	Karen Gruen FAS WSDOT Royal Brougham Lease ORD D1a
1	exchange for rehabilitation and construction work already performed by SDOT for the
2	period April 1, 2017 thru December 31, 2020, with rent therefore commencing January 1,
3	2021; and
4	WHEREAS, the monthly lease rates beginning January 1, 2021 are \$14,900 per month, with an
5	option for WSDOT to increase the monthly rate by two percent each year thereafter; and
6	WHEREAS, the Seattle Department of Transportation has sufficient budget authority in the 2022
7	Budget in the Transportation Fund to pay the rent accrued to date, as well as the
8	remaining 2022 rent for the premises; and
9	WHEREAS, the authority of the Director of Finance and Administrative Services under Seattle
10	Municipal Code Section 3.127.020 is limited to negotiating and executing leases, for and
11	on behalf of the City, that do not exceed five years and that do not lease more than 18,000
12	square feet of yard space; NOW, THEREFORE,
13	BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:
14	Section 1. The Director of Finance and Administrative Services ("Director") or the
15	Director's designee is authorized to negotiate and execute, for and on behalf of The City of
16	Seattle ("City"), a lease, with the Washington State Department of Transportation, substantially
17	in the form of Attachment A to this ordinance and identified as Lease Agreement, providing for
18	the City's use and occupancy of the real property known as the Royal Brougham Property in
19	Seattle.
20	Section 2. The lease payments contemplated by the terms of any lease agreement or
21	amendment authorized in Section 1 of this ordinance shall be charged to the appropriate
22	expenditure allowance in the budget of the Seattle Department of Transportation.

	Karen Gruen FAS WSDOT Royal Brougham Lease ORD D1a				
1	Section 3. Any act consistent with the authority of this ordinance taken after its passage				
2	and prior to its effective date is ratified and confirmed.				

3

Template last revised December 1, 2020

	Karen Gruen FAS WSDOT Royal Brougham Lease ORD D1a
1	Section 4. This ordinance shall take effect and be in force 30 days after its approval by
2	the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3	shall take effect as provided by Seattle Municipal Code Section 1.04.020.
4	Passed by the City Council the <u>28th</u> day of <u>June</u> , 2022,
5	and signed by me in open session in authentication of its passage this 28th day of
6	
7	President of the City Council
9	Approved $\square$ returned unsigned $\square$ vetoed this $2th$ day of $2th$ day
10	Bruce Q. Hanell
11	Bruce Harrell, Mayor
12 13	Filed by me this 5th day of July , 2022.  Thurs M. Simmons
14	Monica Martinez Simmons, City Clerk
15	(Seal)
16 17	Attachments: Attachment A – Royal Brougham Property Lease Agreement

AA: 01-13785 IC: 01-17-14829

Parcel No.: 7-246, 7-247, 7-246

Fed. Aid No.: I-5-3(59)168

SR 5, Seattle Freeway: Plum Street to Jackson Street

# AIRSPACE LEASE

THIS IS AN AIRSPACE LEASE (Lease) made and entered into between the WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, (hereinafter WSDOT), and CITY OF SEATTLE, acting by and through its Finance and Administration Services Department, (hereinafter TENANT), a municipal corporation of the state of Washington.

# **RECITALS**

- A. The land and premises to be leased are not presently needed for highway purposes.
- B. WSDOT has allowed TENANT to take possession and occupy the Premises identified herein during the negotiation of this Lease.
- C. WSDOT is granted authority to lease property under RCW 47.12.120, and WSDOT deems it to be in the public interest to enter this Lease.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performances contained herein, IT IS MUTUALLY AGREED THAT:

# 1. PREMISES.

- A. WSDOT does hereby lease to TENANT, and TENANT does hereby lease from WSDOT, the premises located in the city of Seattle, King County and known to be a portion of the highway right of way of SR 5, Seattle Freeway: Plum Street to Jackson Street, sheets 5 and 7 of 8 sheets, approved August 7, 1962, and as further shown hachured on **Exhibit A**, attached hereto and by this reference incorporated herein (Premises).
- B. The Premises consists of approximately 63,544 square feet. The vertical limit of the Premises is 22 feet 7 inches above the surface of the Premises. The TENANT shall have no right to use the space above the vertical limit of the Premises without the WSDOT's prior written approval.
- C. WSDOT and TENANT acknowledge that they have jointly examined the Premises and TENANT accepts said Premises in its present condition and as of the Commencement Date of this Lease.

# 2. USE OF PREMISES.

- A. TENANT's use of the Premises is as described in **Exhibit B**, attached hereto and by this reference incorporated herein. TENANT may construct improvements on the Premises consisting of minor leveling, paving, connect electric power, and permanent fencing and landscaping, subject to the limitations set forth in **Sections 17, 18 and 19 below**. Only west side of the parcel is to be use for parking in the location delineated in **Exhibit A**.
- B. In using the Premises, TENANT shall comply with all policies and regulations, including, but not limited to chapter 47.42 RCW et seq. and WAC 468-66 et seq., heretofore adopted or hereafter promulgated by WSDOT relative to the location, operation, and maintenance of improvements located on the Premises.
  - C. In using the Premises, it is expressly agreed that TENANT shall:
- (1) Comply with all applicable federal, state, and local laws, ordinances, and regulations, including environmental requirements that are in force or which may hereafter be in force, and
- (2) Secure all necessary permits and licenses for the uses of the Premises authorized in this Lease.
- D. Access to the Premises is from South Royal Brougham Way only. Further, direct access to or from ramps or traveled lanes of limited access highways is not permitted.
- E. TENANT shall not commit or allow to be committed any waste upon the Penies nor allow any public or private nuisance.
- F. TENANT shall not store, dispose of, or change any fluids from any vehicles or other sources within the Premises. TENANT shall immediately contain and clean any vehicle or object found to be leaking hazardous fluids and take necessary measures to clean up any substances leaked onto the Premises in compliance with all applicable laws and to the satisfaction of WSDOT.
  - G. Storage of explosives on the Premises will not be allowed.
- H. Fuel will not be allowed for storage purposes on the Premises, except fuel that is contained in the standard gas tanks of the operable vehicles as defined in **Exhibit B**.
  - I. Landscaping Requirements:
    - (1) TENANT shall retain all trees adjacent to streets existing on the property.
- (2) TENANT shall decompact the soil throughout the west side of the site to within 15' of the other trees.

