



# Administration and Finance Committee Minutes

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December 8, 2022  
 4:00 PM  
 \*Hybrid Meeting\*  
 Virtual/Council Chambers

Commence: 4:00 PM  
 Adjourn: 5:13 PM

Committee Members:	Present	Absent
Councilmember Takele Gobena, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deputy Mayor Senayet Negusse	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Councilmember Iris Guzmán	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Other Council Members Present: Peter Kwon

Staff Coordinator: Gwen Pilo, Finance & Systems Director

1. Call to Order	<i>Councilmember Takele Gobena called the meeting to order at 4:00 PM.</i>
2. Public Comment	<i>None.</i>
3. Review of the Minutes	<p><u> X </u> Recommended for Approval</p> <p><i>A copy of the 10/13/2022 minutes were provided to the committee for review. The committee approved the minutes as presented.</i></p>
4. Council/City Manager Travel Approval	<p><u> X </u> Recommended for Approval</p> <p><i>Finance &amp; Systems Director Gwen Pilo presented the following items for approval:</i></p> <ol style="list-style-type: none"> <li><i>1. Expense approval for Councilmember Guzmán</i>  <i>NLC City Summit</i>  <i>Lodging: \$1,251.55</i>  <i>Meals: \$133.65</i>  <i>Transportation: \$42.00</i>  <i>Total: \$1,427.20</i></li> </ol> <p><i>The committee voted to approve.</i></p> <ol style="list-style-type: none"> <li><i>2. Expense approval for Councilmember Kwon</i>  <i>NLC City Summit</i></li> </ol>

	<p><i>Transportation: \$161.14</i></p> <p><i>The committee voted to approve.</i></p> <p>3. <i>Expense approval for Mayor Simpson NLC City Summit Loging: \$1,366.82</i></p> <p><i>The committee voted to approve.</i></p>
<p>5. Plan Review Consultant Contract</p>	<p><u>X</u> Recommended for Approval</p> <p><i>Building Services Manager Mary Kate McGee presented to the committee a motion to renew CWA Consultants Building Plan Review contract. The City uses a consultant to review complex and highly technical designs for new constructions. The City has used this third-party reviewer since 2016. The proposal is budget neutral, as permit applicants pay for third-party review fees. The committee recommended this item for approval, and it will be presented on the Consent Agenda at a future Regular City Council Meeting.</i></p>
<p>6. Planning Commission Membership and Scope of Work Amendments (CRF2022-01 Rental Commission)</p>	<p><u>X</u> Recommended for Approval (amended)</p> <p><i>Community and Economic Development Director Evan Maxim presented to the committee a proposed approach and draft code for Planning Commission Membership and Scope of Work, as recommended by the PED Committee. The PED Committee reviewed CRF2022-01 regarding the establishment of a Renter’s Commission and proposed a change to the current Planning Commission in response to the request. The A&amp;F Committee discussed the proposal and recommended changes to the commission membership, increasing the total members from 7 to 9, with a preference of at least two renters and two homeowners. This item, including the proposed amendment, will be presented as an Action Item at a future Regular Council Meeting.</i></p>
<p>7. Lease Agreement between Polaris &amp; SeaTac for Police Department Community Substation</p>	<p><u>X</u> Recommended for Approval</p> <p><i>Senior Management Analyst Brion Humenay presented to the committee a proposed lease agreement between Polaris at SeaTac LLC and the City of SeaTac for the Police substation within the Polaris development at International Boulevard and South 154<sup>th</sup> Street. The contract amount for the lease agreement is consistent with the amount allocated in the approved 2023-2024 Biennial Budget. The committee recommended this item for approval, and it will be presented as an Action Item at a future Regular Council Meeting.</i></p>

8. November Investment Report	<u>X</u> Informational Update <i>Finance &amp; Systems Director Gwen Pilo presented the November 2022 Portfolio Analysis and the Q3 Investment Compliance Report.</i>
9. Adjourn	<i>Councilmember Takele Gobena adjourned the meeting at 5:13 PM.</i>



## MEMORANDUM

To: Administration & Finance Committee  
From: Government Relations and Communications Manager Kyle Moore  
Date: 01/12/2023  
Re: 2023-24 State and Federal lobbyist contracts

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The City of SeaTac currently employs Gordon Thomas Honeywell (GTH) as its state and federal lobbyists. Since employing the contract lobbyists, SeaTac has enjoyed a successful track record of advocating for City issues. The state and federal contracts need to be renewed for a two-year period. The budget for both contracts was approved in the 2023-24 biennium budget.

Since the contract amounts exceed the \$50,000 signing authority of the City Manager, staff is seeking A&F Committee recommendation to authorize the City Manager to enter into contracts with GTH for lobbyist services for 2023-24. Staff is seeking A&F Committee recommendation to place the item on the Consent Agenda at the January 24, 2023 Regular Council Meeting.

The City has contracted with GTH since 2012. Some of the successes the City has experienced since hiring GTH in 2012 include:

### **Budget Successes**

- \$1.9 billion in the Transportation Budget for SR 509 extension / Puget Sound Gateway Project (2015 Legislative Session)
- \$6 million in the Transportation Budget for the 28th/24th Bridge (2015 Legislative Session)
- Advancement of \$36 million of the Puget Sound Gateway Project, plus retention of cost savings (2017 Legislative Session)
- \$300,000 in the Operating Budget for an airport impact study (2018 Legislative Session)
- Secured proviso in the Operating Budget allocating \$3.88 million to the Department of Corrections to provide higher rates for beds at the SCORE facility (2019 Legislative Session)
- \$100,000 in the Capital Budget to complete predesign of a Pedestrian Overpass over International Blvd. (2020 Legislative Session)

### **Policy Successes**

- Passed legislation providing cities first priority lien authority in recovering nuisance abatement costs (2016 Legislative Session)

- Secured a budget proviso providing cities a greater share of OPD grants for public defense funding (2017 Legislative Session)
- Passed legislation amending the Foreclosure Fairness Act to provide cities and other local governments additional tools in addressing abandoned and foreclosed homes constituting a nuisance (2018 Legislative Session)
- Passed legislation authorizing tolling for the Puget Sound Gateway Project, necessary for its advancement, and accelerating the project three years (2019 Legislative Session)

For the 2023-24 sessions. GTH will be helping the City with the following agenda topics:

- Increase Workforce Development Opportunities
- Centralized SeaTac Community Park & Protecting Parkland from Development
- Increased Behavioral Health Services
- Affordable Housing and Homelessness
- Combating Human Trafficking
- Electric Vehicles Infrastructure
- Defend Transportation Projects: SR 509 and SR 518
- Support Broadband Access for all SeaTac Residents
- South Correctional Entity Regional Jail (SCORE)
- Safe Streets and Roads for All Grant Application (\$14 Million dollars)
- FAA Reauthorization Act
- FAA Part 150 Study
- 65 DNL evaluation and alternative metrics
- Overflight noise/human health study

Both the state and federal contracts would run from January 2023 to December 31, 2024.

The total cost of the state contract for the two-year budget is \$108,696. In 2023, the City will pay GTH \$4,122 per month, or \$49,464 for the year. This is an increase of \$789 a month over the existing contract or \$9,468 a year. In 2024, the City will pay \$4936 a month or \$59,232 a year. This is an increase of \$814 a month or \$9,768 a year from the 2023 rate. This amount is already budgeted in the City Manager's Communications budget for 2023-24.

For the federal contract, the total cost is \$150,000 over the two-year budget cycle. The City will pay GTF in 2023 \$6,000 a month or \$72,000 a year. This is zero percent increase over the 2022 rate. In 2024 the City will pay \$6,500 a month or \$78,000 a year. This is a \$500 a month increase or \$6000 a year increase over 2023 rates. This amount is already budgeted in the City Manager's Communications budget for 2023-24.

The proposed contracts are in substantially similar form as attached, including the Scope of Work (Attachments A &B)

**STATE LOBBYING SERVICES  
CONSULTANT CONTRACT**

THIS CONTRACT is made and entered into effective upon the date of the final signature attached hereto, by and between the City of SeaTac, a code city and municipal corporation of the State of Washington, hereinafter referred to as the “City”, and Gordon Thomas Honeywell Government Affairs, hereinafter referred to as the “Consultant” on the following terms and conditions.

- 1. EMPLOYMENT. The City hereby agrees to retain and employ the Consultant, as an independent contractor, and the Consultant hereby agrees to serve the City pursuant to this Contract.
- 2. SCOPE OF SERVICES. The Consultant shall be responsible for representing the City and its interests as assigned by the City Manager before the Washington State Legislature, Governor’s Office, Washington State agencies and other organizations as may be necessary. Consultant’s services will not include the provision legal services and the protections of the attorney-client relationship will not exist between Consultant and the City. A scope of services is detailed in Attachment A to this Contract.
- 3. TIME PERIOD. The Consultant shall not begin work under this Contract until authorized to do so in writing by the City. This contract will expire on December 31, 2024, unless terminated as outlined in Section 11; however, the City reserves the right to amend the Scope of Services and extend said contract one (1) additional 2-year (24 month) term by mutual agreement between the Consultant and City.
- 4. PROFESSIONAL STANDARDS. The Consultant warrants that all members who will represent the City are, and shall remain, registered pursuant to RCW 42.17.150 et seq. and shall comply with all statutes regarding the registration and reporting of lobbyists. The Consultant shall, at all times, conduct himself in compliance with all laws and regulations, and in a manner becoming to a representative of the City, and in accordance with the best interests of the City in legislative matters.
- 5. COMPENSATION. The City shall pay to the Consultant for services rendered under this agreement as follows:

- January 1, 2023 thru December 31, 2023: \$4122
- January 1, 2024 thru December 31, 2024: \$4936
- January 1, 2025 thru December 31, 2025 (if extended): \$5774
- January 1, 2026 thru December 31, 2026 (if extended): \$6126

The Consultant shall bill the City monthly for services rendered in the previous month. Bills are paid on the 5th and the 20th of the month adjusted for any holidays.

- 6. RECORDS INSPECTION & AUDIT. All compensation payments shall be subject to adjustments for any amounts found, upon audit or otherwise, to have been improperly invoiced, and all records and books of account pertaining to any work performed under this Contract shall be subject to inspection and audit by the City for a period of up to three (3) years from final payment of work performed under this Contract.
- 7. OWNERSHIP OF DOCUMENTS. All reports, records and other documents produced during or as a result of services rendered pursuant to this Contract shall be the property of the City and shall not be property

of the Consultant. Any reuse of such documents on or for any project other than that covered under this Contract shall be without liability or legal exposure to the Consultant.

8. EQUAL EMPLOYMENT OPPORTUNITY. The Consultant shall strictly abide by all local, state and federal equal employment opportunity laws and policies relating to the non-discrimination in hiring and employment practices, and assuring the service of all clients, customers or involved members of the public without discrimination.
9. INSURANCE. Consultant shall provide proof of automobile insurance and keep such insurance in force during the entire term of the contract.
10. LICENSING. Consultant shall obtain and retain State of Washington and City of SeaTac business licenses during the duration of this contract.
11. INDEMNIFICATION. Consultant shall indemnify and hold harmless the City and its officers, agents and employees from any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the Consultant, its officers, agents and employees, or any of them relating to or arising out of the performance of this Contract; and if final judgment be rendered against the City and its officers, agents and employees or any of them, or jointly against the City and the Consultant and their respective officers, agents and employees, or any of them, the Consultant shall satisfy the same to the extent that such judgment was due to the Consultant's negligent acts or omissions.

The City shall indemnify and hold harmless the Consultant and its officers, agents and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the City, its officers, agents or employees, or any of them relating to or arising out of the performance of this Contract, and if final judgment be rendered against the City and its officers, agents and employees, or any of them, or jointly against the Consultant and the City and their respective officers, agents and employees, or any of them, the City shall satisfy the same to the extent that such judgment was due to the City's negligent acts or omissions.

12. RESTRICTION AGAINST ASSIGNMENT. Consultant shall not assign this Contract or any interest herein, nor any money due or to become due hereunder without first obtaining the written consent of the City, nor shall the Consultant subcontract any part of the consulting services to be performed hereunder, without first obtaining the consent of the City.
12. TERMINATION OF CONTRACT. Performance of the consulting services under this Contract may be terminated for any cause deemed sufficient by either the City or the Consultant, in whole or in part, at any time, by either party giving the other written notice of such termination, specifying the extent and effective date thereof, but not sooner than thirty (30) days from date of such notice, providing that the Consultant shall complete and be compensated for any project or duties previously assigned and accepted, and shall be compensated for all expenses incurred or committed to, that cannot be canceled.
13. CONTRACT ADMINISTRATION. This Contract shall be administered by Josh Weiss on behalf of the Consultant and City Manager on behalf of the City. Any written notices required by terms of this Contract shall be served or mailed as follows:

If to the City:

City Manager  
City of SeaTac - City Hall  
4800 S. 188<sup>th</sup> Street  
SeaTac, WA 98188

If to the Consultant:

13. MERGER AND AMENDMENT. This Contract contains the entire understanding of the parties with respect to the matters set forth herein any prior or contemporaneous understandings are merged herein. This Contract shall not be modified except by written instrument executed by all parties hereto.

CITY OF SEATAC

Gordon, Thomas, Honeywell

By: \_\_\_\_\_

By: \_\_\_\_\_

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

Name: Josh Weiss

Title: City Manager \_\_\_\_\_

Title: State Lobbyist, Partner

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

City Attorney



## **Attachment A: Scope of Work**

- Develop an internal and external legislative agenda.
- Develop a legislative strategy and action plan for each item on the external legislative agenda.
- Perform background research on potential legislative agenda items, including researching existing law, and the political implications of pursuing potential legislative agenda items.
- Lobby to amend, defeat or pass legislation or budgets that directly affect the City's legislative priorities as outlined on the external agenda.
- Attend all essential legislative hearings.
- Testify and/or sign-in on behalf of the City on legislation of significant interest.
- Strengthen relevant legislative relationships between the City, state legislators, and executive offices.
- Meet with the City's legislative delegation on a regular basis before, during, and after the legislative session.
- Brief City officials on legislative activity and attend City Council and City staff meetings as requested by the City manager or his designee.
- Provide the City with weekly written and oral reports during the Legislative Session and be available for daily communication via phone and email.
- Present an end-of-session report that recaps the legislative session in full.
- Monitor state legislation and provide the City with comprehensive bill tracking, which identifies those issues likely to impact the City and in what manner they will impact the City.

**AGREEMENT FOR PROFESSIONAL SERVICES**  
**Between**  
**CITY OF SEATAC**  
**And**  
**GORDON THOMAS HONEYWELL GOVERNMENTAL AFFAIRS (FEDERAL)**

This Agreement is entered into by and between the City of SeaTac and Gordon Thomas Honeywell Governmental Affairs (hereinafter referred to as “Consultant”), upon the following terms and conditions:

**A. Scope of Work.** Consultant will advise and assist the City of SeaTac in accordance with Consultant’s Scope of Work, described in Attachment “A” hereto and incorporated herein, and Consultant will do and produce such other things as are set forth in the Scope of Work (the “Services”). Consultant’s Services will be in compliance with applicable laws, regulations, rules, orders, licenses and permits, now or hereinafter in effect, and Consultant shall furnish such documents as may be required to effect or evidence such compliance.

**B. Compensation; Expenses.** The City of SeaTac will pay Consultant for satisfactorily rendered Services in accordance with the specific terms set forth in Attachment “A.”

**C. Invoices; Payment.** Consultant will furnish the City of SeaTac invoices at regular intervals, as set forth in Attachment “A.”

**D. Term.** Consultant shall promptly begin the Services hereunder on the date set forth in Attachment “A” and shall terminate same on the date set forth in Attachment “A,” unless earlier terminated by mutual agreement. The City of SeaTac or Consultant may terminate Consultant services for convenience at any time prior to the termination date set forth in Attachment A, provided that either party provides 30-days’ notice.

**E. Ownership of Work Product.** The product of all work performed under this agreement, including reports, and other related materials shall be the property of the City of SeaTac or its nominees, and the City of SeaTac or its nominees shall have the sole right to use, sell, license, publish or otherwise disseminate or transfer rights in such work product.

**F. Independent Contractor.** Consultant is an independent contractor, and nothing contained herein shall be deemed to make Consultant an employee of the City of SeaTac, or to empower Consultant to bind or obligate the City of SeaTac in any way. Consultant is solely responsible for paying all of Consultant’s own tax obligations, as well as those due for any employee/subcontractor permitted to work for Consultant hereunder.

**G. Release of Claims; Indemnity.** Consultant hereby releases, and shall defend, indemnify, and hold harmless the City of SeaTac from and against all claims, liabilities, damages, and costs arising directly or indirectly out of, or related to, Consultant’s fault, negligence, strict liability or produce liability of Consultant, and/or that of any permitted employee or subcontract or Consultant, pertaining to the Services hereunder.

**H. Assignment.** Consultant’s rights and obligations hereunder shall not be assigned or transferred without the City of SeaTac’s prior written consent; subject thereto, this Agreement shall be binding upon and inure to the benefit of the parties’ heirs, and successors.

**I. Governing Law; Severability.** This Agreement shall be governed by the laws of the State of Washington, U.S.A. (excluding conflict of laws provisions). If any term or provision of this Agreement is determined to be legally invalid or unenforceable by a court with lawful jurisdiction hereover (excluding arbitrators), such term or provision shall not affect the validity or enforceability of any remaining terms or provisions of this Agreement, and the court shall, so far as possible, construe the invalid portion to implement the original intent thereof. The parties agree that any action, suit, or judicial proceeding for the enforcement of this Agreement shall be brought in the Superior Court for the State of Washington in Grays Harbor County, Washington.

**J. Arbitration.** Should any dispute arise concerning the enforcement, breach or interpretation of this Agreement, the parties shall first meet in a good faith attempt to resolve the dispute. In the event such dispute cannot be resolved by agreement of the parties, such dispute shall be resolved by binding arbitration pursuant to RCW 7.04A, as amended, and the Mandatory Rules of Arbitration (MAR); venue shall be placed the City of SeaTac, Washington, the laws of the State of Washington shall apply, and the prevailing party shall be entitled to its reasonable attorney fees and costs.

**K. Entire Agreement; Etc.** This Agreement, and its incorporated attachments hereto, state the entire agreement between the parties regarding the subject matter hereof and supersede any prior agreements or understandings pertaining thereto. Any modification to this Agreement must be made in writing and signed by authorized representatives of both parties. Any provision hereof which may be reasonably deemed to survive the expiration or termination of this Agreement shall so survive and remain in continuing effect. No delay or failure in exercising any right hereunder shall be deemed to constitute a waiver of any right granted hereunder or at law by either party.

**L. Nondiscrimination.** The Consultant agrees that it shall not discriminate against any person on the grounds of race, creed, color, religion, national origin, sex, sexual orientation, veteran status, pregnancy, age, marital status, political affiliation or belief, or the presence of any sensory, mental or physical handicap in violation of the Washington State Law Against Discrimination (RCW chapter 49.60) or the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) or any other applicable state, federal or local law, rule or regulation. The Consultant and any subcontractors shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

**M. Liability insurance.** Commercial General Liability insurance at a limit of liability not less than \$1,000,000 Each Occurrence, and \$5,000,000 General Aggregate per project. Insurance shall be written on ISO occurrence form CG 00 01 or an alternate form providing equal or broader liability coverage. Such coverage shall not contain any endorsement(s) excluding or limiting Products Completed, Operations, or Contractual Liability Cross Liability. The City of SeaTac, its officers, employees, agents, and volunteers shall be named as Additional Insureds under the coverage with respect to the work performed under this agreement. Such insurance shall provide that the City of SeaTac, its officers, employees, agents, and volunteers are Primary Additional Insureds under such insurance. The coverage provided under such insurance for such Primary Additional Insureds shall be primary and not contributory to any other coverage that may be available to such Primary Additional Insureds. Business Automobile Liability insurance at a combined single limit of liability for bodily injury and property damage not less than \$1,000,000

Each Occurrence covering all Owned, Non-owned, Hired, and leased automobiles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equal or broader liability coverage. In the event the Consultant does not own automobiles, Consultant agrees to maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy. If necessary, the policy shall be endorsed to provide contractual liability coverage.

**N. Verification of Coverage.** Prior to execution of this agreement, Consultant shall furnish the City of SeaTac with original Certificates of Insurance and a copy of any amendatory endorsement, including without limitation, the Additional Insured endorsement, evidencing the insurance requirements.

**O. Debarment Certification:** The Consultant, by signature to this Contract, certifies the Consultant, its Principles and any Subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from participating in transactions (debarred). The Consultant also agrees to include the above language notification requirement in any and all Subcontracts into which it enters. The Consultant shall immediately notify the City of SeaTac if, during the term of this Contract, the Consultant, its Principles or Subcontractors becomes debarred. The City of SeaTac may immediately terminate this Contract by providing the Consultant written notice if the Consultant becomes debarred during the term of this Contract.

