



202311160049

11/16/2023 03:20 PM Pages: 1 of 12 Fees: \$214.50  
Skagit County Auditor

AFTER RECORDING RETURN TO:

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

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

NOV 16 2023

Amount Paid \$  
Skagit Co. Treasurer  
By Deputy

Lease No. SRL 22-0090  
Project No. 21-02-070

NOT AN ORIGINAL  
-SCANNED COPY

(Mount Vernon) MMS/mms  
Page 1 of 12  
Date: August 29, 2022

LEASE

THIS LEASE is made and entered into between MV, LLC, a Washington limited liability company whose address is Post Office Box 369, Fall City, Washington, 98024, for its heirs, executors, administrators, successors, and assigns, hereinafter called the Lessor, and the STATE OF WASHINGTON, Department of Social and Health Services 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: 340417-3-001-0208

Common Street Address: 900 E. College Way, Mount Vernon, Washington

Approximately 34,265 square feet of BOMA rentable office space, being the main floor and annex building located at 900 E. College Way, Mount Vernon, Washington, together with shared parking, all legally described as:

Tract "A" of Short Plat MV-8-77, approved April 28, 1977, recorded April 28, 1977, recorded, recorded April 28, 1977 under Auditor's File No. 855522 in Volume 2 of Short Plats, page 53, being a portion of the Southwest 1/4 of Section 17, Township 34 North, Range 4 East, W.M., EXCEPTING therefrom:

All that portion of the above described Parcel A lying Northeasterly of a line beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) 30+70.54 on the SR 538 survey line of SR 538, Jct. SR5 to LeVenture Road, and 40 feet Southerly therefrom: thence along

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the arc of a curve to the right having a radius of 35 feet to a point opposite HES 31+05.53 on said survey line and 150 feet Southerly there from: thence Easterly parallel with said survey line 100 feet to a point and the end of this line description, Mount Vernon, Skagit County, Washington.

**USE**

2. The premises shall be used by the Department of Social and Health Services and/or other state agencies for the following purpose(s): office. Office use includes associated office activities, such as trainings, conferences, retreats, open public meetings, health and wellness activities, and office related parties and social events.

**TERM**

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning March 1, 2023 and ending February 29, 2028.

**RENTAL RATE**

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

Sixty-five Thousand Two Hundred Forty-six Dollars and Twenty-seven Cents

\$65,246.27 per month

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

4.1. The Lessee shall not be required to pay the rental rate referenced in Section 4 above until all of the work requested by Lessee in Additional Lease Provisions Section 21, except Section 21.1, has been completed by Lessor. Until all such work is completed and approved by Lessee, the Lessee shall pay the previous rate of \$20 per square foot at decreased square footage herein for a total of \$57,108.33 per month, as required under SRL 16-0116 shall be paid. There will be no reimbursement to Lessor of the difference in rent for the period of time the lease rate was reduced

4.2. Should Lessor not complete the work as required by Lessee per Additional Lease Provisions Section 21.1 by June 1, 2023, the rental rate shall revert back to the previous rate of \$20 per square foot at decreased square footage herein for a total of \$57,108.33 per month as referenced in previous Lease SRL 16-0116. Upon Lessor's completion of all such work and approval by Lessee, the rate of \$65,246.27 per month, as required under this Lease shall resume. There will be no reimbursement to Lessor of the difference in rent for the period of time the lease rate was reduced

**INCENTIVES**

5. Lessor will provide Lessee \$137,060.00 to be applied at Lessee's sole discretion toward tenant improvements over and above state specifications and the work required under Section 21 and 21.1 herein.

**EXPENSES**

6. During the term of this Lease, Lessor shall pay all real estate taxes, all property assessments, insurance, exterior and interior window washing, landscape and irrigation water, and maintenance and repair as described below, together with exterior and interior bulbs and tubes, water, sewer, garbage service, janitorial service, natural gas, and electricity. Janitor service includes interior window washing, restroom supplies and light bulb replacement and such other items as set forth in Exhibit "J" which is attached hereto and incorporated by reference.