- (3) TENANT shall amend all decompacted soil with 3" compost.
- (4) TENANT shall fully plant the east side of the site at 20' o.c. spacing, including Deodar cedars and the same species as the street trees.
- (5) TENANT shall apply 4" depth of wood chip mulch in 4' diameter rings around the trees.
  - (6) TENANT shall seed, fertilize, and mulch remainder of site.
- (7) TENANT shall provide watering and ensure 100% plant establishment for minimum of 3 years from the Commencement Date.
- J. TENANT shall install a WSDOT approved sign near the entrance to the Premises designating contact information of persons who can provide 24 hour/7 days a week access to the Premises, as shown on **Exhibit C**, attached hereto and by this reference incorporated herein (Premises).
- K. Any improvements or modifications to the Premise will maintain, or increase, the existing level of security. If it is determined by WSDOT that proposed improvements will have a negative effect on security, TENANT shall be responsible for mitigation to the satisfaction of WSDOT.
- L. TENANT shall be responsible for keeping Premises free from unauthorized persons, equipment, or activities.
- **3. TERM.** The term of this Lease shall be six (6) years, commencing retroactively on April 1, 2017 (Commencement Date) which is the date TENANT took possession of the Premises.

# 4. RENEWAL.

- A. This Lease may be renewed by TENANT for two (2) additional five (5) year periods (Renewal Period); provided that:
- (1) TENANT is not in default and has not been in default during the term of this Lease.
  - (2) There is no public need for the Premises.
- (3) TENANT's continued use under this Lease does not impair the safety or operation of WSDOT's highway or facility, as solely determined by WSDOT; and
- (4) The terms and conditions of this Lease conform to then-existing WSDOT policies or practices, laws, regulations, and contracts, or provided, TENANT has not executed an amendment to this Lease to bring it into compliance with such policies, practices, laws, regulations, and contracts prior to the expiration of the then current Term.

B. The Renewal Period shall be on the same terms and conditions as set forth herein, except as modified by any changes in policies, practices, laws, regulations, or contracts and as reflected in a written amendment signed by both parties. TENANT shall give notice of its intent to renew this Lease for the Renewal Period at least ninety (90) calendar days, but not more than six (6) months, prior to the expiration of the then current Term.

# 5. HOLDING OVER.

- A. In the event TENANT shall hold over or remain in possession of the Premises with the consent of WSDOT after the expiration of the stated term of this Lease, or any written extension or renewal of the term of this Lease, such holding over period or continued possession shall create a tenancy from month-to-month only, upon the same terms and conditions as are set forth herein; provided that:
- (1) WSDOT or TENANT may, in addition to other remedies provided elsewhere herein, terminate this Lease for any reason with not less than thirty (30) calendar days prior written notice; and
- (2) Upon commencement of the hold over period, if the rents are not currently being paid on a monthly basis, TENANT covenants and agrees to pay rent for the Premises to WSDOT in advance on or before the 1st day of each calendar month (Due Date) during the hold over period.
- B. Monthly rent for the hold over period shall be calculated based on the amount of the current rent at the time in which TENANT enters into hold over status. Said rents shall be calculated on a 30-day monthly period over a twelve (12) month period to determine monthly rent amount for the hold over period and will continue to be subject to Rent Adjustments as detailed in **Section 10.** herein.
  - C. In no event shall the rent be less than the initial amount.

# 6. TERMINATION BY WSDOT.

- A. WSDOT may terminate this Lease, without penalty or further liability as follows:
- (1) Upon not less than thirty (30) calendar days prior written notice to TENANT, if TENANT fails to cure a default for payment of amounts due under this Lease within that 30-day period, or such longer period, as may be reasonably determined by WSDOT;
- (2) Upon not less than thirty (30) calendar days prior written notice to TENANT, if TENANT defaults, other than for nonpayment of rent, and fails to cure such default within that thirty-day period, or such longer period, as may be reasonably determined by WSDOT, if TENANT is diligently working to cure the default;
- (3) Immediately, upon written notice, if WSDOT is required by court order, by legislative action, or by a governmental agency having jurisdiction to take some action, which would effectively prohibit TENANT's use of the Premises;

- (4) Immediately, upon written notice, if a receiver is appointed to take possession of TENANT's assets, TENANT makes a general assignment for the benefit of creditors, or TENANT becomes insolvent or takes or suffers action under the Bankruptcy Act;
- (5) Upon not less than thirty (30) calendar days prior written notice for any reason, unless an emergency exists, as determined by WSDOT, then immediately, if WSDOT determines that it is in the best interest of WSDOT to terminate this Lease;
- (6) Upon not less than thirty (30) calendar days prior written notice if the Premises has been abandoned, in WSDOT's sole judgment for a continuous period of ninety (90) calendar days.
- B. Waiver or acceptance of any default of the terms of this Lease by WSDOT shall not operate as a release of TENANT's responsibility for any prior or subsequent default.
- C. If TENANT defaults on any provision in this Lease three (3) times within a twelve (12) month period, the third default shall be deemed "non-curable" and this Lease may be terminated by WSDOT on not less than thirty (30) calendar days written notice.
- **7. TERMINATION BY TENANT.** TENANT may terminate this Lease without penalty or further liability as follows:
  - A. Upon not less than thirty (30) calendar days prior written notice for any reason;
- B. Upon not less than thirty (30) calendar days prior written notice, if WSDOT defaults and fails to cure such default within that 30-day period, or such longer period, as may be reasonably determined by TENANT, if WSDOT is diligently working to cure the default; o
- C. Immediately, upon written notice, if in TENANT's judgment the Premises is destroyed or damaged so as to substantially and adversely affect TENANT's authorized use of the Premises,
- D. Waiver or acceptance of any default of the terms of this Lease by TENANT shall not operate as a release of WSDOT's responsibility for any prior or subsequent default.
- **8. RENT.** TENANT covenants and agrees to pay rent for the Premises to WSDOT in advance on or before the 1st day of each calendar month (Due Date) during the entire term of this Lease. WSDOT and TENANT agree that the payment of rent shall commence retroactively to January 1, 2021 and shall be paid at the initial rate, subject to adjustment as hereinafter provided, of Fourteen Thousand Nine Hundred and 00/100 Dollars (\$14,900.00) per month for rent, payable at the address designated under **Section 9**. In no event shall the rent be less than this initial amount.

