

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is between the City of Olympia, a Washington municipal corporation ("Lessor"), and VALEO Vocation, a Washington nonprofit corporation ("Lessee"), jointly referred to in this Lease as "the Parties" or singularly as a "Party." This Lease is not effective until the "Effective Date" (as defined in Paragraph 14.15 below).

RECITALS

Lessor is the owner of certain real property located at 528 Franz Anderson Road in Olympia, Thurston County, Washington consisting of approximately 1.48 acres (64,468.8 square feet) and legally described on Exhibit "A" attached to this Lease, and generally shown on a vicinity sketch attached as Exhibit "B" to this Lease. (All attached exhibits to this Lease are a part of this Lease.)

Lessee wants to lease the property from Lessor for the sole purpose of using it for a tiny houses/shelters village to provide temporary shelter and housing for homeless persons in tiny houses. Lessee will maintain on the site a community eating and meeting facility, and areas for sanitary shower, toilet, laundry facilities, solid waste collection, and for other related case management services for the temporary residents of the tiny houses/shelters village.

The Parties to this Lease are entering into a separate Funding Agreement that governs the City of Olympia's provision of funding to VALEO Vocation in exchange for Valeo's operation, management, and maintenance of the tiny house/shelter facility as specified in that separate Funding Agreement.

The signatories to this Lease acknowledge that they are authorized to execute this Lease and any associated documents, and to correct scrivener's errors or other errors or omissions that would otherwise be in substantial conformance with this Lease.

The Parties enter into this Lease to memorialize the terms and conditions under which Lessor will lease the property to Lessee.

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, the Parties agree as follows:

TERMS AND CONDITIONS

1. **Leased Property.** Lessor hereby leases to Lessee the property located at 528 Franz Anderson Road in Olympia, Thurston County, Washington, legally described as shown on Exhibit "A" and generally located as shown on a vicinity sketch attached as Exhibit "B". The Leased Property described in this Paragraph 1 is referred to in this Lease as "the Property."

2. Use and Occupancy. Lessee shall use the Property as a site to provide shelter to homeless persons in tiny houses/shelters, together with associated facilities for a shared eating and meeting facility, sanitary facilities (showers, sinks, toilets, and laundry), site management, solid waste, storage, and security, and for no other purpose or use without the express written consent of Lessor.
3. Term. The term of this Lease is the effective date to July 1, 2026 and may be renewed for an additional term upon mutual written agreement of the Parties, subject to the terms of this Lease and any written modifications or amendments. In the event Lessee ceases to use the Property for the express purpose stated in this Lease, the tenancy will automatically terminate without further notice and the Lessee shall vacate the Property. Lessor or Lessee may terminate this lease, with or without cause, with 90 days' written notice to the other Party.
4. Acceptance of Property As Is. Lessee accepts and acknowledges use of the Property in its "as is" condition.
5. Rent. Lessee shall pay Lessor the sum of ONE DOLLAR AND NO CENTS per year (\$1.00) as rent for the Property. Said rental payment is due and payable upon commencement of the Lease.
6. Maintenance and Repairs. Lessee is responsible for any and all routine repairs to the Property and structures thereon, including appliances, water heater, laundry washer-dryer, electrical, plumbing, roof, carpet, sinks, showers, kitchen appliances and fixtures, interior and exterior paint, flooring or walls, doors or windows, screens, or window coverings, landscaping, rodents or pest control, and mold abatement. Major repairs or replacements, if needed, require the Parties to confer on a solution as to which Party will be responsible for payment of the major repair or replacement. Examples of "major repairs or replacements" outside the routine normal maintenance are: (1) moving, relocating, or installing tiny homes, structures, or permanent installed infrastructure; (2) adding new tiny homes, structures, offices, or permanently required infrastructure; (3) any work that would typically require a mechanical, electrical, or building permit by code; (4) cutting, patching, pouring concrete, or any hardscape work; (5) site storm water drainage that does not recede in a reasonable time or causes significant damage to site infrastructure; and (6) adding, moving, relocating, or damage to perimeter secure fencing that is in excess of 15 percent of total installed fencing. The foregoing list is not to be deemed exclusive. Installation, maintenance, and service of security camera systems for the Property is either included in Lessee's Funding Agreement or will be subject to negotiation between the Parties. To the extent required by law, Lessee shall pay prevailing wages to persons performing work on the Property.
7. Utilities. Lessee is financially responsible for and shall pay for electricity, telephone, cable television, internet, and wi-fi access services to the Property (if any), and any other utilities necessary for operation of the site as a tiny house village/shelter facility.
8. Insurance, Indemnification and Hold Harmless Agreement. Lessee shall defend, indemnify, and hold harmless Lessor, its agents, officers, officials, employees, and volunteers from and against any and all claims, suits, actions, liabilities for injuries, death of any person, or for

