



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

December 10, 2002

Ordinance 14532

Proposed No. 2002-0584.1

Sponsors Edmonds and Hague

1 AN ORDINANCE authorizing the executive to enter a lease
2 with the Boys and Girls Clubs of King County for Gold
3 Creek lodge; and declaring an emergency.
4
5

6 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

7 SECTION 1. Findings:

8 A. King County is facing a multiyear fiscal crisis that is forcing major cuts in all
9 nonmandated government services funded by the current expense fund and as a result
10 does not have a sufficient, stable source of revenue to continue to operate and maintain
11 the Gold Creek lodge ("Gold Creek"), which is a community center located in Gold
12 Creek park, and Gold Creek is surplus to the county's needs

13 B. Due to its fiscal crisis, King County is going out of the business of operating
14 community centers, including Gold Creek.

15 C. King County and the Boys and Girls Clubs of King County have agreed to
16 terms of a lease with respect to Gold Creek.

17 D. To avoid any service disruption at Gold Creek, the county and the Boys and
18 Girls Clubs of King County must have the lease become effective on or before the end of
19 the year. For that to occur, this ordinance must be adopted on an emergency basis.

20 E. The recitals in the lease set forth relevant facts supporting and explaining the
21 terms of the lease.

22 F. The equipment and supplies being leased along with Gold Creek are integral to
23 the continued operation and maintenance of Gold Creek and are surplus to the county's
24 needs.

25 G. The long-term lease of Gold Creek under the terms and conditions of the
26 attached lease will serve an important county purpose by ensuring that Gold Creek will
27 remain open and that needed services will continue to be provided to low income youth
28 and county residents.

29 SECTION 2. The King County executive is hereby authorized to enter into a
30 lease for Gold Creek with the Boys and Girls Clubs of King County, substantially in the
31 form of the attached lease.

32 SECTION 3. For the reasons set forth in section 1 of this ordinance, the county
33 council finds as a fact and declares that an emergency exists and that this ordinance is

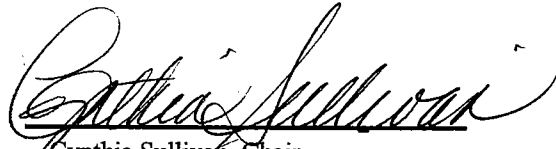
34 necessary for the immediate preservation of public peace, health or safety or for the
35 support of county government and its existing public institutions.

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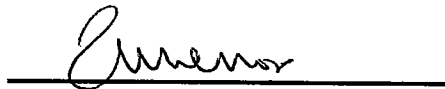
Ordinance 14532 was introduced on 12/2/2002 and passed by the Metropolitan King
County Council on 12/9/2002, by the following vote:

Yes: 13 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr.
Phillips, Mr. Pelz, Mr. McKenna, Mr. Constantine, Mr. Pullen, Mr. Gossett,
Ms. Hague, Mr. Irons and Ms. Patterson
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

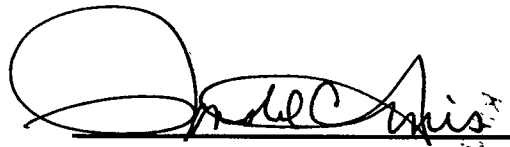

Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 12 day of December, 2002.


Ron Sims, County Executive

Attachments A. Lease Agreement, B. King County General Terms and Conditions

RECEIVED
2002 DEC 12 AM 9:56
KING COUNTY COUNCIL
CLERK

LEASE AGREEMENT

This Lease is made and entered into this ____ day of _____, 2002 by and between King County, a political subdivision of the State of Washington, and the Boys and Girls Club of King County, a Washington nonprofit corporation, herein called "Lessee."

Whereas, the County owns and operates a facility commonly known as the Gold Creek Lodge ("Gold Creek"); and

Whereas, recreational programs and services are provided to the at Gold Creek; and

Whereas, due to unprecedented County budget shortfalls, programs funded from the County's general fund, including but not limited to the County's park and recreation system, face significant cutbacks or elimination; and

Whereas, due to a lack of funding, the County is going out of the business of operating recreation facilities including Gold Creek; and

Whereas, Lessee is non-profit agency with a strong record of providing services and programming to low income youth in King County; and

Whereas, Lessee shall provide important services to low income youth at Gold Creek; and

Whereas, it is in the County's and public's interest for Lessee to be allowed to lease Gold Creek and provide services for low income youth in the facility; and

NOW THEREFORE, in consideration of the promises and commitments made herein, the sufficiency of which is hereby acknowledged, it is agreed as follows:

1. **PREMISES.** King County hereby leases to Lessee, upon the following terms and conditions, the improvements known as Gold Creek Lodge, located at Gold Creek Park, **16020 148th Ave NE, Woodinville** consisting of approximately _____ square feet, and described on the attached **Exhibit A** which is incorporated herein by this reference. Said Premises is hereinafter referred to as the "Premises".
2. **TERM.** The term of this Lease shall be fifteen years, and shall begin on the ____ day of _____ 2003, and end on the ____ day of _____ 2018. The Parties may agree to extend the Lease Term for a maximum period of five years by executing a written amendment hereto.
3. **RENT.** Subject to the Rent Credit provisions set forth herein, Lessee shall pay to King County a total annual Rent of \$4,038.00. Rent is payable on or before January 1 of each and every year for the preceding year's occupancy of the Premises. Rent for any period of less than one year shall be pro-rated based upon the number of days in said period.

Said rental is exclusive of any other sale, franchise, business or occupation, or other applicable taxes. Should any such taxes apply during the life of this lease the rent shall be increased by such amount. The Rent Credit provisions of this Lease shall not apply to any such taxes.

It is recognized that Section 2 of the General Terms and Conditions of this lease allows King County to readjust the rent effective with each 3 year anniversary and provides that Fair Market Value shall be the basis for the rent. It is agreed that for the purposes of determining future Fair Market Value, King County shall utilize a methodology similar to the methodology utilized to establish the initial Rent.

5. RENT CREDIT.

5.1 Rent otherwise due the County shall be reduced by an amount equal to the total of the following Rent Credits accrued by Lessee during the preceding calendar year:

- (i) Value of scholarships and fee waivers provided to low-income youth, and the value of the sponsorship of programs and events on the Premises for developmentally disabled or challenged athletes.

In no event, however, shall such Rent Credits reduce Lessee's annual Rent to less than \$350.00.

5.2 A Rent Statement shall be provided to the County with Lessee's annual Rent. The Rent Statement shall set forth the amount of Rent due the County, the value of the Rent Credit claimed by Lessee, the basis therefor and relevant supporting documents to verify the calculation. Lessee shall keep accurate records and accounts of all matters upon the basis of which the Rent Credit is calculated and such accounts and records shall be subject to inspection and copying by the County upon 48 hours written notice to Lessee.

6. LEASEHOLD EXCISE TAX. Lessee shall pay any leasehold excise tax due pursuant to R.C.W. 84.29A to the County on or by December 31 of each year. If the State of Washington changes the leasehold excise tax or if King County imposes this tax, the tax payable by Lessee shall be correspondingly changed. If Lessee provides the County with proof of exemption from the Washington State Department of Revenue, then Lessee shall not be required to pay the leasehold excise tax. The leasehold excise tax shall not be subject to the Rent Credit provisions of this Lease.

7. USE. Lessee shall use said premises for the following purposes and no others without prior written consent of King County:

Camps and retreats focused on low-income youth, education programs, and rentals for special events, such as receptions and weddings.

No other uses, activities or operations shall be conducted by the Lessee from the leased Premises without first obtaining the prior written consent of King County.

Lessee shall keep the Premises open and use the entire Premises regularly and in a businesslike and responsible manner during the entire term of this Lease, with the exception of temporary closures for such period as may reasonable be necessary for repairs or redecoration or for reasons beyond the Lessee's control.

8. GENERAL TERMS AND CONDITIONS. Attached hereto as Exhibit B and incorporated herein by reference are the General Terms and Conditions. In the event of any conflict or inconsistency between the terms of this Lease and the King County General Terms and Conditions, the terms of this Lease shall control.
9. ENTIRE AGREEMENT - AMENDMENTS. This printed Lease together with the attached General Terms and Conditions, all exhibits expressly incorporated herein by reference and attached hereto shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. Except as otherwise provided herein, no modification or amendment of this Lease shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

10. NOTICES. Required notices except legal notices shall be given in writing to the following respective address:

To King County: Director
Parks Division, Department of Natural Resources and Parks
KSC-NR-0700
201 South Jackson Street, Suite 700
Seattle, WA 98104-3855

To Lessee: Boys & Girls Club of King County
603 Stewart Street, #300
Seattle, WA 98101
Attn: Chief Executive Officer

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

IN WITNESS WHEREOF, the parties hereto have subscribed their names as of the _____ day of _____, 2002.