6.1 Lessee shall reimburse Lessor for its prorata share of the following costs: water, sewer, garbage service, janitorial service, interior bulbs and tubes, natural gas, electricity, and

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interior window washing. 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 34,265 square feet or ~~65.3%~~ <sup>65.3% (TW) MMS</sup> percent of the total building and shall pay ~~65.3%~~ <sup>65.3% (TW) MMS</sup> percent of such charges.

6.2 Lessee shall reimburse Lessor for the cost of janitorial service each month upon receiving a properly executed voucher and a copy of the janitorial vendor's invoice. Lessor shall contract for janitorial service with a company mutually agreeable to Lessee and Lessor. If the Lessee considers the janitorial cost excessive or the level and quality of service inadequate, Lessee shall have the right, but not the obligation, to request and receive at least two (2) independent janitorial proposals from companies mutually acceptable to Lessee and Lessor. The Lessee shall have the right to select one of the alternate contractors, and Lessor shall employ their services upon receiving written notification from Lessee of their desired alternate choice.

**MAINTENANCE AND REPAIR**

7. 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 agents or employees. For the purposes of maintaining and repairing the premises, the Lessor reserves the right at reasonable times upon reasonable notice 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, light bulbs, LED fixtures and lighting elements, as required), plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; elevators (including communications systems); 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.).

7.1 Lessor shall as part of maintenance provide de-icing and snow and debris removal service. At a minimum, Lessor shall treat or remove, before normal business hours and at other times as soon as practical thereafter, debris, snow and/or ice from the parking lot and all sidewalks and entrances. Without prior notice, Lessor shall apply de-icer and/or sand as necessary to any sidewalks and entrances to avoid unsafe conditions; snow removal in parking lots to take place when an excess of 2 inches of snow occurs; provided, any icy or dangerous conditions must be addressed. This provision does not create any third parties beneficiary rights, including but not limited to rights in any member of the public or state employees, to enforce this provision, rely upon it, or to reference it in any legal action.

**ASSIGNMENT/SUBLEASE**

8. Except for sublet for use by other State agencies per the "USE" section herein, the Lessee may not assign this Lease or sublet the premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld or delayed. Lessor shall respond to approve or disapprove a request for consent within thirty (30) days of receipt of the request. If such response is not received within thirty days, it will be considered approved and Lessee will proceed with sublease. 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**

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

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**PAYMENT**

10. 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**

11. Lessor is responsible for complying with all applicable provisions of the Americans With Disabilities Act of 1990, and all amendments and regulations thereto 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**

12. 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 Lessee's removal of any of the above items shall be repaired by the Lessee. Any improvements that the Lessee does not remove within 30 days after the termination of the Lease shall become the property of the Lessor, and the Lessee shall have no responsibility to remove them, pay for removal, or repair any damage caused by their removal by another. This provision shall survive termination of the Lease.

**REMODEL**

13. [intentionally deleted]

**ALTERATIONS/IMPROVEMENTS**

14. 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**

15. 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.

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**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(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**

17. 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 CONSERVATION**

18. Lessor has conducted an energy walk-through survey of the leased premises using the DES walk-through survey form. The survey is for the purpose of identifying improvements to maintenance and operating conditions and procedures that would conserve energy. The Lessor shall provide DES with a copy of the completed walk-through form and as soon as practicable thereafter, implement identified improvements to energy conservation maintenance and operating procedures.

**REIMBURSEMENT FOR DAMAGE TO PREMISES**

19. The Lessee hereby agrees to reimburse the Lessor for damages caused by the negligence of its employees and agents, but in no event shall this section be construed as diminishing the Lessor's duty to make repairs as set forth in preceding sections of this Lease, or as making Lessee responsible for the repair of normal wear and tear.

**HAZARDOUS SUBSTANCES**

20. 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**

21. It is agreed that the Lessor shall, at Lessor's sole cost and expense, on or before March 1, 2023, complete in a good and workmanlike manner, in accordance with state Leased Space Requirements, Edition 1.0 and addenda, if any, attached hereto and incorporated herein by reference as Exhibit "A", the following items:

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NOTE: Where work may disrupt and/or negatively impact Lessee's staff and their work, please contact Lessee at least sixty (60) days prior to anticipated start date in order to minimize disruptions.

