May 10, 1993 cnm\103

CYNTHIA SULLIVAN

INTRODUCED BY: AUDREY GRUGER

PROPOSED NO.: 93-4

ORDINANCE NO. 10881

AN ORDINANCE authorizing the King County Executive to enter into lease agreements with Manufactured Housing Community Preservationists, a nonprofit organization which has been awarded County Housing Opportunity Funds (HOF), pursuant to Ordinances 9368 and 9369, as amended.

PREAMBLE:

In accordance with K.C.C. 4.56.160, K.C.C. 4.56.180 and K.C.C. 4.56.190, the King County council may adopt an ordinance permitting the county executive to lease without bidding, upon reasons submitted by the property services division to the county executive. It is proposed to grant authorization to the county executive to negotiate a thirtyfive-year lease-leaseback with Manufactured Housing Community Preservationists, a nonprofit organization which has been selected and funded in accordance with King County Ordinances 9368 and 9369, as amended. It has been determined that a lease term of thirty-five years for this project is in the best interests of the people of King County.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings. The King County council finds that a long-term leasehold is sufficient to acquire a significant ownership interest in the improvements made pursuant to said lease agreements entered into by the county and is sufficient for the purpose of establishing the improvements as local improvements pursuant to R.C.W. Chapter 82.46. The county council further finds that the leasehold of thirty-five years is sufficient to amortize the

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1	SECTION 2. The King County executive is hereby authorized to enter into
2	lease agreements which are substantially in the form of Attachment A with
3	Manufactured Housing Community Preservationists.
4	INTRODUCED AND READ for the first time this day of
5	June , 1993.
6	PASSED this, 1923
7	KING COUNTY COUNCIL
8	KING COUNTY, WASHINGTON
9	(Subry I myer
10	Chair Chair
11	ATTEST:
12	Gudd a Ste
13	Clerk of the Council
14	APPROVED this
15	Di- Hill
16	King County Executive
17	Attachment:
40	A. Housing Opportunity Fund Agreement

HOUSING OPPORTUNITY FUND AGREEMENT

THIS AGREEMENT	is entered i	nto this	day of	, 1993
between Manufactured	Housing Comm	unity Preserva	ationists ("the	Agency") and
King County ("the Cou	unty").			

RECITALS:

- A. On March 27, 1990, the King County Council established the Housing Opportunity Fund by Ordinance No. 9368, as amended, and appropriated funds to be distributed according to policies adopted by the King County Council by Ordinance 9369, as amended.
- B. The Housing Opportunity Fund is a multi-year capital improvement project fund and is carried over automatically year to year.
- C. The Agency is a nonprofit corporation organized and existing under the laws of the State of Washington.
- D. The County is a municipal corporation and a political subdivision of the State of Washington.
- E. The Agency owns certain real property located at 12929 Martin Luther King Way South in unincorporated King County.
- F. The County is desirous of ordering certain local improvements within King County pursuant to RCW Chapter 82.46.
- G. The Agency and the County are desirous of acquiring certain real property in order to preserve the Vue Mobile Home Park as affordable housing for low-income individuals and families.
- H. The Agency and the County are entering into an agreement to acquire and improve real property and the value of the improvement will be at least equal to the value of the property.

NOW, THEREFORE, in consideration of the mutual promises herein, the parties agree as follows:

1. <u>LEASE AGREEMENT I</u>. The Agency agrees to lease to the County for a term of 35 years, beginning on July 15, 1993 and ending on

associated with achieving compliance without notice from the County. The Agency shall pay all license fees and all federal and state taxes on the Premises, improvements and equipment, and all licensing fees for vehicles or other licensed equipment to the extent that the parties are subject to such taxes and fees. The Agency shall pay all permit fees, including but not limited to land use, building, construction, health, sanitation and business permit fees. The County shall not in any case be held liable for any taxes and/or fees owing to any person due to the Agency's ownership, operation, use and/or possession of the Premises. The Agency shall apply for all appropriate tax exemptions, and neither this paragraph nor any other provision of this Agreement shall be construed as a waiver or relinquishment by the parties of any tax exemption available to it.

- 7. <u>EFFECTIVE DATE</u>. This Agreement shall be effective upon signature by both parties and approval by the King County Council.
- 8. <u>SURVIVE CLOSING</u>. The terms and conditions of this Agreement shall survive the execution of Lease Agreement I and Lease Agreement II.
- 9. ENTIRE AGREEMENT--AMENDMENTS--MEMORANDUM. This Agreement and Exhibits A through E attached hereto, constitute the entire agreement between the parties with regard to the subject matter thereof. This Agreement supersedes all prior negotiations and no modification or amendment to this Agreement shall be valid unless in writing signed by both parties.
- 10. <u>ADDITIONAL DOCUMENTS</u>. The Agency and the County agree to execute such additional documents during the term of the Agreement as may be necessary to effectuate the intent of the parties and the purpose of this Agreement.
- 11. 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 Agreement, 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 Agreement shall be King County.
- 12. NO THIRD PARTY BENEFICIARY. This Agreement and the Provision of Services which is attached hereto as Exhibit D are for the benefit of the named parties only and no third party shall have any rights thereunder.

