat to public health or welfare, or to the environment, which are regulated or controlled by any federal, state and local laws, and regulation, as now or hereafter amended.

17. <u>Waiver of Subrogation:</u> Lessor and Lessee agree that they shall not make a claim against or seek recovery from the other for any loss or damage to their property, or the property of others, resulting from fire or other hazards covered by fire and extended coverage insurance and each hereby releases the other from any such claim or liability regardless of the cause of such loss or damage so covered by insurance. In the event of any increased cost or impairment of ability to obtain such insurance, the party suffering such increased cost or impairment may terminate such waiver and release upon written notice to the other party hereto. Such waiver is conditioned upon the parties having had their respective insurance companies issue a policy or endorsement providing that the waiver or release of subrogation rights shall not adversely affect or impair such policies or recovery by the insured thereunder.

Eminent Domain: Should the premises or any portion thereof be taken for public 18. use by right of eminent domain with or without litigation, any award for compensation and/or damages, whether obtained by agreement prior to or during the time of trial, or by judgment or verdict after the trial, applying to the leasehold estate created hereby other than that portion of said award, if any, based upon a taking of the Lessee's leasehold improvements or affixtures (which claim Lessee shall make with the applicable governmental agency as a separate claim), shall belong and be paid to Lessor, and Lessee hereby assigns, transfers, and sets over to Lessor all of the right, title, and interest which it might otherwise have therein. In the event that the portion of the premises so taken shall be more than twenty-five percent (25%) of the entire area leased by Lessee, Lessee or Lessor shall have the option, to be exercised by written notice given to the other within thirty (30) days after the date of notice of taking, to terminate this lease.. If either less or more than twenty-five percent (25%) of the premises is taken and the Lessee or Lessor do not elect to terminate as herein provided, the rental thereafter to be paid shall be reduced in the same proportion as the amount of leased floor space is reduced by such taking, and Lessor shall make such reconstruction of the premises as may be required.

19. <u>Holding-Over:</u> If, with Lessor's written consent, , Lessee holds possession of the premises after the term of this lease or any extension thereof, Lessee shall become a tenant from month-to-month upon the terms herein specified, but at a monthly rent equivalent to 125% of the then prevailing rent payable by Lessee at the expiration of the term of this lease or any extension thereof and subject to the continued application of all of the provisions of paragraph four and five herein, payable in advance on the first day of each month.

20. <u>Surrender of Premises:</u> At the end of the term of this lease or any extension thereof or other sooner termination of this lease, Lessee will peaceably deliver up to Lessor possession of the premises in the same condition as received, except for ordinary wear and tear and damage by fire, earthquake, act of God or the elements alone, and Lessee will deliver all keys to the premises to the Lessor. In addition, Lessee at Lessee's expense will remove Lessee's goods and effects and trade fixtures, and those of all persons claiming under Lessee, and Lessee will repair any damage resulting from such removal.

21. <u>Costs and Attorney's Fees:</u> If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this lease, a legal action is instituted, the losing party agrees to pay all reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this lease will be in the county in which the premises are situated.

22. Subordination

Lessee agrees that this Lease shall be subordinate to any mortgages or deeds of trust placed by Lessor on the property described in Exhibit A.1; provided, that in the event of foreclosure, if Lessee is not then in default and agrees to attorn to the mortgagee or beneficiary under deed of trust, such mortgagee or beneficiary shall recognize Lessee's right of possession for the term of this lease.

23. <u>Successors and Assigns:</u> All of the agreements, conditions and provisions of this lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Lessor and Lessee.

24. <u>Anti-Discrimination:</u> In all services or activities, and all hiring or employment made possible by or resulting from this lease, there shall be no discrimination against any employee or applicant for employment because of sex, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status, sexual orientation, or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification. This requirement shall apply to but not be limited to the following: employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Lessor shall not violate any of the terms of R.C.W. 49.60, Title VII of the Civil Rights Act of 1964 or King County Code 12.16.020. Any violation of this provision shall be considered a violation of a material provision of this lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the lease and may result in ineligibility for further agreements. The Lessor will also comply with other anti-discrimination laws or requirements of

any and all jurisdictions having authority.

25. <u>Rules and Regulations:</u> Lessee shall faithfully observe and comply with the rules and regulations which shall apply to and be for the mutual benefit of all tenants in the building in which the premises are located, and all reasonable modifications of and additions thereto from time-to-time put in effect by Lessor, including rules and restrictions in all documents recorded against the property and in all leases.

26. <u>Quiet Enjoyment:</u> Lessor covenants and agrees that Lessee, upon performance of all Lessee's obligations under this lease, shall lawfully and quietly hold, occupy and enjoy the premises during the term of this lease without disturbance by Lessor or by any person having title paramount to Lessor's title or by any person claiming under Lessor, subject to the other terms and provision of this lease and subject to all mortgages, underlying leases and other underlying matters of record to which this lease is or may become subject to and subordinate. Lessor shall not be responsible for interruption of utilities or other adverse effects on Lessee's quiet enjoyment which arise through no fault of Lessor.

e - 2

27. <u>Notices:</u> All notices by either party to the other shall be in writing and may be delivered personally or by certified or registered mail to the following addresses:

To Lessee:

e: King County Real Estate Services Section 500 Fourth Avenue, Suite 500 Seattle, WA 98104-3279

To Lessor:

c/o Jane Hughes GVA Kidder Mathews 1201 Pacific Avenue; Suite 1400 Tacoma, Wa. 98402 (253) 722-1450

or at such other address as either party may designate to the other in writing from time-to-time.

