

#1185
Attachment A

**LEASE AGREEMENT
SPECIAL TERMS AND CONDITIONS**

I. PARTIES: THIS LEASE AGREEMENT is entered into by and between THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Lessor (hereinafter referred to as the "City"), and KING COUNTY, a municipal corporation organized under the laws of the State of Washington, as Lessee (hereinafter referred to as "Lessee").

II. PREMISES: The City hereby leases to the Lessee and the Lessee hereby leases from the City a portion of that property commonly known as Southeast Seattle Health Clinic, located at 4400 - 37th Avenue South, Seattle Washington, covering approximately 19,666 square feet and legally described as:

Lots 14 through 16, inclusive, Block 21, Squire's Lakeside Addition to the City of Seattle, According to the plat thereof recorded in Volume 11 of Plats, Page 50, in King County, Washington;

all subject to the terms and conditions of this Lease. (Such property shall be referred to in this Lease as the "Premises").

III. USE/PURPOSE: The Premises may be used only for the following uses and purposes: Office space and related facilities for the Seattle-King County Department of Public Health.

IV. TERM: The term of this Lease begins June 1, 2006, and ends May 31, 2011, unless it is terminated earlier pursuant to the provisions hereof, including provisions described in Addendum "A". This lease may be extended on a month to month basis under the same terms and conditions.

V. RENT: In consideration of this Lease, the Lessee shall pay to the City, as rent, the prevailing Schedule II rental rate as specified in the City's annual budget. The current rent is \$5.07 per square foot per year or \$8,308.88 per month through May 31, 2007.

Rent shall be adjusted annually for the June rent payment to reflect the current Schedule II rate. Rent shall be paid in advance, on or before the first of each month.

VI. INSURANCE: Lessee shall secure and maintain, at no expense to City, a policy or policies of insurance as enumerated below. Evidence of such insurance, shall be delivered to the address set forth below. Said policies shall include:

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

- Premises/Operations Liability

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

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

Bodily Injury and Property Damage -

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

Stop Gap Employers Liability

\$ 1,000,000	Each Accident
\$ 1,000,000	Disease - Policy Limit
\$ 1,000,000	Disease - Each Employee

Any deductible or self-insured retention must be disclosed and is subject to approval by the City's Risk Manager. The cost of any claim payments falling within the deductible shall be the responsibility of the Lessee.

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

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

<u>Bodily Injury and Property Damage -</u>	
\$ 1,000,000	per accident

- C) A policy of **Worker's Compensation**. As respects Workers' Compensation insurance in the state of Washington, the Lessee shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. If the Lessee is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, Lessee shall so certify by providing a copy of the state Certificate of Self-Insurance, and setting forth the limits of any policy of excess insurance covering its employees.
- D) A policy of **Property Insurance** covering Lessee's furniture, fixtures, equipment and inventory and all improvements that it has made or makes to the Premises in an amount equal to replacement cost thereof, against (a) loss from the perils of fire, and other risks of direct physical loss, not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (CP 10 30), (b) Loss or damage from water damage, or sprinkler systems now or hereafter installed in on the premises; (c) Loss or damage by explosion of steam boilers, pressure vessels, oil or gasoline storage; (d) Business

Interruption or Extra Expense, with sufficient coverage to provide for the payment of rent and other fixed costs during any interruption of Lessee's business because of fire or other cause.

- E) **Additional Insured and Changes of Coverage and Limits:** Additional Insured
- Such insurance, as provided under items A, B and D above, shall be endorsed to include the City, its officers, elected officials, employees, agents and volunteers as additional insured, and shall not be reduced or canceled without forty-five (45) days prior written notice to the City. In addition, Lessee's insurance shall be primary, as respects the City, and any other insurance maintained by the City shall be excess and not contributing insurance with the Lessee's insurance.
- F) **Coverage &/or limits** may be altered or increased as necessary, to reflect type of or exposure to risk. The City shall have the right to periodically review the appropriateness of such limits in view of inflation and/or changing industry conditions and to require an increase in such limits upon ninety (90) days prior written notice.
- G) **Evidence of Insurance:** The following documents must be provided as evidence of insurance coverage:
- A copy of the policy's declarations pages, showing the Insuring Company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements.
 - A copy of the endorsement naming The City as an Additional Insured, showing the policy number, and signed by an authorized representative of the insurance company on Form CG2026 (ISO) or equivalent.
 - A copy of the "Endorsements Form List" to the policy or policies showing endorsements issued on the policy, and including any company-specific or manuscript endorsements.
 - A copy of an endorsement stating that the coverages provided by this policy to the City or any other named insured shall not be terminated, reduced or otherwise materially changed without providing at least forty-five (45) days prior written notice to the City.
 - A copy of A "Separation of Insureds" or "Severability of Interests" clause, indicating essentially that - except with respect to the limits of insurance, and any rights or duties specifically assigned to the first named insured, this insurance applies as if each named insured were the only named insured, and separately to each insured against whom claim is made or suit is brought (Commercial General Liability & Business Automobile Liability Insurance).
- H) All policies shall be subject to approval by the City's Risk Manager as to company (must be rated A-: VII or higher in the A.M. Best's Key Rating Guide and licensed to do business in the State of Washington or issued as a surplus line by a Washington Surplus lines broker), form and coverage, and primary to all other insurance.
- I) If Lessee fails to maintain such insurance, City may do so, and Lessee shall reimburse City for the full expense thereof upon demand. Lessee shall not keep or use in or about the Premises any article that is prohibited by City's insurance policy. Lessee shall pay immediately any increase in City's premiums for insurance during the term of this Lease that results from Lessee's use of the Premises.
- J) **Waiver of Subrogation.** Neither City nor Lessee shall be liable to the other party or to any

insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or tangible personal property of the other occurring in or about the Premises or Building, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees, if such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required under the terms of this Lease to be covered by insurance procured by the party suffering the loss.

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

IX. UTILITIES AND SERVICES: The City shall provide the following utilities and services: none. The Lessee shall provide all other utilities and services, at no expense to the City.

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

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

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

LESSOR, THE CITY OF SEATTLE

LESSEE, **King County, Washington**

By _____
Brenda Bauer
Fleets & Facilities Department

By _____
Kathy Brown, Director
Facilities Management Division

Date _____

Date _____

Approved as to form only:

By Don Woodworth
Don Woodworth, Sr. Deputy Prosecuting Attorney

Date 3/29/07

Public Health, Seattle – King County

By David Fleming for
David Fleming, MD, Director and Health Officer

Date MAR 14 2007

City's address for all communications:

Fleets & Facilities Department
700 Fifth Avenue, Suite 5200
P.O. Box 94689
Seattle, Washington 98124-4689

Lessee's address for all communications:

King County Real Estate Services Division
500 Fourth Avenue, Suite 500
Seattle, WA 98104

STATE OF WASHINGTON)
) ss.
 COUNTY OF KING)

I certify that I know or have satisfactory evidence that Brenda Bauer is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Director of THE CITY OF SEATTLE Fleets & Facilities Department to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

 (Notary Signature)

 (Print Name)

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

Re STATE OF WASHINGTON)
) ss.
 COUNTY OF KING)

I certify that I know or have satisfactory evidence that Kathy Brown is the individual who appeared before me, and said individual acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Director of the Facilities Management Division of KING COUNTY to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

 (Notary Signature)

 (Print Name)

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