

Dept. of General Administration
Division of Property Development
Room 230 General Administration Bldg.
P.O. Box 41015
Olympia, WA. 98504-1015

KATHY HILL
SKAGIT COUNTY AUDITOR

99 MAY 21 AM 11:34

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RECORDED _____ FILED _____
REQUEST OF _____

Lease No. SR&L 8308
SR 330-12-96

(Anacortes) GAW/aj
Page 1 of 7
March 31, 1999

LEASE

1. This LEASE is made and entered into between Vintage Investments Inc., a Washington Corporation whose address is Post Office Box 973, Anacortes, Washington 98221, hereinafter called the Lessor, and the State of Washington, Department of Licensing, acting through the Department of General Administration, hereinafter called the Lessee.

WHEREAS, the Department of General Administration is granted authority to lease property under RCW 43.82.010;

WHEREAS, the Lessor and Lessee deem it to be in the best public interest to enter into this lease;

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED AS FOLLOWS:

2. The Lessor hereby leases to the Lessee the following described premises:

Tax Parcel Number: R54958, R54957, R32899, R54956, R32892

Common Street Address: 1005 Commercial Street - Suites C & D

Approximately 1,965 BOMA useable square feet of office space in the building located at 1005 Commercial Street - suites C & D, Anacortes, Washington, together with two (2) designated on-site parking spaces and joint use of eight (8) addition common on-site parking spaces on a site legally described as follows:

PARCEL A:

Lots 7, 8, 9 and 10, Block 18, MAP OF THE CITY OF ANACORTES, according to the plat thereof recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington;

PARCEL B:

All that portion of Tract 36, Plate No. 9, Tide and Shore lands of Section 18, Township 35 North, Range 2 East of the Willamette Meridian, according to the plat thereof recorded in the office of the Commissioner of Public Lands at Olympia, Washington described as follows:

Beginning at the southeast corner of Lot 7, Block 18, MAP OF THE CITY OF ANACORTES according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit



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EX 1993760319

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County, Washington; thence Southerly along the East line of said Lot 7 extended, to a point distant 100 feet Southerly from the Northeast corner thereof; thence Westerly parallel with the North line of said Lots 7 and 8, and distant 100 feet therefrom, to the Northwesterly boundary of said Tract 36; thence Northeasterly along said Northwesterly boundary to the point of beginning.

PARCEL C:

Tract 4 of SHORT PLAT NO. ANA-5-30 approved October 28, 1980, and recorded October 30, 1980, under Auditor's File No. 8010300039, records of Skagit County, Washington; in Volume 4 of Short Plats, page 195, being a portion of Block 18, MAP OF THE CITY OF ANACORTES, according to the plat thereof recorded in Volume 2 of and also being a portion of Tract 36, Plate No. 9, Tide and Shorelands of Section 18, Township 35 North, Range 2 East of the Willamette Meridian, according to the plat thereof on file and of record in the office of the Commissioner of Public Lands at Olympia, Washington, all being a portion of Section 18, Township 35 North, Range 2 East of the Willamette Meridian, Skagit County, Washington.

Situated in Skagit County, Washington.

to be used for the following purposes:

Offices and Driver Examining facility for the Department of Licensing and/or other state agencies.

TERM

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning June 1, 1999 and ending May 31, 2004.

RENTAL RATE

4. The Lessee shall pay rent to the Lessor for the premises at the following rate:

Two Thousand Nine Hundred Twenty-two Dollars and Ninety-four Cents.....\$2,922.94 per month.

Payment shall be made at the end of each month upon submission of properly executed vouchers.

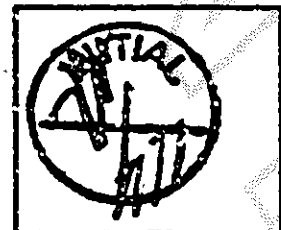
EXPENSES

5. During the term of this Lease, Lessor shall pay all real estate taxes, all property assessments, insurance, water, sewer, storm water, garbage collection, and maintenance and repair as described below.

5A. Lessee shall pay for electricity, natural gas, janitorial service and restroom supplies.