HOUSING OPPORTUNITY FUND AGREEMENT Page 3

. 19 . The ex	s have signed this Agreement on xecution of this Lease has been authorized
by the King County Council, according	g to Ordinance No
MANUFACTURED HOUSING COMMUNITY PRESERVATIONISTS	KING COUNTY, WASHINGTON
By(Signature) (Printed Name)	By
(Title)	APPROVED AS TO FORM
	By

VUE1 05/05/93

EXHIBITS

Exhibit A: Legal Description of the Premises

Exhibit B: Lease I and Lease I General Terms and Conditions

Exhibit C: Lease II and Lease II General Terms and Conditions

Attachment CI: Provision of Services

Exhibit D: Provision of Services

EXHIBIT A

Legal Description of the Premises

Lots 93, 94, 95, 96 and 97, Second Addition East Riverton Garden Tracts, According to the Plat recorded in Volume 12 of Plats, Page 79, in King County, Washington; Lying Northeasterly of County Road, except the Southwesterly 75 feet thereof; Also

That portion of Lots 115, 116, 117 and 118, Second Addition of East Riverton Garden Tracts, According to the Plat recorded in Volume 12 of Plats, Page 79, in King County, Washington; Lying Southwesterly of primary State Highway No. 2 (Empire Way South), as conveyed to the State of Washington by deeds recorded under Auditor's File Nos. 2449467, 2449466, 2461607 and 3393159; Except that portion of Tracts 116, 117 and 118 in said Second Addition East Riverton Garden Tracts lying Northerly of the following described line:

Commencing at the intersection of the South Margin of South 129th Street (John Langston County Road) and the Southwest margin of primary State Highway No. 2; Thence South 41°06′30" East along said margin of primary State Highway No. 2 a distance of 175.00 feet; Thence North 48°53′30" East, 5.0 feet to the southwesterly margin of primary State Highway No. 2; Thence south 41°06′30" East along said margin of primary State Highway No.2 a distance of 127.00 feet to the true point of beginning at the line herein described; Thence South 48°53′30" West 105 feet; Thence North 41°06′30" West 127 feet, More or less to the Southeasterly Line of that certain tract conveyed to Humble Oil and Refining Company by deed recorded under Auditor's File No. 5365354; Thence South 48°53′30" West, 25.0 feet; Thence North 41°06′30" West, to the West Line of said Tract 118 and the terminus of the Line herein described;

ALSO, all Tract 119 except portion conveyed to County for Road by Deed recorded under Auditor's File No. 2736870, Also,

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EXHIBIT B

LEASE AGREEMENT I

THIS LEASE made this <u>15TH</u> day of <u>JULY</u>, 1993, by and between <u>Manufactured Housing Community Preservationists</u>, (hereinafter called "Lessor") and King County (hereinafter called "Lessee"):

WITNESSETH

1. PREMISES: Lessor does hereby lease to Lessee, certain real property and improvements (hereinafter called "Premises"), legally described as follows:

Lots 93, 94, 95, 96 and 97, Second Addition East Riverton Garden Tracts, According to the Plat recorded in Volume 12 of Plats, Page 79, in King County, Washington; Lying Northeasterly of County Road, except the Southwesterly 75 feet thereof; Also

That portion of Lots 115, 116, 117 and 118, Second Addition of East Riverton Garden Tracts, According to the Plat recorded in Volume 12 of Plats, Page 79, in King County, Washington; Lying Southwesterly of primary State Highway No. 2 (Empire Way South), as conveyed to the State of Washington by deeds recorded under Auditor's File Nos. 2449467, 2449466, 2461607 and 3393159; Except that portion of Tracts 116, 117 and 118 in said Second Addition East Riverton Garden Tracts lying Northerly of the following described line:

Commencing at the intersection of the South Margin of South 129th Street (John Langston County Road) and the Southwest margin of primary State Highway No. 2; Thence South 41°06′30" East along said margin of primary State Highway No. 2 a distance of 175.00 feet; Thence North 48°53′30" East, 5.0 feet to the southwesterly margin of primary State Highway No. 2; Thence south 41°06′30" East along said margin of primary State Highway No.2 a distance of

- other shall be deposited in the United States mail, postage prepaid, addressed to Lessor at <u>Manufactured Housing Community Preservationists</u> 375 Union Avenue, Renton, WA 98059-5170 or to Lessee at King County Planning and Community Development Division, 707 Smith Tower Building, 506 Second Avenue, Seattle, WA 98104, or at such other address as either party may designate to the other in writing from time to time.
- 8. DEFAULT: Upon either party's failure to observe or perform any of the provisions of Lease Agreement I, that failure having continued for thirty days after the non-defaulting party gives written notice to cure such failure to the other party, such party shall be deemed in default of Lease Agreement I; provided, however, that if the nature of the default is such that more than thirty days are reasonably required for its cure, then such party shall not be deemed in default if it commences such cure within such thirty-day period and thereafter diligently pursues such cure to completion within 180 days. In the case of default, Lessor and Lessee shall be willing to meet and confer for the purpose of curing such default.
- 9. TERMINATION: In the event that Lessor or its successor in interest is in default of Lease Agreement II and such default has not been cured as provided for in Lease Agreement II and King County elects to terminate Lease Agreement II, Lessee, at its sole discretion and upon providing thirty days written notice to Lessor, may terminate Lease Agreement I. In the event that either Lessor or Lessee is in default of Lease Agreement I, and such default is not cured as provided for in paragraph 8 above, or otherwise waived by the non-defaulting party and upon thirty days written notice of termination to the party in default, non-defaulting party may terminate Lease Agreement I or pursue any other remedies permitted at law.
- 10. ASSIGNMENT AND SUBLETTING: Lessee may assign, transfer, or sublet this lease or any interest therein, either in whole or part, only with written consent of Lessor, which consent shall not be unreasonably withheld. However, in the event Lessor or any successor-in-interest is in default of Lease Agreement II, Lessee may terminate Lease Agreement II, and Lessee need not procure Lessor's consent to assign or transfer this Lease or any interest therein or to sublet the whole or part of the Premises.

