



**Signature Report**

**Ordinance 18992**

**Proposed No.** 2019-0369.1

**Sponsors** Balducci

1                   AN ORDINANCE authorizing the execution of a lease to  
2                   support the operation of the department of public health.

3                   STATEMENT OF FACTS:

4                   For the lease from Columbia Public Health, also known as SE Clinic (City  
5                   of Seattle), located at 4400 37th Avenue South, Seattle, within council  
6                   district two, the facilities management division determined that there was  
7                   not an appropriate county-owned option and successfully negotiated to  
8                   lease space.

9                   BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10                  SECTION 1. The executive is authorized to execute a lease for the property  
11                  located at 4400 37th Avenue South with the city of Seattle, substantially in the form of

12 Attachment A to this ordinance, and to take all actions necessary to implement the terms  
13 of the lease.  
14

Ordinance 18992 was introduced on 9/11/2019 and passed by the Metropolitan King County Council on 10/16/2019, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles and Ms. Balducci



KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

Rod Dembowski, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this 28 day of OCTOBER, 2019

Dow Constantine, County Executive

RECEIVED  
2019 OCT 30 PM 3:14  
CLERK  
KING COUNTY COUNCIL

**Attachments:** A. Lease Agreement

Ordinance 18992

**ATTACHMENT A:**

**LEASE AGREEMENT**

**LEASE AGREEMENT  
SPECIAL TERMS AND CONDITIONS**

**I. PARTIES:**

THIS LEASE AGREEMENT is entered into by and between THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Lessor (hereinafter referred to as the "City"), and KING COUNTY, a home rule charter county and political subdivision of the State of Washington, as Lessee (hereinafter referred to as "Lessee").

**II. PREMISES:**

The City hereby leases to the Lessee and the Lessee hereby leases from the City a portion, approximately 9,148 square feet, of that property commonly known as Southeast Seattle Health Clinic, located at 4400 - 37th Avenue South, Seattle Washington, and legally described as:

Lots 14 through 26, inclusive, Block 21, Squire's Lakeside Addition to the City of Seattle, According to the plat thereof recorded in Volume 11 of Plats, Page 50, in King County, Washington;

all subject to the terms and conditions of this Lease. (Such property shall be referred to in this Lease as the "Building" and the Lessee's leased portion of the property shall be referred to as the "Premises").

The Premises have been inspected by both parties and are accepted by Lessee in their existing condition as of the commencement date of this Lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession.

The City also grants Lessee a nonexclusive license to use those portions of the Building made available from time to time by The City for the common use and enjoyment of Lessee, The City, and other tenants of the Building and their guests and invitees (the "Common Areas"). The City shall have the right to do and perform all such acts in and to the Common Areas as The City shall determine in its reasonable discretion, including without limitation reconfiguring and temporarily closing the same from time to time, so long as The City does not adversely affect Lessee's use and enjoyment of the Premises.

An approximate calculation of the square footage of the Building, Premises and Common area is included below:

	SF
Total Building Rentable	25,319
King County Rentable Area	9,148
Neighborcare Rentable Area	16,171
Common Area	5,308

**III. USE/PURPOSE:**

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

**IV. TERM:**

The term of this Lease begins July 1, 2019, and ends June 30, 2024, unless it is terminated earlier pursuant to the provisions hereof, including provisions described in Addendum "A" and "B". This lease may be extended on a month to month basis under the same terms and conditions.

**V. RENT:**

In consideration of this Lease, the Lessee shall pay to the City, as rent, the prevailing Schedule II rental rate as specified in the City's annual budget. The current rent is \$10.03 per square foot per year or \$9249.00 per month through June 30, 2020.

Rent shall be adjusted annually with the July rent payment to reflect the current Schedule II Rental Rate, as determined by the City of Seattle's City Budget Office, or other such similar rental rate schedule that may supersede or replace the Schedule II Rental Rate. Rent shall be paid in advance, on or before the first of each month. Rent for any fractional calendar month at the beginning or end of the Term shall be prorated.

**VI. INSURANCE:**

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

A) Self-Insurance: Notwithstanding any provision to the contrary in this Lease, Lessor acknowledges and accepts that Lessee maintains a fully funded Self-Insurance program for the protection and handling of its liabilities, including injuries to persons and damage to property. Lessee does not purchase Commercial General Liability insurance and is a self-insured governmental entity; therefore Lessee does not have the ability to name an entity as an additional insured, and, upon Lessor's request, Lessee shall provide a certificate of self-insurance evidencing its self-insurance program.

The cost of any claim payments falling within the deductible shall be the responsibility of the Lessee.

B) A policy of Worker's Compensation. As respects Workers' Compensation insurance in the state of Washington, the Lessee shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. If the Lessee is qualified as a self-insurer in accordance with Chapter S1.14 of the Revised Code of Washington, Lessee shall so certify by providing a copy, upon request of the City, of the state Certificate of Self-Insurance, and setting forth the limits of any policy of excess insurance covering its employees.

