

LEASE AGREEMENT  
PORTION OF OLD REDMOND SCHOOL HOUSE

THIS LEASE AGREEMENT ("Lease") is made by and between LAKE WASHINGTON SCHOOL DISTRICT NO. 414, a municipal corporation (hereinafter "Landlord"), and the CITY OF REDMOND, a municipal corporation (hereinafter "Tenant").

W I T N E S S E T H

FOR AND IN CONSIDERATION of the rents herein reserved and in further consideration of the mutual promises, terms and conditions hereof, the parties hereby agree as follows:

1. PREMISES

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, that certain area (the "Premises") described in the floor plan(s) attached hereto as *Exhibit A*, being a part of the Old Redmond School House (the "Building") located at 16600 NE 80<sup>th</sup> Street, Redmond, Washington 98052. The Premises contain approximately 9,785 square feet. The Building contains approximately 45,400 square feet. Landlord reserves the right to make changes in the Building as Landlord deems necessary and to establish reasonable rules and regulations for the use the Building.

2. USE

The Premises are to be used solely for the City of Redmond's Community Programs and its visitors and community public uses, and for no other purpose without the written consent of Landlord. For the purposes of this Lease, "public uses" includes use by private groups and organizations participating in recreational, cultural, educational, and complimentary business activities sponsored or otherwise permitted by the Tenant.

3. TERM

This term of this lease shall commence on January 1, 2021. The term shall continue for five (5) consecutive years and shall terminate at midnight on date of signature unless the term is extended by mutual agreement of the parties or is sooner terminated as provided herein.

4. RENT

4.1 Tenant covenants and agrees to pay Landlord, as rental for the Premises, a first year rental of \$25,000.00, second year rental of \$28,750.00, third-year rental of \$32,500.00, fourth year rental of \$36,250.00, and fifth year rental of \$40,000.00 dollars. The annual rental will also be adjusted each year based on the CPI for the Greater Seattle Area. The Tenant will pay the

first year's rent within twenty (20) days of the effective date of this Lease and subsequent annual payments on the anniversary date of this Lease.

Annual rent is intended to cover the costs of utilities and custodial services for Tenant's portion of the use of the building. After two years the parties will review actual costs and meet to discuss in good faith in order to come to a mutual agreement regarding appropriate future adjustments, if any, in the annual rental amount.

4.2 In addition to the rental specified in Section 4.1 above, Tenant shall pay to Landlord monthly, in advance, on the first day of each calendar month, the leasehold excise tax assessed pursuant to RCW 82.29A against Tenant in respect of the monthly rent paid pursuant to paragraph 4.1 above unless the leasehold interest created under this lease is exempt from the tax. Said leasehold tax is currently equal to twelve point eighty-four percent (12.84%) of the taxable rent paid to the Landlord. Tenant shall in addition pay to Landlord when due the leasehold excise tax in respect of any payment or obligation hereunder which is deemed to be taxable rent.

## 5. UTILITIES AND SERVICE

5.1 During the term of this Lease, Landlord agrees to cause to be furnished to the Premises during customary business hours and during generally recognized business days the following utilities and services. Expenses for heat, electricity and utilities incurred by Landlord due to Tenant's use will be paid by Landlord. Landlord reserves the right to levy an Energy Surcharge as needed to recover excessive energy costs as described in paragraph 5.1.

- a. Electricity, water, gas and sewer service;
- b. Heat to such extent and to such levels as, in Landlord's judgment, is reasonably required for the comfortable use and occupancy of the Premises while the Premises also are occupied by Landlord's educational programs; and
- c. Janitorial service to and appropriate maintenance and repair of the Premises.

5.2 Tenant shall, at its own cost, provide the following with respect to the Premises only:

Telephone connection, but not including telephone stations and equipment (it being expressly understood and agreed that Tenant shall be responsible for the ordering and installation of telephone lines and equipment which pertain to the Premises).

