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FEB 03 2006

SUPPLY SECTION

STATE OF WASHINGTON
DEPARTMENT OF GENERAL ADMINISTRATION

Division of State Services

210 11th Avenue SW, Room 230, PO Box 41015 • Olympia, Washington 98504-1015

(360) 902-7373 • (360) 586-9088

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MAR 31 2006

PUGET SOUND CLEAN
AIR AGENCY

February 2, 2006

Puget Sound Clean Air Agency
110 Union Street, Suite 500
Seattle, Washington 98101

SUBJECT: Leases SRL 05-0128, Liquor Control Board, Seattle

Enclosed for your records is a fully executed copy of the above-referenced Lease.

According to the terms of the lease, properly executed monthly rent vouchers must be submitted to the tenant agency at the end of each month for payment. Please contact the tenant agency to obtain information and procedures to be used for your submission of your monthly rent vouchers.

If you have any questions, please call me at (360) 902-0923.

Sincerely,

Ivan L. Johnson Jr.
Secretary Administrative

Enclosure

cc: Mike Wolfe, LCB, MS: 43075

AFTER RECORDING RETURN TO:

Department of General Administration
Buildings, Grounds & Real Estate Services
Real Estate Services
P. O. Box 41015
Olympia, Washington 98504-1015

Lease No. SRL 05-0128
Project No. 05-07-267
(Seattle) GRF/ds
October 5, 2005
Page 1 of 8

LEASE

1. This LEASE, made and entered into between the State of Washington, Liquor Control Board, acting through the Department of General Administration, acting in accordance with RCW 43.82.010 whose address is Post Office Box 43075, Olympia, Washington 98504-3075 for its administrators, successors, and assigns, hereinafter called the Lessor, and Puget Sound Clean Air Agency, whose address is 110 Union Street, Suite 500, Seattle, Washington 98101, hereinafter called the Lessee:

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

2. The Lessor hereby leases to the Lessee the following described Premises:

Tax Parcel Number: 182404-9063-03

Common Street Address: 4401 East Marginal Way, Seattle, Washington

Approximately 1,800 square feet of vacant land located at 4401 East Marginal Way, Seattle, Washington and legally described as follows: the SE Quarter, Section 18, Township 24, Range 04, W.M., King County. Portion of Government Lot 4 Together with Portion of Blocks 379 and 384 Seattle Tide Lands Except #1 Described as follows: South 420 feet of Government Lot 4 lying North of South Oregon Street less Portion for East Marginal Way together with Lots 25 Through 28 Block 379 less street together with portions of Block 384 South of Line 420 feet North of and Portion Line within North Line of South Oregon Street. As represented on Attachment "A" and by this reference incorporated herein.

TERM

3. TO HAVE AND TO HOLD the Premises with their appurtenances for the term November 1, 2005 through October 31, 2010. In the event the leased premises are occupied prior to November 1, 2005, the rent shall be paid on a prorated basis of the monthly rent.



RENTAL RATE

4. The Lessee shall pay rent to the Lessor for the Premises at the following rate:

Two Hundred Dollars and No Cents

\$200.00 per month

In addition, Lessee shall remit to Lessor leasehold excise tax in the amount of \$25.68 per month, which is 12.84% of the rent stated in paragraph 4. Leasehold excise tax shall be adjusted if there occurs an adjustment in the rental rate or leasehold excise tax rate, or any expenditures by Lessee pursuant to the Remodel Paragraph that triggers the provisions in RCW 82.29A.020 (2a). Said tax shall be paid each month at the same time as payment of rent is due.

Payment shall be made on or before the 10th of each month throughout the Lease term. Warrants will be made payable to the Washington State Liquor Board, Post Office Box 43090, Olympia, Washington 98504

LATE CHARGE

5. If any payment of rent or if any other sum due to the Lessor is not received by Lessor by the due date, a late charge of one percent (1%) of the rent due and unpaid plus \$25.00 administration fee shall be added to the amount due and the total sum shall become immediately due and payable to Lessor. Each additional rental period that the amount due goes unpaid shall be subject to a late charge of one percent (1%) of the rent due plus an administration fee of \$25.00. Also, there shall be a charge of \$10.00 for any check returned uncollectible.

