

LEASE AGREEMENT

This Office Lease Agreement (“Lease”) is entered into by and between the **THE CITY OF TENINO (“LESSOR”)**, a Washington municipal corporation, and **THOREN ELECTRIC LLC (“LESSEE”)** a Washington Limited Liability Company, (collectively “Parties”).

It is agreed between the parties hereto as follows:

1. **Description of Premises.** Lessor hereby leases to Lessee, on the terms and conditions hereinafter set forth, approximately 1,296 square feet of that certain property located at 798 Sussex Avenue W, Tenino, WA 98589 (the “Premises”). The leased portion of the Premises is shown on Exhibit A attached hereto (“Leased Premises”), as well as the facilities as described herein.

2. **Term.** The term of this Lease shall commence on January 1, 2022 (“Term”) and continue for a period of 1 year, which may be renewed for successive 1-year periods by Lessee upon providing written Notice to Lessor within 60 days of the date in which the Lease would otherwise expire, and approval by the City Council of Lessor after consideration of whether the City needs the leased space for its own use. Further, either Party may terminate this Lease under paragraph 8 herein. The Parties may amend this agreement from time to time in writing and authorized by their respective representatives.

3. **Rental.** The monthly rent for the Leased Premises shall be in the amount of \$700 and be offset for work as a certified electrician to the city, provided Lessee submits a statement of time and materials for projects requested by the City and such statement is approved by the Mayor or designee. In the event of a dispute concerning Lessee’s statement of time and materials, or work provided by Lessee, Lessee shall be responsible for payment of all rent due on a timely basis, without offset until the dispute is resolved.

The rent for each month shall be paid to Lessor in advance on or before the fifth (5th) day of each month until the end of the Term. Rent shall be paid to the Lessor at the address of the Lessor set forth in this Lease. Lessor may adjust the monthly rent upon each successive 1-year renewal period, but only upon written notice to Lessee at least 120 days prior to the end of the current 1-year period. Lessee shall be responsible for any applicable leasehold tax, utilities and any other expense associated with use of the leased premises.

If Lessee fails to pay any monthly rent payment or other amount owed to Lessor within ten (10) days after it is due, Lessee shall pay as additional rent a sum equal to five percent (5%) of each such overdue amount. At Lessor’s option, any sum not paid by Lessee within twenty (20) days of the date due shall also bear interest at the rate of twelve percent (12%) per annum from the date due until paid in full. Lessor’s acceptance of a late charge (or interest) shall not waive the underlying delinquency or bar the exercise of other remedies for non-payment under this Lease. If the commencement date is on any other than the first day of a month, the first month’s rent shall be the base rent divided by the number of days in that month, multiplied by the number of days in that

month that Lessee occupies the Leased Premises. Such prorated amount shall be payable on the first day of occupancy.

4. **Use.** The Leased Premises are leased to the Lessee for Lessee's business operations in a responsible manner. No other use shall be made of the Leased Premises without the written consent of the Lessor.

5. **Lessee's Obligations.** Lessee shall:

(a) At all times during the Term, or any extension of the Term hereof, keep the Leased Premises, including appurtenances, fixtures, installations and equipment, in good condition and repair, reasonable wear and use excepted;

(b) Not make any alterations, improvements, or additions to the Leased Premises without first obtaining the written permission of Lessor;

(c) Permit Lessor and their agents, upon reasonable notice, to enter into and upon said Leased Premises at all reasonable times for the purpose of inspecting said Leased Premises and for the purpose of maintaining the building in which said Leased Premises are situated, or for the purpose of making repairs thereto;

(d) Properly dispose of rubbish, garbage, and waste in a clean and sanitary manner at reasonable and regular intervals and assume all costs of extermination and fumigation for infestation caused by Lessee;

(e) Properly use and operate all electrical, gas, heating, plumbing, and other fixtures, and appliances;

(f) Not intentionally or negligently destroy, deface, damage, impair or remove any part of the Leased Premises, their appurtenances, facilities, equipment, furniture, furnishings, appliances, or fixtures; and

(g) Not permit a nuisance or common waste.

