

Lease Agreement

IN CONSIDERATION of the rents and covenants hereinafter set forth, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the following described leased Premises on the terms and conditions set forth in this Lease Agreement, hereinafter referred to as the "Lease".

FUNDAMENTAL LEASE PROVISIONS

DATE OF LEASE: January 1, 2018.

PREMISES: The premises is the fire station identified on Attachment "1" of approximately 6,212 SF of space and located at 1000 Laurel Street, City of Milton, State of Washington 98354. The station is located on property legally described as lots 20-25 and the eastern 20 feet of lot 19, Block 11, Map of Milton. The Tenant may also use necessary parking for on duty personnel and necessary access.

The Premises will be cohabitated by the Landlord and Tenant as identified in Attachment "2".

LANDLORD: City of Milton, a Washington municipal corporation, by Office of the Mayor, 1000 Laurel Street, Milton, WA 98354

TENANT: East Pierce Fire and Rescue, a Special Purpose Fire District of the State of Washington by Chair Board of Commissioners, East Pierce Fire and Rescue, 18421 Veterans Memorial Drive East Bonney Lake, WA 98391

LEASE COMMENCEMENT: January 1, 2018

TERM: Continuing until terminated under any provision of this Lease or upon the giving of 90 days' advance written notice by either Party to the other.

TENANT EXPENSES: Tenant to pay any leasehold tax on base rent and the janitorial and routine maintenance of the demised space. Tenant shall also pay the utility billings of the entire building.

LANDLORD EXPENSES: Landlord shall pay for all other building expenses including but not limited to; landscape, HVAC and structural maintenance, building and casualty insurance and all other utility expenses except those designated in Tenant Expenses.

DATE OF POSSESSION: At Lease Commencement

BEGINNING MONTHLY RENT: \$1,308.44

USE OF LEASED PREMISES: District Fire Station

GENERAL PROVISIONS:

1. Use: Tenant shall have the right to use the Premises only for the purpose expressly set forth in the Fundamental Lease Provisions and for no other purpose.
2. Term: The Lease Term is perpetual until terminated as provided for herein. The Term of this Lease shall commence on the date set forth in the Fundamental Lease Provisions.
3. Rent: Tenant shall pay to Landlord, without prior demand, deduction or set off, as follows:
 - 3.1 \$1,308.44 per month for the first twelve (12) months. The monthly rent shall increase annually on the first day of January by an amount equal to the change in the June Consumer Price Index for All Urban Consumers (CPI-U), Seattle-Tacoma-Bremerton, for the previous year.
 - 3.2 Rent is due on or before the 15th day of the month.
 - 3.3 Any installment of Rent or other sums due Landlord not received by Landlord within Five (5) days of the due date for the payment shall constitute a late payment. A late payment charge of two-hundred and fifty (\$250.00) Dollars shall be assessed. Acceptance of any such late charge by Landlord shall not constitute a waiver of Tenant's default with respect to such overdue amount.
4. Assignment and Subletting: This lease is specific to the Tenant and Tenant shall not have the right to assign, mortgage, or hypothecate this Lease or permit use of the Premises by any person(s) entity or sublet all or any part of the Premises without Landlord's prior written consent. Landlord's written consent shall not be unreasonably withheld. Any assignment by Tenant shall not release Tenant from its primary liability under this Lease.
5. Conduct of Business: Tenant shall promptly comply with all laws, ordinances, orders and regulations affecting the leased Premises and the building in which the same are situated. Tenant shall not perform any acts or carry on any practices that may injure adjoining Tenants or be a menace or nuisance to other persons or businesses in the area or disturb the quiet enjoyment of any person. Tenant shall not commit or allow to be committed any waste in or upon the Premises or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose.
6. Hold Harmless: The Parties agree to indemnify, defend and hold harmless the other from any and all claims arising from the individual Party's use of the Premises or from the conduct of its business or from any activity, work or things which may be permitted or suffered by the Party in or about the Premises. The Tenant shall further indemnify, defend and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the provisions of this Lease

or arising from any negligence of Tenant or any of its agents, contractors, employees or invitees, and from any and all costs, attorney's fees, expenses and liabilities incurred in the defense of any claims or any action or proceeding brought thereon. Tenant hereby assumes all risk of damage to property or injury to persons on the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, excepting wherein said damage or injury arises out of Landlord's negligence.

