

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS
CONSENT AGENDA REQUEST**

TO: Board of County Commissioners

FROM: Mark McCauley, County Administrator

DATE: April 8, 2024

SUBJECT: Lease Amendment: Castle Hill Associates, LLC Space Leased by Public Health (Water Quality) Correction to the Lease Term

STATEMENT OF ISSUE:

In 2020 the County entered into a five-year lease with Castle Hill Associates, LLC to accommodate the Water Quality Division of the Public Health Department. The term of the lease was five years beginning on December 1, 2020 and running until November 30, 2025. Water Quality didn't occupy the space until January 2021. This resulted in a pen and ink change to the lease document that wasn't processed through the contract approval process nor approved by the Board of County Commissioners.

ANALYSIS:

To correct this condition attached is a formal amendment document that changes the lease term to January 1, 2021 through December 31, 2025.

FISCAL IMPACT:

None.

RECOMMENDATION:

That the Board of County Commissioners approve the attached lease amendment.

REVIEWED BY:


Mark McCauley, County Administrator

3/29/24
Date

CONTRACT REVIEW FORM

(INSTRUCTIONS ARE ON THE NEXT PAGE)

Clear Form

CONTRACT WITH: Castle Hill Associates, LLC

Contract No: CHA Lease Am No. 1

Contract For: Lease at Castle Hill - Water Quality

Term: December 31, 2025

COUNTY DEPARTMENT: County Administrator

Contact Person: Mark McCauley

Contact Phone: 360-385-9130

Contact email: mmccauley@co.jefferson.wa.us

AMOUNT: \$0

Revenue: N/A

Expenditure: \$0

Matching Funds Required: N/A

Sources(s) of Matching Funds: N/A

Fund #: NA

Munis Org/Obj: NA

PROCESS:

- ☐ Exempt from Bid Process
- ☐ Cooperative Purchase
- ☐ Competitive Sealed Bid
- ☐ Small Works Roster
- ☐ Vendor List Bid
- ☐ RFP or RFQ
- ☒ Other: Amendment

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ☒ N/A: ☐

Signature

Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☒ N/A: ☐

Signature

Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 3/26/2024.

Simple amendment changing the lease term.

STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 3/28/2024.

Contract amendment.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL

Amendment No. 1 to the Lease Agreement with Castle Hill Associates, LLC

This Amendment No. 1 to the Agreement is made and entered into by and between Jefferson County and Castle Hill Associates, LLC, herein after known as the "Parties."

WHEREAS, the Parties want to amend the Agreement entered into between them;

NOW, THEREFORE, the Parties agree as follows:

1. **Purpose.** The purpose of this Amendment is to change the lease term from December 1, 2020 through November 30, 2025 to January 1, 2021 through December 31, 2025.

2. **Amendment.**

a. **Addendum 'A'**. 1) the first sentence of this section is amended to read: "The lease shall be for five (5) years beginning January 1, 2021 and ending December 31, 2025."

3. **No Other Change.** All other terms of the Professional Services Agreement between the Parties remain unchanged, except as modified in this Amendment.

(SIGNATURES FOLLOW ON NEXT PAGE)

DATED this _____ day of _____, 2024.

JEFFERSON COUNTY WASHINGTON

CASTLE HILL ASSOCIATES, LLC

Board of County Commissioners
Jefferson County, Washington

Date

By: _____
Kate Dean, Chair Date

By: _____
Heidi Eisenhour, Commissioner Date

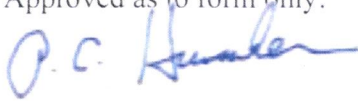
By: _____
Greg Brotherton, Commissioner Date

SEAL:

ATTEST:

Carolyn Gallaway, CMC Date
Clerk of the Board

Approved as to form only:



March 28, 2024

Philip C. Hunsucker Date
Chief Civil Deputy Prosecuting Attorney

Orig: CS
- CE-Andy
11-23-20

**ADDENDUM 'A' TO LEASE DATED DECEMBER 1, 2020,
BETWEEN CASTLE HILL ASSOCIATES LLC, LANDLORD, AND
JEFFERSON COUNTY CENTRAL SERVICES, TENANT**

- JAN 2021*
- 1) The lease shall be for five (5) years beginning ~~December~~ *JAN* 1, 2020 and Ending November 30, 2025. Rent shall consist of Base Rent on 961 sf beginning at \$1.47 psf plus current triple net of .22 psf for a total Year 1 of \$1.69 psf . Thereafter, base rent shall be subject to the Consumer Price Index of .025% annually. Rent to be as follows:

Yr 1	Base Rent: \$1,412.67	Triple Net: \$211.42	Total : \$1,624.09
Yr 2	\$1,447.99	"	Total: \$1,659.41
Yr 3	\$1,484.19	"	Total: \$1,695.61
Yr 4	\$1,521.29	"	Total: \$1,732.71
Yr 5	\$1,559.32	"	Total \$1,770.74

Note: Triple Net may adjust from time to time based on the cost of taxes, building insurance and common area maintenance

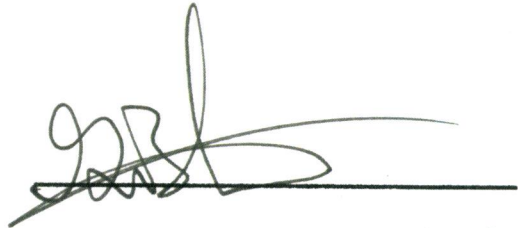
- 2) Tenant to pay all utilities.
- 3) Tenant to advise their employees to not park directly in front of a building or within close range for the convenience of clients and customers.
- 4) HVAC System: Tenant agrees to pay an annual fee for quarterly maintenance of the air conditioning/heating system , currently by Peninsula Heating and Cooling and paid through Castle Hill Associates approximately \$300./yr
- 5) Tenant to provide liability insurance as outlined in the lease prior to occupying or working in the space. Upon submitting this coverage, Tenant has permission to go into the space prior to Dec. 1, 2020, to make improvements with prior Landlord approval.



6) Tenant shall provide an insert for the lighted sign at the front of the building (approved by the City of Port Townsend) and a sign on the street side of the building.

All other terms and conditions of the lease to remain the same.

