



Peninsula Metropolitan Park District

PO Box 425 – Gig Harbor, WA 98335
253-858-3400 – info@penmetparks.org
www.penmetparks.org

STUDY SESSION AGENDA: Tuesday, July 16, 2019, 6:15pm

Gig Harbor Civic Center Council Chambers (3510 Grandview St., Gig Harbor, WA 98335)

Call to Order ____:____

Commissioner Roll Call:

Present Excused Comment

Maryellen (Missy) Hill
Amanda Babich
Todd Iverson
Kurt Grimmer
Steve Nixon

ITEM 1 Approval of Agenda

**ITEM 2 Board Discussion
 2.a Review of the Policy Manual**

ITEM 4 Adjournment ____:____

AGENDA POLICY

- No comments or discussion will be allowed on consent items.
- Public comment will be allowed on each Regular Agenda Action Item. Each speaker will be limited to a three (3) minute time limit and may only speak once with a total of 15 minutes per side. Comments will be included as part of the official record of the meeting.
- Citizen Comments: Citizens are afforded an opportunity at each regular and special meeting of the Board of Park Commissioners to offer their comments to the Board. Citizens are limited to a three (3) minute time limit and may only speak once during the Citizen Comment period at each meeting. Comments will be included as part of the official record of the meeting.
- Individuals requesting an item to be placed on the agenda must submit a request by 12 noon on the Tuesday preceding the Monday meeting date.
- Individuals wishing to submit materials or written testimony to the Board at the meeting must provide ten (10) copies at least 15 minutes prior to the start of the meeting.



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DISTRICT COMMISSION MEMO

To: Peninsula Metropolitan Park District Board of Commissioners
From: Glenn Akramoff, Interim Executive Director
Date: July 16, 2019
Subject: **Policy Manual Review**

Background/Analysis

As the review of key elements of PenMet operations continue the next item is to review the current Policy Manual. The Commission has areas that have been identified as concerns or items to be addressed. The staff team also have parts of the manual that are identified for improvement.

The Study Session will review the policy manual section by section and identify areas to be updated or reorganized. The first focus will be to reorganize the document to be more easily searchable. This will also include making the manual readily available in electronic form to all the staff and Commissioners.

Timeline and Funding

The process of updating the manual per the direction of the Commission and the request of staff will begin in August and continue through the end of the year. There are some polices that will require board approval, legal review and review by the district's insurance company. While there is no major cost expected, there may be few small consultant contracts that are needed to complete some of the policy re-creation and review.

Recommendation

It is recommended that the Board of Commissioners discuss the policy manual and provide direction for changes and updates. It is further recommended that the Commissioners consider staff recommended changes and direct the update process to begin.

Policy Implications/Support

1. Provide a well-organized and updated Policy Manual
2. Highlight changes and updates to be completed by the end of 2019
3. Commissioner discussion on updated Policy implications

Staff Contact

Should you have any questions or comments please contact Glenn Akramoff at the earliest opportunity should additional research be required to provide answers at the meeting: 253-858-3408 or via e-mail at gakramoff@PenMetParks.org.



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REGULAR MEETING AGENDA: Tuesday, July 16, 2019, 7:15pm

Gig Harbor Civic Center Council Chambers (3510 Grandview St., Gig Harbor, WA 98335)

Call to Order ____:____

Commissioner Roll Call:

Maryellen (Missy) Hill
Amanda Babich
Todd Iverson
Kurt Grimmer
Steve Nixon

Present Excused Comment

STAFF:

ITEM 1 Approval of Agenda

ITEM 2 Citizen Comments (three minute time limit)

ITEM 3 Presentations

3.a Executive Director Report (pages -)

Long Range Calendar

3.b Financial Report

3.c President's Report

ITEM 4 Consent Agenda

4.a Approval of Meeting Minutes

7-2-19 Regular (pages -)

4.b Approval of Vouchers

▪ \$153,644.75 ♦ Reference numbers: V2019297- V2019333 (pages -)

4.c Approval of Consent Agenda

ITEM 5 Old Business

5.a Senior Program MOU

ITEM 6 New Business

6.a Administrative Office Lease Contract

ITEM 7 Comments by Board/Subcommittee Reports

7.a Community Center

7.b Marketing

7.c Fundraising (Under development)

ITEM 8 Next Board Meetings: Tues. August 6, 2019 (Study Session 6:15 and Regular 7:15) at new City Hall location

ITEM 9 Executive Session: Real Estate

ITEM 10 Adjournment ____:____

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DEPARTMENT STAFF REPORT: July 03-July 16, 2019

EXECUTIVE

- Working with Prothman Company on final items for executive search. Items will be submitted to the Commission for review by weeks end.
- Completed final negotiations for distract administration office site.
- Met with Peninsula School District Superintendent to discuss various issues.
- Finalized MOU with The Greater Gig Harbor Foundation for the Senior Program support.
- Completed a second review of the Policy Manual in preparation for the study session.

Marketing

CAPITAL PROGRAM

- Pierce County Hearing Examiner date set 21st of August 1pm, at Pierce County Annex Building.

PEG Grants in progress

- Eagle Scout projects for Bat houses at Hales Pass (approved, in progress)
- Rotary Bark Park trail map and signs (preparing grant for next meeting)
- Off Leash Area Obstacle Course (under review)
- Tubby's small dog area shelter (preparing grant for next meeting)
- Narrows fencing (deferred to next project)
- Three scouts currently discussing projects

Volunteers

- Girl Scout Silver Award (Middle school girls), project idea is Rain Garden education and maintenance assistance with Master Gardener, then education sharing with pre-school class.
- Working with community service people at Narrows continues.
- PHS runners trimmed trails at McCormick Forest; GHHS to trim trails at Rotary Bark Park.
- RFQ responses for SHP Lighting Project were received on July 12th and are currently under review. Selection and contract negotiations should result in a contract for approval on August 6th.
- Preparing for public meeting after contract approved.
- Met with representative of King County Directors Association (KCDA) regarding purchasing opportunities through the purchasing cooperative owned by Washington's public school districts.
- Planning for Hales Pass roof replacement and other renovation items.
- Updated support paperwork to receive distribution of \$120,000 of Second REET Parks Fund to Peninsula Metropolitan Park District out of the 2019 Pierce County Budget. Funds due soon.
- Progressing on memorial bench for Al Weaver who passed January 26, 2019 at age 80 following complications resulting from a fall while playing pickleball.
- Concrete pad poured. Family ceremony occurred on June 30. Bench dedication expected in later July.
- Discussion of Memorials and Donations Policy to continue.
- Discussion of PEG Grant Policy continuing.
- Attended second meeting of Cushman Trail Phase 5 group to identify route options for the trail heading north from Borgen Blvd.

- City Council reviewed options and offered a sixth, hybrid option: From Borgen, follow power line, through St. Anthony's, up Canterwood to 54th Ave, left at 144th St, through Transfer Station, out to 62nd Ave, crossing over H-16 on 154th St, to 66th Ave, connecting to Bethel Burley Rd in Kitsap County (with optional connections to Purdy and other routes)
- Attended ForeverGreen Trails and KGI Watershed Meetings
- Facilitated tour by Douglas McDonnell, instructor at TCC, as part of continuing education course which includes a tour of PenMet's parks, and discusses the architecture at Hales Pass. Exploring opportunities with this relationship.
- Most computers have been upgraded to Windows 10 (Windows 7 won't be supported after 2019). Other computer upgrades in progress.
- New Server acquisition and planning in process for possible move.
- AUSA Picnic (tentatively Friday, Aug 2) under discussion with AUSA.
- Adam Brandt, Board Secretary, Washington Water Trails Association, came for tour of Cascadia Marine Trail (CMT) sites on July 13.

MAINTENANCE & FACILITIES

- Training seasonal workers.
- Taking care of a lot of bee hives.
- Aerate Sehmel fields 1, 2, 3 and Rosedale Play field
- Made a summertime fertilizer application.
- Helped a young lady out whose car window got broken out, cleaned the parking stall and vacuumed the car out for her.

RECREATION

- Terrence ran the first ever SpikeBall Tournament on 7/6 which had 22 teams. Great and exciting way to reach out to teens and younger adults.
- Week 1 of Camp had 119 campers in a variety of camps highlighted by: Mermaid Beach Camp!
- Week 2 of Camp had 72 campers with a shortened week with the Holiday on Thursday highlighted by: Jedi Training Camp which was a Force!
- Terrence and PT Staff have led 2 Successful Junior Soccer Camps.
- Kelly and Anna are running our first Teen Adventure Camp, which is taking them from Seattle to the Mountains on a weeklong packed adventure every day!
- Denise started her Adaptive Recreation Outdoor Fun with Friends at SHP to make sure the (Friendship Club) continues over the Summer. This is the 1st time we have offered programming for the group since it was created.
- Denise is also offering a Social Club this summer 1-2 times a month and the Pavilion where Adaptive Recreation participants can come together and take part in activities each meeting such as Bingo, Drum Circles and more!

Tues 7/16	7/11	6:15p	Study Session	Discussion: Policy Manual Review
Tues 7/16	7/11	7:15p	Regular Meeting	<p>Presentation: none</p> <p>Contract: Administrative Office Lease</p> <p>Discussion: Senior Program MOU (OB, GA)—TENTATIVE</p> <p><u>Consent:</u></p> <p>Minutes: 7/2</p> <p>Vouchers:</p> <p>Executive Session: Real Estate</p>
Aug 2019				
Tues 8/6	8/1	TBD	Study Session	Discussion: Comprehensive Plan Review (PROS)
Tues 8/6	8/1	6:15p	Regular Meeting	<p>Presentation: none</p> <p>Discussion: PEG Grant Memorial Bench (R2019-007)</p> <p>Discussion: Vehicle Surplus (RM)</p> <p><u>Consent:</u></p> <p>Minutes: 7/16</p> <p>Vouchers:</p> <p>Executive Session: none</p>
BUDGET Thur 8/15	Executive Director reviews staff budget requests and revenue projections			
Tues 8/20	8/15	TBD	Study Session	Discussion:
Tues 8/20	8/15	6:15p	Regular Meeting	<p>Presentation: none</p> <p>Discussion: Community Center Funding</p>

				<u>Consent:</u> Minutes: 8/6 Vouchers: Executive Session: none
Sept 2019				
Tues 9/3	8/29	TBD	Study Session	Discussion:
Tues 9/3	8/29	6:15p	Regular Meeting	Presentation: none Discussion: <u>Consent:</u> Minutes: 8/20 Vouchers: Executive Session: none
Tues 9/17	9/12	TBD	Study Session	Discussion: 2020 Preliminary Budget Presentation
Tues 9/17	9/12	6:15p	Regular Meeting	Presentation: none Discussion: <u>Consent:</u> Minutes: 9/3 Vouchers: Executive Session: none
Oct 2019				
Tues 10/8	10/3	TBD	Study Session	Discussion:
Tues 10/8	10/3	6:15p	Regular Meeting	Presentation: none Discussion: <u>Consent:</u> Minutes: 9/17

				Vouchers: Executive Session: none
Sat 10/12	Board Retreat (8 hours, time TBD)			
Tues 10/22	10/17	TBD	Study Session	Discussion: 2020 Preliminary Budget Presentation NOTICE THIS TO NEWSPAPER
Tues 10/22	10/17	6:15p	Regular Meeting	Presentation: none Discussion: <u>Consent:</u> Minutes: 10/8 Vouchers: Executive Session: none
Nov 2019				
Tues 11/5	10/31	TBD	Study Session	Discussion:
Tues 11/5	10/31	6:15p	Regular Meeting	Presentation: none Discussion: 1 st Public Hearing and Levy Rate approval <u>Consent:</u> Minutes: 10/22 Vouchers: Executive Session: none
Tues 11/19	11/14	TBD	Study Session	Discussion: 2020 Preliminary Budget Presentation
Tues 11/19	11/14	6:15p	Regular Meeting	Presentation: Interim Final Report Discussion: 1 st Public Hearing and Levy Rate approval <u>Consent:</u> Minutes: 11/5 Vouchers: Executive Session: none
Dec 2019				
Tues 12/3	11/28	TBD	Study Session	Discussion:

Tues 12/3	11/28	6:15p	Regular Meeting	Presentation: none Discussion: <u>Consent:</u> Minutes: 11/19 Vouchers: Executive Session: none
Tues 12/17	12/12	TBD	Study Session	Discussion: 2020 Preliminary Budget Presentation
Tues 12/17	12/12	6:15p	Regular Meeting	Presentation: none Discussion: <u>Consent:</u> Minutes: 12/3 Vouchers: Executive Session: none
	To Be Scheduled		To Be Scheduled	Parked Items
	Executive Hiring Process Peg Grant Process Update New Commissioner Orientation		•	Budget Amendment



Peninsula Metropolitan Park District

INCOME STATEMENT 2019

January - June, 2019

	ACTUAL	TOTAL BUDGET	OVER BUDGET	% OF BUDGET
Income				
3100000 TAX REVENUE				
3111000 Real and Personal Property Tax	3,443,607.75	3,433,773.46	9,834.29	100.29 %
3131700 Sales Tax	202,604.07	179,178.00	23,426.07	113.07 %
3172000 Leasehold Excise Tax	2,262.10	5,800.00	-3,537.90	39.00 %
3173000 REET Excise Tax	85,000.00		85,000.00	
Total 3100000 TAX REVENUE	3,733,473.92	3,618,751.46	114,722.46	103.17 %
3400000 CHARGES FOR SERVICES				
3472000 Facility Rental Fee	29,672.73	41,688.55	-12,015.82	71.18 %
Total 3400000 CHARGES FOR SERVICES	29,672.73	41,688.55	-12,015.82	71.18 %
3610000 INTEREST AND OTHER EARNINGS				
3611100 Investment Interest	123,881.62	24,000.00	99,881.62	516.17 %
Total 3610000 INTEREST AND OTHER EARNINGS	123,881.62	24,000.00	99,881.62	516.17 %
3620000 RENTS, LEASES AND CONCESSIONS				
3625001 Long Term Golf Course Lease	15,238.32	11,590.00	3,648.32	131.48 %
3626001 Housing Rentals/Leases	29,469.45	26,478.00	2,991.45	111.30 %
3627001 Concessions Lease Facilities	340.00	200.00	140.00	170.00 %
Total 3620000 RENTS, LEASES AND CONCESSIONS	45,047.77	38,268.00	6,779.77	117.72 %
3670000 PRIVATE SOURCE CONTRIBUTIONS				
3671900 Private Donations - Other	4,999.95		4,999.95	
Total 3670000 PRIVATE SOURCE CONTRIBUTIONS	4,999.95		4,999.95	
3700000 CAPITAL CONTRIBUTIONS				
3747600 Cap. Cont.- Federal/State/Local				
3747663 Cap Cont-Govt Other Improv	15,000.00		15,000.00	
Total 3747600 Cap. Cont.- Federal/State/Local	15,000.00		15,000.00	
Total 3700000 CAPITAL CONTRIBUTIONS	15,000.00		15,000.00	
3890000 OTHER GF NON REVENUE	5,873.80		5,873.80	
Total Income	\$3,957,949.79	\$3,722,708.01	\$235,241.78	106.32 %
GROSS PROFIT	\$3,957,949.79	\$3,722,708.01	\$235,241.78	106.32 %
Expenses				
5110000 LEGISLATIVE				
5111010 Board / Employee	22,656.00	30,720.00	-8,064.00	73.75 %

