

LEASE

THIS LEASE, is made by and between the SNOHOMISH HEALTH DISTRICT, a municipal corporation of the State of Washington, hereinafter "Landlord," and EVERETT PUBLIC SCHOOLS DISTRICT NO. 2, a municipal corporation of the State of Washington, hereinafter "Tenant."

1. **DESCRIPTION OF PREMISES.** Landlord hereby leases to Tenant and Tenant leases from Landlord on the terms, covenants and conditions set forth herein, the following-described premises:

Suite 102, 3020 Rucker, Everett, WA 98201, a storage area and two offices, hereinafter the "Leased Premises," which premises are located upon the following-described real property:

Lots 22, 23, 24, 25, 26 and 27, Block 720, Plat of Everett, Division "H", as per plat recorded in Volume 4 of Plats, page 50, records of Snohomish County, Washington.

hereinafter the "Lease Property"; TOGETHER WITH joint use with Landlord and other parties approved by Landlord of restrooms and other applicable common areas with approval as necessary located in the building and the Leased Property. Tenant's employees, guests and invitees may use the paved parking area located to the rear of the Lease Property for periods under three (3) hours, which parking area is legally described as follows:

Lots 8, 9 and 10, Block 720, Plat of Everett, Division "H", as per plat recorded in Volume 4 of Plats, page 50, records of Snohomish County, Washington.

2. **TERM.**

- (a) Initial Term: The initial term of this Lease shall be for six (6) months commencing on September 1, 2018 and ending February 28, 2019.
- (b) Renewal: Tenant shall have the option of extending the lease on a month-to-month basis for a period not to exceed six (6) months on the same terms and conditions as stated herein. Tenant shall give written notice of its desire to continue the lease on a month-to-month basis, which notice shall be received by Landlord not later than December 14, 2018. If so extended, Tenant shall give Landlord advance written notice of termination of the month-to-month tenancy, which notice shall be received by Landlord not less than thirty (30) days prior to the termination date of the monthly tenancy.

3. **RENT.**

- (a) Rental Amount. Throughout the entire term of this Lease and any extension or holdover thereof, Tenant covenants and agrees to pay Landlord as rental for said premises and the use of four designated parking spots the sum of ONE THOUSAND SEVEN HUNDRED AND NO/100THS DOLLARS (\$1,700.00) per month.
- (b) Payments. Rent payments shall be due on the first day of each calendar month in advance and shall be paid at:

SNOHOMISH HEALTH DISTRICT
3020 Rucker, Ste 308
Everett, WA 98201

or at such other place as may be designated by Landlord.

- (c) Late Charge. In the event Tenant should fail to pay any installment of rent or any sum due hereunder within ten (10) days after the date it is due, Tenant shall pay Landlord a late charge of 5% of the delinquent payment, which late charge shall constitute additional rent due hereunder.

4. **SECURITY DEPOSIT:** Prior to the commencement of this Lease, the Tenant shall deposit with the Landlord a security deposit in the sum of \$1,700.00 (the "Security Deposit"), as security for the performance of all of the obligations of the Tenant under this Lease. The Security Deposit shall not be assigned, transferred, pledged, hypothecated or otherwise encumbered by the Tenant. The Landlord shall not be obligated to pay any interest on the Security Deposit unless required by valid Law, and may commingle the Security Deposit with any other security deposits made by any other tenants of Landlord.

In the event the Tenant fails to perform any of its obligations under this Lease at the time and in the manner provided for in this Lease, the Landlord may without notice, immediately apply all or part of the Security Deposit to compensate the Landlord for all or part of the damages incurred by the Landlord as a result of such default by the Tenant. In such event, the Tenant shall make such additional deposit of money as may be required to replenish the Security Deposit within ten (10) days after demand by the Landlord. Landlord may apply the security deposit to the payment of any sums owing to Landlord in connection with this Lease including, but not limited to, unpaid rent, tenant damage to the Lease Premises, normal wear and tear resulting from ordinary use of the premises excepted, Landlord's attorney's fees and costs in enforcing this Lease, and payment of any judgment obtained by Landlord in connection with the enforcement of this Lease or the eviction of Tenant; provided that nothing herein shall be construed as requiring Landlord to apply the Security Deposit to payment of any such judgment. In the event the Tenant has fulfilled all of its obligations under this Lease, no later than 30 days after the termination date, the applicable balance of the Security Deposit shall be remitted to the Tenant.