Accepted and Acknowledged:



Tenant Greg Brotherton, Chair BOCC

11/23/2020

Date



Landlord

11/5/20

Date

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[EACH page needs to be initialed]

LEASE

NAME OF CENTER: CASTLE HILL SHOPPING CENTER

ADDRESS OF SPACE: 1200 W SIMS WAY, SUITE 2, PORT TOWNSEND, WA 98368

PARTIES 1. This lease, date DECEMBER 1, 2020, is made by and Between CASTLE HILL ASSOCIATES LLC (herein called "Landlord") and JEFFERSON COUNTY CENTRAL SERVICES (Herein called "Tenant").

2. Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord that Certain space (herein called "Premises"), having dimensions of approximately 961 ± square feet of floor area. The location and dimensions of said Premises are delineated on Exhibit "A" attached hereto and incorporated by Reference herein. Said Premises are located in the INCL. PRORATA COST OF ENTRY AND HANDICAP BATHROOMS City of PORT TOWNSEND

County of JEFFERSON

State of WASHINGTON

Said lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and Perform each and all of said terms, covenants and conditions by it to be kept and performed.

USE 3. Tenant shall use the Premises for OFFICE And shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

TERM 4. The terms of this lease and commencement of Minimum Rent and Adjustments shall Commence 10 days following substantial completion of LANDLORD'S WORK or when Tenant opens for business, whichever is sooner, and shall then continue for 60 Months, unless sooner terminated as provided in this lease

If tenant accepts possession of the premises prior to the rent commencement date, the Tenant shall be bound by all of the covenants and terms contained herein.

NIA { Landlord agrees that it will, at its sole cost and expense as soon as is reasonably possible After the execution of this Lease commence and pursue to completion the improvements to be erected by Landlord to the extent show on the attached Exhibit "B" labeled "Description of Landlord's Work and Tenant's Work."

[Handwritten signature]

The term "substantial completion of the Premises" is defined as the date of which Landlord or its Project Architect notifies Tenant in writing that the Premises are substantially complete to the extent of Landlord's work specified in Exhibit "B" hereof, with the exception of such work as Landlord cannot complete until Tenant performs necessary portions of its work. Tenant shall commence the installation of fixtures, equipment, and any of Tenant's Work as set forth in said Exhibit "B", promptly upon substantial completion of Landlord's Work in the Premises and shall diligently prosecute such installation to completion, and shall open the Premises for business not later than the date specified for commencement of Minimum Rent in Article 5 hereof.

MINIMUM RENT

5A Tenant agrees to pay to Landlord as Minimum Rent, without notice or demand, the Monthly sum of SEE ATTACHED ADDENDUM A commencing ten (10) days after

Substantial completion of Landlord's Work in the Premises as set forth in Article 4 Herein above or when Tenant opens for business, whichever is sooner: and a like sum, In advance, on or before the first day of each and every successive calendar month Thereafter during the term hereof, except that the first month's rent and deposit, Referred to in Paragraph 6 herein, shall be paid upon the execution hereof. Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein, based on a (30) day month. Said rental shall be paid to Landlord, without deduction or offset, in lawful money of the United State of America, at such place as Landlord may from time to time designate in writing. Also, see paragraph 39.

Tenant shall pay first month's, last month's, and security deposit at signing of the Lease. Last month's rate shall be based on first year's rent and adjusted to actual last month's rent.

5B In addition, the minimum rent as set forth in 5A above shall be subject to being increased by the percentage of increase, if any, in the Consumer Price Index-U.S. Average - All items, as published by the United States Department of Labor's Bureau of Labor-of-labor-Statistics. The base period, for purposes of such adjustment, shall be September of the year in which this Lease is dated above. Each September following the commencement of rental shall then be used for Comparison purposes with any adjustment in Minimum Rent to be effective as of the next succeeding January 1. In no event shall the Minimum Rent be less than the sum as specified above in (A) above. Should the aforementioned Index be discontinued, the Landlord shall select another similar index which reflects consumer prices. (By way of Illustration only, if the September figure for which this Lease is dated above is 120 and the September figure following commencement of rentals is 125, then the Minimum Rent for the next calendar year shall be increased by 4.17%)

SECURITY DEPOSIT

6. Tenant has deposited with Landlord the sum of \$750.
- Said sum shall be held by Landlord as security for the faithful performance by Tenant of all terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the term hereof. If tenant defaults with respect to any provision of this Lease, including, but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within five (5) days after written demand thereof, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original Amount and tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of the Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within (10) days following expiration of the Lease terms. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest.

ADDITIONAL CHARGES

7A Percentage Rent – NOT APPLICABLE UNLESS OTHERWISE STATED IN ADDENDUM

7B ADJUSTMENTS

1. In addition to the Minimum Rent provided in Article 5 herein-above, and commencing
2. As provided in Article 4 herein, Tenant shall pay to Land the following items, herein called Adjustment. Thereafter, all Adjustments will be made on a calendar year basis.
 - a. All real estate taxes, licenses, and insurance premiums on the premises, including land, building, and improvement thereon. Said real estate taxes shall include all real estate taxes and assessments that are levied upon and/or assessed against the premises. ~~Said insurance shall include all insurance premiums for fire, extended coverage, liability, and any other insurance that landlord deems necessary on the premises.~~ Said taxes and insurance premiums for purpose of this provision shall be reasonably apportioned in accordance with the total floor area of the building or buildings of which the premises are a part:

b. The percent of the total cost of the following items as Tenant's total floor area bears to the total floor area of the shopping center which is from time to time completed as of the first day of each calendar quarter.