7. Liability and Property Damage Insurance: Tenant, at its own expense, shall provide and keep in force with companies acceptable to Landlord, comprehensive general liability insurance for the benefit of Landlord and Tenant jointly, which policies shall insure against liability for bodily injury to one or more persons in any one occurrence as well as property damage per occurrence in a single limit, combine policy amount of not less than ONE MILLION AND NO/100 Dollars (\$1,000,000.00). Tenant shall furnish Landlord with a certificate of such policy within Thirty (30) days of the Lease Commencement and whenever required shall satisfy Landlord that such policy is in full force and effect. No policy shall be cancelable or subject to a reduction of coverage without Thirty (30) days prior written notice to Landlord. All such policies shall be written as primary policies and not in excess of coverage, which Landlord may carry.
8. Landlord Expenses: Landlord shall be responsible for paying all property expenses including but not limited to landscape and building maintenance, building and casualty insurance, all utility expenses not designated as Tenant Expenses and any other costs associated with the ownership of the building.
9. Care and Surrender of Premises: Tenant has examined the Premises and accepts them in their present condition, and will at all times keep the Premises in a neat, clean and sanitary condition. Tenant agrees to repair any damage to the Premises arising from removal or relocation of its equipment, fixtures or personal property.
10. Alterations or Improvements:
 - 10.1 No Alterations. Tenant shall not make any alterations, additions, renovations or improvements in or to the Premises without first obtaining the written consent of the Landlord. All alterations which shall be made shall be at the sole cost and expense of Tenant and shall, at Landlord's option, immediately become a part of the real property and belong to Landlord without payment of any consideration and shall remain in and be surrendered with the Premises as a part thereof at the expiration or sooner termination of this Lease.
 - 10.2 Exterior Storage. Tenant agrees it will not store vehicles, material, equipment or other items outside the fire station. Tenant will not obstruct the use of parking, landscaping or other areas not included in the use and occupancy of the fire station.

- 10.3 Indemnification. Tenant agrees to indemnify and hold Landlord and its employees free and harmless from, and against, any and all damage, injury, loss, liens, cost and/or expenses (including attorney's fees) arising, claimed or incurred by reason of such alterations even if such alterations have been approved by or supervised by Landlord, its agents or contractors.
11. Mechanic's Liens: Tenant agrees to keep all of the leased Premises and every part thereof free and clear from any and all mechanic's, materialman's and other liens for work or labor done, services performed, materials, appliances, transportation or power contributed, used or furnished to be used in or about the leased Premises to or on the order of Tenant, and at all times Tenant shall promptly and fully pay and discharge any and all claims upon which any such lien may or could be based. No liens of any character whatsoever created or suffered by Tenant shall in any way, or to any extent, affect the interest or rights of Landlord in any buildings or other improvements on or about the leased Premises, or attached to or affect Landlord's title to or rights in the leased Premises.
12. Fire and Casualty Damage: If the leased Premises are damaged by fire or casualty, but are not rendered untenable in whole or in part, Landlord shall have the option to cause such damage to be repaired from the insurance proceeds paid pursuant to such damage and the rent shall not be abated. If by reason of such occurrence or occurrences the leased Premises shall be rendered untenable either in whole or in part, Landlord likewise shall have the option to cause the damage to be repaired, in which case the Minimum Monthly Rent provided hereunder shall be abated proportionately as to the portion of the leased Premises rendered untenable. In the event the destruction of the Premises is to an extent of ten (10%) percent or more of the full replacement cost then Landlord shall have the option; (1) to repair or restore such damage, this lease continuing in full force and effect but the rent to be proportionately reduced as hereinabove in this paragraph provided; or (2) to give notice to Tenant at any time within sixty (60) days after such damage terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. Landlord shall not be required to repair any injury or damage by fire or other cause or to make any repairs or replacements of any leasehold improvements, fixtures or other personal property of Tenant. In no event shall Landlord be liable to make repairs costing in excess of the insurance proceeds paid to Landlord as a result of the damage or destruction.
13. Default: If Tenant shall default in the payment of any rent or charge or sum of money due and such default shall continue for a period of FIVE (5) days after written notice thereof from Landlord, or if Tenant shall default in the performance or observance of any other term, covenant, agreement or obligation of this Lease to be performed or observed by Tenant, and such default shall continue for a period of TEN (10) days after written notice thereof by Landlord, then Landlord shall have, in addition to any other remedies available at law, without further notice to Tenant

and without barring later election of any other remedy, any one or more of the following remedies at Landlord's election:

13.1 Landlord may require strict performance of all the terms, covenants, agreements and obligation, hereof, as the same shall accrue, and have the right of action therefore: or

13.2 Landlord may reenter the leased Premises, with process of Law, eject all parties in possession thereof there from, and without terminating this Lease, relet the leased Premises or any part thereof, or parts thereof, for the account of Tenant, or otherwise, and receive and collect the rents thereof, or

13.3 By written notice to Tenant, Landlord may declare this Lease at an end, reenter the leased Premises by process of law, eject all parties in possession thereof there from, in which event Landlord shall have the right to recover from Tenant all damages it may incur by reason of such default.

13.4 All rights and remedies of Landlord herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law, or equity. Landlord and Tenant further agree that in the event Tenant breaches this Lease or any covenant, term or condition hereunder, and abandons the leased Premises, or any portion thereof, this Lease shall continue in force and effect so long as Landlord does not terminate Tenant's right to possession, as set forth in this Lease. Acts of maintenance or preservation, or efforts to relet the leased Premises, or the appointment of a Receiver upon the initiation of the Landlord to protect the Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, or if Landlord incurs any expense, including attorney fees, in instituting proceedings, or defending any action or proceeding instituted by reason of any default of Tenant hereunder, the sum or expense paid by Landlord, with all interest, costs and damages, shall be due immediately from Tenant to Landlord at the time the same is paid, and if not so immediately paid by Tenant, shall bear interest at the rate of one percent (1%) per month or fraction thereof

14. Holdover: This Lease shall terminate and shall become null and void without further notice upon the expiration of the term, or sooner as specified herein. If Tenant shall hold over for any period after the expiration of said Term, Landlord may, at its option, exercised by written notice to Tenant, treat Tenant as a Tenant from month-to-month commencing on the first day following the expiration of this Lease, subject to the terms and conditions herein contained, except that the Rent, which shall be payable in advance monthly, shall be equal to the amount of said monthly Rent applicable at the date of expiration, together with all additional rents, costs, expenses and other rental adjustments herein called for.

15. Rights Reserved by Landlord:

- 15.1 Tenant agrees to permit Landlord or the authorized representative of Landlord to enter the leased Premises at all reasonable times during usual business hours for the purposes of: (a) inspecting the same, (b) making such repairs or reconstruction required or permitted by Landlord; and (c) performing any work therein that may be necessary by reason of Tenant's default under the terms of this Lease, without prior written notice thereof to Tenant.
- 15.2 Landlord is hereby given the right during usual business hours to enter the leased Premises and to exhibit the same for purposes of sale, lease or mortgage, and during the last TWO (2) months of the Term of this Lease, to exhibit the same to any prospective tenant.
16. Loss and Damage: Landlord shall not be liable for any damage or theft to property of Tenant, or of others located on the leased Premises. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the leased Premises or from the pipes, appliances or plumbing works or from the roof, street or subsurface, or from any other place or by dampness or by any other cause of whatsoever nature unless due to the willful negligence of Landlord. Landlord shall not be liable for any such damage caused by other Tenants or persons in the leased Premises, occupants of adjacent property, of the building, or the public, or caused by operations in construction of any private, public or quasi-public work unless due to the willful negligence of Landlord. Landlord shall not be liable for any latent defect in the leased Premises unless due to the willful negligence of Landlord, All property of Tenant kept or stored on the leased Premises shall be kept or stored at the risk of Tenant.
17. Miscellaneous Provisions:
- 17.1 Lease Binding on Successors. The covenants and agreements herein contained shall bind and inure to the benefit of Landlord and Tenant, and each of their heirs, personal representatives, successors and assigns, subject to the provisions of this Lease.
- 17.2 Attorney Fees. In the event that legal proceedings are brought or commenced to enforce the terms of this Lease, the prevailing party shall be entitled to recover from the other party all costs and expenses of such proceedings, including its actual attorney fees, whether or not any proceedings are prosecuted to judgment. Any causes of action are to be brought in Pierce County, Washington.
- 17.3 Notices. Any notice or demand required or permitted by law or by any of the provisions of this Lease shall be in writing. All notices or demands shall be deemed to have been properly given when served personally on the Tenant/Landlord or when sent by registered or certified mail, postage prepaid, addressed to the address set forth in the Fundamental Lease Provisions.