loss or damages to property which arises out of Lessee's use of the Property, or from the conduct of Lessee or its employees, agents, or contractors, or from any activity, work, or thing done, permitted, or suffered by Lessee in or about the Property, except only such injury or damage caused by the sole negligence of Lessor. It is further specifically and expressly understood that the indemnification provided in this section constitutes the Lessee's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated and agreed to by the Lessee and Lessor. The provisions of this paragraph survives the expiration or termination of this Lease.

Lessor shall defend, indemnify, and hold harmless Lessee, its agents, officers, employees, contractors, and volunteers from and against any and all claims, suits, actions, liabilities for injuries, death of any person, or for loss or damages to property which arises out of any intentional or negligent breach of this Lease by the Lessor. The provisions of this paragraph survives the expiration or termination of this Lease.

- 8.1 Concurrent negligence. Should a court of competent jurisdiction determine that this Lease is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Lessee and the Lessor, or their respective officers, officials, agents, employees, and volunteers, the Lessee's liability, including the duty and cost to defend, hereunder is only to the extent of Lessee's negligence.
- 8.2 Insurance term. Lessee shall procure and maintain for the duration of the Lease, insurance against claims for injuries to persons or damage or loss to property, which may arise from or in connection with the Lessee's operation and use of the Property.
- 8.3 No Limitation. Lessee's maintenance of insurance as required by this Lease may not be construed to limit the liability of the Lessee to the coverage provided by such insurance, or otherwise limit the Lessor's recourse to any remedy available at law or in equity.
- 8.4 Minimum scope of insurance. The Lessee shall obtain insurance of the types and coverage described below:
 1. Commercial General Liability insurance must be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and must cover premises and contractual liability. Lessor must be named as an additional insured on Lessee's Commercial General Liability insurance policy using ISO Additional Insured-Managers or Lessors of Premises Form CG 20 11 or a substitute endorsement providing at least as broad coverage.
 2. Property insurance must be written on an all risk basis.
- 8.5 Minimum amounts of insurance. The Lessee shall maintain the following insurance limits:

1. Commercial General Liability insurance must be written with limits no less than \$1,000,000 each occurrence, and \$10,000,000 of umbrella or excess insurance.
 2. Property insurance must be written covering the full value of Lessee's property and improvements with no coinsurance provisions.
- 8.6 Other insurance provisions. The Lessee's Commercial General Liability insurance policy or policies are to contain, or be endorsed to contain, that they are primary insurance as respect to the Lessor. Any insurance, self-insurance, or self-insured pool coverage maintained by the Lessor is excess of the Lessee's insurance and does not contribute with it.
- 8.7 Acceptability of insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.
- 8.8 Verification of coverage. Lessee shall furnish Lessor with original certificates and a copy of the amendatory endorsements, including the additional insured endorsement, evidencing the insurance requirements of the Lessee.
- 8.9 Waiver of subrogation. Lessee and Lessor hereby release and discharge each other from all claims, losses, and liabilities arising from or caused by any hazard covered by property insurance on or in connection with the premises or any building or structures on the Property. This release applies only to the extent that such claim, loss, or liability is covered by insurance.
- 8.10 Lessor's property insurance. Lessor shall purchase and maintain during the term of the lease all-risk property insurance covering any building or other structures for its full replacement value without any coinsurance provisions.
- 8.11 Notice of cancellation. Lessee shall provide the Lessor with written notice of any policy cancellation within two business days of Lessee's receipt of such notice.
- 8.12 Failure to maintain insurance. Failure on the part of the Lessee to maintain the insurance as required constitutes a material breach of the Lease, upon which the Lessor may, after giving five business days' notice to the Lessee to correct the breach, terminate the Lease or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the Lessor on demand.
- 8.13 Lessor full availability of Lessee limits. If the Lessee maintains higher insurance limits than the minimums shown above, the Lessor is insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Lessee, irrespective of whether such limits maintained by the Lessee are greater than those required by this Lease or whether any certificate of insurance furnished to the Lessor evidence limits of liability lower than those maintained by the Lessee.

