

AFTER RECORDING RETURN TO:

Department of General Administration  
Facilities Division  
P. O. Box 41015  
Olympia, Washington 98504-1015



201110060029  
Skagit County Auditor

10/6/2011 Page

1 of 8 11:31AM

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

OCT 06 2011

Lease No. PMO 10-0017

Amount Paid \$ ✓  
Skagit Co. Treasurer  
By *mlm* Deputy

(Sedro Woolley) NC/ij

Date: 8/24/2010

Page 1 of 9

PROPERTY MANAGEMENT LEASE

1. THIS LEASE, is made and entered into by and between the STATE OF WASHINGTON, Department of General Administration, acting in accordance with RCW 43.82.010 whose address is 405 General Administration Building, Post Office Box 41015, Olympia, Washington 98504-1015 for its administrators, successors, and assigns, hereinafter called the **Lessor**, and Sedro Woolley School District, hereinafter called the **Lessee** whose address is Director of Alternative Education, 800 State Street, Sedro Woolley, WA 98284. This Lease is dated for reference purposes only as of the latest date of execution hereof.

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 Leased Premises:

Approximately 1,432 BOMA rentable square feet of office space in Suite/Apt. 8 of the building commonly known as the Staff Apartments located at 24876 Charles Jones Circle in Sedro Woolley, Washington, along with the adjacent carport of 358 square feet, and legally described as follows:

**Tax Parcel Number:** P39356, Xref 350518-1-001-0001

**Legal Description:** That property in the E ½ of the NE ¼ of Section 18, T35N, R5E with address of 24876 Charles Jones Memorial Circle Apartment 8, North Cascades Gateway Center, Sedro Woolley, WA 98284.

USE

3. The Leased Premises shall only be used by the Lessee for the following purpose: classroom and office space.

3.1 No other use shall be permitted without the prior written approval of the Lessor, at its sole discretion. No pets or other animals shall be kept, housed, or brought into the Leased Premises for any purpose with the exception of guide dogs and service animals, as required by employees and visitors, and dogs required for law enforcement or security purposes. Lessee shall comply with Chapter 70.160 RCW and Executive Order 88-06, and no smoking shall be permitted in the building, on the Premises, or within 25 feet of an entrance or opening to the building. Lessee agrees to keep the Leased Premises in as good order, condition, and repair as when the same was entered upon, ordinary wear excepted. Furthermore, in using these Leased Premises, it is expressly agreed that Lessee shall comply with all applicable federal, state, and local laws, ordinances, regulations and environmental requirements.

**TERM**

4. TO HAVE AND TO HOLD the Leased Premises with their appurtenances for the term September 1, 2010 through August 31, 2014.

**RENT**

5. The Lessee shall pay Rent to the Lessor for the Leased Premises as follows:

September 1, 2010 through August 31, 2011

One thousand two hundred dollars

\$100.00 per month

September 1, 2011 through August 31, 2012

Three thousand six hundred dollars

\$300.00 per month

September 1, 2012 through August 31, 2013

Four thousand eight hundred dollars

\$400.00 per month

September 1, 2013 through August 31, 2014

Seven thousand one hundred dollars

\$592.00 per month

Payment shall be made on or before the fifth (5<sup>th</sup>) of each month..

**LATE CHARGE**

6. If any payment under this Lease is not received by the due date, Lessor may add interest of one percent (1%) per month, or fraction thereof, per RCW 43.17.240 for all amounts owed (including insufficient fund charges) until paid in full. There may be an additional charge of \$50.00 for any check returned for insufficient funds. Interest shall be compounded monthly and added to all amounts until account is current.

**RENEWAL/CANCELLATION**

7. The Lease may, with the consent of Lessor, be renegotiated for an additional 5 (five) years.

7.1 It is mutually understood and agreed by and between the Lessor and the Lessee that this Lease may be canceled and terminated by either party on or after the twelfth month of its Term provided that written notice of such cancellation and termination shall have been given at least thirty days prior to the effective date thereof, in which event Rent shall be prorated to the date of termination.

7.2 In the event that Lessor desires to renovate redevelop, improve, change the use or demolish the building, of which the Leased Premises are a part, Lessor expressly reserves the right at its sole discretion to terminate this Lease subject to giving the Lessee at least one hundred eighty (180) days written notice prior to the effective date of such termination in which event rent shall be prorated to the date of termination. In addition, in the event of termination or expiration of this Lease, Lessee acknowledges that the signing of this Lease does not entitle Lessee to assistance under the Uniform Relocation and Real Property Acquisition Policy, Chapter 8.26 RCW.

