

ORIGINAL

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Attachment F

Lease# 1825 ✓

LEASE AGREEMENT

40803 Res 7511 03-19-07 07-211

THIS LEASE AGREEMENT, dated March 16, 2007, is made by and between the City of Bellevue, a municipal corporation of the State of Washington (hereinafter called Lessor), and King County, a political subdivision of the State of Washington (hereinafter called Lessee):

WITNESSETH:

1. **Premises:** Lessor does hereby agree to lease to Lessee "as is" for use as solely a District Court facility (which may include existing uses by the Superior Court), those certain Premises within the buildings and grounds of the Surrey Downs Property, situated in Bellevue, Washington, which is legally described in Exhibit A attached hereto. Those certain Premises within the buildings and grounds of the Surrey Downs Property consist of those shown on Exhibit B attached hereto, together with access to parking for employees and the public using the court facilities in the existing parking facilities at the site as further shown on Exhibit B attached hereto. The square footage of the portion of the Premises that is buildings consists of 12,618 square feet in the Core/East Wing. The Premises address is 585 112th Avenue SE, Bellevue, WA 98004.

2. **Term:**

The term of this Lease will commence on January 1, 2007 and will terminate on December 31, 2008 unless extended by mutual written agreement executed by both parties prior to termination.

3. **Rent:** In consideration of Lessee's obligations under this agreement, Lessee will not be obligated to pay rent during the term of this Lease. If the parties renew the Lease after this term of the Lease expires, the parties will negotiate a new rental rate based on fair market value established by an appraisal conducted by the City of Bellevue. However, all other terms and conditions of this Lease shall remain in effect unless modified pursuant to written agreement of the parties.

4. **Utilities and Maintenance:** Lessor shall provide for electricity, water, sewer, garbage removal from trash containers located outside the buildings, and yard and parking maintenance serving the Premises.

5. **Costs:**

A. Lessee shall be responsible for paying on a quarterly basis its proportional share of water/sewer, electricity, waste disposal and yard/parking maintenance costs. These utility

and maintenance costs shall be calculated on a monthly basis. For year 2007, it shall be base amount as set forth below plus the base amount multiplied by the increase from July 1, 2005 to June 30, 2006 in the Consumer Price Index (CPI) for the Seattle Metropolitan Area.:

<u>Service</u>	<u>Monthly Charge per Square Foot</u>	<u>Total Monthly Charge</u>
Water/Sewer	\$.0330	\$416.39
Electricity	\$.1109	\$1399.33
Waste Disposal	\$.0088	\$111.03
Yard/Parking Maint.	\$.0374	\$471.91

For year 2008, the cost shall be calculated as follows: the 2007 amount plus the 2007 amount multiplied by the increase from July 1, 2006 to June 30, 2007 in the Consumer Price Index (CPI) for the Seattle Metropolitan Area.

B. Other than the services provided and paid for under Sections 4 and 5 of this Lease, Lessee shall be responsible for the maintenance and operation of the portions of the Premises that consists of buildings. Lessee is further obligated to ensure that its portion of the premises complies with all Federal, State and Local laws, including but not limited to the American With Disabilities Act (ADA). Lessor shall be responsible for the maintenance and operation of all other portions of the Premises and of the Surrey Downs Property.

C. Any tenant improvements shall be at the sole cost, expense and responsibility of the Lessee and shall comply with all Federal, State and Local laws.

6. **Alterations and Maintenance:** Lessee shall not make any structural 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.

7. **Indemnity and Hold Harmless:**

A. Lessee shall protect, defend, indemnify and save harmless Lessor from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from (a) the negligence or willful misconduct of Lessee, its employees, or agents as a part of Lessee's use of the Premises; or (b) any breach or default by Lessee in the performance of any obligation on Lessee's part to be performed under the Lease. This indemnity does not apply to claims, suits, actions or liabilities to the extent they are caused by the negligent acts or omissions or willful misconduct of Lessor, its agents, employees, contractors or invitees. In the absence of comparative or concurrent negligence on the part of Lessor, the foregoing indemnity shall also include reasonable costs, expenses and attorneys' fees incurred in connection with any indemnified claim or incurred by Lessor in successfully establishing the right to indemnity. Lessee agrees that its obligations under this subparagraph extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. For this purpose, Lessee, by mutual negotiation, hereby waives, as respects Lessor only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