LESSEE:
BOYS AND GIRLS CLUB OF
KING COUNTY,
a Washington nonprofit corporation

LESSOR:
KING COUNTY, a Political
Subdivision of the State of WA

BY: _____

BY: _____

DATE: _____

DATE: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 2002, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of _____, a _____ corporation, who 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 on oath stated that said person was authorized to execute the said instrument for _____.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Printed Name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My Commission Expires: _____

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this ____ day of _____, 2002, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the Manager, King County Property Services Division, and who executed the foregoing instrument and acknowledged to me that said person signed the same pursuant to a delegation of authority from King County Executive Ron Sims as the free and voluntary act and deed of King County, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Printed Name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My Commission Expires: _____

Exhibit A

The improvements known as Gold Creek Lodge located in Gold Creek Park, which is legally described as follows:

GOLD CREEK PARK

Lots 6, 7, 8 and 9, Hollywood Tracts, as recorded under Volume 20 of Plats, page 98, records of King County, Washington, LESS the Westerly 250 feet of Tract 6, as measured along the Southerly line of said Tract, AND LESS that portion of Tracts 8 and 9, lying Westerly of the following described line: Beginning at the N.E. corner of Tract 9; thence North $89^{\circ}22'18''$ West a distance of 1196.21 feet to the true point of beginning of said line; thence South $1^{\circ}09'33''$ West a distance of 327.36 feet; thence South $5^{\circ}03'36''$ East a distance of 75.97 feet; thence South $8^{\circ}17'54''$ West a distance of 66.37 feet; thence South $34^{\circ}14'54''$ West a distance of 140.00 feet, more or less, to the Easterly margin of 148th Avenue N.E.

KING COUNTY GENERAL TERMS AND CONDITIONS

1. LATE PAYMENT, TAXES, LICENSES, FEES AND ASSESSMENTS.
 - A. LATE PAYMENTS. There will be a late collection charge of FIFTY DOLLARS (\$50.00) or the maximum rate permitted by law, plus one and a half percent (1 1/2%) per month interest for any delinquent rental not delivered to King County by due date.
 - B. LEASEHOLD TAX. A Leasehold Excise Tax is levied pursuant to the Revised Code of Washington (R.C.W.) Chapter 82.29A. The Lessee agrees to pay this tax to King County unless Lessee provides the County with proof of exemption from the Washington State Department of Revenue. If the State of Washington changes the Leasehold Excise Tax or if King County receives authorization to levy this tax, the tax payable shall be correspondingly changed.
 - C. LICENSE, TAXES AND FEES. Lessee shall pay throughout the term of this Lease all applicable taxes and all license and excise and other applicable fees to which the Lessee, Lease, Rent, Premises or activities of the Lessee may be come subject.
 - D. OTHER CONSIDERATION. Except as otherwise provided herein, no offset, reduction, or credit toward rent shall be allowed unless it is in writing and signed by the Manager of the Property Services Division of King County.

2. RENT ADJUSTMENT. To ensure a fair rent based upon the fair market value of the Premises, King County may adjust the rent to the then current fair market rental value every three (3) years, the first adjustment to occur three (3) years after the beginning of the term of this lease.
 - A. FAIR MARKET RENTAL VALUE DEFINED. For all purposes required under this lease, "Fair Market Rental Value" is defined as: An amount in the competitive market that a well-informed and willing Lessor, who desires but is not required to lease, would accept, and which a well-informed and willing Lessee, who desires but is not required to lease, would pay for the use of the Premises, after due consideration of all the elements reasonably affecting value.
 - B. NOTICE OF RENTAL ADJUSTMENT. When it elects to adjust the rent, King County will give Lessee written notice of the adjusted rent 30 days prior to the effective date of any such adjustment. Within thirty (30) days following receipt of notice from King County, Lessee will give King County written notice of its acceptance or rejection of the adjusted rent. If Lessee does not notify King County within the thirty (30) day period, the rent as adjusted by King County will become the rent.
 - C. ARBITRATION. If Lessee and King County cannot agree upon the rent adjustment, the rent for the period will be adjusted by arbitration. Lessee and King County will select one arbitrator each, and the two selected arbitrators will select a third. If the two

arbitrators have not selected a third arbitrator within thirty (30) days after the selection of the last selection of the two, either Lessee or King County will apply to the presiding Judge of the Superior Court in King County for the appointment of a third arbitrator. Each arbitrator will be a member of the American Institute of Real Estate Appraisers, or of the Society of Real Estate Appraisers, or of some equivalent body. If in the future, a licensing requirement for real estate appraisers is imposed by any legislative body, each arbitrator shall be licensed. The three arbitrators will determine the Fair Market Rental Value for the Premises; but the arbitrators may not reduce the rent below the sum fixed for the last preceding period. The decision of a majority of the arbitrators will bind both Lessee and King County. As the conclusion of the arbitration, the arbitrators will submit written reports to Lessee and King County, which shall contain all pertinent evidence that led to their conclusion together with an explanation of their reasoning for such conclusion.