28. <u>Time:</u> Time is of the essence of this lease and of each and all of the agreements, conditions, and provisions herein.

29. <u>Entire Agreement:</u> This lease contains all covenants and agreements between Lessor and Lessee relating in any manner to the leasing, occupancy and use of the premises and Lessee's use of the building and other matters set forth in this lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this lease shall not be altered, modified or added to except in writing signed by Lessor and Lessee.

30. <u>Interpretation - State Law:</u> The titles to paragraphs of this lease are for convenience only and shall have no effect upon the construction or interpretation of any part hereof. This lease shall be governed by the laws of the State of Washington.

33.

31. <u>Severability:</u> The unenforceability, invalidity, or illegality of any provision of this lease shall not render the other provisions unenforceable, invalid or void.

32. <u>Addenda:</u> Any addendum attached hereto and either signed or initialed by the Lessor and Lessee shall be deemed a part hereof.

Common Areas/Operating Expenses. The premises is located in a shopping center, and there exist areas and facilities designated by Lessor for the general nonexclusive use of Lessee with other tenants and which are not leased or held for the exclusive use of a particular tenant. Common areas include, without limitation, landscaped areas, sidewalks, parking areas and roads. Lessor will maintain the Common areas and the cost of such shall be an operating cost allocated among, and paid by Lessee and all tenants in the shopping center, as additional rent, based on each tenants proportionate share of square footage leased in the shopping center (unless certain items are used only be certain tenants, for example the pylon signage space, which shall be reasonably allocated by Lessor). Operating costs shall include, without limitation, taxes and assessments against the shopping center, insurance premiums paid by Lessor, common utility charges, and all costs associated with the maintenance and repair of the shopping center, including landscaping and parking and other areas in the shopping center, along with a property management fee not to exceed four percent (4%) of gross cash receipts. Each year, Lessor shall determine and charge an estimated amount to Lessee for the operating costs, which shall be paid each month at the time rent is paid. At the end of each year, Lessor shall furnish to Lessee a statement showing actual expenses, and Lessee shall pay any shortfall in the amount paid during the year, upon receipt of the statement, or Lessee shall receive a credit from Lessor for the subsequent year if Lessee has overpaid .. Attached hereto as Exhibit B is a 2008 operating budget for the shopping center, with estimated amounts attributed to the premises. This is a forecast only and is provided for informational purposes only, as an estimate of what such operating expenses may be for 2008; the actual amount shall be determined at the end of 2008, and every year thereafter.

With regard to parking in the common area, Lessee agrees to direct Lessee's employees to park in the shopping center along the southwestern portion of the western boundary line of the shopping center, and not in the parking spaces to the north, or in the parking spaces directly in front of the premises, which shall be left available for clients/customers of Lessee. If in the opinion of Lessor the pattern of parking becomes a problem, and Lessor is successful in securing more parking within 200 yards of the shopping center, Lessee agrees to direct Lessee's employees to start parking in this newly designated area.

- 34. <u>Estoppel Certificate</u>: Lessee shall from time to time, at the request of Lessor, execute an estoppel certificate which certifies that the lease is in full force and effect, and provides reasonably requested information regarding the status or rent and other payments and other performance by the parties under the lease.
- 35. Default: In the event Lessee shall fail to keep or perform any term of this lease, and such failure shall continue after five (5) days prior written notice, or if Lessee shall abandon or vacate the premises, Lessor, at its option, may re-enter, repossess and re-let the premises, and in doing so may remove all persons and property therefrom. Lessee shall be responsible for any deficiency in rent or other amounts as a result of such reletting. No such reentry shall be deemed a termination of this lease unless a written notice of such intention is given by Lessor. Additionally, Lessor shall have all rights and remedies available under law or in equity. Any amounts due Lessor which are not paid when due shall bear interest at the rate of ten percent (10%) per annum form the due date.
- 36. <u>Contingency:</u> This lease is contingent upon (i) Lessor securing the written approval of 24 Hour Fitness, another tenant in the shopping center, to the use of the premises by Lessee, and (ii) Lessor securing all necessary approvals from the City of Auburn and any other necessary authorities, for the construction of the tenant improvements, and also for approval of a revised parking plan.

37. <u>Tenant Improvement Work</u>: Attached hereto at Exhibit C are drawings, plans and specifications for the tenant improvement work to be performed by Lessor in the premises. Lessee agrees that it has reviewed, and hereby approves, Exhibit C ("Tenant Improvement Plans"). Once the Tenant Improvement Plans are approved by the City of Auburn and a permit is issued, Lessor will cause the tenant improvements to be constructed in accordance the Tenant Improvement Plans, subject to any changes required by the City of Auburn or deemed advisable by Lessor during the construction process. Lessee shall be responsible to install its own trade fixtures and personal property and equipment, and to perform any other work it desires, subject to approval of Lessor and any applicable municipalities.