1. All real estate taxes including assessments, all insurance costs, and all costs to maintain, repair, and replace common areas, parking lots, sidewalks, driveways, and other areas used in common by the tenants of the shopping center.
2. All costs to supervise and administer said common areas, parking lots, sidewalks, driveways, and other areas used in common by the Tenant or occupants of the shopping center, said costs shall include such fees as may be paid to a third party in connection with same and shall in any event include a fee to Landlord to supervise and administer same in an amount equal to fifteen percent (15%) of the total costs of (1.) above.
3. Any parking, charges, utilities surcharges, or any other costs levied, assessed or imposed by, or at the direction of or resulting from statutes or regulations, or interpretation thereof, promulgated by any governmental authority in connection with the use or occupancy of the premises or the parking facilities serving the premises.
4. All taxes, licenses and fees (other than FEDERAL or STATE income taxes) levied by any law, statute or ordinance presently in effect or enacted during the term of this Lease.
5. Mechanical maintenance and/or mechanical maintenance contracts, water, gas sewer, garbage and other services used in common.
6. Upon commencement of rental, Landlord shall submit to Tenant a statement of the anticipated monthly adjustments for the period between such commencement and the following January, and Tenant shall pay same and all subsequent monthly payments concurrently with the payment of Minimum Rent. ~~Tenant shall continue to make said monthly~~ payments until notified by Landlord of a change thereof. By March 1 of each year Landlord shall submit to Tenant upon request, a statement showing the total adjustments for the shopping center for the prior calendar year and Tenant's allocable share thereof, prorated from the commencement of rental. In the event the total of the monthly payments which Tenant has made for the prior calendar year be less than the Tenant's actual share of such adjustments, then Tenant shall pay the difference in a lump sum within ten (10) days after receipt of such statement from Landlord and shall concurrently pay the difference in monthly payments made in the

then calendar year and the amount of monthly payments which are then calculated as monthly adjustments based on the prior year's experience. Any overpayment by Tenant shall be credited toward the monthly adjustments next coming due. The actual adjustments for the prior year shall be used for purposes of calculating the anticipated monthly adjustments for the then current year with actual determination of such adjustments after each calendar year as above provided: excepting that in any year in which resurfacing is contemplated, Landlord shall be permitted to include the anticipated cost of same as part of the estimated monthly adjustments. Even though the term has expired and Tenant has vacated the premises, when the final determination is made of Tenant's share of said adjustments for the year in which this lease terminates, Tenant shall immediately pay any increase due over the estimated adjustments previously paid and, conversely, any overpayment made shall be immediately rebated by Landlord to Tenant.

USES PROHIBITED

- 8 Tenant shall not do or permit anything to be done in or about the premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Building or any of its contents, or cause a cancellation of any insurance policy covering said building or any part thereof or any of its contents. Tenants shall not do or permit anything to be done in or about the premises which will in any way obstruct or interfere with the rights of other Tenants or occupants of the building or injure or annoy them or use or allow the premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises. **Tenant shall not add services or type of goods beyond the services originally approved without permission of the Landlord.** If Tenant makes additional improvements, tenant shall first obtain approval from Landlord and use licensed contractors for all work performed and shall get permission for any contractors wishing to access the roof.

COMPLIANCE WITH LAW

- 9 Tenant shall not use the Premises, or permit anything to be done in or about the premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition, use or occupancy of the premises, excluding structural changes not related to or affected by tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance

or governmental rule, regulation or requirement, shall be conclusive of the fact as between the Landlord and Tenant.

ALTERATIONS AND ADDITIONS

- 10 Tenant shall not make or allow to be made any alterations, additions or improvements to or of the premises or any part thereof without the written consent of Landlord first and obtained approval of any alteration, additions or improvements to or of said Premises, including, but not limited to, wall covering, floor covering, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to the Landlord and shall be surrendered with the premises. In the event Landlord consents to the making of any alteration, additions or improvements to the premises by Tenant, the same shall be made by Tenant at Tenant's sole cost expense. Upon the expiration or sooner termination of the term hereof, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence remove any alterations, additions, or improvement made by Tenant, under previous leases or the current lease, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost expense, repair any damage to the premises caused by such removal. Tenant shall return all keys to the Landlord within five (5) days following termination of the lease or pay for the cost of new keys, if the Landlord so requires.

REPAIRS

- 11A By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair (except as hereinafter provided with respect to Landlord's obligations) including without limitation, the maintenance, replacement and repair of any storefront, doors, window casement, glazing, heating and air-conditioning system (if there is an existing air-conditioning system). Where there is an air-conditioning system, Tenant shall obtain a service contract for repairs and maintenance of said system, said maintenance contract to conform to the requirements under the warranty, if any, on said system), plumbing pipes, electrical wiring and conduits. All Tenants shall carry adequate BLANKET GLASS INSURANCE. Tenant shall, upon expiration or sooner termination of the lease hereof, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

- B Notwithstanding the provisions of Article 11a herein above, Landlord shall repair and maintain the structural portions of the Building, including the exterior walls and roof, unless such

maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by the Tenant, its agents, servants, employees, invitee's, or any damage caused by breaking and entering, in which case Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as provided in Article 25 hereof there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvement in or to any portion of the Building or the Premises or in or to fixtures, appurtenances and equipment therein unless any such repairs, alteration or improvements are untimely made or are negligently performed.

LIENS

- 12** Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligation incurred by Tenant. Landlord may require, at Landlord's sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one half (1-1/2) times the estimated cost of any improvements, additions, or alterations in the premises which the tenant desires to make, to insure Landlord against any liability for mechanics' and material men's liens and to insure completion of the work.

ASSIGNMENT AND SUBLETTING

- 13** Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this lease or any interest therein, and shall not sublet the said premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without the written consent of Landlord first obtained, which consent shall not be unreasonably withheld. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve tenant of any liability under this Lease. If the Tenant is a private corporation, a change in control of the Tenant by sale of stores or otherwise shall be deemed to be an assignment requiring consent hereunder. In the event that the sub-tenant's gross sales is not as great as the Tenant's latest year's gross receipts, the Tenant shall pay the difference to the Landlord if applicable under clause 7A. Such payments are subject to Article 34 General Provisions (ix). Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease.

In the event that Landlord shall consent to a sublease or assignment hereunder, Tenant shall pay Landlord reasonable fees, not to exceed Two Hundred Dollars (\$200.), incurred in connection with the processing of documents necessary to giving such consent.

HOLD HARMLESS

- 14 Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach of default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorney's fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon and in case any action or proceeding be brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant as a material part of the consideration to Landlord hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause other than Landlord's negligence, and Tenant hereby waives all claims in respect thereof against Landlord.

