

AFTER RECORDING RETURN TO:

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



201304080253
Skagit County Auditor

4/8/2013 Page

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8 1:52PM

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

APR 08 2013

Lease No. SRL 13-0002
SR 162-08-12

Amount Paid \$
By Skagit Co. Treasurer
Deputy

(Burlington) GAW/cns

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Date: January 8, 2013

LEASE

THIS LEASE is made and entered into between Symbol Properties, LLC, a Limited Liability Company whose address is 8440 135th Avenue S.E., Newcastle, Washington 98059, for its heirs, executors, administrators, successors, and assigns, hereinafter called the Lessor, and the STATE OF WASHINGTON, Department of Transportation, acting through the Department of Enterprise Services, hereinafter called the Lessee.

WHEREAS, the Department of Enterprise Services 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: P112796

Common Street Address: 1043 Goldenrod Road, Burlington, Washington 98233

Approximately 8,463 BOMA rentable square feet of office space together with forty (40) parking spaces located at 1043 Goldenrod Road, Burlington, Washington 98233, legally described as follows: (DK12) Lot 4 Short Plat BURL-4-94 recorded under AF#9505240069 in Volume 11 Page 204 and 205 Short Plats, being a portion of North ½ of the South ½ of the southwest ¼ of the northeast ¼ of Section 6, Township 34 North, Range 4 East. EXCEPT that portion of Lot 4 Short Plat BURL-4-94 described as follows:

Commencing at the northeast corner of said Lot 4; thence North 88° 59' 18" West, along the North line thereof, a distance of 239.06 feet to the true point of beginning; thence South 1° 00' 42" West, a distance of 181.20 feet to the South line of said Lot 4; thence North 88° 54' 58" West, along the South line thereof, a distance of 315.57 feet to the Southwest corner of said Lot 4; thence North 0° 01' 24" West, along the West line thereof, a distance of 63.45 feet to the southwest corner of Lot 1 of said short plat; thence the following courses along the South lines of Lot 1 and Lot 2 of said short plat; thence South 82° 24' 41" East a distance of 7.40 feet; thence North 85° 47' 46" East, a distance of 78.55 feet; thence North 18° 39' 46" East, a distance of 49.90 feet; thence South 88° 59' 18" East, a distance of 40.28 feet; thence South 88° 59' 18" East, a distance of 138.11 feet to the southeast corner of said Lot 2; thence North 1° 00' 42" East, a distance of 63.52 feet to the southwest corner of Lot 3 of said short plat; thence South 88° 59' 18" East, a distance of 37.61 feet to the true point of beginning. Also EXCEPT that portion of Lot 4 Short Plat BURL-4-94 described as follows:



Beginning at the northeast corner of said Lot 4; thence North 88°59'18" West, along the North line thereof, a distance of 239.06 feet; thence South 1°00'42" West, a distance of 27 feet; thence South 88°59'18" East parallel to the North line of said Lot 4, a distance of 243.63 feet to the West right-of-way line of Goldenrod Road as shown on said Short Plat; thence North 8°36'09" West, along said West line, a distance of 27.38 feet, more or less to the point of beginning.

USE

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

TERM

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning January 1, 2013 and ending December 31, 2017.

RENTAL RATE

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

Ten Thousand Nine Hundred Thirty-one Dollars and Thirty-eight Cents

\$10,931.38 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, water, sewer, exterior window washing, and maintenance and repair as described below.

5.1. Lessee shall pay for only garbage collection, natural gas, electricity, janitorial services and restroom supplies, light bulbs, fluorescent tubes to lessee's leased space.

5.2. Lessee shall reimburse Lessor for its prorata share of the following costs: water, sewer and electricity. Lessor shall submit a monthly voucher (with a copy of all bills and proof of payment for which reimbursement is requested) to be paid by Lessee for its prorata portion based on Lessee's leased space. Lessee occupies 8,463 square feet or 59 percent of the total building and shall pay 59 percent of such charges.

MAINTENANCE AND REPAIR

6. 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, 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.).



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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.

RENEWAL/CANCELLATION

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

8.1 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 on or after the 24th month of its term by giving written notice to the Lessor at least one hundred twenty (120) days prior to the effective date of such termination, in which event rent shall be prorated to the date of termination.

PAYMENT

9. 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

10. 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

11. The Lessee, upon the written authorization of the Department of Enterprise Services, 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. Such alterations, fixtures, additions, structures and signs shall be authorized only by the Department of Enterprise Services. 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

12. 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.


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PREVAILING WAGE

13. 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

14. 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

15. 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 Enterprise Services 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

16. 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 Enterprise Services. 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

17. 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

18. 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 any 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.



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ADDITIONAL LEASE PROVISIONS

19. It is agreed that the Lessor shall, at Lessor's sole cost and expense, on or before March 31, 2013, 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:

SITE:

- a. Lighting: Verify that at least the minimum illumination is maintained for all parking areas and pedestrian pathways throughout the site. (Section 16520 – Lighting Levels)

EXTERIOR:

- b. Roof: Clean and repair so as to maintain effective water run-off. Provide adequate repairs to eliminate standing water and intrusion into facility. Provide work-order repair invoice to RES architect upon completion. Repair all wall, sill roof leak damage at second floor office.
- c. Drainage: Complete the drain install at perimeter of facility and provide drainage line away from facility. Existing condition does not allow for water runoff.
- d. Windows: Professionally clean and re caulk windows. Paint as required.