- D. COST OF ARBITRATION. The cost of the arbitration will be divided equally between Lessee and King County.
- E. RENT PENDING ADJUSTMENT. In the event resolution of the rental adjustment is not completed prior to the commencement of the term being considered, Lessee shall, pending resolution of such rental adjustment, continue to pay King County the rental then in effect; and King County, at its option, may elect to require that interest in the amount of twelve (12%) per annum be payable on any sum due as a result of a retroactive rental increase determined under the terms of this lease.
3. 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 from King County, and further agrees that King County does not waive this section by giving notice of demand for compliance in any instance.
4. UTILITIES. Lessee shall timely pay for all costs, expenses, fees, services, and charges of all kinds for heat, light, water, gas, and telephone, and for all other utilities used on said Premises so that the same shall not become a lien against the leased Premises.
5. IMPROVEMENTS AND ALTERATIONS.
- A. Lessee shall make no alterations or improvements to or upon the Premises, or install any fixtures (other than trade fixtures which can be removed without injury to the Premises) without first obtaining written approval from King County. The alterations and improvements listed on Exhibit A hereto have been approved by King County prior to or concurrent with the execution of the Lease.
- B. Unless otherwise stipulated, all improvements or alterations erected or made on the Premises shall, upon expiration or earlier termination of this Lease, belong to King County without compensation to the Lessee; however, King County shall have the option,

to be exercised on expiration or earlier termination of the Lease, to require the Lessee, at Lessee's expense, to remove any or all such improvements or alterations.

6. CONDITION OF PREMISES. THE LESSEE HAS INSPECTED AND KNOWS THE CONDITION OF THE PREMISES AND IT IS UNDERSTOOD AND AGREED THAT THE PREMISES ARE LEASED ON AN "AS IS" AND "WITH ALL FAULTS" BASIS WITHOUT ANY OBLIGATION ON THE PART OF KING COUNTY TO MAKE ANY CHANGES, IMPROVEMENTS, OR TO INCUR ANY EXPENSES WHATSOEVER FOR THE MAINTENANCE OR REPAIR OF THE PREMISES.
7. CONSTRUCTION DEFECTS. King County shall not be liable to the Lessee for claims or damages arising from any defect in the construction of or the present condition of the Premises, whether known or unknown, or for damage by storm, rain, or leakage or any other occurrence.
8. MAINTENANCE.
 - A. Lessee shall throughout the term of this Lease without cost or expense to King County, keep and maintain the leased Premises and all improvements, landscaping, fixtures, and equipment which may now or hereafter exist thereon, as a high quality community recreation center and in a neat, clean, safe and sanitary condition and shall 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 a condition as existed at the commencement of occupancy (ordinary wear and tear excepted).
 - B. If, after thirty (30) days' notice from King County, Lessee fails to maintain or repair any part of the leased Premises or any improvement, landscaping, fixtures or equipment thereon, King County may, but shall not be obligated to, enter upon the leased Premises and perform such maintenance or repair, and Lessee agrees to pay the costs thereof to King County upon receipt of a written demand. Any unpaid sums under this paragraph shall be payable as additional rent on the next rent payment date due following the written demand and will bear interest at the maximum rate allowed by Washington State Law.
9. INDEMNITY AND HOLD HARMLESS. The Lessee agrees to indemnify and hold King County harmless as provided herein to the maximum extent possible under law. Accordingly, the Lessee agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless King County, its appointed and elected officials, and employees from and against liability for all claims, demands, suits, and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Lessee's exercise of rights and privileges granted by this Lease Agreement, except to the extent of Lessor's sole negligence. The Lessee's obligations under this section shall include:
 - A. The duty to promptly accept tender of defense and provide defense to the County at the Lessee's own expense;

- B. Indemnification of claims made by the Lessee's own employees or agents; and,
- C. Waiver of the Lessee's immunity under the industrial insurance provisions of Title 51 R.C.W. but only to the extent necessary to indemnify King County, which waiver has been mutually negotiated by the parties.

In the event it is necessary for the County to incur attorney's fees, legal expenses or other costs to enforce the provisions of this section, all such fees, expenses and costs shall be recoverable from the Lessee.

In the event it is determined that R.C.W. 4.24.115 applies to this Lease Agreement, the Lessee agrees to defend, hold harmless, and indemnify King County to the maximum extent permitted thereunder, and specifically for its negligence concurrent with that of King County to the full extent of Lessee's negligence. Lessee agrees to defend, indemnify, and hold harmless the County for claims by Lessee's employees and agrees to waiver of its immunity under Title 51 R.C.W., which waiver has been mutually negotiated by the parties.