SUBROGATION

- 15 As long as their respective insurers so permit, Tenant hereby waives its right of recovery against the Landlord for any loss insured by fire, extended coverage and other property insurance policies.

LIABILITY INSURANCE

- 16 A Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease, a policy of comprehensive public liability insurance, insuring Landlord and Tenant against any liability arising out of the ownership, use occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than \$1,000,000. for injury or death of one person in any one accident or occurrence and in the amount of not less than \$2,000,000. for injury or death of more than one person in any one accident or occurrence. Such insurance shall further insure Landlord and Tenant against liability for property damage of at least \$500,000. The limit of any such insurance shall not, however, limit the liability of the Tenant hereunder. Tenant may provide this insurance under a blanket policy, provided that said insurance shall have a Landlord's protective liability endorsement attached thereto. Said coverage shall also include glass coverage for all doors and windows in the event Tenant, their agents, servants, employees, invitees, or as a result of breaking and entering,

cause damage of any kind.

UTILITIES

- 17 Tenant shall pay for all water, gas, heat, light, power, sewer charges, telephone service, and all other services and utilities supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Tenant, Tenant shall pay a reasonable proportion to be determined by Landlord of all charges jointly metered with other premises.

PERSONAL PROPERTY

- 18 Tenant shall pay, or cause to be paid, before delinquency any and all taxes levied or assessed and which become payable during the terms hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and any other personal property located in the Premises. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures and other property shall be assessed and taxed with the real property, the Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

RULES AND REGULATIONS

- 19A A Tenant shall faithfully observe and comply with the rules and regulation that Landlord shall from time to time promulgate and/or modify. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant, the current Rules and Regulations hereby attached to this Lease and a part thereof. Landlord shall not be responsible to Tenant for the nonperformance of any said Rules and Regulations by any other tenants or occupants.

- 19B The Tenant shall pay to the Landlord \$50. per day for every day that the Tenant does not obey the Landlord's Rules and Regulations. In the event that the Tenant continues to disobey such Rules and Regulations for a period of greater than 30 days, this Lease may be held in default at the sole option of the Landlord, whereupon the Landlord may, without any further notice, terminate this Lease and take possession of the Premises.

HOLDING OVER

- 20 If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof with the express written consent of Landlord, such occupancy shall be a tenancy from month-to-month at a rental in the amount of one and one half (1-1/2) times the last Monthly Minimum Rent, plus all other charges payable hereunder, and upon all of the terms hereof applicable to month- to- month tenancy.

ENTRY BY LANDLORD

- 21 Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same, to submit said Premises to prospective purchasers or tenants, to post notices of non-responsibility, to repair the Premises and any portion of the Building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent, and may from that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be blocked thereby, and further providing that the business of the Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care to Tenant's property and any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

TENANT'S DEFAULT

- 22 The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.
- a. The vacating or abandonment of the Premises by Tenant.
 - b. The failure by Tenant to make any payment of rent or any other payment required as to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ~~three (3) days after written notice thereof by Landlord to Tenant.~~
 - c. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than described in Article 22b above, where such failure shall continue for a period of thirty (30) days after written notice hereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure with said thirty (30) days period and thereafter diligently prosecutes such cure to completion.
 - d. The making by Tenant of any general assignment or general arrangement for the benefit of creditors, or the filings by or against Tenant of a petition to have Tenant adjudged a bankrupt, or

a petition of reorganization or arrangement under any law relating to bankruptcy (unless, in case of a petition filed against Tenant, the same is dismissed within sixty (60) days; or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days).

- 22e** The failure by Tenant to give a copy of its latest annual financial statement upon thirty (30) days written notice from the Landlord's lender under the following conditions: 1) Such request may occur up to twice annually 2) shall only be if percentage clause included in terms.

REMEDIES IN DEFAULT

- 23** In the event of any such default or breach by Tenant, Landlord may at any time thereafter, with written notice or demand to cure default within 14 days without limiting Landlord in the exercise of a right or remedy, which Landlord may have by reason of such default or breach.

a. Demand full payment of all future Minimum Rent and Adjustments for the unexpired portion of the term of this Lease

b. Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate, and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Premises, expenses of re-letting, including necessary renovation and alteration of the Premises, reasonable attorney's fees; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges and Adjustments called for herein for the balance of the term after the time of such award exceeds the amount of such loss of the same period that Tenant proves could be reasonably avoided; and that portion of any leasing commission paid by Landlord and applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of ten percent (10%). Also a 10% PENALTY on rent paid after the 5th of the month.

c. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent and any other charges and adjustments as may become due hereunder; or

d. Upon breach by Tenant of any of the covenants contained in this Lease, and upon reasonable



notice of such breach given to the Tenant by Landlord, and upon failure to cure such breach within a reasonable time, not to exceed fourteen (14) days, the Landlord shall have the right to declare the term of the Lease ended. Upon such declaration by the Landlord, Tenant shall immediately give up possession of the lease property.

Upon termination of the Lease pursuant to the above paragraph, the Landlord shall have the right to and may: (1) Take peaceable possession of the property, by and peaceable means whatsoever, including but not limited to the placing and changing of locks on the doors of the business; (2) Take peaceable possession of any and all goods and inventory on the Premises. In the event Landlord lawfully re=enters the Premises as provided herein, Landlord shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of owners thereof, which 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 to 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, the balance, if any, to be paid by Tenant.

Tenant agrees that the Landlord shall not be liable for any damages, including but not limited to lost profits and business interruption, for any of the Landlord's actions under this paragraph. Tenant hereby waives any right of action under Chapter 59.12 of the Revised Code of Washington, as amended.

23e Pursue any other remedy now or hereinafter available to Landlord under the laws or judicial decisions of the State in of Washington in which the property is located.

DEFAULT BY LANDLORD

24 Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by ~~Certified Mail by Tenant to Landlord and to the holder of any first mortgage or deed of trust~~ covering the Premises whose names and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or an injunction, and in no case may the Tenant withhold rent or claim a set off from rent.