INTERIOR:

- e. Ceiling Tiles: Replace all stained and/or damaged ceiling tiles so as to achieve a uniform like-new finished appearance. Provide new ceiling tile where exhaust fan was installed. Prior to replacing the damaged tiles, verify that the condition that caused this problem has been satisfactorily resolved so as to prevent further damage or reoccurrence. (Section 09500 – Acoustical Ceiling)
- f. Paint: Paint all walls within the main first floor lobby, reception and open corridor leading to restrooms. Paint the outside walls of the Baker, Shuskan and copy room with Exhibit "A" compliant product. Colors shall be selected or approved from Lessor submitted samples by the Tenant. Provide touch-up paint at all damaged wall locations. (Section 09900 – Painting) Lessor shall remove and re-install all furniture and partitions and shall provide a licensed electrician to disconnect and reconnect all hard wired connections. Tenant shall remove all personal items, computers and associated tenant equipment.
- g. Flooring: Clean grout on main floor toilet rooms. Clean to like new condition, apply sealant upon completion.
- h. Toilet room fixtures: Professionally install caulk at all fixture to finish surface transitions (sink/wall, toilet base/tile) at both floors. Re-secure sink to wall connections for a more secure attachment.

MECHANICAL: (Division 15 - Mechanical)

- i. Grilles and Diffusers: Clean all HVAC supply and return air diffusers and grilles.
- j. HVAC System: Verify that the HVAC system serving this space is performing as originally designed. Provide an updated balance report and schedule for modification/correction if system operation is found to be out of compliance with original design parameters. Thermostat at West wing has complaint of heating/cooling issue.
- k. Filters: Replace disposable air filters and clean permanent filters.

ELECTRICAL: (Division 16 – Electrical)

- l. Light Fixtures: Verify that all light fixtures utilize electronic ballasts and have either T-5 or T-8 lamps and comply with energy code to provide a minimum 35 average maintained foot candles at work surface desk levels (Note 1: as of 2012, T-12 lamps may no longer be manufactured and Note 2: To meet energy code and avoid excessive light levels, it may be necessary to reduce the number of bulbs per fixture). (Sections 16510 – Fixture Types and 16530 - Switching)

CANCELLATION/SUPERSESSION

20. This Lease cancels, supersedes, or replaces SRL 10-0137 dated October 25, 2010, and all modifications thereto effective January 1, 2013.



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WITHHOLDING OF RENT PAYMENTS

21. 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 Enterprise Services, 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 Enterprise Services 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 Enterprise Services 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

22. If any of the premises or 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.

MONTH TO MONTH TENANCY

23. 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

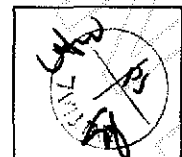
24. So long as Lessor has fully performed under the terms of this Lease, Lessee agrees to execute, within ten (10) days of written request by Lessor, the state's standard Tenant Estoppel and Subordination Agreements which have been approved as to form by the Office of the Attorney General. A \$400.00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

CAPTIONS

25. 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

26. 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.



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LESSOR: Symbol Properties, LLC
8440 135th Avenue S.E.
Newcastle, Washington 98059

LESSEE: Department of Enterprise Services
Real Estate Services
1500 Jefferson Street S.E., 2nd Floor
Post Office Box 41015
Olympia, Washington 98504-1015

SRL 13-0002

IN WITNESS WHEREOF, the parties subscribe their names.

Symbol Properties, LLC

By: Paula SpencePrinted Name: PAULA SpenceTitle: PartnerDate: 2/23/13

STATE OF WASHINGTON

Department of TransportationActing through the Department
of Enterprise ServicesShenon L. Porter, Leasing Operations Manager
Real Estate ServicesDate: 3-15-13

RECOMMENDED FOR APPROVAL:

Guy Winkelman, Facilities Senior Planner
Real Estate ServicesDate: 2/26/13

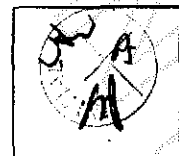
APPROVED AS TO FORM:

By: B. Tall
Assistant Attorney GeneralDate: 3/11/13201304080253
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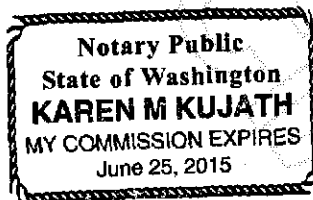
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STATE OF WA)
) ss.
County of King)

On this 23 day of Feb, 2013 before me personally appeared Paula A. Spence and said person(s) acknowledged that she signed this instrument, and on oath stated that she was authorized to execute the instrument and acknowledged it as the partner of Symbel Properties LLC 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.

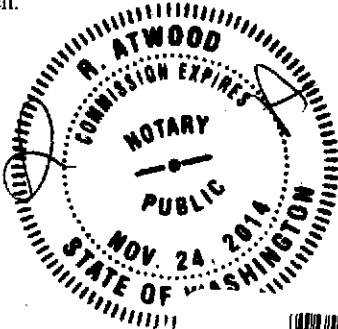


Karen M. Kujath
Notary Public in and for the State of Washington,
Residing at North Bend
My commission expires 06-25-15

STATE OF WASHINGTON)
) ss.
County of Thurston)

I, the undersigned, a Notary Public, do hereby certify that on this 15 day of March, 2013, personally appeared before me SHENON L. PORTER, Leasing Operations Manager, Department of Enterprise Services, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he 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 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.



R. Atwood
Notary Public in and for the State of Washington,
Residing at Thurston County
My commission expires 11/24/14



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Skagit County Auditor

