AFTER RECORDING RETURN TO:

Department of General Administration Real Estate Services P. O. Box 41015 Olympia, Washington 98504-1015



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Lease No. SRL 08-0121 SR 087-04-08 (La Conner) DJG/ij Page 1 of 9 Date: January 8, 2009

LEASE

THIS LEASE is made and entered into between <u>La Conner Pier, L.L.C.</u>, a <u>limited liability company</u> whose address is <u>Post Office Box 731</u>, <u>La Conner, Washington 98257</u>, for <u>its</u> heirs, executors, administrators, successors, and assigns, hereinafter called the Lessor, and the STATE OF WASHINGTON, <u>Department of Fish and Wildlife</u>, 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:

LEASED PREMISES

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

Tax Parcel Number: 4129-018-021-0005

Common Street Address: 111 Sherman Street, La Conner, Skagit County, Washington 98257

Approximately 16,176 BOMA usable square feet of office/warehouse space, consisting of 6,429 square feet of office space and 9,747 square feet of warehouse space. TOGETHER WITH parking areas in Exhibit "B", in an area facing Sherman Street, as well as spaces within warehouse area, legally situated as follows: Parcel A: All of Tracts 18, 19, 20, 21 & 22; as shown on 'CORRECTED PLATE # 18, MAP OF LA CONNER TIDE AND SHORE LANDS', on file in the office of the State Land Commissioner, at Olympia, Washington.

ALSO, all of Blocks 1 & 2; the Saw Mill Reserve; & that certain unnumbered tract lying Southerly of the Saw Mill Reserve, & also lying southerly of Lot 13, Block 2, all as shown on the Plat of 'SYNDICATE ADDITION TO THE TOWN OF LA CONNER', as per plat recorded in Volume 2 of Plats, page 109, records of Skagit County, Washington; (said plat being an over plat & including all of Tracts 18, 19, 20, 21, & 22 of 'CORRECTED PLATE #18, MAP OF LA CONNER TIDE AND SHORE LANDS', & also being an over plat & including all of Blocks 5 & 6 of 'FIRST ADDITION TO THE TOWN OF LA CONNER', as per plat recorded in Volume 1 of Plats, page 4, records of Skagit County, Washington.)

ALSO, all of vacated Second Street lying between the North line of Sherman Street & the South line of Caledonia Street, as said streets are delineated on the face of the above mentioned plats.

ALSO, all of the South 313 feet of First Street from Caledonia Street Southerly to its end, as said street is delineated on the face of said plat.

TOGETHER WITH that certain easement to drive & maintain piles as set forth in document dated May 23, 1955 & recorded August 4, 1955, under Auditor's File No. 522025, records of Skagit County, Washington.

EXCEPT from all of the above the following described tracts:

- (1) All that portion of the above described property lying East of the centerline of the dike, as said centerline is set forth & established by deed recorded November 13, 1926 under Auditor's File No. 198706, in Volume 141 of Deeds, page 633, records of Skagit County, Washington, and lying Southerly of the Southerly line of a tract of land conveyed to Jack Regenvetter by deed recorded April 5, 1945 under Auditor's File No. 379332 (said line being 188 feet South of the Northeast corner of Block 2 of said 'SYNDICATE ADDITION TO THE TOWN OF LA CONNER' as measured along the Westerly line of Third Street & drawn Westerly at right angles to Third Street).
- (2) That portion of Tract 22 of 'CORRECTED PLATE #18, MAP OF LA CONNER TIDE AND SHORE LANDS', as on file in the office of the State Land Commissioner, at Olympia, Washington, that lies Northwesterly of a boundary line as established by an Exchange Deed recorded August 4, 1955 under Auditor's File No. 522024, records of Skagit County, Washington, said boundary line being described as being drawn Northerly, perpendicular to Sherman Street at a point that is equi-distant between two lines, the first line being drawn Northerly perpendicular to Sherman Street at a point that is 200 feet Southeasterly, as measured along Sherman Street from the most Westerly corner of said Tract 22, Plate #18; the second line being drawn Southerly perpendicular to the common boundary line between Tracts 21 & 22 of the said Plate #18, at a point 200 feet southeasterly of the most Northerly point of said Tract 22, as measured along the North line of said Tract 22.
- (3) All that portion lying Westerly of the inner Harbor Line as shown on the survey recorded April 6, 1988 in Volume 7 of Surveys, page 182 & 183, under Auditor's File No. 804060031.

TOGETHER WITH that certain easement to drive & maintain piles as set forth in document dated May 23, 1955 & recorded August 4, 1955 under Auditor's File No. 522025, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL 'B':

That portion of Tract 22, 'Corrected Plate No. 18, Tide and Shore Lands of Section 36, Township 34 North, Range 2 East, W.M., LaConner Harbor', according to the official map thereof in the office of the State Land Commissioner at Olympia, Washington, Described as follows:

Beginning at the most Westerly corner of said Tract 22; thence in a Southeasterly direction along the Southwesterly line of said Tract 22, a distance of 200 feet to the true point of beginning; thence Northeasterly, at right angles to said Southwesterly line a distance of 74 feet, more or less, to the Northeasterly line of said Tract 22; thence Southeasterly along said Northeasterly line a distance of 25 feet, more or less, to the Northwesterly line of a Tract conveyed to Puget Sound Terminal Co., a Washington corporation by deed dated June 22, 1955, recorded August 4, 1955, under Auditor's File No. 522024;

Thence Southwesterly along said Northwesterly line a distance of 74 feet, more or less, to the Southeasterly line of said Tract 22; thence Northwesterly along said Southeasterly line a distance of 25 feet, more or less, to the true point of beginning.