It is specifically agreed that the decision whether to install two windows on the south side of the premises, as shown on the floor plan, shall be made by Lessor at Lessor's option after investigating the feasibility of doing so.

IN WITNESS WHEREOF, the Lessor and Lessee have executed this lease on the dates specified below.

LESSOR: M-4 LLC By: ______ Edward Urquhart Member Date:

LESSEE: King County, Washington

By:

Wayne Richardson, Manager Real Estate Services Section

6/20/08 Date:

APPROVED AS TO FORM ONLY:

By:

Senior Deputy Prosecuting Attorney

6-20-08 Date:

KING COUNTY (Dept. Name) By: Date:

11

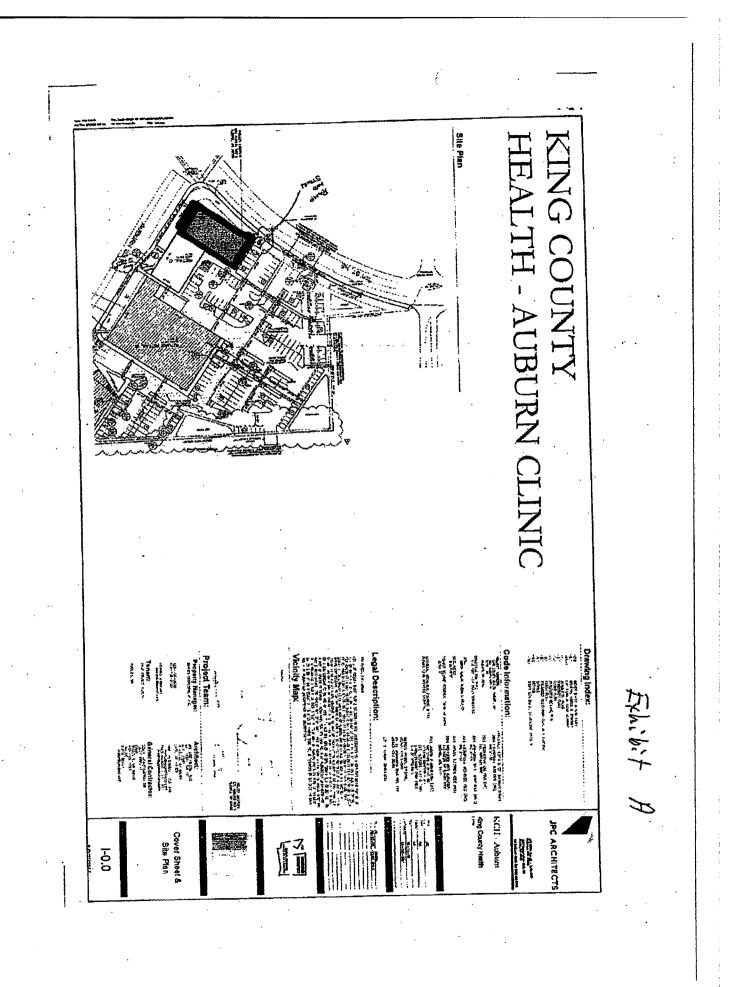
STATE OF WASHINGTON)

) ss

COUNTY OF KING

I certify that <u>I for Kiefer Desci</u> signed this instrument, on oath stated that he was authorized by the King County Executive to execute the instrument, and acknowledged it as the <u>Mark Reference States</u> of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Date: AS W ARY PUBLIC in and for the State of NOT Washington residing at SEAMCE. My appointment expires 12/5/2011 STATE OF WASHINGTON)ss - signed this notwinent COUNTY OF KING I certify that Edward Wychant to me known to be the hember be the <u>Member</u> of the Corporation that executed the foregoing instrument and it balish acknowledged the said instrument to be the free and voluntary act and deed of said corporation for (A the uses and purposes therein mentioned and that he was authorized to execute the said instrument. 20<u>OX</u>. GIVEN under my hand and official seal this 301, day of MARY ANN BARKSHIRE NOTARY PUBLIC NOTARY FUBLIC in and for the State of STATE OF WASHINGTON Washington residing at Bellen COMMISSION EXPIRES My appointment expires 11-1-2010 NOVEMBER 1 2010 Mary Ann Barkshira