10. FIRE INSURANCE AND CASUALTY.

- A. The Lessee will carry fire and extended coverage insurance with rent interruption endorsement in an amount equal to the full insurable value of all improvements, structures, and buildings located on the premises. The policy shall include King County as an insured for its interest in the property. A certificate of insurance must be provided to King County. King County will not carry insurance on Lessee's property.
- B. In the event of the total or partial destruction of the building, structures, or facilities currently on the Premises or subsequently constructed by the Lessee, the Lessee shall have the obligation to reconstruct such facilities to the condition in which they existed at the inception of the Lease within six (6) months after their destruction, provided that such obligation shall be limited to the extent the costs of such reconstruction are covered by the insurance proceeds available to Lessee or with the insurance proceeds that would have been available to Lessee had Lessee maintained the insurance required hereunder.

11. INSURANCE REQUIREMENTS. By the date of execution of this Lease, the 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 exercise of the rights and privileges granted by this lease, by the Lessee, his agents, representatives, employees/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.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

General Liability: Insurance Services Office Form No. CG 00 01 Ed. 11-88, covering COMMERCIAL GENERAL LIABILITY.

B. MINIMUM LIMITS OF INSURANCE. The Lessee shall maintain limits for General Liability no less than \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductibles or self-insured retentions must be declared to and approved by King County. The deductible and or self-insured retention of the policies shall not limit or apply to the Lessee's liability to the County and shall be the sole responsibility of the Lessee.

D. OTHER INSURANCE PROVISIONS. The insurance policies required in this Lease are to contain or be endorsed to contain the following provisions:

General Liability Policy:

1. King County, 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 the Lessee in connection with this Lease.
2. To the extent of Lessee's negligence, the Lessee's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Lessee's insurance or benefit the Lessee in any way.
3. The 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.

All Policies:

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, until after forty-five (45) days prior notice - return receipt requested, has been given to the County.

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

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

- F. VERIFICATION OF COVERAGE. Lessee shall furnish the County with certificate(s) of insurance and endorsement(s) required by this Lease. The certificate(s) and endorsement(s) 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 the County and are to be received and approved by the County prior to the commencement of activities associated with the Lease. The County reserves the right to require complete certified copies of all required insurance policies at any time.

12. MUTUAL RELEASE AND WAIVER. To the extent a loss is covered by insurance in force, King County and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies, including any extended coverage endorsements hereto; provided that this Agreement shall be inapplicable if it would have the effect of invalidating any insurance coverage of King County or the Lessee.
13. SURRENDER OF PREMISES. At the expiration or earlier termination of this Lease, Lessee shall promptly surrender possession of the Premises to King County, and shall deliver to King County all keys that it may have to any and all parts of the Premises.
14. DEFAULT AND RE-ENTRY. If any rents above reserved or other obligations provided herein, or any part thereof shall be and remain unpaid when the same shall become due, or if Lessee shall violate or default on any of the covenants and agreements herein contained, then King County may cancel this Lease upon giving the notice required by law and re-enter said Premises using such force as may be required. Notwithstanding such re-entry by King County, the liability of the Lessee for the rent provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee covenants and agrees to make good to King County any deficiency arising from a re-entry and reletting of the Premises at a lesser rental than agreed to herein. The Lessee shall pay such deficiency each month as the amount thereof is ascertained by King County. In the event it becomes reasonably necessary to make any changes, alterations, or additions to the Premises or any part thereof for the purpose of reletting said Premises or any part thereof, Lessee shall also be responsible for such cost.

- Notwithstanding the default provisions above, King County agrees not to exercise any of the remedies for default specified herein unless and until: (a) if the default consists of a violation to pay money, King County has given Lessee written notice of the default and Lessee has failed to cure the default within ten (10) days of receipt of such notice; or (b) if the default consists of a violation of a covenant other than a covenant to pay money, holder has given Lessee at least thirty (15) days notice of such default and Lessee has failed to cure the default within such thirty (15) day period, provided no such notice must be given if the default was deliberate or immediate action is needed to protect persons or property from immanent harm, and provided further if the default is one that is capable of being cured, but cannot with due diligence be cured within thirty days, such fifteen day period shall be deemed extended, to a maximum of ninety (30) days from the date of the original default, if Lessee advises holder of its intention to cure within thirty days of the original default notice and prosecutes the curing of the default with all due diligence.
15. ASSURANCE OF PERFORMANCE. In the event a default in the performance of any obligation under this Lease which remains uncured for more than ten (10) days after demand, King County may request and the Lessee shall provide adequate assurance of the future performance of all obligations under this Lease. The adequacy of any assurance shall be determined according to commercially reasonable standards for Lessors of real property in the County of King, State of Washington. Adequate assurance shall include, but not be limited to, a deposit in escrow, a guarantee by a third party acceptable to King County, a surety bond, or a letter of credit. Lessee's failure to provide adequate assurance within twenty (20) days of receipt of a request shall constitute a material breach and King County may in its discretion terminate this Lease.
 16. ADVANCES BY KING COUNTY FOR LESSEE. If Lessee fails to pay any fees or perform any of its obligations under this Lease other than payment of rent, King County will mail notice to Lessee of its failure to pay or perform. Twenty (20) days after mailing notice, if Lessee's obligation remains unpaid or unperformed, King County may pay or perform these obligations at Lessee's expense. Upon written notification to Lessee of any costs incurred by King County under this paragraph, Lessee will reimburse King County within twenty (20) days.
 17. NON-WAIVER. 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.
 18. SIGNS. No sign, advertisement, notice, or other lettering will be exhibited, inscribed, painted, or affixed by Lessee on any part of the outside of the Premises without the prior written consent of King County. If Lessee violates this provision, King County may remove the sign without any liability and may charge the expense incurred by such removal to the Lessee provided, however, King County shall give Lessee written notice of Lessee's violation of this provision and Lessee shall have forty-eight (48) hours after receiving said notice to comply with the terms of this provision. All signs erected or installed by Lessee shall be subject to any federal, state or local statutes, ordinances or regulations applicable to signs. King County hereby reserves all naming rights to the Premises.