C) A policy of Property Insurance covering Lessee's furniture, fixtures, equipment and inventory and all improvements that it has made or makes to the Premises in an amount

equal to replacement cost thereof, against (a) loss from the perils of fire, and other risks of direct physical loss, not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (CP 10 30), (b) Loss or damage from water damage, or sprinkler systems now or hereafter installed in on the premises; (c) Loss or damage by explosion of steam boilers or pressure vessels.

- D) Additional Insured and Changes of Coverage and Limits: Additional Insured - Such insurance, as provided under item D above, shall be endorsed to include the City, its officers, elected officials, employees, agents and volunteers as additional loss payee, and shall not be reduced or canceled without forty-five (45) days prior written notice to the City. In addition, Lessee's insurance shall be primary, as respects the City, and any other insurance maintained by the City shall be excess and not contributing insurance with the Lessee's insurance.
- E) Coverage and/or limits may be altered or increased as reasonably necessary, to reflect type of or exposure to risk. The City shall have the right to periodically review the appropriateness of such limits in view of inflation and/or changing industry conditions and to require an increase in such limits upon ninety (90) days prior written notice.
- F) Evidence of Insurance: The following documents must be provided as evidence of insurance coverage:
- Upon request by the City, the Lessee shall provide evidence of such insurance and self-insurance.
- G) All policies shall be subject to reasonable approval by the City's Risk Manager as to company (must be rated A-: VII or higher in the A.M. Best's Key Rating Guide and licensed to do business in the State of Washington or issued as a surplus line by a Washington Surplus lines broker), form and coverage, and primary for Lessee's operations to all other insurance.
- H) If Lessee fails to maintain such insurance or self-insurance, City may do so, and Lessee shall reimburse City for the full expense thereof upon demand. Lessee shall not keep or use in or about the Premises any article that is prohibited by City's insurance policy. Lessee shall pay, upon reasonable notice from Lessor, any increase in City's premiums for insurance during the term of this Lease that results from Lessee's use of the Premises.
- I) Waiver of Subrogation. Neither City nor Lessee shall be liable to the other party or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or tangible personal property of the other occurring in or about the Premises or Building, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees, if such loss or damage is covered by property insurance benefiting the party suffering such loss or damage or was required under the terms of this Lease to be covered by property insurance procured by the party suffering the loss.

**VII. AGREEMENT CONTENTS:**

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

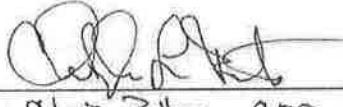
**VIII. EFFECTUATION OF AGREEMENT:**

In order to be effective, this Lease must be (1) signed by authorized representatives of the Lessee and returned to the Director of Finance and Administrative Services Department at the address set forth below, accompanied by the security deposit and any required policy of insurance, and (2) signed by the Director pursuant to Ordinance authority.

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

LESSOR, THE CITY OF SEATTLE

LESSEE, King County, Washington

By   
Chris Potter, COO  
Finance and Administrative Services

By \_\_\_\_\_  
Anthony Wright, Director  
Facilities Management Division

Date 4/23/19

Date \_\_\_\_\_

Approved as to form only:

By \_\_\_\_\_  
Wesley Brenner, Sr. Deputy Prosecuting Attorney

Date \_\_\_\_\_

Public Health, Seattle – King County

By \_\_\_\_\_  
Patty Hayes, Director

Date \_\_\_\_\_

City's address for all communications:

Lessee's address for all communications:

Finance and Administrative Services  
700 Fifth Avenue, Suite 5200  
P.O. Box 94689  
Seattle, Washington 98124-4689

King County Real Estate Services Division  
500 Fourth Avenue, Suite 830  
Seattle, WA 98104



STATE OF WASHINGTON)

) ss

COUNTY OF KING )

I certify that I know or have satisfactory evidence that CHRIS POTTER is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the CHIEF OPERATING OFFICER of THE CITY OF SEATTLE Finance and Administrative Services Department to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 4-23-2019

[Signature]  
(Notary Signature)

WILLIAM R. CRAVEN  
(Print Name)



NOTARY PUBLIC in and for the State of Washington, residing at SEATTLE.  
My appointment expires 9-27-2020.

STATE OF WASHINGTON )

) ss

COUNTY OF KING )

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Notary Signature)

\_\_\_\_\_  
(Print Name)

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

**LEASE AGREEMENT  
GENERAL TERMS AND CONDITIONS**

1. POSSESSION.

In the event of the inability of the City to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this Lease, neither the City nor any of its officers, employees or agents shall be liable for any damage caused thereby, nor shall this Lease thereby become void or voidable nor shall the term herein specified be in any way extended, but in such event, the Lessee shall not be liable for any rent until such time as the City can deliver possession. In the event the Lessee takes possession of the Premises prior to the commencement date of this Lease, the Lessee and the City shall be bound by all of the provisions and obligations of this Lease during such prior period, including the obligation to pay rent and leasehold excise taxes at the rates stated herein, prorated on a daily basis.