In the event the Landlord sells or assigns its interest in this Lease, the Landlord shall automatically be released from all liability for the Security Deposit upon the delivery or

assignment of the Security Deposit to the purchaser or assignee pursuant to RCW 59.18 and any other applicable laws and regulations, as amended.

5. USE OF PREMISES.

- (a) The Leased Premises may be used and occupied only for classroom space for its Early Learning program, and associated offices and storage, and all uses incidental thereto which are consistent with the permitted uses in the Everett Zoning Code, and for no other purpose or purposes, without Landlord's prior written consent. No alcoholic beverages shall be served or used at the Leased Premises.
- (b) Tenant shall promptly comply with all laws, ordinances, orders, and regulations now in effect, or as hereafter amended, affecting the Leased Premises and their cleanliness, safety, occupation and use. Tenant will not use or permit the use of the premises in any such manner as will tend to create a nuisance, or unnecessarily or unreasonably disturb other lessees or occupants of the Leased Premises.
- (c) Tenant shall not use any machinery or equipment in the Leased Premises that causes damage to the building. Tenant will not perform any act or carry on any practices that damages the Leased Premises or is a nuisance to other tenants. Tenant shall not commit or suffer any waste upon the Leased Premises.
- (d) Upon termination of the Lease, Tenant shall quit and surrender the Leased Premises in as good a state and condition as they were at the commencement of the Lease, reasonable wear and tear or other actions not caused by Tenant, its employees, agents, customers or invitees, excepted. Tenant shall return all keys to Landlord

6. UTILITIES. Landlord shall pay the expense of water, sewer, electrical and garbage service to the Leased Premises. Tenant shall be solely responsible for and promptly pay all charges for all other utilities to the Leased Premises, including, but not limited to, telephone, cable, internet and any other utility not herein mentioned which may be used by Tenant on the Leased Premises.

Landlord shall not be liable for any loss, injury, or damaged property caused by or resulting from any variation, interruption, or failure of any utility service beyond Landlord's reasonable control, unless caused by Landlord's or its employee's or agent's negligence or willful misconduct. No temporary interruption or failure of such services incident to the making of repairs, alterations, or improvements, or due to accident or strike, or conditions or events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or shall release Tenant from any of Tenant's obligations under this Lease, unless caused by Landlord's or its employee's or agent's negligence or willful misconduct.

7. CUSTODIAL SERVICES. Landlord shall supply custodial services and supplies to the jointly used restrooms. Landlord shall provide custodial services to the Leased Premises, limited to cleaning floors and windows, replacing light bulbs and emptying garbage

receptacles, at no additional cost to Tenant. Tenant shall be responsible for all other custodial services to the Leased Premises.

8. **SECURITY.** While there is a security guard on duty for the overall benefit of the building located on the Leased Property, Tenant shall be solely responsible for the security and safety of Tenant's students, employees, guests and invitees at the Leased Premises.,

9. **ACCEPTANCE OF PREMISES/INITIAL IMPROVEMENTS.** Tenant acknowledges that Tenant has examined the Leased Premises and accepts the same in their condition on the date of Tenant's execution of this Lease.

