

AFTER RECORDING RETURN TO:

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

Lease No. 025-2019-690-1091-000

Page 1 of 8  
Date: March 21, 2019

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 Drebeck Investments, LLC, a Limited Liability Corporation, hereinafter called the Lessor.

WHEREAS, Thurston County is granted authority to lease property under Thurston County Code 2.104.030,

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:** 46790005400

**Common Street Address:** 2400 Bristol Court SW, Olympia, Washington, 98502.

Lessee is leasing approximately 5,008 square feet of office space along with on-site parking stalls, legally described as Section 22 Township 18 Range 2W Quarter SW SE Plat Evergreen Park Amended Lot 2 LT 54 Document 020/018

**USE**

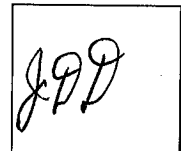
2. The premises shall be used by the Thurston County Drug Court and/or other county agencies for the following purpose(s): Offices.

**TERM**

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning July 16, 2019 and ending July 15, 2024.

**RENTAL RATE**

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



Six Thousand Three Hundred Twelve Dollars and Zero Cents:

\$6,312.00 per month.

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

2.5% per annum increase as follows:

July 16, 2020 to July 15, 2021	\$6,469.80 per month
July 16, 2021 to July 15, 2022	\$6,631.55 per month
July 16, 2022 to July 15, 2023	\$6,797.34 per month
July 16, 2023 to July 15, 2024	\$6,967.27 per month

**EXPENSES**

5. During the term of this Lease, Lessor shall pay all real estate taxes, all property assessments, insurance, and maintenance and repair as described below.

5.1. Lessee shall pay for only water, sewer, garbage, storm water, electricity, natural gas, and janitorial service 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, 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.).

**ASSIGNMENT/SUBLEASE**

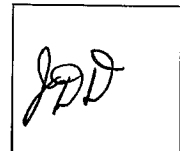
7. The Lessee may assign this Lease or sublet the premises with the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Lessee shall not permit the use of the premises by anyone other than the Lessee, such assignee or sublessee, and the employees, agents and servants of the Lessee, assignee, or sublessee.

**RENEWAL/CANCELLATION**

8. The Lease may, at the option of the Lessee, be renegotiated for an additional term.

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 24th month of its term provided that written notice of such cancellation and termination shall have been given at least by March 17, 2021 in which event rent shall be prorated to the date of termination.

**PAYMENT**



9. 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.

**MODIFICATION**

11. 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**

12. 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**

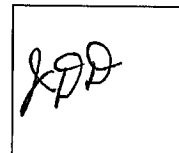
13. In the event the Lessee requires alterations/improvements during the term of this Lease, any renewals and/or modifications thereof, the Lessor shall have the right to provide such services. If required by state law, the Lessor shall pay prevailing rate of wage to all workers, laborers or mechanics 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**

14. 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**

15. 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**

16. 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**

17. 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**

18. 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**

19. Lessor warrants to the best of 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.

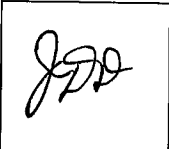
Lessee shall indemnify and hold harmless the Lessor with respect to any and all damages, costs, attorneys' fees, and penalties arising from the presence of any hazardous or toxic substances on the premises that are placed on the premises by the Lessee.

#### **CANCELLATION/SUPERSESSION**

20. This Lease cancels, supersedes, or replaces the Lease Agreement dated June 10, 2014, and all modifications thereto effective July 16, 2019.

#### **CONDEMNATION**

21. 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**

22. 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 \$1,000,000.00 per occurrence and \$1,000,000.00 per person for bodily injury and \$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.

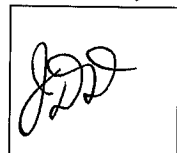
Lessee shall provide notice of any material change in their insurance program to Lessor at least 30 days prior to the effective date of the change. Lessee shall provide Lessor and each lender designated by Lessor with certificates of insurance evidencing liability coverage and shall provide evidence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

**DISPUTES**

23. 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**

- 24. 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 15 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**

25. 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**

26. 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**

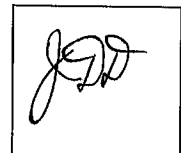
27. The captions and paragraph headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

**NOTICES**

28. Wherever in this Lease written notices are to be given or made, they will be delivered to the addresses below. Notices shall be delivered by courier using standard overnight weekday delivery, or in person. With advance notification a different address may be designated in writing and agreed to by both Parties

LESSOR: Drebeck Investments, LLC  
1001 S. Evergreen Park Drive SW  
Olympia, Washington, 98502-6045

LESSEE: Thurston County Central Services Lease  
ATTN: Accounts Payable  
2000 Lakeridge Drive SE  
Olympia, Washington, 98502-6045





STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

I, the undersigned, a Notary Public, do hereby certify that on this 5<sup>th</sup> day of June, 20 19, personally appeared before me Monica Gorman, Interim Director, 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.



Sarah E. Spearman  
Notary Public in and for the State of Washington,  
Residing at Thurston County  
My commission expires June 5, 2019

A square box containing the handwritten initials "JSD".