2. UTILITIES AND SERVICES.

The Building is subject to a Services, Supplies and Utilities Agreement ("Utilities Agreement") between the City, the Lessee, and Neighborcare, attached as Addendum "B". The City shall at all times furnish the Premises with (i) water at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning as appropriate, at such temperatures and in such amounts as are required by governmental authority or as are reasonably appropriate for the Building; (iii) recycling and trash removal; (iv) elevators for ingress and egress to the floor on which the Premises are located; (v) electrical current reasonably sufficient for Tenant's use; and (vi) sewer service. Pursuant to the Utilities Agreement, Neighborcare provides the Building with the following services: Janitorial, Security Guard Services, Fire and Security Alarm Monitoring and Response, Yard Services and Floor Maintenance.

3. OPERATING COSTS

- a. Costs Included in Operating Costs. Pursuant to the Utilities Agreement, the Lessee shall pay its prorate share of the actual estimated annual utilities and services including electricity, gas, water, sewer, garbage, solid waste, heating, janitorial and grounds maintenance based upon the rentable area of 9,148 square feet. Lessee shall be responsible only for the operating costs as stated in the Utilities Agreement.
- b. Exclusions from Operating Costs. Notwithstanding the generality of Section 3.a, the following items shall be excluded or deducted, as the case may be, from the calculation of Lessee's Pro Rata Share of Operating Costs:
  - i. Any costs borne directly by Lessee under this Lease;
  - ii. Any ground lease or master lease rental;
  - iii. Costs of capital repairs, replacements, improvements and equipment ("Capital Items"), except for: (A) the annual amortization (amortized over the useful life as reasonably determined by The City without interest) of costs incurred by The City after the Commencement Date for any capital improvements installed or paid for by The City and required by any new (or change in) laws, rules or regulations of any governmental or quasi-governmental authority which are enacted after the

Commencement Date; (B) the annual amortization (amortized over the useful life as reasonably determined by The City without interest) of costs of any equipment, device or capital improvement purchased or incurred as a labor-saving measure or to affect other economics in the operation or maintenance of the Building, provided the annual amortized cost does not exceed the actual annual cost savings realized and such savings do not redound primarily to the benefit of any particular tenant other than Lessee); or (C) minor capital improvements, tools or expenditures to the extent each such improvement or acquisition costs less than Five Thousand Dollars (\$5,000.00);

- iv. Costs incurred by The City for the repair of damage to the *Building or Project*, to the extent that The City is entitled to be reimbursed by insurance proceeds (or would have been so entitled had it purchased the insurance required by this Lease) and cost of earthquake repairs in excess of Ten Thousand Dollars (\$10,000.00) per earthquake (which for this purpose, an earthquake is defined collectively as the initial earthquake and the aftershocks that relate to such initial earthquake);
- v. Costs, including permit, license and inspection costs, incurred with respect to the installation of tenants' or other occupants' improvements in the *Building or Project* or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the *Building or Project*;
- vi. Depreciation, amortization and interest payments;
- vii. Marketing costs, including without limitation, leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, advertising and promotional expenditures, the cost of signs in or on the *Building or Project* identifying the owner, management or other tenants, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the *Building or Project*;
- viii. Expenses in connection with services or other benefits that are not offered to Lessee or for which Lessee is charged for directly but which are provided to another tenant or occupant;
- ix. Overhead and profit increment paid to The City or to subsidiaries or affiliates of The City for goods and/or services to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis for comparable buildings;
- x. Costs incurred in connection with upgrading the *Building or Project* to comply with the current interpretation of disability, life, fire and safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including, without limitation, the Americans With Disabilities Act, including penalties or

damages incurred due to such non-compliance;

- xi. Costs for which The City has been compensated by a management fee, and any management fees in excess of those management fees which are normally and customarily charged by comparable landlords of comparable buildings;
- xii. Costs arising from the negligence or fault of other tenants or The City, its employees or agents;
- xiii. Costs (including in connection therewith all attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to The City and/or the Building *and/or the Project*;
- xiv. Any entertainment, dining or travel expenses of The City for any purpose;
- xv. Any flowers, gifts, balloons, etc. provided to any entity whatsoever, including, but not limited to, Lessee, other tenants, employees, vendors, contractors, prospective tenants and agents, and any tenant relations parties, events or promotions;
- xvi. Costs for parking facilities (unless parking is provided free of charge), and any "validated" parking for any entity;
- xvii. Legal fees;
- xviii. Any expenses incurred by The City for use of any portions of the Building to accommodate special events including, but not limited to shows, promotions, kiosks, private events or parties beyond the normal expenses attributable to providing Building services, and any "above standard" services, including, but not limited to, those carried out to meet specific requirements of other tenants.
- xix. Any other expenses which, in accordance with generally accepted accounting principles, consistently applied, would not normally be treated as Operating Costs by comparable landlords of comparable buildings.