**HOLDING OVER**

8. If Lessee remains in possession of the Leased Premises after the expiration or termination of this Lease, 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



201110060029

Skagit County Auditor

10/6/2011 Page

2 of

8 11:31AM

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 the Term.

#### ASSIGNMENT/SUBLEASE

9. The Lessee shall not assign, nor sublet the Leased Premises without first obtaining Lessor's prior written consent in Lessor's sole discretion.

#### EXPENSES

10. During the term of this Lease, Lessor shall pay all real estate taxes, and property assessments, if applicable; utilities, including water, (storm water, landscape and irrigation water), sewer, garbage collection, natural gas and electricity, general maintenance and repair, and landscape maintenance

10.a Lessee shall be responsible for janitorial services including restroom supplies, light bulb replacement, and interior cleaning of the leased space.

#### MAINTENANCE AND REPAIR

11. The Lessor shall maintain the Leased Premises in good repair and tenantable condition during the Term of this Lease, except in case of damage caused by the Lessee's clients, agents or employees. For the purposes of so maintaining the Leased Premises, the Lessor reserves the right at reasonable times to enter and inspect the Leased Premises and to make any necessary repairs to the building.

#### ALTERATIONS

12. During the Term of this Lease, Lessee shall have the right to make alterations and construct or install improvements, additions and structures in or upon the Leased Premises (the "Alterations") subject to Lessor's prior written approval, which shall not be unreasonably withheld. To request said approval, Lessee shall complete and submit to Lessor, Lessor's "Tenant Improvement Request Form." Lessee shall cause plans and specifications to be developed at its sole cost and expense for Lessor's prior written approval, which shall not be unreasonably withheld. Said alterations shall be limited by the building's utility systems' capacity and structural capability and shall also be limited to appropriate and prudent uses and occupancy as reasonably determined by Lessor. The Lessor shall have the first right to provide such services, with costs paid by the Lessee. At Lessor's option, Lessee shall remove said alterations upon expiration or earlier termination of this Lease, at Lessee's sole cost and expense.

If required by state law, the Lessee shall pay the prevailing rate of wage to all workers, laborers or mechanics employed to perform such services as well as comply with the rules and regulations of the Department of Labor and Industries. In providing said alterations, Lessee agrees to comply with all applicable local, state, and federal regulations including but not limited to, compliance with building codes, public works requirements and obtaining appropriate permits and inspections. Lessee also agrees to comply with the "General Administration Facilities Design Guidelines & Construction Standards", January 2008 edition, in performing said alterations. Lessee agrees to provide Lessor with all information regarding the full cost of any such Alterations which require the payment of Leasehold Excise Tax under RCW 82.29A.020 (2)(a).

#### FIXTURES

13. Lessee reserves the right to install in or upon the Leased Premises such equipment as is customarily used in the type of business conducted by Lessee from the Leased Premises subject to Lessor's prior written approval, which shall not be unreasonably withheld, and subject to said equipment being compatible, as applicable, with the "General Administration Facilities Design Guidelines & Construction Standards", January 2008, meeting current Washington State Energy Code (Chapter 51-11 WAC) and International Building Code requirements, and complying with the Governor's Executive Orders on facility sustainability and energy usage (e.g.



201110060029  
Skagit County Auditor

05-01, Establishing Sustainability and Efficiency Goals for State Operations; 94-01, Implementing the Washington Energy Strategy; 79-02, Energy Conservation; and 74-16, State-Wide Energy Conservation Program). Lessee reserves the right to remove from the Leased Premises all such equipment and all other property of the Lessee, subject to repairing any damage to the Leased Premises occasioned by the removal thereof, at the expiration or earlier termination of this Lease. At Lessor's option, Lessee shall remove said equipment and all other property of the Lessee upon expiration or earlier termination of this Lease, at Lessee's sole cost and expense.

#### **SIGNAGE**

14. Lessee hereby agrees that all signs and other advertising desired to be placed by Lessee upon or in front of the Leased Premises, and all interior installations desired to be placed by Lessee, within said Leased Premises, are subject to the prior written approval of Lessor in Lessor's sole discretion. Such signs and other advertising, if approved, shall conform with the "General Administration Facilities Design Guidelines & Construction Standards: January 2008 edition, and all other conditions imposed by Lessor's written approval.