Page 5 of 19

# 9. **RENT PAYMENTS PAYABLE TO:** Washington State Department of Transportation.

Mail payments to: DEPARTMENT OF TRANSPORTATION (Mailing Address) Attn.: Property Management Program Manager P.O. Box 47339 Olympia, WA 98504-7339

DEPARTMENT OF TRANSPORTATION (Physical Address) Attn.: Property Management Program Manager 7345 Linderson Way SW Tumwater, WA 98501

# 10. RENT ADJUSTMENTS.

- A. WSDOT may adjust the monthly rent on each annual anniversary of the rental term, commencing January 1, 2021, at the rate of 2% (hereinafter the "Annual Increase Factor") of the rent in effect during the preceding Lease year; or:
- B. In an amount that reflects changes in comparable rents as identified in an appraisal/market evaluation conducted by WSDOT, prior to the renewal of each lease term, and prior to the commencement of a WSDOT-approved hold over period as set forth in Section 5 above, and every five (5) years thereafter. WSDOT shall give not less than thirty (30) calendar days' prior written notice to TENANT that a rent adjustment has been made. This notice shall include the amount of the adjusted rent and the date the new rent is to become effective. Failure or refusal by TENANT to pay the adjusted rental rate shall constitute a default of this Lease for which WSDOT may terminate with not less than five (5) calendar days prior written notice in.

# 11. CHARGE FOR LATE PAYMENT/NSF CHECKS.

- A. If any sums payable to WSDOT under this Lease are not received by the fifteenth (15th) calendar day following its Due Date, TENANT shall pay WSDOT, in addition to the amount due, for the cost of collecting and handling such payment, Twenty-five and no/100 Dollars (\$25.00) and one percent (1%) of the delinquent amount. In addition, all delinquent sums payable by TENANT to WSDOT and not paid within fifteen (15) calendar days of the Due Date shall, at WSDOT's option, bear interest at the rate of twelve percent (12%) per annum, or the highest rate of interest allowable by law, whichever is greater; provided that, if the highest rate allowable by law is less than twelve percent (12%), interest charged hereunder shall not exceed that amount. Interest on all delinquent amounts shall be calculated from the original Due Date to the date of payment. Also, there shall be a charge for any check returned uncollectable in accordance with WAC 468-20-900. WSDOT and TENANT agree that such charges represent a fair and reasonable estimate of the costs incurred by WSDOT by reason of late payments and uncollectable checks.
- B. WSDOT's acceptance of late payment charges and/or any portion of the overdue payment shall in no event constitute an accord and satisfaction, compromise of such payment, or a waiver of TENANT's default with respect to such overdue payment, nor prevent WSDOT from

exercising any other rights and remedies granted in this Lease.

- C. When a delinquency exists, any payments received will be applied first to the late payment charge and late payment fees, next to delinquent rent, and any balance remaining to the current rent and LET, if applicable.
- 12. **REIMBURSEMENT OF PREPAID RENT.** All rent for the Premises prepaid beyond the effective termination date will be retained by WSDOT; except that, if WSDOT terminates this Lease as provided in **Section 6.A.(6)** above, or if TENANT terminates pursuant to **Section 7.(B)** or **7.(C)** above, TENANT shall be entitled to a pro rata refund of any rent prepaid beyond the effective termination date.
- **13. ENCUMBRANCES.** TENANT shall not encumber the Premises.
- 14. MAINTENANCE. TENANT shall perform or cause to be performed at its expense all maintenance of the Premises, including improvements thereon, if any. Such maintenance will include, but not be limited to, keeping the Premises in good condition, both as to safety and appearance, and in a manner so as to assure the improvements and condition of the Premises do not adversely affect the highway safety and appearance and that such maintenance will cause no interference with the highway use, all to the satisfaction of WSDOT. Application of pesticides and herbicides within WSDOT right of way as part of TENANT's maintenance of the Premises shall be performed by, or under, the direct supervision of TENANT's officers, officials, employees and/or agents who possess a current Public Operator or Commercial Pesticide Operator license. Washington State Department of Agriculture Pesticide Application Records shall be kept by TENANT for each application in accordance with chapter 17.21 RCW and be produced to WSDOT within five (5) calendar days after WSDOT requests the records.
- 15. SIGNS/DISPLAY/ADVERTISING DEVICES. Except as provided for in Section 2.J. of this Lease, signs, display, or advertising devices are not permitted on the Premises unless they comply with ch. 47.42 RCW and ch. 468-66 WAC and are completely detailed on a separate plan sheet which has been approved in writing by WSDOT and incorporated by reference into this Lease. Such advertising shall only indicate ownership and type of on-Premises activities.
- 16. PERSONAL PROPERTY. WSDOT shall not be liable in any manner for, or on account of, any loss or damage sustained to any property of whatsoever kind stored, kept, or maintained on or about the Premises, except for such claims or losses that may be caused by WSDOT or its authorized agents or employees. Upon termination of this Lease, WSDOT or its agent may remove all property remaining on the Premises at TENANT's expense and dispose of it in any manner WSDOT deems appropriate. TENANT agrees to reimburse WSDOT for the costs of such removal and disposal within thirty (30) calendar days of the date of WSDOT's invoice.

# 17. FENCES.

A. Any WSDOT-owned fences in place at the time of execution of this Lease or relocated to separate the Premises from the traveled roadway will be maintained by WSDOT for the duration of the Lease. Nothing is to be attached to WSDOT's fence without WSDOT's prior written approval. If any fence is damaged as a result of TENANT's activities, TENANT will

immediately repair the fence to its condition prior to the incurred damage, at TENANTS cost and to WSDOT's satisfaction; provided that, if TENANT fails to complete said repair immediately WSDOT may complete the repair and TENANT agrees to reimburse WSDOT for the cost of said repair within thirty (30) calendar days of the date of WSDOT's invoice.

B. TENANT has installed a ten (10) foot chain link fence with razor wire on the top enclosing the Premises, without the benefit of a permit from WSDOT. TENANT shall be solely responsible for the maintenance of this fence.

# 18. USE OF RIGHT OF WAY UNDER/ADJACENT TO STRUCTURE.

- A. TENANT agrees to provide protection against vehicular hits or other likely causes of damage arising from TENANT's use of the Premises to all retaining walls and to piers exposed to such potential damage under any elevated highway structure existing on the Premises. Such wall and pier protection shall be provided to the satisfaction of WSDOT prior to occupancy. The TENANT shall install jersey barriers around the perimeter of bridge piers with a maximum distance of four (4) feet from the outside edge of each side of the piers. Bridge pier protection shall be provided to the sole satisfaction of WSDOT at the time of Lease execution.
- B. TENANT shall not weld any metal object to any metal member of any metal structure, nor drill or rivet into nor otherwise fasten anything to any pier or beam on any concrete, metal, or wood structure without WSDOT's specific written approval of detailed drawings for such welding, riveting, drilling, or fastening.
- C. TENANT shall not park compressed natural gas (CNG) or liquefied natural gas (LNG) vehicles under the bridge.
  - D. TENANT shall not stockpile soils on the Premises.
- E. TENANT shall at its own expense, and upon prior written approval from WSDOT, make any provisions it deems necessary to protect users of the proposed facility from any hazards resulting from use and operation of the highway.