**P. Consultants' Waiver of Employer's Immunity under Title 51 RCW:** The Consultant indents that its obligations to indemnify, defend, and hold harmless employee contributions set forth above in sections 4 and following section 9, shall operate with full effect regardless of any provision contrary tin Title 51 RCW, Washington Industrial Insurance Act. Accordingly, the Consultant specifically assumes all potential liability for defense and payment of judgement in all actions brought to employees of the Consultant against the City of SeaTac and its officers, employees, and volunteers, and for the purposes of enforcing the Consultant's obligations to indemnify, defend, and hold harmless set forth above in section 4, the Consultant, specifically waives any immunity granted under the state industrial insurance law, Title 51 RCW. The parties have mutually negotiated this waiver. The Consultant shall similarly require that any subcontractor it retains in connection with its performance of this Agreement shall comply with the terms of this paragraph, waive any immunity granted under Title 51 RCW, and assume all liability for actions brought by employees of the subcontractor.

**Dated:** \_\_\_\_\_

**CITY OF SEATAC**

\_\_\_\_\_

**Dated:** \_\_\_\_\_

**GORDON THOMAS HONEYWELL  
GOVERNMENTAL AFFAIRS**

\_\_\_\_\_

**Dale Learn  
Managing Partner, Federal**

**ATTACHMENT “A” TO  
CITY OF SEATAC PROFESSIONAL SERVICES AGREEMENT**

**A.** Consultant shall provide the following federal government affairs services:

- Develop a project plan for the City of SeaTac for 2023-2024. This includes:
  - Strategizing with the City of SeaTac on how to further best develop and present to federal decision makers the City’s priority federal projects;
  - Developing advocacy documents associated with those projects; and
  - Developing messaging on those projects.
  
- Develop and execute a legislative strategy to secure federal funding for projects prioritized by the City of SeaTac for 2023-2024. This includes:
  - Lobby the Washington State Congressional Delegation, appropriate congressional committees, federal agencies, and other key decision makers to secure federal funding for projects prioritized by the City of SeaTac;
  - Assist the City in preparing the necessary request forms and advocacy documents, including being mindful of project submission deadlines; and
  - Other legislative activities necessary to advance those projects.
  
- Develop and execute a strategy to secure federal funding for projects seeking grants prioritized by the City of SeaTac for 2023-2024. This includes:
  - Lobby the appropriate federal agency in which the City of SeaTac is seeking grant funding;
  - Work with the City of SeaTac to present to the federal agency a grant application that maximize the chance of the City to be awarded funding;
  - Review and advise the City of SeaTac on application and advocacy documents;
  - Lobby the Washington State Congressional Delegation, appropriate congressional committees, and other key federal decision makers for formal support of the federal grant sought by the City of SeaTac; and
  - Other legislative and administrative activities necessary to advance the federal grant funding request.
  
- Assist if needed in developing a regional stakeholder strategy to secure federal funding for projects prioritized by the City of SeaTac for 2023-2024 This may include:
  - Meeting with members of the community and other stakeholders to support federal funding requests;
  - Preparing the necessary advocacy documents; and
  - Other advocacy activities necessary to advance the federal funding requests.
  
- Lobby additional federal items of interest or concern identified by the City of SeaTac for 2023-2024; which may include items of interest or concern regarding the Seattle Tacoma International Airport, Federal Detention Center or Federal Roadways.

- Assist in the planning and strategies, including the development of advocacy documents and meeting requests, for at least one trip a year to Washington, DC for 2023-2024 by the Members of the SeaTac City Council and/or senior staff.
- Provide the City of SeaTac with periodic updates verbally or in writing.
- Work with Consultant employees providing state professional services to ensure synergy between the two offices on our respective efforts.

**B. Compensation/Expenses:** The City of SeaTac shall pay Consultant a monthly flat fee of \$6,000 per month starting January 1, 2023, through December 31, 2023; and \$6,500 per month starting January 1, 2024, through December 31, 2024. The total fee shall not exceed \$150,000 over the two-year period.

**C. Invoices/Payments:** (a) Consultant shall furnish the City of SeaTac with invoices for services performed on a monthly basis, and (b) City of SeaTac shall pay each of Consultant's invoices within thirty (30) days after the city's receipt and verification of invoices.

**GOODS & SERVICES AGREEMENT  
FOR  
CUSTODIAL SERVICES**

**between the City of SeaTac and**

**Top to Bottom Janitorial Inc**

THIS AGREEMENT is made by and between the City of SeaTac, a Washington municipal corporation (hereinafter the "City"), and Top to Bottom Inc organized under the laws of the State of Washington, located and doing business at P.O. Box 98644, Des Moines WA 98198, (hereinafter the "Vendor").

**AGREEMENT**

**I. DESCRIPTION OF WORK.**

Vendor shall provide the following goods and materials and/or perform the following services for the City:

*Perform janitorial services for city facilities as specified in the Custodial Services attached as Exhibit A.*

Vendor acknowledges and understands that it is not the City's exclusive provider of these goods, materials, or services and that the City maintains its unqualified right to obtain these goods, materials, and services through other sources.

**II. TIME OF COMPLETION.** Work shall be completed as outlined in the Custodial Services Request for Bids. The term of this Agreement shall end on December 31, 2023 with 4 optional years.

**III. COMPENSATION.** Pricing for services not listed on Exhibit A shall be mutually agreed upon in writing prior to commencement of the work. The total amount paid under this Agreement shall not exceed \$165,039.90 including applicable Washington State Sales Tax per year, for the goods, materials, and services contemplated in this Agreement. The Vendor shall invoice the City only for services rendered, and payment will be made by the City within 30 days of invoice receipt.

If the City objects to all or any portion of an invoice, it shall notify Vendor and reserves the option to only pay that portion of the invoice not in dispute. In that event, the parties will immediately make every effort to settle the disputed portion.

- A. Defective or Unauthorized Work. The City reserves its right to withhold payment from Vendor for any defective or unauthorized goods, materials or services. If Vendor is unable, for any reason, to complete any part of this Agreement, the City may obtain the goods, materials or services from other sources, and Vendor shall



be liable to the City for any additional costs incurred by the City. "Additional costs" shall mean all reasonable costs, including legal costs and attorney fees, incurred by the City beyond the maximum Agreement price specified above. The City further reserves its right to deduct these additional costs incurred to complete this Agreement with other sources, from any and all amounts due or to become due the Vendor.

- B. Final Payment: Waiver of Claims. VENDOR'S ACCEPTANCE OF FINAL PAYMENT SHALL CONSTITUTE A WAIVER OF CLAIMS, EXCEPT THOSE PREVIOUSLY AND PROPERLY MADE AND IDENTIFIED BY VENDOR AS UNSETTLED AT THE TIME REQUEST FOR FINAL PAYMENT IS MADE.

**IV. PREVAILING WAGES.** Vendor shall file a "Statement of Intent to Pay Prevailing Wages," with the State of Washington Department of Labor & Industries prior to commencing the Contract work. Vendor shall pay prevailing wages in effect on the date the bid is accepted or executed by Vendor and comply with Chapter 39.12 of the Revised Code of Washington, as well as any other applicable prevailing wage rate provisions. The project/work location is King County, and the December 31, 2022 prevailing wage rates shall be used. A copy of the prevailing wage rates can be found at:

<http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>

A copy of the applicable wage rates is available for viewing at the City of SeaTac and the City will mail a hard copy of the applicable wage rates upon request. Since this is a Public building service maintenance (janitorial) contract of more than one year duration, both parties recognize the potential for future variance in applicable prevailing wages each year after the first year of the contract. The City shall notify the contractor on an annual basis of any changes to the prevailing wage rates applicable under this Agreement.

**V. INDEPENDENT CONTRACTOR.** The parties intend that an Independent Contractor-Employer Relationship will be created by this Agreement and that the Vendor has the ability to control and direct the performance and details of its work, the City being interested only in the results obtained under this Agreement.

**VI. TERMINATION.** Either party may terminate this Agreement, with or without cause, upon providing the other party forty-five (45) days written notice at its address set forth on the signature block of this Agreement, unless provided for otherwise in this Agreement..

**VII. CHANGES.** The City may issue a written change order for any change in the goods, materials or services to be provided during the performance of this Agreement. If the Vendor determines, for any reason, that a change order is necessary, Vendor must submit a written change order request to the person listed in the notice provision section of this Agreement, section XIV(D), within fourteen (14) calendar days of the date Vendor knew or should have known of the facts and events giving rise to the requested change. If the City determines that the change increases or decreases the Vendor's costs or time for performance, the

City will make an equitable adjustment. The City will attempt, in good faith, to reach agreement with the Vendor on all equitable adjustments. However, if the parties are unable to agree, the City will determine the equitable adjustment as it deems appropriate. The Vendor shall proceed with the change order work upon receiving either a written change order from the City or an oral order from the City before actually receiving the written change order. If the Vendor fails to require a change order within the time allowed, the Vendor waives its right to make any claim or submit subsequent change order requests for that portion of the contract work. If the Vendor disagrees with the equitable adjustment, the Vendor must complete the change order work; however, the Vendor may elect to protest the adjustment as provided in subsections A through E of Section VII, Claims, below.

The Vendor accepts all requirements of a change order by: (1) endorsing it, (2) writing a separate acceptance, or (3) not protesting in the way this section provides. A change order that is accepted by Vendor as provided in this section shall constitute full payment and final settlement of all claims for contract time and for direct, indirect and consequential costs, including costs of delays related to any work, either covered or affected by the change.

**VIII. CLAIMS.** If the Vendor disagrees with anything required by a change order, another written order, or an oral order from the City, including any direction, instruction, interpretation, or determination by the City, the Vendor may file a claim as provided in this section. The Vendor shall give written notice to the City of all claims within fourteen (14) calendar days of the occurrence of the events giving rise to the claims, or within fourteen (14) calendar days of the date the Vendor knew or should have known of the facts or events giving rise to the claim, whichever occurs first. Any claim for damages, additional payment for any reason, or extension of time, whether under this Agreement or otherwise, shall be conclusively deemed to have been waived by the Vendor unless a timely written claim is made in strict accordance with the applicable provisions of this Agreement.

At a minimum, a Vendor's written claim shall include the information set forth in subsections A, items 1 through 5 below.

**FAILURE TO PROVIDE A COMPLETE, WRITTEN NOTIFICATION OF CLAIM WITHIN THE TIME ALLOWED SHALL BE AN ABSOLUTE WAIVER OF ANY CLAIMS ARISING IN ANY WAY FROM THE FACTS OR EVENTS SURROUNDING THAT CLAIM OR CAUSED BY THAT DELAY.**

A. Notice of Claim. Provide a signed written notice of claim that provides the following information:

1. The date of the Vendor's claim;
2. The nature and circumstances that caused the claim;
3. The provisions in this Agreement that support the claim;
4. The estimated dollar cost, if any, of the claimed work and how that estimate was determined; and
5. An analysis of the progress schedule showing the schedule change

or disruption if the Vendor is asserting a schedule change or disruption.

- B. Records. The Vendor shall keep complete records of extra costs and time incurred as a result of the asserted events giving rise to the claim. The City shall have access to any of the Vendor's records needed for evaluating the protest.

The City will evaluate all claims, provided the procedures in this section are followed. If the City determines that a claim is valid, the City will adjust payment for work or time by an equitable adjustment. No adjustment will be made for an invalid protest.

- C. Vendor's Duty to Complete Protested Work. In spite of any claim, the Vendor shall proceed promptly to provide the goods, materials and services required by the City under this Agreement.
- D. Failure to Protest Constitutes Waiver. By not protesting as this section provides, the Vendor also waives any additional entitlement and accepts from the City any written or oral order (including directions, instructions, interpretations, and determination).
- E. Failure to Follow Procedures Constitutes Waiver. By failing to follow the procedures of this section, the Vendor completely waives any claims for protested work and accepts from the City any written or oral order (including directions, instructions, interpretations, and determination).

**IX. LIMITATION OF ACTIONS.** VENDOR MUST, IN ANY EVENT, FILE ANY LAWSUIT ARISING FROM OR CONNECTED WITH THIS AGREEMENT WITHIN 120 CALENDAR DAYS FROM THE DATE THE CONTRACT WORK IS COMPLETE OR VENDOR'S ABILITY TO FILE THAT SUIT SHALL BE FOREVER BARRED. THIS SECTION FURTHER LIMITS ANY APPLICABLE STATUTORY LIMITATIONS PERIOD.

**X. WARRANTY.** This Agreement is subject to all warranty provisions established under the Uniform Commercial Code, Title 62A, Revised Code of Washington. Vendor warrants goods are merchantable, are fit for the particular purpose for which they were obtained, and will perform in accordance with their specifications and Vendor's representations to City. The Vendor shall correct all defects in workmanship and materials within one (1) year from the date of the City's acceptance of the Contract work. In the event any part of the goods are repaired, only original replacement parts shall be used—rebuilt or used parts will not be acceptable. When defects are corrected, the warranty for that portion of the work shall extend for one (1) year from the date such correction is completed and accepted by the City. The Vendor shall begin to correct any defects within seven (7) calendar days of its receipt of notice from the City of the defect. If the Vendor does not accomplish the corrections within a reasonable time as determined by the City, the City may complete the corrections and the Vendor shall pay all costs incurred by the City in order to accomplish the correction.

**XI. DISCRIMINATION.** In the hiring of employees for the performance of work

under this Agreement or any sub-contract, the Vendor, its sub-contractors, or any person acting on behalf of the Vendor or sub-contractor shall not, by reason of race, religion, color, sex, age, sexual orientation, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

**XII. INDEMNIFICATION.** Vendor shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorney fees, arising out of or in connection with the Vendor's performance of this Agreement, except for that portion of the injuries and damages caused by the City's sole negligence. The City's inspection or acceptance of any of Vendor's work when completed shall not be grounds to avoid any of these covenants of indemnification.

**IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE VENDOR'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER.**

The provisions of this section shall survive the expiration or termination of this Agreement.

**XIII. INSURANCE.** The Vendor shall procure and maintain for the duration of the Agreement, Auto Liability, General Liability insurance in the amount of \$1,000,000 per occurrence, \$2,000,000 aggregate. On all policies, *the City of SeaTac and its employees and officers, shall be named as a primary, non-contributory additional insured*, which shall be maintained throughout the duration of this Agreement. Violation of the provisions of this section is a material breach of this Agreement and is grounds for immediate termination. The City shall be provided a copy of proof of insurance prior to commencement of work under this Agreement.

In addition, the vendor shall procure a janitorial services bond in an amount no less than \$25,000. The vendor shall not allow any employee not covered by the janitorial services bond to perform work under this agreement.

**XIV. WORK PERFORMED AT VENDOR'S RISK.** Vendor shall take all necessary precautions and shall be responsible for the safety of its employees, agents, and subcontractors in the performance of the contract work and shall utilize all protection necessary for that purpose. All work shall be done at Vendor's own risk, and Vendor shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.

**XV. MISCELLANEOUS PROVISIONS.**

A. Recyclable Materials. The city recommends that its contractors and consultants use recycled and recyclable products whenever practicable.

B. Non-Waiver of Breach. The failure of the City to insist upon strict performance of any of the covenants and agreements contained in this Agreement, or to exercise any option conferred by this Agreement in one or more instances shall not be construed to be a waiver or relinquishment of those covenants, agreements or options, and the same shall be and remain in full force and effect.

C. Resolution of Disputes and Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. If the parties are unable to settle any dispute, difference or claim arising from the parties' performance of this Agreement, the exclusive means of resolving that dispute, difference or claim, shall only be by filing suit exclusively under the venue, rules and jurisdiction of the King County Superior Court, King County, Washington, unless the parties agree in writing to an alternative dispute resolution process. In any claim or lawsuit for damages arising from the parties' performance of this Agreement, each party shall pay all its legal costs and attorney's fees incurred in defending or bringing such claim or lawsuit, including all appeals, in addition to any other recovery or award provided by law; provided, however, nothing in this paragraph shall be construed to limit the City's right to indemnification under Section XII of this Agreement.

D. Written Notice. All communications regarding this Agreement shall be sent to the parties at the addresses listed on the signature page of the Agreement, unless notified to the contrary. Any written notice hereunder shall become effective three (3) business days after the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.

E. Assignment. Any assignment of this Agreement by either party without the written consent of the non-assigning party shall be void. If the non-assigning party gives its consent to any assignment, the terms of this Agreement shall continue in full force and effect and no further assignment shall be made without additional written consent.

F. Modification. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and Vendor.

G. Entire Agreement. The written provisions and terms of this Agreement, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Agreement. All of the above documents are hereby made a part of this Agreement. However, should any language in any of the Exhibits to this Agreement conflict with any language contained in this Agreement, the terms of this Agreement shall prevail.

H. Compliance with Laws. The Vendor agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or in the future become applicable to Vendor's business, equipment, and personnel engaged in operations covered by this

Agreement or accruing out of the performance of those operations.

I. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all of which will together constitute this one Agreement.

**IN WITNESS, the parties below execute this Agreement, which shall become effective on the last date entered below.**

<b>VENDOR:</b>  By: _____ <i>(signature)</i> Print Name: _____ Its: _____ <i>(title)</i>  DATE: _____	<b>CITY OF SEATAC:</b>  By: _____ <i>(signature)</i> Print Name: Carl Cole Its: City Manager  DATE: _____
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<b>NOTICES TO BE SENT TO:</b>  <b>VENDOR:</b>  Name: Greg Johnson Company Name: Top to Bottom Janitorial Inc Address: P.O. Box 98644 Des Moines, WA 98198  (telephone): 206-383-6444 (email): <a href="mailto:ttbj@comcast.net">ttbj@comcast.net</a>	<b>NOTICES TO BE SENT TO:</b>  <b>CITY OF SEATAC:</b>  Brian Ruda, Facilities Manager City of SeaTac 4800 South 188th Street SeaTac, WA 98188  (telephone): 206-973-4674 (email): <a href="mailto:bruda@seatacwa.gov">bruda@seatacwa.gov</a>
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Approved as to Form:

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**Exhibit A**  
**City of SeaTac Custodial Services**

**SECTION 1. INTRODUCTION**

The City of SeaTac is accepting bids for yearly professional services to provide cleaning and custodial services at four (4) City facilities. The service will begin in January of 2022. The facilities consist of an 80,500 sq. ft. City Hall (including a Police department), a 3,000 sq. ft. community center, a 5,000 sq. ft. maintenance facility at the north end of the City, and a 26,000 sq. ft. community center at the North end of the City. The scope of the work is to include but is not limited to the cleaning of office spaces, restrooms, kitchens, stairwells, locker rooms, lunchrooms, fitness rooms, conference and meeting rooms, lobbies, and Police holding cell areas.

The Cleaning Contractor must be licensed, insured, and capable of undergoing successful background checks for access to Police areas. All employees must have a successful background check for access to Police areas as well. Contractor must pay prevailing wages.

**SECTION 2. BACKGROUND**

The City Hall building is approximately 80,500 sq. ft. on three (3) floors. The second floor has leasable space and is currently occupied by five (5) separate tenants. There are two main restrooms on each floor. Each is about 240 sq. ft. consisting of either five (5) toilets and four (4) sinks (ladies' room) or two (2) urinals, three (3) toilets, and four (4) sinks (men's room). There are also three (3) unisex restrooms and two (2) locker rooms with a sink and toilet each. There is one main lunchroom and six (6) kitchenettes in the building. The Police department on the first floor consisting of 2,000 sq. ft. with a booking area and two holding cells.

Valley Ridge Community Center is across the street from City Hall. It consists of approximately 3000 sq. ft. with a men's and ladies' restroom and a kitchen.

The Community Center in the north end of the City is roughly 26,000 sq. ft. It consists of a banquet room and kitchen, gymnasium, two (2) locker rooms, four (4) restrooms, and a senior center wing of approximately 5,000 sq. ft. with two (2) restrooms.

The Maintenance Facility near the SeaTac Community Center is approximately 5,000 sq. ft. with a mudroom, three (3) restrooms, and a kitchen.

**SECTION 3. SCOPE**

The following describes the minimum requirements the City desires in a bid for cleaning and custodial services for City Hall in particular, but parts will apply to the other facilities as well. The City will also require a bid for daily services to cover for our full-time staff's vacation/sick leave. It may not be all inclusive of the tasks required to maintain the buildings in a high-level manner as described in Section 3.3 below.

## **MATERIALS AND EQUIPMENT**

### **3.1 CITY TO FURNISH**

In support of this contract, the City shall supply the following at no cost to the contractor:

- a) All paper products including toilet paper, paper towels, napkins, etc.
- b) All liquid soaps and creams used in hand dispensers.
- c) All deodorant screens.
- d) Waste can liners, refuse bags, etc.
- e) Locations for storage of contractor's equipment and supplies.
- f) Adequate containers for refuse and recycling disposal.