		TOTAL		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Compensation				
5111020 Board Payroll Taxes	1,823.76	2,841.60	-1,017.84	64.18 %
5111031 Office & Operating Supplies- Leg		750.00	-750.00	
5112041 Professional Services	2,435.00	3,500.00	-1,065.00	69.57 %
5114043 Travel	79.77	0.00	79.77	
5114049 Memberships & Training	4,629.94		4,629.94	
5971055 Interfund Transfer	6,900.00	6,900.00	0.00	100.00 %
Total 5110000 LEGISLATIVE	38,524.47	44,711.60	-6,187.13	86.16 %
5130000 EXECUTIVE				
5131011 Wages - Regular	116,486.34	110,896.98	5,589.36	105.04 %
5131020 Benefits	47,355.92	50,812.98	-3,457.06	93.20 %
5131042 Cell Phone	1,347.80	416.40	931.40	323.68 %
5131044 Marketing	28,592.09	50,000.00	-21,407.91	57.18 %
5132041 Executive-Professional Services	50,000.00	0.00	50,000.00	
5134043 Executive - Travel	993.13	1,800.00	-806.87	55.17 %
5134049 Memberships & Training	4,379.85	4,645.00	-265.15	94.29 %
5152041 Legal - Professional Services		15,000.00	-15,000.00	
5162041 Personnel-Professional Services	1,079.50	2,562.00	-1,482.50	42.14 %
5761031 Office and Operating Supplies	2,736.80	3,252.00	-515.20	84.16 %
5761041 Prof. Serv -Computer & Security	10,605.21	9,498.00	1,107.21	111.66 %
5761043 Administration - Travel		250.00	-250.00	
5761044 Printing/Advertising	1,433.69	3,375.00	-1,941.31	42.48 %
5761045 Operating Rentals and Leases	2,708.86	1,026.00	1,682.86	264.02 %
5761046 Insurance - General Liability	811.00	0.00	811.00	
5761049 Miscellaneous / Events	1,451.25	2,300.00	-848.75	63.10 %
5768953 Other Oper. Exps-External Taxes	3,139.08	7,500.00	-4,360.92	41.85 %
5928900 Bond Service Costs		500.00	-500.00	
5977665 Transfer - Capital Fund	4,026,114.68	4,026,114.68	0.00	100.00 %
5977671 Transfer - Debt Service Fund	73,325.00	73,325.00	0.00	100.00 %
6103601 Computer Hardware	904.89	2,450.00	-1,545.11	36.93 %
6103602 Computer Software	6,076.91	4,150.00	1,926.91	146.43 %
6104201 Postage	366.00	660.00	-294.00	55.45 %
6104204 Internet	3,027.20	3,702.00	-674.80	81.77 %
Total 5130000 EXECUTIVE	4,382,935.20	4,374,236.04	8,699.16	100.20 %
5140000 FINANCIAL AND RECORDS SERVICES				
5141011 Wages - Regular	53,713.19	56,409.00	-2,695.81	95.22 %
5141020 Personnel Benefits	23,083.93	23,610.00	-526.07	97.77 %
5142000 Financial Services	300.00	300.00	0.00	100.00 %
5142341 Professional Services	5,960.98	5,580.00	380.98	106.83 %
5142342 Cell Phone	180.00	180.00	0.00	100.00 %
5142349 Bank Charges	195.39	294.00	-98.61	66.46 %
5144043 Travel		100.00	-100.00	

		TOTAL		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Total 5140000 FINANCIAL AND RECORDS SERVICES	83,433.49	86,473.00	-3,039.51	96.49 %
5710000 PARTICIPANT RECREATION				
5711011 Wages - Administration	20,820.53	41,244.48	-20,423.95	50.48 %
5711020 Benefits - Administration	8,909.72	16,273.98	-7,364.26	54.75 %
5711043 Conferences	3,440.95	0.00	3,440.95	
5712042 Communication - Phones	994.67	1,008.00	-13.33	98.68 %
5972055 Transfer- Rec. Revolving Fund	135,108.25	135,108.25	0.00	100.00 %
Total 5710000 PARTICIPANT RECREATION	169,274.12	193,634.71	-24,360.59	87.42 %
5760000 PARK FACILITIES				
5768010 Wages - Regular	58,153.92	66,159.48	-8,005.56	87.90 %
5768020 Personnel Benefits	20,921.26	25,895.52	-4,974.26	80.79 %
5768031 Supplies	1,841.36	1,500.00	341.36	122.76 %
5768035 Small Equipment	4,385.57	300.00	4,085.57	1,461.86 %
5768042 Communication	296.82	600.00	-303.18	49.47 %
5768043 Travel	840.73	889.20	-48.47	94.55 %
5768044 Printing		1,000.00	-1,000.00	
5768045 Facility Rentals		100.00	-100.00	
5768049 Miscellaneous		25,000.00	-25,000.00	
Total 5760000 PARK FACILITIES	86,439.66	121,444.20	-35,004.54	71.18 %
5768500 PARKS & GROUNDS MAINTENANCE				
5768511 Wages - Regular	166,813.38	189,708.66	-22,895.28	87.93 %
5768520 Benefits	76,138.85	81,020.46	-4,881.61	93.97 %
5768531 Operating Supplies	31,503.09	40,000.02	-8,496.93	78.76 %
5768532 Fuel	4,484.62	7,500.00	-3,015.38	59.79 %
5768534 Concessions Expense	55.00		55.00	
5768535 Small Tools & Minor Equipment	2,586.22	10,999.98	-8,413.76	23.51 %
5768540 Extraordinary Park Repairs	1,069.20		1,069.20	
5768541 Professional Services	16,037.48	20,000.00	-3,962.52	80.19 %
5768542 Communication - Phones	9,221.61	10,000.02	-778.41	92.22 %
5768543 Travel	160.00	500.00	-340.00	32.00 %
5768544 Printing & Advertising		1,000.00	-1,000.00	
5768545 Operating Rentals & Leases	3,320.40	4,500.00	-1,179.60	73.79 %
5768546 Surface Water/Noxious Weed Tax	3,224.26	3,426.11	-201.85	94.11 %
5768547 Utility Services	29,553.26	40,000.02	-10,446.76	73.88 %
5768548 Repairs & Maintenance	641.85	5,000.00	-4,358.15	12.84 %
5768549 Memberships & Training		1,500.00	-1,500.00	
Total 5768500 PARKS & GROUNDS MAINTENANCE	344,809.22	415,155.27	-70,346.05	83.06 %
Total Expenses	\$5,105,416.16	\$5,235,654.82	\$ -130,238.66	97.51 %
NET OPERATING INCOME	\$ -1,147,466.37	\$ -1,512,946.81	\$365,480.44	75.84 %
NET INCOME	\$ -1,147,466.37	\$ -1,512,946.81	\$365,480.44	75.84 %



Peninsula Metropolitan Park District
 INCOME STATEMENT - RECREATION REVOLVING FUND
 January 2010 - June 2019

	JAN - DEC 2010	JAN - DEC 2011	JAN - DEC 2012	JAN - DEC 2013	JAN - DEC 2014	JAN - DEC 2015	JAN - DEC 2016	JAN - DEC 2017	JAN - DEC 2018	JAN - JUN, 2019	TOTAL
Income											
3400000 CHARGES FOR SERVICES											\$0.00
3473000 Recreation Rental Fee					22,008.24	33,535.89	31,229.38	36,461.91	29,399.12		\$152,634.54
3476000 Recreation Program Fees	21,477.96	79,553.95	87,479.44	134,465.32	323,314.03	307,945.24	390,449.85	590,972.29	552,084.40	225,319.27	\$2,713,061.75
3479000 Other Fees and Charges		882.24	2,745.85	7,042.47	4,555.00	5,976.01	8,319.04	15,596.87	21,961.41	25,215.18	\$92,294.07
Total 3400000 CHARGES FOR SERVICES	21,477.96	80,436.19	90,225.29	141,507.79	349,877.27	347,457.14	429,998.27	643,031.07	603,444.93	250,534.45	\$2,957,990.36
3610000 INTEREST AND OTHER EARNINGS											\$0.00
361155 Interest Earned - Recreation							1,000.00				\$1,000.00
Total 3610000 INTEREST AND OTHER EARNINGS							1,000.00				\$1,000.00
3620000 RENTS, LEASES AND CONCESSIONS											\$0.00
3628001 Concessions Lease Recreation					280.41	628.86	357.51	6.50			\$1,273.28
Total 3620000 RENTS, LEASES AND CONCESSIONS					280.41	628.86	357.51	6.50			\$1,273.28
3670000 PRIVATE SOURCE CONTRIBUTIONS											\$0.00
3671100 Private Donations-Gifts/Pledges		2,860.40	7,031.02	9,951.93	4,389.57	10,417.49	17,510.76	21,186.68	24,713.71	13,294.35	\$111,355.91
Total 3670000 PRIVATE SOURCE CONTRIBUTIONS		2,860.40	7,031.02	9,951.93	4,389.57	10,417.49	17,510.76	21,186.68	24,713.71	13,294.35	\$111,355.91
3690000 OTHER MISCELLANEOUS REVENUE											\$0.00
3699000 Other Recreation Revenue						960.52		12.55			\$973.07
Total 3690000 OTHER MISCELLANEOUS REVENUE						960.52		12.55			\$973.07
3700000 CAPITAL CONTRIBUTIONS											\$0.00
3797600 Capital Cont-Private Donation						15,000.00					\$15,000.00
Total 3700000 CAPITAL CONTRIBUTIONS						15,000.00					\$15,000.00
3970000 TRANSFERS IN											\$0.00
3977655 Transfer In-Interfund Subsidies			57,902.00	48,402.00	49,902.00	54,902.00	82,202.70	73,849.00	86,674.26	142,008.25	\$595,842.21
Total 3970000 TRANSFERS IN			57,902.00	48,402.00	49,902.00	54,902.00	82,202.70	73,849.00	86,674.26	142,008.25	\$595,842.21
Total Income	\$21,477.96	\$83,296.59	\$155,158.31	\$199,861.72	\$404,449.25	\$429,366.01	\$531,069.24	\$738,085.80	\$714,832.90	\$405,837.05	\$3,683,434.83
GROSS PROFIT	\$21,477.96	\$83,296.59	\$155,158.31	\$199,861.72	\$404,449.25	\$429,366.01	\$531,069.24	\$738,085.80	\$714,832.90	\$405,837.05	\$3,683,434.83
Expenses											
5710000 PARTICIPANT RECREATION											\$0.00
5711036 Computers			2,712.76		4,971.60	1,677.84	116.51		154.27		\$9,632.98
5711041 Professional Services				3,625.00	5,206.27	4,594.63	6,196.00	783.57	9,883.82		\$30,289.29
5712011 Wages - Recreation Program	16,450.74	25,320.75	50,423.32	144,994.84	173,274.14	187,222.95	248,392.41	230,651.37	70,224.48		\$1,146,955.00
5712020 Benefits - Recreation Program	5,792.29	3,160.37	8,881.27	34,199.36	78,045.69	87,489.50	121,693.51	94,365.56	28,469.42		\$462,096.97
5712031 Office & Operating Supplies	356.02	5,016.07	3,237.80	24,168.67	21,916.57	29,124.34	38,315.69	48,598.48	13,139.73		\$183,873.37
5712035 Minor Equipment		966.84	2,101.52	12,149.53	9,193.04	15,577.39	9,523.32	10,339.85	3,479.59		\$63,331.08
5712041 Sports & Professional Fees	22,155.90	55,834.00	74,284.10	68,885.60	71,885.71	131,479.99	145,080.50	166,553.57	73,877.70		\$810,037.07
5712043 Travel		1,134.19	1,336.47	1,929.89	1,621.63	2,070.78	1,122.81	2,062.60			\$11,278.37
5712044 Printing & Advertising	7,790.00	20,538.86	13,849.32	37,045.10	26,902.14	25,027.38	29,660.49	19,415.53			\$180,228.82
5712045 Rentals			1,642.18	3,834.83	2,541.54	2,732.29	12,300.73	33,071.92	10,447.83		\$66,571.32
5712047 Utilities				11,782.36	15,756.65	18,986.48	15,685.20	20,300.59	1,218.47		\$83,729.75
5712049 Memberships & Training		862.13	444.11	35.00	1,236.00	824.60	1,400.81	1,167.25	1,298.00		\$7,267.90
5712053 Sales & Use Taxes		1,043.16	1,504.78	6,910.17	7,866.40	8,946.27	14,834.80	3,867.37			\$53,900.63
5714049 Special Events		34,268.36	26,889.93	22,234.52	38,786.60	27,068.92	32,653.46	28,513.51	32,616.77		\$245,032.07
Total 5710000 PARTICIPANT RECREATION		52,544.95	150,857.49	190,219.80	378,347.74	455,298.56	542,844.81	685,558.77	679,913.12	238,639.36	\$3,354,224.62
Total Expenses	\$0.00	\$52,544.95	\$150,857.49	\$190,219.80	\$378,347.74	\$455,298.56	\$542,844.81	\$685,558.77	\$679,913.12	\$238,639.36	\$3,354,224.62
NET OPERATING INCOME	\$21,477.96	\$30,751.64	\$4,300.82	\$9,641.92	\$28,101.51	\$-25,932.57	\$-11,775.57	\$72,527.03	\$34,919.78	\$167,197.69	\$329,210.21
NET INCOME	\$21,477.96	\$30,751.64	\$4,300.82	\$9,641.92	\$28,101.51	\$-25,932.57	\$-11,775.57	\$72,527.03	\$34,919.78	\$167,197.69	\$329,210.21



Peninsula Metropolitan Park District

INCOME STATEMENT - ENDOWMENT

FUND January 2007 - June 2019

	TOTAL
Income	
3400000 CHARGES FOR SERVICES	
Total 3400000 CHARGES FOR SERVICES	94,869.92
3610000 INTEREST AND OTHER EARNINGS	
3611150 Investment Income - Endowment	20,391.07
Total 3610000 INTEREST AND OTHER EARNINGS	20,391.07
3620000 RENTS, LEASES AND CONCESSIONS	
3625002 Long Term Golf Course Lease -	159,437.73
3627001 Concessions Lease Facilities	1,967.09
Total 3620000 RENTS, LEASES AND CONCESSIONS	161,404.82
3670000 PRIVATE SOURCE CONTRIBUTIONS	
3671000 Private Donations - Other	144,942.27
Total 3670000 PRIVATE SOURCE CONTRIBUTIONS	144,942.27
3970000 TRANSFERS IN	
3977655 Transfer In-Interfund Subsidies	1,087.00
Total 3970000 TRANSFERS IN	1,087.00
Total Income	\$422,695.08
GROSS PROFIT	\$422,695.08
Expenses	
5130000 EXECUTIVE	
Total 5130000 EXECUTIVE	193.78
5140000 FINANCIAL AND RECORDS SERVICES	
5142000 Financial Services	18.35
Total 5140000 FINANCIAL AND RECORDS SERVICES	18.35
5142500 Investment Fees - Endowment	920.17
5710000 PARTICIPANT RECREATION	
Total 5710000 PARTICIPANT RECREATION	6,934.99
Total Expenses	\$8,067.29
NET OPERATING INCOME	\$414,627.79
NET INCOME	\$414,627.79