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EXHIBIT B Page 3

- 11. NONINTERFERENCE: As long as this lease and Lease Agreement II remain in full force and effect, Lessee agrees not to interfere in the maintenance and operation of the Premises. This provision shall not be construed to limit Lessee's right to access the Premises or right to receive and/or examine records pertaining to the construction and ongoing operation of the Premises.
- 12. SUBORDINATION AND NON-DISTURBANCE: Lessee will subordinate to mortgage financing but Lessee shall reserve the rights to occupy the Premises in accordance with the terms and conditions of this lease, without regard to mortgage default of Lessor so long as Lessee is not in default of this lease.
- 13. LEASE AGREEMENT I GENERAL TERMS AND CONDITIONS: Upon default of Lease Agreement II by Lessor or its successor in interest, and only in the event that Lessee chooses not to terminate Lease Agreement I, Lessee agrees to assume the obligations of the "Lessee" under the Lease Agreement I General Terms and Conditions attached hereto.
- 14. TIME IS OF THE ESSENCE OF THIS LEASE.
- 15. NO THIRD PARTY BENEFICIARY: This lease is for the benefit of the named parties only and no third party shall have any rights hereunder.
- 16. SEVERABILITY: If any term or provision of this lease or the application of any term or provision to any person or circumstance is invalid or unenforceable, the remainder of this lease, or the application of the term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected and will continue in full force.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the date first above written.

I ECCEE.

I FSSOR.

NOTARY PUBLIC in and for the State of Washington residing at:
My Commission Expires:
STATE OF WASHINGTON)) ss COUNTY OF KING)
On this day personally appeared before me
GIVEN under my hand and official seal this day of, 19
NOTARY PUBLIC in and for the State of Washington, residing at:
My Commission Expires:
V UE2 05/05/93

LEASE AGREEMENT I GENERAL TERMS AND CONDITIONS

1. LICENSE AND TAXES.

Lessee shall pay throughout the term of this lease, all applicable taxes, and all license and excise fees covering the business conducted on the Premises.

2. COMPLIANCE WITH ALL LAWS AND REGULATIONS.

In using the Premises, Lessee will comply with all applicable laws, ordinances and regulations, from any and all authorities having jurisdiction. The Lessee specifically agrees to comply and pay all costs associated with achieving such compliance without any notice of requirement or requirements from Lessor, and that Lessor does not waive this section by giving notice of demand for compliance in any instance.

3. UTILITIES.

Lessee shall pay for all costs, expenses, fees, services and charges of all kinds for heat, light, water, gas and telephone and for all other public utilities used on said Premises so that the same shall not become a lien against the leased Premises.

4. MAINTENANCE.

Lessee shall throughout the term of this lease, without cost or expense to Lessor, keep and maintain the leased Premises and all improvements, landscaping and fixtures which may now or hereafter exist thereon, in a neat clean and sanitary condition, and shall except for reasonable wear and tear, at all times preserve the Premises in good and safe repair. Upon the expiration or sooner termination of the lease, Lessee shall forthwith return the same in as good condition as that existing at the commencement of occupancy, ordinary wear and tear excepted. Notwithstanding the foregoing, Lessor shall have the obligation to make all capital improvements and to keep in good repair the structural components of the Premises including roof, exterior walls, foundations and HVAC system.

5. <u>INDEMNITY AND HOLD HARMLESS</u>.

It is hereby agreed that no waiver of any condition or covenant in this lease or any breach thereof, shall be taken to constitute waiver of any subsequent breach.

10. INSPECTION.

Lessor reserves the right to inspect the Premises at any and all reasonable times throughout the term of this lease; provided, that Lessor shall not interfere unduly with Lessee's operations. The right of inspection reserved to Lessor hereunder shall impose no obligation on Lessor to make inspections to ascertain the condition of the Premises, and shall impose no liability upon Lessor for failure to make such inspections.

11. LIENS.

It is understood and agreed that this lease is executed and delivered upon the express condition that the Lessee will not and cannot contract any debt or debts for labor, materials, services or otherwise which will or may become a lien against the interest of Lessor in the Premises and Lessor hereby denies to Lessee any right, power or authority to do any act or contract any obligation or liability which would in any way subject the interest of Lessor in the Premises to any lien, claim or demand whatsoever.

12. 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 Lessee shall not violate any of the terms of RCW 49.60, Title VII of the Civil Rights Act of 1964, or any other applicable federal, state, or local law or regulations regarding nondiscrimination. 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 by the Lessor. The Lessee will also comply with other anti-discrimination laws or requirements of any and all jurisdictions having authority.

LEASE AGREEMENT I GENERAL TERMS AND CONDITIONS Page 3

13. CAPTIONS.

The captions in this lease are for convenience only and do not in any way limit or amplify the provisions of this lease.

14. HAZARDOUS SUBSTANCES.

Lessee shall not, without first obtaining Lessor's prior written approval, generate, release, spill, store, deposit, transport, or dispose of (collectively "Release") any hazardous substances, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances, hazardous materials, toxic substances or any pollutants, or substances defined as hazardous or toxic in accordance with applicable federal, state, and local laws and regulations in any reportable quantities ("Hazardous Substances") in or about the Premises except for commercial cleaning supplies which shall be handled in accordance with all applicable federal, state, and local laws and regulations. In the event, and only in the event, Lessor approves such Release of Hazardous Substances on the Premises, Lessee agrees that such Release shall occur safely and in compliance with all applicable federal, state, and local laws and regulations. Lessee shall indemnify, hold harmless, and defend Lessor from any and all claims, liabilities. losses, damages, clean up costs, response costs, and expenses, including reasonable attorney's fees arising out of or in any way related to the Release by Lessee, or any of its agents, representatives, or employees, or the presence of such Hazardous Substances in, on or about the Premises occurring at any time after the commencement date.