EXPENSES

6. Lessee is leasing the Premises from Lessor with the specifically bargained for understanding that Lessor shall have no obligation to Lessee or any third party to incur any expense in connection with this Lease or the Premises or the operation or occupation thereof and that Lessee is accepting the Premises in the current condition of the Premises, i.e. "AS-IS".

ASSIGNMENT/SUBLEASE

7. The Lessee shall not assign, nor sublet the Premises without first obtaining Lessor's written consent.

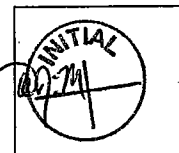
RENEWAL/CANCELLATION

8. The Lease may, with the consent of Lessor, be renegotiated for an additional five (5) years.

It is mutually understood and agreed by and between the Lessor and the Lessee that this Lease may be canceled and terminated by either party provided that written notice of such cancellation and termination shall have been given at least thirty (30) days prior to the effective date thereof, in which event rent shall be prorated to the date of termination.

FIXTURES

9. The Lessee shall have the right, at its sole cost and expense, during the existence of this Lease with the written permission of the Lessor to make alterations, attach fixtures, and erect additions, structures or signs, including but not limited to, any electrical or telecommunications equipment necessary to operate its ambient air monitoring system, in or upon



the Premises hereby leased. Performance of any of the rights authorized above shall be conducted in compliance with all applicable governmental regulations, building codes, and public works requirements, including obtaining any necessary permits.

NO GUARANTEES

10. It is understood that no guarantees, representations, promises or statements, expressed or implied, have been made by the Lessor unless endorsed in writing. And it is further understood that this Lease shall not be valid and binding upon the State of Washington, unless it has been approved by the Director of the Department of General Administration of the State of Washington, or his/her designee, and approved as to form by the Office of the Attorney General. Any amendment or modification of this Lease must be in writing and signed by both parties.

ENERGY

11. The Lessor, or authorized representative, has conducted an energy audit of this facility, identified energy conservation maintenance and operation procedures, undertaken technical assistance studies and/or subsequent acquisition and installation of energy conservation measures identified as cost effective, and further complied with RCW 43.19.675, RCW 43.19.680, and RCW 43.19.685.

HAZARDOUS SUBSTANCES

12. Lessee shall not keep on or about the Premises, for use, disposal, treatment, generation, storage or sale any substances which are hazardous, toxic, harmful or dangerous, and/or which are subject to regulation as hazardous or toxic, dangerous, or as a pollutant by any federal, state, or local law, regulation, statute, or ordinance (collectively referred to herein as "hazardous substances"). Lessee shall be fully liable to the Department of General Administration, and shall indemnify, defend and save harmless the Lessor and its officials and employees, with respect to any and all damages, costs, fees (including attorneys' fees and costs), civil and criminal penalties, or clean-up costs assessed against or imposed as a result of Lessee's use, disposal, generation, storage, or sale of hazardous substances or that of Lessee's employees, agents, or invitees. Breach of this provision shall entitle Lessor to terminate this Lease. This provision shall not apply to properly stored cleaning supplies such as ammonia-based cleaners nor to office supplies such as copy machine toner.

REIMBURSEMENT FOR DAMAGE TO PREMISES

13. The Lessee hereby agrees to reimburse the Lessor for damages caused by its employees, contractors, licensees, invitees, clients and agents. This paragraph shall not be construed as making Lessee responsible for the repair of normal wear and tear.

HOLD HARMLESS

14. Lessee, its successors or assigns, will protect, save and hold harmless the Lessor, its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever arising out of or in connection with any acts or activities authorized by this Lease. The Lessee further agrees to defend the Lessor, its agents, or employees, in any litigation, including the payment of any costs or attorneys' fees, for any claims or action commenced thereon arising out of or in connection with acts or activities authorized by this Lease. This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of the Lessor or its authorized agents or employees; Provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Lessor, its agents or employees, and (b) the Lessee, its agents or employees and involves actions covered by



RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Lessee or Lessee's agents or employees.