Explanation Financial Statement Line Items 2019 June

- #5112041 Legislative – Professional Services – Commissioner Iverson \$1,500 Ecoquest Camp,
Commissioner Babich \$2,500 Women’s Wellness Event, Commissioner Grimmer \$2,500
Women’s
Wellness Event & \$400 Adult Egg Hunt, Commissioner Grimmer \$2,025 Harbor Wildwatch
- #5114043 Legislative – Travel – Meeting Meals \$79.77
- #5114049 Legislative – Professional Services – Cedar River Group \$4,629.94
- #5131011 Executive – Wages – Executive Director Vacation Payout \$5,589.36
- #5131042 Executive Cell Phone - Verizon \$931.40
- #5132041 Executive – Professional Services – Demarche Consulting Group \$50,000.00
- #5761041 Executive – Professional Computer Services – Nicholas Huff Follow Up Invoices and Pacific
Office Automation, New Computer Setup \$1,107.21
- #5761045 Executive – Rentals – Copier Buy Out Payment \$1,682.86 (Refund was received Wells
Fargo)
- #5761046 Executive – Insurance – Auto Damage and Additional Property \$811.00
- #6103602 Executive – Computer Software – Office 365 (Timing Issue with Budget) \$1,926.91
- #5142341 Financial – Professional Services – ADP HR Pro Software \$380.98
- #5712042 Recreation Conferences– Michael Schick Revenue School & WRPA (Timing Issue) \$3,440.95
- #5768031 Facilities – Supplies – PAD \$341.36
- #5768035 Facilities – Small Equipment – Line Lazer \$4,085.57
- #5768534 Maintenance – Health Department Permit \$55.00
- #5768540 Maintenance Snow Removal \$1,069.20



							2019 Capital Projects	
Project	Year Started	CIP Fund 1/1/2019	2019 Budgeted Transfers In	Donations and Fund Transfers	Capital Fund Expenses	CIP 6/30/2019	Notes	
Park Improvement Program	2006	\$6,836,758.20	\$3,576,114.68	\$0.00	\$0.00	\$10,412,872.88		
Peninsula Enhancement Grant Program (PEG)	2007	\$25,000.00	\$0.00	\$0.00	\$1,514.35	\$23,485.65	Walrath Peg Grant Supplies Heritage Garden Irrigation	
Community Recreation Center	2017	\$750,868.70	\$0.00	\$0.00	\$648,024.71	\$102,843.99	Ed Lewis; Snodgrass Freeman & Associates	
Lighting Project - Sehmel Homestead Park	2019	\$0.00	\$400,000.00	\$0.00	\$0.00	\$400,000.00		
Service Options	2014	\$0.00	\$50,000.00	\$0.00	\$2,503.28	\$47,496.72	Electric Meter Installation Sunrise Beach, Hales Pass Roof Repair, Narrows Mobile Home	
Hales Pass - Pest Repair	2018	\$16,986.25	\$0.00	\$0.00	\$0.00	\$16,986.25		
Sunrise Beach	2019	\$0.00	\$0.00	\$8,500.00	\$4,200.00	\$4,300.00	Easement Reimbursement Fund GPA Valuation	
Building Fund	2015	\$100,905.00	\$0.00	\$0.00	\$0.00	\$100,905.00		
Total Capital Funds		\$7,730,518.15	\$4,026,114.68	\$8,500.00	\$656,242.34	\$11,108,890.49		

The actual cash for these 2019 capital fund transfers will come in during the months of April and October.



Peninsula Metropolitan Park District

PO Box 425 – Gig Harbor, WA 98335
253-858-3400 – info@penmetparks.org
www.penmetparks.org

REGULAR MEETING MINUTES

Tuesday, July 2, 2019, 6:15pm

Gig Harbor Civic Center Council Chambers (3510 Grandview St. Gig Harbor, WA 98332)

Call to Order: The meeting was called to order by Commissioner Hill at 6:13pm.

Commissioners Present:

Maryellen (Missy) Hill
Amanda Babich
Kurt Grimmer
Todd Iverson
Steve Nixon

Citizens:

Billy Sehmel
Scott Gray
Dawn Townsend
Don Campbell
Laurel Kingsbury
David Kinley

Staff:

Glenn Akramoff
Eric Guenther
Chuck Cuzzetto
Ellie Tieman
Ed Lewis
Michael Schick
Terrence Jamison

City Consultants:

Carl Halsan
Roger Sargent

REGULAR MEETING AGENDA:

ITEM 1 Approval of Agenda

Commissioner Nixon made a motion to approve the agenda, seconded by Commissioner Grimmer. Agenda was approved with a 5-0 vote.

ITEM 2 Citizen Comments none

ITEM 3 Presentations

3.a Executive Director Report

Glenn Akramoff brought attention about the hiring process for the new executive director starting August 4 and discussed the need for a facilitator for the board retreat. Akramoff then thanked the City of Gig Harbor for the facility allowing for the new meeting location.

3.b Financial Report none

3.c President's Report none

ITEM 4 Consent Agenda

4.a Approval of Meeting Minutes: 6-17-19 Regular & Study session, 6-24-19 Special

4.b Approval of Vouchers: ▪ \$76,557.20 ♦ Reference numbers: V2019272- V20192496

4.c Approval of Consent Agenda

Commissioner Grimmer made a motion to approve the consent agenda. Commissioner Iverson seconded the motion. After no discussion, the motion passed 5-0.

ITEM 5 Old Business

5.a Community Center Update: Operating Costs/Financial

Ed Lewis presented a rough timeline of upcoming project dates including August 24-- when the

hearing examiner will be presented to and then a written decision will be issued 3 weeks later. There was discussion over the phasing plan where Commissioner Babich asked if the presented plan was the recommended option by staff and Lewis and Akramoff both confirmed that both timing and financial aspects make this phasing plan currently the best option. Additionally, Akramoff explained the financial aspects including a cost estimation of just above 26 million and gave various options for the board to issue a bond. Roger Sargent supplied a conservative approached Pro Forma that does not include South Kitsap or Key Peninsula area. Commissioner Grimmer brought up the question of a long-term timeline estimate, and Sargent replied that the biggest concern may be businesses are not prepared for the actual numbers because word of mouth is not the most efficient form of marketing.

ITEM 6 New Business

6.a Harbor WildWatch Partnership Review

Chuck Cuzzetto advocated for the continuation of a partnership with Harbor WildWatch and the preservation of wildlife. WildWatch will also partner with the Pierce County Library for the educational story-walk. Commissioner Hill commented that Harbor WildWatch will give a formal presentation in 2020 to reexamine relations. Furthermore, Cuzzetto affirmed that any additional funds for the WildWatch program can come out of the marketing funds and will be budgeted for the 2020 year. Commissioner Grimmer made a motion to approve the attached services and was seconded by Commissioner Babich the motion passed 5-0 with no further discussion.

6.b R2019-007 Capital Fund Transfer

Commissioner Nixon motioned to approve Resolution 2019-007 Commissioner Grimmer seconded the motion and with no further discussion the motion passed 5-0.

ITEM 7 Comments by Board/Subcommittee Reports

7.a Community Center (Nixon/Babich): Review item 5

7.b Marketing (Grimmer): no update, planning to meet with Chuck Cuzzetto within the week

7.c Fundraising Under Development (Hill):

ITEM 8 Next Board Meeting: Tues, July 16, 2019: Study Session (6:15pm) and Regular (7:15pm) at new City Hall location

ITEM 9 Executive Session:

The Board went into executive session at 7:20 pm and came out of session at 7:44pm

ITEM 10 Adjournment

Commissioner Hill adjourned the meeting at 7:45pm.

APPROVED BY THE BOARD ON: _____

President

Clerk

Submitted by: *Ellie Tieman*

Trans Date	District Ref #	Payee Printed Name	Amount
7/1/19	V2019-297	Kim Hairston	\$259.00
7/1/19	V2019-298	Anna Finnell	\$185.00
7/1/19	V2019-299	Jonathan Dudley	\$185.00
7/1/19	V2019-300	Aiden Krug- Norem	\$185.00
7/1/19	V2019-301	Legal Shield	\$105.70
7/1/19	V2019-302	U.S. Bank Corporate Payment System	\$24,692.48
7/1/19	V2019-302	Peninsula Metropolitan Park District	\$44,325.41
7/1/19	V2019-303	HEALTH CARE AUTHORITY	\$18,485.10
7/1/19	V2019-304	Strohs Water Company Inc.	\$106.84
7/1/19	V2019-305	DEPARTMENT OF REVENUE	\$1,267.14
7/1/19	V2019-305	Department of Retirement Services	\$13,829.70
7/1/19	V2019-306	Affluence Business Solutions	\$4,550.00
7/1/19	V2019-307	Boris Mitin	\$500.00
7/1/19	V2019-307	Bricks 4 Kidz	\$266.00
7/1/19	V2019-308	Caroline Konkol	\$264.00
7/1/19	V2019-309	Demarche Consulting Group, Inc	\$17,500.00
7/1/19	V2019-310	Express Septic Tank Cleaning	\$350.68
7/1/19	V2019-310	Pacific Office Automation Headquarters	\$1,492.00
7/1/19	V2019-311	PACIFIC OFFICE AUTOMATION	\$149.98
7/1/19	V2019-312	Ruthie Craft	\$300.00
7/1/19	V2019-313	Ellen Filippidis	\$1,000.00
7/1/19	V2019-313	Kyra Wiens	\$400.00
7/1/19	V2019-314	Queen Bee Health + Wellness LLC	\$3,322.22
7/1/19	V2019-315	Clickery Photography LLC	\$1,000.00
7/1/19	V2019-315	CUSTOM PRINTS NW LLC	\$931.03
7/1/19	V2019-316	Mentor Company	\$412.00
7/1/19	V2019-317	NW Stage Event Production	\$4,951.02
7/1/19	V2019-318	Branding Innovations	\$2,492.55
7/1/19	V2019-318	Pierce County Fire District #5	\$280.00
7/1/19	V2019-319	CUSTOM PRINTS NW LLC	\$1,455.20
7/1/19	V2019-320	Aubrey Preston	\$1,952.00
7/1/19	V2019-321 A	Adria Hanson	\$1,232.00
7/1/19	V2019-321 A	LynnFit	\$876.75
7/1/19	V2019-321j	Anna's Party Rentals	\$618.45
7/1/19	V2019-322	PCRCD, LLC	\$34.05
7/1/19	V2019-322	Sarco Supply	\$1,215.51
7/1/19	V2019-323	HEMLEYS HANDY KANS	\$815.00
7/1/19	V2019-324	JENNIFER ALYSSA HANZIEL	\$1,455.30

7/1/19	V2019-334	Pacific Fire & Security Inc.	\$113.93
7/1/19	V2019-335	PURDY TOPSOIL & GRAVEL	\$53.71
7/1/19	V2019-336	Charles Walker	\$35.00

Payment Count: 41

Total Amount: \$153,644.75

Jul 1, 2019 5:07 PM

2 of 3

Payment Count: 41

Payment Total: \$153,644.75

I, the undersigned do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered or labor performed as described herein, and that the claim is a just, due and unpaid obligation, and that I am authorized to authenticate and certify to said claim.



Authorized District Official Signature

Date

Authorized District Official Signature

Date



Authorized District Official Signature

V_{æ7Aa}

Authorized District Official Signature

Date



Authorized District Official Signature

Date

Authorized District Official Signature

Date

Authorized District Official Signature

Date
Date

Authorized District Official Signature

INSTRUCTIONS FOR USE:

Submit signed Transmittal To Pierce County Finance Department

FAX: 253-798-6699 EMAIL: PCACCOUNTSPAYABLE@co.pierce.wa.us

Jul 1, 2019 5:07 PM

3 of 3

PC Finance Department Use Only

Authorization Recieved on _____

Batch Verified by _____

INSTRUCTIONS FOR USE:

Submit signed Transmittal To Pierce County Finance Department

FAX: 253-798-6699 EMAIL: PCACCOUNTSPAYABLE@co.pierce.wa.us

Jul 1, 2019 5:07 PM

3 of 3

PC Finance Department Use Only

Authorization Recieved on _____

Batch Verified by _____

DISTRICT COMMISSION MEMO

To: Peninsula Metropolitan Park District Board of Commissioners
From: Glenn Akramoff, Interim Executive Director
Date: July 16, 2019
Subject: **Senior Center Memo of Understanding**

Background/Analysis

As the Boys and Girls club closed in June 2109 due to the sale of the property, the Senior Program is in jeopardy. A Task Force was formed with the regional organizations and the seniors to address the issue and create solutions. PenMet Park District has been a part of the conversation from the beginning and has been an active part in evaluation solutions. The District involvement in senior programs and serving the senior population of the greater Gig Harbor area is appropriate as per the PenMet Parks Comprehensive Plan. It was also referenced in the levy lid lift campaign of 2018.

Recently, a Senior Program Board was formed and has come under the organizational umbrella of the Greater Gig Harbor Foundation. That board is focused on forming as an organization and seeking out opportunities for funding to meet the short term need to keep the program running. This group has secured at least one temporary site in which to operate the programs. Currently there is no secured funding or staffing to operate the program. In early April, senior program representatives presented the program elements and needs to the Pent Board Commissioners. They request that the PenMet Parks District consider supporting their effort to keep the program running in the short and long term. It is also recommended that a Memo of Understanding (MOU) be developed in partnership Greater Gig Harbor Foundation to clarify all the partners roles and create objectives for a long-term solution.

The MOU will provide the Senior Center though the Greater Gig Harbor Foundation the funding to maintain and operations of the program and have a staff position to support the effort. The agreement also requires monthly meeting, quarterly financial reports and the ability to jointly market programs. The staff position will be hired and employed by the Foundation for the Senior Center. The District will play a role in the hiring process.

Program Funding (\$20,000)

- Funding to maintain current programming
- Funding for the cost of temporary facilities

Position Funding (\$30,000)

- Funding for a part-time staff position

Timeline and Funding

The Boys and Girls Club has closed and the move to a temporary site is completed. The goal is to allow for the program to have little or no interruption of service for the those who utilize it regularly. The funding amount will be in tow areas 1) \$20,000 for program operations 2) \$30,000 to fund a Senior center position to support the program. The short-term funding will come from the PenMet general fund for 2019.

Recommendation

It is recommended that the Commission give the Interim Executive Director direction and authority to sign the MOU agreement with the Senior Center Board and the Gig Harbor Foundation for supporting the program.

Policy Implications/Support

4. Consider short term funding support for the remainder of 2019.
5. Consider short term staffing support funding for the remainder of 2019.
6. Consider providing short term resources toward programing for 2020.
7. Continue to be involved in the regional conversation for permanent solutions.
8. This approach would be the contribution to senior program regionally for the district at this time.
9. The agreement encompasses the next 18 months and will be evaluated in late 2020.

Motion

I move to approve the Interim Executive Director to sign the Memo of Understanding with the Greater Gig Harbor Foundation for the Gig Harbor Senior Center to include \$20,000 allocation for operating the program and \$30,000 allocation for supporting part time position in 2019 and 2020.

