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Facilities Services



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Delegated Lease No. DEL 02-0016

Anacortes

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March 27, 2002

DELEGATED LEASE

1. This LEASE is made and entered into between Glen E. Greathouse, Sr and Jacquelyn L. Greathouse, husband and wife and Glen E. Greathouse Jr. and Kandy M. Greathouse, husband and wife, whose address is 5316 Ferry Terminal Road, Anacortes, Washington 98221 for their heirs, executors, administrators, successors, and assigns, hereinafter called the Lessor, and the State of Washington, Department of Transportation, hereinafter called the Lessee, acting under a Special Delegation of Authority from the Department of General Administration, in accordance with RCW 43.82.010.

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:

**LEASED PREMISES**

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

**Tax Parcel Number: 3808.0.11.005**

**Common Street Address: 5312 Ferry Terminal Rd, Anacortes**

Approximately 1,500 BOMA gross building area square feet of residential space, together with four (4) on-site parking spaces in the building, located at 5312 Ferry Terminal Rd, Anacortes, Washington and legally described as follows:

Legal description

Parcel number 3808.0.11.005 and 3808.000.012.0004 Skagit County

**USE**

3. The premises shall be used by the Department of Transportation and/or other state agencies for the following purpose(s): Residence.

**TERM**

4. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning July 1, 2002 and ending June 30, 2005.

**RENTAL RATE**

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

Two Thousand Three Hundred Eighty Eight Dollars and No Cents \$2,388 per month

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

**EXPENSES**

6. During the term of this Lease, Lessor shall pay all real estate taxes, all property assessments, insurance, storm water, water, sewer, garbage collection, and maintenance and repair as described below, together with natural gas, electricity, elevator service, exterior and interior window washing, and janitor service -- to include window washing, restroom supplies, light bulbs, etc., as set forth in Exhibit "J" which is attached hereto and incorporated by reference.

**MAINTENANCE AND REPAIR**

7. 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 maintaining and repairing 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 and repair obligations under Paragraph 6 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; elevators; inside and outside walls (including windows); all structural portions of the building (including the roof and the watertight 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**

8. The Lessee may assign this Lease or sublet the premises with the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Lessee 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**

9. The Lease may, at the option of the Lessee, be renegotiated for an additional three (3) years.

It is provided, however, that there is expressly reserved to the Lessee the right and option to terminate this Lease and to relinquish and give up said premises by giving written notice to the Lessors at least Thirty (30) days prior to the effective date of such termination, in which event rent shall be prorated to the date of termination.



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**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.

**COMPLIANCE WITH STATE/FEDERAL LAWS**

11. Lessor is responsible for complying 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, with respect to the Leased Premises.

**FIXTURES**

12. The Lessee 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. 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.

**ALTERATIONS/IMPROVEMENTS**

13. 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 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**

14. Lessor agrees to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this Lease 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 Lease 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.

**DISASTER**

15. 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**

16. 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 the Lessee, a state agency, is acting in compliance with a delegated authority from the Department of General Administration in accordance with 43.82.010.

**ENERGY**

17. 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 Transportation. 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**

18. 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**

19. 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 an applicable local, state or federal law or regulation.

Lessor shall indemnify and hold harmless the Lessee with respect to any and all damages, costs, attorneys' 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.

**BINDING AUTHORITY**

20. It is further understood that this Agreement shall not be binding upon the State of Washington, Department of Transportation, unless signed by the Lessee's Director, Commissioner, or his/her designee.

**CANCELLATION/SUPERSESSION**

21. This Lease cancels and supersedes SR&L 8335 dated May 28, 1999, and all modifications thereto effective July 1, 2003. ~~05/28~~

**WITHHOLDING OF RENT PAYMENTS**

22. 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 Transportation, 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 Transportation 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



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remitted to Lessor after the **Department of Transportation** 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.

#### DATE COMPLIANCE

23. All building systems controls which are time or date sensitive shall operate correctly with dates in the 20<sup>th</sup> or 21<sup>st</sup> century, so that 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, during or after the year 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.
- c) In all interfaces and data storage, the century in any date will be specified either explicitly or by unambiguous algorithms or a suitable interface rule.

#### CONDEMNATION

24. If all the premises or such portions of the Building as may be required for the reasonable use of the premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Lessee is required to vacate the premises and all rentals shall be paid to that date. In case of a taking of a part of the premises, or a portion of the Building not required for the reasonable use of the premises, at Lessee's determination, then the Lease shall continue in full force and effect and the rental shall be equitably reduced based on the proportion by which the floor area of the premises is reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to damages and awards in connection therewith, except Lessee shall have the right to claim from the condemning authority the value of its leasehold interest and any relocation benefits.

#### HOLDING OVER

25. If Lessee remains in possession of the premises after the expiration or termination of the Lease term, or any extension thereof, such possession by Lessee shall be deemed to be a month-to-month tenancy, terminable as provided by law. During such month-to-month tenancy, Lessee shall pay all rent provided in this Lease or such other rent as the parties mutually agree in writing and all provisions of this Lease shall apply to the month-to-month tenancy, except those pertaining to term and option to extend.