# 19. CONSTRUCTION WORK.

- A. TENANT is hereby authorized to construct the improvements and landscaping work on the Premises as set forth in **Sections 2.A.** and **2.I.** of this Lease.
- B. TENANT covenants that any Work it may perform on the Premises will not at any time during or after construction either damage, threaten to damage, or otherwise adversely affect any part or element of the highway facility or the operation thereof. In addition, the design, occupancy, or use of any improvement shall not interfere with the use, the safety, the appearance, nor the enjoyment of the highway facility nor produce fumes, vapors, odors, drippings, droppings, or discharge of any kind.

Page 8 of 19

# 20. WSDOT'S RIGHT OF ENTRY/INSPECTION.

- A. WSDOT, for itself, its agents, and contractors, and for the Federal Highway Administration (FHWA), reserves the right to enter upon the Premises at any time without notice to TENANT for the purpose of inspection, maintenance, construction, or reconstruction of the highway facility or any element thereof, to perform security audits such as Homeland Security, or to perform environmental audits as provided for elsewhere in this Lease. WSDOT reserves the right to conduct surveillance including but not limited to video and other means upon the premises at any time, without notice to TENANT for the purpose of security inspections. Any loss of the use of the Premises due to WSDOT's exercise of such right will be compensated for solely by a pro rata reduction of rent. WSDOT shall in no way be responsible for any incidental or consequential damages due to such loss of use, if any, by TENANT.
- B. WSDOT and FHWA may enter upon the Premises at any time without prior notice for the purpose of inspecting any excavation, construction, or maintenance work being done by TENANT. In addition, WSDOT and FHWA may enter the improvements, if any, on the Premises at any time and without prior notice, for the purpose of inspection, maintenance, and repair of said improvements.
- C. Entry upon the Premises and the improvements, if any, for any other purpose by WSDOT and FHWA shall be conducted with reasonable notice to TENANT and during the hours of 8:00 a.m. to 5:00 p.m.
- 21. **DISPOSITION OF IMPROVEMENTS.** Except as provided elsewhere herein, upon termination of this Lease under any provision hereof, the improvements constructed by TENANT on the Premises shall become the property of WSDOT or, at the option of WSDOT, shall be removed by TENANT at TENANT's expense in a manner prescribed by WSDOT. In the event TENANT fails to remove said improvements upon termination, WSDOT may remove and dispose of said improvements as it deems appropriate and at TENANT's expense. TENANT shall reimburse WSDOT for all reasonable expenses incurred in such removal and disposal within thirty (30) calendar days of the date of WSDOT's invoice for such costs.
- **22. VACATION OF PREMISES.** Upon termination of this Lease, TENANT shall cease its operations on and/or use of the Premises. In the event TENANT fails to vacate the Premises on the date of termination, TENANT shall be liable for any and all costs to WSDOT arising from such failure.
- 23. WSDOT ACCESS TO REMOVE IMPROVEMENTS. In the event TENANT fails to remove improvements or restore the Premises to WSDOT's satisfaction, then if necessary or desirable in WSDOT's judgment for reasons of safety or economy, WSDOT or its agents shall have the right to cross any lands owned or otherwise controlled by TENANT for the purpose of accomplishing said removal or restoration. Said right shall expire one hundred eighty (180) calendar days after the date of termination of this Lease or when removal and restoration is complete in WSDOT's judgment, whichever is the earlier.
- **24. RESTORATION OF PREMISES.** Prior to termination of this Lease, TENANT agrees, if so directed by WSDOT, to restore the Premises to its condition prior to TENANT's occupancy,

reasonable wear and tear excepted. This work is to be done at TENANT's expense to the satisfaction of WSDOT.

# 25. NON-APPLICABILITY OF RELOCATION ASSISTANCE. TENANT acknowledges that this Lease does not at any time entitle TENANT to assistance by or through WSDOT under the Relocation Assistance - Real Property Acquisition Policy (ch. 8.26 RCW).

# 26. WSDOT'S RESERVATION OF RIGHT TO MAINTAIN/GRANT UTILITY FRANCHISES/PERMITS.

- A. WSDOT reserves the right for utility franchise and permit holders to enter upon the Premises to maintain, repair, and enhance existing facilities and install new utilities and, for itself, to grant utility franchises and/or permits across the Premises. Such installation will be accomplished in such a manner as to minimize any disruption to TENANT. The franchise/permit holder will be required to restore paving and grading damaged by the installation. WSDOT also reserves the right to withdraw portions of the Premises for uses such as, but not limited to, communications sites, which WSDOT determines to be reasonably compatible with TENANT's authorized use of the Premises.
- B. TENANT shall not disturb markers installed by a franchise/permit holder and will contact and provide notice to any franchise/permit holder and all owners of underground facilities prior to any excavation. TENANT shall contact WSDOT and call the Underground Utility Locating Service, or its successor organization, as part of its efforts to ascertain any and all owners of underground utility facilities and to locate the utility. TENANT shall not damage legally installed underground utilities. TENANT shall comply with all applicable provisions of chapter 19.122 RCW relating to underground facilities.
- **27. TAXES/ASSESSMENTS/UTILITIES.** TENANT agrees to pay all assessments that benefit the Premises and/or which may hereafter become a lien on the interest of TENANT in accordance with RCW 79.44.010. TENANT also agrees to pay all taxes that may hereafter be levied or imposed upon the interest of TENANT or by reason of this Lease. TENANT is responsible for and agrees to pay the cost of utilities, including, but not limited to, surcharges, fuel adjustments, rate adjustments and taxes that serve the Premises.

# 28. LIENS.

- A. Nothing in this Lease shall be deemed to make TENANT the agent of WSDOT for purposes of construction, repair, alteration, or installation of structures, improvements, equipment, or facilities on the Premises. TENANT acknowledges that WSDOT may not, and shall not, be subject to claims or liens for labor or materials in connection with such activities by TENANT.
- B. TENANT shall at all times indemnify and hold harmless WSDOT from all claims for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities or other work by TENANT and/or its agents on or within the Premises, and from the cost of defending against such claims, including attorney fees.