MAINTENANCE AND REPAIR

6. The Lessor shall maintain the premises in good repair and tenantable condition during the continuance of this lease, except in case of damage arising from the negligence of the Lessee's clients, agents or employees. For the purposes of so maintaining the premises, the Lessor reserves the right at reasonable times to enter and inspect the premises and to make any necessary repairs to the building. Lessor's maintenance obligations under Paragraph 5 shall include, but not be limited to, the mechanical, electrical, interior lighting (including replacement of ballasts, starters and fluorescent tubes as required), plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; inside and outside walls (including windows); all structural portions of the building (including the roof and the watertight



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integrity of same); porches, stairways, sidewalks, exterior lighting, parking lot (including snow removal, cleaning and restriping as required); wheel bumpers, drainage, landscaping and continuous satisfaction of all governmental requirements generally applicable to similar office buildings in the area (example: fire, building, energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

ASSIGNMENT/SUBLEASE

7. The Lessee shall not assign this lease nor sublet the premises except to a desirable tenant, and shall not permit the use of the premises by anyone other than the Lessee, such assignee or sublessee, and the employees, agents, and servants of the Lessee, assignee, or sublessee.

RENEWAL/CANCELLATION

8. The lease may, at the option of the Lessee, be renegotiated for an additional five (5) years.

FIXTURES

9. The Lessee, upon the written authorization of the Department of General Administration, shall have the right during the existence of this lease with the written permission of the Lessor (such permission shall not be unreasonably withheld), to make alterations, attach fixtures, and erect additions, structures or signs, in or upon the premises hereby leased. Such alterations, fixtures, additions, structures and signs shall be authorized only by the Department of General Administration. Performance of any of the rights authorized above shall be conducted in compliance with all applicable governmental regulations, building codes, including obtaining any necessary permits. Any fixtures, additions, or structures so placed in or upon or attached to the premises shall be and remain the property of the Lessee and may be removed therefrom by the Lessee upon the termination of this lease. Any damage caused by the removal of any of the above items shall be repaired by the Lessee.

PAYMENT

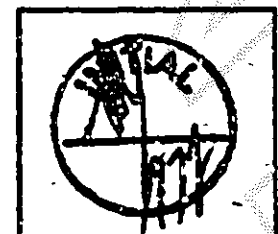
10. Any and all payments provided for herein when made to the Lessor by the Lessee shall release the Lessee from any obligation therefor to any other party or assignee.

DISCRIMINATION

11. Lessor assures and certifies that he/she will comply with all applicable provisions of the Americans With Disabilities Act of 1990 (42 U.S.C. 12101 - 12213) and the Washington State law against discrimination, Chapter 49.60 RCW, as well as the regulations adopted thereunder.

DISASTER

12. In the event the leased premises are destroyed or injured by fire, earthquake or other casualty so as to render the premises unfit for occupancy, and the Lessor(s) neglects and/or refuses to restore said premises to their former condition, then the Lessee may terminate this lease and shall be reimbursed for any unearned rent that has been paid. In the event said premises are partially destroyed by any of the aforesaid means, the rent herein agreed to be paid shall be abated from the time of occurrence of such destruction or injury until the premises are again restored to their former condition, and any rent paid by the Lessee during the period of abatement shall be credited upon the next installment(s) of rent to be paid. It is understood that the terms "abated" and "abatement" mean a pro rata reduction of area unsuitable for occupancy due to casualty loss in relation to the total rented area.



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NO GUARANTEES

13. It is understood that no guarantees, express or implied, representations, promises or statements have been made by the Lessee unless endorsed herein in writing. And it is further understood that this lease shall not be valid and binding upon the State of Washington, unless same has been approved by the Director of the Department of General Administration of the State of Washington or his or her designee and approved as to form by the Office of the Attorney General.

ENERGY

14. The Lessor, or authorized representative, in accordance with RCW 43.19.685, has conducted a walk-through survey of the leased premises with a representative of the Director of the Department of General Administration. Lessor will undertake technical assistance studies and/or subsequent acquisition and installation of energy conservation measures identified as cost effective by the survey.

