

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated XX of August 2006, is made by and between E.M. Greenwood Trust, a Washington Trust, Barbara G. Wise, Trustee (hereinafter called Lessor) and **Department of Adult and Juvenile Detention Community Corrections, a division of King County**, a political subdivision of the State of Washington (hereinafter called Lessee):

WITNESSETH:

1. **Premises:** Lessor does hereby agree to lease to Lessee for use as office space and classrooms rooms in those certain premises comprising approximately 4251 square feet, shown outlined in red on **Exhibit A** attached hereto, situated on the 5th floor of the Prefontaine building located at 110 Prefontaine Place South, Seattle, Washington and legally described on **Exhibit A.1:**

2. **Term:**

2.1 The term of this lease shall be for **36 (thirty six) months**, commencing on the **16th** day of **August**, 2006 and shall terminate on the 31st day of July, 2009.

2.2 If Lessor cannot deliver possession of the premises to Lessee on the above commencement date, provided that delivery of premises can be made within a reasonable time frame, this lease shall not be void or voidable; but, in that event, there shall be a proportionate reduction of rent covering the period between the above commencement date and the time when Lessor can deliver possession.

2.3 Lessee shall have the option to renew the lease for an additional two year term at then prevailing rent in the Seattle office market but not less than the rent in the 36th month of the initial term of the lease.

3. **Preparation of Premises and Delivery of Possession:** Prior to the commencement of the term hereof, Lessor shall arrange for physical improvements to the premises, if any, pursuant to the provisions of **Exhibit B** attached hereto. The premises shall be deemed completed and premises delivered on the date these improvements are completed or on the date specified in paragraph 2 as the commencement of the term, whichever is later.

4. **Rent:** Lessee covenants and agrees to pay Lessor, at Lessor's address, without deduction or offset, monthly rent as set forth below payable in advance, without prior notice or demand, on the first day of each month of the lease term. Rent for any fractional calendar month, at the beginning of the calendar term, shall be prorated.

\$19.00/rentable square foot per year for months 1 through and including month 12;

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\$19.60/rentable square foot per year for months 13 through and including month 24;

\$20.20/rentable square foot per year for months 25 through and including month 36.

5. **Utilities and Service:** The Lessor shall provide for, at its sole expense, electricity, water, sewer, garbage removal and ground and building maintenance commensurate with good building management practices, as defined by the guidelines of the Building Owners and Managers Association.
6. Base year for expenses will be 2006; tenant will be billed for increases above the actual building's operating expenditures for the calendar year 2006.
6. **Alterations and Maintenance:** 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.

6.2 The Lessor agrees to keep 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. During the term of this lease, the Lessor shall repair malfunctioning fixtures, and repair and maintain the structural portions of the building and the basic plumbing, air conditioning, heating and electrical systems, 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. **Signs:** All signs placed by Lessee on or about the premises shall be subject to Lessor's prior written approval.

8. **Fixtures:** 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. **Indemnity and Hold Harmless:** 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.

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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. **Insurance:** The Lessor acknowledges, accepts, and agrees that the Lessee is self-insured and Lessee will provide proof of such self-insurance upon the request of the Lessor.

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

12. **Subletting and Assignment:** 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, which consent shall not be unreasonably withheld.

13. **Damage or Destruction:** In the event the premises are damaged to such an extent as to render them untenable 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. **Liens:** 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. **Right of Entry:** Lessor reserves and shall at any and all reasonable times have the right to enter the premises, inspect the same, supply janitorial service and any other service to be provided by the Lessor to Lessee hereunder, to show the premises to prospective purchasers, mortgagees, or tenants, and to repair the premises and any portion of 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

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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 ninety days of the lease term.