### **3.2 CONTRACTOR TO FURNISH**

The contractor shall provide at the Contractor's expense and at no additional cost to the contract all materials, equipment, and supplies needed to complete the work with the exception of those items being provided by the City as itemized in Section 3.1. The items to be furnished by the contractor shall include but are not limited to:

- a) All materials including soaps, waxes, cleaners, and shampoos. Companies proposing the use of environmentally friendly "green" cleaning products are preferred and their use is encouraged by the City.
- b) All power and hand equipment including wiping and dust rags, mops, brooms, buckets, vacuum cleaners, buffing machines, and specialty equipment including waste collection containers.
- c) A listing of equipment and materials to be used. All materials and equipment shall be of industrial or commercial type grade and are to be approved by the City prior to their use. All electrical equipment shall be kept in safe operating condition without frayed cords, broken plugs, etc.
- d) A record of all Safety Data Sheets (SDS) for the products used or stored on site shall be kept in a place designated by the City.

### **3.3 CLEANING STANDARDS AND WORKMANSHIP**

It is the intent of these specifications for the Contractor to provide a high level of service in building maintenance and custodial care. The following statements indicate the general standards and workmanship to be furnished under this Contract:

- a) A satisfactory and acceptable floor or carpet will not have dust, streaks, marks, or dirt in corners behind doors or under furniture. All paper clips, staples, etc. shall be picked up. The use of vacuuming equipment and/or treated dust mops will be used to keep the floors clean.
- b) Satisfactory and acceptable wet mopping will present a clean floor free from streaks, smears, and dried dirt. The use of dirty water or evidence of same will not be acceptable. Safe, all-purpose detergents will be used on all resilient and hard floor surfaces. Proper warning signs shall be placed advising of wet or slippery floor conditions.
- c) Satisfactory and acceptable waxing and polishing will be accomplished through the use of a thin coat of evenly layered wax. Floors will be bright and clean under furniture as well as in traveled areas. Wax or polish will not be allowed to dry on wall bases, furniture legs, equipment,



etc.

d) A satisfactory and acceptable glass window, mirror or vitreous surfaced will be free from streaks, smears, and spots.

e) All storage areas and janitorial closets shall be maintained in a clean and orderly condition with all materials and equipment properly sorted at all times.

f) Deep cleaning is the complete and routine cleaning process that removes visible dirt, as well as bacteria and germs. This process should include regular cleaning of nooks and crannies that may not get frequent use.

g) Cleaning protocols for COVID-19 shall be followed per CDC guidelines. :  
<https://www.cdc.gov/coronavirus/2019-ncov/community/disinfecting-building-facility.html>

## **CITY HALL**

### **3.4 TASKS TO BE ACCOMPLISHED DAILY BETWEEN HOURS 7:00 PM – 7:00 AM**

Items included in this class are to be cleaned on a daily basis except weekends and holidays.

#### **a) General**

1. All restrooms including fixtures, floors, and hard surfaces. Clean, sanitize, and polish all fixtures including toilet bowls, toilet seats (both sides), urinals, and countertops and sinks with associated faucets and fittings. Clean mirrors. Wipe down toilet and urinal partitions and urinal screens. Refill all dispensers as needed. Empty wastepaper receptacles.

2. Check all common areas and stairwells for debris, vacuum areas as necessary. Check front doors and windows for dirt and smudges and clean as necessary. Check Courtroom and Council Chambers for trash and debris, clean as necessary.

3. All high touch areas are to be cleaned/wiped down, this includes but not limited to light switches, door handles, and counter tops.

### **3.5 TASKS TO BE ACCOMPLISHED THREE (3) TIMES PER WEEK**

Items included in this class are to be cleaned every other workday or three times per week.

#### **a) General**

1. Gather all wastepaper, insert liners, and remove waste to proper disposal area. Nothing shall be removed from desks and/or tables unless specifically marked to be thrown out.

2. Clean and sanitize drinking fountains.

3. Clean and sanitize kitchen counters, sinks, appliances, cafeteria tables.

4. Spot clean interior glass as needed.

5. Spot clean interior of elevator.

6. Empty exterior waste receptacles and cigarette containers. Insert new liners if required.

7. Sweep exterior walks at entryways only.

8. Empty all trash containers and insert new liners.

9. Dust mop with treated mop or vacuum all hard floor surfaces.

10. Spot clean stairwells as needed.

11. Spot clean showers in locker rooms

12. Damp mop rubberized floors in Police department and fitness rooms.

13. Mop entrance floors (mats to be picked up).

14. Spot vacuum all carpeted areas, especially office and copier areas.

15. Gather all recycling and place in proper disposal container.

### **3.6 TASKS TO BE ACCOMPLISHED ONCE A WEEK**

Items included in this class are to be cleaned at least once a week.

#### **a) General**

1. Thoroughly clean and polish all elevator surfaces with appropriate products including door frames and doors.
2. Vacuum door track of elevator doors using crevice tool.
3. Vacuum all open carpeted areas.
4. Clean locker room showers.
5. Damp clean top handrail of all stairways.
6. Clean glass at entry lobby inside and out.
7. Clean outside glass at display cases in Court lobby.
8. Dust and spot clean horizontal surfaces including all ledges, moldings, windowsills, desks, file cabinets, conference tables, pictures, etc. with a treated cloth. Clean exposed desk areas and counters (do not disturb items on desks).
9. Spot clean waste receptacles as needed to maintain them in a clean and sanitary manner.
10. Clean inside of microwaves in kitchen areas.

### **3.7 TASKS TO BE ACCOMPLISHED QUARTERLY**

#### **a) General – (Contractor shall provide a schedule.)**

1. Deep clean all restrooms and locker rooms. Clean (hot water extraction) carpets at all high traffic areas.
2. Clean (hot water extraction) carpets in Police department.

### **3.8 TASKS TO BE ACCOMPLISHED YEARLY**

#### **a) General – (Contractor shall provide a schedule.)**

1. Clean all carpets (hot water extraction).
2. Clean windows inside and out (City will provide lift for outside windows).
3. Clean interior glass.
4. Strip and wax floors.

## **VALLEY RIDGE COMMUNITY CENTER**

### **3.9 TASKS TO BE ACCOMPLISHED DAILY**

Items included in this class are to be cleaned on a daily basis starting Sunday night through Thursday night, except holidays. Work must be completed by 7:00 am.

#### **a) General**

1. All restrooms including fixtures, floors, and hard surfaces. Clean, sanitize, and polish all fixtures including toilet bowls, toilet seats (both sides), urinals, and countertops and sinks with associated faucets and fittings. Clean mirrors. Wipe down toilet partitions and urinal screens. Refill all dispensers. Clean kitchen sink, countertops, and stovetop.

2. Spot clean waste receptacles as needed to maintain them in a clean and sanitary manner.
3. Check all common areas for debris. Vacuum floors. Check front doors for dirt and smudges and clean as necessary.
4. Empty garbage and recycling receptacles.

### **3.10 TASKS TO BE ACCOMPLISHED MONTHLY**

Items included in this class are to be done once a month.

#### **a) General**

1. Dust horizontal/vertical surfaces, including but not limited to ceiling fans, window ledges, walls, and light fixtures.
2. Wet mop floors.

### **3.11 TASKS TO BE ACCOMPLISHED QUARTERLY**

#### **a) General – (Contractor shall provide a schedule.)**

1. Deep clean all restrooms and kitchen.
2. Clean windows inside and out.
3. Clean and sanitize inside and outside of all garbage cans.
4. Hydro-clean the floors: example – Autoscruber or Hydroforce type machine

### **3.12 TASKS TO BE ACCOMPLISHED YEARLY**

#### **a) General – (Contractor shall provide a schedule.)**

1. Strip and wax floors, including restroom floors.

## **COMMUNITY CENTER**

### **3.13 TASKS TO BE ACCOMPLISHED SATURDAY AND SUNDAY MORNING BEFORE 7:00 AM**

Items included in this class are to be cleaned on a daily basis Saturday & Sunday night except holidays. The building is divided into a Community Center and a Senior Center. The restrooms in the Senior wing need to be cleaned one day only.

#### **a) General**

1. All restrooms and locker rooms including fixtures, floors, and hard surfaces. Clean, sanitize, and polish all fixtures including toilet bowls, toilet seats (both sides), urinals, and countertops and sinks with associated faucets and fittings. Clean mirrors. Wipe down toilet partitions and urinal screens. Refill all dispensers. Clean kitchen sink, countertops, and stovetop. Empty garbage and recycling receptacles. Mop kitchen floor (mats to be picked up).
2. Spot clean waste receptacles as needed to maintain them in a clean and sanitary manner.
3. Check all common areas for debris. Vacuum as necessary. Check front doors for dirt and smudges and clean as necessary.
4. Autoscrub gym floor. (Autoscrubber will be provided by the City.)

### **3.14 TASKS TO BE ACCOMPLISHED MONTHLY**

Items included in this class are to be done once a month.

#### **a) General**

1. Deep clean kitchen.

### **3.15 TASKS TO BE ACCOMPLISHED QUARTERLY**

#### **a) General – (Contractor shall provide a schedule.)**

1. Deep clean all restrooms and locker rooms.
2. Clean (hot water extraction) lobby and hallway carpets.
3. Dust horizontal surfaces, including blinds in offices and classrooms.
4. Clean windows inside and out.

### **3.16 TASKS TO BE ACCOMPLISHED YEARLY**

#### **a) General – (Contractor shall provide a schedule)**

1. Strip and wax floors.
2. Clean all carpets (hot water extraction).

## **MAINTENANCE FACILITY**

### **3.17 TASKS TO BE ACCOMPLISHED THREE TIMES A WEEK**

Items included in this class are to be cleaned at least three (3) times a week. Work must be completed by 5:00 am.

#### **a) General**

1. All restrooms in Bldg A and B, and locker rooms including fixtures, floors, and hard surfaces. Clean, sanitize, and polish all fixtures including toilet bowls, toilet seats (both sides), urinals, and countertops and sinks with associated faucets and fittings. Clean mirrors. Wipe down toilet partitions and urinal screens. Refill all dispensers (as needed). Clean kitchen sink, countertops, and stovetop. Wipe inside of microwaves. Empty garbage and recycling receptacles.
2. Spot clean waste receptacles as needed to maintain them in a clean and sanitary manner.
3. Check all common areas for debris. Vacuum as necessary. Check doors for dirt and smudges and clean as necessary. Check windows for smudges and clean as necessary.

### **3.18 TASKS TO BE ACCOMPLISHED YEARLY**

#### **a) General – (Contractor shall provide a schedule.)**

1. Clean windows inside and out.
2. Strip and wax floors.
3. Clean all carpets (hot water extraction).



# MEMORANDUM

To: Administration & Finance Committee  
From: Kristina Gregg, City Clerk  
Date: January 6, 2023  
Re: Citizen Advisory Committees  
Attachment: Draft Ordinance

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## **Background:**

Mayor Simpson submitted CRF2020-05 requesting staff review options for Council Meeting efficiencies. Presentations were made at the August 9, November 8, and December 13 Council Study Sessions (CSS).

The following direction was given related to Citizen Advisory Committees:

1. Revise the Community Services Advisory Committee (CSAC) to have Human Services agency funding recommendations reported to the Planning & Economic Development (PED) Committee instead of the Parks & Recreation (P&R) Committee.
2. Sunset the Sidewalk Advisory Committee (SAC)

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## **A. Community Services Advisory Committee (CSAC)**

The CSAC is responsible for reporting human services needs to the Parks & Recreation Committee. The Human Services Coordinator position, which is also the staff coordinator for the CSAC, has moved to the Community & Economic Development (CED) Department. Therefore, the topic needs to be reported to the Planning & Economic Development (PED) Committee.

## **B. Sidewalk Advisory Committee (SAC)**

The SAC was established in 2016 (Ord. 16-1018) to ensure the community played an active role in the Neighborhood Sidewalk Program and ensure the needs of the community are met.

The committee met frequently to discuss project selection and establish the criteria to select projects, community outreach, and the sidewalk elements for future designs (Res. 17-016).

The committee's primary work is complete and community input on project selection is best done through the Transportation & Public Works (T&PW) Committee for the following reasons:

- Project selection is not being done on an annual basis due to the scope and cost of the projects being undertaken. As a result, the committee meets infrequently.
- Input from citizens can be heard at the T&PW committee and taken into consideration in much the same way that it is within the SAC. Currently, recommendations from the SAC go through T&PW.
- Eliminates the need to maintain an advisory committee while still being able to allow for community input on future projects.
- When sidewalk specific projects are expected to go before T&PW, staff can take extra measures to maximize community participation. The topic could also be structured to take more than one meeting depending on input.

Elimination of the SAC and transferring those responsibilities to T&PW should not have a negative impact on community participation, will create efficiencies for staff and will ensure the continued success of the program.

.....

**Council Direction:** Staff is requesting the committee recommend approval of the Ordinance on the January 24, 2023 Regular Council Meeting Consent Agenda.

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE of the City Council of the City of SeaTac, Washington amending various sections of SeaTac Municipal Code 2.15 related to Citizen Advisory Committees, Commissions, and Boards.

**WHEREAS**, RCW 35A.13.080(2) authorizes the City Council to provide for appointment of certain citizens' committees, commissions, and boards advisory to the City Council; and

**WHEREAS**, pursuant to the said authority, the City Council, by Ordinances created certain advisory committees, commissions, and boards; and

**WHEREAS**, the Sidewalk Advisory Committee's primary purpose is complete and the City Council desires to officially sunset the committee; and

**WHEREAS**, the Human Services Coordinator position has reorganized from the Parks, Community Services & Programs Department to the Community & Economic Development Department; and

**WHEREAS**, the Community Services Advisory Committee currently reviews topics pertaining to human services and the City Council desires to have these topics reviewed by the Planning & Economic Development Committee; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON, DO ORDAIN as follows:**

**Section 1. Chapter 2.15 of the SeaTac Municipal Code is amended as follows:**

**2.15.170. Community Services Advisory Committee.**

A. Duties and Responsibilities. The Community Services Advisory Committee acts in an advisory capacity to the City Council with the following purposes:

1. Make reports and recommendations to the City Council concerning community service issues;
2. Bring committee members, leaders and businesses to address issues related to community service;

3. Review City actions which may affect the accessibility or quality of community services available to City residents;
4. Seek volunteers who are interested in performing service in our community;
5. Evaluate funding requests and, based on Council priorities, make recommendations on funding human service agencies and organizations to the ~~Parks and Recreation~~ **Planning & Economic Development** Committee;
6. Help volunteers find projects in which ~~they~~ **that** can serve the community;
7. Connect volunteers with agencies or groups who conduct community service projects in the City;
8. Connect agencies or groups with service projects in our community;
9. Address other community service issues as deemed appropriate by the Committee;
10. Review and recommend community service plans and policies, including the human service element of the City's Comprehensive Plan; and
11. Participate in collaborative planning efforts involving citizen groups, human service agencies and local organizations.

B. Membership. The Community Services Advisory Committee shall consist of seven (7) members composed of:

1. Individuals who work or reside in the City, one (1) of which can be a youth member.

**Section 2. The following section is repealed:**

**2.15.220 Sidewalk Advisory Committee.**

**Section 3. Severability.** Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

**Section 4. Corrections by City Clerk or Code Reviser.** Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors, references to other local, state or federal laws, codes, rules, or regulations, or Ordinance numbering and section/subsection numbering.



**Section 5. Effective Date.** This Ordinance shall be in full force and effect thirty (30) days after passage and publication as required by law.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2023, and signed in authentication thereof on this \_\_\_\_ day of \_\_\_\_\_, 2023.

**CITY OF SEATAC**

\_\_\_\_\_  
Jake Simpson, Mayor

ATTEST:

\_\_\_\_\_  
Kristina Gregg, City Clerk

Approved as to Form:

\_\_\_\_\_  
Mary E. Mirante Bartolo, City Attorney

[Effective Date: \_\_\_\_\_] \_\_\_\_\_]

[Citizen Advisory Committees]



## MEMORANDUM

To: SeaTac City Council  
From: Brion Humenay, Senior Management Analyst  
Date: January 12th, 2022  
Re: Lease agreement between Sunset Management Inc and the City of SeaTac for the Police substation within the Polaris development

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### **Purpose:**

The City has negotiated a lease agreement with the Sunset Management Inc to establish a Police substation within the Polaris development at International Boulevard and South 154<sup>th</sup> Street. This lease agreement was brought before the Administration and Finance (A&F) Committee on December 8<sup>th</sup> for review. Committee members noticed that the negotiated tenant improvement allowance was inaccurate within the lease agreement. This error has been corrected and staff are seeking support from Committee to authorize the City Manager to sign the lease agreement through consent agenda at a Regular Council Meeting.

### **Difference in Draft Lease Agreement:**

During negotiations, the City had the option to increase the tenant improvement allowance granted by the Sunset Management as part of the lease agreement. Increasing the allowance would result in a lower upfront expenditure by the City while developing the unit into office space. It would also result in an increase in rental costs per month that would be paid by the City. The City elected to take the higher allowance option, but this was not reflected in the initial draft of the lease agreement.

In the draft of the lease agreement that was previously brought before the A&F Committee, Item 45 of the lease agreement entitled “Lessee Improvements” stipulated that “Lessor grants Lessee an allowance of \$25.00/sf (\$32,925) towards the cost of the Lessee [City] Improvements...”. This allowance per square foot was found to be inappropriate per the desires of the City. This section of the draft lease agreement has since been updated to the following language, “Lessor grants Lessee an allowance of \$50.00/sf (\$65,850) towards the cost of the Lessee [City] Improvements...”.

Section 4 of the lease agreement has also been updated to reflect the increase in monthly rents. Over the potential 20-year lease of the office space, the updated terms of the agreement state that the City will pay \$404,532 in rental costs for the unit. This is an increase of \$64,608 from the rental costs in the previous draft of the lease agreement, which had a total 20-year rental cost of \$339,924.

**Other Costs:**

At the December 8<sup>th</sup> Committee meeting, staff did not provide an estimate for the “other costs” that the City would be responsible for as part of the rental agreement. These costs include:

- Insurance
- Property tax
- Personal property tax
- Utilities
- Janitorial services

While these costs will be determined by the landlord, a rough estimate can now be provided for property tax, utilities, and janitorial services.

- Property tax = \$3,016 annually
- Utilities = \$3,600 annually
- Janitorial services \$3,200 annually

Staff have no current estimate for insurance and personal property tax but expect these costs to be minimal.

**Budget Impact:**

The expenses for the lease agreement will come out of the General Fund (001) and the 2023-2024 Biennial budget allocated \$20,160 for rental expenses.

In 2023-2024, the estimated total costs for this office space come to \$47,020, which can be broken down as follows:

- Rental costs = \$25,020
- Other costs estimate = \$22,000 (\$11,000 per year)

Staff will monitor the budget and bring forth a budget amendment if required.

**Alternatives:**

1. The City could look to lease a different office space, either existing or one that’s in development.
2. Status quo – The City Police department could maintain their existing office footprint solely within City Hall.

**Recommendations:**

For the A&F Committee to review the terms of the lease agreement and recommend authorization for the City Manager to sign the lease agreement be placed on the consent agenda at a Regular Council Meeting.

# Lease Agreement for a Police Substation within the Polaris Development 01/12/2023



Credit: <https://www.liveatpolarisatseatac.com/>



# PRESENTATION OVERVIEW

## PURPOSE OF PRESENTATION

To seek Committee support to authorize the City Manager to sign a lease agreement with Sunset Management Inc for a Police substation within the Polaris Development

## WHY IS THIS ISSUE IMPORTANT?

1. Continuation of effort to build ties between the community and the City Police Department
2. Multi-year effort by City staff to identify and develop community concept
3. A&F Committee required clarification of lease details at Dec 8<sup>th</sup>, 2022 meeting



# POTENTIAL COMMITTEE ACTION

## COMMITTEE ACTION REQUESTED

- Authorize the City Manager to sign the lease agreement on consent agenda at a Regular Council Meeting

## STAFF RECOMMENDATION

- Staff are recommending that the Committee approve this request and place authorization on the consent agenda at the next regular council meeting

## REVIEWS TO DATE

A&F: 5/12/2022, 12/08/2022

RCM: 5/24/2022



# WHAT'S CHANGED SINCE DEC 8<sup>th</sup> A&F MEETING

## Dec 8<sup>th</sup> Draft Agreement

**Lessee Improvements.** Lessee shall build out the Premises, at Lessee's sole cost and expense (except for the Lessor allowance set forth below), in accordance with the plans and specifications approved in writing by Lessor (the "Lessee Improvements"). The Lessee Improvements and all work performed by Lessee or its agents related to the Lessee Improvements shall be in accordance with the terms and conditions set forth in Exhibit D attached hereto. **Lessor grants Lessee an allowance of \$25.00/sf (\$32,925) towards the cost of the Lessee Improvements;** and all additional costs to complete the Lessee Improvements (including, but not limited to, design, permits and signage) shall be the sole responsibility of Lessee. Said allowance shall be paid by Lessor to Lessee within thirty (30) days of satisfaction of all of the following: (i) Lessee's completion of the Lessee Improvements; (ii) Lessee providing Lessor with copies of all invoices and paid receipts for the Lessee Improvements, along with lien releases for said Lessee Improvements from Lessee's General Contractor and each of its lower-tier subcontractors and/or suppliers; and (iii) Lessee providing Lessor a final Certificate of Occupancy for the Premises.