- C. In the event a valid claim/lien is filed upon the Premises related to TENANT work, TENANT shall:
  - (1) Record a valid Release of Lien;
- (2) Deposit sufficient cash with WSDOT to cover the amount of the claim on the lien in question and authorize payment to the extent of said deposit to any subsequent judgment holder that may arise as a matter of public record from litigation with regard to lienholder claim; or
- (3) Procure and record a bond which releases the Premises from the claim of the lien and from any action brought to foreclose the lien.
- D. Should TENANT fail to accomplish **C.(1)**, **(2)**, or **(3)**, above, within fifteen (15) calendar days after the filing of such a lien, the Lease shall be in default per **Section 6.A.(2)**.

# 29. ENVIRONMENTAL REQUIREMENTS.

- A. TENANT represents, warrants, and agrees that it will conduct its activities on and off the Premises in compliance with all applicable Environmental Laws. As used in this Lease, the term "Environmental Laws" means all federal, state, and local environmental laws, rules, regulations, ordinances, judicial, or administrative decrees, orders, decisions, authorizations, or permits, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et. seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., the Oil Pollution Control Act, 33 U.S.C. § 2701, et seq., and Washington or any other comparable local, state, or federal statute or ordinance pertaining to the environment or natural resources and all regulations pertaining thereto, including all amendments and/or revisions to said laws and regulations.
- B. Toxic or hazardous substances are not allowed on the Premises without the express written permission of WSDOT and under such terms and conditions as may be specified by WSDOT, except substances in quantities appropriate for performing maintenance or improvements of the Premise or cleaning, operating, and maintaining TENANT's equipment stored on the Premises. For the purposes of this Lease, "Hazardous Substances," shall include all those substances identified as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, et seq., and the Washington Model Toxics Control Act, RCW 70.105D et seq., including all amendments and/or revisions to said laws and regulations. Except as stated in **Section 2.H.** and **Section 18.C.**, gasoline and other similar materials consistent with TENANT's use of the property as an equipment parking and storage lot in reasonable quantities and appropriate for such use will be allowed. The use and disposal of such materials must be done in a legal manner by TENANT.
- C. TENANT agrees to cooperate in any environmental investigations conducted by WSDOT staff or independent third parties where there is evidence of contamination on the

Premises, or where WSDOT is directed to conduct such audit by an agency having jurisdiction. TENANT will reimburse WSDOT within thirty (30) calendar days of the date of WSDOT's invoice for the cost of such investigations, where the need for said investigation is determined to be caused by TENANT's operations. TENANT will promptly provide WSDOT with notice of any inspections of the Premises, notices of violations, and orders to clean up contamination. TENANT will permit WSDOT to participate in all settlement or abatement discussions. In the event TENANT fails to take remedial measures as duly directed by a state, federal, or local regulatory agency within ninety (90) calendar days of such notice, WSDOT may elect to perform such work, and TENANT covenants and agrees to reimburse WSDOT for all direct and indirect costs associated with WSDOT's work, within thirty (30) calendar days of the date of WSDOT's invoice, where those costs are determined to have resulted from TENANT's use of the Premises.

- D. For the purposes of this Lease, "Costs" shall include, but not be limited to, all reasonable response costs, disposal fees, investigatory costs, monitoring costs, civil, or criminal penalties, and attorney fees and other litigation costs incurred in complying with state or federal environmental laws, which shall include, but not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.; the Clean Water Act, 33 U.S.C. § 1251; the Clean Air Act, 42 U.S.C. § 7401; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901; and the Washington Model Toxics Control Act, Ch. 70.105D RCW, et seq., including all amendments and/or revisions to said laws and regulations.
- E. To the extent permitted by law, including applicable anti-deficiency statutes, TENANT agrees to defend, indemnify, and hold harmless WSDOT from and against any and all claims, causes of action, demands and liability including, but not limited to, any costs, liabilities, damages, expenses, assessments, penalties, fines, losses, judgments, and attorneys' fees associated with the removal or remediation of any Hazardous Substances that have been released or otherwise come to be located on the Premises including those that may have migrated from the Premises through water or soil to other properties, including without limitation, the adjacent WSDOT property, and which are caused by or result from TENANT's activities on the Premises. TENANT further agrees to retain, defend, indemnify, and hold harmless WSDOT from any and all liability arising from the offsite disposal, handling, treatment, storage, or transportation of any such Hazardous Substances removed from said Premises.
- F. The provisions of this Section shall survive the termination or expiration of this Lease.

# 30. TENANT'S FUNDS AVAILABLE TO SATISFY INDEMNITY CLAIMS.

- A. TENANT's indemnity obligations under this Lease are limited to funds that have been appropriated and are available at the time an indemnity claim is made. TENANT's annual appropriations available to satisfy an indemnity claim are the funds available in (1) the Budget Control Level (BCL) under which the lease was made; (2) any associated BCL controlled and authorized for transfer by TENANT; and (3) the Judgement and Claims Fund. In addition, TENANT maintains excess liability insurance coverage, disbursements of which do not require TENANT appropriation.
  - B. For 2022, the amount appropriated for Judgement and Claims Fund is \$28,000,000;

and the amount of excess liability insurance coverage is \$20 Million.

C. The Seattle Department of Finance and Administrative Services, or successor department shall notify WSDOT annually of any changes to TENANT's appropriation structure, or to the appropriation amounts, set forth in **Section 30.B**. above. Such notice will be sent to:

DEPARTMENT OF TRANSPORTATION Attn.: Property Management Program Manager P.O. Box 47339 Olympia, WA 98504-7338