15. CASUALTY/CONDEMNATION.

In the event that all or any portion of the Premises is taken or conveyed as a result of any condemnation proceeding or damaged as a result of any casualty, Lessor and Lessee agree that the proceeds of any condemnation or casualty affecting the Premises shall be made available for the repair or restoration of the Premises if Lessor and Lessee in their reasonable judgment agree that: (a) repair or restoration of the Premises is feasible and that sufficient funds are available to complete such work: (b) after the completion of work, the Premises can be feasi-

EXHIBIT C

LEASE AGREEMENT II

- 2. <u>PREMISES</u>. Lessor hereby leases to Lessee, upon the following terms and conditions, certain real property and any improvements thereon located in King County, Washington (hereafter referred to as the "Premises"), legally described as follows:

Lots 93, 94, 95, 96 and 97, Second Addition East Riverton Garden Tracts, According to the Plat recorded in Volume 12 of Plats, Page 79, in King County, Washington; Lying Northeasterly of County Road, except the Southwesterly 75 feet thereof; Also

That portion of Lots 115, 116, 117 and 118, Second Addition of East Riverton Garden Tracts, According to the Plat recorded in Volume 12 of Plats, Page 79, in King County, Washington; Lying Southwesterly of primary State Highway No. 2 (Empire Way South), as conveyed to the State of Washington by deeds recorded under Auditor's File Nos. 2449467, 2449466, 2461607 and 3393159; Except that portion of Tracts 116, 117 and 118 in said Second Addition East Riverton Garden Tracts lying Northerly of the following described line:

Commencing at the intersection of the South Margin of South 129th Street (John Langston County Road) and the Southwest margin of primary State Highway No. 2; Thence South 41°06′30" East along said margin of primary State Highway No. 2 a distance of 175.00 feet; Thence North 48°53′30" East, 5.0 feet to the southwesterly margin of primary State Highway No. 2; Thence south 41°06′30" East along said margin of primary State Highway No.2 a distance of 127.00 feet to the true point of beginning at the line herein described; Thence South 48°53′30" West 105 feet; Thence North 41°06′30" West 127 feet, More or less to the Southeasterly Line of that certain tract conveyed to Humble Oil and Refining Company by

the purpose of curing such default.

- 8. <u>TERMINATION</u>. In the event that either Lessor or Lessee or Lessee's successor in interest is in default of Lease Agreement II and such default has not been cured as provided for in paragraph 7 above or otherwise waived by the non-defaulting party, the non-defaulting party at its sole discretion and upon providing thirty days written notice of termination to the defaulting party may terminate Lease Agreement II. This provision in no way shall be considered a limitation of either party's ability to pursue any other proceeding to protect its interest as provided by law.
- LIOUIDATED DAMAGES. Default of Lessee or any failure of lessee to perform any conditions of Lease Agreement II or of the Provision of Services that are not cured as provided herein or waived by the Lessor shall result in the limitation of the availability of mobile home parks to house low and very low-income individuals and families to the loss and damage of Lessor. Because it would be impracticable to fix the actual damages sustained in the event of such failure to perform. Lessor and Lessee, therefore, agree that in the event of Lessee's failure to perform, the damages incurred by Lessor shall be \$190,000.00 less \$5,429.00 for each full year that Lease Agreement II has been in full force and effect at the time of such default or failure to perform. Lessor and Lessee agree that Lessee shall pay such amount to Lessor as liquidated damages and not as a penalty. Lessor and Lessee agree that Lessee shall pay such amount to Lessor as liquidated damages arising from all causes including causes beyond its reasonable control and without the fault or negligence of Lessee. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of any government body acting in its sovereign capacity, war, explosions, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes and unusually severe weather. Upon payment of such sum, Lease Agreement I and Lease Agreement II shall terminate, and neither party shall have any further liability hereunder. Any amount due and payable pursuant to this paragraph 9 shall be reduced by the amount, if any, actually paid to King County pursuant to paragraph 23 of Lease Agreement II General Terms and Conditions or in its capacity as Lessee pursuant to paragraph 15 of Lease Agreement I General Terms and Conditions.

EXHIBIT C Page 3

- 10. ENTIRE AGREEMENT AMENDMENTS. This lease together with the attached Lease Agreement II General Terms and Conditions and Attachment C1 attached hereto and expressly incorporated herein by reference shall constitute the whole agreement between the parties as to the matters set forth herein. There are no terms, obligations, covenants, or conditions regarding matters addressed herein other than those contained herein. No modification or amendment of this lease shall be valid or effective unless evidenced by an agreement in writing signed by both parties.
- 11. <u>NOTICES</u>. Required notices except legal notices shall be given in writing to the following respective address:

TO Lessor: King County Planning and Community Development

Division

707 Smith Tower Building

506 Second Avenue Seattle, WA 98104

TO Lessee: Manufactured Housing Community Preservationists

375 Union Avenue

Renton, WA 98059-5170

or such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed.

12. NO THIRD PARTY BENEFICIARY. This lease and the Provision of Services, which is attached hereto as Attachment C1, are for the benefit of the named parties only and no third party shall have any rights thereunder.

		IN WITNESS	WHEREOF,	the	parties	hereto	have	subscribed	their	names
as	of	the	day	of _				, 19	•	

LESSEE: LESSOR:

	•
My Commission Expires:	• •
STATE OF WASHINGTON) COUNTY OF KING) ss	
On this day of	ee above and foregoing instrument for s therein stated and acknowledged to see and voluntary act and deed of
GIVEN under my hand and offici, 1993.	al seal this day of
NOTARY PUBLIC in and for the State of Washington, residing at:	
My Commission Expires:	
VUE4 05/05/93	

or Washington, residing at:

LEASE AGREEMENT II GENERAL TERMS AND CONDITIONS

TAXES AND LICENSES.