B. Lessor shall protect, defend, indemnify and save harmless Lessee from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from (a) the negligence or willful misconduct of Lessor, its employees, or agents as a part of Lessor's use of the Premises; or (c) any breach or default by Lessor in the performance of any obligation on Lessor's part to be performed under the Lease. This indemnity does not apply to claims, suits, actions or liabilities to the extent they are caused by the negligent acts or omissions or willful misconduct of Lessee, its agents, employees, contractors or invitees. In the absence of comparative or concurrent negligence on the part of Lessee, the foregoing indemnity shall also include reasonable costs, expenses and attorneys' fees incurred in connection with any indemnified claim or incurred by Lessee in successfully establishing the right to indemnity. Lessor agrees that its obligations under this subparagraph extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. For this purpose, Lessor, by mutual negotiation, hereby waives, as respects Lessee only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

C. When a claim is caused by the joint negligence of willful misconduct of Lessor and Lessee, their employees, agents, or invitees, each party's duty to indemnify and defend shall be proportionate to said party's allocable share of joint negligence or willful misconduct.

8. **Consequential Damages.** Lessor and Lessee hereby waive any claim for incidental or consequential damage that may arise from a breach of the terms of this Lease.

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

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

11. **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. The Lessor acknowledges and consents to the Lessee's use of the facility to provide District Court services to other jurisdictions and for some use by the Superior Court as identified in Section 1 of this lease, provided that Superior Court services may expand in case of an emergency situation.

12. **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, at Lessor's sole expense, the work shall be prosecuted without unnecessary delay. If within sixty (60) days the Lessor shall fail to proceed to repair or rebuild, Lessee shall have the right to either repair or rebuild, at Lessee's sole cost and expense or to declare this lease terminated by written notice served on the Lessor. If the Premises are 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 sixty (60) days after such damage or destruction unless Lessee thereafter elects to repair or rebuild at Lessee's sole cost and expense.

13. **Liens:** Lessor and Lessee shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee or Lessor.

14. **Right of Entry:** Due to the sensitive and confidential nature of the court services that Lessee will be providing in the Premises, Lessee shall have exclusive control of the Premises. Lessor may enter the premises for emergency purposes without prior consent of the Lessee, provided, Lessor shall notify Lessee of such entry and the purpose for the entry as soon as reasonably possible thereafter. To protect the sensitive and confidential nature of the court services, Lessor shall be entitled to enter the Premises in non-emergency situations only as follows: Lessor may with Lessee's prior permission enter the Premises at reasonable times to inspect the same, repair the Premises and may for the purpose, erect scaffolding and other necessary structures when reasonably required by the character of the work performed, provided that the entrance to the Premises shall not be blocked thereby, and further provided that the court activities of Lessee shall not be interfered with unreasonably. Except for emergencies, Lessor shall give reasonable notice in order to receive permission before entry into the Premises. This section shall not limit Lessee's entry into the portion of the Premises open to the public during the times it is open to the public for the purpose of participating in the court services to be provided by Lessor. Moreover, this provision does not apply to Lessor's Prosecution and Probation staff who may continue to have access to the Premises during times it is open to the public in the manner they have traditionally enjoyed..

15. **Hazardous Substances:** Lessor and Lessee mutually agree that no generation or use of hazardous substances (Hazardous Substances) will occur on the Premises, provided, this provision shall not prohibit the use of cleaning supplies of the type that are typically used in similar facilities.

16. **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.

17. **Eminent Domain:** Should the Premises or any portion thereof be taken for public use by right of eminent domain with or without litigation by the state or federal government, 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 and relocate to another facility to conduct court operations through the remainder of the lease term, all 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 Lessor shall either make such reconstruction of the Premises as may be required, or provide reasonable alternative space available for Lessee's use.

18. **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 possession of the Premises in the same condition as exists at the commencement of this lease, except for ordinary wear and tear and damage by fire, earthquake, act of God or the elements, and Lessee will deliver all keys to the Premises to the Lessor. Lessee at Lessee's expense will remove Lessee's personal property and goods and effects, and those of all persons claiming under Lessee. Lessee shall have the right to remove its fixtures and return the area and/or premises to a safe condition upon removal. In addition, Lessee shall have the right to remove all light fixtures from within the building(s) consistent with any directive of the Environmental Protection Agency ("EPA") concerning such light fixtures, unless the City contractually agrees to so remove such light fixtures consistent with any directive of the EPA and return the area and/or premises to a safe condition upon removal.

19. **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 in connection therewith. It is agreed that the venue of any legal action brought under the terms of this lease will be in Pierce County.

20. **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.

21. **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 considered a violation of a material provision of this lease and shall at Lessee's sole discretion 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.