# 31. INSURANCE (SELF INSURED).

- A. TENANT warrants that it is self-insured and agrees to provide acceptable evidence of its self-insured status to WSDOT. TENANT's insurance program must provide liability coverage for the Premises, including public liability coverage for bodily injury, property damage, and personal injury of not less than Two Million and no/100 Dollars (\$2,000,000.00) combined single limit per occurrence, with a general aggregate amount of not less than Four Million and no/100 Dollars (\$4,000,000.00) per policy period. TENANT shall increase the program liability coverage at its sole cost, when and if WSDOT deems it necessary due to TENANT's use of the Premises.
- B. TENANT assumes all obligations to fund its self-insurance program in the amounts required above. In the event TENANT fails to adequately fund its self-insurance program or provide commercial liability insurance, WSDOT, at its sole discretion, may purchase insurance coverage as detailed in **Section 31.D**. below and pay the premiums necessary to prevent any lapse in insurance coverage. TENANT shall reimburse WSDOT the entire cost and expense it incurred to acquire and maintain said insurance coverage and any legal fees it incurred in enforcing such reimbursement. TENANT shall make such reimbursement to WSDOT within thirty (30) calendar days of the date of WSDOT's invoice. The payment of the premiums by WSDOT under this Section shall not be construed as a waiver of TENANT's obligation to obtain and maintain insurance coverage, including but not limited to the payment of insurance premiums.
- C. In the event TENANT, after commencement of this Lease, elects to terminate its self-insured status and secure commercial liability coverage, TENANT shall promptly notify WSDOT and, prior to the termination of its self-insured status, TENANT shall secure and maintain an insurance policy as detailed in **Section 31.D.** below.
- D. In the event TENANT either fails to adequately fund its self-insurance program or elects to terminate its self-insured status and secure commercial liability coverage, said coverage, whether obtained by WSDOT pursuant to **Section 31.B.** above or by TENANT pursuant to **Section 31.C.** above in the amounts and types as set forth in **Section 31.A.** above or such other types and amounts as may be warranted under the circumstances.
- E. Liability coverage, whether through self-insurance or a purchased policy shall not be deemed as having relieved TENANT of any liability in excess of such coverage.

# 32. HOLD HARMLESS/INDEMNIFICATION/WAIVER.

- To the extent allowed under Washington law, including any limitations under RCW 35.32A.090, TENANT, its successors, and assigns, will protect, save, and hold harmless WSDOT, its authorized agents, and employees, from all claims, actions, costs, damages, (both to persons and/or property) or expenses of any nature whatsoever by reason of the acts or omissions of TENANT, its assigns, subtenants, agents, contractors, licensees, invitees, employees, or any person whomsoever, arising out of or in connection with any acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. To the extent allowed under Washington law, including any limitations under RCW 35.32A.090, TENANT further agrees to defend WSDOT, its agents, or employees, in any litigation, including payment of any costs or attorney's fees, for any claims or actions commenced, arising out of, or in connection with acts or activities related to this Lease, whether those claims, actions, costs, damages, or expenses result from acts or activities occurring on or off the Premises. This obligation shall not include such claims, actions, costs, damages, or expenses which may be caused by the sole negligence of WSDOT or its authorized agents, or employees; provided that, if the claims or damages are caused by or result from the concurrent negligence of (1) WSDOT, its agents, or employees; and (2) TENANT, its assigns, subtenants, agents, contractors, licensees, invitees, employees, or involves those actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of TENANT or its assigns, subtenants, agents, contractors, licensees, invitees, and employees.
- B. WAIVER: TENANT agree that its obligations under this Section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents while occupying the Premises for any purpose. For this purpose, TENANT, by MUTUAL NEGOTIATION, hereby waives with respect to WSDOT only, any immunity that would otherwise be available to it against such claims under the Industrial Insurance provisions chapter 51.12 RCW.
- C. The provisions contained in this Section shall survive the termination or expiration of this Lease.
- **33. NONDISCRIMINATION.** TENANT, for itself, its successors, and assigns, as part of the consideration hereof, does hereby agree to comply with all applicable civil rights and antidiscrimination requirements, including, but not limited to, chapter 49.60 RCW.
- **34. ASSIGNMENT.** Neither this Lease nor any rights created by it may be assigned, sublet, or transferred by TENANT. In the event that TENANT allows others to use any portion of the Premises, whether by written or oral agreement without WSDOT's prior written approval, WSDOT, in addition to or in lieu of terminating this Lease for default, and in addition to any damages it may experience, may demand a share of any revenue generated by such unauthorized use. WSDOT shall set the amount of said share, and its decision shall be final and binding. WSDOT may demand such share at any time during the term of this Lease. TENANT shall pay said share to WSDOT within thirty (30) calendar days of demand. TENANT agrees to pay said share retroactively to the date the unauthorized third party's use of the Premises commenced. Furthermore, such unauthorized assignment shall not relieve TENANT hereunder from all of its

obligations under this Lease, including but not limited to, payment of rent and maintenance of insurance.

- **35. BINDING CONTRACT.** This Lease shall not become binding upon WSDOT unless and until executed for WSDOT by the Secretary of Transportation or such Secretary's duly authorized representative.
- 36. PERFORMANCE BY WSDOT. If TENANT defaults in the performance or observation of any covenant or agreement contained in this Lease and fails to cure said default in accordance with the terms and conditions of this Lease, WSDOT, without notice if deemed by WSDOT that an emergency exists, or if no emergency exists, with thirty (30) calendar days prior written notice, may direct TENANT to stop all or a portion of its use of the Premises and may itself perform or cause to be performed such covenant or agreement and may enter upon the Premises for such purpose. Such emergency shall include, but not be limited to, endangerment of life, the highway facility or failure of TENANT to obtain in a timely manner the specified insurance coverage. TENANT shall reimburse WSDOT the reasonable cost and expense of such performance by WSDOT and any reasonable egal fees WSDOT incurred in enforcing such reimbursement. TENANT shall make such reimbursement within thirty (30) calendar days of the date of WSDOT's invoice. Any act or thing done by WSDOT under the provisions of this Section shall not be construed as a waiver of any agreement or condition herein contained or the performance thereof.
- 37. MODIFICATIONS. This Lease contains all the agreements and conditions made between the parties hereto and may not be modified orally or in any other manner other than by a written agreement signed by all parties hereto. The receipt of rent by WSDOT, with knowledge of any breach of this Lease by TENANT, and/or with knowledge of any default on the part of TENANT shall not be deemed to be a waiver of any provision of this Lease. Failure on the part of WSDOT to enforce any covenant or provision herein contained shall not discharge or invalidate such covenant or provision or affect the right of WSDOT to enforce the same in the event of any subsequent breach or default.
- **38. INTERPRETATION.** This Lease shall be governed by and interpreted in accordance with the laws of the state of Washington. The titles to paragraphs or sections of this Lease are for convenience only and shall have no effect on the construction or interpretation of any part hereof.
- **39. SEVERABILITY.** In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- **40. TOTALITY OF AGREEMENT.** It is understood that no guarantees, representations, promises, or statements expressed or implied have been made by TENANT or by WSDOT, except to the extent that the same are expressed in this Lease. It is further understood that this Lease shall not be valid and binding upon WSDOT unless and until accepted and approved by the Secretary of Transportation or such Secretary's duly authorized representative.
- 41. ATTORNEYS' FEES. In the event of any controversy, claim, or dispute arising out of this Lease, each party shall be solely responsible for the payment of its own legal expenses,

including but not limited to, attorney's fees and costs, except as provided elsewhere in this Lease.