**Health and Life Safety:**

- Ensure all fire extinguisher inspection tags are current.
- Service emergency and egress path lighting to ensure illumination and operation is as required.

**INTERIOR:****Relites and Windows:** Clean all relites, sills, windows, frames, and blinds.

- i. Consult with tenant concerning blinds requiring repair/replacement and effect repairs or replace blinds as required.
- ii. 1<sup>st</sup> floor: Replace mismatched blinds in DVR office. Work with lessee to determine blind standards though out this lease space.
- iii. 1<sup>st</sup> floor CSO: Replace all blinds. Work with lessee to determine blind standards though out this lease space.

**Ceiling Tiles:** Replace all stained, cracked, and damaged ceiling tiles to achieve a uniform appearance. Prior to replacing the damaged tiles, verify that the condition that caused this problem has been fully resolved. Work with lessee site staff to determine all areas of concern.

- i. Annex building: Ceiling tile office C. Saxton.
- ii. 1<sup>st</sup> floor: DVR ceiling tile interview room A and breakroom.
- iii. 1<sup>st</sup> floor: Ceiling tiles in Vestibule, Ventana conference room, and office J. Robinson-Fritz.

**Paint:** Patch any damaged/worn corners and walls. Repaint walls within the areas listed below with LSR-compliant product. If the entirety of the walls cannot be painted due to the presence of files or other equipment considered immovable, then provide touch-up paint to the natural breaks. Lessor to remove and re-install all furniture and partitions where necessary. In addition, as needed, provide a licensed electrician to disconnect and reconnect all hard-wired connections. Lessee shall remove all personal items, computers, and associated equipment.

- i. Annex: Mail room and lobby.
- i.i* Touch up paint all other areas, provide a clean and uniform painted finish.
- ii. 1<sup>st</sup> floor: Vestibule and stairwell. All common area corridors.
- iii. 1<sup>st</sup> floor CSO: Lobby walls below chair rail, opportunity room, large conference room, common restrooms, wellness room, and corridors.

**Flooring - Vinyl:** (09 65 00 Resilient Flooring; 09 65 13 Resilient Base, 09 65 19.19 VCT) Remove existing and provide and install new LSR-compliant flooring, cove base and transitions in the below described areas. After installation seal all new flooring per manufacturer specifications. Colors shall be selected or approved by the lessee from lessor submitted samples. Lessor to remove and re-install all furniture and fixtures. In addition, as needed, provide a licensed electrician to disconnect and reconnect all hard-wired connections. Lessee to remove all personal items, computers, and associated equipment.

- i. 1<sup>st</sup> floor CSO: Storage room VCT is in poor condition and portions are lifted and loose. Remove all VCT flooring and provide a smooth concrete surface.
- ii. 1<sup>st</sup> floor DVR: Replace VCT in restroom.
- iii. 1<sup>st</sup> floor Janitorial closet.

**Ceramic tile:** Repair damaged tile and missing grout. Professionally clean all tiles and grout provide a clean and uniform finish. Reseal grout to prevent staining.

- i. Repair/replace tiles where dispensers have been removed.
- ii. Repair/replace missing, cracked, chipped tiles.

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**Flooring - Carpet:** Utilize a professional, commercial cleaning service to pre-treat stains and clean all carpet that serves this lease space. Repair all damaged carpet. Where cleaning or repair does not provide a neat, consistent appearance, replace individual carpet tiles with materials matching existing. Lessor to remove and re-install all furniture and partitions where necessary. Lessee to remove all personal items, computers, and associated lessee equipment.

**Cabinetry and Countertops:** (Specification 06 40 00, 1.3) Remove old caulking and apply new caulking where countertops meet backsplashes. Service all cabinet doors and hardware returning to like new operation.