#### 4. COMPLIANCE WITH LAW.

- a. Applicable Law: This Lease shall be construed under and governed by all applicable laws of the United States of America and the State of Washington and the Charter and ordinances of The City of Seattle, as well as all rules and regulations of any such governmental entity.
- b. Licenses, Permits and Taxes: The Lessee shall be liable for, and shall pay throughout the term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the Premises, and all taxes on personal property of the Lessee on the Premises and any excise or other taxes on the leasehold interest created by this Lease; and

in the event the State of Washington makes any demand upon the City for payment of leasehold excise taxes resulting from the Lessee's occupation of the Premises or withholds funds due to the City to enforce collection of leasehold excise taxes, the Lessee, at its sole expense, shall contest such action and indemnify the City for all sums expended by, or withheld by the State from, the City in connection with such taxation.

- c. Equal Employment Opportunity and Nondiscrimination: The Lessee shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and The City of Seattle, including the Seattle Municipal Code (SMC), notably SMC Ch. 20.44, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.
  - d. Permits: The Lessee, at no expense to the City, shall obtain any and all building permits, change of use permits, and/or certifications of occupancy from the City as may be required and shall deliver a copy of the same to the Director prior to occupying the Premises.
5. NO SUBLEASES OR ASSIGNMENTS; LIMITATIONS ON USE AND PURPOSE. Notwithstanding any other provision hereof, the Lessee shall not enter into any sublease of the Premises or any portion thereof or any assignment of any interest in this Lease, whether long- or short-term in nature, or engage in any activity with respect to or on the Premises other than for the express uses and purposes stipulated herein, without obtaining the prior explicit written authorization therefor from the Director.
6. USE AND CARE OF THE PREMISES.
- a. General Condition: The Lessee shall keep the Premises at all times and at no expense to the City, in a neat, clean, safe and sanitary condition; and shall keep and use the Premises in accordance with the laws of the State of Washington and Charter and ordinances of The City of Seattle, and in accordance with all authorized rules and regulations of the Health Officer, Fire Marshal, Building Inspector and other officers of The City of Seattle. The Lessee shall not permit any waste, damage, or injury to the Premises; use or permit on the Premises anything that will increase the rate of fire insurance thereon; maintain anything on the Premises that may be dangerous to life or limb; overload the floors, permit any objectionable noise or odor to escape or to be emitted from the Premises; permit anything to be done upon the Premises that in any way will tend to create a nuisance or, in the event of multiple occupancy, to disturb any other tenants of the building in which the Premises form a part; or to use or permit the use of the Premises for lodging or sleeping purposes.
  - b. Maintenance - Repairs: The Premises have been inspected by both parties and are accepted by Lessee in their existing condition as of the commencement date of this Lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. All normal repairs to all structure portions of the Building, including but not limited to: roof, walls and foundations; common areas, parking areas, sidewalks and grounds associated with the Premises; building systems including but not limited to plumbing, heating, ventilating and air-conditioning systems; continuous satisfaction of all government requirements; and existing utility connections to and from the Premises necessary to maintain the Premises in a tenantable condition shall be done by or under the direction of the City, and at the City's expense, except those caused by the sole negligence of the Lessee, or the Lessee's officers, employees, agents or invitees,

which repairs shall be made at the sole expense of the Lessee. All other maintenance and non-structural repairs to the interior of the Premises shall be the responsibility and at the sole expense of the Lessee, except that such maintenance and repairs shall be subject to the prior written approval of and shall be undertaken at the direction of the Director.