A. LEASEHOLD TAX.

A leasehold excise tax is levied pursuant to the Revised Code of Washington (RCW) Chapter 82.29A. If applicable, the Lessee agrees to pay this tax to King County. If the State of Washington or King County changes the Leasehold Excise Tax, the tax payable shall be correspondingly changed.

B. LICENSE AND TAXES.

Lessee shall pay throughout the term of this lease, all applicable taxes, and all license and excise fees covering the business conducted on the Premises.

C. OTHER CONSIDERATION.

No offset, reduction, or credit toward rent shall be allowed unless it is in writing and signed by the Manager of the Real Property Division of King County.

2. COMPLIANCE WITH ALL LAWS AND REGULATIONS.

In using the Premises, Lessee will comply with all applicable laws, ordinances and regulations, from any and all authorities having jurisdiction. The Lessee specifically agrees to comply and pay all costs associated with achieving such compliance without any notice of requirement or requirements from Lessor, and that Lessor does not waive this section by giving notice of demand for compliance in any instance.

3. UTILITIES.

Lessee shall pay for all costs, expenses, fees, services and charges of all kinds for heat, light, water, gas and telephone and for all other public utilities used on said Premises so that the same shall not become a lien against the leased Premises.

CONDITION OF PREMISES.

and dead offer. De recoverable from Lessee.

8. LIABILITY INSURANCE DURING THE TERM OF THIS AGREEMENT.

The Lessee shall assume any and all liability for property damage and/or general liability associated with the Premises during the terms of Lease Agreement I and Lease Agreement II, including any time period after Lease Agreement II has expired or terminated and before such time that Lease Agreement I expires or terminates, except as otherwise provided for in Lease Agreement I, paragraphs 9 and 13. This obligation shall survive termination of Lease Agreement II.

By date of execution of this lease, Lessee shall procure and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the activities of Lessee, its agents, representatives, employees, and/or subcontractors. The cost of such insurance shall be paid by Lessee.

For All Coverages:

Each insurance policy shall be written on an "Occurrence" form.

A. MINIMUM SCOPE OF INSURANCE.

Coverage shall be at least as broad as:

1. General Liability

Insurance Services Office form number (CG 00 01 Ed. 11-88) covering COMMERCIAL GENERAL LIABILITY.

-or-

Insurance Services Office form number (GL 0002 Ed. 1-73) covering COMPREHENSIVE GENERAL LIABILITY and Insurance Services Office form number (GL 0404 Ed. 5-81) covering BROAD FORM COMPREHENSIVE GENERAL LIABILITY ENDORSEMENT:

2. Automobile Liability

Insurance Services Office form number (CA 00 01 d. 12-90) covering <u>BUSINESS AUTO COVERAGE</u>, symbol 1 "any auto"; or the combination of symbols 2, 8, and 9.

3. Fire Insurance

Insurance Services Office form number (DP-3 Ed. 1-77) covering SPECIAL FORM DWELLING PROPERTY INSURANCE.

B. MINIMUM LIMITS OF INSURANCE.

Lessee shall maintain limits no less than, for:

- 1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
- 2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- 3. Fire Insurance: 100% of replacement value.
- C. LIABILITY INSURANCE DURING BUILDING CONSTRUCTION.

By date of execution of this Agreement, the Lessee shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the activities of the Lessee, its agents, representatives, employees, and/or subcontractors. The cost of such insurance shall be paid by the Lessee.

For All Coverages: Each insurance policy shall be written on an "Occurrence" form.

- MINIMUM SCOPE OF INSURANCE. Coverage shall be at least as broad as:
 - a. General Liability

Insurance Services Office form number (CG 00 01 Ed. 11-88) covering COMMERCIAL GENERAL LIABILITY:

-or-

Insurance Services Office form number (GL 0002 Ed. 1-73) covering COMPREHENSIVE GENERAL LIABILITY and Insurance

cost value).

f. Workers Compensation: Statutory requirements of the State of residency.

- g. Stop Gap or Employers Liability Coverage: \$1,000,000.
- D. DEDUCTIBLES AND SELE-INSURED RETENTIONS.

Any deductibles or self-insured retentions must be declared to, and approved by, Lessor. The deductible and/or self-insured retention of the policies shall not limit or apply to Lessee's liability to Lessor and shall be the sole responsibility of Lessee.

E. OTHER INSURANCE PROVISIONS.

The insurance policies required in this lease are to contain, or be endorsed to contain the following provisions:

- 1. General Liability Policy
 - a. Lessor, its officers, officials, employees and agents are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of Lessee in connection with this lease.
 - b. To the extent of Lessee's negligence, Lessee's insurance coverage shall be primary insurance as respects Lessor, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by Lessor, its officers, officials, employees or agents shall not contribute with Lessee's insurance or benefit Lessee in any way.
 - c. Lessee's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
- 2. Builder's Risk Policy.

The policy shall include Lessor and Lessee as insureds in the amount equal to their interests, as their interests may appear.

LEASE AGREEMENT II GENERAL TERMS AND CONDITIONS Page 5

3. Fire Insurance Policy

The policy shall include the Lessor as an insured in the amount equal to its interest, as its interest may appear.

4. All Policies

Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits until after forty-five (45) days prior notice has been given to Lessor.

F. ACCEPTABILITY OF INSURERS.

Insurance is to be placed with insurers with a Best's rating of no less than A:VIII, or, if not rated with Best's, with minimum surpluses the equivalent of Bests' surplus size VIII.

If at any time of the foregoing policies shall be or become unsatisfactory to Lessor, as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to Lessor, Lessee shall, upon notice to that effect from Lessor, promptly obtain a new policy, and shall submit the same to Lessor, with the appropriate certificates and endorsements, for approval.