## Dec 30<sup>th</sup> Draft Agreement

**Lessee Improvements.** Lessee shall build out the Premises, at Lessee's sole cost and expense (except for the Lessor allowance set forth below), in accordance with the plans and specifications approved in writing by Lessor (the "Lessee Improvements"). The Lessee Improvements and all work performed by Lessee or its agents related to the Lessee Improvements shall be in accordance with the terms and conditions set forth in Exhibit D attached hereto. **Lessor grants Lessee an allowance of \$50.00/sf (\$65,850) towards the cost of the Lessee Improvements;** and all additional costs to complete the Lessee Improvements (including, but not limited to, design, permits and signage) shall be the sole responsibility of Lessee. Said allowance shall be paid by Lessor to Lessee within thirty (30) days of satisfaction of all of the following: (i) Lessee's completion of the Lessee Improvements; (ii) Lessee providing Lessor with copies of all invoices and paid receipts for the Lessee Improvements, along with lien releases for said Lessee Improvements from Lessee's General Contractor and each of its lower-tier subcontractors and/or suppliers; and (iii) Lessee providing Lessor a final Certificate of Occupancy for the Premises.



# WHAT'S CHANGED SINCE DEC 8<sup>th</sup> A&F MEETING

## Dec 8<sup>th</sup> Draft Agreement

Year 1 (Months 1 – 6):	\$0 / month
Year 1 (Months 7 – 12):	\$1,098 / month
Year 2:	\$1,131 / month
Year 3:	\$1,165 / month
Year 4:	\$1,200 / month
Year 5:	\$1,236 / month
Year 6:	\$1,273 / month
Year 7:	\$1,311 / month
Year 8:	\$1,350 / month
Year 9:	\$1,391 / month
Year 10:	\$1,433 / month

In the event Lessee exercises its first option to extend the Lease:

Year 11:	\$1,476 / month
Year 12:	\$1,506 / month
Year 13:	\$1,576 / month
Year 14:	\$1,566 / month
Year 15:	\$1,598 / month

In the event Lessee exercises its second option to extend the Lease:

Year 16:	\$1,646 / month
Year 17:	\$1,679 / month
Year 18:	\$1,712 / month
Year 19:	\$1,747 / month
Year 20:	\$1,782 / month

## Dec 30<sup>th</sup> Draft Agreement

Year 1 (Months 1 – 6):	\$0 / month
Year 1 (Months 7 – 12):	\$1,372 / month
Year 2:	\$1,399 / month
Year 3:	\$1,427 / month
Year 4:	\$1,465 / month
Year 5:	\$1,485 / month
Year 6:	\$1,515 / month
Year 7:	\$1,545 / month
Year 8:	\$1,576 / month
Year 9:	\$1,608 / month
Year 10:	\$1640 / month

In the event Lessee exercises its first option to extend the Lease:

Year 11:	\$1,689 / month
Year 12:	\$1,740 / month
Year 13:	\$1,792 / month
Year 14:	\$1,846 / month
Year 15:	\$1,901 / month

In the event Lessee exercises its second option to extend the Lease:

Year 16:	\$1,958 / month
Year 17:	\$2,017 / month
Year 18:	\$2,078 / month
Year 19:	\$2,140 / month
Year 20:	\$2,204 / month





# WHAT'S CHANGED SINCE DEC 8<sup>th</sup> A&F MEETING

Dec 8 <sup>th</sup> Presentation	Today's Presentation
<p>No cost estimate for “Other costs” that City would be responsible for, including:</p> <ul style="list-style-type: none"><li>• Insurance</li><li>• Property tax</li><li>• Personal property tax</li><li>• Utilities</li><li>• Janitorial services</li></ul>	<p>This cost will come from the landlord.</p> <ul style="list-style-type: none"><li>• Property tax = \$3,016 annually</li><li>• Utilities = \$3,600 annually</li><li>• Janitorial services \$3,200 annually</li></ul> <p>No current estimate for Insurance and Personal property tax</p>



# IMPACT AND ALTERNATIVES

## Fiscal Impact:

- **2023-2024**
  - Rent = \$25,020
  - Other = \$22,000
- **10 Year**
  - Rent = \$172,152
  - Other = \$132,000

## Alternatives:

- The City could look to lease a different office space
- Status quo – The City Police department could maintain their existing office footprint solely within City Hall.



# POTENTIAL COMMITTEE ACTION

## COMMITTEE ACTION REQUESTED

- Authorize the City Manager to sign the lease agreement on consent agenda at a Regular Council Meeting

## STAFF RECOMMENDATION

- Staff are recommending that the Committee approve this request and place authorization on the consent agenda at the next regular council meeting

## REVIEWS TO DATE

A&F: 5/12/2022, 12/08/2022

RCM: 5/24/2022



**COMMERCIAL LEASE**

**1. Parties.** This Commercial Lease (“Lease”), dated \_\_\_\_\_, 2023 for reference purposes only, is made by and between SUNSET MANAGEMENT, INC., a Washington corporation (herein called “Lessor”) and the CITY OF SEATAC, a municipal corporation of the State of Washington (herein called “Lessee”).

This Lease also incorporates by reference the Commercial Space Master Lease (“Master Lease”), dated May 21, 2020, between POLARIS AT SEATAC, LLC, a Washington limited liability company (“Owner”) and Lessor, and the Governing Documents defined in the Declaration of Covenants, Conditions, and Restrictions for Polaris at SeaTac Condominium recorded on December 6, 2022, in King County, Washington, Instrument Number 20221206000267 (“Governing Documents”).

**2. Premises, Parking and Common Areas.**

**2.1 Premises.** Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all of the conditions set forth herein, the real property situated in the County of King, State of Washington commonly known as 15300 33<sup>rd</sup> Avenue S, Suite 110, SeaTac, Washington, consisting of approximately 1,317 square feet, which is a portion of the property legally described on Exhibit A attached hereto, and which more specifically is as shown on Exhibit B attached hereto (hereinafter referred to as the “Premises”), including rights to the Common Areas (as hereinafter defined). The Premises and Common Areas are a portion of Polaris at SeaTac building B (hereinafter referred to as the “Building”).

**2.2 Vehicle Parking.** During the term and each extended term Lessor shall provide Lessee with one (1) dedicated surface parking stall, and two (2) dedicated garage parking stalls in the Building for Lessee’s employees (“Lessee’s Employee Parking”) for the duration of the Lease and any applicable extended terms. The approximate location of the one (1) dedicated surface parking stall is set forth on Exhibit C attached hereto. Lessee’s Employee Parking shall be designated by signage indicating that such parking spaces and/or areas are reserved exclusively for Lessee’s employees (such signage to be provided by Lessor at its sole cost and expense). Lessee shall not use more parking spaces than those designated to Lessee. Said designated parking spaces shall be used only for parking by vehicles no larger than full size passenger automobiles or pick-up trucks.

Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee’s employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

If Lessee permits or allows any of the prohibited activities described in this Section 2.2, then Lessor shall provide written notice to Lessee as a warning that a repeated offense may result in Lessor taking action. If Lessee continues to or again permits or allows any of the prohibited activities described in this Section 2.2 after receipt of such written notice, then Lessor shall have the right, without further notice, in addition to such other rights and

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remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor. Notwithstanding, Lessor shall not be liable for any action taken by any other lessees of the Building in enforcing their rights as a result of Lessee or Lessee's employees, suppliers, customers or invitees parking in areas other than those designated for Lessee's use.

- 2.3 **Common Areas – Definition.** The term “Common Areas” is defined as all areas and facilities outside the Premises and within the Building (or within the property described on Exhibit A) that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and of other commercial lessees of the Building and their respective employees, suppliers, shippers, customers, and invitees, including parking areas, loading and unloading areas, sidewalks, walkways, parkways, driveways, and landscaped areas (but not including the residential and/or non-commercial areas of the Building, and also not including the parking spaces not designated for Lessee's Employee Parking).
- 2.4 **Common Areas – Lessee's Rights.** Lessor hereby grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Building. Except as provided elsewhere, under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which costs shall be immediately payable upon demand by Lessor.
- 2.5 **Common Areas – Rules and Regulations.** Lessor or such other entities or persons as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, upon reasonable written notice to Lessee, to establish, modify, amend, and enforce reasonable rules and regulations with respect thereto. Lessee agrees to abide by and conform to all such rules and regulations, and to cause its employees, suppliers, shippers, customers, and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said rules and regulations by other lessees of the Building.
- 2.6 **Common Areas – Changes.** Lessor shall have the right, in Lessor's sole discretion, provided any action does not unreasonably interfere with Lessee's use of the Premises, from time to time and with advance written notice to Lessee: (a) to make changes to the Common Areas, including, without limitation, changes in the location, size, shape, and number of driveways, entrances, parking spaces (provided that such changes do not reduce

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the number of parking spaces designated for Lessee’s employees), parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways, provided such changes do not materially adversely affect Lessee’s use and enjoyment of the Premises; (b) to close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available; (c) to designate other land outside the boundaries of the Building to be a part of the Common Areas; (d) to add additional buildings and improvement to the Common Areas; (e) to use the Common Areas while engaged in making additional improvements, repairs or alterations to the Building, or any portion thereof; and (f) to do and perform such other acts and make such other changes in, to or with respect to the Common Areas and the Building as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

**2.7 Common Areas – Maintenance/Charges.** “Common Area Charges” shall mean all expenses which Lessor shall pay or incur which are necessary for the normal operation, maintenance, repair and management of the Common Areas, including without limitation, any amounts paid for: (a) Common Area utilities, (b) permits, licenses and certificates, (c) insurance which the Lessor is required to maintain, (d) supplies, tools, equipment and materials used in the operation, repair and maintenance, (e) accounting, legal, inspection, consulting, concierge and other services, (f) the actual cost of the repair, maintenance or operation, (g) operation, maintenance and repair of all building systems, (h) independent contractor services including maintenance and ordinary repairs, exterior cleaning, removal of ice and snow, landscaping maintenance, and the like, and (i) management fees. Common Area Charges does not include Real Property Taxes (Section 10 of this Lease) or Lessee’s Utilities/Janitorial (Section 11 of this Lease).

In addition to and with its monthly Rent, Lessee shall pay \$ 0 as additional rent for Lessee’s pro rata share of the Common Area Charges as defined above (Lessee’s Rent, set forth in Section 4 below, includes Lessee’s Pro Rata Share of the Common Area Charges).

### **3. Term**

**3.1 Term.** The initial term of this Lease shall be for ten (10) years commencing on the date that Lessor delivers possession of the Premises to Lessee following the completion of Lessor’s Work set forth in Section 44 (Lessor’s Work) below and delivery of possession of the Premises (“Commencement Date”). It is estimated that Lessor shall complete Lessor’s Work and deliver possession of the Premises to Lessee on or about February 1, 2023.

**3.3 Options to Extend Lease Term.** Provided that Lessee is in good standing and not in default under any of the terms of this Lease, Lessee shall have the option to extend the term of this Lease two (2) times, each for a period of five (5) years (which shall be called the “First Extended Term” and the “Second Extended Term” respectively). If the first option is exercised by Lessee, the First Extended Term shall commence immediately following the initial term of the Lease; and if the second option is exercised by Lessee, the Second Extended Term shall commence immediately following the expiration of the First

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Extended Term. In order to exercise an option to extend the term of this Lease, Lessee shall deliver to Lessor written notice no later than one hundred eighty (180) days prior to the end of the current term.

**4. Rent.**

**4.1 Rent During Terms.** Lessee shall pay to Lessor, as Rent for the Premises (including Lessee's pro rata share of Common Area Charges), without any offset or deduction, except as may be otherwise expressly provided in this Lease, on the 1<sup>st</sup> day of each month of the term hereof, monthly payments in advance of:

Year 1 (Months 1 – 6):	\$0 / month
Year 1 (Months 7 – 12):	\$1,372 / month
Year 2:	\$1,399 / month
Year 3:	\$1,427 / month
Year 4:	\$1,465 / month
Year 5:	\$1,485 / month
Year 6:	\$1,515 / month
Year 7:	\$1,545 / month
Year 8:	\$1,576 / month
Year 9:	\$1,608 / month
Year 10:	\$1640 / month

In the event Lessee exercises its first option to extend the Lease:

Year 11:	\$1,689 / month
Year 12:	\$1,740 / month
Year 13:	\$1,792 / month
Year 14:	\$1,846 / month
Year 15:	\$1,901 / month

In the event Lessee exercises its second option to extend the Lease:

Year 16:	\$1,958 / month
Year 17:	\$2,017 / month
Year 18:	\$2,078 / month
Year 19:	\$2,140 / month
Year 20:	\$2,204 / month

Rent for any period during the term hereof which is for less than one month shall be a pro rata portion of the Rent. Rent shall be payable in lawful money of the United States to Lessor at the address stated herein or to such other persons or at such other places as Lessor may designate in writing.

**4.2 Rent Adjustment.** In the event Lessee exercises any of its options to extend the Lease term (pursuant to Section 3.3 (Options to Extend Lease Term) above), Rent for Year 11 (if Lessee exercises its first option) and Year 16 (if Lessee exercises its second option) shall

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be adjusted to a three percent (3%) increase of the prior years' rent (Year 10 for the first option and Year 15 for the second option).

**5. Performance Deposit.** Lessee shall deposit with Lessor the sum of One Thousand Four Hundred Thirty-Three Dollars (\$1,433.00) as security for Lessee's faithful performance of Lessee's obligations hereunder (the "Performance Deposit"). The Performance Deposit shall be made on the date this Lease is signed by both Parties. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of the Performance Deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby. If Lessor so uses or applies all or any portion of the Performance Deposit, Lessee shall within ten (10) days after written demand therefor deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount then required of Lessee. Lessor shall not be required to keep said Performance Deposit separate from its general accounts. No trust relationship is created herein between Lessor and Lessee with respect to said Performance Deposit. In any event, any portion of the Performance Deposit or balance remaining at the time of the termination of the Lease that is due to be returned to Lessee shall be paid by Lessor to Lessee within thirty (30) days of the termination of the Lease.

**6. Use.**

**6.1 Use.** The Premises shall be used and occupied by Lessee only as a Police Substation and/or Community Officer Station or other similar use related to police duties, and for no other purpose without Lessor's prior written consent, which shall not be unreasonably withheld (so long as such use is not a prohibited use under the Master Lease or Governing Documents). No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises or the Building or cause the cancellation of any insurance on the Premises or the Building. Lessee shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Lessee shall not do or permit anything to be done on the Premises which will obstruct or interfere with the rights of other lessees or occupants of the Building, or their customers, clients and visitors, or to injure or annoy such persons.

**6.2 Compliance with Law.**

(a) Lessor warrants to Lessee that the Premises, in the state existing on the Commencement Date, but without regard to the use for which Lessee will occupy the Premises, will not violate any covenants or restrictions of record, or any applicable building code, law, regulation or ordinance in effect on the Commencement Date. Lessor also warrants that as of the Commencement Date, the Common Areas and the Premises will comply with all codes and regulatory requirements, including but not limited to the Americans with Disabilities Act and that it has not received any notice of any violation of law with respect to the Premises or any portion thereof, and to Lessor's knowledge and belief, Lessee's use and operation of the Premises as a Police Substation and/or Community Officer Station or other similar use related to police

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duties during the term of this Lease does not violate any applicable law or any regulation, rule or ordinance of any applicable governmental agency. In the event it is determined that this warranty has been violated, Lessor will, after written notice from Lessee, promptly take reasonable steps to rectify any such violation, if possible.

- (b) Except as provided in Section 6.3 (Condition of Premises), Lessee shall, at Lessee's expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants, restrictions of record, and requirements of any fire insurance underwriters or rating bureaus, now in effect or which may hereafter come into effect, whether or not they reflect a change in policy from that now existing, during the term or any part of the term hereof, relating in any manner to the Premises and the occupation and use by Lessee of the Premises. Lessee shall not use nor permit the use of the Premises or the Common Areas in any manner that will tend to create waste or a nuisance or shall tend to disturb other occupants of the Building.
- (c) Environmental. Lessor represents and warrants that, to the best of its knowledge, no Hazardous Materials (as defined in Section 42 below) exist or are located on or in the Premises in violation of applicable laws. Further, Lessor represents to Lessee that Lessor has not caused the generation, storage or release of Hazardous Materials upon the Premises, except in accordance with applicable law. Lessor shall comply, and take all necessary actions to cause the Building to comply, with all applicable federal, state and local requirements relating to the protection of public health, safety and welfare, and with all applicable environmental laws relating to the Building. Lessee shall comply, and take all necessary actions to cause its operations in the Premises to comply, with all applicable federal, state, and local requirements relating to the protection of public health, safety and welfare, and with all applicable environmental laws relating to the Premises. Lessee is responsible for, and agrees to hold harmless, indemnify and defend Lessor from any and all claims, costs and liability related to Lessee's delivery of toxic or hazardous substances onto the Leased Premises or Lessee's acts which result in the violations of any such laws. The indemnification set forth in this Section shall survive the termination or expiration of this Lease.

**6.3 Condition of Premises.**

Lessor warrants that, as of the Commencement Date, all Building mechanical and other utility systems and equipment (e.g., electrical, plumbing, and HVAC) then existing at or serving the Premises, the structural elements of the Building and the roof will be in good working order and condition and are then in compliance with applicable federal, state, and local codes. Except as otherwise provided in this Lease, Lessee hereby accepts the Premises in their condition existing as of the Commencement Date or the date that Lessee takes possession of the Premises, whichever is earlier, subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Premises, and any covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to

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the present or future suitability of the Premises for the conduct of Lessee's business except as provided herein.

## 7. Maintenance, Repairs, Alterations and Common Area Services.

7.1 **Lessor's Obligations.** Subject to the provisions of Sections 6 (Use), 7.2 (Lessee's Obligations) and 9 (Damage or Destruction), and except for damage caused by any negligent or intentional act or omission of Lessee, Lessee's employees, suppliers, shippers, customers, or invitees, in which event Lessee shall repair the damage, Lessor, at Lessor's expense, shall keep in good condition and repair the exterior utility lines serving the Building, foundations, exterior walls, structural condition of interior bearing walls, and the roof of the Building, as well as the garage, walkways, driveways, and landscaping of the Common Areas. Lessor shall not, however, be obligated to paint the exterior walls (although the expense of such painting shall be borne by Lessor should Lessor elect to paint the exterior walls), nor shall Lessor be required to maintain, repair or replace windows, doors or plate glass of the Premises. Lessor shall have no obligation to make repairs under this Section 7.1 until a reasonable time after receipt of written notice from Lessee of the need for such repairs. Unless Lessor fails to commence repairs within a reasonable time, Lessee expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Premises in good order, condition and repair. Lessor shall not be liable for damages or loss of any kind or nature by reason of Lessor's failure to furnish any Common Area services when such failure is caused by accident, breakage, repairs, strikes, lockout, or other labor disturbances or disputes of any character, or by any other cause beyond the reasonable control of Lessor.

### 7.2 Lessee's Obligations.

- (a) Subject to provisions of Sections 6 (Use), 7.1 (Lessor's Obligations), and 9 (Damage or Destruction), Lessee, at Lessee's expense, shall keep in good order, condition and repair the Premises and every part thereof, including, without limiting the generality of the foregoing, electrical, plumbing and sewage system, the heating, ventilating and air-conditioning system servicing and located within the Premises (or exclusively servicing the Premises), including major repairs and replacements, equipment within the Premises, fixtures, interior walls and interior surfaces of exterior walls, ceilings, windows, doors, lighting/light bulbs, and plate glass located within the Premises.
- (b) If Lessee fails to perform Lessee's obligations under this Section 7.2 or under any other section of this Lease, Lessor may enter upon the Premises after ten (10) business days' prior written notice to Lessee (except in the case of emergency, in which no notice shall be required), perform such obligations on Lessee's behalf and put the Premises in good order, condition and repair, and the cost thereof together with interest thereon at the maximum rate then allowable by law shall be due and payable as additional rent to Lessor together with Lessee's next Rent installment, provided that if the performance of Lessee's obligations takes longer than ten (10) business days to

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complete, Lessee shall be entitled to complete such obligations without Lessor performing the obligations on Lessee's behalf, if it has commenced performance within the ten (10) business days and thereafter diligently performs its obligation to completion.