- c. Alterations: The Lessee shall not make, or cause to be made, any alteration, addition or improvement in the Premises without first obtaining the written consent of the Director for such work, which such consent shall not be unreasonably withheld, conditioned or delayed. All alterations, additions and improvements that are made, shall be at the sole cost and expense of Lessee, and shall become the property of the City, and shall remain in and be surrendered with the Premises as part thereof at the termination of this Lease, without disturbance, molestation or injury. The City reserves an unqualified right to make alterations, at its sole expense, to the Premises or to the building in which the Premises are situated (1) where conditions deemed by the Director to constitute an emergency, exist; and (2) in order to correct code-deficiencies; and (3) where such alterations do not unreasonably interfere with the ordinary operation of the Premises by the Lessee.
  - d. Access: The City reserves for itself, its officers, employees, agents and contractors, free access to the Premises at all reasonable times for the purposes of inspecting, cleaning or making repairs, additions or alterations to the Premises or any other property owned by or under the control of the City, but this right shall not be construed as an agreement on the part of the City to make inspections, clean, or make repairs, additions or alterations. Due to the nature of the leased space, the City shall provide notice to the Lessee prior to accessing the interior spaces. The Lessee shall have reasonable access to other property of the City where necessary to provide utility services to the Premises; all of the Lessee's work on such other City property shall be at no expense to the City.
  - e. Signs: The Lessee shall not display, inscribe, paint or affix to any part of the Premises any sign except a sign that has been approved, in writing, by the Director, prior to such placement. The City shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises and to show the Premises to prospective tenants during the thirty (30) days prior to the expiration of this Lease.
7. DAMAGE OR DESTRUCTION. In the event that the Premises (a) are damaged by fire, earthquake, act of war, or other extraordinary casualty to such an extent as to render them untenable in whole or in substantial part; or (b) are destroyed, the City shall have the option to repair or rebuild the Premises. Within forty-eight (48) hours after the happening of any such event, the Lessee shall give the Director notice of such event. The Director shall have sixty (60) days after the Director's receipt of such notification to notify the Lessee, in writing, of the City's intention to repair or rebuild the Premises, or any part so damaged. If the City elects to rebuild or repair the Premises, the City shall prosecute the work of such repairing or rebuilding without unreasonable delay, in accordance with the then-existing City procedures, and during such period the rent for the Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy bears to the whole of the Premises; upon the completion of such rebuilding or repair, the Lessee shall immediately reoccupy the Premises and pay the full rent set forth in this Lease. In the event the building in which the Premises are located is substantially destroyed or damaged even though the Premises are not so damaged or destroyed, and if, in the opinion of the Director, it would not be practical to repair or rebuild the building, then the City shall have the option of terminating

this Lease by providing to the Lessee thirty (30) days' prior written notice of termination. The Lessee shall also have the right to declare this Lease terminated, by providing to the City thirty (30) days' prior written notice of such termination, which notice shall be given within sixty (60) days after such damage or destruction. Notwithstanding any other provision of this Lease, no party to this Lease shall be liable in damages to any other party for terminating this Lease in accordance with the provisions of this section, because of the damage or destruction of the Premises or the building in which the Premises forms a part.

8. **CONDEMNATION.** If any portion of the Premises, Building or real property upon which the same are situated (including, without limitation, any parking areas associated with the Premises and/or Building) which is necessary, in Lessee's sole judgment, for Lessee's occupancy or intended use of the Premises, or fifty percent (50%) or more of the rentable area of the Building, is made untenable by eminent domain or conveyed under a threat of condemnation, this Lease shall terminate at the option of either The City or Lessee as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the underlying real property taken by the condemning authority. All Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises or of the Building or the underlying real property necessary for Lessee's occupancy or intended use that does not render them, in Lessee's sole judgment, untenable, then this Lease shall continue in full force and effect and the Rent shall be proportionately reduced based on the percentage by which the floor area of the Premises is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. If the Lessee, in its sole judgment, determines that the condemnation has rendered the Premises unsuitable for the Permitted Use, Lessee shall be entitled to terminate this Lease upon thirty (30) days advance written notice to The City. The City shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building and Lessee shall make no claim for the value of its leasehold. Lessee shall be permitted to make a separate claim against the condemning authority for moving expenses if Lessee terminates the Lease under this section, provided that in no event shall Lessee's claim reduce The City's award.
  
9. **INDEMNITY AND HOLD HARMLESS.** Each party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees, arising out of or incidental to the exercise of rights and obligations under this Lease. Where such Claims result from the concurrent negligence of the parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's negligence. Each of the parties agrees that its obligations under this Section 9 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the parties, by mutual negotiation, hereby waives, with respect to each of the other party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's negligence.

10. NOTICES. Any notice to be given by either party to the other shall be in writing and may either be delivered, personally, or may be deposited in the United States mail, postage prepaid, as either certified or regular mail, addressed as provided in the Special Terms and Conditions hereof, or to such other respective addresses as either party may, from time to time, designate in writing.
11. RELATIONSHIP. In no event shall the City be construed or held to have become in any way or for any purpose a partner, associate, or joint venturer of the Lessee or any party associated with the Lessee in the conduct of the Lessee's business or otherwise. This Lease does not make the Lessee the agent or legal representative of the City for any purpose whatsoever.
12. DEFINITION OF "DIRECTOR". The term "Director", as used throughout this Lease in regard to permission, warrant, consent, approval, rights, interpretation, and discretionary matters, shall mean the Director of the Finance and Administrative Services Department or his/her designee except where the granting of approval, consent or permission or the taking of any other official action by any other City official is required by law, ordinance, resolution, rule, or regulation before the Lessee may rightfully commence, suspend, enlarge, or terminate any particular undertaking or may obtain any particular right or privilege under this Lease.
13. AMENDMENTS. The parties hereto especially reserve the right to renegotiate and change the provisions of this Lease, from time to time, as may be necessary. No alteration or modification of the terms or conditions of this Lease shall be valid and binding unless made in writing and signed by the authorized representatives of the parties hereto.
14. NO WAIVER OF DEFAULT. The City does not waive full compliance with the terms and conditions of this Lease by acceptance of rent. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants and conditions of this Lease to be performed, kept and observed by the other party.
15. TERMINATION. In the event that the Lessee defaults in the performance of any of the terms, provisions, covenants, and agreements on the Lessee's part to be kept, observed, and performed, and such default is not corrected within thirty (30) days after the receipt of notice thereof from the City, or such shorter period as the City may determine is reasonable; or if the Lessee shall abandon, desert, vacate, or remove from the Premises; then, in such event, the Director at his/her option at any time thereafter, may terminate this Lease together with all of the estate, right, and title thereby granted to or vested in the Lessee, and may re-enter said Premises using such force as may be required. Notwithstanding such re-entry by the City and anything to the contrary in this Lease, 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 such rent shall be immediately due and payable.