G. VERIFICATION OF COVERAGE.

Lessee shall furnish Lessor with certificate(s) of insurance and endorsement(s) required by this lease. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by Lessor and are to be received and approved by Lessor prior to the commencement of activities associated with the Lease. Lessor reserves the right to require complete, certified copies of all required insurance policies at any time.

H. PROVISION FOR INCREASE OF COVERAGE.

To ensure that appropriate insurance is carried by Lessee, Lessor at its sole option may adjust these insurance requirements every

ject the interest of Lessor in the Premises to any lien, claim or demand whatsoever.

14. ASSIGNMENT OR SUBLEASE.

- A. Other than rentals pursuant to the Provision of Services, Lessee shall not assign or transfer this lease or any interest therein nor sublet the whole or any part of the Premises, nor shall this lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the written consent of Lessor first had and obtained, which consent shall not be unreasonably withheld. If Lessor shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Lessor's consent.
- В. If Lessee desires to assign, transfer, or sublease any portion of this lease or any interest therein, it shall notify Lessor in writing of said desire to assign or transfer, or sublease any portion of this lease or any interest therein, it shall notify Lessor in writing of said desire to assign or transfer and the details of the proposed agreement, at least thirty (30) days prior to the proposed date of assignment, transfer, or sublease to a third party. The notification shall include, but not be limited to a financial statement of the proposed assignee, including but not limited to a full disclosure of the monetary payment or any other considerations involved, and an affidavit from the proposed assignee stating he has examined this lease, understands this lease, agrees to assume and be bound by all of the Lessee's obligations and covenants under this lease, the same as if it were the original Lessee hereunder, and the proposed date of assignment. transfer of sublease.
- C. Lessor will review the request and respond with either an approval or disapproval of the request not later than ten (10) days prior to the proposed date. Disapproval of any such request shall be final and binding on the Lessee and not subject to any arbitration, provided that any approval will not be unreasonably withheld.

LEASE AGREEMENT II GENERAL TERMS AND CONDITIONS Page 7

15. NONDISCRIMINATION

A. GENERAL

1. During the performance of Lease Agreement II, neither Lessee nor any party subcontracting under authority of Lease Agreement II shall discriminate on the basis of race, color, sex, religion, nationality, creed, sexual orientation, marital status, age, or the presence of any sensory, mental or physical handicap in employment or application for employment or in the administration or delivery of services or any other benefits under Lease Agreement II.

Lessee will comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations which prohibit such discrimination. These laws include, but are not limited to, RCW 49.60, Titles VI and VII of the Civil Rights Law of 1964, Section 504 of the Rehabilitation Act of 1973, Executive Order 11246 issued by the President of the United States and Executive Order 2001-R issued by the County Executive.

- 2. Lessee will consult and cooperate fully with King County, the Washington State Human Rights Commission, the Equal Employment Opportunity Commission and other appropriate federal, state and local agencies in ensuring its full compliance with the laws against discrimination. Lessee will consult the Compliance Unit of the King County Office of Civil Rights and Compliance for information and technical assistance and/or for referral to other agencies for assistance.
- 3. In the event of noncompliance by Lessee with any of the nondiscrimination provisions of Lease Agreement II, the County shall have the right, at its option, to cancel Lease Agreement II in whole or in part. If Lease Agreement II is canceled after partial performance, the County's obligation will be limited to the fair market value or Lease Agreement II price, whichever is lower, for goods or services which were received and approved by the County prior to cancellation.

B. EMPLOYMENT

magazine or other written publication to print or cause to be printed or circulated any advertisement with knowledge that the same is in violation of K.C.C. 12.18.030 C., or to segregate and separately designate advertisements as applying only to men and women unless such discrimination is reasonable necessary to the normal operation of the particular business, enterprise or employment, unless based upon a bona fide occupational qualification;

- g. employer to prohibit any person from speaking in a language other than English in the workplace unless:
 - (1) the employer can show that requiring that employees speak English at certain times is justified by business necessity, and
 - (2) the employer informs employees of the requirement and the consequences of violating the rule.

If the Lessee fails to comply with King County Code Chapter 12.18, the Lessee shall be subject to the procedures and penalties set forth therein.

C. PROGRAM AND SERVICES

1. Lessee, or any subcontracting authority under Lease Agreement II, agrees not to discriminate on the basis of race, color, sex, religion, nationality, creed, sexual orientation, marital status, age, or the presence of any mental, physical or sensory handicap in the access to, or in the provision and administration of, any program or activity under Lease Agreement II.

"Discrimination" includes but may not be limited to 1) denial of services or benefits, 2) segregation, separate or different treatment or benefits, 3) utilization of administrative criteria or methods that have the effect of discriminatory treatment. This obligation includes taking affirmative steps to make programs and services available and accessible to the handicapped.

D. AFFIRMATIVE ACTION REPORTING

1. Lessee shall submit a total personnel inventory employment profile providing minority, female, and handicap employment data.

Lessee shall complete the employment profile form provided by the County and attach the completed form to Lease Agreement II.

2. Lessee, entering into a contract with King County valued at more than \$10,000, or contracts which in the aggregate have a value to the contractor of more than \$10,000, shall submit an affidavit of compliance in the form provided by the County, demonstrating its commitment to comply with the provisions of King County Code, Chapter 12.16.

Lessee shall complete the affidavit of compliance provided by the County and attach the original notarized completed form to this Lease Agreement II. If the improvement of the Premises described in Lease Agreement II continues for longer than one year, a new affidavit will be submitted at the beginning of each year.

3. Within 30 days after signing this Lease, the Lessee will prepare a self evaluation report of its ability to provide program and services to the handicapped as mandated under Sections 504 of the Rehabilitation Act of 1973. Lessee will prepare a plan for the structural and/or programmatic changes necessary at its Premises for compliance with Section 504.