	IXhibit B
]	King County Lease
	10/25/2007

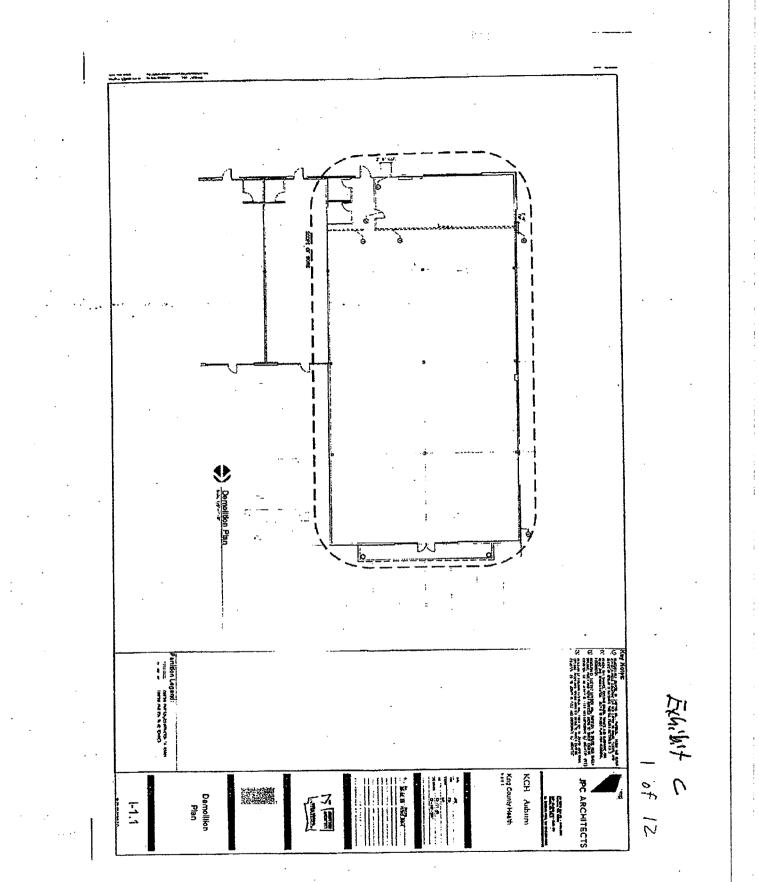
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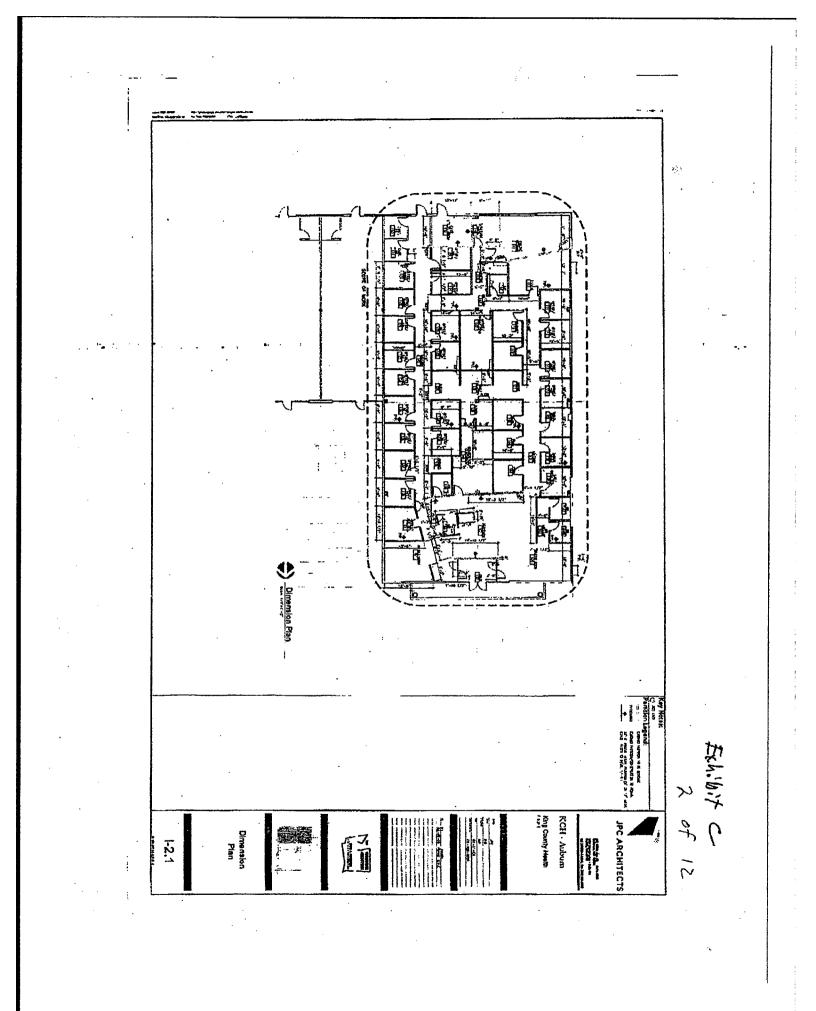
2008 OPERATING BUDGET	First Draft:	10/25/2007
	. [Vacant
	. ·	8,500
Common Area Expenses		
Design to Fire January 200	\$9,935	\$1,837.81
Property Fire Insurance	\$2,101	\$388.64
Gen Liability Insurance	\$0	\$0.00
Other Insurance	\$6.637	\$1,227.63
Rpr & Mic (Comm Area)	\$7,787	\$1,440.35
Landscaping Supplies	56,861	\$1,269.10
Contract Landscaping	\$800	\$147.98
Lawn Sprinkler System	\$6,450	\$1,193.08
Electricity-Parking	\$6,854	\$1,287.91
Sweeping	\$500	\$92.49
Snow Removal	\$500	\$92.49
Parking Lot	\$0	\$0.00
Asphalt Repair	\$1,400	\$258.97
Lot Striping	\$0	\$0.00
Holiday Decorations	\$1,000	\$184.98
Site Lighting	< \$300	\$55.49
Painting	\$1,200	\$221.98
Pylon Signage	\$1,152	\$213.10
Pest Control	\$397	\$73.42
Water Sewer (Swr Fee)	\$34,343	\$6,352.70
Management Fee		
Total Common Area Exp.	\$88,216	\$16,318.12
Shop Building Expenses	•	
· _	\$650	\$145.58
Shop Comm. Area Exp	\$5,489	\$1,229.27
Roof Repair	\$3,030	\$2,529.96
HVAC	\$720	Ψ,,010.00
Electricity-Bldg Signage	\$720	\$461.60
Fire Atarm/Sprinkler		\$1,436.36
Trash	\$6,413	\$2,174.20
Water/Sewer	\$3,696	\$14,285.23
Property Taxes	\$24,286	
Total Shop Bldg Expenses	\$64,472	\$22,262.2
TOTAL	\$153,432	\$38,580.3
CAM RECOVERY	\$114,339.51	\$24,295.0
TAX RECOVERY	\$39,092.80	\$14,285.2
TOTAL RECOVERY	\$153,432.11	\$38,580.3
	£0 600 00	\$2,024.5
CAM - MONTHLY RECOVER	\$9,528.29	\$1,190.44
TAX - MONTHLY RECOVER	\$3,257.72	\$3,215.0
TOTAL MONTHLY RECOVER	\$12,786.01	93,213.V.

