

AFTER RECORDING RETURN TO:

Department of Enterprise Services  
Real Estate Services  
P. O. Box 41468  
Olympia, Washington 98504-1468



201401300036  
Skagit County Auditor \$80.00  
1/30/2014 Page 1 of 9 9 10:48AM

**SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX**

*lease*

**JAN 30 2014**

Lease No. SRL 13-0127  
SR 088-02-13

Amount Paid \$0  
Skagit Co. Treasurer  
By *mm* Deputy

(La Conner) GAW/cns  
Page 1 of 9  
Date: September 25, 2013

**LEASE**

THIS LEASE is made and entered into between Upper Skagit Indian Tribe, whose address is 25944 Community Plaza Way, Sedro Woolley, Washington 98284, for its heirs, executors, administrators, successors, and assigns, hereinafter called the Lessor, and the STATE OF WASHINGTON, Department of Fish and Wildlife, 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: 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 code parking, 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 Northwesternly 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 Northwesternly 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 Northwesternly line a distance of 74 feet, more or less, to the Southeasterly line of said Tract 22; thence Northwesternly 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.

**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 Department of Fish and Wildlife and/or other state agencies for the following purpose(s): office and interior warehouse space.

**TERM**

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning July 1, 2014 and ending June 30, 2019.

**RENTAL RATE**

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

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

\$4,837.28 per month

**Warehouse Space:** Four Thousand Three Hundred Sixteen Dollars and No Cents

\$4,316.00 per month

**Total Monthly Payment:** Nine Thousand One Hundred Fifty-three Dollars and Twenty-eight Cents

\$9,153.28 per month

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

4.1. The Lessee reserves the right to suspend payment of rent effective July 1, 2014 if at such time the work set forth in Additional Lease Provisions paragraph 19 has not been completed by Lessor and accepted by the Department of Enterprise Services (DES). Upon satisfactory completion of the above mentioned work and acceptance by DES, Lessee shall pay to Lessor all suspended rent as a single payment within 30 days of such acceptance of work.



**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 natural gas, electricity, water, sewer, garbage collection, janitorial services and restroom supplies.

**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 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.).

**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.

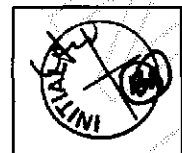
8.1 It is provided, however, that there is expressly reserved to the Lessee the right and option to terminate this Lease and to relinquish and give up said premises on or after June 30, 2017 by giving written notice to the Lessor at least ninety (90) days prior to the effective date of such termination, 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.

**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.



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**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.

**ADDITIONAL LEASE PROVISIONS**

19. It is agreed that the Lessor shall, at Lessor's sole cost and expense, on or before June 30, 2014, 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:

**EXTERIOR:**

- a. Windows: Broken seals at several upper level locations, verify quantity and replace all windows with broken seals. Clean all windows and frames.

**INTERIOR:**

- b. Relites and Windows: Clean all relites, windows and frames.  
c. Ceiling Tiles: Replace all stained and/or damaged ceiling tiles so as to achieve a uniform like-new finished appearance. 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)

**ACCESSIBILITY: (RES Accessibility Addendum)**

- d. Verify the incorporation of all required and negotiated accessibility features throughout the entirety of this leased facility, including site access.

**MECHANICAL: (Division 15 - Mechanical)**

- e. Grilles and Diffusers: Clean all HVAC supply and return air diffusers and grilles.  
f. HVAC System: Verify that the HVAC system serving this space is performing as originally designed.  
g. Filters: Replace disposable air filters and clean permanent filters.



**ELECTRICAL: (Division 16 – Electrical)**

- h. 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)
- i. Light Fixture Lenses: Replace and or clean all fixture lenses.

**CANCELLATION/SUPERSESSION**

20. This Lease cancels, supersedes, or replaces SRL 08-0121 dated January 8, 2009, and all modifications thereto effective June 30, 2014.

**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.



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**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**

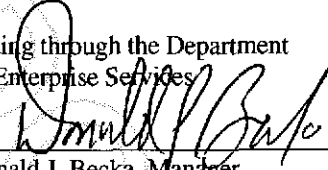
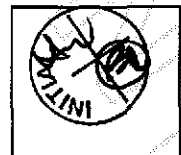
26. Wherever in this Lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.

LESSOR: Upper Skagit Indian Tribe  
25944 Community Plaza Way  
Sedro Woolley, Washington 98284

LESSEE: Department of Enterprise Services  
Real Estate Services  
1500 Jefferson Street S.E., 2<sup>nd</sup> Floor  
Post Office Box 41468  
Olympia, Washington 98504-1468

**SRL 13-0127**

IN WITNESS WHEREOF, the parties subscribe their names.

**Upper Skagit Indian Tribe**By: Printed Name: BOB HAYDENTitle: PROPERTY MGRDate: 12/10/13**STATE OF WASHINGTON**Department of Fish and WildlifeActing through the Department  
of Enterprise Services  
Donald J. Becka, Manager  
Real Estate ServicesDate: 1-9-14**RECOMMENDED FOR APPROVAL:**  
Guy Winkelman, Facilities Senior Planner  
Real Estate ServicesDate: 12/23/14**APPROVED AS TO FORM:**By:   
Assistant Attorney GeneralDate: 1/2/4

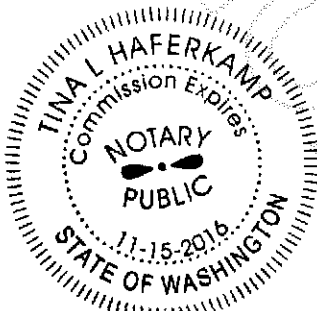
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STATE OF WA )  
 ) ss.  
 County of Skagit )

On this 16 day of December, 2013 before me personally appeared Robert Hayden and said person(s) acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it as the Property Manager of Upper Skagit Indian Tribe 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.

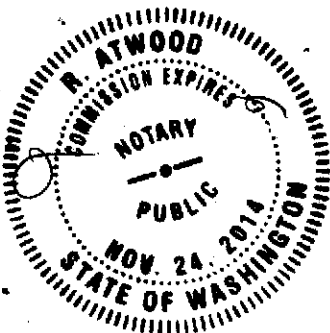


Tina L. Haferkamp  
 Notary Public in and for the State of Washington,  
 Residing at Burlington, WA  
 My commission expires 11/15/16

STATE OF WASHINGTON )  
 ) ss.  
 County of Thurston )

I, the undersigned, a Notary Public, do hereby certify that on this 9th day of January, 2014, personally appeared before me DONALD J. BECKA, Manager, Real Estate Services, 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.



Donald J. Becka  
 Notary Public in and for the State of Washington,  
 Residing at Thurston County  
 My commission expires 11/24/18

