

AFTER RECORDING RETURN TO:

Thurston County
Central Services Department
2000 Lakeridge Drive SW
Olympia, Washington 98502-6045

Lease No. 025-2018-636-992-000

Page 1 of 8
Date: January 23, 2018

LEASE

THIS LEASE is made and entered into between Thurston County, a municipal corporation, whose address is 2000 Lakeridge Drive SW, Olympia, Washington 98502-6045, for its heirs, executors, administrators, successors, and assigns, hereinafter called the Lessee, and Betschart Investments, LLC, an organization, hereinafter called the Lessor.

WHEREAS, Thurston County is granted authority to lease property under WAC2.104.010;

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 a portion of the following described premises:

Tax Parcel Number: 34330000100

Common Street Address: 8410 – 30th Avenue NE #A, Lacey, WA 98516

Lessee is leasing approximately 300 square feet of office space along with 2-4 on-site parking stalls.

USE

2. The premises shall be used by the Thurston County Sheriff's Office for the following purpose(s):
General office space.

TERM

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning January 1, 2018 and ending December 31, 2018.

RENTAL RATE

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

\$300.00 per month.

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

EXPENSES

5. During the term of this Lease, Lessor shall pay all real estate taxes, all property assessments, insurance, storm water, sewer, water, garbage collection, and maintenance and repair as described below, together with natural gas, electricity, exterior and interior window washing, landscape and irrigation and water.

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, 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 and fluorescent tubes 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.).

RENEWAL/CANCELLATION

7. The Lease may, at the option of the Lessee, be renegotiated for one (1) additional year.

7.1 It is mutually understood and agreed by and between the Lessor and the Lessee that this Lease may be cancelled and terminated by either party on or after the 1st day of the 12th month of its term provided that written notice of such cancellation and termination shall have been given at least thirty (30) days prior to the effective date thereof, in which event rent shall be prorated to the date of termination by the Lessor to the Lessee: Lessee shall give Lessor written notice of such cancellation and termination at least thirty days (30) days prior to the effective date thereof. In either event, rent shall be prorated to the date of termination.

PAYMENT

8. 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

9. 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.

MODIFICATION

10. No amendment, modification or renewal shall be made to this Lease unless set forth in writing, signed by both parties and shall not be binding until fully executed by both parties.

FIXTURES

11. The Lessee, upon the written authorization of the Lessor, 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 Thurston County Central Services Director. 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 remains 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 Thurston County, unless same has been approved by the Thurston County Central Services Director or his or her designee and approved as to form by the Office of the Prosecuting Attorney, or his or her designee. 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, may conduct a walk-through survey of the leased premises with a representative of the Director of the Central Services Department. Lessor may 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 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. 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.

INSURANCE

19. At all times during the term of this Lease, Lessee shall maintain comprehensive general liability insurance covering bodily injury and property damage, including that for which Lessee or its agents, representatives, employees, contractors, subtenants, licensees or invitees may be liable with respect to the Premises. Such liability insurance shall have policy limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence and One Million and 00/100 Dollars (\$1,000,000.00) per person for bodily injury and One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for property damage.

Lessor understands that Thurston County is self-insured for the first \$250,000 of liability loss and maintains excess insurance through a policy written by the Washington Counties Risk Pool, which includes contractual liability coverage. This form of insurance is acceptable to Lessor as sufficient security to meet the requirements of this contract.

Lessee shall provide notice of any material change in their insurance program to Lessor at least thirty (30) days prior to the effective date of the change. Lessee shall provide Lessor and each lender designated by Lessor with certificates of insurance evidencing liability coverage and shall provide evidence of renewal prior to the expiration of such policy or policies.

DISPUTES

20. 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.

DEFAULT BY EITHER PARTY

21. Should either party breach the terms of this Lease, the parties agree to the following:
- a. The nonbreaching party shall provide written notice and a reasonable opportunity for the breaching party to cure. A reasonable time shall be deemed to be fifteen business days upon receipt of notification of breach, unless the alleged breach is an emergency maintenance issue requiring immediate attention in which case, reasonable opportunity to cure shall be deemed to be twenty-four hours.
 - b. If the breaching party does not cure within a reasonable time the nonbreaching party may cure the default, and, if applicable, recover the costs incurred in curing the default. If the nonbreaching party is the Lessee, the Lessee may deduct all costs incurred from rent 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 as soon as is practicable.
 - c. If the Lessee elects to cure the breach of the Lessor, 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. Lessor further agrees to defend Lessee, 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 associated with the cure of said breach.
 - d. The nonbreaching party is under no obligation to cure the default of the breaching party. If 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.
 - e. Should any action be initiated by the nonbreaching party to recover costs associated with curing the breaching party's default, the breaching party shall be required to pay the costs incurred by the nonbreaching party in curing the default, together with the reasonable attorney's fees and costs associated with such action if the nonbreaching party prevails.

- f. Both parties warrant and represent that they will only make claims of breach in good faith. Any claim of breach made in bad faith will itself constitute a breach, entitling the nonbreaching party to the costs associated with such bad faith claim. A claim shall be considered to be brought in bad faith when no credible evidence can be brought forth to support it.

MONTH TO MONTH TENANCY

22. 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.

INDEMNIFICATION

23. Each party hereto shall be responsible for its own wrongful and/or negligent acts or omissions, and those of its officers, agents, employees, volunteers, and licensees to the fullest extent required by law. Each party hereto shall indemnify and hold harmless the other party from any claim, loss, damage, or injury arising therefrom.

In the case of wrongful or negligent acts or omissions on the part of more than one party, any damages allowed shall be levied in proportion to the percentage of fault attributable to each party. Each party hereto shall have the right to seek contribution from the other party in proportion to the percentage of negligence attributable to that other party.

CAPTIONS

24. 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

25. 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: Betschart Investments LLC
ATTN: Accounts Receivable
8410 – 30th Avenue NE, #A
Lacey, Washington 98516

LESSEE: Thurston County Central Services
ATTN: Accounts Payable
2000 Lakeridge Dr. SW
Olympia, Washington 98502-6045

IN WITNESS WHEREOF, the parties subscribe their names.

LESSOR:
Betschart Investments LLC

LESSEE:
THURSTON COUNTY

By: _____

By: _____

Print Name: _____

Printed Name: _____

Title: Owner _____


Title: _____

Date: _____

Date: _____

Approved as to form:

JON TUNHEIM
PROSECUTING ATTORNEY

By:  _____
Deputy Prosecuting Attorney

Date: 1/23/18 _____

STATE OF WASHINGTON)
) ss.
County of Thurston)

I, the undersigned, a Notary Public, do hereby certify that on this _____ day of _____, 20____, personally appeared before me _____ to me known to be the individual(s) described in and who executed the within instrument, and acknowledged that _____ signed and sealed the same as free and voluntary act and deed, for the purposes and uses therein mentioned.

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 _____
My commission expires _____

STATE OF WASHINGTON)
) ss.
County of Thurston)

I, the undersigned, a Notary Public, do hereby certify that on this _____ day of _____, 20____, personally appeared before me **Martin D. Casey, Director, Central Services Department**, Thurston County, 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.

Notary Public in and for the State of Washington,
Residing at _____
My commission expires _____