Staff Contact

Should you have any questions or comments please contact Glenn Akramoff at the earliest opportunity should additional research be required to provide answers at the meeting: 253-858-3408 or via e-mail at gakramoff@PenMetParks.org.

Attachments

1. The MOU with the Greater Gig Harbor Foundation for the Gig Harbor Senior Center.
2. The tentative job description of the part time position.
3. A summary of the programs the will be offered during the next 18 months.

**ADDENDUM A:
Gig Harbor Senior Center Programs,
Activities & Services – 2018**

Gig Harbor Senior Center Programs, Activities and Services- 2018

Summary: The Gig Harbor Senior Center was a 4.5 day operation fulfilling the needs of seniors in the greater Gig Harbor community. By design it was an all-inclusive fellowship of seniors sharing community, educational speakers/ and programs, meals, physical activities, games, social services and personal fulfillment.

Hours of Operation:

- Monday-Thursday 9:00am – 3:00pm; Friday 9:00am – 12:00 Noon

Regular Activities:

- Senior Lunch every Monday and Wednesday at 12:00 Noon sponsored by Catholic Community Services
- Pinochle – every Monday and Wednesday
- Bingo – every Monday and possibly Wednesday
- Potlucks – once per month
- Game Time – once per week
- Cribbage Club – once per week
- Woodcarving Club – once per week
- Stitch 'n Bitch Club – every Monday and Wednesday
- Pool Table – three time per week

Regular Programs:

- S.A.I.L. – Four times per week (two classes on Monday & Wednesday)
- Tai Chi (Beginning) – once each week year round
- Tai Chi (Intermediate) – twice each week year round
- Tai Chi (Advanced) – twice each week year round
- Fitness 4U – twice each week year round
- PickleBall – twice each week fall and winter
- Foot Care – twice each month with private RN; bi-monthly with Catholic Community Services

Special Activities/Programs:

- Presentations/Workshops – monthly
- AARP Free Tax Aide – once each year from February 1 through April 15
- Medicare Option seminars – once a year during open enrollment
- Beanbag Baseball Competition – once a month at local retirement community
- Music – once a month at lunch
- Birthday Celebrations – once a month with donated cake

ADDENDUM B:

Gig Harbor Senior Center Part-time Program Coordinator Job Description



About the Gig Harbor Senior Center: The Gig Harbor Senior Center (GHSC) is a project of the Greater Gig Harbor Foundation (GGHF), a 501 (c)(3) nonprofit community foundation working to meet the diverse needs of our greater Gig Harbor and Key peninsula communities. Over the past 12 years, GGHF has invested more than \$7 million in grants, scholarships, land, equipment and services to benefit the community.

GHSC Mission: The GHSC’s mission is to provide a vibrant gathering place for active seniors to engage and enrich their lives through social interaction, recreation, lifelong learning and well-being to improve community life.

JOB SUMMARY:

Under the direction of the GHSC Board of Directors, the GHSC Program Coordinator will be primarily responsible

for providing development and implementation of programs and activities for the GHSC.

- TITLE:** GHSC Program Coordinator
- LOCATION:** Gig Harbor Senior Center
- SALARY:** \$18.00 - \$21.00 per hour
- HOURS:** Monday – Friday 10:00 am – 3:00 pm
- REPORTS TO:** GHSC Board of Directors

DESCRIPTION OF RESPONSIBILITIES:

Programming

- Establish and maintain GHSC’s program goals and physical settings that ensure the health and safety and well-being of its of members.
 1. Coordinate daily and weekly programs and activities
 2. Design, develop and implement a variety of activities to meet the interests and needs of the senior population
 3. Prepare content for quarterly brochure
 4. Continuously research and seek to develop new senior programs and activities of interest
 5. Utilize community resources and partners
 6. Seek volunteers to assist in implementing programs
 7. Monitor and control GHSC’s program and activity expenditures within the approved budget
 8. Oversee proper record keeping and reporting, including activities and events, breakdown of daily participation, and any problems/issues
 9. Ensure adherence to the organizations policies and procedures as well as all applicable rules, regulations, code of conduct and laws

- Increase visibility of GHSC’s programs via posting of daily schedule, updating website and social media, as well as dissemination of timely information for the development of advertising and promotion through GGHF newsletters and GHSC mailings and flyers
- Develop relationships and collaborate with community partners to provide a broader reach of service to seniors
- Become a member of the Washington State Association of Senior Centers to establish a connection with other senior centers, potential partnerships and professional development

Additional Responsibilities

- Create and oversee special programs and/or events
- Update program related materials as needed in a timely manner
- Work cooperatively with staff, volunteers, partners and other service organizations
- Manage or direct the performance of volunteers, interns or others as required

Skills/Knowledge Required

- Strong communication skills, both verbal and written
- Group leadership skills, including an understanding of group dynamics and ability to run group activities
- A keen understanding, sensitivity and demonstrated knowledge of seniors
- Demonstrated organizational, staff and project management abilities
- Demonstrated ability to work effectively and productively with others
- Computer skills to include ability to access, input and retrieve information from the computer
- Ability to work a flexible schedule, which could include evenings and weekends

Minimum Requirements

- Minimum of an AA degree in related field from and accredited college or university, required
- Minimum of two years work experience as an activities director, recreation specialist or similar position – work with seniors preferred
- CPR and First Aid Certifications
- Current driver’s license, dependable vehicle and agency required liability limits

Physical Requirements/Work Environment

This position regularly involves lifting, bending, sitting, reaching, standing, walking, talking, hearing, keyboarding, grasping, and the ability to participate in indoor/outdoor activities. The successful candidate must be able to use a variety of office equipment including computer, telephone, copier and/or other equipment. He or she may be required to lift supplies, materials, equipment weighing up to 40 pounds.

The worker is subject to both indoor and outside environmental conditions. This individual is required to work around adults where noise levels may be moderate to high during some activities.

DISCLAIMER:

The information presented indicates the general nature and level of work expected of employees in this classification. It is not designed to contain, or to be interpreted as, a comprehensive inventory of all duties, responsibilities, qualifications and objectives required of employees assigned to this job.

APPLICATION: Send your resume and letter of interest to:

Gig Harbor Senior Center, ghseniorctr@gigharborfoundation.org

c/o Greater Gig Harbor Foundation

7191 Wagner Way, Suite 102

Gig Harbor, WA 98335

Applications will be reviewed as received. Candidates selected for interview will be requested to provide references. **Position will remain open until filled.**

The Greater Gig Harbor Foundation is an equal opportunity employer.

Page 2 of 2

Position Title: GHSC Program Coordinator

MEMORANDUM OF AGREEMENT
by and between
PENINSULA METROPOLITAN PARK DISTRICT
and
GREATER GIG HARBOR FOUNDATION
for the
GIG HARBOR SENIOR CENTER

This MEMORANDUM OF AGREEMENT is entered into by and between the PENINSULA METROPOLITAN PARK DISTRICT (“PARK DISTRICT”), a Washington municipal corporation, and the GREATER GIG HARBOR FOUNDATION (“FOUNDATION”), a federally recognized 501 (c)(3) tax-exempt non-profit corporation incorporated and doing business under the laws of the State of Washington, hereinafter, sometimes referred to collectively as “the Parties”.

RECITALS

1. The PARK DISTRICT is a municipal corporation vested by law with the authority to provide, maintain, and operate public parks, playgrounds and recreational facilities and activities.
2. The FOUNDATION is a 501 (c)(3) charitable non-profit corporation whose mission is to strengthen our greater Gig Harbor and Key Peninsula community through collaborative engagement to help meet diverse community needs, inclusive of the provision of support for area park agencies and park-based projects and programs.
3. The FOUNDATION provides essential programs, services and activities to support the general wellbeing of the local senior population through opportunities for social interaction, education, recreation and wellness (collectively the “Senior Programs”) all as specified on Exhibit A.
4. PARK DISTRICT and FOUNDATION each play a unique and beneficial role important to serving their constituents, including the senior population, by providing programs, services and facilities that support the wellbeing and quality of life, leading to a healthier community for all.
5. The Parties believe coordinated and cooperative efforts to provide community seniors with educational, recreational, and wellness programs will be beneficial to the PARK DISTRICT’s constituents and will more comprehensively meet the needs of the community.
6. This Agreement is consistent with applicable state and federal laws and the adopted goals and policies of the Parties.

I. Purpose

The purpose of this Agreement is to specify the parties roles and responsibilities relative to the FOUNDATION providing the Senior Programs and the PARK DISTRICT's financial contribution to those efforts.

II. Authority

The PARK DISTRICT is authorized to enter into this Agreement pursuant to Chapter 35.61 RCW.

III. Term of Agreement

This Agreement shall be effective August 1, 2019 and shall remain in effect for a period of approximately 1.5 years terminating on December 31, 2020, unless earlier terminated pursuant to Section _V.8. below.

IV. General Understanding

- A. This Agreement is entered into and subject to the following terms and conditions and the above referenced recitals, which are incorporated by reference below.
- B. The FOUNDATION is considered an independent contractor who shall at all times perform its duties and responsibilities and carry out all services as an independent contractor and shall never represent or construe its status to be that of an agent or employee of the PARK DISTRICT, nor shall it be eligible for any employee benefits.
- C. The FOUNDATION represents and warrants that any and all federal, state, and local mandatory deductions or other charges and taxes imposed by law and/or regulation upon the FOUNDATION are current. The FOUNDATION acknowledges that all such deductions, charges and taxes shall be the sole responsibility of the FOUNDATION. If the PARK DISTRICT is assessed, liable or responsible in any manner for those deductions, charges or taxes, the FOUNDATION agrees to indemnify and hold the PARK DISTRICT harmless from those costs, including attorney's fees.
- D. The FOUNDATION shall provide at its sole expense all materials, office space, telephone and utility services, and other necessities to perform fully and timely its duties and services under this Agreement, unless otherwise specified in writing.
- E. The FOUNDATION shall comply with all applicable federal, state and local laws, ordinances, rules and regulations, and shall assist the PARK DISTRICT in complying will all conditions concerning grants and other federal assistance under the laws of the City of Gig Harbor, the County of Pierce, the State of Washington, the United States of America, or such other laws as are applicable. The FOUNDATION shall at its sole expense, obtain and keep in force any necessary licenses, permits, and tax certificates.

V. AGREEMENT

1. Communication

- a. The Parties agree to meet on a regular basis, and not less than once monthly, to keep one another informed of respective progress in implementing the Senior Programs pursuant to this Agreement.
- b. The FOUNDATION shall regularly, and not less than once quarterly, provide to the PARK DISTRICT a written report regarding the status, attendance and costs associated with the Senior Programs.
- c. The Parties shall provide each other an advance copy of respective Board meeting agendas prior to each regularly or specially scheduled Board meeting. Additionally, the appointed representative of the PARK DISTRICT shall endeavor to attend regular meetings between the Parties to this Agreement.
- d. The Parties agree to jointly develop press releases and other printed, video, or digital information that may pertain to the Senior Programs provided pursuant to this Agreement.
- e. The PARK DISTRICT shall provide to the FOUNDATION an advance copy of any print, video or digital information proposed for use in advertising the Senior Programs.
- f. The FOUNDATION shall acknowledge the PARK DISTRICT's funding of the Senior Programs in its advertising and marketing.

2. Performance by and Responsibility of the Foundation

- a. The FOUNDATION shall only engage in charitable, educational, recreational and scientific activities that qualify as activities permitted for exempt organizations under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law).
- b. The FOUNDATION will provide to the PARK DISTRICT all necessary financial and programmatic information concerning the Senior Programs pursuant to this Agreement.
- c. The FOUNDATION shall provide all necessary direction and supervision of its employees, including the Program Coordinator, and will provide the PARK DISTRICT with activity logs pertinent to the work performed by those employees relative to the Senior Programs and this Agreement.
- d. All FOUNDATION employees or volunteers assisting with or involved in providing the Senior Programs shall first be subject to a record check (background check) consistent with the PARK DISTRICT's current policy, and a copy of the report shall be provided to the PARK DISTRICT.
- e. Except to the extent permitted by bona fide occupation qualification, the FOUNDATION agrees that In the performance of all Services under this Agreement, the FOUNDATION, or its employees, agents, subcontractors or representatives, shall not discriminate against any person because of sex, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status or the presence of any disability, including sensory, mental, or physical handicaps, based upon a bona fide occupational qualification in

relationship to hiring and employment. The Contractor shall comply with the Washington Law Against Discrimination (Chapter 49.60 RCW) and with any other applicable federal or state law or local ordinance regarding non-discrimination. Any material violation of this provision shall be grounds for immediate termination of this Agreement by the PARK DISTRICT and, in the case of the FOUNDATION'S breach, may result in ineligibility for further PARK DISTRICT agreements.

- f. The FOUNDATION shall be responsible for selecting the location(s) at which the Senior Programs will be provided.
- g. The FOUNDATION shall maintain insurance during the term of this Agreement as follows:
 - A. Comprehensive general liability policy, including:
 - (1) Premises/Operations liability;
 - (2) Products/Completed Operations liability;
 - (3) Blanket contractual liability;
 - (4) Personal injury liability;
 - (5) Stop gap liability.
 - B. Automobile liability:
 - (1) Non-Owned and hired auto liability;
 - (2) Owned auto liability.
 - C. Limits should not be less than \$2,000,000 Combined Single Limit for comprehensive general liability. Automobile liability limits should not be less than \$2,000,000 Combined Single Limit. Stop gap liability should be not less than \$2,000,000.
 - D. Said insurance policies shall name the PARK DISTRICT as an additional insured. No limitations or additions to this requirement will be accepted.
 - E. It is agreed that these insurance policies are primary over any insurance which may be carried by the PARK DISTRICT and it is agreed that the PARK DISTRICT will be given not less than thirty (30) days advance written notice of any termination of this policy.]
- h. The FOUNDATION shall indemnify and hold harmless the PARK DISTRICT and its officers, agents and employees from all suits, claims or liabilities of any nature, including attorneys' fees, costs and expenses, for or on account of injuries or damages sustained by any person or property resulting from the negligent or wrongful activities or omissions of the FOUNDATION, its officers, agents, employees and/or volunteers, or on account of any unpaid wages or other remuneration due for services; and, if suit in respect to the above be filed, the

FOUNDATION shall appear and defend the same at its own cost and expense; and if judgment be rendered or settlement related thereto the FOUNDATION shall pay the same. The FOUNDATION shall not be liable or responsible for any claim, demand, loss or liability arising out of the sole negligence of the PARK DISTRICT.