Notice of said terminations shall be given to Lessee no later than six (6) months prior to the effective termination date. The Lessee shall have no right to damages of any kind or nature whatsoever for any such termination.

16. SURRENDER OF PREMISES. At the expiration or termination of this Lease, the Lessee shall quit and surrender the Premises and all keys thereto, without notice and in as good condition as received at the commencement of the term, except for ordinary wear and tear; damage or destruction by fire or other casualty or circumstances uncontrollable by the Lessee; and alterations, improvements,



and additions made with the approval of the Director unless otherwise agreed as a condition of such approval.

17. BINDING EFFECT. This Lease shall be binding upon the heirs, successors, and assigns of the parties hereto.
18. INVALIDITY OF PROVISIONS. Should any term, provision, condition or other portion of this Lease be held to be inoperative, invalid, or void, the same shall not affect any other term, provision, condition or other portion of this Lease; and the remainder of this Lease shall be effective as if such term, provision, condition, or portion were not a part hereof.
19. LIENS. The City and Lessee shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee or The City and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. The City or Lessee may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, The City or Lessee discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance. .
20. QUIET POSSESSION. The City covenants that as of the Commencement Date, The City will have good right to lease the Premises for the purpose and uses stated herein and Lessee shall have and quietly enjoy the Premises for the Lease Term.
21. NON-DISCRIMINATION. The City shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. The City shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Lessee shall be entitled to terminate this Lease effective upon written notice to The City in the event that The City violates the requirements of this Section 20.
22. DEFAULT.
  - a. The following occurrences shall each constitute a default by Lessee (an "Event of Default" or "Default"):
    - i. Failure To Pay. Failure by Lessee to pay any sum, including Rent, due under this Lease following ten (10) business days' notice from The City of the failure to pay.

- ii. Other Non-Monetary Defaults. The breach by Lessee of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after written notice by The City to Lessee of the breach (provided, if the nature of Lessee's failure is such that more time is reasonably required in order to cure, Lessee shall not be in Default if Lessee commences to cure promptly and thereafter diligently prosecutes such cure to completion).
  - b. Landlord Default; Remedies. The City shall not be in default unless The City fails to perform obligations required of The City within a reasonable time, but in no event less than thirty (30) days after notice by Lessee to The City. If The City fails to cure any such default within the allotted time, Lessee may, in its sole discretion and without limiting Lessee's other rights or remedies under this Lease and/or at law, terminate this Lease upon thirty (30) days advance written notice to The City. Lessee shall have all remedies available at law or in equity. Nothing herein contained shall relieve The City from its duty to perform any of its obligations to the standard prescribed in this Lease.
23. REMEDIES. The City shall have the following remedies upon an Event of Default. The City's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.
- a. Termination of Lease. The City may terminate Lessee's interest under the Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Lessee will remain liable to The City for damages in an amount equal to the Rent and other sums that would have been owing by Lessee under this Lease for the balance of the Lease term, less (i) the net proceeds, if any, of any reletting of the Premises by The City subsequent to the termination, after deducting all of The City's reasonable, actual reletting expenses or (ii) such amounts as Lessee proves may reasonably be avoided.

- b. Re-Entry and Reletting. The City may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Lessee from the Premises and anyone claiming through or under the Lessee, and remove the personal property of either. The City may relet the Premises, or any part of them, in The City's or Lessee's name for the account of Lessee, for such period of time and at such other terms and conditions as The City, in its discretion, may determine. The City may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay The City its reasonable, actual reletting expenses; second, to pay any indebtedness of Lessee to The City other than Rent; third, to the Rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by The City and applied in payment of other or future obligations of Lessee to The City as the same may become due and payable, and Lessee shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by The City under this Section shall not be construed as an election on The City's part to terminate this Lease, unless a notice of termination is given to Lessee. The City reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Lessee will pay The City the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Lessee's property and equipment, and costs of tenant improvements and rent concessions granted by The City to any new tenant, prorated over the life of the new lease.