- **42. VENUE.** TENANT agrees that the venue of any action or suit concerning this Lease shall be in the Thurston County Superior Court and all actions or suits thereon shall be brought therein, unless applicable law requires otherwise.
- **43. NOTICES.** Wherever in this Lease written notices are to be given or made, they will be served, personally delivered, or sent by certified or overnight mail addressed to the parties at the addresses listed below unless a different address has been designated in writing and delivered to the other party. TENANT agrees to accept service of process at said addresses; provided that, such address is located in the state of Washington. Otherwise, TENANT designates the Secretary of state of Washington as an agent for the purpose of service of process. Such service shall be deemed personal service.

WSDOT: DEPARTMENT OF TRANSPORTATION (Mailing Address)

Attn.: Property Management Program Manager

P.O. Box 47338

Olympia, WA 98504-7338

DEPARTMENT OF TRANSPORTATION (Physical Address) Real

**Estate Services** 

Attn.: Property Management Program Manager

7345 Linderson Way SW Tumwater, WA 98501

TENANT: CITY OF SEATTLE

Attn: Finance and Administrative Services Department

P.O. Box 94689

Seattle, WA 98124-4689

WSDOT Lease # AA-01-13785 Inventory Control # 01-17-14829 City of Seattle "Royal Brougham"

IN WITNESS WHEREOF, the parties have executed this Lease as of the date of WSDOT's execution written below.

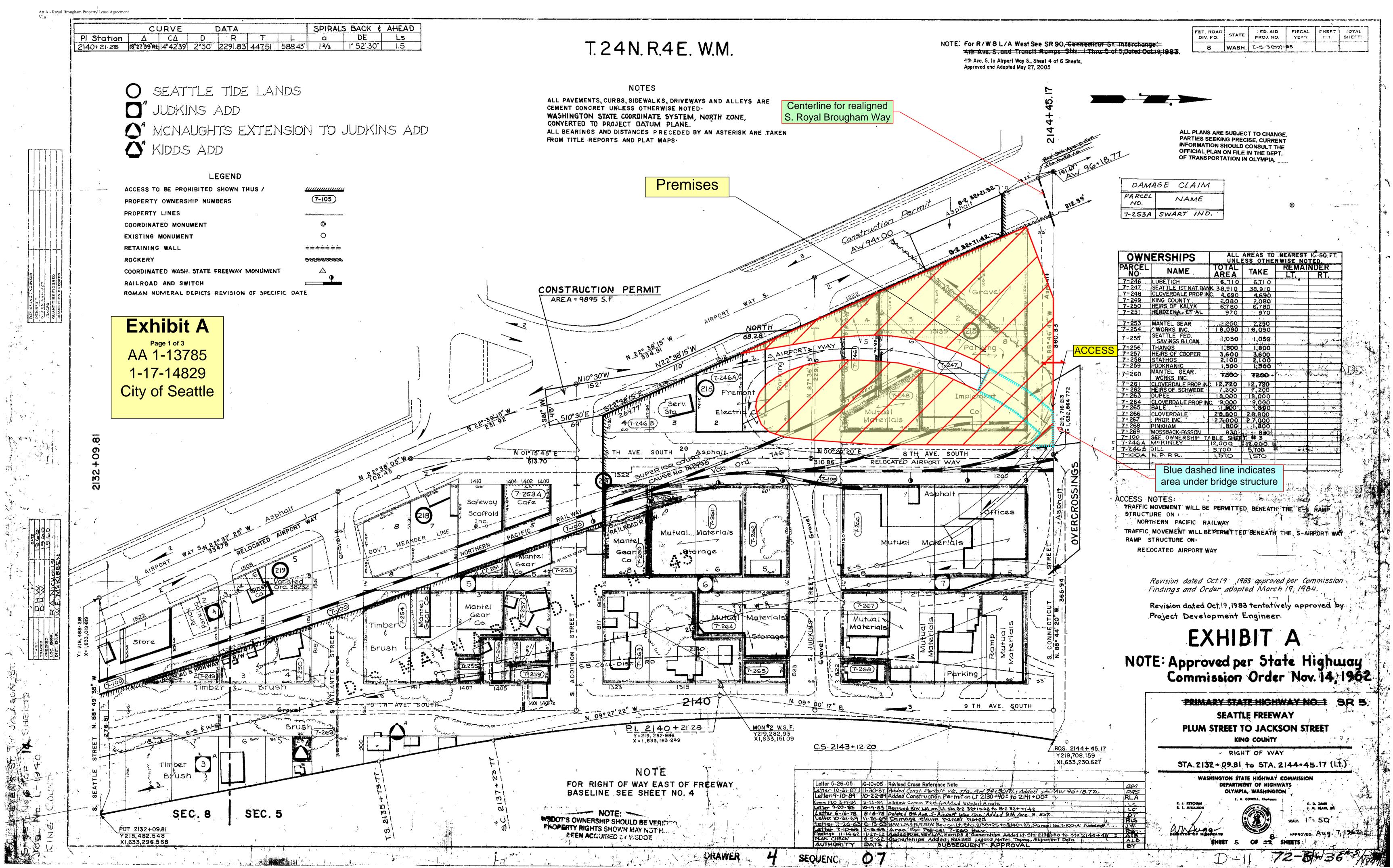
Signatures:	Accepted and Approved by:
CITY OF SEATTLE FINANCE AND ADMINSTRATIVE SERVICES DEPARTMENT	WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
By: Title:	By: Michael Cotten Region Administrator, Northwest Region
Dated:	Dated:
APPROVED AS TO FORM	
By:	
Dated:	