9. Acknowledgment and Acceptance.

- 9.1 Taxes and assessments. In the event a leasehold tax is imposed upon Lessee's tenancy by the State of Washington during the term of this Lease, Lessor shall pay such leasehold tax amount to the State of Washington during the period Lessee has occupied or is occupying the Property.
- 9.2 Mechanics' liens. In the event Lessee causes any labor, material, or services to be furnished in, on, or about the Property, or any part thereof, Lessee shall pay, resolve, settle, or compromise such liens or claims and to fully satisfy such liens or claims so as to prevent or remove any liens against Lessor's Property. Lessee shall not allow any lien to attach to the Property. Lessee shall fully indemnify and hold harmless the Lessor from any and all claims of liens against the Property incurred by Lessee, including any attorney's fees, costs, or other litigation expenses incurred by Lessor in connection with such claims of lien.
- 9.3 Subleases and other agreements. Lessee shall not enter into any leases, subleases, licenses, or easements with any person(s) or entities for profit or other charge or consideration upon the Property, except with the express prior written consent of Lessor. The Property may be solely used for a tiny houses/shelters village, and associated facilities as set forth in Paragraph 2 above, during the term of this Lease.
- 9.4 Motor vehicle parking. Lessee may utilize the parking stalls on the Property for Lessee's staff and provider vehicle parking. Such parking stalls are not intended for resident parking nor vehicle habitation. Lessee shall manage parking on the Property, including engaging a tow operator as necessary to tow illegally parked vehicles.
- 9.5 Storage of personal property. Any personal property of Lessee or those housed on the Property must be stored upon the Property. Lessee shall not store Lessee's personal property, nor permit others to store their personal property, upon any adjacent property owned by Lessor or others, except with express written consent from Lessor or other property owner.
- 9.6 Due authority. Lessee and Lessor have all requisite power and authority to execute and deliver this Lease and to carry out its obligations under this Lease. This Lease has been, and the documents contemplated hereby will be, duly executed and delivered by Lessor and Lessee and constitute their legal, valid and binding obligation enforceable against Lessor and Lessee in accordance with its terms.

10. Covenants of Lessee. Lessee covenants and agrees as follows:

- 10.1 Perform obligations. From the Effective Date, Lessee will perform any monetary and non-monetary obligations it has regarding the Property.

- 10.2 No encumbrances. From the Effective Date, Lessee will not grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option, or other right affecting the Property or any part thereof.
- 10.3 Environmental. Lessor asserts that there are no known hazardous substances or materials as defined under RCW 70A.305, RCW 64.44.010, WAC 246-205, and other current and future applicable federal and state regulations and laws ("**Hazardous Substances**") on the Property at the Effective Date.

Lessee shall not cause or permit any Hazardous Substances to be brought upon, kept, or used in or about, or disposed of on the Property by Lessee, its employees, officers, agents, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state, and local laws and regulations. If Lessee breaches the foregoing obligations, then Lessee shall indemnify, defend, and hold Lessor harmless with respect to any loss, liability, claim, demand, damage, or expense of any kind, including attorneys' fees, costs, and expenses (collectively, "Loss") arising out of the release of Hazardous Substances on, under, above, or about the Property by Lessee, except for any release of any Hazardous Substance on, under, above, or about the Property caused or contributed by Lessor, or any employee, agent, or contractor of Lessor.