19. INSPECTION AND "FOR RENT" SIGNS. King County reserves the right to inspect the Premises at any and all reasonable times throughout the term of this Lease, provided that King County shall not interfere unduly with Lessee's operations. The right of inspection reserved to King County hereunder shall impose no obligation on King County to make inspections to ascertain the condition of the Premises, and shall impose no liability upon King County for failure to make such inspections. King County shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for thirty (30) days prior to the expiration or sooner termination of this Lease.
20. 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 King County in the Premises, and King County 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 King County in the Premises to any lien, claim, or demand whatsoever. Nothing in this paragraph 20 shall prevent Lessee from contracting for labor, materials or other services that have the potential to ripen into a lien on the Lessee's leasehold estate under RCW § 60.04.051; Provided, however, Lessee shall immediately take all actions necessary to remove any such levy, lien, or encumbrance.
21. ASSIGNMENT OR SUBLEASE. Lessee shall not assign or transfer this Lease or any interest therein, nor sublet the whole or any part of the Premises, nor grant an option for assignment, transfer or sublease for 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.
22. CONDEMNATION.
- A. King County and Lessee will immediately notify the other in writing of the receipt of notice of any proceedings with respect to a condemnation or intent of any authority to exercise the power of eminent domain.
- B. If all of the Premises are taken by any lawful authority under the power of eminent domain for a period which will end on or extend beyond the expiration of the term of this Lease, this Lease terminates as of the date condemner takes possession, and Lessee will have no claim or interest in or to any award of just compensation.
- C. If part of the Premises is taken by any lawful authority under the power of eminent domain for a period which will end on or extend beyond the expiration of the term of this Lease, King County or Lessee may choose to terminate this Lease as of the date the condemner takes possession. Lessee will have no claim or interest in or to any award of just compensation or damages.

- D. If temporary use of all or a portion of the Premises is taken by any lawful authority for a period which would reduce the leasehold and, consequently, would cause the Premises to be untenable for the use by Lessee for the purposes set forth in the section of this Lease titled "Use," then, at Lessee's determination, King County or Lessee may choose to terminate this Lease. If King County or Lessee elect to terminate the Lease, the Lease will terminate the date the condemner takes possession and Lessee will have no claim or interest in or to any award of just. If neither King County nor Lessee elects to terminate this Lease, the Lease will continue in full force.
- E. It is understood and agreed that Lessee shall not be party to any negotiation or proceedings at law wherein King County claims compensation other than that which is defined statutorily as constituting "just compensation."
23. 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 R.C.W. 49.60, Title VII of the Civil Rights Act of 1964, King County Code 12.16.020, or any other applicable federal, state, or local law or regulations regarding non-discrimination. 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 County, and may result in ineligibility for further County agreements. The Lessee will also comply with other anti-discrimination laws or requirements of any and all jurisdictions having authority.
24. HEIRS, AGENTS, AND ASSIGNS. Without limiting any provisions of this Lease pertaining to assignment and subletting, the provisions of this Lease bind the heirs, successors, agents and assigns of any of the parties to this Lease.
25. CAPTIONS. The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
26. 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.
27. CUMULATIVE REMEDIES. No provision of this Lease precludes King County from pursuing any other remedies for Lessee's failure to perform his obligations.
28. 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. In addition to all other charges, Lessee shall pay a charge of \$150.00 to King County for preparation of a demand for delinquent rent or a notice of default.