8. **ALTERATIONS.**

- (a) No alterations shall be made to the Leased Premises without prior written consent of Landlord. Any alterations to the Leased Premises excepting movable furniture and trade fixtures shall, at Landlord's option with notice to Tenant prior to approval for such alterations, become part of the realty and belong to Landlord.
- (b) Should Tenant desire to alter the Leased Premises and if Landlord consents to such alterations, then at Landlord's option, such improvements shall be performed by Landlord's employees, or Tenant shall contract with a licensed, bonded and insured contractor approved by Landlord for the construction of such alterations.
- (c) All work approved by Landlord shall be done at such times and in such manner as Landlord may from time to time designate. Tenant shall give Landlord written notice five (5) days prior to employing any laborer or contractor to perform work resulting in an alteration of the Leased Premises so that Landlord may post a notice of nonresponsibility.
- (d) In the event the Leased Premises shall at any time during the term of this Lease become subject to any suit brought to enforce a lien, or any statement or claim of lien is filed to enforce a lien resulting from the furnishing of materials or labor to the Leased Premises contracted for or agreed to by Tenant, Tenant may contest such lien by legal proceedings, but shall nevertheless cause such lien, at its sole cost, to be discharged within thirty (30) days after notice thereof by the substitution therefor of a mechanic's lien release bond, by posting of adequate security for the payment thereof (including all expenses incident thereto), or by such other method as shall be reasonably satisfactory to Landlord.
- (e) Trade fixtures installed by Tenant may be removed by Tenant at the termination of the Lease, provided that the premises are returned to as good condition as they were prior to the installation of the same. Structural alterations of the premises shall also be removed, at the option of Landlord, at the termination of the Lease, and Tenant shall bear the full cost thereof and shall repair any damage to the Leased Premises caused thereby. Tenant's obligations to observe or perform this covenant shall survive the expiration or the termination of the term of this Lease.

9. **INSURANCE/CASUALTY:** All of Tenant's personal property on the Leased Premises shall be at the risk of Tenant. Tenant acknowledges that Landlord's casualty insurance

upon the leased premises is for the benefit of Landlord, and will not benefit Tenant or provide any coverage for Tenant's contents or possessions.

10. **INSURANCE/LIABILITY:** Tenant shall procure and maintain for the duration of the rental period insurance against claims for injuries to persons or damages to property which may arise from or in connection with the rental of the Leased Premises and the activities of the Tenant, its guests, invitees, students, agents, representatives, employees, or subcontractors. Coverage shall be at least as broad as Insurance Services Form CG 00 01 covering CGL on an "occurrence" basis, including property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- (a) Additional Insured Status: The Landlord, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of the rental of the Leased Premises, and work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).
- (b) Primary Coverage: For any claims related to this lease, the Tenant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Landlord, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Landlord, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.
- (c) Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Landlord. Tenant shall give written notice to Landlord within three (3) business days of receipt of any notice of cancellation or modification from insurer and shall not request any modification to insurance which reduces any coverage without advance written approval of Landlord.
- (d) Mutual Waiver of Subrogation: Notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby mutually release each other from liability, and waive all right of recovery against each other, for any injury, loss or damage to any building, structure, inventory or other tangible property and any revenues, profit and rents to be generated therefrom, whether due to negligence or any other insured cause, if such injury, loss or damage is caused by any of the perils which are covered by a first-party insurance policy benefitting the party suffering such injury, loss or damage, or if such injury, loss or damage was required to be covered by insurance pursuant to this Lease; provided that this Section shall be inapplicable if it would have the effect, but only to the extent it would have the effect, of invalidating any insurance coverage of Landlord or Tenant. Landlord

and Tenant agree to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Landlord or Tenant has received a waiver of subrogation endorsement from the insurer. This waiver only applies to insured property losses and does not limit the ability to recover for deductibles or other uninsured losses.

- (e) Acceptability of Insurers: Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Landlord. Alternatively, Tenant may provide coverages and limits as provided above through membership in a certified public-entity risk pool established under authority of State law.
- (f) Verification of Coverage: Tenant shall furnish the Landlord with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a CODV of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Landlord. All certificates and endorsements are to be received and approved by the Landlord at least five days before Tenant commencement of the lease term. Alternatively, if Tenant's insurance is provided through membership in a certified public-entity risk pool established under authority of State law, Tenant shall provide Landlord with a letter or other evidence of such insurance from such risk pool meeting the above requirements.
- (g) Special Risks or Circumstances: Landlord reserves the right to reasonably modify these requirements based on the nature of the risk, prior events, insurance coverage, or other special circumstances.
- (h) Insurance Pool: Notwithstanding the foregoing, Tenant may meet the insurance obligations herein through the Washington Schools Risk Management Pool.

11. **RISK OF LOSS**: All personal property of Tenant kept or maintained at the Leased Premises shall be at the risk of Tenant. Landlord's insurance is for the benefit of Landlord and provides no coverage for Tenant or Tenant's property.

