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Skagit County Auditor

4/13/2010 Page

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6 11:17AM

AFTER RECORDING RETURN TO:

Gary Tollefson
President
Skagit Valley College
2405 East College Way
Mount Vernon, WA 98273

Delegated Lease No. DEL 09-0095
Mount Vernon
Page 1 of 6

Date: February 3, 2010

DELEGATED LEASE

This LEASE is made and entered into between Don and Della Paynes, whose address is POBox 472, Concrete, WA 98237, for their heirs, executors, administrators, successors, and assigns, hereinafter called the Lessor (Landlord), and the State of Washington, Skagit Valley College, hereinafter called the Lessee (Tenant), 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 Director of the Department of General Administration is also granted authority to delegate the leasing function to agencies;

WHEREAS, the Director has so delegated the authority for this Lease;

WHEREAS, the Lessor (Landlord) and Lessee (Tenant) 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 (Landlord) hereby leases to the Lessee (Tenant) the following described premises:

Tax Parcel Number: P70520

Common Street Address: 45964 Main Street, Concrete, WA 98237

Approximately 434 square feet of (office/storage/etc.) space located at 45964 Main Street, Concrete, WA 98237 and legally described as follows: BAKER, LOTS 2 & 3, BLOCK 4; EXCEPT THE NORTH 6 FEET THEREOF FOR STREET PURPOSES

USE

2. The premises shall be used by **Skagit Valley College** for the following purpose(s): Operation of radio station studio.

TERM

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning January 1, 2010 and ending December 31, 2014.

RENTAL RATE

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

March 1, 2010 - February 28, 2011

\$0 per month

March 1, 2011- February 28, 2012

\$100 per month

March 1, 2012- February 28, 2013

\$200 per month

March, 2013- February 28, 2014

\$200 per month

March 1, 2014- February 28, 2015

\$200 per month

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

MAINTENANCE AND REPAIR, EXPENSES

6. During the term of this Lease, Lessor (Landlord) shall pay all real estate taxes, all property assessments, insurance, storm water, water, sewer, garbage collection, and maintenance and repair as described below, Lessee (Tenant) shall pay for only electricity.
7. The Lessor (Landlord) shall maintain the premises in good repair and tenable condition during the continuance of this lease, except in case of damage arising from the negligence of the Lessee (Tenant)'s clients, agents or employees. For the purposes of maintaining and repairing the premises, the Lessor (Landlord) reserves the right at reasonable times to enter and inspect the premises and to make any necessary repairs to the building. Lessor (Landlord)'s maintenance and repair obligations shall include, but not be limited to, the mechanical, electrical, plumbing, heating, 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); sidewalks; drainage; landscaping and continuous satisfaction of all governmental requirements generally applicable to similar office buildings in the area. Lessee (

ASSIGNMENT/SUBLEASE

8. Lessee (Tenant) shall not permit the use of the premises by anyone other than the Lessee (Tenant), and the employees, agents and servants of the Lessee (Tenant),.

RENEWAL/CANCELLATION

9. The Lease may, at the option of the Lessee (Tenant), be renegotiated for an additional five (5) years.

It is provided, however, that there is expressly reserved to the Lessee (Tenant) the right and option to terminate this Lease and to relinquish and give up said premises on or after the 22nd month of its term by giving written notice to the Lessor (Landlord)s at least sixty (60) days prior to the effective date of such termination, in which event rent shall be prorated to the date of termination.

It is mutually understood and agreed by and between the Lessor (Landlord) and the Lessee (Tenant) that this Lease may be cancelled and terminated by either party on or after the 22nd month of its term, provided that written notice of such cancellation and termination shall have been given at least sixty (60) days prior to the effective date thereof, in which event rent shall be prorated to the date of termination.

PAYMENT

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

COMPLIANCE WITH STATE/FEDERAL LAWS

10. Lessor (Landlord) 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

11. The Lessee (Tenant) shall have the right during the existence of this lease with the written permission of the Lessor (Landlord) (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



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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 (Tenant) and may be removed therefrom by the Lessee (Tenant) upon the termination of this lease. Any damage caused by the removal of any of the above items shall be repaired by the Lessee (Tenant).

ALTERATIONS/IMPROVEMENTS

12. In the event the Lessee (Tenant) requires alterations/improvements during the term of this lease, any renewals and/or modifications thereof, the Lessor (Landlord) shall have the right to provide such services. If required by state law, the Lessor (Landlord) 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 (Tenant) considers Lessor (Landlord)'s proposed costs for alterations/ improvements excessive, Lessee (Tenant) shall have the right, but not the obligation, to request and receive at least two independent bids; and the Lessee (Tenant) shall have the right at its option to select one alternative contractor whom the Lessor (Landlord) shall allow to provide such services for the Lessee (Tenant) in compliance with the Lessor (Landlord)'s building standards and operation procedures.