RECONSTRUCTION

25 In the event the Premises are damaged by fire or other perils covered by extended coverage insurance, Landlord agrees to forthwith repair same, and this Lease shall remain in full force and effect, except the Tenant shall be entitled with the consent of the Landlord, to a proportionate reduction of the Minimum Rent from the date of damage and while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and making of such repairs shall reasonably interfere with the business carried on by the Tenant in the Premises. If the damage is due to the fault of neglect of Tenant or its employees, there shall be no abatement of rent. In the event the Premises are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance, then Landlord shall forthwith repair the same, provided the extent of the destruction be less than ten percent (10%) of the then full replacement cost of the Premises. In the event the destruction of the Premises is to an extent of ten percent (10%) or more of the full replacement cost then Landlord shall have the option; (1) to repair or restore such damage, this Lease continuing in full force and effect, but the Minimum Rent to be proportionately reduced as herein above in this Article provided; or (2) give notice to Tenant at any time within sixty (60) days after such damage, terminating this Lease of the date specified in such notice, which date shall be not more than thirty (30) days after giving of such notice. In the event of giving such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate of the date so specified in such notice and the Minimum Rent, reduced by a proportionate reduction, based upon the extent, if any, to which such damage interfered with the business carried on by the Tenant in the Premises, shall be paid up to date of said such termination. Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any leasehold improvements, fixtures, or other personal property of Tenant.

26 If more than twenty-five percent (25) of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, wither party hereto shall have the right, at its option, within sixty (60) days after such taking, to terminate this Lease upon ~~thirty (30) days written notice. If either less than or more than 25% of the Premises are taken~~ (and neither party elects to terminate as herein provided), the Minimum Rent thereafter to be paid shall be equitably reduced. If any part of the Shopping Center other than the Premises may be so taken or appropriated, Landlord shall within sixty (60) days of said taking have the right at its option to terminate this Lease upon written notice to Tenant. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards and/or settlements which may be given and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

TENANT'S STATEMENT

- 27 Tenant shall at any time from time to time, upon not less than three (3) days prior written notice from landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect and the date to which the rent and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any incurred default if any are claimed, and (c) setting forth the date of commencement of rents and expiration of the term hereof. Any such statement may be relied upon by any prospective purchaser or encumbrances of all or any portion of the real property of which the Premises are a part.

PARKING AND COMMON AREAS

- 28a. Prior to the date of Tenant's opening for business in the Premises, Landlord shall cause said common and parking area or areas to be graded, surfaced, marked and landscaped at no expense to Tenant if Building is of new construction and first time tenancy. Landlord to maintain existing parking and common areas to previously held maintenance schedules.
- b. Tenant, for the use and benefit of Tenant, its agents, employees, customers, licenses and sub-tenants, shall have the non-exclusive right in common with Landlord, and other present and future owners, tenants and their agents, employees, customers, licensees and sub-tenants, to use said common and parking areas during the entire term of this Lease, or any extension thereof, for ingress and egress, and automobile parking.
- c. The Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, regulations and charges for parking as the Landlord may adopt from time to time for the orderly and property operation of said common and parking area. Such rules may include but shall not be limited to the following: (1) THE BUILDING AND COMMON AREAS WITHIN 25' OF THE BUILDING (PER STATE LAW) TO BE "NO SMOKING AREAS" (2) The restricting of employee parking to a limited, designated area or areas; and (3) The regulation of the removal, storage and disposal of Tenant's refuse and other rubbish at the sole cost and expense of Tenant, or as provided in Article 7b.

AUTHORITY OF PARTIES

- 29 a. Corporate Authority, If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of said Corporation in accordance with a duly adopted resolution of the board of directors of said Corporation, a copy of which shall within ten (10) days of the date of this Lease be delivered to Landlord by Tenant, in accordance with the bylaws

Of said Corporation, and that this Lease is binding upon said Corporation in accordance with its terms. Owners shall additionally execute written personal guarantees to the Leas

- b. Limited Partnerships. If the Landlord herein is a limited partnership, it is understood and agreed that any claims by Tenant on Landlord shall be limited to the assets of the limited partnership, and furthermore, Tenant expressly waives any and all rights to proceed against the individual partners, or the officers, directors or shareholders of any Corporate partner, except to the extent of their interest in said limited partnership.

SIGNS

- 30 The Tenant may affix and maintain upon the glass panes and supports of the show windows and within twelve inches (12") of a window and upon the exterior walls of the Premises only such signs, advertising placards, names, insignia, trademarks and descriptive material as shall have first received the written approval of the Landlord as to type, size, color, location, copy nature and display qualities. Anything to the contrary in this Lease notwithstanding, Tenant shall not affix any sign to the roof. Tenant shall however, erect an electric sign face on the front of the Premises not later than the date Tenant opens for business, in accordance with a design to be prepared by Tenant and approved in writing by Landlord and thereafter submitted for final approval by the City of Port Townsend.

DISPLAYS

- 31 The Tenant may not display or sell merchandise or allow grocery carts or other similar devices within the control of Tenant to be stored or to remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install any exterior lighting, amplifiers or similar devices or use in or about the Premises, any advertising medium which may be heard or seen outside the Premises, such as flashing lights, search lights, loud speakers, phonographs or radio broadcasts.

AUCTIONS

- 32 Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the Premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

HOURS OF BUSINESS

- 33 Subject to the provisions of Article 25 hereof, Tenant shall continuously during the entire term hereof conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses of like character in the city

in which the premises are located to be open for business, provided, however, that this provision shall not apply if the Premises should be closed and the business of Tenant temporarily discontinued therein on account of strikes, lockouts or similar causes beyond the reasonable control of Tenant or closed for not more than three (3) days out of respect to the memory of any deceased officer or employee of Tenant, or the relative of any such officer or employee. Tenant shall keep the Premises adequately stocked with merchandise, and with sufficient sales personnel to care for the patronage, and to conduct said business in accordance with sound business practice.

In the event of breach by the Tenant of any of the conditions in this Article contained, the Landlord shall have, in addition to any and all remedies herein provided, the right at this option to collect not only the Minimum Rent herein provided, but additional rent at the rate of one-thirtieth (1/30) of the Minimum Rent herein provided for each and every day that the Tenant shall fail to conduct its business as herein provided; said additional rent shall be deemed to be in lieu of the Tenant's failure to conduct its business as herein provided.