12. **INDEMNIFICATION**:

- (a) Landlord shall protect, hold harmless, indemnify, and defend, at its own expense, the Tenant, its elected or appointed officials, officers, employees, and agents from any loss or claim for damages of any nature whatsoever, including claims by third parties or by Landlord's employees from which it would otherwise be immune under Title 51 RCW or other law, arising out of any act or omission on or about the Leased Premises or relating to this Lease by Landlord, its appointed officials, officers, assignees, agents, employees, invitees, contractors or subcontractors. If a loss or claim is caused by or results from the concurrent negligence of Landlord, its appointed officials, officers, employees, or agents and the Tenant, its elected or appointed officials, officers, employees, or agents, this clause shall be valid and enforceable only to the extent of the negligence of the Landlord,

its appointed or elected officials, officers, employees, or agents.

- (b) Tenant shall protect, hold harmless, indemnify, and defend, at its own expense, the Landlord, its appointed officials, officers, employees, and agents from any loss or claim for damages of any nature whatsoever, including claims by third parties or by the Tenant's employees from which it would otherwise be immune under Title 51 RCW or other law, arising out of any act or omission on or about the Leased Premises or relating to this Lease by the Tenant, its elected or appointed officials, officers, employees, or agents. If a loss or claim is caused by or results from the concurrent negligence of the Tenant, its elected or appointed officials, officers, employees, or agents and the Landlord, its appointed officials, officers, employees, or agents, this clause shall be valid and enforceable only to the extent of the negligence of the Tenant, its elected or appointed officials, officers, employees, or agents.

The parties acknowledge that the foregoing indemnity provisions were mutually negotiated and survive the termination of this Lease.

13. HAZARDOUS SUBSTANCES. As used in this Lease, the term "Hazardous Substance" means any substance or material, the storage, use or disposal of which is or becomes regulated under any law now or hereafter in effect, including, but not limited to any flammable explosives, radioactive materials, asbestos, petroleum and related byproducts and hydrocarbons, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxins, pollutants, contaminants, hazardous wastes, toxic substances or related materials.

Without Landlord's prior written consent, Tenant shall not receive, store or otherwise allow any Hazardous Substance on the Leased Premises. In the event of any release or presence of any Hazardous Substance on or about the Leased Premises occurring on or after the commencement date of this Lease, Tenant agrees to immediately, fully and completely remove all of such Hazardous Substance from the Leased Premises and to dispose of such in accordance with applicable law, even if the quantity or concentration of such Hazardous Substance would not require remediation under the provision of law. Tenant further agrees to defend, indemnify, and hold harmless Landlord, its elected officials, officers, employees, agents and contractors from and against any and all losses, claims, liabilities, damages, demands, fines, costs and expenses, including reasonable attorneys' fees, arising out of or resulting from any release or presence of any Hazardous Substance on or about the Leased Premises; the provisions of this sentence shall survive and be enforceable after the termination or expiration of the Lease and the surrender of the Leased Premises by Tenant. If Tenant becomes aware of the release or presence on the Leased Premises of any Hazardous Substance, Tenant shall immediately notify Landlord in writing of such release or presence, and Tenant shall promptly provide Landlord with copies of any reports, studies, recommendations or requirements received by Tenant from any third person, including a governmental agency

14. **MAINTENANCE AND REPAIRS.** Exterior Walls and Roof. Landlord, at Landlord's expense, shall maintain the Leased Premises, including the common restrooms, the exterior walls, roof, heating, air-conditioning and ventilation system, windows, doors, utilities, plumbing, fixtures, and mechanical equipment in good order, condition, and repair and furnish all expendables (light bulbs, paper goods, soaps, etc.) used in the Leased Premises during the term or any extended term of the Lease; provided, Tenant shall repair any damage to the Leased Premises occasioned by Tenant's use of the Leased Premises or caused by Tenant's students, guests and/or invitees, excluding normal wear and tear.