3. Performance by and Responsibility of the Park District

- a. The PARK DISTRICT agrees to provide payment as follows:
 1. For August 2019 to December 31, 2019, the PARK DISTRICT will reimburse the FOUNDATION up to ten thousand dollars (\$10,000.00) for rent and related costs incurred with regard to the Senior Programs. For January 1, 2020 to December 31, 2020 the PARK DISTRICT will reimburse the FOUNDATION up to twenty-thousand dollars (\$20,000.00) for rent and related costs incurred with regard to the Senior Programs.
 2. For August 2019 to December 31, 2019, the PARK DISTRICT will reimburse the FOUNDATION up to fifteen thousand dollars (\$15,000.00) for wages related to the FOUNDATION's employment of a part-time (25-30 hours per week) Program Coordinator, responsible for establishing and maintaining the Senior Programs specified on Exhibit A. For January 1, 2020 to December 31, 2020 the PARK DISTRICT will reimburse the FOUNDATION up to thirty thousand dollars (\$30,000.00) for wages related to the FOUNDATION's employment of a part-time (25-30 hours per week) Program Coordinator, responsible for establishing and maintaining the Senior Programs specified on Exhibit A. The Program Coordinator shall also perform the work specified under "Description of Responsibilities" in the Job Description attached as Exhibit B.
- b. The PARK DISTRICT shall provide without cost to the FOUNDATION the opportunity to include marketing information for the Senior Programs in PARK DISTRICT newsletters and advertisements and the FOUNDATION will follow all applicable regulations, policies, guidelines and procedures related thereto.

4. Payment

- a. Payment to the FOUNDATION will be made only upon receipt of the FOUNDATION'S original written invoice following its incurring the cost or expense and performance of the services provided herein and during the PARK DISTRICT'S ordinary billing cycle. The PARK DISTRICT'S ordinary billing cycle is once per month.
- b. All payments shall be subject to adjustment for any amounts, upon audit or otherwise, to have been improperly invoiced. In no event shall the total of the PARK DISTRICT's payments pursuant hereto exceed the total amounts set forth in Section 3 above. Any request for payment in excess of those amounts shall automatically be rejected unless, prior to incurring the cost or expense or performing the work or service, the FOUNDATION has obtained express written

approval from the PARK DISTRICT for such expense, work or services and written approval of the additional cost.

- c. The FOUNDATION, at such time and in such form as the PARK DISTRICT may require, shall furnish the PARK DISTRICT with periodic reports pertaining to the expenses, work and services undertaken pursuant to this Agreement. The FOUNDATION will make available to the PARK DISTRICT all expense, work-related accounts and records for auditing, monitoring, or evaluation during normal business hours.

5. Dispute Resolution

- a. Any dispute as to the enforcement or interpretation of this Agreement shall be first submitted to mediation. If after a good faith effort by the parties to resolve their dispute there remain unresolved issues, those issues shall be determined by binding arbitration conducted in accordance with the laws of the State of Washington.
- b. The Parties shall try to agree upon a single arbitrator. If they cannot agree upon an arbitrator within 10 business days of a notice of arbitration, then either party may apply to the Pierce County Superior Court for the appointment of the arbitrator. Each party shall pay half of the arbitrator's fees and costs.

6. Enforcement, Interpretation and Venue

- a. The laws of the State of Washington shall govern the validity, performance, interpretation and enforcement of this Agreement. Should any party institute arbitration for enforcement or interpretation of any provision contained herein, the venue of such arbitration shall be in Pierce County, Washington.
- b. This Agreement shall not be construed either for or against any party, but this Agreement shall be interpreted in accordance with the general tenor of the language in an effort to reach an equitable result.

7. Subcontract.

The FOUNDATION shall not sign, subcontract, delegate, or transfer any interest or claim to or under this Agreement or for any of the compensation due it hereunder, in whole or in part, except as authorized in writing by the PARK DISTRICT.

8. Heading and Wordings

Paragraph headings in this Agreement are for convenience only and do not necessarily reflect the full content of the respective paragraphs. All singular terms shall include plural as a particular situation or context may require, and all words or pronouns of gender shall include the other genders as far as the particular situation or context may require.

9. Integration

There are no oral agreements between the Parties affecting the meaning, content, purpose or effect of this Agreement. All negotiations, oral agreements, arrangements and understandings pertaining to the subject matter herein are

merged into this Agreement. This Agreement shall not be modified except in writing duly authorized and executed by all Parties.

10. Termination

Any Party may terminate this Agreement upon ninety (90) days written notice for any reason.

VI. Key Contacts and Notices

The persons listed below are identified as the key contacts essential to the work being performed under the Agreement:

The key contact for the FOUNDATION is the CEO.

The key contact for PARK DISTRICT is the Executive Director.

Any notice or other communication given pursuant to this Agreement shall be in writing either sent by electronic mail or sent by registered mail, addressed as follows (or to such other address as any party from time to time shall designate by written notices to each other party):

FOUNDATION: Name: Julie Ann Gustanski, CEO/President Emeritus
 Address: 7191 Wagner Way, Ste. 101, Gig Harbor, WA 98335
 Telephone: (253) 514-6338, ext. 103
 E-mail address: jgustanski@gigharborfoundation.org

PARK DISTRICT: Name: Glenn Akramoff, Interim Executive Director
 Address: 10123 78th Ave NW, Gig Harbor, WA 98332
 Telephone: (253) 858-3400
 E-mail address: gakramoff@penmetparks.org

IN WITNESS WHEREOF, the Parties hereto have executed this document as of the ____ day of _____ 2019.

Greater Gig Harbor Foundation

By: _____
Board President or CEO

Date: _____

Peninsula Metropolitan Park District

By: _____
Executive Director

Date: _____



Peninsula Metropolitan Park District

10123 78th Ave NW, Gig Harbor, WA 98332

"Today We Touch Tomorrow"

Office: 253-858-3400 Fax: 253-858-3401

E-mail: Info@PenMetParks.org

DISTRICT COMMISSION MEMO

To: District Commission
From: Edward O. Lewis, Capital Project Manager
Date: July 10, 2019
Subject: Administration and Recreation Staff Office Relocation to 5717 Wollochet Dr NW, Gig Harbor WA 98335, Building # 3

Background

Currently the staff is spread across four different workspaces across the Sehmel Homestead Park site. The Executive Director, the Administrative Assistant and the Special Projects Manager are on one side of the Sehmel Homestead Park Pavilion. This section was originally designed to be the kitchenette space for the pavilion. The Human Resources and Finance staff are in the other side that was originally designed to be a small class room and event preparation room.

The recreation staff are in a portable trailer located within the maintenance yard. The trailer has connectivity issues with the operating systems on site including phone and IT. It also impacts the Maintenance Division's outside vehicle storage capacity. The Capital Project Manager and the Marketing Specialist are on the second floor of the maintenance building. Their offices are open to the vehicle bays are located within the maintenance storage area. Connectivity and climate control are key concerns with this space.

In addition, there is no private meeting space available to the staff except for the Maintenance Manager's office. This is a problem when it's necessary to have confidential conversations and professional, uninterrupted meetings. These conditions are inhibiting staff performance and productivity as well as customer experience. The professional interface that is expected by PenMet customers is almost not existent. This causes frustration and confusion for those who are seeking to utilize the District's services.

Timeline and Funding

Currently our timing schedule for this relocation is as follow.

- 1.) July 2019, Sign Lease agreement and start entry remodel and painting of all offices.
- 2.) August 2019, all walk way carpets to be replaced & IT work to be started. Have

moving company on board and office furnishing acquired and setup by 9/1/2019

- 3.) September 2019, Prep staff for making sure all are ready for the move. Identify items which be moved to new office complex with moving company.
- 4.) Move date September 20 & 21 2019.
- 5.) Funding for the relocation would come out of the General Operating fund.
- 6.) Lease Base rental costs: A.) 2019 four months \$36,610.96
B.) 2020 eight months \$73,221.93
C.) 9/2020 to 9/2021 \$112,305.03
D.) 9/2021 to 9/2022 \$114,851.33

Note: Security Deposit will be required at time of signing lease. (\$9,570.94)

The lease agreement is currently under review as of 7/11/19 but is attached if interested.

- 7.) Projected Moving costs are \$4200.00. Estimate
- 8.) Projected Office Furniture costs, \$9000.00. Estimate

Recommendation

Staff recommends that the Board of Commissioners approve a motion to authorize staff to move forward with the new office relocation project.

Policy Implications/Support

1. On June 03, 2019 at their regular meeting, the Board of Park Commissioners made a motion for the Executive Director to move forward with implementing the recommendations, focusing first on securing new office space and replacement of IT equipment.
2. The effectiveness and efficiency of providing services.
3. The positive impacts on quality and quantity of service to the community.
4. The effective growth of PenMet Parks to meet its mission, commitment, and community needs and expectations.

Motion

I move to authorize staff to Relocate Administration and Recreation offices and staff to 5717 Wollochet Dr. NW, Gig Harbor WA 98335 Building # 3.

Staff Contact

Should you have any questions or comments please contact me at the earliest opportunity should additional research be required to provide answers at the meeting: 720-272-8418 or via e-mail at elewis@PenMetParks.org



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 5358 33rd Ave NW Ste. 302
 Gig Harbor, WA 98335
 Phone: 253-853-3223
 Fax: 253-853-2788

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 Page 1 of 24

LEASE AGREEMENT
 Multi Tenant Triple Net (NNN Lease)

THIS LEASE AGREEMENT (the "Lease") is entered into and effective as of this ____ day of _____, 20__ between Brown Dog Realty LLC ("Landlord"), and Peninsula Metropolitan Parks ("Tenant"). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

- a. **Leased Premises.** The leased commercial real estate ~~is~~ consists of an agreed area of ~~Office 4,736 rentable square feet of office space and Warehouse 1,071 rentable square feet of warehouse space~~ and is outlined on the floor plan attached as Exhibit A (the "Premises"). ~~The Premises is~~ is located on the land legally described on attached Exhibit B ~~and is~~ commonly known as 5717 Wollochet Dr NW Gig Harbor WA WA (suite number and address). The Premises do not include, and Landlord reserves, the exterior walls and roof of the building in which the Premises are located (the "Building"), the land beneath the Building, the pipes and ducts, conduits, wires, fixtures, and equipment above the suspended ceiling; and the structural elements of the Building. The Building, the land upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to as the "Property." ~~The Building and all other buildings on the Property as of the date of this Lease consist of an agreed area of 5,807 rentable square feet.~~
- b. **Lease Commencement Date.** The term of this Lease shall be for a period of 36 months and shall commence on September 1, 2019 or such earlier or later date as provided in Section 3 (the "Commencement Date").
- c. **Lease Termination Date.** The term of this Lease shall terminate at midnight on August 30, 2022 or such earlier or later date as provided in Section 3 (the "Termination Date"). Tenant shall have no right or option to extend this Lease, unless otherwise set forth in a rider attached to this Lease (e.g., Option to Extend Rider, CBA Form OR).
- d. **Base Rent.** The base monthly rent shall be (check one): \$ _____, or according to the Rent Rider attached hereto ("Base Rent"). Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.
- e. **Prepaid Rent.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$ 9,152.74, as prepaid rent, to be applied to the Rent due for the months September 1, 2019 through September 30, 2019 of the Lease.
- f. **Security Deposit.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$ 9,570.94 to be held as a security deposit pursuant to Section 5 below. The security deposit shall be in the form of (check one): cash, letter of credit according to the Letter of Credit Rider (CBA Form LCR) attached hereto, or check.
- g. **Permitted Use.** The Premises shall be used only for General Office, Warehousing and storage and for no other purpose without the prior written consent of Landlord (the "Permitted Use").
- h. **Notice and Payment Addresses:**

Landlord: Brown Dog Realty LLC
 Meghan West
 Fax No.:
 Email: Meghan.West@Mastercam.Com

Tenant: Peninsula Metropolitan Parks
 Glen Akramoff

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 Page 1 of 24

Fax No.: _____
 Email: gakramoff@penmetparks.org

- i. **Tenant's Pro Rata Share.** Landlord and Tenant agree that Tenant's Pro Rata Share is 100%, based on the ratio of the agreed rentable area of the Premises to the agreed rentable area of the Building and all other buildings on the Property as of the date of this Lease. Any adjustment to the Premises' or Building's rentable floor area measurements will be reflected in an adjustment to Tenant's Base Rent or Pro Rata Share.

2. PREMISES.

- a. **Lease of Premises.** Landlord leases to Tenant, and Tenant leases from Landlord, the Premises upon the terms specified in this Lease.
 - b. **Acceptance of Premises.** Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises or the condition of all mechanical, electrical, and other systems on the Premises. Except for any tenant improvements to be completed by Landlord as described on attached Exhibit C (the "Landlord's Work"), Tenant shall be responsible for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had an adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work); and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.
 - c. **Tenant Improvements.** Attached Exhibit C sets forth all Landlord's Work, if any, and all tenant improvements to be completed by Tenant (the "Tenant's Work"), if any, that will be performed on the Premises. Responsibility for design, payment and performance of all such work shall be as set forth on attached Exhibit C. If Tenant fails to notify Landlord of any defects in the Landlord's Work within thirty (30) days of delivery of possession to Tenant, Tenant shall be deemed to have accepted the Premises in their then condition. If Tenant discovers any major defects in the Landlord's Work during this 30-day period that would prevent Tenant from using the Premises for the Permitted Use, Tenant shall notify Landlord and the Commencement Date shall be delayed until after Landlord has notified Tenant that Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for the Permitted Use. Tenant shall prepare a punch list of all minor defects in Landlord's Work and provide the punch list to Landlord, which Landlord shall promptly correct.
3. **TERM.** The term of this Lease shall commence on the Commencement Date specified in Section 1, or on such earlier or later date as may be specified by notice delivered by Landlord to Tenant advising Tenant that the Premises are ready for possession and specifying the Commencement Date, which shall not be less than 30 days (thirty (30) days if not filled in) following the date of such notice.
- a. **Early Possession.** If Landlord permits Tenant to possess and occupy the Premises prior to the Commencement Date specified in Section 1, then such early occupancy shall not advance the Commencement Date or the Termination Date set forth in Section 1, but otherwise all terms and conditions of this Lease shall nevertheless apply during the period of early occupancy before the Commencement Date.
 - b. **Delayed Possession.** Landlord shall act diligently to make the Premises available to Tenant; provided, however, neither Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord's inability or failure to deliver possession of the Premises to Tenant as provided in this Lease. If possession is delayed, the Commencement Date set forth in Section 1 shall also be delayed. In addition, the Termination Date set forth in Section 1 shall be modified so that the length of the Lease term remains the same. If Landlord does not deliver possession of the Premises to Tenant within 60 days (sixty (60) days if not filled in) after the Commencement Date specified in Section 1, and such delay is not caused by Tenant, Tenant may elect to cancel this Lease by giving written notice to Landlord within ten (10) days after such time period ends. If Tenant gives such notice of cancellation, the Lease shall be cancelled, all prepaid rent

2

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 Rev. 3/2011
 Page 1 of 24

and security deposits shall be refunded to Tenant, and neither Landlord nor Tenant shall have any further obligations to the other. The first "Lease year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease year. To the extent that the tenant improvements are not completed in time for the Tenant to occupy or take possession of the Premises on the Commencement Date due to the failure of Tenant to fulfill any of its obligations under this Lease, the Lease shall nevertheless commence on the Commencement Date set forth in Section 1.