GENERAL PROVISIONS

34

- a. **Plats and Riders** Clauses, plats, riders and addendums, if any affixed to this Lease are a part here.
- b. **Waiver** The waiver by Landlord of any terms, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding default at the time of the acceptance of such rent.
- c. **Joint obligation** If there are more than one Tenant, the obligations hereunder imposed shall be joint and several.
- d. **Marginal Headings** The marginal headings and article titles to the articles of this Lease are not a part of the Lease and shall have no effect upon the construction or interpretation of any part here.
- e. **Time** Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.
- f. **Recordation** Neither Landlord nor Tenant shall record this Lease, but a short form memorandum hereof may be recorded at the request of Landlord
- g. **Quiet Possession** Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Lease.

h. Late Charges Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any sum due from Tenant shall not be received by Landlord or Landlord's designee by the 5th of the month, then Tenant shall pay Landlord a late charge equal to ten percent (10%) of such overdue amount, plus any attorney's fees incurred by Landlord by reason of Tenant's failure to pay rent and/or other charges when due hereunder. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges by the Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

i. Prior Agreement This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to accept by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

j. Inability to Perform This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such Inability or delay is caused by reason of strike, labor troubles, acts of God or any other cause beyond the reasonable control of the Landlord.

k. Partial Invalidity Any provision of the Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

l. Cumulative Remedies No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

m. Attorney's Fees In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover for the fees of its attorneys in such action or proceeding, including costs of appeal, if any, in such amount as the court may adjudge reasonable as attorney's fees. In addition, should it be necessary for Landlord to employ legal counsel to enforce any of the provisions herein contained, Tenant agrees to pay all attorneys' fees and court costs reasonably incurred.

n. **Sales of Premises by Landlord** In the event of any sale of the Premises by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this Lease.

o. **Subordination, Attornment** Upon request of the Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any mortgage, or deed of trust, to any bank, insurance company or other lending institution, now or hereafter in force against the Premises, and to all advances made or hereafter to be made upon the security thereof

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease

The provisions of this article to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term hereof.

p. **Notices** All notices and demands which may or are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by the Landlord to the Tenant shall be sent by United States Mail, postage prepaid, addressed to the Tenant at the address herein below, or to such other place as Tenant may from time to time designate in a notice to the Landlord. All notices and demands by the Tenant to the Landlord shall be sent by United States Certified Mail, postage prepaid, addressed to the Landlord at the address set forth herein, and to such other person or place as the Landlord may from time to time designate in a notice to the Tenant.

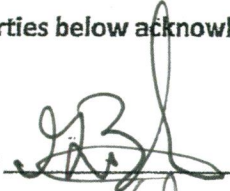
To Landlord at 1200 W SIMS WAY, SUITE D, PORT
TOWNSEND, WA 98368 360-385-0819
ICASSOC02@GMAIL.COM

To Tenant at _____

35 Tenant warrants that it has had no dealings with a real estate broker or agents in connection with the negotiation of this lease except: NONE

- 36 Any disagreement between the parties with respect to the interpretation or application of the Lease or the obligations of the parties hereunder may be determined by arbitration. Such arbitration may be conducted only upon the sole request of the Landlord before one arbitrator designated by the American Arbitration Association and in accordance with the rules of such Association. The arbitrator designated and acting under this Lease shall make his award in strict conformity with such rules and shall have no power to depart from or change any of the provisions thereof. The expenses of arbitration, together with reasonable attorneys' fees and costs incurred, shall be the responsibility of the losing party, all as determined by the arbitrator and notwithstanding any contrary provisions in the rules of the American Arbitration Association. All arbitration proceedings shall be conducted in the City of Port Townsend, Wa or any other locations the property resides at the sole option of the Landlord.
- 37 If this Lease had been filled in, it has been prepared for submissions to Tenant's attorney for his approval. No representation or recommendation is made by the Landlord, real estate broker or its agents or employees as to the legal sufficiency, legal effect or tax consequences of this Lease or the transactions relating thereto.
- 38 Shopping Center is a "No Smoking Facility, applicable to the interior areas of the building and within 25' of the exterior of the Building

The parties below acknowledge and agree to the above and attached addendums.

Tenant  Greg Brotnerton, Chair BOCC Date 11/23/2020

Tenant  Kate Dean, Commissioner Date 11/23/2020

Landlord  Date 11/5/20



STANDARD OPTION AGREEMENT

The Tenant shall have the option, to be exercised only as hereinafter provided, to extend the term of this Lease for an additional 510E (5) full calendar year (s) following the initial term hereof, but only upon condition that there is no default in the performance of any condition of this Lease at the time of the exercise of this option or at the time of commencement of this renewal period. The option all only be exercised by Tenant delivering written notice thereof to the Landlord not less than 90 days prior to the expiration of the original term. Upon such exercise, this Lease shall be deemed to be extended without the execution of any further Lease or other instrument. The terms and conditions during the renewal period shall be the same as the terms and conditions during the original term of this Lease, EXCEPT for MONTHLY MINIMUM RFNT, which shall be negotiated if not set forth in the previous period Lease agreement. Under no conditions whatsoever is this Standard Option Agreement assignable, unless authorized in writing by the Landlord.

Tenant [Signature] Greg Brotherton, Chair BOCC Date 11/23/2020

Tenant [Signature] Kate Dean, Commissioner Date 11/23/2020

Landlord [Signature] Date 11/15/20

[Signature]

Rules and Regulations

Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate and/or modify. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules and regulations by any other tenants or occupants. This is a "No Smoking Facility" inside of the building and by Washington State Law within 25' of the exterior of the building.

The tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, regulations for parking as the Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. The following rules and regulations are now in effect:

1. Rents are due on the 1st of the month. All rents received after the 5th of the month shall be subject to late fees of 10%.
2. If tenant has a heat pump or A/C unit, Tenant shall be responsible for the annual cost of a maintenance contract with Air Flow Heating or approved Landlord heating contractor.
3. Approval of signs by Landlord also includes signs in and on the windows and doors.
4. If Tenant needs to go on the roof or have a contractor go on the roof for any reason, Tenant must get Landlord's permission in advance.
5. All renovations within Tenant's rental space needs to be reviewed and approved by Landlord before such work is started.
6. Plumbing and electrical work needs to be done by a licensed and bonded professional.
7. Tenant shall make sure that the liability insurance is a minimum \$1,000,000 and the Landlord listed on the binder as "additional insured". A copy of the renewal binder shall be forwarded to landlord prior to expiration of current lease period on an annual basis.
8. Tenant shall be responsible and liable for all glass damage. Tenant should make sure that this is covered in tenant's insurance policy as adequate blanket coverage.
9. If Tenant changes the use, in part or as a whole, offering goods and services not approved at the onset of the lease or subleases all or part of the space, Tenant shall first get Landlord approval for such changes or additions to services, good or subtenants.
10. Tenants are responsible for all inside and outside light bulb replacements.
11. Tenants are responsible for keeping doors, locks and hardware in operable condition.
12. Any change in keys must be approved by Landlord and a key provided to Landlord. Any key or lock changes must be accomplished by Terry's Lock and Key, Port Townsend, Wa.
13. Tenant shall not make noises, cause disturbances, or create odors which may be offensive to or disturb the other Tenants and customers of the Premises.
14. Tenant shall not allow children to be on or around the premises unsupervised or to otherwise disturb other Tenants or their customers.
15. Tenant shall use at Tenant's cost such pest extermination contractor as Landlord may direct and at such intervals as Landlord may require.

Initial _____

Pg 1 of 2

Pg. 22

16. All garbage and refuse shall be disposed of in the container(s) specified by Landlord located at the exterior of the building in a timely manner and prepared for collection as specified by the Landlord at Tenant expense.
17. Any electronic device necessitating an exterior antenna or other fixture shall first be approved by the Landlord.
18. Parking for Tenants and their employees may be restricted by the Landlord in designated areas only.
19. The loading and unloading of goods shall be done only at such times, in the areas, and through the entrances designated for such purposes by Landlord.
20. The delivery or shipping of merchandise, supplies and fixtures to and from the Leased Premises shall be subject to such rules and regulations as Landlord specifies and are necessary for the proper operation of the Leased Premises or Shopping Center.
21. If the Leased Premises are equipped with heating facilities separate from those in the remainder of the premises, Tenant shall keep the Leased Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.
22. The plumbing facilities shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant who shall, or whose employees, agents or customer shall have caused.
23. Tenant shall not burn any trash or garbage of any kind in or about the leased premises or the Shopping Center.
24. Pets shall not be allowed on or around the premises with the exception of seeing eye dogs or by specific permission from Landlord.


Tenant Greg Brotherton, chair BOCC

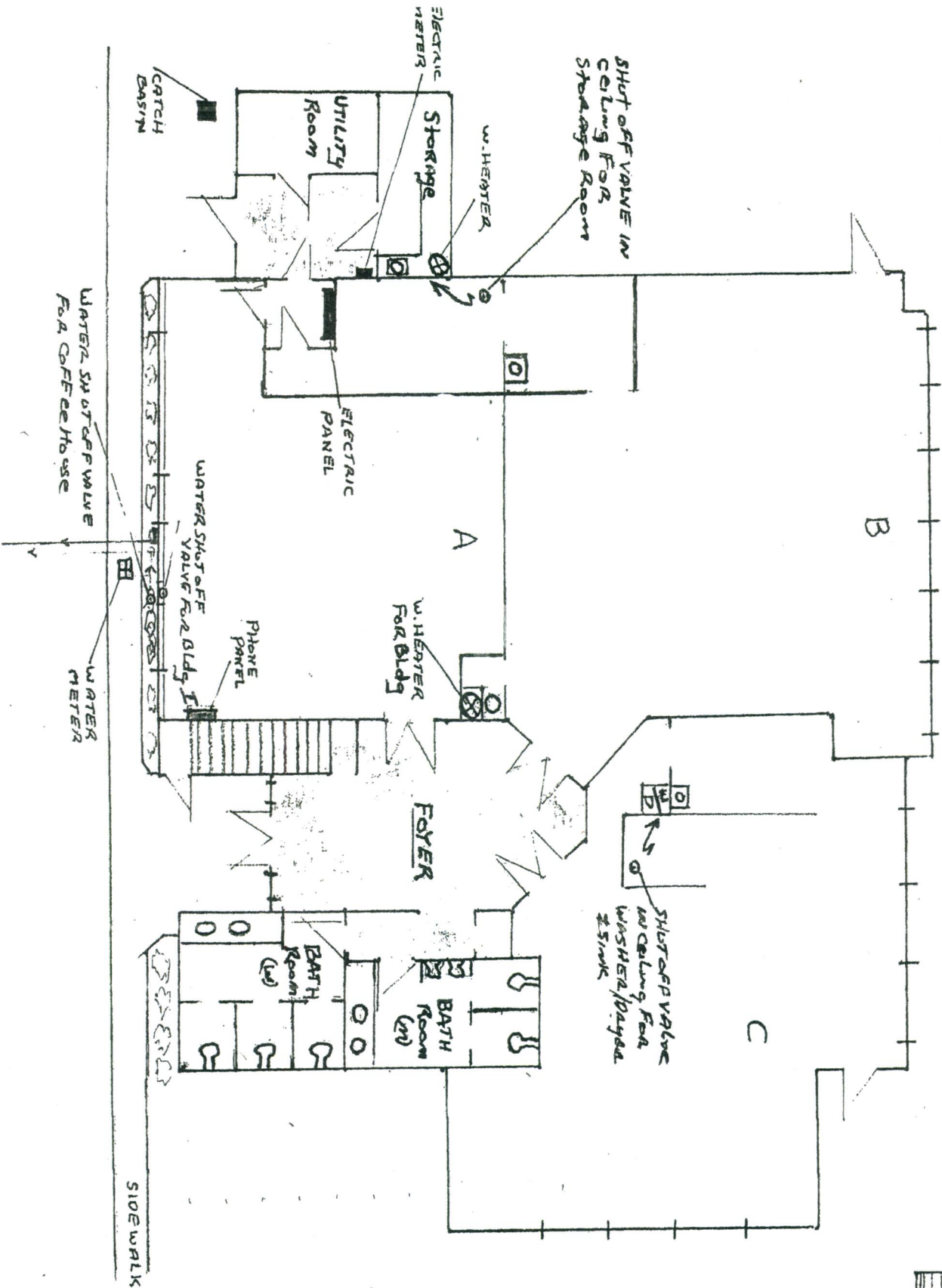
11/23/2020
Date


Tenant Kate Dean, Commissioner

11/23/2020
Date



CH Bldg. I / Water, Electric, Phone



STATE OF WASHINGTON) (Tenant)
COUNTY OF JEFFERSON) ss.