16. **Hazardous Substances:** 16.1 Lessor and Lessee mutually agree that no generation, use, release, handling, transportation, treatment or storage of hazardous substances (Hazardous Substances) exist on the premises. Lessor acknowledges and fully discloses that 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 **Definition of Hazardous Substances:** "Hazardous Substances" as defined in this lease shall mean:

- a. 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:
 - 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.);

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- iii. Washington Model Toxics Control Act, as now or hereinafter amended (R.C.W. Chs. 70.105, 70.105A and 70.105D); or
 - c. 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. **Waiver of Subrogation:** 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.
18. **Eminent Domain:** Should the premises or any portion thereof be taken for public 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, 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 shall have the option, to be exercised by written notice given to Lessor within thirty (30) days after the date of notice of taking, to terminate this lease or relocate, at Lessor's expense. If either less or more than twenty-five percent (25%) of the premises is taken and the Lessee does 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. **Holding-Over:** If, with Lessor's written consent, which such consent shall not be unreasonably withheld, 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. **Surrender of Premises:** 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

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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. **Costs and Attorney's Fees:** 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 including and not limited to expert witness 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:** If a lender requires that this lease be subordinated to any encumbrance now of record or any encumbrance recorded after the date of this lease, this lease shall be subordinated to that encumbrance, if Lessor first obtains from the lender a written agreement that provides substantially the following:

22.1 As long as Lessee is not in default under this lease, no foreclosure of, deed given in lieu of foreclosure of, or sale under the encumbrance, and no steps or procedures taken under the encumbrance, shall affect Lessee's rights under this lease.

22.2 The provisions in this lease concerning the disposition of insurance proceeds on destruction of the premises, and the provisions in this lease concerning the disposition of any condemnation award shall prevail over any conflicting provisions in the encumbrance.

22.3 Lessee shall attorn to any purchaser at any foreclosure sale, or to any grantee or transferee designated in any deed given in lieu of foreclosure.

22.3 Lessee shall execute the written agreement and any other documents required by the lender to accomplish the purposes of this paragraph.

23. **Successors and Assigns:** 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. **Anti-Discrimination:** 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

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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. **Rules and Regulations:** 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. Such rules and regulations are specified in Exhibit attached hereto and incorporated herein.

26. **Quiet Enjoyment:** 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.

27. **Notices:** 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: King County Real Estate Services Section
500 Fourth Avenue, Suite 500
Seattle, WA 98104-3279

To Lessor: P.O. Box 95430
Seattle, WA 98145-2430

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

28. **Time:** Time is of the essence of this lease and of each and all of the agreements, conditions, and provisions herein.

29. **Entire Agreement:** 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. **Interpretation - State Law:** 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.

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This lease shall be governed by the laws of the State of Washington.

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

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

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

LESSOR:

LESSEE: King County, Washington

By: _____

By: _____

,Manager
Real Estate Services Section

Date: _____

Date: _____

APPROVED AS TO FORM ONLY:

By: _____

Senior Deputy Prosecuting Attorney

Date: _____

KING COUNTY (Dept. Name)

By: _____

Date: _____

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STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that _____ signed this instrument, on oath stated that he was authorized by the King County Executive to execute the instrument, and acknowledged it as the _____ of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Date:

NOTARY PUBLIC in and for the State of
Washington residing at _____. My
appointment expires _____.

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared before me _____, to me known to be the _____ of the Corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this _____, day of _____, 20 ____.

NOTARY PUBLIC in and for the State of
Washington residing at _____.
My appointment expires _____.

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Exhibit A.1

Legal Description

All that part of Lots 6, 7, and 8 and the east 8 feet in width of the vacated alley abutting on Lot 8, in Block 17, Town of Seattle, as laid out by D.S. Maynard, commonly known as D.S. Maynard's plat of Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 23, in King County, Washington, that lies northerly and easterly of Prefontaine Place;

EXCEPT the east 9 ft. in width thereof condemned in King County Superior Court Cause No. 50320 for the widening of 4th Avenue, as provided by Ordinance No. 13074 of the City of Seattle, all situated in King County, Washington.

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Exhibit B.

Lessor shall make the following improvements for Lessee only:

1. Finish and paint the (unfinished) walls of the area designated as storage on the space plan;
2. Clean carpets and repair a section of the damaged carpet at the transition between the area designated as storage and the hallway access to the conference and kitchen areas as designated on the space plan.