5.3 Tenant shall arrange for and shall pay the entire cost and expense of all telephone stations, equipment and use charges, electric light bulbs and all other materials and services not expressly required to be provided and paid by Landlord pursuant to the provisions of paragraph 5.1 above.

5.4 Tenant shall provide for weekend garbage removal and cleaning.

5.5 Tenant shall provide for appropriate repair and maintenance for equipment used within the Premises (e.g. kiln, basketball nets, court, etc.)

5.6 Tenant shall not, without the written consent of Landlord, use any apparatus or device on the Premises (including, but without limitation thereto, electronic data processing machines, computers or machines using current in excess of 110 volts) which will in any way increase the amount of electricity or water usually supplied at the Premises. Tenant shall not connect with electrical current, except through existing electrical outlets in the Premises. If Tenant requires water or electric current in excess of that usually supplied at the Premises, Tenant shall first procure the written consent of Landlord for the use thereof. Landlord may cause a water meter or electric current meter to be installed in the Premises. The cost of such meters and of installation, maintenance and repair thereof shall be paid by Tenant. Tenant further agrees to pay Landlord promptly upon demand for all such excess water and electric current consumed by Tenant at the rates charged for such services by Puget Power or the local public utility, plus any additional expense incurred by Landlord in keeping account of the water and electric current so consumed.

5.6 Landlord shall not be liable for and Tenant shall not be entitled to terminate this Lease or to effectuate any abatement or reduction of rent by reason of Landlord's failure to provide or furnish any of the foregoing utilities or services if such failure was reasonably beyond the control of Landlord.

## 6. ACCEPTANCE AND CARE OF PREMISES

6.1 Tenant has inspected the Premises and accepts the Premises "AS IS" in its present condition. During the term of this Lease and any extension thereof, Tenant, at Tenant's sole cost, shall keep the Premises in a neat, clean, and sanitary condition and shall make all necessary repairs related to maintaining equipment used within the Premises.

Tenant shall maintain the Premises including, in good and proper repair, and in accordance with all applicable statutes, city ordinances and directions or regulations of the proper public authorities. Tenant shall not be required to make any repairs in respect to structural defects in the walls, foundation or roof of the Premises.

6.2 In the event Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to commence such work within ten (10) days of notice and to diligently prosecute it to completion, then Landlord shall have the right, at its option and in addition to all other remedies, to do such acts and expend such funds to maintain the Premises.

6.3 Tenant acknowledges and agrees that Landlord shall have no obligation whatsoever to make any alterations, additions, renovations or improvements to the Premises or to

determine if any alterations are necessary in order for Tenant to conduct its business as set forth in Section 2 above. In the event that any federal, state or city department or agency determines that certain alterations, additions, renovations or improvements are required to permit Tenant to use the Premises for the purpose(s) set forth in Section 2 above, Landlord shall have no obligation to make such changes. If Tenant is unable to make such changes, then this Lease shall be terminated and both parties relieved of all rights and obligations hereunder, save for the parties' respective duties under paragraphs 12.1, 14, 15, and 24.

7. WAIVER OF SUBROGATION

Landlord and Tenant do each herewith and hereby release and relieve the other from responsibility for, and waive their entire claim of recovery for, any loss or damage to the real or personal property of either located anywhere in the Premises or the Building, arising out of or incident to the occurrence of any of the perils which are covered by any insurance policy obtained by Tenant or Landlord. Each party shall obtain any special endorsements, if required by its insurer, to evidence this waiver of the insurer's right to subrogation against the indemnities.

8. LIABILITY INSURANCE

All personal property on the leased Premises shall be at the risk of Tenant. Except for the negligence of Landlord or Landlord's agent, Landlord shall not be liable for any damage, either to persons or property, sustained by Tenant or others, caused by any defects now on said Premises or hereafter occurring therein, or from any act or neglect of employees, or any other persons or Landlord's agents due to the happening of any accident from whatever cause in and about said Premises.