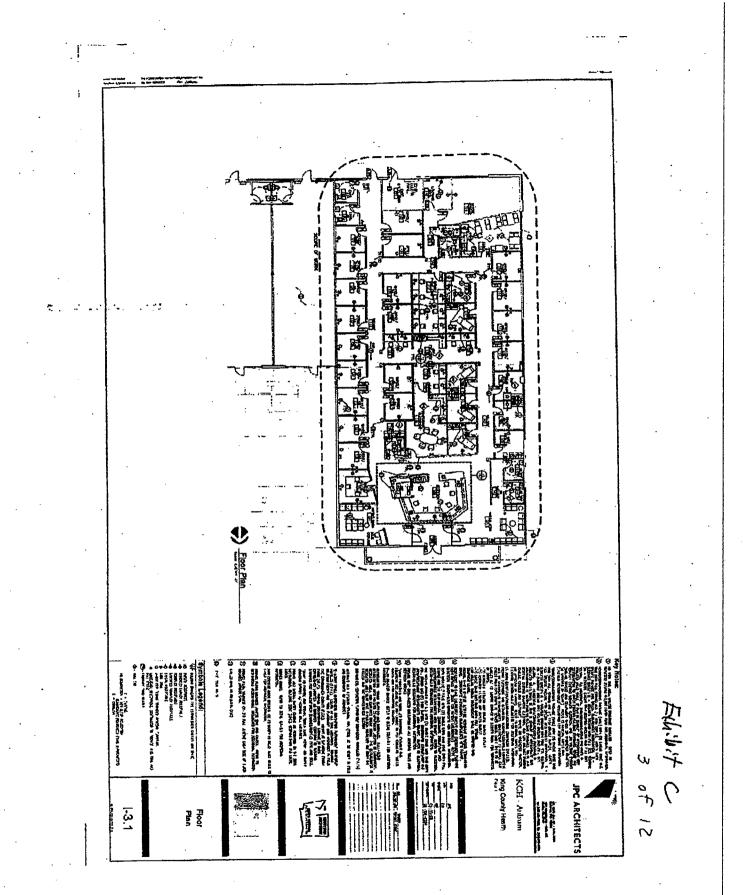
M-4, LLC (Auburn Center)