USE OF PREMISES

15. No use other than an ambient air monitoring site and for the installation, operation, maintenance, repair, removal or replacement fixtures relating to the ambient air monitoring site shall be permitted without the prior written approval of the Lessor. No pets or other animals shall be kept, housed, or brought into the Premises for any purpose with the exception of guide dogs and service animals as required by employees and visitors and dogs required for law enforcement or security purposes. No smoking shall be permitted in the building. Furthermore, in using these Premises, it is expressly agreed that Lessee shall comply with all applicable federal, state, and local laws, ordinances, regulations, and environmental requirements. Lessee hereby agrees to hold Lessor harmless from claims or suits resulting from Lessee's failure to comply with such requirements. Lessee shall not use the Premises in any way which interferes with the use of the Premises by Lessor, or lessees or licensees of Lessor with rights in the Premises prior in time to Lessee's.

CAPTIONS

16. The captions and paragraph headings herein are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

NOTICES

17. Wherever in this Lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.

LESSOR: STATE OF WASHINGTON, Liquor Control Board
Acting through the Department of General Administration
Buildings, Grounds & Real Estate Services
Post Office Box 41015
Olympia, Washington 98504-1015

LESSEE: Puget Sound Clean Air Agency
110 Union Street, Suite 500
Seattle, Washington 98101

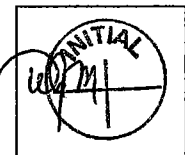
ALTERATIONS

18. No alterations may be made to the leased premises without first obtaining the written consent of the Lessor. If the consent of the Lessor is obtained, the Lessee shall, if required by state law, pay prevailing rate of wage to all workers, laborers or mechanics employed to perform such work as well as comply with the rules and regulations of the Department of Labor and Industries.

Lessee agrees in performing the above work to comply with all applicable local, state, and federal regulations including but not limited to, obtaining appropriate permits and inspections.

SIGNAGE

19. Lessee agrees that all signs and other advertising devised, placed or to be placed by Lessee upon or in front of the leased premises, and all interior installations placed in said



premises by Lessee, shall be in conformance with the ordinances of the City of Seattle and King County, relative thereto, and subject to the written consent and approval of Lessor being first secured therefore.

ADDITIONAL LEASE PROVISIONS

20. It is understood and agreed that the Lessee accepts the Premises in its present condition and accepts all risk of injury to persons or damage to property resulting from, or arising out of, the condition of the Premises. This acceptance includes knowledge that the Premises may not meet the requirements set forth in the American's with Disabilities Act (ADA). If at any time during the term of this lease, Lessee reasonably determines that barriers to the disabled existing in the leased premises must be eliminated, Lessee shall so notify the Lessor in writing. Lessor and Lessee shall endeavor to arrive at a mutually satisfactory agreement for accomplishing necessary alterations within thirty (30) days of said written notice. If Lessor and Lessee cannot arrive at a mutually satisfactory agreement, Lessee shall have the option to terminate this lease by giving at least sixty (60) days prior written notice, in which event rent shall be prorated to the date of termination.

21. Lessee shall, at Lessee's sole cost and expense, keep and maintain the monitoring site now or hereafter located on the Premises in reasonable condition and repair during the term of this Agreement, normal wear and tear and casualty excepted. Upon termination or expiration of this Agreement, the Premises shall be returned to Lessor in good, usable condition, normal wear and tear and casualty excepted.

22. Lessee shall access the Premises typically during normal business hours (6:00 AM to 6:00 PM) seven days a week, year round.

23. Lessee shall, at Lessee's sole cost and expense, make the following site preparation and improvements in order to install and operate the ambient air monitoring site:

- a. Lessee will conduct all site preparation, landscaping, fencing, and electrical service;
- b. Lessee will install a new fiberglass shelter or office trailer to house air monitoring equipment. The shelter will be approximately 12' X 20' or smaller;
- c. Lessee will install a wooden deck to house air monitoring equipment;
- d. Lessee will install and level a base of 5/8" crushed gravel;
- e. Lessee will install an 8' high chain link fence around the entire site. The fence will include aluminum slates to shield the view;
- f. In coordination with Lessor, Lessee will replace shrubs or trees removed caused by air monitoring site installation and use as required by the Lessor;

HOLDING OVER

24. If Lessee remains in possession of the premises after the expiration or termination of the Lease term, or any extension thereof, such possession by Lessee shall be deemed to be a month-to-month tenancy, terminable as provided by law. During such month-to-month tenancy, Lessee shall pay all rent provided in this Lease or such other rent as the parties mutually agree in writing and all provisions of this Lease shall apply to the month-to-month tenancy, except those pertaining to term and option to extend.