- i. 1<sup>st</sup> floor DVR: Repair/replace loose edge banding on cabinetry.
- ii. 1<sup>st</sup> floor CSO: Replace restrooms laminate counter tops.
  - ii.i To include common restrooms off vestibule.

**Doors:** Touch up doors and frames to remove or cover scratches and marring.

- i. Replace marred/damaged kick plates.
- ii. Replace missing/worn door jamb silencers and door stops.
- iii. Annex: Restroom door drags on flooring.

**Plumbing:** (22 40 00 Fixtures; 1.1, 1.3) Remove existing caulk and re-apply new caulking where breakroom and restroom fixtures meet flooring, walls, and casework.

- i. Service plumbing fixtures valves, aerators, and tighten loose fixtures for flawless operation.
- ii. Install ADA plumbing pipe covers as required.
- iii. 1<sup>st</sup> floor: Women's staff restroom slow drains. Professionally repair drains to operate as required.
- iv. Provide and install ADA compliant instant hot water fixtures, as needed, to meet ADA requirements (22 30 00, 1.1 Instant Hot Water Dispenser)

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

**Heating Ventilation and Air Conditioning:** (23 00 00 HVAC, 1.5 System Performance, 1.6 Controls) Verify that the HVAC system serving this space is performing within LSR "system performance" standards.

- i. Clean all HVAC supply and return air diffusers and grilles.
- ii. Professionally clean/service all building exhaust fans, ensure proper ventilations and air movement. (1.9 Building Exhaust System)

**Electrical Circuits:** Verify all outlets, GFCI's, switches, covers, and circuit breakers are functional and free of damage.

**Light Fixtures:** Clean light fixtures, lens and covers.

- i. Immediately replace light fixtures, tubes, and bulbs as they fail.
- ii. Replace missing, discolored, and damaged lens or covers.
  - ii.i CSO women's restroom broken light cover.
- iii. Match tubes to maintain a consistent lighting hue across fixtures and within defined areas.
- iv. 1<sup>st</sup> floor CSO customer service desks; replace over head track lights with LED.

21.1 It is also agreed that the Lessor shall, at Lessor's sole cost and expense, on or before June 1, 2023, complete in a good and workmanlike manner in accordance with Exhibit "A" as referenced hereinabove, the following items:

**Parking:** Maintain all parking areas, driveways, and sidewalks on all portions of the site serving this facility via regularly scheduled sweeping and removal of trash and vegetation (leaves, needles, etc.)

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- i. Repair and seal asphalt cracks. All repairs done to create a smooth transition between adjacent surfaces.
- ii. Adjust all wheel stops and other traffic control devices so they function to the capacity as originally designed.
  - ii.i Noted missing wheel stops near sloped drainage ditch, along street frontage. Replace wheel stops in this area to ensure vehicles stop prior to drainage ditch.
- iii. Reapply parking stall striping, curb paint and other pavement markings and signage as required to achieve full visibility and clarity.
  - iii.i Clean asphalt and curbs.
- iv. Power wash sidewalks and pedestrian approaches to remove algae, moss and vegetation.
  - iv.i Clean employee gazebo and patio area.

Landscaping: Maintain all landscape areas and plantings to their appropriately finished appearance, to include trimming back foliage away from parking stalls and pedestrian pathways.

- v. Remove broken tree planter at street frontage.
- vi. Remove dead or dying plants and replace with same or drought tolerant equivalent.
- vii. Remove dead or dying foliage and limbs.
- viii. Trim up and back trees that overhang parking stalls. Noted maple trees along street frontage.

#### **EXTERIOR:**

Roof: (07 03 00, 07 04 00, 07 50 00 Roofing) Verify that all roof assemblies are clean, no leaks, in good repair and free draining (no ponding). Roof drain systems, scuppers, gutters, and downspouts are free of debris, clean and free flowing. Directed all runoff water away from the building's sidewalks and doorways.

#### **CANCELLATION/SUPERSESSION**

22. This Lease cancels, supersedes, or replaces SRL 16-0116 dated September 21, 2016, and all modifications thereto effective March 1, 2023.