If Tenant refuses or neglects to repair and maintain the Leased Premises as required herein to the reasonable satisfaction of Landlord as soon as reasonably possible after written demand, Landlord may make such repairs and do required maintenance without liability to Tenant for any loss or damage that may accrue to Tenant's fixtures or other property, or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's costs for such work, plus 15% for overhead, together with 12% per annum interest from the date Landlord tenders Tenant an invoice for such work to the date of payment.

No compensation shall be made to or claimed by Tenant from Landlord by reasons of inconvenience, annoyance or other concerns arising from the making of repairs to or maintenance or alteration of the building or appurtenances of the Leased Premises covered hereby. Landlord reserves the right to make repairs, alterations, connections or extensions when and where the same may be deemed by Landlord to be reasonably necessary. However, any reasonable repairs, maintenance or alteration of the building or appurtenances shall not render the building unusable for the purposes of this Lease because of any action arising from the making of the repairs, maintenance or alteration to the building or appurtenances. Nothing herein contained shall be construed as an agreement on the part of the Landlord to make any repairs, alterations, connections or extensions becoming necessary, in the reasonable opinion of Landlord, due to negligence of Tenant, its officers, employees, or agents.

15. **SIGNS.** Tenant shall not post any signs on the Leased Premises or the building on the Leased Property without Landlord's prior written consent. Any signs permitted by Landlord shall fully conform with all requirements of Landlord. If permitted, Tenant shall be required to maintain Tenant's signs in good, safe, attractive condition. Any signs not in conformity with this Lease may be removed and destroyed by Landlord.

16. **ENTRY BY LANDLORD.** Tenant shall permit Landlord and Landlord's agents to enter the Leased Premises with at least 24 hours' notice for the purpose of providing janitorial services, and inspecting the same and maintaining the Leased Premises, or for the purpose of making repairs, alternations, or additions to any portion of the Leased Premises, including the erection and maintenance of such scaffolding, canopies, fences and props as may be required, or for the purpose of posting notices of nonresponsibility for alterations, additions or repairs, or for the purpose of showing the Leased Premises to prospective tenants or purchasers, without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the Leased Premises thereby occasioned. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Leased Premises, excluding Tenant's vaults and safes. The Tenant shall not alter any lock or install a

new or additional lock or any bolt on any door of the Leased Premises without prior written consent of the Landlord. If Landlord shall give its consent, the Tenant shall in each case furnish the Landlord with a key for any such lock.

17. TAXES.

- (a) Landlord shall be responsible for all real property taxes and assessments levied or assessed against the Leased Premises by any governmental entity, including any special assessments imposed on or against the Leased Premises for the construction or improvement of public works in, on or about the Leased Premises; provided, however, that the Tenant shall conduct no activity on the Leased Premises nor place any articles on the Leased Premises that will increase the real property taxes levied or assessed against the Leased Premises.
- (b) Tenant shall pay before delinquency any and all taxes, assessments, license fees, and public charges levied, assessed or imposed and which become payable during the Lease upon Tenant's fixtures, furniture, appliances and personal property installed on or located in the Leased Premises.
- (b) Tenant agrees to pay the amount of all taxes levied upon or measured by the rent payable hereunder, whether as a sales tax, transaction privilege tax, leasehold excise tax, or otherwise. Such taxes shall be due and payable at the time the same are levied or assessed.

18. ABANDONMENT. Tenant shall not vacate nor abandon the Leased Premises at any time during the term of this Lease, nor permit the Leased Premises to remain unoccupied for a period longer than fifteen (15) consecutive days during the term of this Lease; and if Tenant shall abandon, vacate or surrender the Leased Premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the Leased Premises shall, at the option of the Landlord, be deemed abandoned.

19. CASUALTY; REBUILDING; CONDEMNATION. In the event the building at the Leased Premises shall be destroyed or damaged by fire or other causes (and regardless of the extent of the damage to the Leased Premises) to such an extent that the Landlord shall decide to discontinue the operation of the building, which decision shall be communicated to the Tenant within sixty (60) days after such damage or destruction, then this Lease shall be terminated as of the date of such damage or destruction. In the event of damage to the Leased Premises by fire or other causes, other than under the circumstances described in the preceding sentence, Landlord shall repair the Leased Premises within a reasonable time and as quickly as circumstances will permit upon the same plan as immediately before the damage or destruction. Until the Leased Premises are repaired and put in a good and tenantable order, the rents herein provided for, or a fair and just proportion thereof according to the nature and extent of the damage sustained, shall be abated until the Leased Premises shall have been restored to the same condition as they were before such damage or destruction.