- 17.4 Partial Invalidity. If any term, covenant or condition of this Lease shall be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term, covenant or condition of this Lease shall be valid and enforced to the fullest extent permitted by law.
- 17.5 Agreements in Writing. It is understood that there are no oral agreements between the Parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the Parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none shall be used to interpret or construe this Lease. It is further agreed by and between the Parties hereto that there shall be no modification or amendment of this Lease, except as may be executed in writing between all Parties hereto.
- 17.6 Headings and Captions. The headings or captions of paragraphs in this Lease are for convenience and reference only, and they in no way define, limit or describe the scope or intent of this Lease or the provision of such paragraphs.
- 17.7 Time. Time is hereby expressly declared to be of the essence of this Lease and of each and every covenant, term, condition and provision hereof.
- 17.8 Performance and enforcement of this Lease. Any proceedings regarding this Lease shall be in Pierce County, Washington.

IN WITNESS WHEREOF, the Parties hereto have executed this lease as of the day and year written below (Signatures on following page).

TENANT:

LANDLORD:

East Pierce Fire and Rescue, a special purpose District of the State of WA

City of Milton, a municipal corporation

X *Dale J. Mitchell*

X *Shanna Sherrell*

By: *Dale T. Mitchell*

By: *Shanna Sherrell*

Its: *Commissioner/Chairman*

Its: *Mayor*

Date: *1-3-18*

Date: *1-5-18*

ACKNOWLEDGEMENTS

STATE OF WASHINGTON

)ss.

COUNTY OF PIERCE

On this 3rd day of January, before me personally appeared Dale T. Mitchell, to me known to be the Commissioner/Chairman of East Pierce Fire and Rescue., the entity that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the use and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said entity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Signature: Michelle L. Hollon

Name: (print) Michelle L. Hollon

NOTARY PUBLIC in and for the State of Washington, residing at Bonny Lake
My appointment expires: 12/24/2021
STATE OF WASHINGTON



)ss.

COUNTY OF PIERCE

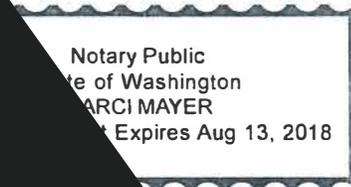
On this 5th day of January, 2018, before me personally appeared Marc Mayer to me known to be the Mayer of the City of Milton, Washington, the entity that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Signature: Marc Mayer

Name: (print) Marc Mayer

NOTARY PUBLIC in and for the State of Washington, residing at WILSON WA
My appointment expires: Aug 13, 2018



See
Milton
Notary
Next
Page

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

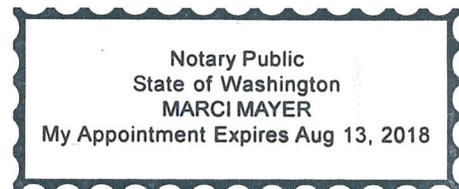
On this 5th day of January 2018, before me personally appeared Shanna Styron Sherrell, to me known to be the Mayor of the City of Milton, Washington, the government entity that executed the within and forgoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purpose therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of said entity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Signature: Marci Mayer

Name: Marci Mayer

NOTARY PUBLIC in and for the State of
Washington, residing at Milton, Washington
My appointment expires: August 13, 2018



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Fire Department Co-Habitation Proposal

Prepare by Chief Hernandez

1000 Laurel Street Milton WA Fire Station Structure Contains 6,212 Square Feet of rentable space.

Market Analysis Summary as of 2016 \$4.00 Per Square Foot "Pg 26 Valbridge Property Advisors Report "

*As of Section 3.1 of lease agreement Pg 2 (CPI-U) for 2017 increased by 3%.