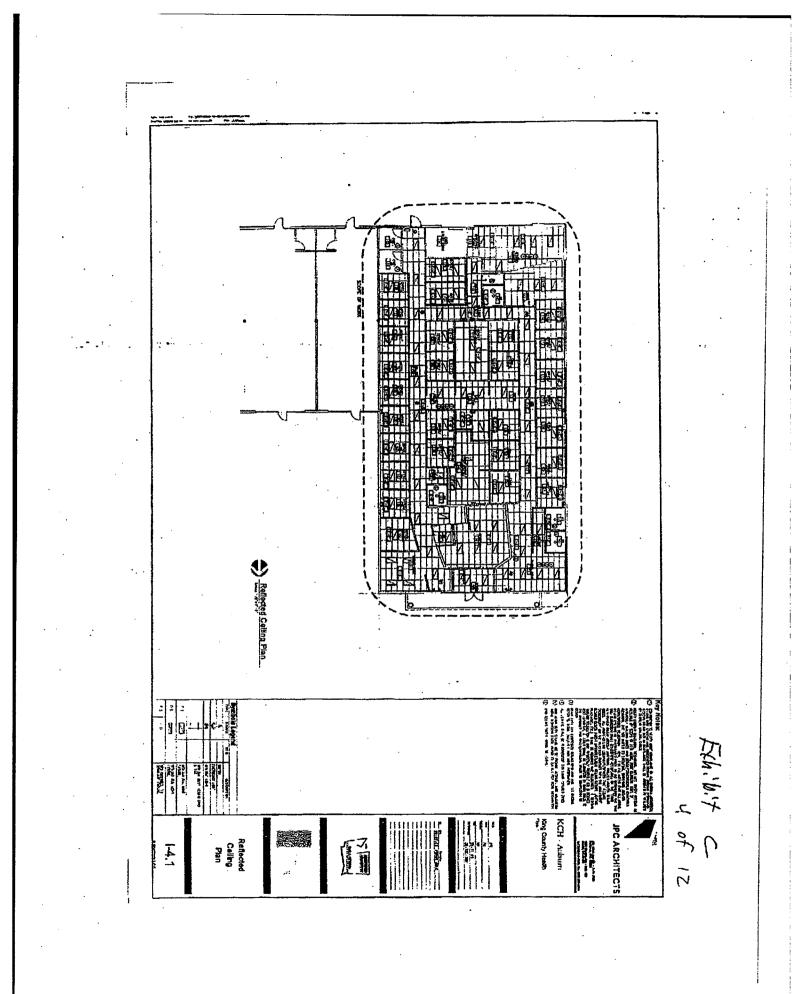
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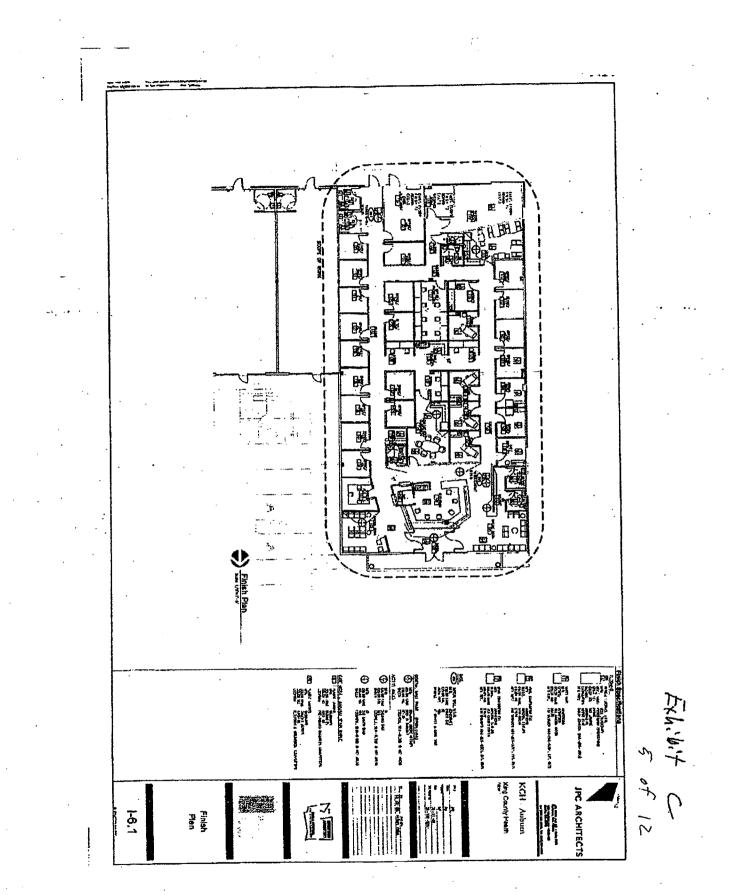
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	6 of 12
CCHROCOM Set 5 220th SL, Kent WA 98032	Dote: 05/15/08 Prepared by: SENAD KAMERIC Direct: (253) 395-1703 Fox: (253) 395-1720 Email: <u>SENAD KAMERIC SECTOR</u> : (253)
none 253-395-1700, Fex 253-395-1720, Toll Free 866-890-5922	Infrastructure Wiring Scope
Customer: GOUDY CONSTRUCTION COMPANY Address: 10777 MAIN ST.#203 City, State: BELLEVUE, WA 98004 Job Description: CABLE AUBURN LOCATION	Contoct: Blaise Goudy Phone: 206-412-4102 Fax: Email: Blaisergouisy(CCCDA)
and the set of the Cauchy Canothy Sting	Company with this proposal. The following proposal is as enclosed

Fullit C.

GOUDY CONSTRUCTION COMPANY 05-15-28

Thank you very much for the opportunity to provide Goudy Construction Company with this proposal. The following proposal is as encoded and is based upon your provided floor plans and scope of work. The pricing will remain in effect for thirty (30) days. Please do not hesitate to call if you have any questions regarding the price or this scope of work.

scope of Work	Horizontal Cabiling		<u>.</u>
Instal (100) voi (1)Category 5e NOTE:Newly in NOTE:The Serv Technocom will	ce/data workstation outlet locations, each PVC-Rated cables, (2)RJ 45 CatSe modula stalled (100) cables will be terminated onk er room ends will be tabeled and colled fo 1 provide 12ft extra stack at the Server ro ument all cables to Catagory 5e standards	r jacks, and (1) 2-port faceplate. y at the workstation end. or final termination to be done by the own om side for termination by owner.	Ner.
Label, and doc	ument Bit Capica to Catagory Je Starium of	Materials.	- <u>7.4</u>
		•	
DUANTITY	DESCRIPTION	PART #	
· DUANTITY	HORIZONTAL COLLEGAN	PART #	
19 - A.	HORIZONITAL COPPER CARLE	M57547	
	HORIZONTAL COPPEN CARLE	M57547	
19 - A.	HORIZONTAL COMPANY AND A CABLE		
14,000	HORIZONTAL COLUMN CALLS	м57547 МХ5-РОЗ МХ-FР-5-02-ХХ	
14,000 100	HORIZONTAL COMPANY AND A CABLE	м57547 — МХ5-РОЗ	