In the event that the Leased Premises are not usable or deemed to be usable as contemplated in this agreement for over ninety (90) days due to the damage, Tenant shall have the right to terminate this Lease.

If any part of the Leased Premises shall be taken by public or quasi-public authority under any power of eminent domain or condemnation, Tenant shall have no claim or interest in or to any award of damages for such taking. If such taking materially reduces usefulness of the Leased Premises for the purposes for which it is leased, then Tenant shall have the option of terminating this Lease.

20. **ASSIGNMENT AND SUBLETTING:** Tenant shall not sublease, sublet or assign the Leased Premises, or any portion thereof, except by the written permission and consent of Landlord, in Landlord's sole discretion. This Lease shall not be assignable by operation of law.

21. **TENANT DEFAULT:**

- (a) If Tenant shall fail to perform any of the covenants and agreements herein contained after the applicable notice and cure periods (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency, or other legal or equitable proceedings that have or might have the effect of preventing the Tenant from complying with the terms of this Lease), then Landlord may cancel this Lease upon giving the notice required by law, and re-enter said premises. Notwithstanding such re-entry by Landlord, the liability of Tenant for the rent provided for herein shall not be extinguished for the balance of the term of the Lease, and Tenant covenants and agrees to make good to Landlord any deficiency arising from re-entry and reletting of the Leased Premises at a lesser rental than herein agreed to. Tenant shall pay such deficiency each month as the amount thereof is ascertained by Landlord. In computing such deficiency, Tenant shall be charged with the monthly rental that would have been owed by Tenant had Tenant continued to lease the Leased Premises.
- (b) NSF Check Charge: Tenant agrees to pay a \$35.00 fee for each check returned for insufficient funds or that cannot be cashed on the day it is received or presented for payment. Said NSF charge shall be in addition to any applicable late charge and shall constitute additional rent due hereunder. No postdated checks will be accepted as rental payment.
- (c) If Landlord must commence an unlawful detainer action to seek restitution of the rental premises as a result of Tenant's default in the payment of rent, Landlord shall be entitled to judgment in the amount of double the rent due at the time of judgment pursuant to RCW 59.12.170.
- (d) In the event of any entry in, or taking possession of, the Leased Premises, Landlord shall have the right, but not the obligation, to remove from the Leased Premises all personal property located thereon and may place the same in storage at a public warehouse, at the expense and risk of the owners.

- (e) If at any time Landlord waives any breach or default, or any right or option, such waiver shall not be construed to be a waiver of any other right or option, or any other past, existing or future breach or default.
- (f) In the event Tenant is in default on any provision of this Lease and Landlord seeks the services of an attorney to enforce such provision in default, Landlord shall be entitled to recover all attorney's fees and costs expended in such enforcement, including the cost of preparation and service of all notices, and such fees, costs and expenses shall constitute additional rent due hereunder.

22. **LANDLORD DEFAULT:** In the event Landlord shall neglect or fail to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed within 30 days after Tenant's written notice to Landlord (or if more than 30 days shall be required because of the nature of the breach, if Landlord shall fail to proceed diligently to cure such breach after notice), then, in that event, Landlord shall be in default under the provisions of this Lease and shall be responsible to Tenant for any and all damages sustained by Tenant as a result of Landlord's default. Further, after such default and upon giving Landlord ten (10) days advance written notice of intent to do so, Tenant shall have the right to cure any such default at Landlord's expense, including in such expenditure all costs and attorney's fees incurred to cure such default, and may offset the costs of curing such default against rents next due. In the event Landlord fails and refuses to cure its default and Tenant is unable to remedy Landlord's default, Tenant shall have the option of terminating this lease upon 30 days written notice to Landlord.