Lessee shall complete the self evaluation report and return it to the issuing County unit 30 days after signing Lease Agreement II.

Please note that if Lessee has previously submitted this self-evaluation report to the County, it is exempt from filing a report for this contractual year, provided that Lessee is in the same location. In this instance Lessee will sign a waiver statement indicating continued efforts to comply with Sections 503 and 504 of the 1973 Rehabilitation Act, as amended.

Lessee shall complete the waiver statement provided by the County and attach the completed form to this Lease.

4. Lessee will complete all reports and forms (including Department of Social and Health Services non-discrimination forms, where applicable) provided by the County and will otherwise cooperate fully with the County in monitoring and assisting Lessee to provide nondiscriminatory programs.

activities and shall include the right of the County to inspect such records.

- 2. Failure to comply with the provisions of King County Code, Chapter 4.18 may result in:
 - a. Suspension or cancellation of Lease Agreement II in part or in whole;
 - b. Disqualification and/or debarment of the violator from participation in County contracts for a period of up to five years:
 - c. Exclusion of the violator from future contracts or vending until demonstration of compliance.
- The purpose of King County's minority/women's business leaislation is to provide a prompt remedy for the effects of past discrimination. The County in general, and the M/WB program in particular, are damaged when a contract, or portion of a contract. to be performed by a minority/women's business is not actually performed by a minority/women's business enterprise in compliance with King County Code, Chapter 4.18. Because the actual amount of such damage is not reasonably calculable, the parties agree and stipulate that liquidated damages equal to the dollar value of the M/WB utilization lost to the County due to the violation, not to exceed 10% of the total dollar value of the contract, shall be the amount required to compensate the County for resulting delays in carrying out the purpose of the program, the costs of meeting utilization goals through additional contracts, the administrative costs of investigation and enforcement and other damages and costs caused by the violation. Lessee shall be liable to the County for such liquidated damages in the event the Lessee or subcontractor fails to perform a commercially useful function and/or operates as a broker, front, conduit or pass-through, as defined in King County Code, Chapter 4.18.

F. SUBCONTRACTS AND PURCHASES

Lessee will include this Section 15 in every subcontract or purchase order for goods or services which are the subject of this Lease Agreement II.

AGENTS AND ASSIGNS.

Without limiting any provisions of this lease pertaining to assignment and subletting, the provisions of this lease bind the successors, agents and assigns of any of the parties to this lease.

17. CAPTIONS.

The captions in this lease are for convenience only and do not in any way limit or amplify the provisions of this lease.

18. TIME IS OF THE ESSENCE.

Time is of the essence of this lease, and in the event of the failure of Lessee to pay any charges at the time in the manner herein specified, or to keep any of the covenants or agreements herein set forth, the Lessee shall be in default.

19. CUMULATIVE REMEDIES.

No provision of this lease precludes Lessor from pursuing any other remedies for Lessee's failure to perform his obligations.

20. ATTORNEY'S FEES/COLLECTION CHARGES.

In the event legal action is brought by either party to enforce any of the terms, conditions or provisions of this lease, the prevailing party shall recover against the other party, in addition to the costs allowed by law, such sum as the court may adjudge to be a reasonable attorney's fee.

21. HAZARDOUS SUBSTANCES.

Lessee shall not, without first obtaining Lessor's prior written approval, generate, release, spill, store, deposit, transport, or dispose of (collectively "Release") any hazardous substances, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances, hazardous materials, toxic substances or any pollutants, or substances defined as hazardous or toxic in accordance with applicable federal, state, and local laws and regulations in any reportable quantities ("Hazardous Substances") in or about the Premises

VUE**5** 05/06/93

ATTACHMENT C1

PROVISION OF SERVICES

MANUFACTURED HOUSING COMMUNITY PRESERVATIONISTS ("MHCP") AGREES TO PERFORM THE FOLLOWING SERVICES IN LIEU OF RENT AS SPECIFIED IN LEASEHOLD AGREEMENT II.

I. USE OF FUNDS

- A. MHCP shall utilize King County Housing Opportunity Funds ("HOF") for acquisition of the real property located at 12929 Martin Luther King Way South, (the real property and improvements thereon hereinafter referred to as the "Premises").
- B. MHCP shall rehabilitate and improve the Premises substantially in compliance with the Project Manual Specifications submitted to King County's Planning and Community Development Division prior to the commencement of construction.
- C. MHCP shall fund the acquisition and improvement of the Premises substantially in compliance with the Project Sources and Uses Statement which is attached hereto as Attachment D1 and incorporated herein as if fully set forth. MHCP shall notify King County Planning and Community Development Division of any modification greater than 10% to any line item listed.

II. <u>TENANTS</u>

- A. MHCP shall operate the Premises as a mobile home park offering affordable rents for low-income individuals and families at risk of displacement and homelessness (hereinafter referred to as "Tenants").
- B. Tenants will be members of MHCP with all rights of membership, including the right to elect representatives to MHCP's Board of Directors and to participate in management decisions relating to the operation of Premises.

III. MANAGEMENT AND OPERATION OF THE PREMISES

rent or modifications in the rent schedule for the Premises must be approved in advance of implementation by King County Planning and Community Development Division.

If at any time during the course of Lease Agreement II, MHCP С. determines that it is no longer feasible for it to house Tenants within the Premises, MHCP may inform King County that it desires to negotiate with King County for the purpose of serving an alternative population within the Premises consisting of HOFeligible beneficiaries. King County may at its sole option agree to negotiate this matter with MHCP and all public agencies that have provided funding rather than exercising its rights and remedies set forth in Lease Agreement II. In the event that King County consents to negotiate this matter. MHCP shall convene a negotiation to which public agencies which have provided funding will be invited. The purpose of the negotiation shall be to identify an alternative HOF-eligible population to be served within the Premises. Such negotiation shall be complete when the public agencies that have provided funding concur with the designation of the alternative resident population. Such negotiation period shall not exceed 180 days.