4. RENT.

- a. **Payment of Rent.** Tenant shall pay Landlord without notice, demand, deduction or offset, in lawful money of the United States, the monthly Base Rent stated in Section 1 in advance on or before the first day of each month during the Lease term beginning on (check one): the Commencement Date, or _____ (if no date specified, then on the Commencement Date), and shall also pay any other additional payments due to Landlord ("Additional Rent"), including Operating Costs (collectively the "Rent") when required under this Lease. Payments for any partial month at the beginning or end of the Lease shall be prorated. All payments due to Landlord under this Lease, including late fees and interest, shall also constitute Additional Rent, and upon failure of Tenant to pay any such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.
 - b. **Triple Net Lease.** This Lease is what is commonly called a "Net, Net, Net" or "triple-net" Lease, which means that, except as otherwise expressly provided herein, Landlord shall receive all Base Rent free and clear of any and all other impositions, taxes, liens, charges or expenses of any nature whatsoever in connection with the ownership and operation of the Premises. In addition to Base Rent, Tenant shall pay to the parties respectively entitled thereto, or satisfy directly, all Additional Rent and other impositions, insurance premiums, repair and maintenance charges, and any other charges, costs, obligations, liabilities, requirements, and expenses, including without limitation the Operating Costs described in Section 8, which arise with regard to the Premises or may be contemplated under any other provision of the Lease during its term, except for costs and expenses expressly made the obligation of Landlord in this Lease.
 - c. **Late Charges; Default Interest.** If any sums payable by Tenant to Landlord under this Lease are not received within five (5) business days after their due date, Tenant shall pay Landlord an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount for the cost of collecting and handling such late payment in addition to the amount due and as Additional Rent. All delinquent sums payable by Tenant to Landlord and not paid within five (5) business days after their due date shall, at Landlord's option, bear interest at the rate of fifteen percent (15%) per annum, or the highest rate of interest allowable by law, whichever is less (the "Default Rate"). Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.
 - d. **Less Than Full Payment.** Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims. Any portion that remains to be paid by Tenant shall be subject to the late charges and default interest provisions of this Section 4.
5. **SECURITY DEPOSIT.** Upon execution of this Lease, Tenant shall deliver to Landlord the security deposit specified in Section 1 above. Landlord's obligations with respect to the security deposit are those of a debtor and not of a trustee, and Landlord may commingle the security deposit with its other funds. If Tenant breaches any covenant or condition of this Lease, including but not limited to the payment of Rent, Landlord may apply all or any part of the security deposit to the payment of any sum in default and any damage suffered by Landlord as a result of Tenant's breach. Tenant acknowledges, however, that the security deposit shall not be considered as a measure of Tenant's damages in case of default by Tenant, and any payment to Landlord from the security deposit shall not be construed as a payment of liquidated damages for Tenant's default. If Landlord applies the security deposit as contemplated by this Section, Tenant shall, within five (5) days after written demand therefore by Landlord, deposit with Landlord the amount so applied. If Tenant complies with all of the covenants and conditions of this Lease throughout the Lease term, the security deposit shall be repaid to Tenant without interest

3

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 Page 1 of 24

within thirty (30) days after the surrender of the Premises by Tenant in the condition required hereunder by Section 13 of this Lease.

6. **USES.** The Premises shall be used only for the Permitted Use specified in Section 1 above, and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises, the Building, or the Property, or cause the cancellation of any insurance on the Premises, the Building, or the Property. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Premises, the Building, or the Property which will obstruct or interfere with the rights of other tenants or occupants of the Property, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees or to injure or annoy such persons.
7. **COMPLIANCE WITH LAWS.** Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant that, as of the Commencement Date, to Landlord's knowledge, but without duty of investigation, and with the exception of any Tenant's Work, the Premises comply with all applicable laws, rules, regulations, or orders, including without limitation, the Americans With Disabilities Act, if applicable, and Landlord shall be responsible to promptly cure at its sole cost any noncompliance which existed on the Commencement Date. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of the Permitted Use, and Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for Tenant's Permitted Use, Tenant's Work, and any alterations or changes made by Tenant to the Premises, at its sole cost and expense. ~~Otherwise, if changes or alterations are required by law, rule, regulation, or order unrelated to the Permitted Use, Landlord shall make changes and alterations at its expense.~~
8. **OPERATING COSTS.**
 - a. **Definition.** As used herein, "Operating Costs" shall mean all costs of operating, maintaining and repairing the Premises, the Building, and the Property, determined in accordance with generally accepted accounting principles, and including without limitation the following: all taxes and assessments (including, but not limited to, real and personal property taxes and assessments, local improvement district assessments and other special purpose assessments, and taxes on rent or gross receipts); insurance premiums paid by Landlord and (to the extent used) deductibles for insurance applicable to the Property; water, sewer and all other utility charges (other than utilities separately metered and paid directly by Tenant or other tenants); refuse and trash removal; supplies, materials, tools, and equipment used in the operation, repair, and maintenance of the Property; refurbishing and repainting; carpet replacement; to the extent serving areas other than just the Premises, heating, ventilation and air conditioning ("HVAC") service and repair; pest control; lighting systems, fire detection and security services; landscape maintenance; management (fees and/or personnel costs); parking lot, road, sidewalk and driveway patching, resurfacing and maintenance; snow and ice removal; repair, maintenance, and, where reasonably required, replacement of signage; amortization of capital improvements as Landlord may in the future install to comply with governmental regulations and rules or undertaken in good faith with a reasonable expectation of reducing operating costs (the useful life of which shall be a reasonable period of time as determined by Landlord); costs of legal services (except those incurred directly relating to a particular occupant of the Building); and accounting services, labor, supplies, materials and tools. Landlord and Tenant agree that if the Building is not ninety percent (90%) occupied during any calendar year (including the Base Year, if applicable), on a monthly average, then those portions of the Operating Costs that are driven by occupancy rates, as reasonably determined by Landlord, shall be increased to reflect the Operating Costs of the Building as though it were ninety percent (90%) occupied and Tenant's Pro Rata Share of Operating Costs shall be based upon Operating Costs as so adjusted. Operating Costs shall not include: Landlord's income tax or general corporate overhead; depreciation on the Building or equipment therein; loan payments; real estate broker's commissions; capital improvements to or major repairs of the Building shell (i.e., the Building structure, exterior walls, roof, and structural floors and foundations), except as described above; or any costs regarding the operation, maintenance and repair of the Premises, the Building, or the Property paid directly by Tenant or other tenants in the Building, or otherwise reimbursed to Landlord. If Tenant is renting a pad separate from any other structures on the Property for which Landlord separately furnishes the services described in this paragraph, then the term "Operating Costs" shall not include those costs of operating, repairing, and maintaining the enclosed mall

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 Rev. 3/2011
 Page 1 of 24

which can be separately allocated to the tenants of the other structures. Operating Costs which cannot be separately allocated to the tenants of other structures may include but are not limited to: insurance premiums; taxes and assessments; management (fees and/or personnel costs); exterior lighting; parking lot, road, sidewalk and driveway patching, resurfacing and maintenance; snow and ice removal; and costs of legal services and accounting services.

- b. **Type of Payment.** Options one and two below address the manner in which Operating Costs are paid under this Lease. To select the pure triple net option, check option 1. To select the base year option, check option 2.
 - OPTION ONE: TRIPLE NET.** As additional Rent, Tenant shall pay to Landlord on the first of each month with payment of Tenant's base Rent one-twelfth of Tenant's Pro Rata Share of Operating Costs.
 - OPTION TWO: BASE YEAR.** The Base Rent paid by Tenant under this Lease includes Tenant's Pro Rata Share of Operating Costs for the calendar year in which the Commencement Date occurs (the "Base Year"). As additional Rent, Tenant shall pay to Landlord on the first day of each month commencing on the first day of the first year after the Commencement Date, with Tenant's payment of Base Rent, one-twelfth of the amount, if any, by which Tenant's Pro Rata Share of Operating Costs exceeds Tenant's annualized Pro Rata Share of Operating Costs for the Base Year.
- c. **Method of Payment.** Tenant shall pay to Landlord Operating Costs pursuant to the following procedure:
 - i. Landlord shall provide to Tenant, at or before the Commencement Date, a good faith estimate of annual Operating Costs for the calendar year in which the Commencement Date occurs. Landlord shall also provide to Tenant, as soon as possible following the first day of each succeeding calendar year, a good faith estimate of Tenant's annual Pro Rata Share of Operating Costs for the then-current year.
 - ii. Each estimate of Tenant's annual Pro Rata Share of Operating Costs determined by Landlord, as described above, shall be divided into twelve (12) equal monthly installments. If Tenant pays Operating Costs under Option One, Tenant shall pay to Landlord such monthly installment of Operating Costs with each monthly payment of Base Rent. If Tenant pays Operating Costs under Option Two, Tenant shall pay to Landlord with each monthly payment of Base Rent the amount, if any, by which such monthly installments of Operating Costs exceed one twelfth of Tenant's annualized Pro Rata Share of Operating Costs for the Base Year. In the event the estimated amount of Tenant's Pro Rata Share of Operating Costs has not yet been determined for any calendar year, Tenant shall pay the monthly installment in the estimated amount determined for the preceding calendar year until the estimate for the current calendar year has been provided to Tenant. When the estimate for the current calendar year is received, Tenant shall then pay any shortfall or receive a credit for any surplus for the preceding months of the current calendar year and shall, thereafter, make the monthly installment payments in accordance with the current estimate.
 - iii. As soon as reasonably possible following the end of each calendar year of the Lease term, Landlord shall determine and provide to Tenant a statement (the "Operating Costs Statement") setting forth the amount of Operating Costs actually incurred and the amount of Tenant's Pro Rata Share of Operating Costs actually payable by Tenant with respect to such calendar year. In the event the amount of Tenant's Pro Rata Share of Operating Costs exceeds the sum of the monthly installments actually paid by Tenant for such calendar year, Tenant shall pay to Landlord the difference within thirty (30) days following receipt of the Operating Costs Statement. In the event the sum of the monthly installments actually paid by Tenant for such calendar year exceeds the amount of Tenant's Pro Rata Share of Operating Costs actually due and owing, the difference shall be applied as a credit to Tenant's future Pro Rata Share of Operating Costs payable by Tenant pursuant to this Section, or if the term has expired, the excess shall be refunded to Tenant within thirty (30) days after delivery of such Operating Costs Statement.
 - iv. Should Tenant dispute any amount shown on the Operating Costs Statement, Tenant may audit Landlord's books and records for the calendar year covered by such Operating Costs Statement upon written notice to Landlord given within ninety (90) days after Tenant's receipt of such Operating Costs

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 Rev. 3/2011
 Page 1 of 24

Statement. If Tenant fails to provide notice of dispute within such ninety (90) day period, the Operating Costs Statement shall be final and conclusive. Any audit conducted by Tenant shall be completed within sixty (60) days after Tenant's request therefor. In the event the amount of Tenant's Pro Rata Share of Operating Costs exceeds the sum of the monthly installments actually paid by Tenant for such calendar year, Tenant shall pay to Landlord the difference within thirty (30) days following completion of the audit. In the event the sum of the monthly installments actually paid by Tenant for such calendar year exceeds the amount of Tenant's Pro Rata Share of Operating Costs actually due and owing, the difference shall be applied as a credit to Tenant's future Pro Rata Share of Operating Costs payable by Tenant pursuant to this Section, or if the term has expired, the excess shall be refunded to Tenant within thirty (30) days after completion of the audit. Landlord and Tenant shall cooperate as may be reasonably necessary in order to facilitate the timely completion of any audit. Nothing in this section shall in any manner modify Tenant's obligations to make payments as and when provided under this Lease.

- 9. **UTILITIES AND SERVICES.** Tenant shall furnish all other utilities (including, but not limited to, telephone, Internet, and cable service if available) and other services which Tenant requires with respect to the Premises, and shall pay, at Tenant's sole expense, the cost of all utilities separately metered to the Premises, gas and power and of all other utilities and other services which Tenant requires with respect to the Premises, except those to be provided by Landlord and included in Operating Expenses as described above.
- 10. **TAXES.** Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, related to or required by Tenant's use of the Premises as well as all Taxes on Tenant's personal property located on the Premises. Landlord shall pay all taxes and assessments with respect to the Property, including any taxes resulting from a reassessment of the Building or the Property due to a change of ownership or otherwise, all of which shall be included in Operating Costs and subject to partial reimbursement by Tenant as set forth in Section 8.


11. COMMON AREAS.

- a. **Definition.** The term "Common Areas" means all areas, facilities and building systems that are provided and designated from time to time by Landlord for the general non-exclusive use and convenience of Tenant with other tenants and which are not leased or held for the exclusive use of a particular tenant. To the extent that such areas and facilities exist within the Property, Common Areas include hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, parking areas and garages, roadways, pedestrian sidewalks, landscaped areas, security areas, lobby or mall areas, common heating, ventilating and air conditioning systems, common electrical service, equipment and facilities, and common mechanical systems, equipment and facilities. Tenant shall comply with reasonable rules and regulations concerning the use of the Common Areas adopted by Landlord from time to time. Without advance notice to Tenant and without any liability to Tenant, Landlord may change the size, use, or nature of any Common Areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of the substantial benefit of the Premises. Landlord reserves the use of exterior walls and the roof, and the right to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant's use thereof.
- b. **Use of the Common Areas.** Tenant shall have the non-exclusive right, in common with such other tenants to whom Landlord has granted or may grant such rights, to use the Common Areas. Tenant shall abide by rules and regulations adopted by Landlord from time to time and shall use its best efforts to cause its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees to comply with those rules and regulations, and not interfere with the use of Common Areas by others.
- c. **Maintenance of Common Areas.** Landlord shall maintain the Common Areas in good order, condition and repair. This maintenance cost shall be an Operating Cost chargeable to Tenant pursuant to Section 8. In performing such maintenance, Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises.

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 Page 1 of 24

12. **ALTERATIONS.** Tenant may make alterations, additions or improvements to the Premises, including any Tenant Work identified on attached Exhibit C (the "Alterations"), only with the prior written consent of Landlord, which, with respect to Alterations not affecting the structural components of the Premises or utility systems therein, shall not be unreasonably withheld, conditioned, or delayed. Landlord shall have thirty (30) days in which to respond to Tenant's request for any Alterations so long as such request includes the name of Tenant's contractors and reasonably detailed plans and specifications therefor. The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures that may be performed without damaging existing improvements or the structural integrity of the Premises, the Building, or the Property, and Landlord's consent shall not be required for Tenant's installation or removal of those items. Tenant shall perform all work at Tenant's expense and in compliance with all applicable laws and shall complete all Alterations in accordance with plans and specifications approved by Landlord, using contractors approved by Landlord, and in a manner so as not to unreasonably interfere with other tenants. Tenant shall pay, when due, or furnish a bond for payment (as set forth in Section 20) all claims for labor or materials furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's liens against the Premises or the Property or any interest therein. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration, and it shall become Landlord's property. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.
13. **REPAIRS AND MAINTENANCE; SURRENDER.** Tenant shall, at its sole expense, maintain the entire Premises in good condition and promptly make all non-structural repairs and replacements necessary to keep the Premises safe and in good condition, including all HVAC components and other utilities and systems to the extent exclusively serving the Premises. Landlord shall maintain and repair the Building structure, foundation, subfloor, exterior walls, roof structure and surface, and HVAC components and other utilities and systems serving more than just the Premises, and the Common Areas, the costs of which shall be included as an Operating Cost. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises, the Building, or the Property and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the negligence or willful misconduct of Landlord or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees therein. If Tenant fails to perform Tenant's obligations under this Section, Landlord may at Landlord's option enter upon the Premises after ten (10) days' prior notice to Tenant and put the same in good order, condition and repair and the cost thereof together with interest thereon at the default rate set forth in Section 4 shall be due and payable as additional rent to Landlord together with Tenant's next installment of Base Rent. Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.
14. **ACCESS AND RIGHT OF ENTRY.** After twenty-four (24) hours' notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, inspections, alterations or improvements, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of (a) showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term; and (b) posting "for lease" signs within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term.
15. **SIGNAGE.** Tenant shall obtain Landlord's written consent as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.
16. **DESTRUCTION OR CONDEMNATION.**

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 Rev. 3/2011
 Page 1 of 24

- a. **Damage and Repair.** If the Premises or the portion of the Building or the Property necessary for Tenant's occupancy are partially damaged but not rendered untenantable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and the portion of the Property necessary for Tenant's occupancy to the extent required below and this Lease shall not terminate. Tenant may, however, terminate the Lease if Landlord is unable to restore the Premises within six (6) months of the casualty event by giving twenty (20) days written notice of termination.