23. **ATTORNEY FEES.** In the event of any legal action or proceeding between the parties hereto, the substantially prevailing party shall be entitled to collect, in addition to any judgment awarded by a court, a reasonable sum as attorneys' fees, and all costs and expenses incurred in connection with such a lawsuit, including attorneys' fees, costs, and expenses of any appeal of a judgment, and if the substantially prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment. This Lease shall be governed by the laws of the State of Washington. The venue for any dispute related to this Lease shall be Snohomish County, Washington. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall pay to Landlord its cost and expenses incurred in such suit, including a reasonable attorney fee.

24. **NOTICES.** All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, or designations under this Lease by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by certified mail, return receipt requested, postage prepaid, and addressed as follows:

TENANT:

EVERETT PUBLIC SCHOOLS DISTRICT NO. 2
ATTN: Dr. Gary Cohn, Superintendent, or
Dr. Joyce Stewart, Deputy Superintendent
3900 Broadway
Everett, WA 98201
Telephone: 425-385-4198

LANDLORD:

SNOHOMISH HEALTH DISTRICT
ATTN: Shawn Frederick, Director of Administrative Services
3020 Rucker, Ste 306
Everett, WA 98201

or at such other address as either party designates by written notice to the other party. All notices shall be effective upon the earlier of personal delivery or three (3) days after being mailed.

25. **NO WAIVER OF COVENANTS.** No waiver shall be implied from an omission by either party to take any action related to breach of any covenant, term, or condition of this Lease. The acceptance by Landlord of rent with knowledge of the breach of any of the terms, conditions, or covenants of this Lease by Tenant shall not be deemed a waiver of any such breach. One or more waivers of any breach of any covenant, term, or condition of this Lease shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

26. **DELAYED POSSESSION.** In the event of the inability of Landlord to deliver possession of the Leased Premises for any reason whatsoever at the time of the commencement of the term of this Lease, neither Landlord nor its agents shall be liable for any damage caused thereby, but in such event, Tenant shall have the right to terminate this Lease.

27. **EFFECT OF HOLDING OVER.** If Tenant should remain in possession of the Leased Premises after the expiration of the Lease term, or the renewal thereof, without executing a new lease, then such holding over shall be construed as a tenancy from month to month, subject to all the conditions, provisions, and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

28. **SUCCESSORS AND ASSIGNS.** The rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this Lease permit, assigns of the parties hereto. The words "Landlord" and "Tenant" and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms or corporations which may be or become parties to this Lease.

29. **RULES.** Tenant agrees to abide by the reasonable and non-discriminatory rules and regulations governing the operation of the Leased Premises and the Lease Property which may be made by Landlord from time to time, and will use reasonable methods to induce its

employees, students, clients, guests and all persons invited or permitted by Tenant onto the Leased Premises or Lease Property to observe the same.

30. **SUBORDINATION.** Tenant agrees that this Lease shall be subordinate to any mortgages or deeds of trust that are now or may hereinafter be placed upon the Leased Premises, and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof: provided the mortgagee or beneficiary named in said mortgages or deeds of trust shall agree to recognize this Lease in the event of foreclosure if Tenant is not in default. Within fifteen (15) days after written request from Landlord, Tenant shall execute any documents that may be necessary or desirable to effectuate the subordination of this Lease to any such mortgages or deeds of trust.

31. **TIME.** Time is of the essence of this Lease.

32. **ENTIRE AGREEMENT AND AMENDMENTS.** This Lease contains all of the agreements between the parties with respect to any matter covered or mentioned in the Lease, and no prior agreement, letter of intent, or understanding relating to any such matter will be effective for any purpose. No provision in this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest and using the same formalities as are required by the execution of this Lease.

IN WITNESS WHEREOF Landlord and Tenant have executed this Lease. The undersigned individuals signing on behalf of a principal warrant that they have the authority to bind their principals.

DATED August 14, 2018

THE SNOHOMISH HEALTH DISTRICT
Landlord

By 
Jefferson Ketchel
Its: Administrator

DATED July 20, 2018

EVERETT PUBLIC SCHOOLS DISTRICT
NO. 2, Tenant

By Joyce Stewart
Joyce Stewart (Print Name)
Its Deputy Superintendent (Title)