29. HOLDING OVER. If the Lessee holds over after the expiration or earlier termination of the term hereof without the express written consent of King County, Lessee shall become a tenant at sufferance only at a rental rate equal to one hundred-fifty percent (150%) of the rent in effect upon the date of such expiration (prorated on a daily basis), and otherwise subject to the terms, covenants, and conditions herein specified so far as applicable, except that no Rent Credit shall be applicable towards such rent. Acceptance by King County of rent after such expiration or earlier termination shall not result in a renewal of this Lease, nor affect King County's right of re-entry or any rights of King County hereunder or as otherwise provided by law. If Lessee fails to surrender the Premises upon the expiration of this Lease despite demand to do so by King County, Lessee shall indemnify and hold King County harmless from all loss or liability including, without limitation, any claim made by any succeeding Lessee founded on or resulting from such failure to surrender and together with interest, attorney's fees, and costs.

30. HAZARDOUS MATERIALS AND ENVIRONMENTAL COMPLIANCE.

A. DEFINITION. "Hazardous Materials" as used herein shall mean:

1. Any toxic substances or waste, sewage, petroleum products, radioactive substances, medical, heavy metals, corrosive, noxious, acidic, bacteriological or disease-producing substances; or
2. Any dangerous waste or hazardous waste as defined in:
 - a. Washington Hazardous Waste Management Act as now existing or hereafter amended (RCW Ch. 70.105); or
 - b. Resource Conservation and Recovery Act as now existing or hereafter amended (42 U.S.C. Sec. 6901 et seq.); or
3. Any hazardous substance as defined in:
 - a. Comprehensive Environmental Response, Compensation and Liability Act of 1980 as now existing or hereafter amended (42 U.S.C. Sec. 9601 et seq.); or
 - b. Washington Model Toxics Control Act as now existing or hereafter amended (RCW Ch. 70.105D); or

4. Any pollutants, contaminants, or substances posing a danger or threat to public health, safety or welfare, or the environment, which are regulated or controlled as such by any applicable federal, state or local laws, ordinances or regulations as now existing or hereafter amended.
- B. Lessee shall not without first obtaining King County's prior written approval, use, generate, release, handle, spill, store, treat, deposit, transport, or dispose of any Hazardous Materials in, on, or about the Premises, or transport any Hazardous Material to or from the Premises. In the event, and only in the event, King County approves any of the foregoing, Lessee agrees that such activity shall occur safely and in compliance with all applicable federal, state, and local laws, ordinances and regulations.
- C. ENVIRONMENTAL COMPLIANCE.
1. Lessee shall, at Lessee's own expense, comply with all federal, state and local laws, ordinances and regulations now or hereafter affecting the Premises, Lessee's business, or any activity or condition on or about the Premises, including, without limitation, all laws, ordinances and regulations related to Hazardous Materials and all other environmental laws, ordinances and regulations, and any other laws relating to the improvements on the Premises, soil and groundwater, storm water discharges, or the air in and around the Premises, as well as such rules as may be formulated by King County ("the Laws"). Lessee warrants that its business and all activities to be conducted or performed in, on, or about the Premises shall comply with all of the Laws. Lessee agrees to change, reduce, or stop any non-complying activity, or install necessary equipment, safety devices, pollution control systems, or other installations may be necessary at any time during the lease to comply with the Laws.
 2. Lessee shall not cause or permit to occur any violation of the Laws on, under, or about the Premises, or arising from Lessee's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions.
 3. Lessee shall promptly provide all information regarding any activity of Lessee related to Hazardous Materials on or about the Premises that is requested by King County. If Lessee fails to fulfill any duty imposed under this paragraph within a reasonable time, King County may do so; and in such case, Lessee shall cooperate with King County in order to prepare all documents King County deems necessary or appropriate to determine the applicability of the Laws to the Premises and Lessee's use thereof, and for compliance therewith, and Lessee shall execute all documents promptly upon King County's request. No such action by King County and no attempt made by King County to mitigate damages shall constitute a waiver of any of Lessee's obligations under this paragraph.

4. Lessee shall, at Lessee's own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities ("the Authorities") under the Laws.
5. Should any Authority demand that a cleanup plan be prepared and that a cleanup be undertaken because of any deposit, spill, discharge or other release of Hazardous Materials that occurs during the term of this Lease at or from the Premises and that is not the result of the acts or omissions of King County, or which arises at any time from Lessee's use of occupancy of the Premises, then Lessee shall, at Lessee's own expense, prepare and submit the required plans and all related bonds and other financial assurances; and Lessee shall carry out all such cleanup plans. Any such plans and cleanup are subject to King County's prior written approval.