REIMBURSEMENT FOR DAMAGE TO PREMISES

15. The Lessee hereby agrees to reimburse the Lessor for damages caused by the negligence of its employees, clients and agents, but in no event shall this paragraph be construed as diminishing the Lessor's duty to make repairs as set forth in preceding paragraphs of this lease, or as making Lessee responsible for the repair of normal wear and tear.

HAZARDOUS SUBSTANCES

16. Lessor warrants to his/her knowledge that no hazardous substance, toxic waste, or other toxic substance has been produced, disposed of, or is or has been kept on the premises hereby leased which if found on the property would subject the owner or user to any damages, penalty, or liability under any applicable local, state or federal law or regulation.

Lessor shall indemnify and hold harmless the Lessee with respect to any and all damages, costs, attorney fees, and penalties arising from the presence of any hazardous or toxic substances on the premises, except for such substances as may be placed on the premises by the Lessee.

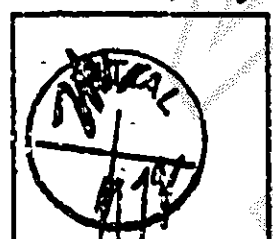
REMODEL

17. The Lessor shall at Lessor's sole cost and expense, on or before May 31, 1999, complete in good and workmanlike manner alterations as noted on the attached plan # 330-12-96 (Exhibit "A"), approved by the Design Manager on January 4, 1999, also with attached specifications approved by the Design Manager on January 4, 1999, initiated by both parties hereto and incorporated herein by reference.

Lessor shall be reimbursed \$5,956.52, which includes Washington State sales tax upon satisfactory completion of the above mentioned alterations, as verified by the Design Manager. Lessee shall make such payment in cash, upon receipt of Authority to Pay from the Design Manager.

ALTERATIONS/IMPROVEMENTS

18. In the event the Lessee requires alterations/improvements during the term of this lease, any renewals and/or modifications thereof, the Lessor shall have the right to provide such services. If required by state law, the Lessor shall pay prevailing rate of wage to all workers, laborers or mechanics employed to perform such work as well as comply with the rules and regulations of the Department of Labor & Industries. If the Lessee considers Lessor's proposed costs for alterations/improvements excessive, Lessee shall have the right, but not the obligation, to request and receive



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at least two independent bids; and the Lessee shall have the right at its option to select one alternative contractor whom the Lessor shall allow to provide such services for the Lessee in compliance with the Lessor's building standards and operation procedures.

PREVAILING WAGE

19. Lessor agrees to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this contract when required by state law to do so, and to comply with the provisions of Chapter 39.12 RCW, as amended, and the rules and regulations of the Department of Labor and Industries. The rules and regulations of the Department of Labor and Industries and the schedule of prevailing wage rates for the locality or localities where this contract will be performed as determined by the Industrial Statistician of the Department of Labor and Industries, are by reference made a part of this lease as though fully set forth herein.

WITHHOLDING OF RENT PAYMENTS

20. If the Lessor fails to maintain, repair and/or improve the premises as set forth herein, the Lessee may, if authorized by the Department of General Administration, withhold ten percent (10%) of rent payments until such time as Lessor completes deficient maintenance, repair and/or improvements. Upon receipt of documentation of Lessor's noncompliance with maintenance, repair and/or improvement provisions and a written request to withhold rent payments from the Lessee, the Department of General Administration shall provide Lessor with a list of deficient maintenance, repair and/or improvement items and notify Lessor that Lessee has been authorized to withhold rent payment until deficient maintenance, repair and/or improvements have been completed. Lessee shall place all withheld rent payments in an interest bearing account. Withheld rent payments plus accrued interest will be remitted to Lessor after the Department of General Administration verifies that Lessor has satisfactorily completed all maintenance, repair and/or improvements and authorizes Lessee to remit the withheld rent. Nothing in this provision shall limit other remedies which may be available to Lessee under this lease.