6. **Surrender of Leased Premises.** Upon expiration of the Term of this Lease, Lessee shall promptly surrender the Leased Premises to Lessor and shall, at Lessee's own expense, return the Leased Premises to its original condition, exclusive of ordinary wear and tear.

7. **Default and Remedies.** If any default shall occur under the terms of this Lease by either party hereto and such default continues for twenty (20) days after either party's written notice thereof to the defaulting party, then the non-defaulting party shall be entitled to all remedies at law or in equity. Jurisdiction for any legal action brought under this Agreement shall be in the Superior Court of the County of Thurston, State of Washington. This Lease will be construed and enforced in accordance with the laws of the State of Washington. The prevailing Party in any legal action shall

be entitled to recover of their attorneys and costs.

8. **Waiver and cumulative rights.** No waiver of any breach of this Lease by Lessee shall be considered to be a waiver of any other or subsequent breach. All rights and remedies of Lessor herein provided or allowed by law shall be cumulative.

9. **Notices.** All notices to be given to the Lessor or Lessee may be given in writing personally or by certified mail sent to the Lessee at Lessee's address set forth above, or to the Lessor at Lessor's address set forth above, or at such other address as either party shall later provide to the other in writing.

10. **Successors and Assigns.** The covenants and conditions hereof shall be binding upon and for the benefit of the heirs, executors, administrators, successors, sublessees and assigns of the parties hereto.

11. **Entire agreement.** This Lease is the entire agreement in respect to the Leased Premises between the Parties in respect to the Leased Premises and there are no promises, agreements, warranties, or representations, oral or written, express or implied, other than as expressly set forth in this Lease. This Lease shall not be modified in any manner except by an instrument in writing and executed by the Parties.

12. **Insurance Requirements.** Lessor shall at all time during this Lease procure and maintain the following insurance coverage:

- (a) Commercial General Liability insurance that covers liability arising from premises, operations, independent contractors, personal injury, advertising injury, and liability assumed by contract. Coverage shall be written with limits no less than \$1,000,000 per occurrence, \$2,000,000 aggregate, with Tenino named as an additional insured under Lessee's Insurance Policy.
- (b) Workers Compensation coverage as required by the Industrial Insurance Laws of the State of Washington.

13. **Indemnification/Hold Harmless.** Lessee shall defend, indemnify and hold Tenino, its board members, agents, officers, and employees harmless from any and all claims, injuries, damages, losses or suits including attorney fees and costs, arising out of, or in connection with, the performance of this lease, except for injuries and damages caused by the sole negligence of Tenino, unless it is judicially determined that RCW 4.24.115 is applicable, in which case Lessee's liability hereunder shall be only to the extent of Lessee's negligence. *It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purpose of this indemnification. This waiver under Title 51 has been mutually negotiated by the Parties.*

14. **Alternative Dispute Resolution.** In the event of any dispute, claim, question, or disagreement arising from or relating to this Lease, or the breach thereof, the Parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect,

they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to both Parties. If the Parties do not reach such resolution within a period of 60 days from the date the dispute first arose then, upon written notice by a Party to the other, all disputes, claims, questions, or differences shall be referred to *non-binding* mediation by a neutral and independent mediator, selected in accordance with the rules of the American Arbitration Association (AAA) for selection of a mediator. The Parties will share equally in the cost of mediation services and bear their own costs of legal counsel. Mediation shall be a pre-requisite to the filing of any litigation arising out of this Lease.

15. **Effective Date.** This Lease shall be deemed effective on January 1, 2022, provided it is signed by both Parties.

IN WITNESS WHEREOF, the parties hereto signed this Lease on the _____ day of _____ , 2021.

LESSOR

City of Tenino

By: Wayne Fournier
Its: Mayor

LESSEE

Thoren Electric

By: Patrick Thoren
Its: Member/Owner/Operator

EXHIBIT A: Leased Premises

