

OPTION TO LEASE COMMERCIAL OFFICE SPACE

This OPTION TO LEASE COMMERCIAL OFFICE SPACE (“Option” or “Agreement”) is made by and between VINE STREET ASSOCIATES, LLC (“Landlord” or “Optionor”), and the CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington (“Lessee” or “Optionee”), together known as the Parties (the “Parties”), or individually as a Party (a “Party”), effective as of the Effective Date (as defined below in Section 5.15).

RECITALS

A. Landlord is the owner of certain real property located in the City of Olympia, Thurston County, Washington, commonly known as the “Town Square Building 4” and located at 925 Plum Street SE, Olympia, Washington 98501, consisting of commercial office space and tenant common areas. Building 4 is one of three buildings located on Tax Parcel No. 78203600100. This option to lease is for the entire commercial office space located within Town Square Building 4 (hereafter “the Property”).

B. Lessee has determined that Landlord’s Property may be suitable commercial office space for relocation of certain municipal offices, including but not limited to space for the Olympia Municipal Court, consisting of courtrooms, offices for court staff, court administrative offices, court records and public service counter, judicial chambers, probation services, offices for public defense/public defenders, and offices for City of Olympia prosecutors and prosecution support staff, including victim advocates, among other space needs that may be identified by Lessee.

C. The signatories to this Option are authorized to execute associated documents, to correct legal descriptions if need be, and to correct scrivener’s errors and other errors or omissions that are otherwise in substantial conformance with this Option.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Lessee agree as follows:

1. Property. Landlord hereby agrees to and does grant to Lessee an Option to Lease Commercial Office Space to certain real property located in the City of Olympia, Thurston County, Washington, commonly known as the “Town Square Building 4” and located at 925 Plum Street SE, Olympia, Washington 98501, consisting of commercial office space and tenant common areas. Building 4 is one of three buildings located on Tax Parcel No. 78203600100, and Lessee hereby agrees to and does purchase an Option from Landlord for a right to lease all commercial office space located within Town Square Building 4 located at 925 Plum Street SE, Olympia, Washington 98501, subject to the terms and conditions set forth herein.

2. Option Terms and Payments. The term of the Option and payments therefore shall be as follows:

2.1 Term of Option. The term of this Option shall be for a period of eight (8) months which shall commence following the execution of this Option to Lease Commercial Office Space as of the Effective Date defined in Section 5.15 below.

2.2 Payments for Option. Consideration for the Option granted to Lessee by Landlord shall be as follows:

2.2.1 First Option Period. Landlord grants to Lessee an Option to lease all commercial office space in the Property for a period of ninety (90) days from the Effective Date of this Option to Lease Commercial Office Space, without any payment to Landlord, in consideration of Lessee's research, study, and investigation into the suitability of Landlord's Property for Lessee's use as a suitable location for the Olympia Municipal Court and other related municipal offices.

2.2.2 Second Option Period. Landlord grants to Lessee two consecutive thirty (30) day extensions to Lessee, contingent upon Lessee paying Landlord the sum of Five Thousand Dollars and No Cents (**\$5,000.00**) on the first day of each month following the first option period in Section 2.2.1 above.

2.2.3 Third Option Period. Following the second option period referenced in Section 2.2.2 above, Landlord grants to Lessee two additional thirty (30) day extensions to Lessee, contingent upon Lessee paying Landlord the sum of Ten Thousand Dollars and No Cents (**\$10,000.00**) on the first day of each month following the second option period in Section 2.2.2 above.

2.2.4 Fourth Option Period. Following the third option period referenced in Section 2.2.3 above, Landlord grants to Lessee one final thirty (30) day option extension to Lessee, contingent upon Lessee paying Landlord the sum of Fifteen Thousand Dollars and No Cents (**\$15,000.00**) on the first day of the month following the third option period in Section 2.2.3 above.

2.3 Nonrefundable Option Payments. All Option payments to Landlord are nonrefundable in the event Lessee fails to enter into a lease agreement for Landlord's Property. However, should Lessee give written notice to Landlord of its intent to exercise its Option to Lease Commercial Office Space for Landlord's Property, the amount of all Lessee's Option payments paid to Landlord shall be applied to and deducted from the rent owed to Landlord for the Property under the Lease agreement.

2.4 Exercise of Option to Lease. The Lessee may exercise this Option to Lease Commercial Office Space by timely giving written notice to Landlord prior to the expiration of the Option term, as provided in Section 4 below, of Lessee's decision to lease the Property. If Lessee fails to timely exercise the Option to Lease Commercial Office Space, this Option shall terminate and no longer be effective.

2.5 Physical Condition to Remain Substantially the Same. The physical condition of the Property shall remain substantially the same as it is at the time of Lessee's signature to this Option agreement. If at any time during the Option period, the Property is otherwise materially damaged or destroyed, Lessee is entitled to the return of its Option payment(s) made under Section 2.2. Landlord shall not enter into any lease, license or other occupancy agreement with any person for the Property until after the Option term has expired and Lessee has elected not to exercise its Option to Lease Commercial Office Space for the Property.

3. After Exercise of Option to Lease Commercial Office Space. If Lessee timely exercises its Option to Lease Commercial Office Space, the Parties shall work in good faith to reach agreement on a lease for commercial office space within sixty (60) days.

4. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any Party (collectively, "Notices") shall be in writing and shall be validly given or made to the other Party if delivered either personally or by FedEx or other overnight delivery service of recognized standing, or if deposited in the United States Postal Service mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by FedEx or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given five (5) days after the deposit thereof in the United States Postal Service mail. Each such Notice shall be deemed given only if properly addressed to the Party to whom such notice is to be given as follows:

To Landlord: Vine Street Associates, LLC
PO Box 430
Arlington, WA 98223
Email: Camron@transwesternresi.com,
Phone: (360) 435-8625 / (360) 753-3100

With copies to: VSG Lease Notifications:
Leasenotifications@vinestreetgroup.com

To Lessee: Rich Hoey, Assistant City Manager
City of Olympia
601 4th Ave E
P.O. Box 1967
Olympia, WA 98507-1967
E-mail: rhoey@ci.olympia.wa.us
Phone: (360) 753-8227

With copies to: Mark Barber, City Attorney
City of Olympia
601 4th Ave E
P.O. Box 1967
Olympia, WA 98507-1967
E-mail: mbarber@ci.olympia.wa.us
Phone: (360) 753-8338

Any Party hereto may change its address for the purpose of receiving notices by a written notice given in the manner aforesaid to the other Party hereto.

5.0 Miscellaneous.

5.1 Applicable Law and Venue. This Option shall, in all respects, be governed by the laws of the State of Washington. Venue for any lawsuits concerning this agreement shall be in the Superior Court for Thurston County.

5.2 Further Assurances. Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations under this Option and to carry out the intent of the Parties hereto.

5.3 Modification, Amendment, or Waivers. No amendment, change, modification, or waiver of this Option shall be valid, unless in writing and signed by all of the Parties hereto.

5.4 Successors and Assigns. All of the terms and provisions contained in the Option to Lease Commercial Office Space shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns.

5.5 Entire Agreement. This Option shall constitute the entire understanding and agreement of the Parties with respect to the subject matter and any and all prior agreements, understandings or representations with respect to such subject matter is hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under the Option to any person, firm or corporation other than the Parties hereto.

5.6 Attorneys' Fees. Should either Party bring suit to enforce the terms of this Option, the substantially prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

5.7 Construction. Captions are solely for the convenience of the Parties and are not a part of the Option to Lease Commercial Office Space. The Option shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it. If the date on which Landlord or Lessee are required to take any action under the terms of the Option is not a business day, the action shall be taken on the next succeeding business day.

5.8 Partial Invalidity. If any term or provision of the Option or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Option shall not be affected thereby; and each such term and provision of the Option shall be valid and be enforced to the fullest extent permitted by law.

5.9 Survival. The covenants, agreements, and representations made in this Option shall survive the Option unimpaired.

5.10 Time. Time is of the essence of every term and provision of this Option.

5.11 Force Majeure. Performance by Landlord or Lessee of their obligations under the Option to Lease Commercial Office Space shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the Party who is obligated to render performance (but excluding financial inability to perform, however caused).

5.12 No Individual Liability. In no event shall any shareholder, officer, director, member, partner, affiliate, agent or employee of Landlord be held liable or responsible in any way for the obligations or liabilities of Lessee under this Option.

5.13 Counterparts. This Option may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Agreement; but in making proof of this Option to Lease Commercial Office Space, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of the Option to Lease Commercial Office Space may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned or digital signature shall be deemed to be an original signature for all purposes where permitted by law. All executed counterparts of the Option shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement as Option to Lease Commercial Office Space.

5.14 Recitals. The Recitals to this Option to Lease Commercial Office Space are incorporated herein by reference, and made part of the terms and provisions of this Option as if fully set forth herein.

5.15 Effective Date. The term, “**date of this Agreement**”, or “**date hereof**”, or “**Effective Date**”, as used herein, shall mean the later of the following dates: (1) the date of Landlord’s signature; or (2) the date of Lessee’s signature following authorization by the Olympia City Council.

[Signatures follow on next pages.]

LANDLORD:

VINE STREET ASSOCIATES, LLC

By: Connie K. McKinley

Print Name: Connie K. McKinley

Title: Manager

Date: 2/14/24

STATE OF WASHINGTON)

Snohomish) ss.
COUNTY OF ~~THURSTON~~)

On the 14th day of February 2024, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Connie McKinley, to me known to be the Manager of Vine Street Associates, LLC, a Washington limited liability company, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned and on oath states that she is authorized to execute the said instrument.

WITNESS my hand and official seal the day and year first above written.



Elaine Marie Jensen
Signature
Elaine Marie Jensen
Print Name
NOTARY PUBLIC in and for the State of
Washington
Residing at Marysville
My appointment expires: 12/9/24

LESSEE:

CITY OF OLYMPIA, a Washington municipal corporation

By: _____

Print Name: _____

Title: City Manager

Date: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On the ____ day of _____ 2024, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steven J. Burney, to me known to be the City Manager of the City of Olympia, a municipal corporation, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath states that he/she/they is/are authorized to execute the said instrument.

WITNESS my hand and official seal the day and year first above written.

Signature

Print Name
NOTARY PUBLIC in and for the State of

Residing at _____
My appointment expires: _____

Approved as to Form:

Mark Barber
City Attorney