Tenant covenants that it shall, during the entire Lease term, keep in full force and effect a policy of public liability and property damage insurance with respect to the Premises, sidewalks on the leased Premises and the use and business operated by Tenant. Policy limits shall not be less than One Million Dollars (\$1,000,000) per person and Two Million Dollars (\$2,000,000) per accident, and Five Hundred Thousand (\$500,000) for property damage liability. The policy shall name the Landlord and any persons designated by Landlord as an additional insured and shall contain a clause that the insurer will not cancel or change insurance without giving Landlord thirty (30) days' prior written notice. The insurance shall be placed with a reputable insurance company and shall have an A.M. Best's rating of A-10 or better. A Certificate of Insurance shall be promptly delivered to the Landlord upon acquisition of such insurance. Tenant may elect to be self-insured.

Tenant covenants that it will not keep, have or sell in or upon the leased Premises any article which may be prohibited by any standard form or fire insurance policy. This includes any hazardous materials. Tenant agrees to pay an increase in premiums for fire and extended coverage insurance that may be charged on the Building during the term of this Lease resulting from the nature of Tenant's occupancy or from the type of merchandise stocked, manufactured, maintained or sold by the Tenant in the leased Premises, whether or not Landlord has consented to the same. Tenant may elect to be self-insured.

9. ALTERATIONS OR IMPROVEMENTS

Tenant shall not make any alterations, additions, renovations or improvements in or to the Premises without first obtaining the written consent of Landlord. All alterations, additions, renovations and improvements which shall be made shall be at the sole cost and expense of Tenant and shall become a part of the real property and belong to Landlord and shall remain in and be surrendered with the Premises by Tenant at the sole discretion of Landlord. Tenant further agrees to indemnify and hold Landlord and the Premises free and harmless from, and against, any and all damages, injuries, losses, liens, costs or expenses (including attorneys' fees) incurred, claimed or arising out of said work. Landlord reserves the right to review and approve Tenants' plans, specifications and contractor and, further, Landlord reserves the right to impose such restrictions or conditions upon its consent to the above work, including the requirement that Tenant appropriately bond the same, as Landlord may deem reasonably appropriate. Landlord further reserves the right to make any alterations, additions or improvements to the Premises which, in Landlord's sole discretion, are necessary or appropriate for the Premises.

10. DAMAGE OR DESTRUCTION

In the event the Premises or the Building are partially or wholly destroyed or damaged by fire, earthquake, or other casualty, it shall be optional with Landlord to repair or rebuild the same, and in the meantime the rental shall be abated in the same proportion as the untenable portion of the Premises bears to the tenantable portion thereof. Unless Landlord within sixty (60) days after the happening of any such damage or casualty shall notify Tenant of its election to restore said Premises or Building, this Lease shall thereupon terminate. If Landlord does not terminate this Lease, it shall remain in full force and effect. Landlord shall not be required to repair or restore any damage or injury nor replace any equipment, inventory, fixtures or other personal property of Tenant or others located on the Premises. Any proceeds payable to Landlord from insurance policies carried by Landlord and covering the Premises or the Building shall be the sole and exclusive property of Landlord.

11. CONDEMNATION

If any part of the Premises or the Building shall be taken or condemned, and a part thereof remains which is susceptible of occupation hereunder, this Lease shall, as to the part so taken, terminate as of the date title shall vest in the condemnor, and the rental payable hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term only such portion of such rent as the number of square feet in the part remaining after the condemnation bears to the number of square feet of the entire Premises at the date of condemnation; but in such event Landlord shall have the option to terminate this Lease by written notice to Tenant within thirty (30) days of the date when title to the part so condemned vests in the condemnor. If part or all of the Premises or the Building be taken or condemned, all compensation awarded upon such condemnation or taking shall go to Landlord and Tenant shall have no claim thereto, and Tenant hereby irrevocably assigns and transfers to Landlord any right to compensation or damages to which Landlord may be entitled during the term hereof by reason of the condemnation of all or a part of the Premises.