Situate in the County of Skagit, State of Washington.



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PARCEL 'C':

A leasehold interest in the following described tract:

The harbor area in front of Tract 21 & the Southwesterly 188 feet of Tract 18 as measured along the Southeasterly line thereof. Corrected Plate 18, LaConner Tide Lands, forming a tract bounded by the inner & outer harbor lines, and the Southwesterly line of said Tract 21 produced Northwesterly & a line which is parallel to & 188 feet Northeasterly from the Southwesterly line of said Tract 18 produced Northwesterly, as shown on the official maps of LaConner Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

PARCEL 'D':

A Leasehold interest in the following described tract:

That portion of the harbor area lying in front of the Northeasterly 125 feet of Tract 18. LA CONNER TIDE LANDS. & bounded by the inner & outer harbor lines, the produced Southerly line of Caledonia Street, & the produced Southerly line of said portion of Tract 18, as shown on Corrected Plate 18, LaConner Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

All situate in the County of Skagit, State of Washington.

USE

2. The premises shall be used by the <u>Department of Fish and Wildlife</u> and/or other state agencies for the following purpose(s): <u>office space and interior warehouse space</u>.

TERM

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning July 1. 2009 and ending June 30, 2014.

RENTAL RATE

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

Office Area: Four Thousand Eight Hundred Thirty-seven Dollars and Twenty-eight Cents

\$4,837.28 per month

Warehouse Area: Four Thousand Three Hundred Sixteen Dollars and No Cents

\$4.316.00 per month

<u>Total Monthly Payment: Nine Thousand One Hundred Fifty-three Dollars and Twenty-eight Cents</u>

\$9,153,28 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, storm water, and maintenance and repair as described below.
- 5.1. Lessee shall pay for only <u>natural gas, electricity, water, sewer, garbage collection, janitorial services and restroom supplies.</u>



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MAINTENANCE AND REPAIR

- 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 shall include, but not be limited to, the mechanical, electrical, interior lighting (including replacement of ballasts and starters 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 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.)
- 6.1 If the obligations of Lessor under paragraph 6., paragraph 7., or elsewhere under this Lease to comply with all governmental requirements would result in expenditures during the term in excess of \$10.000.00, the Lessor may, at its option, in lieu of undertaking compliance with such governmental requirements, by 180 days prior written notice to the Lessee, terminate the Lease.

ASSIGNMENT/SUBLEASE

7. 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.

PAYMENT

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

COMPLIANCE WITH STATE/FEDERAL LAWS

9. 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, Chater 49.60 RCW, as well as the regulations adopted thereunder, with respect to the Leased Premises.

FIXTURES

10. The Lessee, upon the written authorization of the Department of General Administration, hall have the right during the existence of this Lease with the written permission of the Lessor (such permission shallnot 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 bythe 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 remaining property of the Lessee and may be removed therefrom by the Lessee upon the termination of this

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.



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ALTERATIONS/IMPROVEMENTS

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

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 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

13. 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.

NO GUARANTEES

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

ENERGY

15. 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

16. 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.





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HAZARDOUS SUBSTANCES

17. 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.

ADDITIONAL LEASE PROVISIONS

- 18. <u>It is agreed that the Lessor shall at Lessor's sole cost and expense, on or before August 1, 2009, complete in a good and workmanlike manner, in accordance with state Leased Space Requirements, July 2005 edition, attached hereto and incorporated herein by reference as Exhibit "A", the following items:</u>
 - a) Clean all light fixtures, replace ballasts, tubes/bulbs where needed.
 - b) Clean carpet that is not scheduled to be replaced.
 - c) Clean and wax VCT.
 - d) Paint interior office space. Color to be selected by Lessee.
 - e) Clean HVAC grilles.
 - f) Reattach soap dispenser in women's restroom.
 - g) Fix and/or replace moisture damaged sheetrock in the warehouse ceiling and walls.
 - h) Seal around warehouse walls to eliminate dust intrusion from neighboring tenant.
 - i) Replace stained and/or damaged ceiling tile in office.
 - j) Provide a chair rail in the Large Conference room on all walls.
 - k) Replace the carpet in the conference room, the halls, the stairway, in the reception area, and in office number 1 with similar quality rolled carpet to match the current carpet. Lessee to be responsible for moving computer and voice/data equipment and personal items. Lessor to be responsible for moving other items, including furniture. Lessor shall pay the entire cost of removal, disposal. Schedule to be coordinated with Lessee.
 - l) Level the floor in Hall 1, office 1, and adjust stairway. If the obligations herein to level the floor in Hall 1, office 1, and adjust the stairway should exceed \$60,000.00, the Lessor may, at its option, in lieu of undertaking such improvements, by 180 days prior written notice to the Lessee, terminate this Lease.
- 18.1 It is agreed the Lessor may undertake the work required hereinabove beginning no later than July 1, 2009. The Lessor shall provide fourteen (14) days prior written notice to the Lessee prior to undertaking any of the work in the premises, which notice shall indicate the portion/phase of the work to then be undertaken. During each phase, the Lessee acknowledges that the office furniture in the affected area(s) may have to be stored in adjacent interior warehouse space, at no additional cost to Lessee, while the work is being performed. The work may be a inconvenience to the Lessee's use of the premises, but such inconvenience and work will not entitle the Lessee to a reduction or abatement of rent. The Lessor, at its cost, shall move and store all desks, tables, cabinets, and chairs in such adjacent warehouse space. Within two (2) business days of the written notice from Lessor of the commencement of any work, the Lessee, at its cost, shall remove from the affected area and store and secure all other furniture and personal property of the Lessee and its employees (including all art work, supplies, computers, phones, and cabling). The Lessee will fully cooperate with the performance of the work and the Lessor's moving and storing of furniture in adjacent warehouse space.