The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenantable if twenty-five percent (25%) or less of each of those areas are damaged. If insurance proceeds are not available or are not sufficient to pay the entire cost of restoring the Premises, or if Landlord's lender does not permit all or any part of the insurance proceeds to be applied toward restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or fifty percent (50%) or more of the rentable area of the Property are entirely destroyed, or partially damaged and rendered untenantable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises and the portion of the Property necessary for Tenant's occupancy to their previous condition to the extent required below; provided, however, if such casualty event occurs during the last six (6) months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within sixty (60) days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises or the portion of the Property necessary for Tenant's occupancy untenantable, Landlord fails to notify Tenant of its election to restore those areas, or if Landlord is unable to restore those areas within six(6) months of the date of the casualty event, then Tenant may elect to terminate the Lease upon twenty (20) days' notice to Landlord unless Landlord, within such twenty (20) day period, notifies Tenant that it will in fact restore the Premises or actually completes such restoration work to the extent required below, as applicable.

If Landlord restores the Premises or the Property under this Section, Landlord shall proceed with reasonable diligence to complete the work, and the Rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole Premises, provided that there shall be a Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant; any alterations or improvements paid for by Tenant; any Tenant's Work identified in Exhibit C (regardless of who may have completed them); Tenant's furniture; or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord's restoration obligations hereunder shall not include any obligation to repair any damage thereto or replace the same.


- b. **Condemnation.** If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or 50% or more of the rentable area of the Property are made untenantable by eminent domain, or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the Property taken by the condemning authority. All Rents and other payments shall be paid to that date.

If the condemning authority takes a portion of the Premises or of the Building or the Property necessary for Tenant's occupancy that does not render them untenantable, then this Lease shall continue in full force and effect and the Rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenantable if twenty-five percent (25%) or less of each of those areas are condemned. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building or the

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 Rev. 3/2011
 Page 1 of 24

Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses if Tenant may terminate the Lease under this Section, provided that in no event shall Tenant's claim reduce Landlord's award.

17. INSURANCE.

- a. **Tenant's Liability Insurance.** During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall name Landlord, its property manager (if any), and other parties designated by Landlord as additional insureds using an endorsement form acceptable to Landlord, and shall insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than \$2,000,000, and a deductible of not more than \$10,000. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord. Landlord may also require Tenant to obtain and maintain business income coverage for at least six (6) months, business auto liability coverage, and, if applicable to Tenant's Permitted Use, liquor liability insurance and/or warehouseman's coverage.
- b. **Tenant's Property Insurance.** During the Lease term, Tenant shall pay for and maintain special form clauses of loss coverage property insurance (with coverage for earthquake if required by Landlord's lender and, if the Premises are situated in a flood plain, flood damage) for all of Tenant's personal property, fixtures and equipment in the amount of their full replacement value, with a deductible of not more than \$10,000.
- c. **Miscellaneous.** Tenant's insurance required under this Section shall be with companies rated A-/VII or better in Best's Insurance Guide, and which are admitted in the State in which the Premises are located. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days prior written notice to Landlord. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, copies of the insurance policies or evidence of insurance and copies of endorsements required by this Section. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Section, and such failure continues for three (3) days after notice from Landlord, Landlord may, but shall not be required to, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance upon demand. Such amounts shall be Additional Rent payable by Tenant hereunder and in the event of non-payment thereof, Landlord shall have the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of Rent hereunder.
- d. **Landlord's Insurance.** Landlord shall carry special form clauses of loss coverage property insurance of the Building shell and core in the amount of their full replacement value, liability insurance with respect to the Common Areas, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. The cost of any such insurance shall be included in the Operating Costs, and if such insurance is provided by a "blanket policy" insuring other parties or locations in addition to the Building, then only the portion of the premiums allocable to the Building and Property shall be included in the Operating Costs.
- e. **Waiver of Subrogation.** Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by property insurance required to be carried or otherwise carried by each of them. Each party shall provide notice to the property insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective property insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such property policies or to the extent of liabilities exceeding the limits of such policies.

18. INDEMNIFICATION.

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- a. **Indemnification by Tenant.** Tenant shall defend, indemnify, and hold Landlord and its property manager (if any) harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Tenant or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.
 - b. **Indemnification by Landlord.** Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Landlord or Landlord's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel reasonably acceptable to Tenant in defense of any action within Landlord's defense obligation.
 - c. **Waiver of Immunity.** Landlord and Tenant each specifically and expressly waive any immunity that each may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Neither party's indemnity obligations under this Lease shall be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts.
 - d. **Exemption of Landlord from Liability.** Except to the extent of claims arising out of Landlord's gross negligence or intentional misconduct, Landlord shall not be liable for injury to Tenant's business or assets or any loss of income therefrom or for damage to any property of Tenant or of its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or any other person in or about the Premises or the Property.
 - e. **Survival.** The provisions of this Section 18 shall survive expiration or termination of this Lease.
19. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Tenant shall pay the reasonable cost of processing same, including attorneys' fees, upon demand of Landlord, up to a maximum of \$ 1,250.
- If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.
- As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, if required, for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreement or documents.
20. **LIENS.** Tenant shall not subject the Landlord's assets to any liens or claims of lien. Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability for any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, within ten (10) days after Landlord's demand, at Tenant's expense, either remove the lien or furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien.

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 Page 1 of 24

21. **DEFAULT.** The following occurrences shall each constitute a default by Tenant (an "Event of Default"):

- a. **Failure To Pay.** Failure by Tenant to pay any sum, including Rent, due under this Lease following five (5) days' notice from Landlord of the failure to pay.
- b. **Vacation/Abandonment.** Vacation by Tenant of the Premises (defined as an absence for at least fifteen (15) consecutive days without prior notice to Landlord), or abandonment by Tenant of the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.
- c. **Insolvency.** Tenant's insolvency or bankruptcy (whether voluntary or involuntary); or appointment of a receiver, assignee or other liquidating officer for Tenant's business; provided, however, that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within sixty (60) days after its institution or commencement.
- d. **Levy or Execution.** The taking of Tenant's interest in this Lease or the Premises, or any part thereof, by execution or other process of law directed against Tenant, or attachment of Tenant's interest in this Lease by any creditor of Tenant, if such attachment is not discharged within fifteen (15) days after being levied.
- e. **Other Non-Monetary Defaults.** The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after notice by Landlord to Tenant of the breach.
- f. **Failure to Take Possession.** Failure by Tenant to take possession of the Premises on the Commencement Date or failure by Tenant to commence any Tenant Improvement in a timely fashion.

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant's sole remedy shall be to seek actual money damages (but not consequential or punitive damages) for loss arising from Landlord's failure to discharge its obligations under this Lease. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

Any notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

22. **REMEDIES.** Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

- a. **Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than notice of termination from Landlord to Tenant shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's Relletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate

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 Rev. 3/2011
 Page 1 of 24

Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described below.


- b. **Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord all Reletting Expenses (defined below); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises and after deducting Landlord's Reletting Expenses. "Reletting Expenses" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.
- c. **Waiver of Redemption Rights.** Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, or any extension thereof.
- d. **Nonpayment of Additional Rent.** All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.
- e. **Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law or to foreclose Landlord's lien for unpaid rent.

23. **MORTGAGE SUBORDINATION AND ATTORNMENT.** This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"). Tenant shall attorn to the holder of any Landlord's Mortgage or any party acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided the acquiring party assumes the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days after request execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section to subordinate in the future are conditioned on the holder of each Landlord's Mortgage and each party acquiring the Premises at any sale or other proceeding under any such Landlord's

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 Rev. 3/2011
 Page 1 of 24

Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default by Tenant exists.

24. **NON-WAIVER.** Landlord's waiver of any breach of any provision contained in this Lease shall not be deemed to be a waiver of the same provision for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any previous breach by Tenant.
25. **HOLDOVER.** If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return them to Landlord after the expiration or termination of this Lease, the tenancy shall be a holdover tenancy and shall be on a month-to-month basis, which may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 150% of the rate of rental last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in effect. Tenant acknowledges and agrees that this Section does not grant any right to Tenant to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover.
26. **NOTICES.** All notices under this Lease shall be in writing and effective (i) when delivered in person or via overnight courier to the other party, (ii) three (3) days after being sent by registered or certified mail to the other party at the address set forth in Section 1; or (iii) upon confirmed transmission by facsimile to the other party at the facsimile numbers set forth in Section 1. The addresses for notices and payment of rent set forth in Section 1 may be modified by either party only by written notice delivered in conformance with this Section.
27. **COSTS AND ATTORNEYS' FEES.** If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for their relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding.
28. **ESTOPPEL CERTIFICATES.** Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the total rentable square footage of the Premises; (ii) the date the Lease term commenced and the date it expires; (iii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iv) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (v) that this Lease represents the entire agreement between the parties; (vi) that all obligations under this Lease to be performed by either party have been satisfied; (vii) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (viii) the amount of Rent, if any, that Tenant paid in advance; (ix) the amount of security that Tenant deposited with Landlord; (x) if Tenant has sublet all or a portion of the Premises or assigned its interest in the Lease and to whom; (xi) if Tenant has any option to extend the Lease or option to purchase the Premises; and (xii) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant acknowledges and agrees that any statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days to Landlord's request for the statement required by this Section, Landlord may provide the statement and Tenant shall be deemed to have admitted the accuracy of the information provided by Landlord.
29. **TRANSFER OF LANDLORD'S INTEREST.** This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for collateral purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, including any liability for any retained security deposit or prepaid rent, for which the transferee shall be liable, and Tenant shall attorn to the transferee.
30. **LANDLORD'S LIABILITY.** Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord but are made and intended for the purpose of binding only the Landlord's interest in the Premises, as the same may

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 Rev. 3/2011
 Page 1 of 24

from time to time be encumbered. In no event shall Landlord or its partners, shareholders, or members, as the case may be, ever be personally liable hereunder.

31. **RIGHT TO PERFORM.** If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's behalf. Tenant shall, within ten (10) days of demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.
32. **HAZARDOUS MATERIAL.** As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. Landlord represents and warrants to Tenant that, to Landlord's actual knowledge without duty of investigation, there is no Hazardous Material on, in, or under the Premises as of the Commencement Date except as may otherwise have been disclosed to Tenant in writing before the execution of this Lease. ~~If there is any Hazardous Material on, in, or under the Premises as of the Commencement Date which has been or thereafter becomes unlawfully released through no fault of Tenant, then Landlord shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such contamination.~~

 Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except with Landlord's prior consent and then only upon strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises or the Property; damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, or elsewhere; damages arising from any adverse impact on marketing of space at the Premises or the Property; and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Landlord and Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

 Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any unlawful release of any Hazardous Materials on the Premises or the Property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or the Property to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion. The provisions of this Section 32 shall survive expiration or termination of this Lease.
33. **QUIET ENJOYMENT.** So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord.
34. **MERGER.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

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 Rev. 3/2011
 Page 1 of 24

35. GENERAL.

- a. **Heirs and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.
- b. **Brokers' Fees.** Tenant represents and warrants to Landlord that except for Tenant's Broker, if any, described and disclosed in Section 37 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that except for Landlord's Broker, if any, described and disclosed in Section 37 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.
- c. **Entire Agreement.** This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.
- d. **Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.
- e. **Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.
- f. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Washington.
- g. **Memorandum of Lease.** Neither this Lease nor any memorandum or "short form" thereof shall be recorded without Landlord's prior consent.
- h. **Submission of Lease Form Not an Offer.** One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both of them.
- i. **No Light, Air or View Easement.** Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Building shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.
- j. **Authority of Parties.** Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, that the execution and delivery of this Lease has been duly authorized, and that upon such execution and delivery, this Lease shall be binding upon and enforceable against the party on signing.
- k. **Time.** "Day" as used herein means a calendar day and "business day" means any day on which commercial banks are generally open for business in the state where the Premises are situated. Any period of time which would otherwise end on a non-business day shall be extended to the next following business day. Time is of the essence of this Lease.

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 Rev. 3/2011
 Page 1 of 24

36. **EXHIBITS AND RIDERS.** The following exhibits and riders are made a part of this Lease, and the terms thereof shall control over any inconsistent provision in the sections of this Lease:

- Exhibit A: Floor Plan Outline of the Premises
- Exhibit B: Legal Description of the Property
- Exhibit C: Tenant Improvement Schedule

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- Rent Rider
- Arbitration Rider
- Letter of Credit Rider
- Guaranty of Tenant's Lease Obligations Rider
- Parking Rider
- Option to Extend Rider
- Rules and Regulations

37. **AGENCY DISCLOSURE.** At the signing of this Lease, Landlord is represented by Harbor Realty Advisors LLC - Gary G Gallinger (insert both the name of the Broker and the ~~Firm-as-Firms~~ licensed) (the "Landlord's Broker"), and Tenant is represented by None (insert both the name of the Broker and the Firm as licensed) (the "Tenant's Broker").

This Agency Disclosure creates an agency relationship between Landlord, Landlord's Broker (if any such person is disclosed), and any managing brokers who supervise Landlord's Broker's performance (collectively the "Supervising Brokers"). In addition, this Agency Disclosure creates an agency relationship between Tenant, Tenant's Broker (if any such person is disclosed), and any managing brokers who supervise Tenant's Broker's performance (also collectively the "Supervising Brokers"). If Tenant's Broker and Landlord's Broker are different real estate licensees affiliated with the same Firm, then both Tenant and Landlord confirm their consent to that Firm and both Tenant's and Landlord's Supervising Brokers acting as dual agents. If Tenant's Broker and Landlord's Broker are the same real estate licensee who represents both parties, then both Landlord and Tenant acknowledge that the Broker, his or her Supervising Brokers, and his or her Firm are acting as dual agents and hereby consent to such dual agency. If Tenant's Broker, Landlord's Broker, their Supervising Brokers, or their Firm are dual agents, Landlord and Tenant consent to Tenant's Broker, Landlord's Broker and their Firm being compensated based on a percentage of the rent or as otherwise disclosed on the attached addendum. Neither Tenant's Broker, Landlord's Broker nor either of their Firms are receiving compensation from more than one party to this transaction unless otherwise disclosed on an attached addendum, in which case Landlord and Tenant consent to such compensation. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

38. **COMMISSION AGREEMENT.** If Landlord has not entered into a listing agreement (or other compensation agreement with Landlord's Broker), Landlord agrees to pay a commission to Landlord's Broker (as identified in the Agency Disclosure paragraph above) as follows:


- \$ _____
- 6.0% of the gross rent payable pursuant to the Lease
- \$ _____ per square foot of the Premises
- Other _____

Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Lease term pursuant to any right reserved to Tenant under the Lease calculated as provided above or as follows _____ (if no box is checked, as provided above). Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon any expansion of Premises pursuant to any right reserved to Tenant under the Lease, calculated as provided above or as follows _____ (if no box is checked, as provided above).