INSURANCE

25. Lessee shall, at all times during term of the Lease, at its sole cost and expense, buy and maintain insurance of the types and amounts listed below. Failure to buy and maintain the required insurance may result in the termination of the Lease at the Lessor's direction.

All insurance and surety bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by the Risk Manager for the State of Washington, before the contract is accepted. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

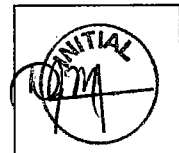
Lessee shall maintain general liability (CGL) insurance, and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit.

CGL insurance shall be written on ISO occurrence form CG 00 01 (or substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contracts, products-completed operations aggregate limit of at least two times the "each occurrence" limit.

CGL insurance shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contracts, product-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation on insureds (cross liability) condition.

All policies required under Section 25 shall include and maintain the following provisions and the Lessor shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications.

- a. Lessee is subject to 48.18 RCW (Admitted and Regulated by the Insurance Commissioner): The insurer shall give the State 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the Lessee shall be given ten (10) days advance notice of cancellation.
- b. Lessee is subject to 48.15 RCW (Surplus lines): The Lessor shall be given twenty (20) days advance notice of cancellation. If cancellation is due to non-payment of premium, Lessor shall be given 10 days advance notice of cancellation.
- c. The Lessor, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella and property insurance policies.
- d. All insurance provided in compliance with this Lease shall be primary as to any other insurance or self-insurance programs afforded to or maintained by Lessor.
- e. By requiring insurance herein, Lessor does not represent that coverage and limits will be adequate to protect Lessee, and such coverage and limits shall not limit Lessee's liability under the indemnities and reimbursements granted to Lessor in this Lease.



IN WITNESS WHEREOF, the parties hereto have subscribed their names.

LESSEE
PUGET SOUND CLEAN AIR AGENCY

LESSOR
STATE OF WASHINGTON
Liquor Control Board

By: *Dennis J. McLerran*
Name: Dennis J. McLerran
Title: Executive Director
Date: 12/14/05

Acting through the Department of
General Administration

Robert A. Bippert for
Robert A. Bippert, Senior Deputy Assistant Director
Buildings, Grounds & Real Estate Services
Date: 2/1/06

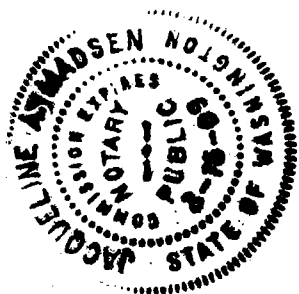
APPROVED AS TO FORM:

By: *[Signature]*
Assistant Attorney General
Date: 1/31/06

STATE OF Washington
County of King) ss.

On this 14th day of December, 2005 before me personally appeared Dennis McLerran and said person(s) acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of Puget Sound Clean Air Agency to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Jacqueline Asmadsen
Notary Public in and for the State of
Washington, Seattle, WA
Residing at _____
My commission expires March 15, 2009

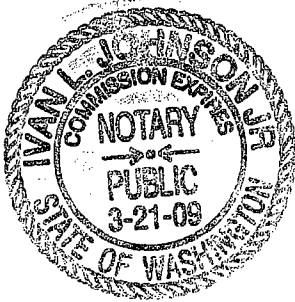


STATE OF WASHINGTON)
) ss.
County of Thurston)

Gloria R. Fletcher
for

I, the undersigned, a Notary Public, do hereby certify that on this 1st day of February, 20 06, personally appeared before me ~~ROBERT A. BIPPERT~~, Senior Deputy Assistant Director, Buildings, Grounds & Real Estate Services, Department of General Administration, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as the free and voluntary act and deed of the Department, for the purposes and uses therein mentioned, and on oath stated that he was duly authorized to execute said document.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