#### **DUTY TO CURE**

23. Upon receiving notice of a condition requiring a cure, the party obligated to effect the cure shall initiate and complete cure or repair of such condition within a reasonable time. A condition requiring cure includes, without limitation: (1) a condition for which the Lease requires either party to undertake repair/ replacement and/or other maintenance of the Premises, (2) a condition where either has failed to maintain a service or utility account in good standing as required by the Lease, and (3) any other condition resulting from a party's failure to carry out any obligation under the Lease, including without limitation obligations for rent, charges, improvements, alterations, and/or deferred maintenance, and remediation of damages for which a party is responsible under the Lease. Premises include all fixtures and equipment provided within the Premises by the Lessor.

The term "reasonable time" as used within this section of the Lease shall mean as soon as reasonably possible but no longer than thirty (30) days, unless either (1) an emergency condition exists requiring an immediate cure to promptly begin without delay, usually within hours and to be complete within 24 hours to the extent reasonably possible in light of the nature of the condition and circumstances, or (2) a non-emergency condition exists that is not reasonably possible to cure within 30 days with due diligence and the breaching party provides the level of cure or preparation for cure that is reasonably possible to do with due diligence within 30 days.

If an emergency or non-emergency condition exists that is not reasonably possible to completely cure within 24 hours or 30 days, respectively, the party obligated to cure shall so notify the other party within 24 hours or 30 days, respectively. Such notice shall explain why the cure is not reasonably possible with due diligence to complete within 24 hours (if an emergency) or 30 days (if

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a non-emergency) and provide the earliest date that the work can be completed as soon as reasonably possible. It is not a justifiable ground for delay that the party obligated to effect the cure does not have available funding to accomplish the cure or that a preferred contractor has limited availability if other contractors can satisfactorily perform the work sooner at reasonable cost.

The term "emergency condition" shall mean a condition requiring a cure that (i) prevents or substantially disrupts the Lessee from using all or a substantial part of the premises, or (ii) causes or substantially threatens to cause injury to persons or damage to property or raises a substantial danger to the health or safety of any persons on or using the premises.

Notice under the Duty to Cure and Self Help sections may be by the means allowed in the Notice section, but in addition includes actual notice/awareness that Lessor or Lessee has of a condition independent of any such notice. In addition to the above, when an emergency condition exists, notice may be in-person, oral, email, telephone, or through other means that places the information before the Lessor or Lessee of which he or she would reasonably be expected to learn or notice.

**SELF HELP**

24. If the party obligated to effect the cure does not cure within the time required by this Lease, the other party may cure all or part of the default after providing notice to the party obligated to effect the cure of its intent to perform such cure, and, if applicable, recover the costs incurred in curing the default. If the nonbreaching party is the Lessee, the Lessee may deduct all reasonable costs incurred from rent or other charges owed to Lessor. If the nonbreaching party is the Lessor, Lessor will submit properly executed vouchers and proof of payment to Lessee and Lessee shall remit payment to Lessor within thirty (30) days or as soon as is practicable. A party's costs incurred to cure include, but are not limited to, all reasonable out-of-pocket expenses, payment of unpaid utility or services charges for which the other party is responsible, and all administrative costs the non-breaching party reasonably incurs and documents in performing or arranging for performance of the cure.

The nonbreaching party is under no obligation to cure some or all of the default of the breaching party. To the extent that the nonbreaching party does not cure the default, the nonbreaching party may pursue its legal and contractual remedies against the breaching party. The nonbreaching party's failure to cure the breaching party's default does not waive the nonbreaching party's rights to relief. Nothing herein removes or lessens either party's obligation to mitigate damages.

If the Lessee elects to cure using self-help in part or whole, the Lessor shall defend, save, and hold harmless the Lessee, its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever arising out of or in connection with such cure, except where RCW 4.24.115 is applicable and injuries and/or damages are caused by the sole negligence of the Lessee, its agents, or employees. If RCW 4.24.115 is applicable and liability for damages arises out of bodily injury to persons or damages to property and is caused by or results from the concurrent negligence of the Lessee, its agents, or employees, Lessor's liability, including the duty and cost to defend, hereunder shall apply only to the extent of the negligence of Lessor, its agents, or employees.