On this 23rd day of November, 2020, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Greg Bratherton to me known to be the Chair of The BOCC that executed the foregoing LEASE AGREEMENT, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and seal hereto affixed the day and year in this certificate above written.



Carlyn Gallaway
NOTARY PUBLIC in and for the State of
Washington, residing in Jefferson
County
My commission expires 3/29/22

STATE OF WASHINGTON) (Lord Lord)
COUNTY OF JEFFERSON) ss.

On this 10 day of August, 1998, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared James M. Smith to me known to be the President of Smith the corporation that executed the foregoing LEASE AGREEMENT, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and seal hereto affixed the day and year in this certificate above written.

NOTARY PUBLIC in and for the State of
Washington, residing in _____



**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
Philip Morley, County Administrator

FROM: Mark McCauley / Matthew Court *11/20/2020*

DATE: 11/23/2020

SUBJECT: Request to approve Lease for Water Quality Department

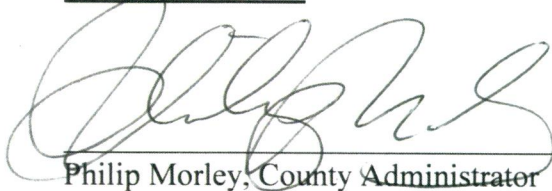
STATEMENT OF ISSUE: The issue is the lack of office space at the County's Castle Hill complex to properly accommodate the departments utilizing the space.

ANALYSIS: This opportunity to move the Water Quality Department out of the main Health Department building will allow both groups to operate more efficiently during normal circumstances along with allowing for easier compliance with social distancing while at work during current times. The new space is 960 Square Feet located inside of the castle hill complex on the opposite side of the parking lot from the Health Department. As well this will free up space for the Health department to expand into the previously occupied area.

FISCAL IMPACT: \$21,738 for the first year increased at *.25%* each year for 5 years

RECOMMENDATION: I recommend the board approves this lease

REVIEWED BY:


Philip Morley, County Administrator

11/20/2020

Date

CONTRACT REVIEW FORM

CONTRACT WITH: Castle Hill Associates LLC
(Contractor/Consultant)

TRACKING NO.: _____

CONTRACT FOR: Lease for Water Quality Department

TERM: _____

COUNTY DEPARTMENT: Facilities

For More Information Contact: Matthew Court
Contact Phone #: 360-531-1591

NOV 10 2020

RETURN TO: Matthew Court
(Person in Department)

RETURN BY: 11/11/2020

JEFFERSON COUNTY
COMMISSIONERS

AMOUNT: 1624.09 pr/month

- PROCESS:
- ☐ Exempt from Bid Process
 - ☐ Consultant Selection Process
 - ☐ Cooperative Purchase
 - ☐ Competitive Sealed Bid
 - ☐ Small Works Roster
 - ☐ Vendor List Bid
 - ☐ RFP or RFQ
 - ☒ Other

Revenue _____
Expenditure \$ 1624.09 pr/month
Matching funds Required _____
Source(s) of Matching Funds _____

Step 1:

REVIEW BY RISK MANAGEMENT

Review by: _____

Date Reviewed: _____

☒ APPROVED FORM

☐ Returned for revision (See Comments)

Comments _____

Step 2:

REVIEW BY PROSECUTING ATTORNEY

Review by: P.C. Hunsucker

Philip C. Hunsucker

Date Reviewed: 11/10/2020

Chief Civil Deputy Prosecuting Attorney

☒ APPROVED AS TO FORM

☐ Returned for revision (See Comments)

Comments: * This is a pretty standard pro- lessor office lease. It does not have any indemnity or insurance provisions for the lessor's compliance - but the amount of the lease may not justify it. It has a prevailing party attorney fee provision. Risk Management decision whether to the best of the knowledge of the office.

Step 3:

(If required) DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY

Step 4:

CONTRACTOR/CONSULTANT SIGNS APPROPRIATE NUMBER OF ORIGINALS

Step 5:

SUBMIT TO BOCC FOR APPROVAL

Submit original Contract(s), Agenda Request, and Contract Review form. Also, please send 2 copies of just the Contract(s) (with the originals) to the BOCC Office. Place "Sign Here" markers on all places the BOCC needs to sign.

MUST be in BOCC Office by 4:30 p.m. TUESDAY for the following Monday's agenda.

(This form to stay with contract throughout the contract review process.)

CASTLE HILL ASSOCIATES LLC
1200 W. SIMS WAY, SUITE D
PORT TOWNSEND, WASHINGTON 98369
360-385-0819

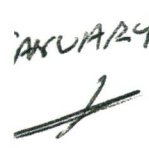
Date: October 26, 2020

To: Matt Court, Jefferson County Central Services

Hi Matt:

Enclosed please find the lease for the space at 1200 W. Sims Way, Suite C. 

The total rent, including triple net, is \$1.69 at inception. There is no change in the total but I had quoted .20 for triple net when it is actually .22 cents, thereby bringing the base rent as I had mentioned to \$1.47 psf/mo.

 Upon receipt of liability insurance you may enter the premises prior to your ~~December~~ ^{JANUARY} 1, 2020 lease start date to paint or make improvements preapproved by the Landlord.

Please see Addendum "A" for a summary. The lease has a standard CPI clause but we charge a little less, .025%, for PT, than the 5 yr published average that is higher.

We will provide you with a couple of keys for the handicapped bathrooms. Our office is located above your space. My partner and I are in and out but our Office Manager, Paige McLaughlin, is there Tue, Wed, Thur from 9-2.

Please look over the lease and if approved, please sign and notarize your signature. Please add information on Page 18 regarding "Notices". If you have any questions, please don't hesitate to call.

Sincerely,

Shirley Rudolph and Ken McBride, Owner/Partners