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 Rev. 3/2011
 Page 1 of 24

Any commission shall be earned upon execution of this Lease, and paid one-half upon execution of the Lease and one-half upon occupancy of the Premises by Tenant. Landlord's Broker shall pay to Tenant's Broker (as identified in the Agency Disclosure paragraph above) the amount stated in a separate agreement between them or, if there is no agreement, \$ N/A or N/A % (complete only one) of any commission paid to Landlord's Broker, within five (5) days after receipt by Landlord's Broker.

If any other lease or sale is entered into between Landlord and Tenant pursuant to a right reserved to Tenant under the Lease, Landlord shall shall not (shall not if not filled in) pay an additional commission according to any commission agreement or, in the absence of one, according to the commission schedule of Landlord's Broker in effect as of the execution of this Lease. Landlord's successor shall be obligated to pay any unpaid commissions upon any transfer of this Lease and any such transfer shall not release the transferor from liability to pay such commissions.

39. **BROKER PROVISIONS.** LANDLORD'S BROKER, TENANT'S BROKER AND THEIR FIRMS HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PREMISES; THE MEANING OF THE TERMS AND CONDITIONS OF THIS LEASE; LANDLORD'S OR TENANT'S FINANCIAL STANDING; ZONING OR COMPLIANCE OF THE PREMISES WITH APPLICABLE LAWS; SERVICE OR CAPACITY OF UTILITIES; OPERATING COSTS; OR HAZARDOUS MATERIALS. LANDLORD AND TENANT ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL ADVICE ON THESE AND OTHER MATTERS ARISING UNDER THIS LEASE.

IN WITNESS WHEREOF this Lease has been executed the date and year first above written.

_____	_____
LANDLORD	TENANT
_____	_____
LANDLORD	TENANT
_____	_____
BY	BY
_____	_____
ITS	ITS

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 Page 1 of 24

LEASE AGREEMENT
 Multi Tenant Triple Net (NNN Lease)

STATE OF WASHINGTON)
) ss.
 COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 20____.

 (Signature of Notary)

 (Legibly Print or Stamp Name of Notary)
 Notary public in and for the state of Washington,
 residing at _____
 My appointment expires _____

STATE OF WASHINGTON)
) ss.
 COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 20____.

 (Signature of Notary)

 (Legibly Print or Stamp Name of Notary)
 Notary public in and for the state of Washington,
 residing at _____
 My appointment expires _____

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LEASE AGREEMENT
 Multi Tenant Triple Net (NNN Lease)

STATE OF WASHINGTON)
) ss.
 COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 20_____.

 (Signature of Notary)

 (Legibly Print or Stamp Name of Notary)
 Notary public in and for the state of Washington,
 residing at _____
 My appointment expires _____

STATE OF WASHINGTON)
) ss.
 COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 20_____.

 (Signature of Notary)

 (Legibly Print or Stamp Name of Notary)
 Notary public in and for the state of Washington,
 residing at _____
 My appointment expires _____

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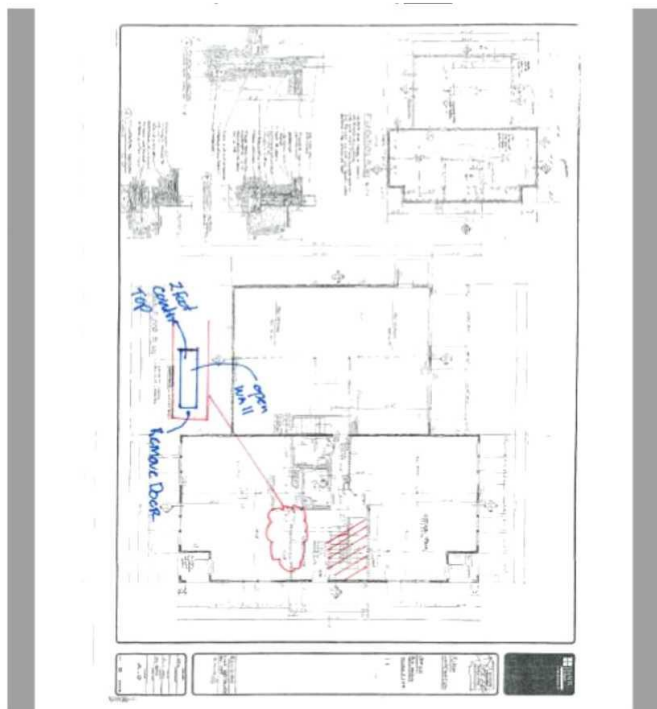
Harbor Realty Advisors, LLC
 5358 33rd Ave NW Ste. 302
 Gig Harbor, WA 98335
 Phone: 253-853-3223
 Fax: 253-853-2788

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 Page 1 of 24

LEASE AGREEMENT
 Multi Tenant Triple Net (NNN Lease)

EXHIBIT A

[Outline of the Premises] _____



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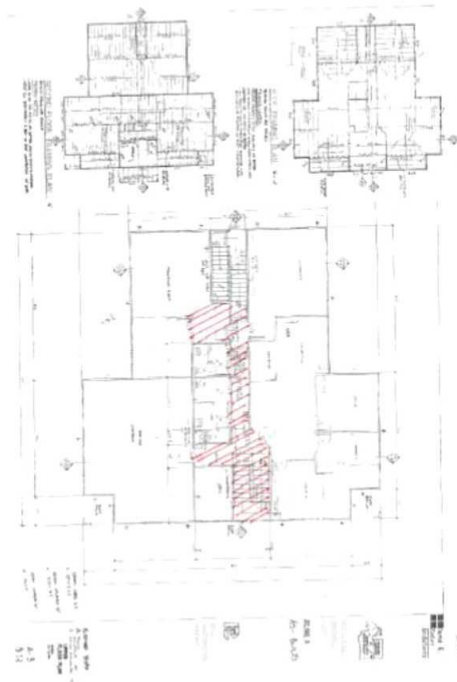
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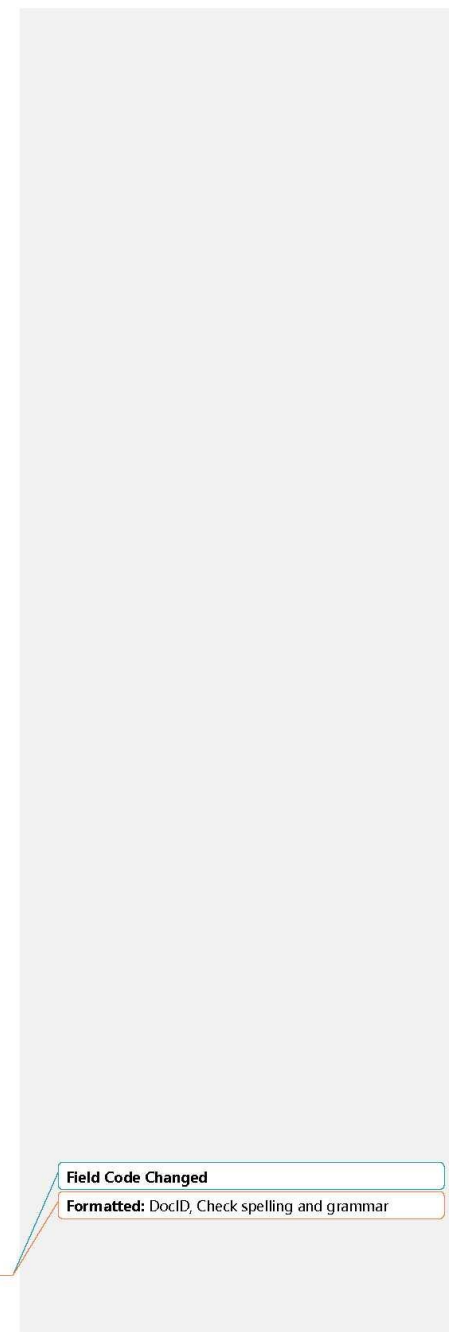


Form: MT_NNN
 Multi-Tenant NNN Lease
 Rev. 3/2011
 Page 1 of 24

LEASE AGREEMENT
 Multi Tenant Triple Net (NNN Lease)



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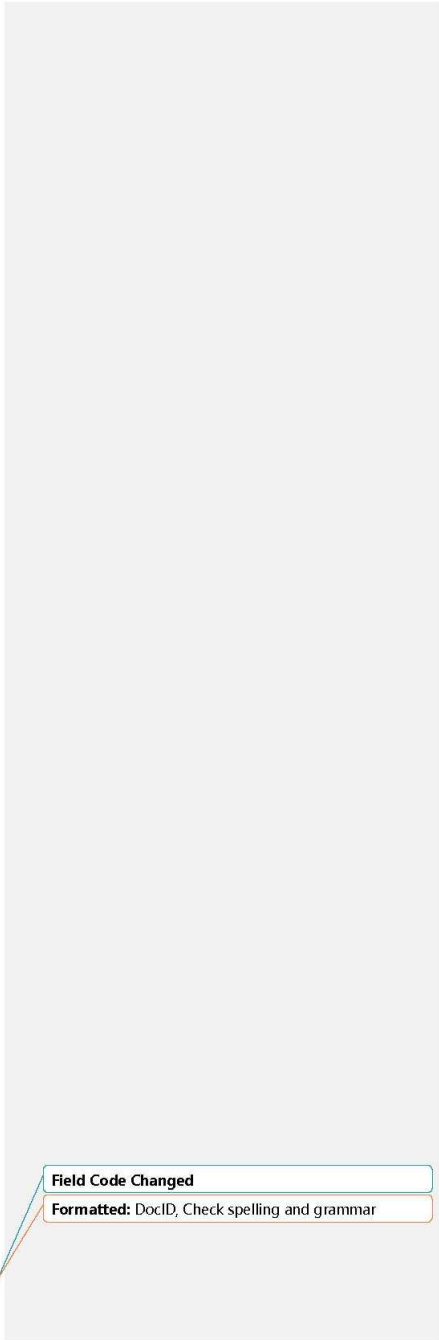


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 Multi-Tenant NNN Lease
 Rev. 3/2011
 Page 1 of 24

LEASE AGREEMENT
 Multi Tenant Triple Net (NNN Lease)

EXHIBIT B


[Legal Description of the Property]



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 Rev. 3/2011
 Page 1 of 24

LEASE AGREEMENT
 Multi Tenant Triple Net (NNN Lease)

EXHIBIT C

[Tenant Improvement Schedule]

1. Tenant Improvements to be Completed by Landlord

Landlord to complete:

- New building standard floor coverings in the entry stairs, upper level hall way
- Paint the common areas in the entry and the upper hall way the current color and the touch up or paint the office areas similar to the existing paint in the upper left side suite.
- Remove partial wall on the main floor and add a 6-8 foot counter top for a reception area.

2. Tenant Improvements to be Completed by Tenant

~~To Be determined.~~

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Form: RR
 Rent Rider
 Rev 1/2011
 Page 1 of 1

RENT RIDER

CBA Text Disclaimer: Text deleted by licensee indicated by strike.
 New text inserted by licensee indicated by small capital letters.

This Rent Rider ("Rider") is a part of the lease agreement dated _____ (the "Lease") between Brown Dog Realty LLC ("Landlord") and Peninsula Metropolitan Parks ("Tenant") concerning the space commonly known as _____ (the "Premises"), located at the property commonly known as 5717 Wollochet Dr NW, Gig Harbor, WA (the "Property").

1. BASE MONTHLY RENT SCHEDULE. Tenant shall pay Landlord base rent on or before the first day of the month according to the following schedule:

Time Period	Annual Base Rent	Monthly Base Rent
September 1, 2019 – August 30, 2020	\$82,404.40 plus NNN **	\$6,867.03 Plus NNN**
September 1, 2020 –August 30, 2021	\$84,876.53 plus NNN	\$7,073.04 plus NNN
September 1, 2021 –August 30, 2022	\$87,422.83 plus NNN	\$7,285.24plus NNN

** NNN for 2019 are estimated to be \$5.00/RSF for Office and \$3.50/RSF warehouse

2.

INITIALS: LANDLORD _____ DATE _____ TENANT _____ DATE _____
 LANDLORD _____ DATE _____ TENANT _____ DATE _____

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 Rev. 3/2011
 Page 1 of 24

**ADDENDUM/AMENDMENT TO
 CBA LEASES**

CBA Text Disclaimer: Text deleted by licensee indicated by strike.

The following is part of the Commercial Lease Agreement dated _____.

Between Brown Dog Realty LLC ("Landlord")

And Peninsula Metropolitan Parks ("Tenant")

regarding the lease of the Property known as: 5717 Wollochet Drive NW

IT IS AGREED BETWEEN THE LANDLORD AND TENANT AS FOLLOWS: Tenant shall pay 100% of any parking lot, landscaping and garbage expenses attributable to the Premises. As of the date of this Lease these expenses are shared with adjoining property owners (50/50 garbage and landscaping and 1/3, 1/3, 1/3 for parking lot).

OPTION TO EXTEND. If, at the end of the initial Term of this Lease, (a) Tenant is not default of any of the terms, conditions or covenants of this Lease, beyond any applicable notice and cure period, and (b) Tenant has not assigned or sublet the Premises, then Tenant shall have the option to extend the Term for one (1) additional period of three (3) years (an "**Option Period**") upon the same terms and conditions contained in this Lease with the following exceptions:

(a) The Base Rent for the Option Period shall be in accordance with the following schedule:

Time Period	Annual Base Rent	Monthly Base Rent
September 1, 2022 – August 30, 2023	\$90,045.51 -plus NNN	\$7,500.13 plus NNN
September 1, 2023 –August 30, 2024	\$92746.88 plus NNN	\$7,726.39 plus NNN
September 1, 2023 –August 30, 2025	\$95,529.28 plus NNN	\$7,957.50 plus NNN

(b) There shall be no further extensions of the Term following the expiration of the Option Period unless granted by Landlord in writing in its sole discretion; and

(c) Tenant will not be granted any rental concessions, rental abatement or finish-out allowances during any of the Option Period.

1.2 OPTION NOTICE. If Tenant desires to exercise its option to extend the Lease Term (subject to Tenant's compliance with the standards set forth herein), Tenant will notify Landlord in writing of Tenant's intention to do so no later than six (6) months, nor earlier than eighteen (18) months, prior to the expiration date of then current Term. After proper and timely exercise of the extension option by Tenant, all references in this Lease to "Lease Term" or "Term" shall be considered to mean the Term as extended, and all references in this Lease to the expiration date or to the end of the Term shall be considered to mean the termination or end of the Option Period.

INITIALS: LANDLORD _____ DATE _____ TENANT _____ DATE _____
 LANDLORD _____ DATE _____ TENANT _____ DATE _____

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