#### SUBORDINATION

26. So long as Lessor has fully performed under the terms of this Lease, Lessee agrees to execute, within ten (10) days of written request by Lessor, the state's standard Tenant Estoppel and Subordination Agreements which have been approved as to form by the Office of the Attorney General. A \$400.00 processing fee will be assessed for processing these documents through the Department of General Administration.



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**CAPTIONS**

27. 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**

28. 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: Glen E. Greathouse  
5316 Ferry Terminal Rd  
Anacortes, Washington 98221

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

LESSEE: Department of Transportation  
Facilities Services  
P.O. Box 47408  
Olympia, Washington 98504

JUL 22 2002

Amount Paid \$  
Skagit Co. Treasurer  
By *[Signature]* Deputy

AND Department of General Administration  
Division of Real Estate Services  
General Administration Bldg.  
Post Office Box 41015  
Olympia, Washington 98504-1015

DEL 02-0016

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

Glen E. Greathouse, Sr and Jacquelyn L. Greathouse, husband and wife, and Glen E. Greathouse, Jr. and Kandy M. Greathouse, husband and wife.

By: *[Signature]*

By: *[Signature]*

Title: owner

Title: owner

Date: 5/25/02

Date: 6-4-02

By: *[Signature]*

By: *[Signature]*

Title: owner

Title: owner

Date: 5/25/02

Date: 6/4/02

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

**LESSEE**

FEDERAL TAX I.D. NUMBER 91-1411180

STATE OF WASHINGTON, DEPARTMENT OF  
TRANSPORTATION

APPROVED AS TO FORM:

By: *[Signature]*  
Assistant Attorney General

By: *[Signature]*  
Title: Manager, Administrative Services

Date: 6/27/02

Date: 6/10/02



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STATE OF Washington )  
County of Skagit ) ss.

I, the undersigned, a Notary Public, do hereby certify that on this 25<sup>th</sup> day of May, 2002, personally appeared before me Glenn E. Granthouse Sr. to me known to be the individual(s) described in and who executed the within instrument, and acknowledged that he signed and sealed the same as free and voluntary act and deed, for the purposes and uses therein mentioned.

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

Kandy Breathouse  
Notary Public in and for the State of Washington,  
Residing at Skagit Co.  
My commission expires July 29, 2003

STATE OF Wa )  
County of Skagit ) ss.

I, the undersigned, a Notary Public, do hereby certify that on this 25<sup>th</sup> day of May, 2002, personally appeared before me Jacquelyn L. Granthouse to me known to be the individual(s) described in and who executed the within instrument, and acknowledged that she signed and sealed the same as free and voluntary act and deed, for the purposes and uses therein mentioned.

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

Kandy Breathouse  
Notary Public in and for the State of Washington,  
Residing at Skagit Co.  
My commission expires July 29, 2003



STATE OF WASHINGTON )  
County of ~~Thurston~~ Skagit ) ss.

I, the undersigned, a Notary Public, do hereby certify that on this 4th day of June, 2002, personally appeared before me Glenn E. Greathouse, Jr. / Awne (name/title) of the Ship Harbor Inn, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he/she 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/she 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.

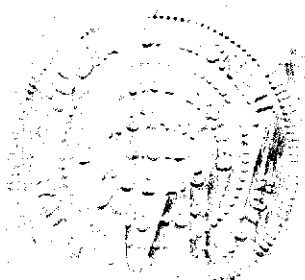


Glenn E. Greathouse, Jr. / Awne  
Notary Public in and for the State of Washington,  
Residing at Anacortes, WA  
My commission expires 1-19-04

STATE OF Washington )  
County of Skagit ) ss.

I, the undersigned, a Notary Public, do hereby certify that on this 4th day of June, 2002, personally appeared before me Kandy M. Greathouse to me known to be the individual(s) described in and who executed the within instrument, and acknowledged that She signed and sealed the same as free and voluntary act and deed, for the purposes and uses therein mentioned.

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



Glenn E. Greathouse, Jr. / Awne  
Notary Public in and for the State of Washington,  
Residing at Anacortes, WA  
My commission expires 1-19-04



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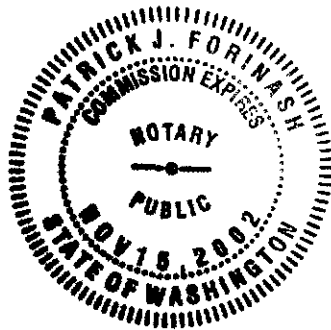
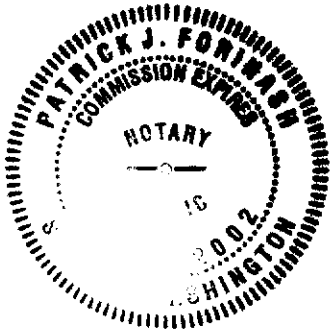


STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

I, the undersigned, a Notary Public, do hereby certify that on this 10 day of June, 2002, personally appeared before me Marilyn S. Bowman, Mgr. Admin. Services (name/title) of the WA State Dept. of Transportation, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he/she 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/she 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.

[Signature]  
Notary Public in and for the State of Washington,  
Residing at Kirkland  
My commission expires Nov. 15 2002



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Skagit County Auditor