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Assumptions & Clarifications

Assumptions and Clarifications of Scope:

· Customer to provide free and clear access to each location. Access will be provided in a timely manner to all facilities in

- which work is required. Delays and/or interruptions resulting from lack of access may result in additional charges.
- · Bid does not include concrete coring or high-lift rentals unless noted in the Statement of Work.
- · Power poles, if required to route data cables into modular furniture areas, will be provided by others.
- . This proposal does not containing pricing for installing or configuring phone or network equipment.
- . Any changes to the Statement of Work will require an Add/Delete order and may result in additional charges to the customer.
- · Cable and hardware to be installed in accordance with all industry, city and state, building code, manufacturer, and customer
- 'specifications and standards.
- This proposal is based upon preliminary information provided by Goudy Construction Company.

Warranty

Technocom warrants all parts, labor, and workmanship performed by it's employees or agents for a period of one (1) year from project completion.

. All products installed by Technocom will be in working order and free from defects.

· Technocom does not guarantee, warrant or imply any liability for materials that are supplied by a third party.

. Technocom does not guarantee, warrant or imply any liability for the re-use of existing cabling and associated materials

that have not been installed directly by, or an agent of, Technocom.

Warranzy may not be valid due to unforeseen circumstances or conditions not readily apparent.

- Technocom is not responsible for damage caused by accident, misuse, vandalism, terrorism, war, fire, or acts of God.

5/15/2008

Exhibit C 7 of 12

This packet is supplemental information, provided along with the space plan dated May 11, 2008 as prepared by JPC, to allow for Contractor to competitively bid the construction of the tenant improvements (TI's) necessary to complete the space. Specifically, the Contractors shall cause to be performed all work necessary to gain an occupancy permit as required by the City of Auburn. The Work shall include but not be limited to the following:

Division 1

General Conditions

• Contractor to have viewed all areas of work

Division 2 Sitework

WOIK -

- Demolition of existing flooring, ceiling grid and walls where shown
- Sawcutting and removal of concrete floors for plumbing installations
- Demolition of masonry systems for new wall penetrations

Division 3

Concrete

Replace 4" concrete slab where removed for plumbing installation

Division 4

Masonry

• As an alternate, create two window openings in the South wall

Division 5

Misc Steel

Allow for misc steel support at alternate for new exterior windows

Division 6

Carpentry/Woodwork

- All casework is nature wood cabinets with plastic laminate countertops.
- Include one telephone backer board 4'x4', fire treated and painted in the server IT room
- Include backing for all wall mounted items including toilet accessories and grad bars.

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Division 7

Exterior Envelope

- Provide roof penetration including and patching for the new rooftop HVAC and
 - exhaust equipment.

Division 8

Doors, Hardware & Glazing

- All door jambs to be hollow metal or Timely door jambs.
- All doors to be 3'x7' maple of plain sliced cherry doors
- All doors to be 1-3/4" solid core prc-finished
- Hardware to be Yale Hardware or equal as follows:
 - Exam rooms
 - Cylindrical latchset
 - 1-1/2 pairs butts
 - Wall stop
 - Lab & Immunology
 - Cylindrical lockset
 - 1-1/2 pairs ball bearing butts
 - Door closer
 - Wall stop
 - Offices
 - Cylindrical latchsets
 - 1-1/2 pairs ball bearing butts
 - Wall stop
 - Break & Conference room
 - Cylindrical latchset
 - 1-1/2 pairs butts
 - Wall stop
 - Storage
 - Cylindrical lockset
 - 1-1/2 pairs ball bearing butts
 - Door closer
 - Wall stop
 - Doors Reception to hallways
 - Cylindrical latchset
 - 1-1/2 pairs butts
 - Wall stop
 - Drug screen toilet rooms

of

17

9

- Privacy latchset
- 1-1/2 pairs ball bearing butts
- Door closer
- Wall stop
- Suite Entry door provide new core
- Include keying of entire suite
- New exterior exit doors to be Kawneer, medium stile aluminum door with panie device hardware.

Division 9

Interior Finishes

- Drywall Systems
 - All standard tenant walls to be 3-5/8", 25 gauge metal studs unless otherwise noted. Studs at each side of door jambs shall be 20 gauge.
 - Provide double stud framing at locations where pocket doors exist.
 Stud sizes at these locations may be 2-1/2".
 - Include all wall bracing wires or stude as required by code.
 - Drywall to be type X, 5/8", finish taping to be a level 4 finish.
 - Touch up existing drywall on perimeter walls.
 - All walls framed and drywall hung to 10' AFF. Ceilings are at 9'-6" AFF.
 - Include framing and 5/8" GWB ceilings in the toilet rooms.
 - Contractor to visit site and include furring around all columns and any steel bracing or exposed structural element.
 - All walls to receive R-11 sound batt insulation
 - Provide a 8" deep by 8" wide soffit across the reception station ceiling as noted on the plans
 - There is no partial height wall at the reception or check-out desks. This will be constructed as part of the casework.
- Flooring shall be as follows:
 - Restrooms & Exam Rooms
 - Sheet vinyl per finish plan
 - 6" integral coved base in restrooms only
 - 4" continuous coved rubber base elsewhere
 - Laboratory, Breakroom & Storage (VCT)
 - Armstrong, Imp Text Standard Excelon #51932, 12x12
 - 4" continuous coved rubber base