D. INDEMNIFICATION.

1. Lessee shall be fully and completely liable to King County for any and all cleanup costs, and any and all other charges, fees, penalties (civil and criminal) imposed by any Authority with respect to Lessee's use, disposal, transportation, generation, release, handling, spillage, storage, treatment, deposit and/or sale of Hazardous Materials in or about the Premises, common area, or buildings. Lessee shall indemnify, defend, and save King County harmless from any and all of the costs, fees, penalties, and charges assessed against or imposed upon King County (as well as King County's attorney's fees and costs) by any Authority as a result of Lessee's use, disposal, transportation, generation, release, handling, spillage, storage, treatment, deposit and/or sale of Hazardous Materials, or from Lessee's failure to provide all information, make all submissions, and take all steps required by all Authorities under the Laws.
2. Lessee shall indemnify and hold King County harmless from any and all claims, liabilities, lawsuits, damages, and expenses, including reasonable attorney's fees, for bodily injury or death, property damage, loss, or costs caused by or arising from the use, disposal, transportation, generation, release, handling, spillage, storage, treatment, deposit and/or sale of Hazardous Materials by Lessee or any of its agents, representatives or employees in, on, or about the Premises occurring during the term of the this Lease.
3. King County shall indemnify and hold Lessee harmless from any and all claims, liabilities, lawsuits, damages, and expenses, including reasonable attorney's fees, arising from third party actions brought against Lessee that are caused by or arise from the use, disposal, transportation, generation, release, handling, spillage, storage, treatment, deposit and/or sale of Hazardous Materials by King County or any of its agents, representatives or employees in, on, or about the Premises.

- E. REPORTING REQUIREMENTS. Lessee shall comply with the Laws requiring the submission, reporting, or filing of information concerning Hazardous Materials with the Authorities, and shall provide to King County a full copy of any such filing or report as submitted within 15 days of such submission.
- F. RIGHT TO CHECK ON LESSEE'S ENVIRONMENTAL COMPLIANCE. King County expressly reserves the right, and Lessee shall fully cooperate in allowing, from time to time, such examinations, tests, inspections, and reviews of the Premises as King County, in its sole and absolute discretion, shall determine to be advisable in order to evaluate any potential environmental problems.
- G. REMEDIES. Upon Lessee's default under this Section 30 HAZARDOUS MATERIALS AND ENVIRONMENTAL COMPLIANCE, King County shall be entitled to the following rights and remedies in addition to any other rights and remedies that may be available to the County:
1. At King County's option, to terminate this Lease immediately, notwithstanding the notice and cure provisions of paragraph 14 above; and/or,
 2. At King County's option, to perform such response, remediation and/or cleanup as is required to bring the Premises and any other areas of King County property affected by Lessee's default into compliance with the Laws and to recover from Lessee all of the County's costs in connection therewith; and/or
 3. To recover from Lessee any and all damages associated with the default, including but not limited to, response, remediation and cleanup costs and charges, civil and criminal penalties and fees, adverse impacts on marketing the Premises or any other adjacent areas of King County property, loss of business and sales by King County and other King County lessees, diminution of value of the Premises and/or other adjacent areas owned by King County, the loss of or restriction of useful space in the Premises and/or other adjacent areas owned by King County, any and all damages and claims asserted by third parties, and King County's attorney's fees and costs.
- H. REMEDATION ON TERMINATION OF LEASE. Upon the expiration or earlier termination of this Lease, Lessee shall remove, remediate or clean up any Hazardous Materials on or emanating from the Premises, provided that the presence of such Hazardous Materials arises from Lessee's use or occupancy of the Premises or Lessee's acts or omissions exacerbate the cost of remediation and Lessee shall undertake whatever other action may be necessary to bring the Premises into full compliance with the Laws ("Termination Cleanup"). The process for such Termination Cleanup is subject to King County's prior written approval. If Lessee fails or refuses to commence the Termination Cleanup process, or fails to reasonably proceed toward completion of such process, King County may elect to perform such Termination Cleanup after providing Lessee with written notice of the County's intent to commence Termination Cleanup, and after

providing Lessee a reasonable opportunity, which shall be not less than ninety (90) days after such notice (unless King County is given notice by a government agency with jurisdiction over such matter that Termination Cleanup must commence within a shorter time, in which case King County shall give Lessee notice of such shorter time), to commence or resume the Termination Cleanup process. If King County performs such Termination Cleanup after said notice and Lessee's failure to perform same, Lessee shall pay all of King County's costs.

- I. SURVIVAL. Lessee's obligations and liabilities under this Section 30, HAZARDOUS MATERIALS AND ENVIRONMENTAL COMPLIANCE, shall survive the expiration of this Lease.
31. 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.

END OF GENERAL TERMS AND CONDITIONS