YEAR 2000 COMPLIANCE

21. All building systems controls which are time or date sensitive shall be "Year 2000 compliant".

"Year 2000 Compliant" means the functions, calculations, and other computing processes of the systems controls perform in a consistent manner regardless of the date in time on which the systems controls are actually performed and regardless of the Date Data input to the systems controls, whether before, on, during or after January 1, 2000, and whether or not the Date Data is affected by leap years.

"Date Data" means any data, formula, algorithm, process, input or output which includes, calculates, or represents a date, a reference to a date, or a representation of a date; including, but not limited to the following:

- a) No value for current date will cause any interruption in operation. Current date means today's date as known to the equipment or product.
- b) Date-based functionality will behave consistently for dates prior to, during, and after year 2000. General date integrity will include, but is not limited to:

1999/09/09

1999/12/31

2000/01/01

2000/01/02

2000/02/29

Saturday and not Monday as in 1900/01/01

Sunday and not Tuesday as in 1900/01/02

Tuesday



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2000/03/01 Wednesday
2000/12/31
2001/01/01

Year 2000 is recognized as a leap year.

Dates will roll over correctly from/to:

1998/12/31 to 1999/01/01
1999/12/31 to 2000/01/01
2000/02/28 to 2000/02/29
2000/02/29 to 2000/03/01

- c) In all interfaces and data storage, the century in any date will be specified either explicitly or by unambiguous algorithms or inference rule.

CAPTIONS

22. The captions and paragraph headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

NOTICES

23. Wherever in this lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.

LESSOR: Vintage Investments, inc.
Post Office Box 973
Anacortes, Washington 98221

LESSEE: Department of General Administration
Division of Property Development
General Administration Bldg.
Post Office Box 41015
Olympia, Washington 98504-1015

SR&L 8308

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names.

MAY 19 1999

Vintage Investments Inc., a Washington Corporation

By: [Signature]

Title: Pres.

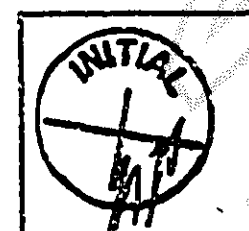
Date: 4/14/99

(Lessor: If corporation, partnership,
or other officer with legal authority
other than a natural person, give title)

[Signature]
Guy A. Winkelman
Facilities Senior Planner

Date: 4/19/99

STATE OF WASHINGTON
Department of Licensing



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March 31, 1999

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FEDERAL TAX I.D. NUMBER 91-1873878

Acting through the Department
of General Administration

APPROVED AS TO FORM:

By: Assistant Attorney General

Mark L. Lahaie
Real Estate Services Group Manager
Division of Property Development

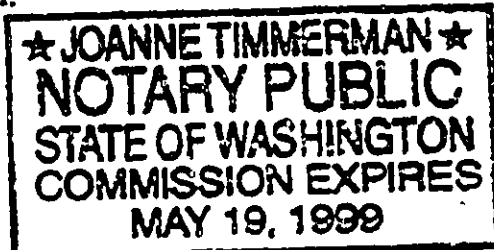
Date: _____

Date: 5-7-99

STATE OF Washington
County of Skagit) ss.

On this 14th day of April, A.D., 19 99, before me personally appeared Ronald A. Woolworth to me known to be the President of the corporation that executed the within and 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 he was authorized to execute said instrument and that the seal affixed thereto is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Joanne Timmerman
Notary Public in and for the State of Washington,
Residing at Anacortes
My commission expires 5/19/99

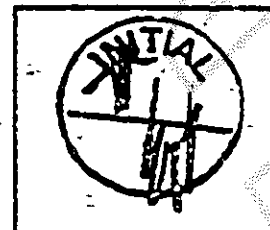
STATE OF WASHINGTON)
County of Thurston) ss.

I, the undersigned, Mark L. Lahaie Notary Public, do hereby certify that on this 7th day of May, 19 99, personally appeared before me MARK L. LAHAIE, Real Estate Services Group Manager, Division of Property Development, Department of General Administration, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as the free and voluntary act and deed of the Department, for the purposes and uses therein mentioned, and on oath stated that he was duly authorized to execute said document.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Andrew A. Jensen
Notary Public in and for the State of Washington,
Residing at Olympia
My commission expires January 1, 2001



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