- (c) On the last day of the term hereof, or on any sooner termination, Lessee shall surrender the Premises to Lessor in the same condition as received, ordinary wear and tear excepted, clean and free of debris. Any damage or deterioration of the Premises shall not be deemed ordinary wear and tear if the same could have been prevented by good maintenance practices. Lessee shall repair any damage to the Premises occasioned by the installation or removal of Lessee's trade fixtures, alterations, furnishings and equipment. Notwithstanding anything to the contrary otherwise stated in this Lease, Lessee shall leave the air ducts, power panels, electrical distribution systems, lighting fixtures (except those that are Lessee's trade fixtures), heaters, air conditioning, and plumbing (except those that are Lessee's trade fixtures), in the Premises in good operating condition.

### 7.3 Alterations and Additions.

- (a) Except as otherwise expressly provided in this Lease and after the completion of the Lessee Improvements (as defined below), Lessee shall not, without Lessor's prior written consent, make any alterations, improvements, additions, or Utility Installations in, on or about the Premises, or the Building, except for cosmetic updates (carpet, painting, etc.) or nonstructural alterations to the Premises not exceeding \$5,000 per year in cumulative costs, during the term of this Lease. In any event, whether or not in excess of \$5,000 in cumulative costs, Lessee shall make no change or alteration to the exterior of the Premises, nor the exterior of the Building, without Lessor's prior written consent. Furthermore, in any event, any and all alterations, improvements, additions or Utility Installations in, on or about the Premises shall only be performed between the hours of 8:00 am and 6:00 pm, and shall be performed in a manner so as to not disturb or inconvenience the other lessees and residents of the Building. As used in this Lease the term "Utility Installation" shall mean carpeting, window coverings, air lines, power panels, electrical distribution systems, lighting fixtures, heaters, air conditioning, and plumbing. Lessor may require that Lessee remove any or all of said alterations, improvements, additions or Utility Installations at the expiration of the term, and restore the Premises and the Building to their prior condition. If any alterations will exceed \$10,000.00 in hard cost, Lessor may require Lessee to provide Lessor, at Lessee's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Lessor against any liability for mechanic's and materialmen's liens and to insure completion of the work. Except as provided above, should Lessee make any alterations, improvements, additions or Utility Installations without the prior approval of Lessor, Lessor may, at any time during the term of this Lease, require that Lessee remove any or all of the same.

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- (b) Any alterations, improvements, additions or Utility Installations in or about the Premises or the Building that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form, with proposed detailed plans. If Lessor shall give its consent, the consent shall be deemed conditioned upon Lessee acquiring a permit to do so from appropriate governmental agencies, the furnishing of a copy thereof to Lessor prior to the commencement of the work and the compliance by Lessee of all conditions of said permit in a prompt and expeditious manner.
- (c) Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises, or the Building, or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in the Premises, and Lessor shall have the right to post notices of non-responsibility in or on the Premises or the Building as provided by law. If Lessee shall, in good faith, contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend itself and Lessor against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Lessor or the Premises or the Building, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount equal to such contested lien claim or demand indemnifying Lessor against liability for the same and holding the Premises and the Building free from the effect of such lien or claim. In addition, Lessor may require Lessee to pay Lessor's reasonable attorney's fees and costs in participating in such action if Lessor shall decide it is to Lessor's best interest to do so.
- (d) All alterations, improvements, additions and Utility Installations (whether or not such Utility Installations constitute trade fixtures of Lessee), which may be made on the Premises, shall be the property of Lessor and shall remain upon and be surrendered with the Premises at the expiration of the Lease term, unless Lessor requires their removal pursuant to Section 7.3(a), provided that Lessee shall not be required to remove cabling or electrical wiring. Notwithstanding the provisions of this Section 7.3(d), provided that Lessee is not in default, Lessee's trade fixtures, other than Utility Installations, shall remain the property of Lessee and may be removed by Lessee subject to the provisions of Section 7.2 (Lessee's Obligations).

**7.4 Utility Additions.** Lessor shall give Lessee not less than ten (10) days' notice prior to the commencement of any work in the Premises. Lessor reserves the right to install new or additional utility facilities throughout the Building and the Common Areas for the benefit of Lessor or Lessee, or any other lessee of the Building, including, but not by way of limitation, such utilities as plumbing, electrical systems, security systems, communication systems, and fire protection and detection systems, so long as such installations do not unreasonably interfere with Lessee's use of the Premises.

**8. Insurance, Indemnity.**

**8.1 Liability Insurance-Lessee.**

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(a) Lessee agrees to carry and maintain in full force and effect and at its sole cost throughout the term of the Lease a policy of Commercial General Liability insurance, insuring against any and all claims for injury or death of persons and loss of or damage to property occurring in, on or about the Premises in the amount of at least One Million Dollars (\$1,000,000) for each occurrence of bodily injury liability or property damage with an Aggregate Limit of at least Two Million Dollars (\$2,000,000), and a Fire Legal Limit of at least One Hundred Thousand Dollars (\$100,000). The policy shall name Lessor and Owner as additional insureds and shall be primary insurance coverage as well as non-contributory as to Lessor and Owner, and all other insurance carried by Lessor or Owner shall be excess coverage secondary to the coverage provided by Lessee. The policy shall also provide that the policy may not be canceled or materially modified without thirty (30) days' prior written notice to Lessor. Lessee shall furnish Lessor with a certificate evidencing the issuance of such insurance policy and renewal certificates prior to the expiration of any expiring policy. The limits of such insurance shall not limit the liability of Lessee.

(b) Lessee also agrees to carry and maintain in full force and effect and at its sole cost throughout the term of the Lease state industrial insurance in the state of Washington or workers compensation in other states with employers' liability or stop gap coverage with limits of Five Hundred Thousand Dollars (\$500,000).

(c) Lessee agrees to carry and maintain in full force and effect and at its sole cost throughout the term of the Lease a policy of Umbrella/Excess Liability insurance in the amount of at least One Million Dollars (\$1,000,000) for bodily injury or property damage over the General Liability and Employers Liability/Stop Gap.

(d) Lessee shall at all times during the term hereof, and at its cost and expense, maintain in effect policies of insurance covering its fixtures, inventory, and equipment, and leasehold improvements located on the Premises, in an amount not less than one hundred percent (100%) of their full replacement cost, providing protection against any peril included within the classification Special Form Coverage, including insurance against sprinkler damage, vandalism and malicious mischief. Lessee shall also procure and maintain in full force and effect Equipment Breakdown coverage in amount not less than One Hundred Thousand Dollars (\$100,000).

**8.2 Rent Loss Endorsement.** Lessor may, at its option, require that the above-described policies of insurance shall be written with rent loss endorsements in favor of Lessor to cover a period not less than twelve (12) months in amounts sufficient to pay Lessee's obligations hereunder including, without limitation, the Rent, real property taxes on the Premises, insurance premiums and utility costs excluding only Lessor's and/or Lessee's avoidable costs.

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- 8.3 **Liability Insurance-Lessor.** Lessor shall obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Property Damage Insurance, insuring Lessor, but not Lessee, against any liability arising out of the ownership, use, occupancy, or maintenance of the Building in an amount not less than Two Million Dollars (\$2,000,000) per occurrence.
- 8.4 **Property Insurance.** Lessor or Owner shall obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Building improvements, but not Lessee's personal property, fixtures, equipment or Lessee improvements, in an amount not to exceed the full replacement value thereof, as the same may exist from time to time, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, flood (in the event same is required by a lender having a lien on the Premises) special extended perils ("all risk", as such term is used in the insurance industry), plate glass insurance and such other insurance as Lessor deems advisable. In the event that the Premises shall suffer an insured loss by an event required to be covered by the insurance described in Section 8.1 hereof, or by an event required to be covered by the insurance described in Section 8.2 or 8.3 hereof which was caused by Lessee or its employees, agents, representatives, customers or invitees, the deductible amounts under the insurance policies relating to the Premises shall be paid by Lessee.
- 8.5 **Payment of Premium Increase.** In the event an act or omission of Lessee (or Lessee's agents, independent contractors, employees, customers or invitees) causes an increase in the property insurance premium for the Building, Lessee shall pay the portion of any increase in such property insurance premium over what it was immediately prior to the act or omission that caused the increase, provided that the act or omission is specified by Lessor's or Owner's insurance carrier as being the cause of the increase in such premium.
- 8.6 **Insurance Policies.** All insurance required to be carried by Lessee hereunder shall be with companies rated A or better in "Best's Insurance Guide" or accepted by the U.S. Department of Housing and Urban Development, and shall be on forms and with loss payable clauses and liability endorsements in favor of Lessor, in form satisfactory to Lessor naming Lessor and Owner, Owner's mortgagee or other specified lender, and any other persons, firms or corporations designated by Lessor as additional insureds as their interests may appear. Copies of policies of such insurance or certificates issued by the insurance company evidencing the existence and amounts of such insurance shall be delivered to Lessor by Lessee at least fifteen (15) days prior to Lessee occupying the Premises. All such policies shall be written as primary policies, not contributing with and not in excess of coverage which Lessor may carry. No such policies shall be cancelable (or coverage reduced), except after thirty (30) days' written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with renewals or "binders" thereof or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee upon demand. Lessee shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Lessee provided such blanket policies expressly afford

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coverage to the Premises and to the Lessor as required by this Lease and contains the other requirements set forth herein.

**8.7 Waiver of Subrogation.** Lessor and Lessee each mutually release the other from every right, claim and demand which may hereafter arise in favor of either arising out of or in connection with any loss occasioned by fire and such other perils as are included in the provisions of the normal extended coverage clauses of fire insurance policies, and do hereby waive all rights of subrogation in favor of insurance carriers arising out of any such losses and sustained by either the Lessor or the Lessee in or to the Premises or Building or any property therein, regardless of cause of origin, including negligence. Any insurance carried by either party shall include a clause or endorsement denying to the insurer a right of subrogation against the other party to the extent the right has been waived by the insured prior to occurrence of any injury or loss. Each party, notwithstanding any provisions of this Lease to the contrary, hereby waives any rights of recovery against the other for injury or loss due to hazards covered by insurance containing such a clause or endorsement to the extent of the insurance proceeds paid or payable by reason of the injury or loss covered thereby.

**8.8 Lessee Indemnity.** Except to the extent of Lessor's gross negligence, willful misconduct or breach of an express provision of this Lease, Lessee shall indemnify and hold harmless Lessor and Owner from and against any and all claims, damages or losses arising from or related to Lessee's use of the Premises or Common Areas, or from the conduct of Lessee's business, or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises occupied or under Lessee's control or Common Areas. Lessee shall further indemnify and hold harmless Lessor and Owner from and against any and all claims, damages or losses arising from or related to any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any act or omission of Lessee, or any of Lessee's agents, invitees, contractors, or employees, and from and against all costs, attorney's fees, expenses and liability incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor or Owner by reason of any such claim, Lessee, upon notice from Lessor, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor.

Lessor shall indemnify and hold harmless Lessee from and against any and all claims, damages or losses arising from or related to Lessor's use of the Premises or Common Areas, or from the conduct of Lessor's business in or about the Building not relating to Lessee's business; and shall further indemnify and hold harmless Lessee from and against any and all claims, damages or losses arising from the gross negligence or willful misconduct of Lessor, or any of Lessor's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liability incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Lessee by reason of any such claim, Lessor, upon notice from Lessee, shall defend the same at Lessor's expense by counsel reasonably satisfactory to Lessor.

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8.9 **Waiver of Immunity.** Lessor and Lessee each specifically and expressly waive any immunity that each may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Neither party's indemnity obligations under this Lease shall be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts.

**THE PARTIES TO THE LEASE HEREBY ACKNOWLEDGE THAT THE ABOVE CLAUSES IN SECTION 8.8 AND 8.9 WERE MUTUALLY NEGOTIATED**

\_\_\_\_\_  
Lessor      Lessee

8.10 **Exemption of Lessor from Liability.** Lessee hereby agrees that Lessor and Owner shall not be liable for injury to Lessee's business or any loss of income therefrom or for damage to the goods, wares, merchandise, or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the Premises or the Building, nor shall Lessor or Owner be liable for injury to the person of Lessee, Lessee's employees, agents, contractors, customers or invitees, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water, or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, except to the extent caused by or arising from Lessor and/or Owner's gross negligence or willful misconduct. Lessor and Owner shall not be liable for any damages arising from any act or neglect of any other lessee, occupant or user of the Building, nor from the failure of Lessor to enforce the provisions of any other lease of the Building.

**9. Damage or Destruction.**

**9.1 Definitions.**

- (a) "Premises Partial Damage" shall mean if the Premises are damaged or destroyed to the extent that the cost of repair is less than fifty percent (50%) of the then replacement cost of the Premises.
- (b) "Premises Total Destruction" shall mean if the Premises are damaged or destroyed to the extent that the cost of repair is fifty percent (50%) or more of the then replacement cost of the Premises.
- (c) "Building Partial Damage" shall mean if the Building is damaged or destroyed to the extent that the cost to repair is less than fifty percent (50%) of the then replacement cost of the Building.

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- (d) “Building Total Destruction” shall mean if the Building is damaged or destroyed to the extent that the cost to repair is fifty percent (50%) or more of the then replacement cost of the Building.
- (e) “Insured Loss” shall mean damage or destruction which was covered by an event required to be covered by the insurance described in Section 8 (Insurance, Indemnity). The fact that an Insured Loss has a deductible amount shall not make the loss an uninsured loss.
- (f) “Replacement Cost” shall mean the amount of money necessary to be spent in order to repair or rebuild the damaged area to the condition that existed immediately prior to the damage occurring excluding all improvements made by lessees.

**9.2 Premises Partial Damage; Building Partial Damage.**

- (a) Insured Loss: Subject to the provisions of Sections 9.4 (Damage Near End of Term) and 9.5 (Abatement of Rent; Lessee’s Remedies), if at any time during the term of this Lease there is damage which is an Insured Loss and which falls within the classification of either Premises Partial Damage or Building Partial Damage, then Lessor shall, at Lessor’s expense, repair such damage to the Premises, but not Lessee’s fixtures, equipment or Lessee improvements (unless the damage was caused by Lessor’s gross negligence or willful misconduct), as soon as reasonably possible and this Lease shall continue in full force and effect. In the event that Lessee will be unable to conduct its business for more than one hundred eighty (180) days as a result of the damage, Lessee may terminate this Lease by written notice to Lessor within thirty (30) days of the damage (unless the damage was caused by the negligent or willful act of Lessee). Lessee may at its option terminate this Lease if any Premises Partial Damage occurs during the last twelve (12) months of the Term of this Lease or the last twelve months of any extension thereof, provided that: (i) Lessee will be unable to conduct its business for more than ninety (90) days as a result of the damage; (ii) the damage was not caused by the negligent or willful act of Lessee; and (iii) Lessee delivers written notice of such termination within thirty (30) days of the damage. In the event that Lessee terminates this Lease pursuant to the provisions in this Section, this Lease shall be canceled and terminated as of the date of the occurrence of such damage.
- (b) Uninsured Loss: Subject to the provisions of Sections 9.4 and 9.5, if at any time during the term of this Lease there is damage which is not an Insured Loss and which falls within the classification of Premises Partial Damage or Building Partial Damage, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee’s expense), which damage prevents Lessee from using the Premises, Lessor may at Lessor’s option either (i) repair such damage as soon as reasonably possible at Lessor’s expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within thirty (30) days after the date of the occurrence of such damage of Lessor’s intention to cancel and terminate this Lease as of the date of the occurrence of such damage. In the event Lessor elects to give such notice of Lessor’s intention to cancel and terminate this Lease, Lessee

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shall have the right within ten (10) days after the receipt of such notice to give written notice to Lessor of Lessee's intention to repair such damage at Lessee's expense, without reimbursement from Lessor, in which event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs as soon as reasonably possible. If Lessee does not give such notice within such ten (10) day period, this Lease shall be canceled and terminated as of the date of the occurrence of such damage. Lessee may at its option terminate this Lease if any Premises Partial Damage or Building Partial Damage occurs during the last twelve (12) months of the Term of this Lease or the last twelve months of any extension thereof, provided that: (i) Lessee will be unable to conduct its business for more than ninety (90) days as a result of the damage; (ii) the damage was not caused by the negligent or willful act of Lessee; and (iii) Lessee delivers written notice of such termination within thirty (30) days of the damage. In the event that Lessee terminates this Lease pursuant to the provisions in this Section, this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

### **9.3 Premises Total Destruction; Building Total Destruction.**

- (a) Subject to the provisions of Sections 9.4 and 9.5, if at any time during the term of this Lease there is damage, whether or not it is an Insured Loss, and which falls into the classifications of either (i) Premises Total Destruction, or (ii) Building Total Destruction, then Lessor may at Lessor's option either (i) repair such damage or destruction, but not Lessee's fixtures, equipment or Lessee improvements (unless the damage was caused by Lessor's gross negligence or willful misconduct), as soon as reasonably possible at Lessor's expense, and this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within thirty (30) days after the date of occurrence of such damage of Lessor's intention to cancel and terminate this Lease, in which case this Lease shall be canceled and terminated as of the date of the occurrence of such damage. Notwithstanding the foregoing, in the event that Lessee will be unable to conduct its business for more than one hundred eighty (180) days as a result of the damage, Lessee may terminate this Lease by written notice to Lessor within thirty (30) days of the damage (unless the damage was caused by the negligent or willful act of Lessee). In the event that Lessee terminates this Lease pursuant to the provisions in this Section, this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

### **9.4 Damage Near End of Term.**

- (a) Subject to Section 9.4(b), if at any time during the last six months of the term of this Lease there is substantial damage, whether or not an Insured Loss, which falls within the classification of Premises Partial Damage, Lessor may at Lessor's option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Lessee of Lessor's election to do so within thirty (30) days after the date of occurrence of such damage.

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(b) Notwithstanding Section 9.4(a), in the event that Lessee has an option to extend or renew this Lease, and the time within which said option may be exercised has not yet expired, Lessee shall exercise such option, if it is to be exercised at all, no later than twenty (20) days after the occurrence of an Insured Loss falling within the classification of Premises Partial Damage during the last six months of the term of this Lease. If Lessee duly exercises such option during said twenty (20) day period, Lessor shall, at Lessor's expense, repair such damage, but not Lessee's fixtures, equipment or Lessee improvements (unless the damage was caused by Lessor's gross negligence or willful misconduct), as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option during said twenty (20) day period, then Lessor may at Lessor's option terminate and cancel this Lease as of the expiration of said twenty (20) day period by giving written notice to Lessee of Lessor's election to do so within ten (10) days after the expiration of said twenty (20) day period.

**9.5 Abatement of Rent; Lessee's Remedies.**

- (a) In the event Lessor repairs or restores the Premises pursuant to the provisions of this Section 9, the Rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired. Except for abatement of Rent, if any, Lessee shall have no claim against Lessor for any damage suffered by reason of any such damage, destruction, repair, or restoration.
- (b) If Lessor shall be obligated to repair or restore the Premises under the provisions of this Section 9 and shall not commence such repair or restoration within forty-five (45) days after such obligation shall accrue, Lessee may, at Lessee's option, cancel and terminate this Lease by giving Lessor written notice of Lessee's election to do so at any time prior to the commencement of such repair or restoration. In such event, this Lease shall terminate as of the date of the occurrence of such damage.

**9.6 Conflict or Inconsistency.** In the event there are any conflicts, inconsistencies, or ambiguities between this Lease and any statute which relates to termination of leases when leased property is destroyed, this Lease shall control.

**10. Real Property Taxes.**

**10.1 Payment of Taxes.** Lessee shall reimburse Lessor for payment of the real property tax, as defined Section 10.3 (Definition of "Real Property Tax"), applicable to the Premises. Upon receipt of the real property tax bill/invoice for the Premises, Lessor shall provide the same to Lessee and Lessee shall thereafter pay Lessor the entirety of said amount within forty-five (45) days of receipt of the real property tax bill/invoice for the Premises.

**10.2 Additional Improvements.** Lessee shall also pay to Lessor the entirety of any increase in real property tax if assessed solely by reason of additional improvements placed upon

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the Premises by Lessee or at Lessee's request (not including the original improvements placed upon the Premises within the first year of Lessee's occupancy of the Premises).

**10.3 Definition of "Real Property Tax".** As used herein, the term "real property tax" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed on the Building or any portion thereof by an authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, sanitary, fire, street, drainage, or other improvement district thereof, as against any legal or equitable interest of Lessor or Owner in the Building or in any portion thereof, as against Lessor's or Owner's right to rent or other income therefrom, and as against Lessor's or Owner's business of leasing the Building.

