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Skagit County Auditor

9/19/2005 Page 1 of 9 2:26PM

AFTER RECORDING RETURN TO:

Washington State Department of Transportation  
Facilities Services  
PO Box 47408  
Olympia, Washington 98594

Delegated Lease No. DEL 05-0084  
Anacortes  
Page 1 of 8  
July 21, 2005

*mariposa*

DELEGATED LEASE

This LEASE is made and entered into between Yosemite Management Group, LLC whose address is PO Box 1989, (Mari Posa) CA 95338 for its 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 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:

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

LEASED PREMISES

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

SEP 19 2005

Tax Parcel Number: 3808.0.11.005

Amount Paid  
By Skagit Co. Treasurer  
Deputy

Common Street Address: 5412 Ferry Terminal Rd., Anacortes

Approximately 1,500 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:

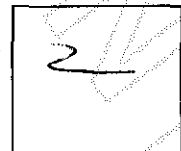
Legal description  
Parcel number 3808.0.11.005 and 3808.000.12.0004 Skagit County

USE

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

TERM

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning July 1, 2005 and ending June 30, 2008.



**RENTAL RATE**

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

Two Thousand Six Hundred Dollars and No cents

\$2,600 per month

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

**TERM ADJUSTMENT**

5. Subject to Lessee's termination rights as provided in the Renewal/Cancellation paragraph herein, if any, and effective following five (5) years' of initial occupancy of the Leased Premises, Lessee reserves the following rights to adjust the Term hereof:

5.1. Lessee reserves the right, at its sole option and discretion, to reduce the space leased as part of the Premises herein and/or the right to terminate this Lease in its entirety, on one hundred twenty (120) days' prior written notice to Lessor subject to the following terms and conditions:

A. In the event of a reduction in the space leased as part of the Premises (the "Reduced Space"):

(1) Monthly rent shall be reduced in the same proportion as said reduction in space and such reduction in rent ("the "Reduced Rent") shall be effective upon the date said portion of the Premises is vacated by Lessee. The Reduced Space shall be limited to space reasonably capable of being utilized by a replacement tenant; and

(2) Lessee shall pay Lessor the following:

(a) The Reduced Rent discounted to present value at an annual rate of 5%; and

(b) The unamortized cost of additional tenant improvements attributable to the Reduced Space, if any, which exceeded Lessee's Leased Space Requirements and were financed by Lessor subject to reimbursement by Lessee as provided in the Lease.

B. In the event of a termination of the Lease in its entirety, Lessee shall pay Lessor the following:

(1) A sum equal to the remaining rental payments due and payable to Lessor under the Lease discounted to present value at an annual rate of 5%; and

(2) The unamortized cost of additional tenant improvements, if any, which exceeded Lessee's Leased Space Requirements and were financed by Lessor subject to reimbursement by Lessee as provided in the Lease.

5.2 Lessee reserves the right, at its sole option and discretion, to vacate all or any portion of the Leased Premises on one hundred twenty (120) days' prior written notice to Lessor subject to the following terms and conditions:

A. Expenses excluding base rent payable by Lessee to Lessor including, without limitation, operating expense, real estate taxes and assessments, parking, etc., will be reduced in an amount equal to the amount of vacated space divided by the total area of the Leased Premises.



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- B. Lessor shall, at Lessee's sole option and discretion, market said vacated Premises for lease to the general public including, without limitation, hiring a brokerage firm to market the space and recruit potential tenants.
- C. Lessee may contribute up to twenty-five (25%) of the remaining rental payments due and payable under the Lease towards Lessor's actual expense of securing a replacement tenant, at its sole option and discretion. Said payment shall be subject to Lessee's complete release by Lessor from all obligations associated with the Lease effective upon occupancy by a replacement tenant. Said expense of securing a replacement tenant shall be limited to the cost of brokerage and real estate commissions, tenant improvements, alterations/improvements and reduction of rent payments. In the event that the Lease is assigned to another state agency, Lessee shall not be required to reimburse Lessor for any brokerage or real estate commissions.
- D. Lessee may defer payment of rent to Lessor during the remaining Lease term subject to the mutual agreement of the parties. During said rent deferment period, Lessee may, at its sole option and discretion, assign the Lease to another state agency. Said rent deferment shall terminate upon assignment of the Lease, occupancy by a new tenant or the expiration of the rent deferment agreement, whichever first occurs.