22. **Quiet Enjoyment:** KING COUNTY plans to upgrade existing facilities and to construct, operate and maintain a force main between the Bellevue Pump Station and the Eastside Interceptor (the "Project"); and, it is necessary for King County to acquire perpetual exclusive subsurface easements granting Grantee and its successors and assigns the right to install, construct, own, operate, maintain and repair underground pipelines, and related equipment, appurtenances, utilities and facilities to provide for the conveyance of sewage to the Project and the conveyance of treated wastewater to outfalls located in Puget Sound. Except for any disturbance caused by this project, 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 unreasonable 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 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 such services, or other adverse effects on Lessee's quiet enjoyment which arise through no fault of Lessor. Lessor shall consult with Lessee prior to undertaking any demolition or construction on the Surrey Downs Property and any such demolition or construction shall not disturb court operations.

23. **Miscellaneous:**

A. Lessee's obligations to Lessor, if any, that extend beyond a current calendar year are contingent upon, if appropriate, approval of the lease by the King County Council or appropriation by the King County Council of sufficient funds to pay such obligations. Should such approval or appropriation not occur, this lease and all Lessee obligations hereunder will terminate at the end of the calendar year in which such approval of appropriation expires.

B. If either the City of Bellevue or King County terminate its agreement for court services, either party may terminate this lease and any further obligations will immediately cease.

C. Lessee may place, with the permission of the Lessor, signs designating the building as a courthouse. Such signs will be solely at Lessee's expense and may be placed on or around the building and at the entrance to the property. The location and dimensions of such signs are subject to approval of the Lessor. Such sign shall comply with all Federal, State, and Local regulations including, but not limited to the City of Bellevue Sign Code. Lessee shall secure any appropriate permits prior to installation and shall be responsible for maintenance of said new signs.

24. **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: City of Bellevue
P.O. Box 90012
Bellevue, WA 98009-9012

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

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

26. **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.

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

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

29. **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: Bellevue, Washington

LESSEE: King County, Washington

By: Brian Mijake

By: Harold M. Kelly

Date: 3-16-07


Date: 3/1/07

APPROVED AS TO FORM ONLY:

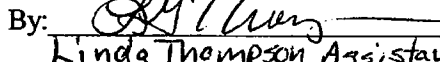
By: 
Jerome Y. Roaché
Assistant City Attorney

Date: 3/17/07

APPROVED AS TO FORM ONLY:

By: 
Don Woodworth, Senior Deputy Prosecuting Attorney
Date: 2/20/07

KING COUNTY DISTRICT COURT

By: 
Linda Thompson, Assistant Presiding Judge
Date: 2/20/07

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

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

Date: 3/1/07

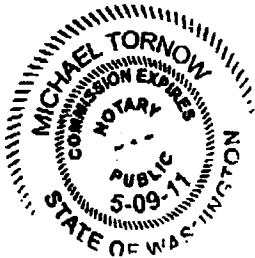


Mark R. Phillips
NOTARY PUBLIC in and for the State of Washington residing at Bellevue. My appointment expires 6/15/08.

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared before me Brad Miyake, to me known to be the Deputy City Manager 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 26 day of March, 20 07.



Michael Tornow
NOTARY PUBLIC in and for the State of Washington residing at Bothell. My appointment expires 5-9-11.

EXHIBIT A

Surrey Downs Property Legal Description

That portion of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 32, T25N, R5E, W.M. in King County Washington, lying easterly of the replat portion of Surrey Downs Addition No. 1, according to the plat thereof recorded in Volume 65 of Plats, page 17, in King County, Washington, and easterly of the plat of Surrey Downs Addition No. 1, according to the plat thereof recorded in Volume 50 of Plats, pages 32-34, in King County, Washington, and southerly of the plat of Surrey Down Addition No. 2, according to the plat thereof recorded in Volume 60 of Plats, page 10, in King County, Washington;

EXCEPT the east 30 feet dedicated to the City of Bellevue for street and highway purposes by instrument recorded under Recording Number 4860655; and

EXCEPT roads; and

EXCEPT that portion described as follows:

Beginning at the SW corner of Lot 3, Block 12, Surrey Downs Addition No. 2;

Thence east along the south line of said lot to the SE corner of said lot;

Thence southwesterly along a line bearing S33°10'18"W to a point 28.7 feet from said southeast corner;

Thence in westerly direction a distance of 103.62 feet to the point of beginning; and

EXCEPT that portion described as follows:

Beginning at the southwest corner of Lot 2, Block 12, Surrey Downs Addition No.2;