#### **DISASTER**

15. Lessor reserves the right to limit Lessee's access to the Leased Premises during natural disasters, fire, or other emergencies as necessary for Lessee's health and safety. In the event that the Leased Premises are destroyed or injured by fire, earthquake or other casualty so as to render the Leased Premises unfit for occupancy, and the Lessor neglects and/or refuses to restore said Leased 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 Leased 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 Leased 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 prorata reduction of area unsuitable for occupancy due to casualty loss in relation to the total area of the Leased Premises.

#### **REIMBURSEMENT FOR DAMAGE TO LEASED PREMISES**

16. The Lessee hereby agrees to reimburse the Lessor for damages caused by its employees, contractors, licensees, invitees, 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 the preceding paragraphs of this Lease, or as making Lessee responsible for the repair of normal wear and tear.

#### **ENERGY**

17. The Lessor, or authorized representative has conducted an energy audit of this facility, identified energy conservation maintenance and operation procedures, undertaken technical assistance studies and/or subsequent acquisition and installation of energy conservation measures identified as cost effective, and further complied with RCW 43.19.675, RCW 43.19.680, and RCW 43.19.685. The Lessee agrees to comply with reasonable conservation measures to reduce or conserve energy usage in the facility, including compliance with Executive Order 02-03, dated September 18, 2002, and Executive Order 05-01, dated January 5, 2005.

#### **HAZARDOUS SUBSTANCES**

18. Lessee shall not keep on or about the Leased Premises, for use, disposal, treatment, generation, storage or sale any substances which are hazardous, toxic, harmful or dangerous, and/or which are subject to regulation as hazardous or toxic, dangerous, or as a pollutant by any federal, state, or local law, regulation, statute, or ordinance (collectively referred to herein as "hazardous substances"). Lessee shall be fully liable to the Lessor, and shall indemnify, defend and save harmless the Lessor and its officials and employees, with respect to any and all damages, costs, fees (including attorneys' fees and costs), civil and criminal penalties, or clean-up costs assessed against or imposed as a result of Lessee's use, disposal, generation, storage, or sale of hazardous substances or that



201110060029

Skagit County Auditor

of Lessee's employees, agents, or invitees. Breach of this provision shall entitle Lessor to terminate this Lease. This provision shall not apply to properly stored cleaning supplies such as ammonia-based cleaners nor to office supplies such as copy machine toner.

#### **ADDITIONAL LEASE PROVISIONS**

19. **Acceptance of Premises.** It is understood and agreed that the Lessee accepts the Leased Premises in its present condition and accepts all risk of injury to persons or damage to property resulting from, or arising out of, the condition of the Leased Premises. This acceptance includes knowledge that the Leased Premises may not meet the requirements set forth in the American's with Disabilities Act (ADA). If at any time during the Term of this Lease, Lessee reasonably determines that barriers to the disabled existing in the Leased Premises must be eliminated, Lessee shall so notify the Lessor in writing. Lessor and Lessee shall endeavor to arrive at a mutually satisfactory agreement for accomplishing necessary alterations within thirty (30) days of said written notice. If Lessor and Lessee cannot arrive at a mutually satisfactory agreement, Lessee shall have the option to terminate this Lease subject to sixty (60) days' prior written notice to Lessor, in which event Rent shall be prorated to the date of termination.

20. **Services provided by Lessee.** The Lessor and Lessee agree the true annual value of the lease is greater than assessed for the first three years of this lease. The Lessor recognizes the Lessee's interest and desire to provide limited landscaping services in the vicinity of the leased premises as an offset in value of the lease, as well as for training of the Lessee's program participants. The Lessee will coordinate such landscaping services regarding frequency, location and type of service with the Lessor.

21. **Vacating the Leased Premises.** Upon vacating the Leased Premises, the Lessee hereby agrees to leave the Leased Premises in as good order, condition and repair as same was entered upon, subject to normal wear and tear. The Lessee also agrees to a joint inspection of the Leased Premises by Lessor and Lessee upon vacating the Leased Premises. Lessee shall return all keys, card-keys and other access devices to Lessor upon vacating the Leased Premises. Upon vacating the Leased Premises, the Lessee also agrees to remove all phone and data wiring installed by Lessee during its tenancy, leaving the Leased Premises in as good condition as when entered upon.