**10.4 Personal Property Taxes.**

- (a) Lessee shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Lessee contained in the Premises or elsewhere. When possible, Lessee shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor.
- (b) If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay to Lessor the taxes attributable to Lessee within ten (10) days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

**11. Utilities/Janitorial.** Lessee shall, at its sole cost and expense, pay for all water, gas, heat, light, power, telephone, cable, internet, garbage/refuse/recycling removal, and other utilities and services supplied to the Premises, as well as all cleaning of and janitorial services supplied to the Premises, together with any taxes thereon. Lessee's waste/refuse/recycling shall be stored within the Premises in appropriate receptacles, provided that such receptacles may be placed in places in the Common Areas designated by Lessor (such as the sidewalks) on the day that the waste/refuse/recycling is to be picked-up (after which the receptables shall promptly be returned to within the Premises). Water and electricity will be separately metered to the Premises, however, if any other services are not separately metered to the Premises now or in the future, Lessee shall pay Lessee's pro-rata share of all charges jointly metered with other premises in the Building.

**12. Assignment and Subletting.** Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in the Lease or in the Premises.

**13. Default; Remedies.**

**13.1 Default.** The occurrence of any one or more of the following events shall constitute a material default of this Lease by Lessee:

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- (a) Vacating, abandonment of the Premises or ceasing operations. Lessee shall not be in default for vacation, abandonment of the Premises or ceasing business operations, so long as Lessee complies with all provisions of the Lease, including without limitation the payment of Rent; provided that after sixty (60) days of continuous vacation, abandonment, or ceased business operations Lessor may recapture the Premises, remove Lessee's signage and change the appearance of the storefront, and may elect to terminate the Lease at Lessor's sole discretion.
- (b) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of five (5) days after the due date.
- (c) Except as otherwise provided in this Lease, the failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in Section 13.1(b) above, where such failure shall continue for a period of ten (10) days after written notice thereof from Lessor to Lessee; provided, however, that if the nature of Lessee's noncompliance is such that more than ten (10) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said ten (10) day period and thereafter diligently prosecutes such cure to completion. To the extent permitted by law, such ten (10) day notice shall constitute the sole and exclusive notice required to be given to Lessee under applicable Unlawful Detainer statutes.
- (d) (i) The making by Lessee of any general arrangement or general assignment for the benefit of creditors; (ii) Lessee becomes a "debtor" as defined in Title 11 U.S.C. or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days; (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of the Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days. In the event that any provision of this Section 13.1(d) is contrary to any applicable law, such provision shall be of no force or effect.
- (e) The discovery by Lessor that any financial statement given to Lessor by Lessee, any assignee of Lessee, any sublessee of Lessee, any successor in interest of Lessee or any guarantor of Lessee's obligations hereunder, was knowingly and materially false.

**13.2 Remedies.** In the event of any such material default by Lessee, Lessor may at any time thereafter, with or without notice (except for those notices required in Section 13.1) or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default:

- (a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease and the term hereof shall terminate and Lessee shall immediately

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surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to: the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorney's fees, and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Lessee proves could be reasonably avoided; and that portion of the leasing commission paid by Lessor applicable to the unexpired term of this Lease.

- (b) Maintain Lessee's right to possession, in which case this Lease shall continue in effect whether or not Lessee shall have vacated or abandoned the Premises. In such event, Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.
- (c) Pursue any other remedy now or hereunder available to Lessor under the laws or judicial decisions of the state wherein the Premises are located. Unpaid installments of rent and other unpaid monetary obligations of Lessee under the terms of this Lease shall bear interest from the date due at the maximum rate then allowable by law.

**13.3 Default by Lessor.** Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but, except for unordinary or unusual circumstances, in no event later than thirty (30) days after written notice by Lessee to Lessor specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance, then Lessor shall not be in default if Lessor commences reasonable performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

**13.4 Late Charges.** Lessee hereby acknowledges that late payment by Lessee to Lessor of Rent or other sums due hereunder will cause Lessor 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, attorney fees, processing and accounting charges, and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Property. Accordingly, if any installment of Rent or any other sum due from Lessee shall not be received by Lessor or Lessor's designee within five (5) business days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee, and shall be considered Rent after it is due. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of any of the aforesaid monetary obligations of

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Lessee, then Rent shall automatically become due and payable quarterly in advance, rather than monthly, notwithstanding Section 4.1 (Rent During Terms) or any other provision of this Lease to the contrary.

14. **Condemnation.** If the Premises or any portion thereof or the Building are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called “condemnation”), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of the floor area of the Premises is taken by condemnation (and not replaced by Lessor), Lessee may, at Lessee’s option, to be exercised in writing only within ten (10) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the floor area of the Premises taken bears to the total floor area of the Premises. No reduction of Rent shall occur if the only area taken is that which does not have the Premises located thereon. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages; provided, however, that Lessee shall be entitled to any award for loss of or damage to Lessee’s trade fixtures and removable personal property. In the event that this Lease is not terminated by reason of such condemnation, Lessor shall to the extent of severance damages received by Lessor in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Lessee has been reimbursed therefore by the condemning authority.

15. **Estoppel Certificate.**

- (a) Each party (as “responding party”) shall at any time upon not less than ten (10) days’ prior written notice from the other party (“requesting party”) execute, acknowledge and deliver to the requesting party a statement in writing (i) 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 or other charges are paid in advance, if any, and (ii) acknowledging that there are not, to the responding party’s knowledge, any uncured defaults on the part of the requesting party, or specifying such defaults if any are claimed, provided that the responding party shall bear no obligation to draft such document. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or of the business of the requesting party.
- (b) Failure to deliver such statement within such time shall be conclusive upon such party that (i) this Lease is in full force and effect, without modification except as may be represented by the requesting party, (ii) there are no uncured defaults in the requesting party’s

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performance, and (iii) if Lessor is the requesting party, not more than one month's rent has been paid in advance.

(c) If Lessor desires to finance, refinance, or sell the Property, or any part thereof, Lessee hereby agrees to deliver to any lender or purchaser designated by Lessor such financial statements of Lessee as may be reasonably required by such lender or purchaser. Such statements shall include the past three (3) years' financial statements of Lessee. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

16. **Lessor's Liability.** Except as expressly provided in Section 14 (Condemnation), in the event of any transfer of Lessor's interest in the Master Lease, Lessor herein named (and in case of any subsequent transfers, then the grantor) shall be relieved from and after the date of such transfer of all liability as respects Lessor's obligations thereafter to be performed, provided that any funds in the hands of Lessor (or the then grantor at the time of such transfer) in which Lessee has an interest shall be delivered to the grantee. The obligations contained in this Lease to be performed by Lessor shall, subject as aforesaid, be binding on Lessor's successors and assigns only during their respective periods of ownership.
17. **Severability.** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.
18. **Interest on Past-due Obligations.** Except as expressly herein provided, any amount due to Lessor not paid when due shall bear interest at the lesser of eighteen percent (18%) per annum or the maximum rate then allowable by law from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease; provided, however, that interest shall not be payable on late charges incurred by Lessee or on any amounts upon which late charges are paid by Lessee. Any interest owed shall be deemed Rent.
19. **Time of Essence.** Time is of the essence with respect to the obligations to be performed under this Lease.
20. **Additional Rent.** All monetary obligations of Lessee to Lessor under the terms of this Lease, including, but not limited to, utilities, insurance and tax expenses payable, shall be deemed to be Rent.
21. **Incorporation of Prior Agreements; Amendments.** This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior or contemporaneous agreement of understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification. Except as otherwise stated in this Lease, Lessee hereby acknowledges that no cooperating broker on this transaction nor the Lessor or any employee or agents of any said persons has made any oral or written warranties or representations to Lessee relative to the condition or use by Lessee of the Premises or the Building and Lessee acknowledges that Lessee assumes all responsibility regarding the Occupational Safety Health Act, the legal use and adaptability

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of the Premises and the compliance thereof with all applicable laws and regulations in effect during the term of this Lease, except as otherwise specifically stated in this Lease.

22. **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery, overnight mail (by national overnight courier), or by certified mail, and if given personally or by mail, shall be deemed sufficiently given if addressed to Lessee or to Lessor at the address noted below the signature of the respective parties, as the case may be. Either party may, by notice to the other, specify a different address for notice purposes; however, upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice purposes. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate by notice to Lessee.
23. **Waivers.** No waiver by Lessor of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee of the same or any other provision. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act by Lessee. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.
24. **Recording.** Lessee shall, upon request of Lessor, execute, acknowledge and deliver to Lessor a "short form" memorandum of this Lease for recording purposes.
25. **Holding Over.** If Lessee, with Lessor's consent, remains in possession of the Premises or any part thereof after the expiration of the term hereof, such occupancy shall be a tenancy from month to month upon all the provisions of this Lease pertaining to the obligations of Lessee. Rent will be equivalent to the then prevailing total Rent paid by Lessee at the expiration of the term of this Lease, but the monthly rent payable by Lessee would be increased to one hundred twenty (120%) of the monthly rent payable by Lessee at the expiration of the lease term. Such monthly rent would be payable in advance on or before the first day of each month. Each party shall give the other written notice at least one month prior to the date of termination of such monthly tenancy of its intention to terminate such tenancy. In the event of an unauthorized holding over, Lessee shall pay twice the total rental paid by Lessee at the expiration of the term of this Lease and Lessee shall indemnify Lessor against all claims for damages by any other Lessee to whom Lessor may have leased all or part of the Premises covered hereby effective upon the termination of this Lease.
26. **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.
27. **Covenants and Conditions.** Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.

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28. **Binding Effect; Choice of Law.** Subject to any provisions hereof restricting assignment or subletting by Lessee, and subject to the provisions of Section 16 (Lessor's Liability), this Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the State where the Building is located and any litigation concerning this Lease between the parties hereto shall be initiated in the Superior Court of the county in which the Building is located.

29. **Subordination.**

(a) This Lease shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Building and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default and so long as Lessee shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Lessee, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.

(b) Lessee agrees to execute any documents required to effectuate an attornment, a subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be, provided this Lease shall remain in full force and effect. In the event of Lessee's failure to execute such documents within ten (10) days after written demand, Lessor may execute such documents on behalf of Lessee as Lessee's attorney-in-fact. Lessee does hereby make, constitute and irrevocably appoint Lessor as Lessee's attorney-in-fact and in Lessee's name, place and stead, to execute such documents in accordance with this Section 29(b).

30. **Attorney's Fees.** If either party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action shall be entitled to its reasonable attorney's fees and costs to be paid by the non-prevailing party.

31. **Lessor's Access/Right of Entry.** Except for emergencies, where no prior notice from the Lessor to Lessee will be required, the Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times during non-working hours after providing Lessee with written notice thereof at least twenty-four (24) hours prior to the scheduled access, and so long as Lessor and its agents are escorted by a representative of Lessee, for the purpose of inspecting the same, showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises or to the Building as Lessor may deem necessary or desirable. In the event of an emergency, Lessor and its authorized agents or public authorities shall have the right to enter the Premises at any time to prevent damage to the Premises or other parts of the Building. Lessor shall have a key to the Premises (and/or security access codes) at all times. Lessor shall make every attempt to make repairs or

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to enter the Premises during Lessee's closed hours. Lessor shall at all times respect the confidentiality of Lessee and shall not access Lessee's computers or other equipment. Lessee's representative shall lock the Premises and set Lessee's alarm, if any, upon Lessor's exit. Lessor may at any time place on or about the Building any ordinary "For Sale" signs and Lessor may at any time during the last one hundred eighty (180) days of the term hereof place on or about the Premises any ordinary "For Lease" signs. All activities of Lessor pursuant to this Section shall be performed in a manner that minimizes any disruption of Lessee's business, without abatement of rent, nor shall Lessor have any liability to Lessee for the same, except in the event of Lessor's gross negligence or willful misconduct.

32. **Auctions.** Lessee shall not conduct, nor permit to be conducted, either voluntarily or involuntarily, any auction upon the Premises without first having obtained Lessor's prior written consent. Notwithstanding anything to the contrary in this Lease, Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to grant such consent.
33. **Signs.** Subject to any applicable city/governing authority having jurisdiction approvals and the prior written approval of Lessor, Lessee shall have the right, at its sole cost and expense, to install building signage on the elevations of the Premises in location(s) as approved by the Lessor and shall have the right to erect a "Coming Soon" banner during construction of the Lessor and Lessee work prior to the opening of Lessee's business (also in location(s) as approved by the Lessor). Signage illumination shall be subject to the design code imposed by any governing authorities and Lessor's prior approval. Size and positioning appropriate to lines of sight shall be approved by any relevant governing authorities and Lessor.
34. **Merger.** The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation hereof, or a termination by Lessor, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.
35. **Reserved.**
36. **Quiet Possession.** Upon Lessee paying the rent for the Premises and observing and performing all of the covenants, conditions and provisions on Lessee's part to be observed and performed hereunder, Lessee shall be entitled to enjoy quiet possession of the Premises for the entire term hereof subject to all of the provisions of this Lease.
37. **Security Measures.** Lessee hereby acknowledges that Lessor shall have no obligation whatsoever to provide guard service or other security measures for the benefit of the Premises or the Building. Lessee assumes all responsibility for the protection of Lessee, its agents, and invitees and the property of Lessee and of Lessee's agents and invitees from acts of third parties.
38. **Easements.** Lessor reserves to itself the right, from time to time, to grant such easements, rights and dedications that Lessor deems necessary or desirable, and to cause the recordation of parcel maps, condominium declarations and/or other restrictions, so long as such easements,

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rights, dedications, parcel maps, condominium declarations and other restrictions do not unreasonably interfere with the use of the Premises by Lessee.

39. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment “under protest” and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of said party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.
40. **Authority.** If Lessee is a corporation, trust, or general or limited partnership, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity. If Lessee is a corporation, trust or partnership, Lessee shall deliver to Lessor evidence of such authority satisfactory to Lessor.
41. **Offer.** Preparation of this Lease by Lessor or Lessor’s agent and submission of same to Lessee shall not be deemed an offer to lease. This Lease shall become binding upon Lessor and Lessee only when fully executed by Lessor and Lessee.
42. **Hazardous Material.** Lessee shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Building by Lessee, its agents, employees, contractors or invitees, except with Lessor’s prior consent and then only upon strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Lessee breaches the obligations stated in the preceding sentence, then Lessee shall indemnify, defend and hold Lessor and Owner harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises or the Building, damage for the loss or restriction on the use of rentable or usable space or any amenity of the Premises, or elsewhere, damages arising from any adverse impact on marketing of space at the Premises, and sums paid in settlement claims, reasonable attorneys’ fees, consultant fees and expert fees incurred or suffered by Lessor wither during or after the Lease term. These indemnifications by Lessee include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local government agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Lessee shall immediately notify Lessor of any inquiry, investigation or notice that Lessee may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees, results in any unlawful release of Hazardous Materials on the Premises or any other property, Lessee shall promptly take all actions, at its sole expense, as are necessary to return the

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Premises or any other property, to the condition existing prior to the release of any such Hazardous Material; provided that Lessor's approval of such actions shall first be obtained, which approval may be withheld at Lessor's sole discretion.

As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substances, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. The provisions of this Section 42 shall survive expiration or termination of this Lease.

43. **Brokerage.** Lessor and Lessee each warrant that they have not dealt with any broker in connection with this transaction. If any person or entity shall assert a claim to a finder's fee, brokerage commission or other compensation on account of alleged employment as a finder or broker (or for performance of services as a finder or broker) in connection with this transaction, the party under whom the finder or broker is claiming shall indemnify, defend, and hold harmless the other party for, from and against any and all such claims and/or any costs (including, but not limited to attorney's fees) in connection with any action or proceeding brought on such claims.
44. **Lessor's Work.** Lessor shall deliver the Premises in an "unfinished" condition by performing on the following work in compliance with all applicable federal, state and local laws and codes:
- A. **Electrical:** Provisions have been made in the building's Main Distribution Panel for a 200 amp, 3-phase electrical service. Electrical panel shall be installed by the Lessee during the build-out of the space and located per Lessee's layout. Lessee to coordinate with Seattle City Light to provide for meter and account set-up of electricity. Stub locations and sizes are approximate and should be verified by Lessee. Conductors shall be provided by Lessee.
  - B. **Plumbing:** Water service and waste piping shall be provided to the Premises per the Plan Sheets attached as Exhibit D. Stub locations are approximate and should be verified by Lessee. Submeter to be provided by Lessor. Lessee to coordinate with Utility to provide account set-up.
  - C. **HVAC:** Location for a condenser unit in the parking garage level will be provided. Lessee shall be responsible for HVAC system including line sets to condensers and all exhaust and outside air intakes.
  - D. **Fire Protection:** Lessor to provide the Premises with sprinklers and piping roughed in as required by applicable codes. Lessee to complete the distribution required of the build-out.
  - E. **Cable TV, Phone, Data:** Lessor shall provide one (1) power conduit good for 200 amps, one (1) communication conduit, two (2) sleeves into adjacent

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garage, and four (4) provisional conduits to the roof. Size and location of conduits to be verified by Lessee. Lessee shall be responsible for cabling, terminations, account set-up and coordination with providers.

collectively the “Lessor’s Work.”

45. **Lessee Improvements.** Lessee shall build out the Premises, at Lessee’s sole cost and expense (except for the Lessor allowance set forth below), in accordance with the plans and specifications approved in writing by Lessor (the “Lessee Improvements”). The Lessee Improvements and all work performed by Lessee or its agents related to the Lessee Improvements shall be in accordance with the terms and conditions set forth in Exhibit D attached hereto. Lessor grants Lessee an allowance of \$50.00/sf (\$65,850) towards the cost of the Lessee Improvements; and all additional costs to complete the Lessee Improvements (including, but not limited to, design, permits and signage) shall be the sole responsibility of Lessee. Said allowance shall be paid by Lessor to Lessee within thirty (30) days of satisfaction of all of the following: (i) Lessee’s completion of the Lessee Improvements; (ii) Lessee providing Lessor with copies of all invoices and paid receipts for the Lessee Improvements, along with lien releases for said Lessee Improvements from Lessee’s General Contractor and each of its lower-tier subcontractors and/or suppliers; and (iii) Lessee providing Lessor a final Certificate of Occupancy for the Premises.

46. **Exhibits.** The following Exhibits are fully incorporated herein and are part of this Lease:

- Exhibit A – Legal Description
- Exhibit B – Location of Premises
- Exhibit C – Location of Parking
- Exhibit D – Plan Sheets
- Exhibit E – Lessee Improvements

**LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT ANDPURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.**

[Signatures to follow - remainder of page intentionally left blank]

Initials: \_\_\_\_\_  
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**LESSOR:**

**LESSEE:**

**SUNSET MANAGEMENT, INC.**

**CITY OF SEATAC, WASHINGTON**

\_\_\_\_\_  
By: Darin Davidson  
Its: President

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**ADDRESSES FOR NOTICES AND RENT:**

**LESSOR:**

**LESSEE:**

Sunset Management, Inc.  
Attn: Mr. Scott Morris  
120 W. Cataldo Ave., Suite 100  
Spokane, WA 99201  
Phone: (509) 321-3201  
Fax: (509) 922-2251

City of SeaTac, Washington  
Attn: \_\_\_\_\_  
4800 S. 188<sup>th</sup> Street  
SeaTac, WA 98188  
Phone: (206) \_\_\_\_\_  
Fax: (206) \_\_\_\_\_

**ACKNOWLEDGEMENTS TO LEASE**

**LESSOR’S CORPORATE ACKNOWLEDGEMENT**

State of Washington    )  
  ) ss.  
County of Spokane     )

I certify that I know or have satisfactory evidence that Darin Davidson is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged this instrument as the President of **SUNSET MANAGEMENT, INC.**, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

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\_\_\_\_\_





**Exhibit A**

**Legal Description**

Tax Parcel No. 004300-0015

**Parcel A:**

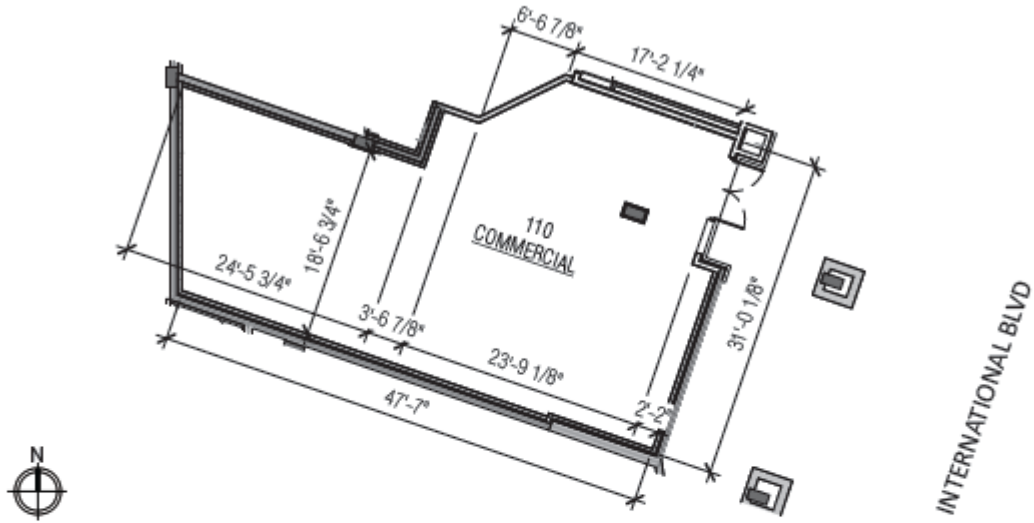
Parcel A, SeaTac Center Lot Line Adjustment File No. SUB20-0002, recorded May 1, 2020, under Recording No. 20200501900001.