- 10.4 Definitions. The term "Hazardous Substance" includes (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," or "solid wastes" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; (d) chlorinated solvents; and (e) asbestos. The term "Environmental Law" includes any federal, state, municipal, or local law, statute, ordinance, regulation, order, or rule pertaining to health, industrial hygiene, environmental conditions, or hazardous substances.
- 10.5 Compliance with laws. Lessee shall comply with any and all statutes, codes, regulations, covenants, or laws that may affect the use and occupancy of the Property. Violation of this covenant by Lessee is grounds for termination of this Lease.
- 10.6 Nuisance or waste. Lessee shall not permit any nuisance upon the Property or permit any waste or destruction of the Property.
- 10.7 Indemnification. Lessee shall pay, protect, pay the defense costs of, indemnify, and hold Lessor and its successors and assigns harmless from and against any and all loss, liability, claim, damage, and expense suffered or incurred by reason of: (a) the breach of any representation, warranty, or agreement of Lessee set forth in this Lease, (b) the failure of Lessee to perform any obligation required by this Lease to be performed by Lessee, (c) the maintenance, and/or operation of the Property by Lessee not in conformance with this Lease, or (d) any injuries to persons or

property from any cause occasioned in whole or in part by any acts or omissions of the Lessee, its representatives, agents, employees, contractors, or suppliers.

- 10.8 Access to Property. Lessee shall permit Lessor and its agents, employees, officials, officers, and contractors to access the Property for the purpose of any environmental studies, work for restoration purposes that is required by permitting agencies, or to perform water, sewer, stormwater, or other necessary utility connections or services as may be required, including garbage/solid waste collection and waste recycling.
11. Casualty. If any fire, windstorm, earthquake, volcanic eruption, or casualty occurs and materially affects all or any portion of the Property on or after the Effective Date, Lessor is under no duty or obligation to repair, replace or rebuild any structure, dwelling, or outbuilding located upon the Property.
12. Legal 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 under this Lease by any Party (collectively, "Notices") must be in writing and must be validly given or made to another Party if delivered either personally or by Federal Express, UPS, USPS, or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it must be conclusively deemed given at the time of such delivery. If such Notice is delivered by Federal Express or other overnight delivery service of recognized standing, it must be deemed given 48 hours after the deposit thereof with such delivery service. If such Notice is mailed, it must be deemed given five days after the deposit thereof in the United States mail. Each such Notice must be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Lessor: Steven J. Burney, City Manager
City of Olympia
601 4th Ave E
P.O. Box 1967
Olympia, WA 98507-1967
Email: jburney@ci.olympia.wa.us

With a copy to: Mark Barber, City Attorney
City of Olympia
601 4th Ave E
P.O. Box 1967
Olympia, WA 98507-1967
Email: mbarber@ci.olympia.wa.us

To Lessee: Sherri Jensen, Chief Executive Officer
Valeo Vocation
603 S. 13th Street
P.O. Box 5907
Tacoma, WA 98415
Office: (253) 301-2134
Cell: (253) 691-2846
Email: sherri@valeovocation.org

Any Party may change its address for receiving notices as provided in this Lease by a written notice given in the manner above to the other Party.

13. Contract Manager. For routine issues of contract management such as insurance, invoices, and issues related to routine management of this Lease, please contact:

Lessor's Manager: Kim Kondrat, Homeless Response Coordinator
City of Olympia
601 4th Ave E
P.O. Box 1967
Olympia, WA 98507-1967
Cell: 360-742-6448
Email: kkondrat@ci.olympia.wa.us

Lessee's Manager: Sherri Jensen, Chief Executive Officer
Valeo Vocation
603 S. 13th Street
P.O. Box 5907
Tacoma, WA 98415
Office: (253) 301-2134
Cell: (253) 691-2846
Email: sherri@valeovocation.org

14. Miscellaneous.

14.1 Applicable law. This Lease is in all respects, governed by the laws of the State of Washington.

14.2 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 Lease, to carry out the intent of the Parties.

14.3 Modification or amendment, waivers. No amendment, change, or modification of this Lease is valid unless in writing and signed by all of the Parties. No waiver of any breach of any covenant or provision in this Lease may be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in this

Lease. No extension of time for performance of any obligation or act may be deemed an extension of the time for performance of any other obligation or act.