24. COSTS AND ATTORNEY'S FEES. If Lessee or The City engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by The City for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding. The hourly rates for any award of attorneys' fees will be calculated based on the rate that would be charged for the services provided by an attorney who is in private practice, of the same expertise and experience as the prevailing party's attorney(s).

25. HAZARDOUS MATERIAL.

- a. For purposes of this Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70.105D ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.
- b. Lessee shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Real Property by Lessee, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Lessee breaches the obligations stated in the preceding sentence, then Lessee shall indemnify, defend and hold The City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Lessee shall promptly notify The City of any inquiry, investigation or notice that Lessee may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises or the Real Property.
- c. Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Real Property by Lessee, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Lessee shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. The City's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Lessee shall be entitled to respond immediately to an emergency without prior approval from The City, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Lessee by Environmental Law. To the extent such Hazardous Material becomes commingled with Hazardous Material released by The City or other parties, nothing in this Lease shall prevent Lessee from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by The City or other parties.
- d. The City shall remediate any Hazardous Material discovered in the course of carrying out The City's Work at The City's sole cost and expense.

- e. Each of the parties agrees that its obligations under this Section 24 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the parties, by mutual negotiation, hereby waives, with respect to each of the other party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW.
  - f. The provisions of this Section 25 shall survive expiration or earlier termination of this Lease.
  - g. All claims, judgements, damages, penalties, fines, costs, liabilities and losses involving the release or presence of Hazardous Material shall be subject to this Section 24, and not the indemnity and liability provisions of Section 14.
26. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.
27. SIGNAGE. Lessee shall obtain The City's written consent, which shall not be unreasonably withheld, conditioned, or delayed, as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Lessee shall install any approved signage at Lessee's sole cost and expense and in compliance with all applicable laws.
28. SELF HELP. Notwithstanding anything to the contrary, if The City fails to make and complete any maintenance or repair obligation of The City within twenty-four (24) hours of notice from Lessee with respect to any item of maintenance or repair that is deemed necessary by Lessee for its use of the Premises, or within thirty (30) days of notice from Lessee with respect to any other The City maintenance or repair obligation, then Lessee shall be entitled to take such actions and make such repairs to the Premises, Building or property associated with the same, as Lessee may deem necessary to correct such interruption, and The City shall reimburse Lessee for the cost of the same within thirty (30) days of invoice.
29. SUBORDINATION, NONDISTURBANCE AND ATTORNMENT. This Lease shall be subordinate to all existing and future mortgages and/or deeds of trust on the Premises, or the Building, and Lessee agrees to subordinate this Lease to any future mortgage or deed of trust and to attorn to The City's successor following any foreclosure, sale or transfer in lieu thereof, provided that the mortgagee, transferee, purchaser, lessor or beneficiary ("The City's Successor") agrees in a written instrument in form and substance satisfactory to Lessee that Lessee's use or possession of the Premises shall not be disturbed, nor shall its obligations be enlarged or its rights be abridged hereunder by reason of any such transaction. Notwithstanding any foreclosure or sale under any mortgage or deed of trust (or transfer by deed in lieu thereof), this Lease shall remain in full force and effect.

**LEASE AGREEMENT  
ADDENDUM "A"**

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

LEASE AGREEMENT  
ADDENDUM "B"

**Neighborcare and Public Health – Seattle & King County**  
Rainier Park / Columbia Public Health  
Services, Supplies and Utilities Agreement

Whereas, Neighborcare and Public Health – Seattle and King County occupy the same facility at 4400 37<sup>th</sup> Avenue South, Seattle, WA 98118 and provide services to the community,

Whereas, Neighborcare and Public Health – Seattle and King County seek to have services provided at the site to support their collective and individual activities therein,

It is therefore resolved that these services shall be provided by the occupying agencies and all expenses incurred for the site shall be split between these agencies at the proportion characterized by their occupation, with the sole exception of any services used exclusively by the individual agency or when the division of expenses relates to warehousing.

The following services shall be provided by *Neighborcare*:

Janitorial, Security Guard Services, Fire and Security Alarm Monitoring and Response, Yard Services and Floor Maintenance.

The following services shall be provided by *Public Health – Seattle and King County*:

Water, Sewer and Electricity.

Building Operating Expenses for 2019 are estimated to be \$10.00 a square foot.

In 2019, Neighborcare space totaled 16,171 square feet and Public Health space totaled 9,148 square feet for a total tenant space of 25,319 square feet with an additional 5,308 square feet of common area.

This amount will be adjusted annually based on actual costs. The amount over or short will be credited where the adjustment is necessary.

If either agency wishes to question any accounting period statement relating to Operating Expenses (or subsequent correction of such statement), the requesting agency will have ninety (90) days after receipt of such statement to request inspection.

This agreement will terminate upon the completion of services from the date of vacating agency of the facility.

Neighborcare shall no longer provide services and no longer provides services upon occupation and/or departure of the facility (90) days after vacating the facility.