**Parcel C:**

The East 54 feet of the West 144 feet, less the South 50 feet thereof, of Lot 5, Block 1, Third Addition to Adams Home Tracts, according to the plat thereof, recorded in Volume 15 of plats, page 17, in King County, Washington.

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**Exhibit B**  
**Location of Premises**



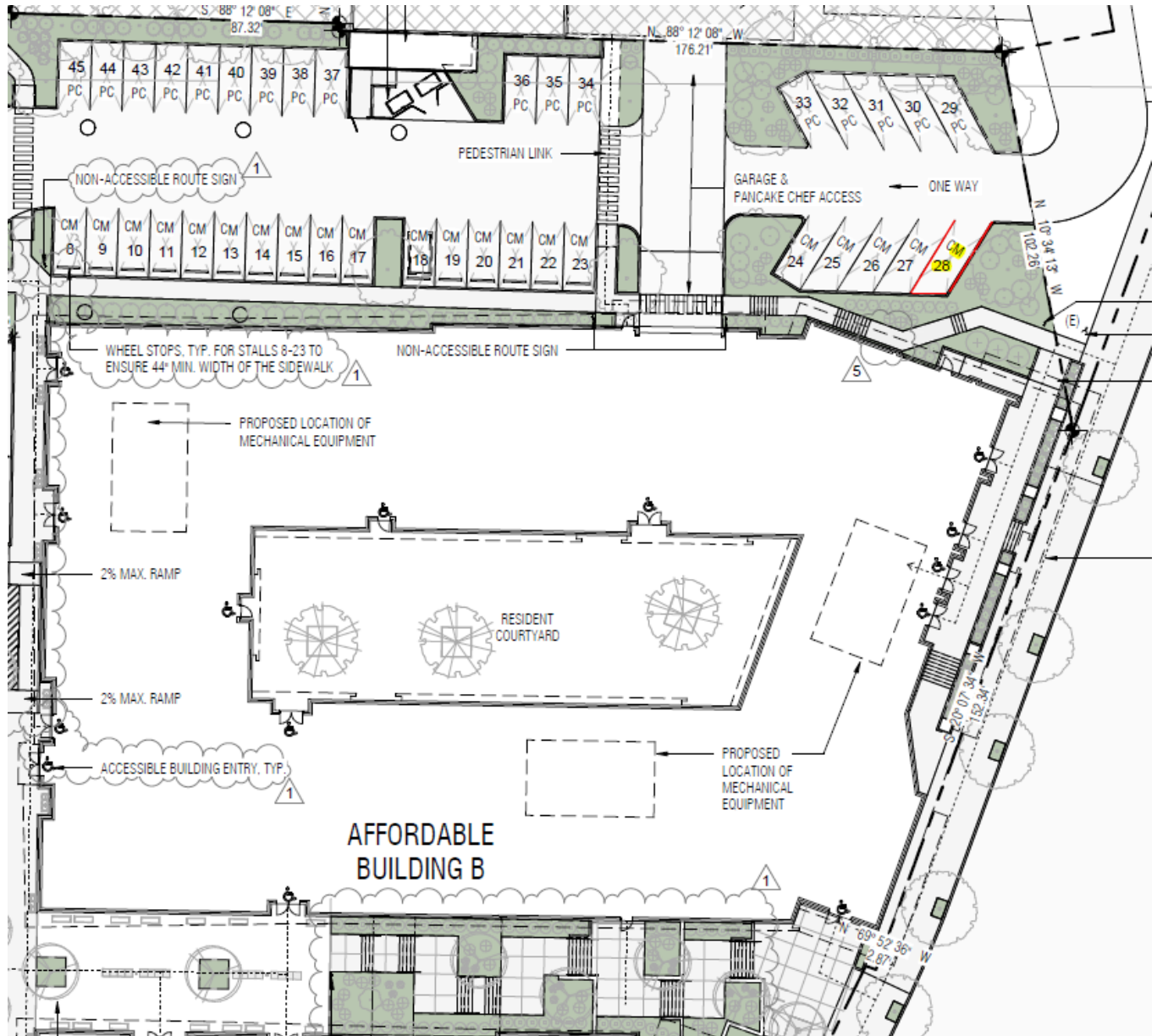
**POLARIS AT  
SEATAC**

**110**  
1,317 SF

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# Exhibit C

## Location of Dedicated Surface Parking Stall



Initials: \_\_\_\_\_

**Exhibit D**  
**Plan Sheets**  
(Attached)

Initials: \_\_\_\_\_  
\_\_\_\_\_

## Exhibit E

### LESSEE'S IMPROVEMENTS

**1. LESSEE'S OBLIGATION.** Lessee shall complete Lessee's Improvements, at Lessee's sole cost and expense. "Lessee's Improvements" consists of all work required to complete/build out the Premises and open the same for business for the Permitted Use in accordance with the Lease, including without limitation the work described in Section 5 of this Exhibit.

**2. DESIGN APPROVAL.** At Lessee's expense, Lessee agrees to submit to Lessor, one (1) set of full dimensioned 1/8-inch scale or larger preliminary drawings, plus specifications prepared by Lessee's architect or designer. Drawings shall indicate the specific requirements of Lessee's space showing clearly the storefront, interior partitions, colors, materials, trade fixture plans, lighting, electrical outlets, and any modifications to the existing structure. Lessee understands that Lessee is required at its own time and cost to: (a) secure all necessary permits to complete Lessee's Improvements; (b) confirm zoning code restrictions, if any; and (c) upgrade the Premises as required by governing authorities to conduct its business at the Premises. Lessor shall have ten (10) business days after receiving Lessee's plans to review Lessee's plans and specifications and notify Lessee of the matters, if any, in which said plans fail to conform to Lessor's construction requirements or otherwise fail to meet with Lessor's approval (which approval shall not be unreasonably withheld). Lessee shall cause said plans to be revised in such manner as to comply with Lessor's requirements within five (5) business days (or such reasonable additional time as may be necessary as agreed to by the parties) after Lessor's notice to Lessee and Lessee shall submit revised plans for Lessor's approval. This submission and review process shall continue until Lessor and Lessee have agreed upon Lessee's plans and specifications. When Lessor has approved Lessee's plans or revised plans, as the case may be, Lessor shall initial and return one (1) set of approved plans to Lessee showing the date of Lessor's approval and such plans shall be referred to herein as the "Approved Plans". If the permitting authorities require any changes to the Approved Plans, Lessee shall submit the same, within five (5) business days after receipt of such comments from the permitting authorities, to Lessor for Lessor's approval, in accordance with the procedure set forth in this Section. Once Lessee's plans have been formally approved by Lessor and the permitting authorities (such plans shall be referred to herein as the "Final Approved Plans"), Lessee shall deliver at least 1 complete set of the Final Approved Plans to Lessor.

Lessee shall submit construction drawings as follows:

1. Lessee's preliminary plans must include all components required by the City of SeaTac for Lessee to occupy the Premises.

2. Lessee, Lessee's architect and contractor shall meet with Lessor for review of plans on a mutually acceptable date for Lessor to approve the plans, which approval shall not be unreasonably withheld. Lessee may use the contractor and subcontractors of its own choosing. The general contractor and all subcontractors must be bonded, licensed and insured.

Initials: \_\_\_\_\_

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3. No construction work shall be started by Lessee prior to Lessor's approval of Lessee's preliminary and final construction plans as provided above.

Approvals must be obtained by Lessee for its work from the applicable building department and all other authorities having jurisdiction and Lessee must submit evidence of these approvals to Lessor before commencing work. Lessee shall be responsible for payment of all fees and charges incurred in obtaining said approvals and for obtaining a Certificate of Occupancy relating to the Lessee's Improvements prior to opening.

Lessor shall be entitled to withhold approval of any plans or specifications or the authorization for work to proceed until it has been furnished with reasonable evidence that Lessee has made suitable provision to pay the full cost of the work and to discharge any liens that may arise therefrom.

Lessee shall ensure that all the provisions and conditions contained or imposed in this Exhibit F are observed and performed by all designers, contractors and trades engaged by Lessee.

Lessee acknowledges that under no circumstances is work to take place in connection with the fire sprinkler system or the fire alarm system servicing the Premises or the Property without the prior notice and involvement of Lessor's building engineer, sprinkler contractor and fire alarm contractor. Prior to any work taking place in connection with the fire sprinkler system or the fire alarm system, the fire alarm system must be properly disarmed and when the work is concluded, properly rearmed.

Lessee shall be responsible for notifying and coordinating all shut downs of services to the Premises with the jurisdictions having authority, as required to complete the Lessee's Improvements. Lessee acknowledges and agrees that no such shut down of services shall be made without Lessor's consent following reasonable notification, so that any affected tenants can be notified and any impacts can be avoided and/or mitigated.

### **3. GENERAL REQUIREMENTS FOR LESSEE'S IMPROVEMENTS.**

3.1. **Construction Meetings.** Prior to the start of construction, Lessee shall schedule a meeting with the Lessor, Lessee's contractor, and Lessee's mechanical and electrical subcontractors to review in detail the scope of work, schedule, building hours, contractor rules, contacts and other details for the work to proceed without disturbance to other Lessees. Thereafter, the same representatives shall meet as reasonably deemed necessary by Lessor to review progress.

3.2. **Standards.** All Lessee's Improvements required by Lessee to complete the Premises for occupancy shall be carried out with good workmanship and with new materials, which shall all be of a high quality and conforming to the best standards of practice, and shall not be in contravention of the governmental requirements of the municipality or any other authority having jurisdiction.

3.3. **Insurance.** Before commencing Lessee's Improvements, Lessee and Lessee's contractors shall furnish written proof to Lessor that liability, fire, and general workmen's

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compensation insurance as required under the Lease. Lessor shall be named as an additional insured in Lessee's and Lessee's contractors' insurance.

3.4. **Access.** Lessee and its contractors shall be entitled to have access to the Premises in order to execute Lessee's Improvements, subject to compliance with all reasonable rules, regulations and stipulations which Lessor may make from time to time. The rules, regulations and stipulations may include, but shall not be limited to, matters relating to:

- (i) The handling and storage of material and equipment;
- (ii) The hours of work and coordination of activity;
- (iii) The use of the facilities and utilities (which does not include use of restrooms outside of the Premises – Lessee shall be responsible for providing its own temporary toilets for construction use);
- (iv) The scheduling of work;
- (v) Any deliveries; and
- (vi) The clean-up of work and the disposition of refuse.

3.5. **Clean-up.** Lessee shall at all times keep the Premises and all other areas clear of all waste materials and refuse caused by itself, its suppliers, contractors or by their work. Lessee shall remove all waste materials and refuse directly from the Premises and the Property and shall be responsible for the disposal of such materials off-site. If impacting others, Lessor may require Lessee to clean-up on a daily basis, and shall be entitled to clean-up at Lessee's expense if Lessee fails to comply with Lessor's reasonable requirements in this respect. At the completion of Lessee's Improvements, Lessee shall leave the Premises clean and to the satisfaction of Lessor and shall remove all tools, equipment and surplus materials from the Premises and the Property and remove all waste material and refuse from the Premises and shall be responsible for the disposal of such materials off-site. The final clean-up shall include the cleaning of all lighting fixtures, millwork units, store fronts and space which may be affected by the work.

3.6. **Responsibility with Regard to Lessee's Improvements.** Lessor shall not in any way be responsible or liable with regard to any of Lessee's Improvements in the Premises and shall be reimbursed for any additional costs and expenses caused which may be occasioned to it by reason thereof, and for any damages due to delays which may be directly or indirectly caused thereby to Lessor or its contractor. Any damage caused by Lessee's contractor or subcontractors employed on Lessee's Improvements to the structure or the systems employed in the Property or to any property of Lessor, or of other Lessees shall be repaired by Lessor's contractor to the satisfaction of Lessor and Lessor may recover the costs incurred from Lessee.

3.7. **Security and Fire Extinguisher.** Lessee shall be entirely responsible for the security of the Premises during construction and Lessor shall not be liable for any loss or damage suffered by Lessee. Lessee shall maintain and keep on the Premises at all times during construction and the Term of the Lease suitable portable fire extinguishers as required by applicable code.

Initials: \_\_\_\_\_  
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3.8. **Indemnification/Liens.** In accordance with the Lease and this Exhibit, Lessee shall indemnify, defend and hold harmless Lessor from and against any and all claims arising out of work done by Lessee or its contractors, and Lessee shall promptly cause to be removed any liens filed against title to the Premises or the Property, failing which, Lessor may do so and Lessee shall pay all Lessor's costs, including legal costs, as incurred by Lessor in so doing.

4. **NON-COMPLIANCE.** Unless there is an unavoidable cause for delay that is outside of the Lessee's control, if Lessee does not complete construction of the Lessee's Improvements within two hundred seventy (270) days, Lessor, in addition to and not in lieu of any other rights or remedies, shall have the right, following thirty (30) days' written notice and reasonable opportunity to cure, to declare and treat Lessee's noncompliance as an Event of Default and exercise any right available under the provisions of this Lease, including the right of termination. An unavoidable cause for delay would include an act of God, unavailability of vendor, unavailability of materials, severe weather, etc. In any event of termination pursuant to the above provision, Lessor may further elect either to:

(a) retain for its own use, without payment therefor, all or any of Lessee's Improvements which has been commenced, installed or completed to the date of such termination; or

(b) forthwith demolish or remove all or any work and restore the Premises to the condition in which the same were prior to the commencement, installation or completion of all of such of Lessee's Improvements as is so demolished or removed and recover the cost of so doing from Lessee.

5. **PERFORMANCE OF LESSEE'S IMPROVEMENTS.** Lessee will, at its expense and subject to the provisions of this Exhibit, provide, furnish and install within the Premises all finishings, fixtures, architectural, electrical, fire alarm, security, fire sprinkler, plumbing, heating, ventilation, air conditioning and mechanical work described herein to complete the construction of the Premises in accordance with the approved Lessee's plans and specifications and to equip the Premises ready for occupation including, but not limited to, the following:

5.1. **Signs.** Signage, including lighting thereof, in accordance with Lessor's design approval.

5.2. **Slab Penetrations.** Lessee is responsible for providing structural engineering for any proposed penetrations to the existing structure and/or added loads to the existing structure. All slab penetration locations and sizes must be reviewed and approved in writing by Lessor's or Lessor's structural engineer. Prior to seeking such approval, Lessee shall perform slab imaging as required to verify that post tension cables will not be affected by slab penetrations.

5.3. **Electrical Installation.** The total electrical installation to the Premises conforming to applicable codes, including buss bars, panels and breakers in the panel, connection of air-conditioning unit, lighting, outlets, emergency and exit lighting, electrical service to signs, and any modification to the distributed antenna system or emergency responder communication systems.

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5.4. **Telephone Services.** All distribution and extensions of telephone conduit from the Building's telecom room to and within the Premises and all intercom, communication, burglar alarms, monitoring and signal systems required by Lessee.

5.5. **Plumbing.** All plumbing, piping, equipment, fixtures etc., to the specified Property standards established by the Architect required to extend and connect plumbing services from fixtures to point of connection provided by Lessor, including provision for hot water that may be required by Lessee.

5.6. **Mechanical.** Piping, ductwork, miscellaneous exhaust, HVAC thermostat, connection to the Building's Energy Management System, HVAC smoke detectors, heat pumps, materials, labor and equipment for the distribution of all mechanical services in the Premises.

5.7. **Sprinklers.** Modifications and relocation of sprinkler system layout to suit Lessee's requirements.

5.8. **Fire Protection.** Any fire alarm, fire alarm monitoring, fire prevention, safety and emergency equipment or lighting in and about the Premises, additional to that required by any authority having jurisdiction.

5.9. **Utilities.** Lessor is responsible for providing all equipment, materials and modifications required to ensure that water, gas and electricity for the Premises are separately metered.

5.10. **Interior Finishing.** All other work, interior finishes and installation, including, without limiting the generality thereof, ceilings, floor covering, installation of sheet rock and taping, filling and insulating of demising walls, painting, show window enclosures and display platforms, partitions, special wall and ceiling finishes, vertical and horizontal transportation equipment, trade fixtures and security vaults, and all requirements of licensing, health and other authorities having jurisdiction to the specified Property standards established by the Architect. Access panels shall be provided in ceilings where removable tile ceiling systems are not used for access to equipment which may be located above such ceilings.

**6. SPECIFIC RESTRICTIONS.** No suspended loads will be permitted from the underside of the structure slab without written approval by Lessor. Lessee will not be permitted to install openings, signs, store front and/or improvements in the exterior walls or interior demising partitions or bulkheads above the Premises for any purpose without the prior written approval of Lessor. Mounting of burglar alarms and signal systems on the exterior walls of the Premises or the Building requires Lessor's prior written consent. Individual antenna of any nature on, and all access to, the roof of the Building is prohibited.

Initials: \_\_\_\_\_  
\_\_\_\_\_

Date: 1/12/2023  
To: Administration and Finance (A&F) Committee  
From: Evan Maxim, Director  
Subject: Proposed Interlocal Agreement with Normandy Park for Electrical Permit Services

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### **Summary**

Staff is seeking the A&F committee's recommendation to the City Council to approve the attached temporary Interlocal Agreement (ILA) with the City of Normandy Park for electrical permitting services (i.e., electrical plan review and electrical inspections). This agreement would authorize the City of SeaTac to provide electrical permitting services to Normandy Park on a temporary basis while the cities explore whether a more permanent ILA is warranted and desirable.

### **Analysis**

Burien has historically provided construction permitting services, including for electrical permits and inspections, to the City of Normandy Park. In the Fall of 2022, Burien indicated it could no longer provide electrical permitting services to Normandy Park. Normandy Park staff approached SeaTac staff to discuss a possible ILA for electrical permitting services in late 2022.

Electrical permits and inspections are heavily regulated by the State of Washington Department of Labor and Industries (L&I) and may only be performed by plans examiners and inspectors who are licensed journeyman electricians or possess State mandated qualifications. If Normandy Park is unable to enter into an ILA with SeaTac for electrical permitting services, it is likely that all electrical permits and inspections in Normandy Park will be processed by L&I, which will result in significant delays<sup>1</sup>.

SeaTac currently employs three combination plans examiners / inspectors, two of which are licensed under State law to provide electrical permit services. The volume of electrical permits and inspections in Normandy Park does not appear to represent a significant increase in workload for SeaTac. SeaTac will confirm that this assumption is accurate during the 6-month trial period. Presuming it makes sense for the cities to continue the partnership, staff will request City Council approval of a longer ILA at the end of the 6-month temporary ILA.

### **Budget Significance**

There is no expected budget impact. Normandy Park will collect permit fees for all electrical permitting services and shall pay SeaTac at the rate established by the SeaTac City Council in its fee schedule.

### **A&F Committee Direction**

Staff recommends that the A&F committee recommend adoption of the proposed temporary Interlocal Agreement by the City Council on the Consent Agenda.

### **Attachment**

1. Temporary Interlocal Agreement with Exhibit A

<sup>1</sup> A typical inspection by a city with certified staff usually occurs within 24 hours; the same inspection by L&I typically requires several weeks.

**INTERLOCAL AGREEMENT FOR  
ELECTRICAL PLAN REVIEW AND INSPECTION SERVICES**

**Between the City of SeaTac and the City of Normandy Park**

This Interlocal Agreement (“Agreement”) is entered into pursuant to Chapter 39.34 RCW between the City of Normandy Park, Washington (hereafter referred to as “Normandy Park”) and the City of SeaTac, Washington (hereafter referred to as “SeaTac”) (collectively referred to as “the Parties”) to describe the terms and conditions under which SeaTac will provide electrical plan review and electrical inspection services on behalf of Normandy Park.