## 12. ACCIDENTS AND INDEMNIFICATION

12.1 Tenant shall defend, indemnify, and hold Landlord harmless from and against any and all suits, actions, damages, claims, liability and expense, including attorneys' fees, in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or from the Premises, or the occupancy or use by Tenant of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, invitees, licensees, or concessionaires, except for the comparative negligence of Landlord or Landlord's agent.

12.2 Landlord shall defend, indemnify and hold harmless Tenant harmless from and against any and all suits, actions, damages, claims, liability and expense, including attorneys' fees, in connection with loss of life, bodily or personal injury, or property damage arising from or out of any breach or violation of this Lease by Landlord, or any negligent act or omission of Landlord, except for the comparative negligence of Tenant or Tenant's agent.

12.3 Landlord shall not be responsible or liable at any time for any loss or damage to Tenant's personal property or to Tenant's business that may be occasioned by or through the acts or omissions of persons occupying adjacent, connecting or adjoining space.

The provisions of this Section 12 shall survive the expiration or termination of this Lease.

## 13. COMPLIANCE WITH LAWS

Tenant shall comply fully with all federal and state statutes and city ordinances now or hereafter in force in respect to the Premises and Tenant's activities therein. Tenant warrants and represents to Landlord that Tenant shall use the Premises only for lawful purposes.

## 14. SIGNS OR ADVERTISING

Tenant will not inscribe, post, place, or in any manner display any sign, notice, picture, poster or any advertising matter whatsoever anywhere in or about the Premises, without first obtaining Landlord's written consent thereto. Any consent so obtained from Landlord shall be with the understanding and agreement that Tenant will remove same at the termination of the tenancy herein created and repair any damage or injury to the Premises or the Building caused thereby.

## 15. WASTE AND UNLAWFUL USE

Tenant will not commit or suffer any waste upon the Premises, or disturb the quiet enjoyment of any other occupants of the Building by making or suffering any nuisance, undue or unseemly noise, or otherwise, and will not do or permit to be done in or about the Premises

anything which is illegal or unlawful, or which will be dangerous to life or limb, or which will increase any insurance rate upon the Premises or the Building.

16. COSTS AND ATTORNEYS' FEES

If, by reason of any default or breach hereunder by Landlord or by Tenant, it becomes necessary to institute a lawsuit, the prevailing party in such action shall be entitled to recover, as part of any judgment, such amount as the court shall determine reasonable as attorneys' fees for the prevailing party in such lawsuit, together with taxable costs.

17. NONWAIVER OF BREACH

The failure of Landlord to insist upon strict performance of any of the covenants and agreements of this Lease or to exercise any option herein conferred in any one or more instances shall not be construed to be a waiver or relinquishment of any such or of any other covenant or agreement, but the same shall be and remain in full force and effect.

18. REMOVAL OF PROPERTY

In the event of any entry in, or taking possession of, the Premises upon the termination of this Lease, Landlord shall have the right, but not the obligation, to remove from the Premises all personal property located therein, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Tenant, after it has been stored for a period of thirty (30) days or more. The proceeds of such sale shall be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof, with the balance, if any, to be paid to Tenant.

19. HOLDOVER

If Tenant shall, without the written consent of Landlord, hold over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the State of Washington. During such tenancy, Tenant agrees to pay to Landlord the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all the terms, covenants and conditions as herein specified, so far as applicable.

20. COOPERATION PROVISION

Both parties agree to cooperate to carry out the terms of this Lease. Each of the parties agree to execute, acknowledge, and deliver upon request of either party any document which requesting party reasonably deems necessary or desirable to evidence or effectuate the rights herein conferred or to implement or consummate the purposes and intents hereof, so long as such imposes no different or greater burden upon such party that is otherwise imposed hereunder.