22. **Disputes.** In the event that a dispute arises under this Lease, it shall be determined by a three-member dispute board in the following manner: Each party to this Lease shall appoint a member to the dispute board. The members so appointed shall jointly appoint a third member to the dispute board. The dispute board shall evaluate the facts, Lease terms and applicable statutes and rules and make a determination of the dispute. The determination of the dispute board shall be final and binding on the parties hereto.

23. **Severability** If any provisions of this Lease or its application to any person or circumstance are held invalid, such invalidity shall not affect the remainder of the Lease.

#### **HOLD HARMLESS**

24. Lessee, its successors or assigns, will protect, save and hold harmless the Lessor, its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever arising out of or in connection with any acts or activities authorized by this Lease. The Lessee further agrees to defend the Lessor, its agents, or employees, in any litigation, including the payment of any costs or attorneys' fees, for any claims or action commenced thereon arising out of or in connection with acts or activities authorized by this Lease. This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of the Lessor or its authorized agents or employees; Provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Lessor, its agents or employees, and (b) the Lessee, its agents or employees and involves actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Lessee or Lessee's agents or employees.



201110060029  
Skagit County Auditor

**NO GUARANTEES**

25. It is understood that no guarantees, representations, promises or statements, express or implied, have been made by the Lessor unless endorsed herein in writing. The parties further agree that this Lease shall not be valid and binding upon Lessor, unless it 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.

**INTERPRETATION**

26. Each of the provisions of this Lease has been reviewed and negotiated and represents the combined work product of both parties hereto. No presumption or other rules of construction which would interpret the provisions of this Lease in favor of or against the parties preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Lease.

**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: Department of General Administration  
Facilities Division  
Post Office Box 41015  
Olympia, Washington 98504-1015

ATTENTION: Property Management

LESSEE: Sedro-Woolley School District  
whose address is Director of Alternative Education, 80800 State Street  
Sedro Woolley, WA 98284

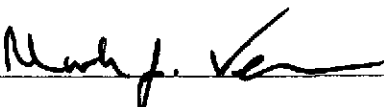
ATTENTION: Irene Mullen

**CAPTIONS**

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

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

**LESSEE**  
**Sedro-Woolley School District**

By:   
Name: Mark J. Venn  
Title: Superintendent  
Date: September 13, 2010

**LESSOR**  
**STATE OF WASHINGTON**

Department of General Administration

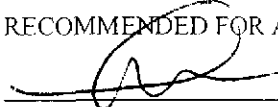
  
Bonnie Scheel, Property Management Group Mgr.  
Facilities Division

Date: 8/15/11

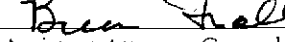


201110060029  
Skagit County Auditor

RECOMMENDED FOR APPROVAL:

  
Nick Cockrell, Asset ManagerDate: 8/9/2011

APPROVED AS TO FORM:

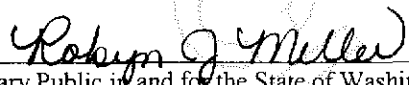
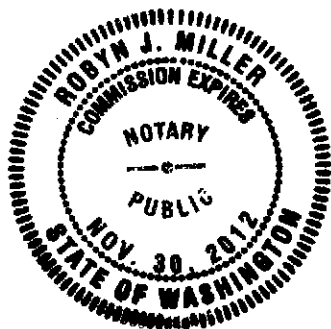
By:   
Assistant Attorney GeneralDate: 9/12/11

## CORPORATE JURAT

STATE OF Washington )  
 ) ss.  
County of Skagit )

On this 13th day of September, A.D., 20 10, before me personally appeared Mark J. Venn to me known to be the SWSD Superintendent of the corporation that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed thereto is the corporate seal of said corporation.

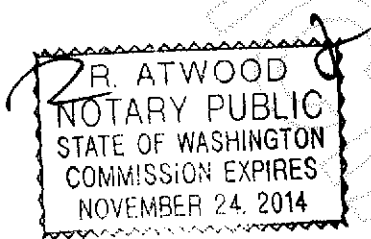
In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

  
Notary Public in and for the State of Washington,  
Residing at Skagit County  
My commission expires November 30, 2012201110060029  
Skagit County Auditor

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

I, the undersigned, a Notary Public, do hereby certify that on this 15<sup>th</sup> day of August, 2011, personally appeared before me Bonnie Scheel, Property Management Group Manager, Facilities Division, Department of General Administration, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that 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 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.



Ratul Ratul  
Notary Public in and for the State of Washington,  
Residing at Thurston Co  
My commission expires 11-24-14



201110060029

Skagit County Auditor