#### 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, landscape and irrigation water, and janitor service. Janitor service includes exterior and interior window washing, restroom supplies and light bulb replacement.

#### MAINTENANCE AND REPAIR

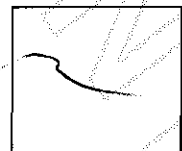
7. The Lessor shall maintain the premises in good repair and tenantable condition during the continuance of this lease, except in case of damage arising from the negligence of the Lessee's clients, agents or employees. For the purposes of maintaining and repairing the premises, the Lessor reserves the 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 and entrance and exit doors); 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.



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**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.

**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



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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.

**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. Any amendment or modification of this Lease must be in writing and signed by both parties.

**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.

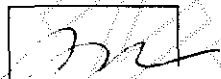
Lessor shall indemnify and hold harmless the Lessee with respect to any and all damages, costs, attorneys' fees, and penalties arising from the presence of any hazardous or toxic substances on the premises, except for such substances as may be placed on the premises by the Lessee.

**BINDING AUTHORITY**

20. It is further understood that this Lease shall not be binding upon the State of Washington, Department of Transportation, unless signed by the Lessee's Director, Commissioner, or his/her designee and approved as to form by the Office of the Attorney General.

**CANCELLATION/SUPERSESION**

21. This Lease cancels, supersedes or replaces DEL 02-0016 dated March 27, 2002, and all modifications thereto effective July 1, 2005.



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**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 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



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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.

**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: Yosemite Management Group, LLC  
PO Box 1989  
Mari Posa, California 985338  
*maniposa*

LESSEE: Department of Transportation  
Facilities Services  
PO Box 47408  
Olympia, Washington 98504

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

DEL 05-0084

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

LESSOR

Yosemite Management Group, LLC  
(Lessor Name)

By: [Signature]

Title: Manager

Date: 08/03/05

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

LESSEE:

STATE OF WASHINGTON,  
DEPARTMENT OF TRANSPORTATION

By: [Signature]

Title: Manager, Administrative Services

Date: 8/12/05

APPROVED AS TO FORM:

By: [Signature]

Assistant Attorney General

Date: 9/6/05



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STATE OF \_\_\_\_\_ )  
 ) ss.  
County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ before me personally appeared \_\_\_\_\_ and said person(s) acknowledged that \_\_\_\_\_ signed this instrument, and on oath stated that \_\_\_\_\_ was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of \_\_\_\_\_ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

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

*See Attached California Form*

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

I, the undersigned, a Notary Public, do hereby certify that on this 12<sup>th</sup> day of August, 2005, personally appeared before me Marilyn S. Bowman, mgr Admin Serv (name/title) of the Department 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.



Lisa M. Shaw  
\_\_\_\_\_  
Notary Public in and for the State of Washington,  
Residing at Shenon  
My commission expires 9-5-2006



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**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

State of California

County of Mariposa } ss.

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

~~\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_~~

Signature of Document Signer No. 1 \_\_\_\_\_ Signature of Document Signer No. 2 (if any) \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this

3 day of August, 2005, by  
Date Month Year

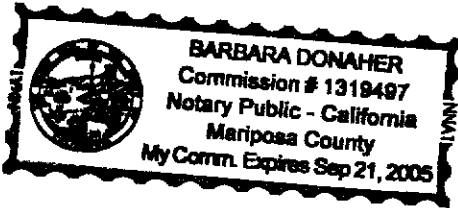
(1) Gerald D. Fischer  
Name of Signer

- Personally known to me
  - Proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (,)
- (and

(2) \_\_\_\_\_  
Name of Signer

- Personally known to me
- Proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Barbara Donaher  
Signature of Notary Public



Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Further Description of Any Attached Document**

Title or Type of Document: Delegated Lease

Document Date: July 21, 2005 Number of Pages: 9

Signer(s) Other Than Named Above: \_\_\_\_\_

RIGHT THUMBPRINT OF SIGNER #1  
Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2  
Top of thumb here