## 21. ASSIGNMENT AND SUBLETTING

21.1 Tenant shall not transfer, assign, mortgage or hypothecate this Lease, in whole or in part, or permit the use of the Premises by any person or persons other than Tenant, or sublet the Premises, or any part thereof, without the prior written consent of Landlord in each instance. Such prohibition against assigning or subletting shall include any assignment or subletting by operation of law.

21.2 Any assignment or subletting without Landlord's consent shall be void, and shall constitute a default hereunder which, at the option of Landlord, shall result in the termination of this Lease or exercise of Landlord's other remedies hereunder. Consent to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting, and the terms of such consent shall be binding upon any person holding by, under, or through Tenant.

## 22. NOTICES

All notices, statements, demands, requests, consents, approvals, authorization, agreements, or designations under this Lease by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if sent by certified mail, return receipt requested, postage prepaid, and addressed as follows:

To Tenant: Written notice directly to the Mayor of the City of Redmond;

To Landlord: Addressed to Landlord in care of Barbara Posthumus, Associate Superintendent, Business and Support Services, Lake Washington School District No. 414, PO Box 97039, Redmond, WA, 98073;

And to: David A. Alskog, PRK Livengood, PLLC, 1850 Skyline Tower, 10900 NE 4th Street, Bellevue, WA, 98004.

## 23. LIENS AND ENCUMBRANCES

Tenant shall keep the Premises free and clear of any liens and encumbrances arising out of the use and occupancy of the Premises by Tenant. At Landlord's request Tenant shall furnish Landlord with written proof of payment of any item which, if not paid, would or might constitute the basis for such a lien on the Premises.



#### 24. BREACH BY TENANT

In the event that the Tenant defaults in the performance of any of the terms, provisions, covenants and agreements on the Tenant's part to be kept, observed and performed, and such default is not corrected within thirty (30) days after the receipt of notice thereof from the Landlord, or such shorter period as may be reasonable under the circumstances; or if the Tenant shall abandon, desert, vacate or remove from the Premises; then, in such event, the Landlord, at its option at any time thereafter, may terminate this Lease together with all of the estate, right and title thereby granted to or vested in the Tenant by giving twenty (20) days' notice in writing of such election, by certified mail addressed to the Tenant at the address specified in this Lease, and at the expiration of such twenty (20) day period, this Lease and all of the estate, right, title and interest thereby granted to or vested in the Tenant shall then cease and terminate, and the Landlord may re-enter said Premises using such force as may be required. Notwithstanding such re-entry by the Landlord and anything to the contrary in this agreement, the liability of the Tenant for the rent provided for herein shall not be extinguished for the balance of the term of this Lease. The Landlord shall have the right to determine the existence of any default in performance or other breach or violation of the terms and conditions hereof on the part of the Tenant.

In the event of a default by Tenant, Landlord, in addition to other rights or remedies that it may have, shall have the right to either terminate this Lease or from time to time, without terminating this Lease, relet the Premises or other part thereof, for any such term or terms and conditions as Landlord in its sole discretion may deem advisable with the right to make alterations and repairs to the Premises. Tenant shall pay to Landlord, as soon as ascertained, the costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs. Rentals received by Landlord from such reletting shall be applied: First, to the payment of any indebtedness, other than rental, due hereunder from Tenant to Landlord; second, to the payment of the cost of any alterations and repairs to the Premises necessary to return the Premises to good condition, normal wear and tear excepted, for uses permitted by this Lease and the cost of storing any of Tenant's property left on the Premises at the time of reletting; third, to the payment of rental due and unpaid hereunder and the residue, if any, shall be held by Landlord and applied in payment of future rent or damages in the event of termination as the same may become due and payable hereunder and the balance, if any, at the end of the term of this Lease shall be paid to Tenant. Should such rental received from time to time from such reletting during any month be less than that agreed to be paid during that month by Tenant hereunder, Tenant shall pay such deficiency to Landlord. Such deficiency shall be calculated and paid monthly.