Public Health – Sea

**DO NOT SIGN**

\_\_\_\_\_  
Manager, Communi

\_\_\_\_\_  
Neighborcare

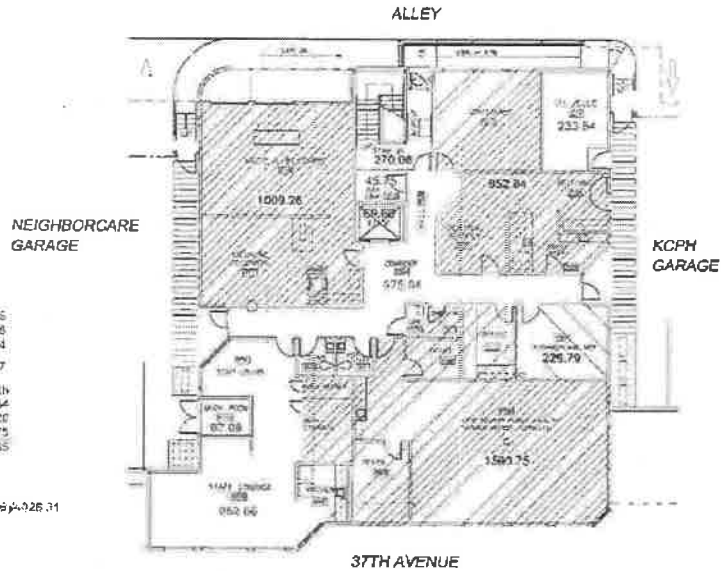
King County Public Health  
SE Clinic

**SAMPLE**

**LEASE AGREEMENT  
BUILDING FLOOR PLANS**

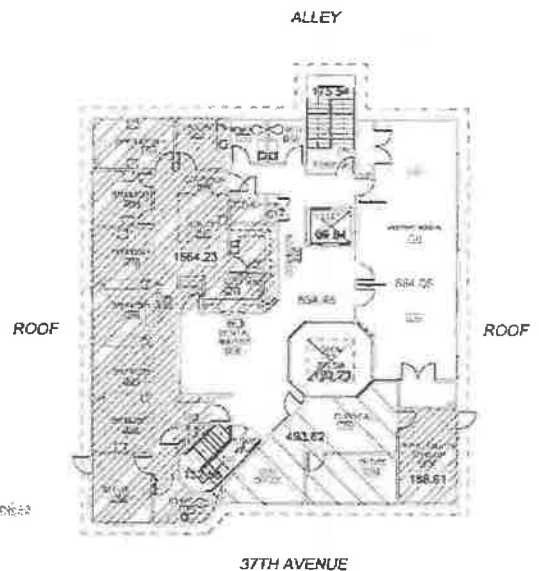






Elev Equip 15.76  
 Mech Rm 81.08  
 Tele/Elec 201.84  
 Bldg Com 346.67  
 King County Health 1580.75  
 USF 3452.85

1. Total R/S  
 = 1,126.31 - 1628.94 = 0.26.31  
 = 1.404



King County Health 1850.84  
 USF 1850.84

1. Total R/S  
 = (2328.12 + 594.18) / 2000.00  
 = 1.2635

	USF	RSF				Usable SF	3675.64
King County Health	3452.85	4949.48				Floor Common	1629.65
Neighborcare	226.79	318.52	Corridor	675.14	Elevator	89.86	
Bldg Com	346.67	485.89	Stair	856.66	Stair 1	279.06	
Total Usable	4026.31	5654.91	Total Flr Com	1592.6	Total VP	358.72	Floor Equip

	USF	RSF				Usable SF	3208.52
King County Health	1850.84	2343.74				Elevator	89.84
Neighborcare	483.62	625.08	Stair 2	130.80	Stair 1	175.54	
Bldg Com	854.06	1054.17	Stair 1	175.54	Stair 2	130.80	
Total Usable	3208.52	4062.99	Total Flr Com	851.46	Total VP	517.17	Floor Equip

**Building Summary**

	USF	RSF	Bldg USF	25399
KC Health	6937	9148	Bldg Com	1581
Neighborcare	1345	18171	Floor Com	1038
Stop Total	2082	25318	VP	5272

	KC Health	Neighborcare	Bldg Com	Floor Com	VP	S. G. A.
Bsmt	3452.85	4949.48	226.79	318.52	346.67	480.88
1st Floor	1633.03	1955.09	12724.18	15227.49	0.00	0.00
2nd Floor	1850.84	2343.74	483.62	625.08	854.06	1034.17
USF/RSF	6937.37	9148.31	1344.49	18171.09	1206.73	1511.05



**SOUTHEAST HEALTH CLINIC**

BASEMENT & SECOND FLOOR  
 4407 37TH Ave S

FAS - Facility Operations Division

DECEMBER 19, 2019  
 SCALE: 1/20" = 1'-0"