CANCELLATION/SUPERSESSION

19. This Lease cancels, supersedes, or replaces SRL 03-0158 dated December 17, 2003, and all modifications thereto effective July 1, 2009.

WITHHOLDING OF RENT PAYMENTS

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.

CONDEMNATION

If all the premises or such portions of the Building as may be required for the reasonable use of the 21. 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.

MONTH TO MONTH TENANCY

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

So long as Lessor has fully performed under the terms of this Lease, Lessee agrees to execute, 23. 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.

RELOCATION

Lessor may, in its sole discretion, and upon not less than ninety (90) days prior written notice, at any time during the term of the Lease or any extension thereof, elect to relocate the Lessee's premises to another location with the prior written consent of the Lessee, which consent shall not be unreasonably withheld. The replacement premises must be of similar size and similar configuration. The new premises shall be leased at the same monthly rate as the current leased space. The Lessor and Lessee will cooperate in good faith to coordinate the relocation to prevent an interruption of the Lessee's business. Lessor shall reimburse Lessee for all reasonable, actual costs associated with



the relocation of any telephone or other communications equipment from the existing premises to the new premises. Lessor shall pay the actual and reasonable out-of-pocket expenses of Lessee's moving of its property from the existing premises to the new premises. The Lessee agrees to cooperate with Lessor so as to facilitate prompt completion by Lessor of its obligations under this paragraph including providing Lessor such approvals, instructions, plans, specifications or other information as may be reasonably requested by Lessor.

CAPTIONS

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

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:

La Conner Pier, L.L.C.

Post Office Box 731

La Conner, Washington 98257

LESSEE:

Department of General Administration

SRL 08-0121

Real Estate Services

210 - 11th Avenue SW., Room 230

Post Office Box 41015

Olympia, Washington 98504-1015

IN WITNESS WHEREOF, the parties subscribe their names.

•	Jane Brand	/~~
La Conner Pier, L.L.C.		STATE OF WASHINGTON
11/1/2	A Company	Department of Fish and Wildlife
By: Mary		
		Acting through the Department
Title: MAN		of General Administration
Date: 1-19-69		and amont
		Robert Bippert, Senior Deput, Assistant Director
		2/2/29
		Date:
CUNICTON		RECOMMENDED FOR APPROVAL:
SKAGIT COUNTY WASHINGTON REAL ESTATE EXCISE TAX	, 14	Nag & State of State
REAL ESTATE	1/4	Don Gomes, Property and Acquisition Specialist
FEB 0 3 2009	•	Real Estate Services
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Amount Paid \$		Date:
Amount Paid \$ Skagit Co. Treasurer By MM		APPROVED AS TO FORM:
- Officer C		2015 X
		Assistant Attorney General
		11.0160
		Date: 1/18/09 Utter



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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT State of California County of before me, Mariana Wash, Notar, Here Insert Name and Title of the Offiger personally appeared who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized MARIANA ELYSE WALSH capacity(ies), and that by his/her/their signature(s) on the Commission # 1723264 lotary Public - California instrument the person(s), or the entity upon behalf of Marin County which the person(s) acted, executed the instrument. My Comm. Expires Feb 3, 2011 I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

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.

Description of Attached Document

Title or Type of Document: _____ _____Number of Pages: Document Date:

Signer(s) Other Than Named Above: _

☐ Guardian or Conservator

Signer Is Representing: ___

☐ Other:

Capacity(ies) Claimed by Signer(s)

Signer's Name: ☐ Individual □ Corporate Officer — Title(s): ☐ Partner — ☐ Limited ☐ General ☐ Attorney in Fact Top of thumb here □ Trustee

Signer's Name:

□ Individual

 \square Corporate Officer — Title(s):

□ Partner — □ Limited □ General ☐ Attorney in Fact

□ Trustee

☐ Guardian or Conservator Other:

Signer Is Representing: _

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