**WHEREAS**, SeaTac employs plans examiners/inspectors qualified pursuant to RCW 19.28.010 (3) to perform electrical plan review, inspections, and customer service related to electrical installations; and

**WHEREAS**, Normandy Park does not employ plans examiners/inspectors; and

**WHEREAS**, Normandy Park is in need of electrical plan review and electrical inspection services for its jurisdiction and desires to obtain such services from SeaTac; and

**WHEREAS**, SeaTac is willing, on a 6-month trial basis, to provide electrical plan review and electrical inspection services on behalf of Normandy Park; and

**WHEREAS**, SeaTac will provide the services of its plans examiners/electrical inspectors who will at all time and for all purposes remain employees of SeaTac and who shall provide services on behalf of Normandy Park solely pursuant to this Agreement.

**NOW THEREFORE**,

**IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN**, the Parties agree as follows:

1. Purpose. The purpose of this Agreement is for SeaTac to provide electrical plan review and inspections services (collectively “Electrical Permit Services”), on a 6-month trial basis, -on behalf of Normandy Park under the terms and conditions outlined herein.
2. Administration. It is recognized that this Agreement identifies broad responsibilities, and it is anticipated that additional details of services provided under this Agreement are contained in a written understanding between the Parties. The written understanding is attached as Exhibit A and incorporated by reference in this Agreement and may only be modified by mutual written assent of the Parties. In the event permitting staff are unable to agree on any provision relative to the administration of this Agreement, any such dispute shall be resolved at a meeting of the Director of the Department of Community & Economic Development for SeaTac and the Director of the Department of Community Development for Normandy Park.
3. Responsibilities of Normandy Park. Normandy Park shall have the following responsibilities under this Agreement:

- a) Monitor the plan review and inspection process turn-around time for work within its jurisdiction and interface with SeaTac on an as-needed basis to assure that adequate Normandy Park service levels are maintained.
- b) Administer all aspects of the electrical permitting process within its jurisdiction, including but not limited to collecting all permit and plan review fees, accepting permit applications, issuing all permits, coordinating electrical plan reviews, administering inspection and plan review requests as per Exhibit A, and maintaining all permit and inspection records.
- c) Plan Review. Normandy Park staff will provide SeaTac with written notice of requests for plan review that Normandy Park received by email or by submittal through the Normandy Park SmartGov online permit portal.  
  
Notify SeaTac of requests for electrical inspections or electrical permit reviews through a dedicated SeaTac email address. Notification emails for electrical permit reviews shall include the target review date. Transmit electrical plan review documents to SeaTac via email or by other means mutually agreed upon.
- d) Electrical Inspection. All electrical inspection requests shall be made to a dedicated email address and including the Building Services Supervisor, according to Exhibit A.
- e) Review SeaTac inspection records and reports provided by SeaTac to Normandy Park.
- f) In the event of an administrative or technical code appeal from a Normandy Park project, such appeal shall be heard by a hearing body consistent with the administrative procedures of Normandy Park Municipal Code and State statutes. In the event of an appeal, Normandy Park will be responsible for all scheduling, costs, and fees associated with the appeal, including but not limited to arrangements for a hearing officer and/or legal representation for the City of Normandy Park and SeaTac employees conducting services pursuant to this Agreement.

4. Responsibilities of SeaTac. SeaTac shall have the following responsibilities under this Interlocal Agreement:

- a) Provide electrical permit services on behalf of Normandy Park, as requested by Normandy Park.
- b) Provide electrical inspection services for Normandy Park applicants and customers five days per week (Monday through Friday). SeaTac will provide these services on a twenty-four (24) hour-notice prior to inspection. The cut-off time for next day inspections shall be 10:00pm each evening. For example, inspections requested before 10:00pm on a Monday will be inspected on Tuesday.

Inspections requested after on business day after the 10:00pm cutoff will be inspected within two business days.

In the case of SeaTac staff unavailability, Normandy Park will request additional coverage support as soon as the need is known, and SeaTac will provide the electrical permit services as soon as reasonably possible.

- c) Provide electrical permit review services for Normandy Park applicants. SeaTac shall provide plan review corrections or approvals to Normandy Park via email or other means mutually agreed upon. Electrical plan reviews related to the installation of photovoltaic systems shall be completed in seven (7) business days. All other electrical plan reviews shall be completed in twenty (20) business days of receiving the electrical permit documents.
- d) Provide telephone consultation with Normandy Park staff and citizens on an as-needed basis.
- e) Support Normandy Park's electrical permit program by assisting with code enforcement matters including investigating and issuing warning letters, notices of violations, and stop work orders as appropriate.

5. Compensation. Normandy Park will collect all permit and inspection fees in accordance with its currently adopted ordinances. For its electrical permit services under this Agreement. SeaTac will invoice Normandy Park quarterly in accordance with the then-adopted hourly rate specified in the SeaTac Fee Schedule and provide inspection reports by permit number, task, inspector, total hours, and total cost. Standard hourly rates are updated annually based on the current SeaTac Fee Schedule. SeaTac employees providing work on behalf of Normandy Park will document all time spent on Normandy Park projects in a six-minute increments.

- a) For 2023, the hourly rate is \$119.50 for electrical permit services.
- b) Travel time for SeaTac plans examiner / electrical inspectors to Normandy Park is estimated at an average of 9 hours a month. Normandy Park shall pay SeaTac a fixed rate for this of \$1075.50 (9 hours x \$119.50) a month to cover travel time from SeaTac to Normandy Park.

6. Indemnification. The Parties hereby release and agree to indemnify, defend and hold harmless the other municipal corporation that is a party to this Agreement, its successors and assigns and the officers, employees and agents of each Party from and against any and all claims of third parties and losses, harm, cost, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) arising from willful or negligent acts or omissions of either Party including, but not limited to acts which abrogate the public duty doctrine; **PROVIDED**, however, that neither Party shall be required to indemnify against liability for damages caused by or resulting from the sole negligence of the other Party, its successors, assigns, officers, employees and agents; **PROVIDED FURTHER** that if such damages are caused by or result from the concurrent negligence of the Parties and/or their officers, employees, or agents, then

each Party's liability hereunder shall be limited to the extent of the respective negligence of each Party. This section shall survive the termination, revocation, or expiration of this Agreement.

7. Insurance. Each party to this Agreement shall maintain insurance at least equivalent to the minimum coverage provided through WCIA insurance pool. Such coverage shall be maintained during the entire term of this Agreement and all extension or renewals thereto.

Worker's Compensation Employees of Contractors and Subcontractors are to be insured under Washington State Industrial Insurance.

8. Termination. This Agreement shall automatically expire six (6) months following execution unless extended by written mutual agreement of both Parties. Either party may terminate this Agreement upon written notice to the other City with not less than forty-five (45) days' notice prior to the intended date of termination unless some shorter time period is deemed acceptable by both cities. Notice shall be provided by either the City of SeaTac's Community and Economic Director or designee or by the City of Normandy Park's Director of Community Development or designee.

9. General Provisions.

- a. Amendments. This Agreement may be amended or modified only by a subsequent written document executed Normandy Park and SeaTac upon approval by the department directors of each City.
- b. Integration. This Agreement constitutes the entire agreement between the parties. No other understanding or representations, oral or written, regarding the subject matter of this Agreement will be deemed to exist or bind the parties.
- c. Performance. All work and services performed by SeaTac on behalf of Normandy Park under this Agreement shall be timely and to industry standards.
- d. Files. All files and records maintained by the SeaTac Building Official or SeaTac related to the work covered under this Agreement shall be deemed to be files and records of Normandy Park and accessible by Normandy Park for any purpose. At the request of Normandy Park, a copy of any and all files maintained by SeaTac shall be tendered to Normandy Park.
- e. Non-Discrimination. The Parties agree not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, sexual orientation, age, disability, honorably discharged veteran or military status, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification. The Parties shall comply with all federal, state and local laws and ordinances applicable to the work to be done under this Agreement. Violation of this section shall be a material breach of this Agreement and grounds for cancellation, termination or suspension of this Agreement by either Party ,
- f. Publication. Prior to its entry into force, the parties shall electronically publish this Agreement on their respective websites in lieu of recording it with the County Auditor.

- g. Assignment or subcontracting. No portion of the work or services provided under this Agreement may be assigned or subcontracted without the prior written permission of Normandy Park.
- h. Governing Law; Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. In the event of a dispute, such dispute shall be litigated in the Superior Court of King County, Washington.
- i. Severability. The invalidity or unenforceability of any provision in this Agreement shall not affect the validity or enforceability of any other provisions that can be given effect without the offending provision.
- j. No Waiver. Failure to insist upon strict compliance with any terms, covenants or conditions of this Agreement shall not be deemed a waiver of such, nor shall any waiver or relinquishment of such right or power at any time be taken to be a waiver of any other breach.
- k. Administration. This Agreement will be jointly administered by Normandy Park and SeaTac. This Agreement does not create any separate legal or administrative entity.
- l. Financing; Budget. This Agreement does not contemplate joint financing of the activities within its scope, nor does it contemplate a joint budget.
- m. Property Acquisition and Disposition. This Agreement does not contemplate the joint acquisition of property by the parties. At termination, each party will remain the sole owner of its own property.
- n. Effective Date. This Agreement shall be effective upon the latest date it is executed by all parties.

CITY OF NORMANDY PARK, WASHINGTON      CITY OF SEATAC, WASHINGTON

Name: Nicholas K. Matz AICP  
 Title: Community Development Director  
 Date:

Name: Evan Maxim  
 Title: Director, Department of Community  
 & Economic Development

ATTEST/AUTHENTICATED:

Date:  
 ATTEST/AUTHENTICATED:

Name: Brooks Wall  
 Title: City Clerk

Name:  
 Title: City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Ogden Murphy Wallace, PLLC  
 City Attorney for City of Normandy Park

Cindy Corsilles  
 Senior Assistant City Attorney





## Exhibit A

The following procedure is intended to be the full agreement for requests for service and billing/payment.

### Service Requests- Electrical Inspections

1. **Normandy Park staff** will send an email to the Normandy Park Service Request email address (to be provided by SeaTac) by the end of business the day before service is required. The email will contain a report summarizing the requested electrical inspections, which will contain the following information for each inspection requested:
  - a. Normandy Park Permit Number
  - b. Owner or site contact information (name and phone or email, preferred method of contact, if known)
  - c. Site address
  - d. Scope/Description of permit work
  - e. Type of inspection requested
  - f. Preference for AM or PM inspection time
2. **SeaTac staff** will:
  - a. Coordinate with the permit holder for inspection time as close to the preferred time as possible
  - b. Provide written corrections or inspection approval to the permit holder
  - c. Track time spent on each inspection (6-minute increments from time of arrival on site to time leaving site)
  - d. Record results in the tracking log (Excel)
  - e. Provide copy of completed inspection to Building Services Manager for submittal with monthly tracking log

### Service Requests- Electrical Plan Review

1. **Normandy Park staff** will send notification via email to the SeaTac Building Services Supervisor when plan review is needed. The notification will include:
  - a. Normandy Park Permit Application Number
  - b. Applicant contact information
  - c. Scope/Description of work
  - d. Due date for 1<sup>st</sup> review
  - e. Attached E-plans for review
2. **SeaTac staff** will:
  - a. Review plans
  - b. Coordinate with applicant on corrections
  - c. Track time spent on review (6-minute increments from time started to time completed including any time spent with applicant)

- d. Email approved E-plans to email designated by Normandy Park with cc to Building Services Supervisor
- e. Record time in tracking log (Excel spreadsheet)

### Billing/Payment

**Billing.** SeaTac will invoice Normandy Park quarterly as follows:

The quarterly invoice and supporting documentation will be sent to designated Normandy Park staff by the 10<sup>th</sup> of the month following the end of the quarter.

Quarterly invoices will include supporting documentation in the form of the Excel tracking log for that quarter.

A copy of written inspection records for each permit can be provided if requested. Written inspection records will be available for 90 days after final inspection. 90 days after permit final inspection, the written inspection record held by SeaTac will be discarded.

**Payment.** Unless otherwise agreed upon, payment is due 30 days after receipt of the quarterly invoice and supporting document.



# MEMORANDUM

To: Administration and Finance Committee  
Through: Carl Cole, City Manager  
From: Gwen Pilo, Finance and Systems Director  
Date: January 12, 2023  
Re: December 31, 2022, Investment Report

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Attached is the December 2022 Portfolio Analysis Report.

At the end of December, the city had \$ 73,901,293 in cash and short-term investments and \$73,959,193 in long-term investments at market value. Total cash on hand and investments equals \$147,860,486, an increase of \$149,624 over the previous month.

Interest received during the month was \$126,750 from bonds and \$204,956 from the LGIP. Interest paid for the year is \$1,725,408.

The 90-day T-bill continues to rise and is at 4.30%. The LGIP was at 4.13% in November. The 2-year Treasury note has dipped a bit to 4.41% (was 4.51% in October).

SeaTac Yield is 1.85%. We continue to lag behind our benchmark because we did not make any investments at the higher rates earlier.

Total Funds City of SeaTac

Compliance Report

12/31/2022

Maturity Constraints	Policy Requirement	% of Total Accumulated	Portfolio Allocation	Within Limits
Under 30 days	10%	50%	73,901,293	YES
Under 1 year	25%	62%	91,570,078	YES
Under 5 years	100%	100%	147,860,486	YES
Maximum Weighted Average Maturity	3.00		2.27	
Maximum Single Maturity	5 Years		4.91	

Asset Allocation Diversification	Maximum Policy Allocation	Issuer Constraint	Percentage of Portfolio	Market Value	% within Limits
U.S. Treasury Obligations	100%		6.43%	\$ 9,507,188	
U.S. Agencies Primary	100%		40.11%	\$ 59,303,866	YES
FHLB		30%	20.78%	\$ 30,722,220	YES
FNMA		30%	5.54%	\$ 8,191,016	
FHLMC		30%	6.05%	\$ 8,943,870	
FFCB		30%	7.74%	\$ 11,446,760	
U.S. Agencies Secondary	20%		1.31%	\$ 1,943,580	YES
FICO		10%	0.00%	\$ -	YES
FARMER MAC		10%	1.31%	\$ 1,943,580	
Municipal Debt Obligations	20%	5%	2.17%	\$ 3,204,560	
Certificates of Deposits	15%	5%		\$ -	
Bank Time Deposits & Savings Accounts	50%		8.65%	\$ 12,784,949	YES
Local Government Investment Pool	100%		41.33%	\$ 61,116,344	YES
<b>Total</b>			<b>100%</b>	<b>\$ 147,860,486</b>	

Portfolio by Fund Allocation	Par Amount	Total Adjusted Cost	Market Value	YTD Unrealized Gain/Loss	Yield to Maturity
City of SeaTac - Core Investment Funds	\$ 77,808,000	\$ 78,414,239	\$ 73,959,193	\$ (4,455,046)	1.85%
City of SeaTac Liquidity Funds	\$ 73,901,293	\$ 73,901,293	\$ 73,901,293		
<b>TOTAL PORTFOLIO</b>	<b>\$ 151,709,293</b>	<b>\$ 152,315,532</b>	<b>\$ 147,860,486</b>	<b>\$ (4,455,046)</b>	

Cit of SeaTac  
Investment Portfolio Analysis  
As of 12/31/2022

Month	SeaTac Portfolio			Monthly Interest Earned (Accrual Basis)		
	2020	2021	2022	2020	2021	2022
January	27,840,000	27,541,000	62,808,000	-	182,914	44,256
February	27,840,000	34,503,000	62,808,000	-	38,233	14,889
March	28,340,000	43,503,000	62,808,000	55,960	68,750	98,500
April	28,340,000	43,503,000	64,808,000	32,500	39,500	39,549
May	30,340,000	43,503,000	64,808,000	16,250	20,000	45,075
June	30,340,000	43,453,000	64,808,000	118,350	101,875	101,750
July	30,230,000	41,453,000	74,808,000	-	42,506	43,506
August	30,203,000	43,453,000	74,808,000	-	2,500	25,000
September	30,203,000	43,453,000	73,808,000	42,500	98,500	98,500
October	30,203,000	43,453,000	69,808,000	39,500	32,500	95,703
November	30,203,000	48,443,000	79,808,000	16,250	28,200	68,200
December	30,203,000	62,808,000	77,808,000	112,328	101,750	126,750
<b>Average</b>	<b>29,523,750</b>	<b>43,255,750</b>	<b>69,474,667</b>	<b>36,136</b>	<b>63,102</b>	<b>66,806</b>

Month	LGIP			Monthly Interest Earned (Accrual Basis)			Year to Date Interest Earned		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
January	74,764,550	73,134,760	48,196,331	109,251	8,662	3,719	109,251	191,576	47,975
February	74,864,270	63,142,122	48,200,336	99,719	7,362	4,005	208,970	237,171	66,868
March	72,945,782	63,148,231	48,209,571	81,513	6,109	9,235	346,443	312,030	174,603
April	72,994,572	63,153,525	48,225,611	48,789	5,294	16,040	427,732	356,824	230,192
May	73,025,430	63,157,624	48,254,460	30,858	4,099	28,850	474,840	380,923	304,116
June	73,047,623	63,161,553	48,294,564	22,193	3,910	40,104	615,383	486,707	445,970
July	73,066,893	63,171,099	58,369,443	19,270	9,566	74,879	634,652	538,778	564,354
August	73,082,792	63,175,331	55,479,251	15,899	4,232	109,808	650,551	545,510	699,163
September	73,095,153	63,179,850	55,596,045	12,361	4,519	116,793	705,413	648,529	914,456
October	73,106,728	63,184,881	55,739,287	11,575	5,031	143,242	756,488	686,060	1,153,401
November	73,116,409	48,188,898	55,911,388	9,681	4,018	172,101	782,418	718,278	1,393,702
December	73,126,098	48,192,612	61,116,344	9,689	3,714	204,956	904,436	823,742	1,725,408
<b>Average</b>	<b>73,353,025</b>	<b>61,499,207</b>	<b>52,632,719</b>	<b>39,233</b>	<b>5,543</b>	<b>76,978</b>	<b>551,381</b>	<b>493,844</b>	<b>643,351</b>

Month	2 Yr T-Note			90 Day T Bill		
	2 Yr T-Note	2 Yr T-Note	2 Yr T-Note	90 Day TBill	90 Day TBill	90 Day TBill
	2020	2021	2022	2020	2021	2022
January	1.33%	0.11%	1.18%	1.52%	0.06%	0.24%
February	0.86%	0.14%	1.44%	1.25%	0.04%	0.37%
March	0.23%	0.16%	2.28%	0.11%	0.03%	0.51%
April	0.20%	0.16%	2.70%	0.09%	0.01%	0.81%
May	0.16%	0.14%	2.53%	0.14%	0.01%	1.13%
June	0.16%	0.25%	2.92%	0.16%	0.05%	1.66%
July	0.11%	0.19%	2.89%	0.09%	0.06%	2.34%
August	0.14%	0.20%	3.45%	0.11%	0.04%	2.87%
September	0.13%	0.28%	4.22%	0.10%	0.04%	3.26%
October	0.14%	0.48%	4.51%	0.09%	0.05%	4.06%
November	0.16%	0.52%	4.38%	0.08%	0.05%	4.27%
December	0.13%	0.73%	4.41%	0.09%	0.05%	4.30%
<b>Average</b>	<b>0.31%</b>	<b>0.28%</b>	<b>3.08%</b>	<b>0.32%</b>	<b>0.04%</b>	<b>2.15%</b>

Month	SeaTac Current Yield			LGIP Interest Rate			2022 Budget		
	City 2020	City 2021	City 2022	LGIP 2020	LGIP 2021	LGIP 2022	Actual	Budget	% of Budget
January	1.86%	1.24%	0.78%	1.72%	0.14%	0.09%	47,975	27,259	176%
February	1.85%	0.96%	0.78%	1.68%	0.14%	0.11%	18,894	27,259	69%
March	1.58%	0.88%	0.78%	1.30%	0.11%	0.23%	107,735	27,259	395%
April	1.58%	0.88%	0.96%	0.81%	0.10%	0.40%	55,588	27,259	204%
May	1.52%	0.88%	0.96%	0.50%	0.08%	0.70%	73,925	27,259	271%
June	1.49%	0.88%	0.96%	0.37%	0.08%	1.01%	141,854	27,259	520%
July	1.39%	0.89%	1.28%	0.31%	0.18%	1.63%	118,384	27,259	434%
August	1.39%	0.89%	1.28%	0.26%	0.08%	2.24%	134,808	27,259	495%
September	1.39%	0.89%	1.27%	0.21%	0.09%	2.56%	215,293	27,259	790%
October	1.39%	0.86%	1.32%	0.19%	0.09%	3.03%	238,945	27,259	877%
November	1.39%	0.76%	1.84%	0.16%	0.09%	3.76%	240,301	27,259	882%
December	1.28%	0.78%	1.85%	0.16%	0.09%	4.13%	331,706	27,259	1217%
<b>Average</b>	<b>1.51%</b>	<b>0.90%</b>	<b>1.17%</b>	<b>0.64%</b>	<b>0.10%</b>	<b>1.66%</b>	<b>1,725,408</b>	<b>327,105</b>	<b>527.48%</b>