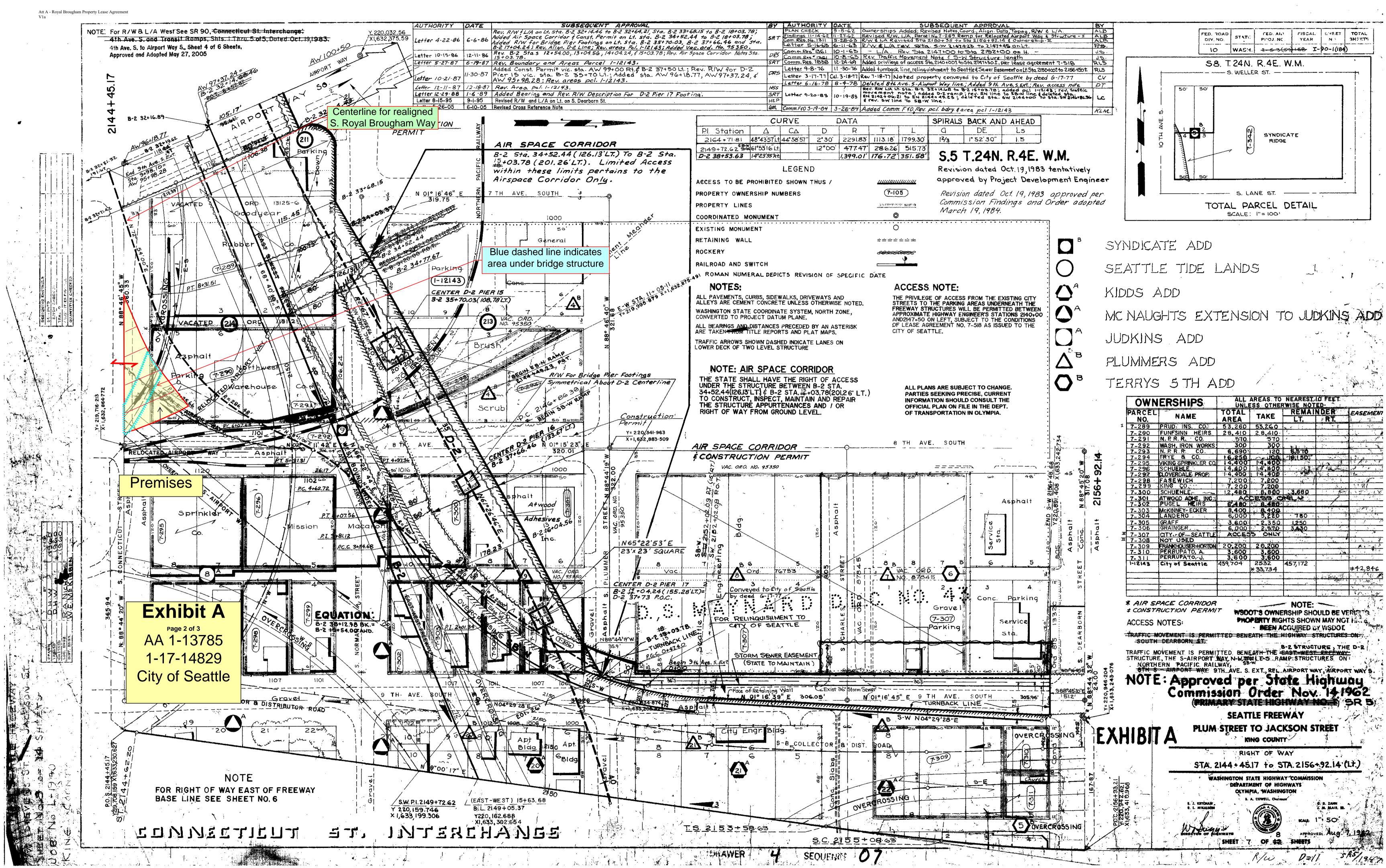
# AGENCY ACKNOWLEDGMENT

STATE OF WASHINGTON )	
) ss	
COUNTY OF KING )	
	, 20 before me personally appeared on me known to be the duly appointed and that he/she executed the within and
	the said instrument to be his/her free and voluntary act and
deed of said State of Washington, for the	e uses and purposes therein set forth, and on oath Lessees
that he/she was authorized to execute said	
IN WITNESS WHEREOF, I have he	reunto set my hand and affixed my official seal the
	(Signature)
	(Print or type name)
	Notary Public in and for the State of Washington residing at
	My commission expires

# WSDOT ACKNOWLEDGMENT

STATE OF WASHING	ION)		
	) ss		
COUNTY OF KING	)		
O (1.1.	1£	20 1	
personally appeared Mic	nael Cotten, to me	known to be the duly appointed Region Administrat	or,
Northwest Region, and the	nat he executed the	e within and foregoing instrument and acknowledged	the
said instrument to be the	free and voluntary	y act and deed of said State of Washington, for the us	ses
and purposes therein set	forth, and on oath s	states that he was authorized to execute said instrumen	ıt.
• •			
IN WITNESS WHEREC	F, I have hereunto	set my hand and affixed my official seal the	
day of			
<i>J</i>			
			-
		(Signature)	
		(Drint or type neme)	
		(Print or type name)	
		Notary Public in and for the State of Washington	
		residing at	
		My commission expires	
		J	





# page 1 of 1 AA 01-13785 IC 1-17-14829 City of Seattle

# Royal Brougham Operational Plan

- 1. This document outlines the operational use for the site located at South Royal Brougham Way and Airport Way South for the ability to lease the property.
- 2. The Seattle Department of Transportation (SDOT) would utilize the site as strictly for equipment storage space only. SDOT's operating hours are 6am 5pm Monday through Friday. Weekend hours are the same, but the work is intermittent.
- 3. The types of assets stored on the site at any given time will be; Backhoes, Pavers, Excavators, Rollers, Asphalt Grinders, Dump Trucks, Trailers and Message Boards. Potentially there could be small amounts of various construction related material, including signage and steel forms.

# SDOT's BMP's for this site:

- 1. SDOT sweeper must sweep roadway next to driveway every night, log activity.
- 2. All liquids must in a containment, covered (cannot be exposed to weather) and containers properly labeled, log activity.
- 3. Rocks/dirt must be swept from the driveway area during daytime hours to prevent tracking onto roadway, log activity.

# **Site Operations**

- 1. Jersey barriers are to be placed and maintained to maintain perimeter around the bridge piers with a maximum distance of Four (4) feet from the outside edge of each side of the piers.
- 2. Vehicles with compressed natural gas (CNG) or liquefied natural gas (LNG) vehicles will not be parked under the bridge structure.
- 3. A WSDOT approved sign near the entrance to the Premises designating contact information of persons who can provide 24 hour/7 days a week access to the Premises, shall be installed and maintained at all times.



Exhibit C

AA 01-13785 IC 1-17-14829 City of Seattle

# THIS YARD IS PROPERTY OF SEATTLE DEPARTMENT OF TRANSPORTATION

TO GAIN ACCESS CONTACT 206-386-1218