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- Flooring (continued):
 - Main Carpet (CPT 1) All areas that receive carpet
 - Lee's Quickship Photofinish DK946, #201 Lemans or equal
 - · All carpet installation is carpet tile.
 - Entry area to receive a walk-off matt material
 - Rubber Base Roppe vinyl coved continuous rolled base Color TBD
 - VCT floors to be cleaned, sealed and waxed prior to occupancy

 Acoustical Ceilings: Ceiling height is 9'-6". Grid shall be Armstrong 15/16" grid with Armstrong 769 Cortega tile. All ceilings to have Berc 2 Clips and 7/8" wall angle. Ceiling grid shall be continuous with walls connected to bottom of grid. Include all seismic requirements. Light fixture wires by others.

- · Ceiling wires to be drilled into door ceiling structure
- Leave two (2) unopened cartons of ceiling tiles for Owner's stock.
- Painting: Two (2) coat system including one (1) coat primer and one (1) coat finish paint.
 - Include one deep base color accent wall in the following rooms: Waiting 101 (2 walls), Lobby 100, Conference 140, Lunch 116
 - Include 1 un-opened gallon of each color used for Owner stock at completion of project.
 - Wood doors and metal jambs are pre-finished

Division 10

Specialties

- Toilet accessories shall include the following:
 - All accessories shall be Bobrick "Classic" series devices or equal
 - Grab bars at toilet to meet code including concealed mounting flange
 - B-2840 Surface mounted toilet tissue dispenser with shell and theft resistant spindles
 - B-221 surface mounted seat cover dispenser
 - B-2620 surface mounted paper towel dispenser at each sink area including exam and procedure rooms
 - B-165 1824 channel framed mirror at each drug screen sink area
- Dry chemical fire extinguisher and semi-recessed fire extinguisher cabinets with lettering as required to meet code. Location to be per City of Auburn fire department.
- Provide twenty (20) each Acrovyn 48" tall corner guards model SSM-10 with top and bottom end caps
- All appliances by tenant except dishwasher to be provided by landlord.

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Division 15 Mechanical					
 НVЛС 	the second second for the taxent encode				
3	Modify existing IIVAC systems and add as required for the tenant space				
· .	plan. New units shall receive factory curbs and be self flashing.				

Plenum is NOT a return air plenum. Include all ducted returns.

- SMACNA standards. Maximum 10 foot allowed for flex duct.
- Insulation on non-lined supply duct to match existing
- Supply diffusers and ceiling return grilles to match building standard
- All applicable permits and plans review
- Exhaust fans and ductwork for each restrooms. Restrooms may
 - be combined on one fan.
- Fire Protection
 - All work in accordance with NFPA 13
 - All existing upturned heads shall be swung down or removed
 - All applicable permits and plans review.
 - Coordination of system shut down with Building Owner and the City of Auburn fire department. Contractor to notify alarm monitoring company 24 hours in advance of system shut-down and draining. Contractor shall have system back in service by end of shift.
 - All equipment to be UL approved
 - Are of pipe cutting to be limited to one area and floor shall be protected from grease and oil spills. Failure of floor protection shall require contractor to clean and seal floor as required by Building Owner.

Plumbing

- All waste and vent piping as required
- Fixtures shall be per the attached plumbing submittal.
- 50 gallon electric water heater with expansion tank and pan drain connected to waste piping. Seismic restraints per code.
- Hot water circulating system with 8' tolerance to all fixtures
- All applicable permits and plans review.

Division 16

Electrical Systems

- Power & Distribution
 - All new electrical gear to match existing manufacturer
 - Panel location in utility room to be approved by building Owner
 - All applicable permits and plans review.

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King County Health Auburn Clinic Tenant Improvement Outline Specification

• Lighting

- All lighting shall be fluorescent 2x4 light fixtures with acrylic lense unless otherwise noted.
- Building standard downlight shall be Cooper Portfolio 6250. 6" horizontal with 26W DTT bulbs
- Each room to receive minimum one (1) building standard 2x4 light fixtures except where noted otherwise and as follows:
 - Toilet rooms to receive one (1) each downlight with acrylic lens
 - There are no under-counter light fixtures
- Building standard exit signage to meet City of Auburn
- requirements.
 - Egress lighting shall be by addition of battery packs as part of the building standard light fixture and not by stand alone bug-eye style fixtures.
- All switching to meet code.
- Mechanical Power Requirements

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- Include connection of two (2) new 4 ton HVAC rooftop packaged units.
 - One hot water tank and one circulating pump.
 - Provide additional panels as required.
 - Dedicated power at copier and telephone system
- General Power Requirements
 - Outlets as shown per plan
 - GFI outlets as required and noted here-in
 - No outlets in the drug screen toilet rooms
- Data
- Provide mud rings with pull strings for data installation by others..
- Fire Alarm:
- Fire Alarm system per code. Tie into existing Building system.