*New Value as of June 2017 \$4.12 Per Square Foot.

- A. Dedicated City Space Upstairs Space (2) 18 X 7 = 252 Ft
- B. Dedicated City Upstairs Entry 7 X 10 = 70 Ft
- C. Dedicated City Training Room, Hallway Office Spaces, Bathroom 42 X 28 = 1,176 Ft
- D. Dedicated City Engine Bay at North East End of the Engine Bays 21 X 43 = 903 Ft

Shared Kitchen and lounge Area Space

- E. Lounge 15 X 17 = Total 255 Ft \ 2 =(127.5) Ft *Changed to Dedicated Fire Space.
- F. Kitchen Area 12 X 12 =144 Ft\ 2 = City /Share (72) Ft *Changed to Dedicated Fire Space. Added
*199.5 ft to total fire Dept. Foot Print.

Rentable square Footage Total building 6,212 Ft - City Shared and dedicated 2,600.5 Ft

*New Dedicated City Space Change 2,401.00 Ft

Remaining Space Total 3,611.5 X \$4.00 = Annual Rent \$14, 446.00 / 12 Months Fire Dept.

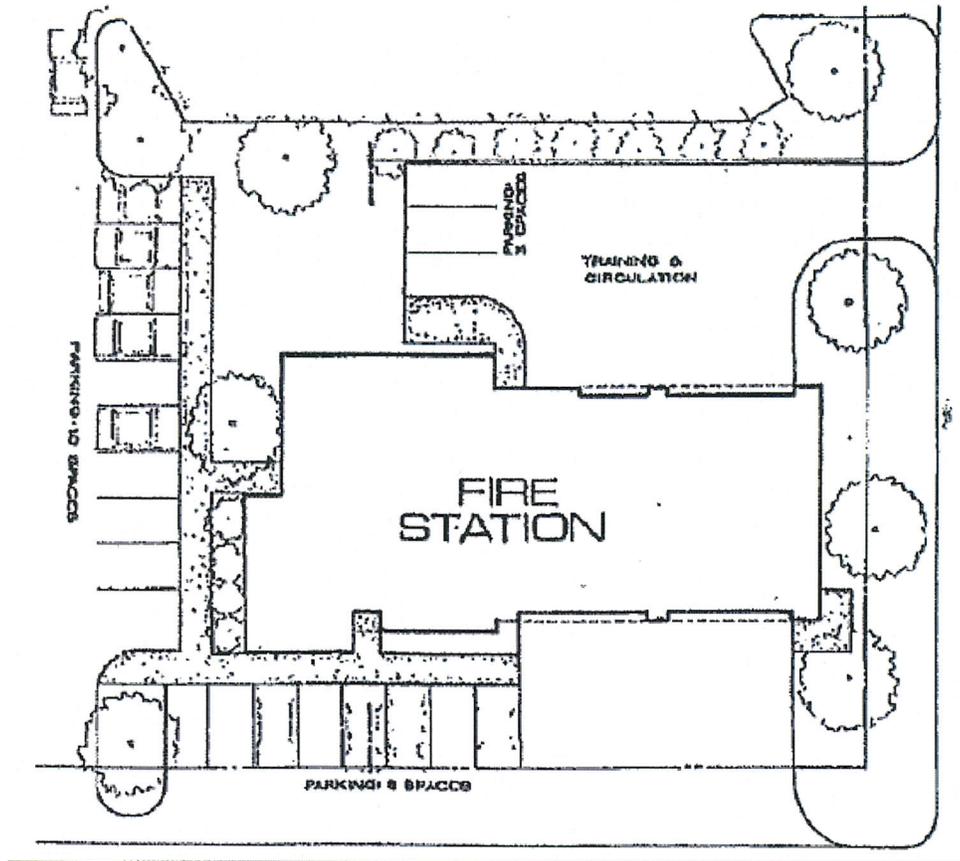
*New Space Calculations Total Fire Dept. 3,811 X \$4.12 = Annual Rent of \$15,701.32 / 12 Months =
Fire Dept.

Estimated Monthly Rent = \$1,203.83

*New Estimated Monthly Rent = \$1308.44

12/11/2017

Attachment 1
Map of Station and Grounds
1000 Laurel Street, Milton, WA



Laurel Street