If parties are unable to reach an agreement regarding an alternative population that meets the definition of "HOF Eligible Beneficiaries" as defined in paragraph C.1. below or as modified by action of the King County Council, MHCP shall be deemed to have failed to perform conditions of this Provision of Services and King County shall be entitled to liquidated damages pursuant to Lease Agreement II, paragraph 9. Upon such payment of liquidated damages by MHCP to King County as provided in Lease Agreement II, paragraph 9, Lease Agreement I and Lease Agreement II shall terminate and neither party shall have further liability hereunder.

ATTACHMENT C1 Page 3

- C.1. "HOF Eligible Beneficiaries" are defined as persons (1) who have household incomes at or below 50% of the SMSA median and (2) who fall into one or more of the following categories:
 - 1. Low-income families and seniors at risk of displacement and homelessness;
 - 2. Homeless families and individuals, including youth; or,
 - 3. Special needs groups <u>including</u>, <u>but not limited to</u> the frail elderly and people with the following conditions:
 - -- Mental Illness
 - -- HIV Infections/AIDS
 - -- Developmental Disabilities
 - -- Alcohol and/or Substance Abuse.

If MHCP wishes to identify and provide housing and services to a special needs group not included in the above listing of King County priority groups, it must demonstrate that the population requires residential care. In addition, MHCP must present a budget to King County which demonstrates the linkage of support services to the special needs group assisted.

V. RECORDKEEPING AND REPORTING

- A. MHCP shall keep and maintain all records as King County may from time to time reasonably require, including, but not limited to, records pertaining to the acquisition, rehabilitation and operation of the Premises, the provision of services for residents and records pertaining to Tenants' annual income. King County shall have access upon reasonable notice to any and all of MHCP's records at any time during the course of the rehabilitation and operation of the Premises.
- B. MHCP shall submit an annual report to King County's Planning and Community Development Division within 60 days of the close of each calendar year. This annual report shall include information pertaining to the Tenants: including numbers served, age, ethnicity, gender, income. At King County's option, MHCP may also be asked to submit information pertaining to MHCP, including MHCP's annual report of activities, an audited financial statement

EXHIBIT D

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EXHIBIT D Page 3

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10881

GROWTH MANAGEMENT, HOUSING AND ENVIRONMENT COMMITTEE

COMMITTEE RECOMMENDATION

PROPOSED NO. 93-417

DATE: June 9, 1993

Authorization for HOF project leases.

COMMITTEE RECOMMENDATION:					
X DO PASS					
DO PASS SUBSTITUTE DATED*					
DO NOT PASS					
POSTPONE INDEFINITELY					
PASS OUT OF COMMITTEE (WITH NO RECOMMENDATION)					
ATTACHMENTS ADOPTED BY THE ORDINANCE OR MOTION:					
NONE					
APPROVED AS REFERRED TO COMMITTEE					
AMENDED BY COMMITTEE AND DATED (List if more than one)					
CYNTHIA SULLEVAN, CHAIR PAUL BARDEN, VICE-CHAIR					
AUDREY GRUGER, MEMBER BRUCE LAING, MEMBER					

RECEIVE 93 MAY 27 PM KING COUNTY

ORDINANCE/MOTION INTRODUCTION

TO:	COUNCIL CLERK	TYPE:
DATE	SUBMITTED:	
DATE	FOR COUNCIL ACTION:	
		•
SIGNE	D: PON SIMS COUNCIL MEMBER	

CYNZHIA SULLIVANO COUNTY COUNCILMEMBER AUDREY GRUGER COUNTY COUNCILMEMBER



King County Executive TIM HILL

King County Courthouse 516 Third Avenue Room 400 Seattle, Washington 98104-3271

(206) 296-4040 FAX: (206) 296-0194

May 18, 1993

RECEIVED

93 MAY 20 AM 9: 47

CLERK KING COURTY COUNCIL

Chapman Sime GM

The Honorable Audrey Gruger, Chair King County Council Room 402 COURTHOUSE

Housing Opportunity Fund: Manufactured Housing Community Preservationists

Dear Councilmember Gruger:

Enclosed for Council consideration is an ordinance authorizing me to enter into a lease-leaseback agreement with Manufactured Housing Community Preservationists (MHCP) in accordance with the provisions of the King County Code. The lease-leaseback document was developed by the Office of the Prosecuting Attorney (PA) as the form of contract between nonprofit organizations such as MHCP and King County for capital housing projects utilizing King County Housing Opportunity Funds (HOF). HOF funds will be used by MHCP to acquire and rehabilitate Vue Mobile Home Park in order to preserve this housing for continued low-income use.

I request your favorable consideration of the enclosed ordinance to allow use of the lease documents which were prepared by the PA for this program and to convey HOF funds in a timely fashion to MHCP for this urgently needed project. For further information related to these documents or the housing project, please contact Lois Schwennesen, Director of the Parks, Planning and Resources Department, at 296-7507.

Sincerely,

10881

DATE II	NTRODUCED <u>06-01-93 (Tuesday)</u>	PROPOSED ORDINANCE NO. 93-0417
INTROD	UCED BY AG REFERRED TO	COMMITTEE
TITLE:	lease agreements with Manus Preservationists, a nonpro	ne King County Executive to enter into factured Housing Community fit organization which has been awarded Funds (HOF), pursuant to Ordinances
		DEGETTED JUN 1 6 1993 KING COUNTY EXECUTIVE
NEEDS A	ADVERTISINGCO	DMMENTS

CARD FILE TITLE ____