PREVAILING WAGE

13. Pursuant to RCW 39.04.260, the prevailing rate of wage is statutorily required to be paid to workers on the project for all work, construction, alteration, repair, or improvement, other than ordinary maintenance, that the state causes to be performed by a private party through a contract to lease at least 50% of the project by a state agency. Lessor (Landlord) acknowledges and agrees that a contract to lease is only created by this mutually acceptable written Attorney General Lease, and any written amendments thereto, being executed by Lessor (Landlord), the Director of the Washington State Department of General Administration or his or her designee, and approved as to form by the Office of the Attorney General.

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 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.

15. In addition to prevailing wages being paid under Chapter 39.12 RCW and RCW 39.04.260, Lessor (Landlord) agrees that at least the prevailing rate of wage will be paid to workers on the project for all work, construction, alteration, repair, or improvement, other than ordinary maintenance, ("Work") that occurred between December 1, 2009, until this Lease is fully executed (the "Interim Period"), inclusive of such dates, and at which point prevailing wage is statutorily required under RCW 39.04.260. For work performed during the Interim Period, Lessor (Landlord) agrees to adhere and fully comply with all terms and requirements of Exhibit I, Interim Work, which is attached hereto and incorporated by reference, including provisions for the withholding of rent and tenant improvement reimbursement payments.

DISASTER

16. 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 (Landlord)(s) neglects and/or refuses to restore said premises to their former condition, then the Lessee (Tenant) 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 (Tenant) 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

17. It is understood that no guarantees, express or implied, representations, promises or statements have been made by the Lessee (Tenant) unless endorsed herein in writing. And it is further understood that the Lessee (Tenant), 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.



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ENERGY

18. The Lessor (Landlord), or authorized representative, in accordance with RCW 43.19.685, has conducted a walk-through survey of the leased premises with a representative of Skagit Valley College. Lessee (Tenant) will undertake technical assistance studies and/or subsequent acquisition and installation of energy conservation measures identified as cost effective by the survey, at expense of Lessee (Tenant).

REIMBURSEMENT FOR DAMAGE TO PREMISES

19. The Lessee (Tenant) hereby agrees to reimburse the Lessor (Landlord) 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 (Landlord)'s duty to make repairs as set forth in preceding paragraphs of this lease, or as making Lessee (Tenant) responsible for the repair of normal wear and tear.

HAZARDOUS SUBSTANCES

20. Lessor (Landlord) 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 (Landlord) shall indemnify and hold harmless the Lessee (Tenant) 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 (Tenant).

BINDING AUTHORITY

21. It is further understood that this Lease shall not be binding upon the State of Washington, Skagit Valley College, unless signed by the Lessee (Tenant)'s President, or his/her designee and approved as to form by the Office of the Attorney General.

WITHHOLDING OF RENT PAYMENTS

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

CONDEMNATION

23. If any of the premises or 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 (Tenant) 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 (Tenant)'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 (Landlord) reserves all rights to damages and awards in connection therewith, except Lessee (Tenant) shall have the right to claim from the condemning authority the value of its leasehold interest and any relocation benefits.



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MONTH TO MONTH TENANCY

24. If Lessee (Tenant) remains in possession of the premises after the expiration or termination of the Lease term, or any extension thereof, such possession by Lessee (Tenant) shall be deemed to be a month-to-month tenancy, terminable as provided by law. During such month-to-month tenancy, Lessee (Tenant) 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

25. So long as Lessor (Landlord) has fully performed under the terms of this Lease, Lessee (Tenant) agrees to execute, within ten (10) days of written request by Lessor (Landlord), 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

26. 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

27. 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 (LANDLORD):

Don and Della Paynes,
POBox 472,
Concrete, WA 98237

LESSEE (TENANT):

Gary Tollefson,
President,
Skagit Valley College,
2405 East College Way,
Mount Vernon, WA 98273

AND

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

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LIABILITY

Each party will indemnify, defend, and hold harmless the other party from any liability, claim, or damage (including, without limitation, reasonable attorneys' fees and litigation costs) arising from the negligent acts or omissions of indemnifying party, acting in connection with this lease and within the scope of their official duties.



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IN WITNESS WHEREOF, the parties subscribe their names.

LESSOR (LANDLORD):

Don and Della Paynes

By: Don Payne Della Payne
Title: owner

Date: 2-3-10

LESSEE (TENANT):

STATE OF WASHINGTON,
Skagit Valley College

By: [Signature]
Title: President

Date: 2-17-10

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

APR 07 2010

Amount Paid \$
Skagit Co. Treasurer
By MF Deputy

APPROVED AS TO FORM:

By: Lisa Wochos signature on file _____
Assistant Attorney General
Date: December 3, 2009

AGENCY JURAT

STATE OF WASHINGTON)

County of Skagit)

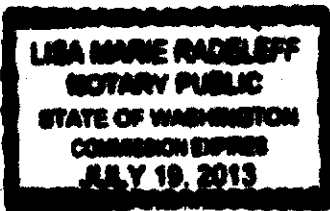
I, the undersigned, a Notary Public, do hereby certify that on this 17th day of February, 2010, personally appeared before me Gray Tolton of the Skagit Valley College, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he/she 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 4322 Colony Mtn Dr. Bury WA 98232

My commission expires 7/19/2013



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