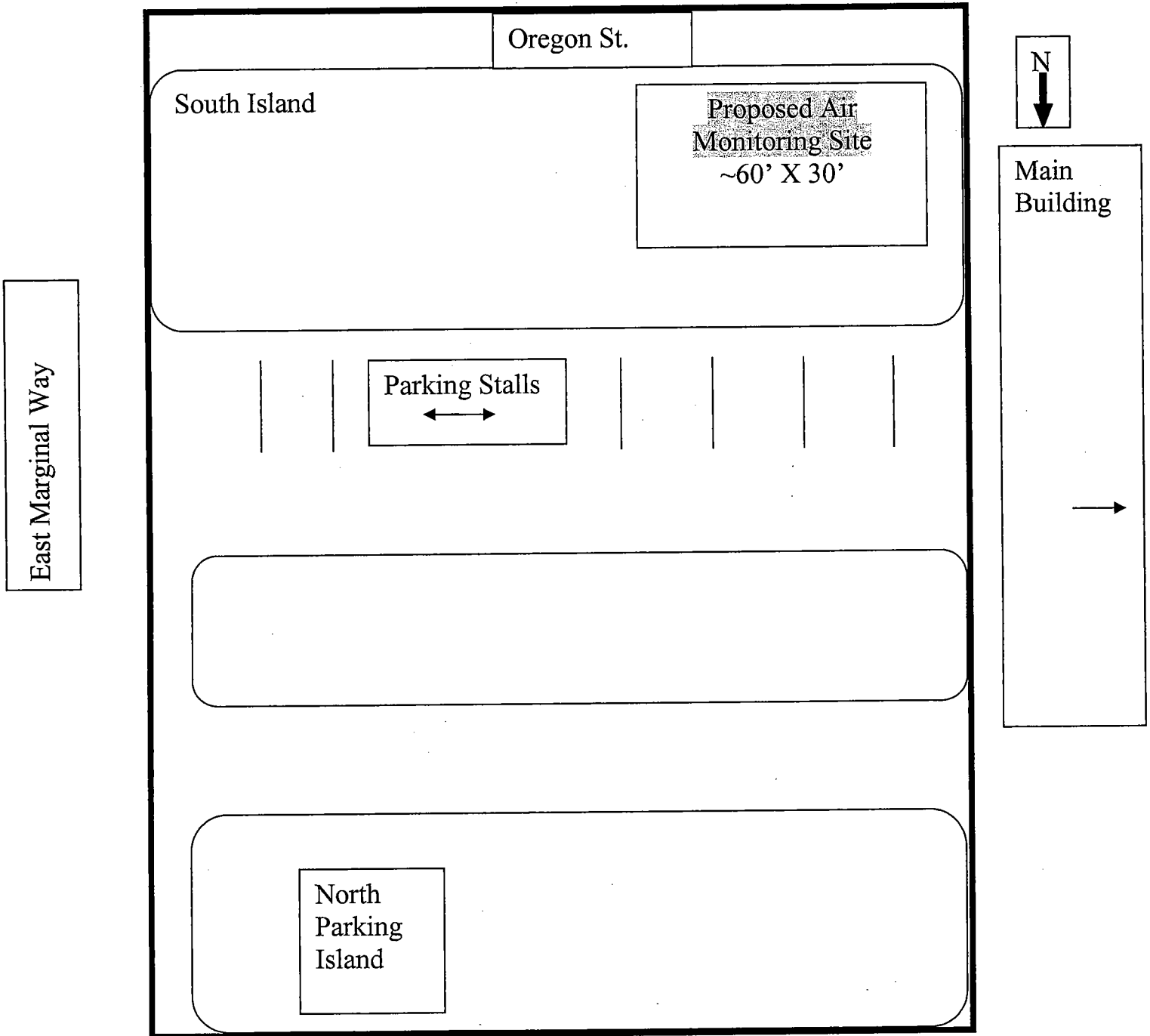


Ivan L. Johnson

Notary Public in and for the State of Washington,
Residing at Olympia
My commission expires 3-21-09



Proposed air monitoring site at Washington State Liquor Control Board
Facility, East Marginal Way, Seattle Wa.
(Not to scale)



Entrance

INITIAL
[Handwritten initials]