#### 25. TERMINATION

Landlord may terminate this Lease for default as provided above. In addition, Landlord may also, upon twelve (12) months' written notice, terminate this Lease if it needs the subject Premises for student or staff capacity needs; provided, that as a condition preceding to acquiring the interest of Tenant in terminating the Lease herein, Landlord shall be required to pay the undepreciated value of the improvements made to the subject Premises by Tenant. Rules of eminent domain will apply for determining the depreciative value of the improvements and the amounts to be paid pursuant to this provision, if and when exercised by Landlord.

After two (2) years from the Commencement Date hereof, Tenant may terminate this Lease at any time, with or without cause, upon giving six (6) months' written notice. On termination of the Lease, Tenant shall restore the property into an equal or better condition than it was at the time of the Effective Date of the Lease. Termination shall not relieve either party from any indemnity or other obligation related to events occurring either prior to or during the Effective Date of this Lease or during this Lease.

26. MISCELLANEOUS

26.1 The paragraph and section headings hereof are for convenience only and shall not be used to expand or interpret the meaning of any part of this Lease.

26.2 Time is of the essence hereof.

26.3 If any portion of this Lease shall be deemed void, illegal or unenforceable, the balance of this Lease shall not be affected thereby.

26.4 This Lease shall be interpreted under the laws of the State of Washington.

26.5 The parties agree that the Superior Court of the State of Washington for King County shall have sole jurisdiction over any question, claim, loss or injury arising hereunder.

26.6 Tenant acknowledges that except as expressly set forth in this Lease, neither Landlord nor any other person has made any representation or warranty with respect to the Premises or any other portion of the Building. Specifically, but not in limitation of the foregoing, no representation has been made or relied on with respect to the suitability of the Premises or any other portion of the Building for the conduct of Tenant's business.

26.7 Landlord does not by this Lease, in any way or for any purpose, become a partner or joint venturer of Tenant in the conduct of its business or otherwise.

26.8 Landlord shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by cause or causes beyond Landlord's control, including labor disputes, civil commotion, war, governmental regulations or controls, fire or other casualty, inability to obtain any material or service, or acts of God.

26.9 This Lease and the exhibits, riders and/or addenda, if any, attached hereto, constitute the entire agreement between the parties. All exhibits, riders or addenda mentioned in this Lease are incorporated herein by reference. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed. Submission of this Lease for examination does not constitute an option for the Premises and becomes effective as a lease only upon approval of this Lease by the Lake Washington School District Board, or its designee, and execution and delivery of this Lease by Landlord to Tenant. If any provision contained in a rider or addenda is

inconsistent with a provision in the body of this Lease, the provision contained in said rider or addenda shall control. The captions and paragraph numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of any paragraph.

Landlord:

Tenant:

LAKE WASHINGTON SCHOOL  
DISTRICT NO. 414

CITY OF REDMOND

By \_\_\_\_\_  
Barbara Posthumus, Associate  
Superintendent

By \_\_\_\_\_  
Its Angela Birney, Mayor

Date \_\_\_\_\_

Date \_\_\_\_\_

STATE OF WASHINGTON )

: ss.

County of King )

I certify that I know or have satisfactory evidence that Barbara Posthumus signed this Lease, on oath stated that she was authorized to execute the Lease and acknowledged it as the Director of Business Services of Lake Washington School District No. 414 to be the free and voluntary act of such party for the uses and purposes mentioned in the Lease.

SUBSCRIBED and SWORN to before me this \_\_\_\_\_ day of \_\_\_\_ 2020.

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of

Washington, residing at \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

STATE OF WASHINGTON )

: ss.

County of King )

I certify that I know or have satisfactory evidence that Angela Birney signed this Lease, on oath stated that he was authorized to execute the Lease and acknowledged it as the Mayor of the City of Redmond to be the free and voluntary act of such party for the uses and purposes mentioned in the Lease.

SUBSCRIBED and SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of

Washington, residing at \_\_\_\_\_

My Commission Expires: \_\_\_\_\_