**DEFAULT LEADING TO TERMINATION**

25. If either party fails to initiate and complete cure of a condition requiring cure within a reasonable time after receiving notice of such condition, the nonbreaching party may initiate a default leading to termination of the Lease by providing written notice to the breaching party of the continuing breach. If the breaching party does not complete the cure of the breach within 60 days after receiving such written notice initiating default leading to termination, the nonbreaching party may at such time, or at a later date if the cure has still not been completed, declare a termination by default by so notifying the breaching party. Cure of a condition after a valid notice of termination by default is provided, but before termination, shall void a valid notice of termination of the Lease.

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If a termination by default is declared or a court so orders, the date of termination shall be determined based on the earliest reasonable date that the Lessee may move and relocate from premises or as agreed by the parties. The determination shall be made in light of available funding for the move, the date at which suitable replacement premises can be fully available, and the time reasonably needed to plan and complete the move.

#### CONDEMNATION

26. 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

27. 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

28. 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

29. The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

#### INTEGRATED DOCUMENT

30. This Lease and the exhibits hereto constitute the entire agreement between the parties with respect to the lease of Premises and supersedes all prior and contemporaneous agreements and understandings between the parties hereto relating to the subject matter hereof.

#### NOTICES

31. Wherever in this Lease written notices are to be given or made, except for alternative means of notice provided for the Duty to Cure and Self Help sections, the notices shall 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: MV, LLC  
Post Office Box 369  
Fall City, Washington 98024

Please Initial
MMS, <i>JN</i>

Lease No. SRL 22-0090

August 29, 2022

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

SRL 22-0090

**EXHIBITS**

32. The following exhibits described herein and attached hereto, are fully incorporated into this Lease by this reference:

- a) Exhibit A: The Leased Space Requirements
- b) Exhibit J: Janitorial Requirements

IN WITNESS WHEREOF, the parties subscribe their names.

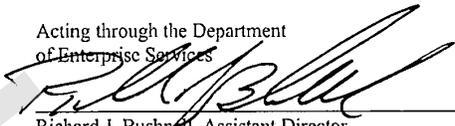
**MV, LLC**

**STATE OF WASHINGTON**

By:   
 Printed Name: TIM NELSON  
 Title: MANAGING member  
 Date: 9/29/22

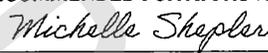
Department of Social and Health Services

Acting through the Department  
of Enterprise Services

  
Richard J. Bushnell, Assistant Director  
Real Estate Services

Date: 10-11-2022

RECOMMENDED FOR APPROVAL:

MMS   
 Michelle Shepler, Property and Acquisition Specialist  
 Real Estate Services

Date: 9/27/2022

APPROVED AS TO FORM:

By:   
 Assistant Attorney General

Date: 30 Sep 22

Please Initial
MMS, <u></u>

Lease No. SRL 22-0090

August 29, 2022

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STATE OF Washington  
County of King ) ss.

On this 29 day of September, 2022 before me personally appeared Timothy Nelson 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 Managing Member of MVIC 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.

Notary Public State of Washington  
LAURA A. HENRY  
NO. 22016268  
MY COMMISSION EXPIRES  
03/21/2026

Laura A Henry  
Notary Public in and for the State of Washington,  
Residing at Carnation WA  
My commission expires 3/21/2026

STATE OF WASHINGTON )  
County of Thurston ) ss.

I, the undersigned, a Notary Public, do hereby certify that on this 11<sup>th</sup> day of October, 2022, personally appeared before me RICHARD J. BUSHNELL, Assistant Director, 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.

R L ATWOOD  
Notary Public  
State of Washington  
Commission # 123195  
My Comm. Expires Nov 24, 2022

Richard  
Notary Public in and for the State of Washington,  
Residing at Thurston WA  
My commission expires 11-24-22

Please Initial  
MMS, RJ