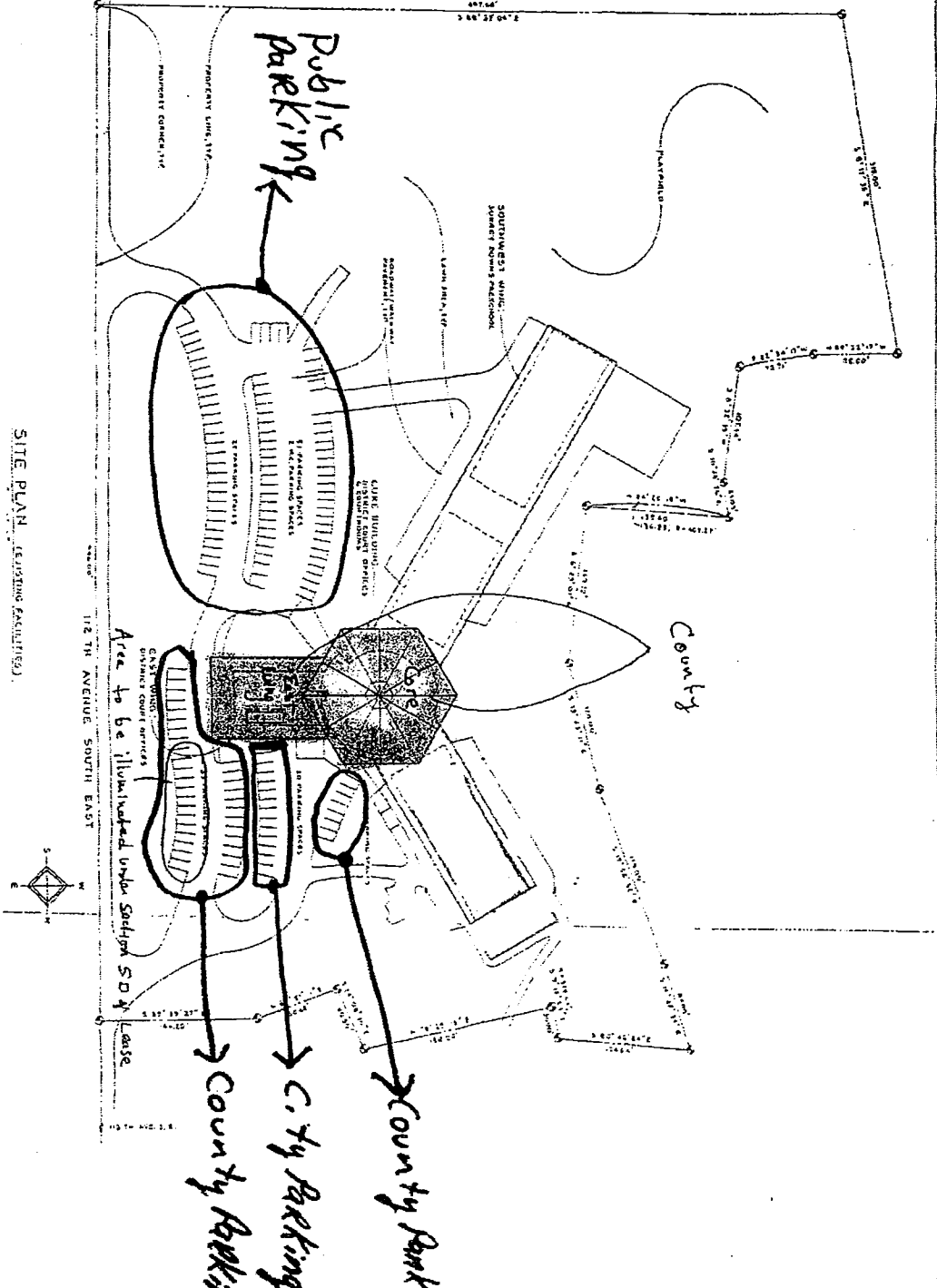
thence southwesterly along a line bearing S33°10'18"W to a point which is 28.7 feet from said southwest corner;

thence in a southeasterly direction to the south point of said lot;

thence in a northwesterly direction to the point of beginning; and

EXCEPT that portion thereof lying westerly of a line beginning at a point on the south line of the southwest quarter of the southeast quarter of said Section, distant 30 feet east of the southeast corner of Lot 1, Block 6, said plat of Surrey Downs Addition No. 1; thence northwesterly 315 feet, more or less, to the southwest corner of Lot 2, Block 5, said addition, and the terminus of said line.

Exhibit B



SITE PLAN (LEASING FACILITIES)



ALTERATIONS TO:
BELLEVUE DISTRICT COURT
285 - 112 TH AVENUE SOUTH-EAST
BELLEVUE, WA 98004

KLAS COUNTY
OFFICE OF CAPITAL PLANNING & DEVELOPMENT
320 KING COUNTY ADMINISTRATIVE BUILDING
SEATTLE, WA 98104 10001 136-0824

DESIGN BY: S. SWINBURNE
DRAWN BY: S. SWINBURNE
CHECKED BY: A. KURTZ
DATE: 11/15/04

A-2
OF 12 SHEETS