- 14.4 Successors and assigns. All of the terms and provisions contained in this Lease inure to the benefit of and are binding upon the Parties and their respective heirs, legal representatives, and successors, if applicable. No assignment is permitted by Lessee of this Lease.
- 14.5 Entire agreement and no third party beneficiaries. This Lease constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings, or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Lease to any person, firm, or corporation other than the immediate Parties.
- 14.6 Attorneys' fees. Should either Party bring suit to enforce the terms of this Lease, the prevailing party in such lawsuit is entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.
- 14.7 Construction. Captions are solely for the convenience of the Parties and are not a part of this Lease. This Lease may not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it.
- 14.8 Partial Invalidity. If any term or provision of this Lease or the application thereof to any person or circumstance is, to any extent, held invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, are not affected thereby; and each such term and provision of this Lease is valid and be enforced to the fullest extent permitted by law.
- 14.9 Survival. The covenants, agreements, obligations to indemnify, representations, and warranties made in this Lease survive unimpaired the expiration or termination of this Lease. This Lease will not be recorded with the Auditor, but a Memorandum of Lease may be recorded with the Auditor at the request of a Party, at that Party's expense.
- 14.10 Time. Time is of the essence of every provision of this Lease.
- 14.11 Risk of loss. All of Lessee's personal property, of any kind or description whatsoever that is on the Property is at Lessee's sole risk of loss. Lessor does not insure Lessee's personal property of whatever kind or nature. Any such insurance must be obtained by Lessee.
- 14.12 Force majeure. Performance by Lessee or Lessor of their obligations under this Lease will be extended by the period of delay caused by force majeure. Force majeure includes 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).

- 14.14 Counterparts. This Lease may be executed in a number of identical counterparts which, taken together, constitute collectively one Lease; but in making proof of this Lease, it is not necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Lease may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned signature or digital signature, where permitted by law, must be deemed to be an original signature for all purposes. All executed counterparts of this Lease must be deemed to be originals, but all such counterparts, when taken together, constitute one and the same Lease.
- 14.15 Effective Date. This Lease is effective as of the date of the last authorizing signature affixed hereto. [or July 1, 2025].
15. Event of Default. In the event of a default under this Lease by Lessee (including a breach of any representation, warranty, or covenant of this Lease), Lessor is entitled, in addition to all other remedies, to seek monetary damages and specific performance of Lessee's obligations under this Lease or termination of this Lease, at Lessor's option.

*****SIGNATURES APPEAR ON THE FOLLOWING PAGE*****

LESSEE:

VALEO Vocation, a Washington nonprofit corporation

Sherri Jensen, Chief Executive Officer

Date:

6/9/25

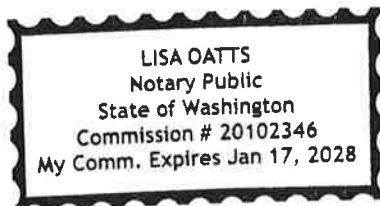
STATE OF WASHINGTON)

) ss.

COUNTY OF THURSTON)

On the 9th day of June 2025, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Sherri Jensen, to me known to be the Chief Executive Office of VALEO Vocation, a Washington nonprofit corporation, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said public benefit corporation 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.



A handwritten signature in cursive script, appearing to read "Lisa Oatts".

Signature

Name (printed): Lisa Oatts

NOTARY PUBLIC in and for the State of

Washington

Residing at Tacoma, WA 98405

My appointment expires: Jan 17, 2028

LESSOR:

CITY OF OLYMPIA, a Washington
municipal corporation

Steven J. Burney, City Manager

Date: _____

APPROVED AS TO FORM:

Michael M. Young

Senior Deputy City Attorney

Date: 06/05/2025

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On the _____ day of _____ 2025, 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 Washington 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 is authorized to execute the said instrument.

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

Signature _____
 Name (printed): _____
 NOTARY PUBLIC in and for the State of
 Washington
 Residing at _____
 My appointment expires: _____

EXHIBIT "A"

Legal Description

PARCEL A:

TRACT 10 AND THAT PORTION OF TRACT 11 OF COLLEGE CITY BERRY TRACTS, AS RECORDED IN VOLUME 9 OF PLATS, PAGE 7, LYING NORTHWESTERLY OF PRIMARY STATE HIGHWAY NO. 1, EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO THE STATE OF WASHINGTON BY DEEDS RECORDED JANUARY 15, 1957 UNDER AUDITOR'S FILE NO. 580057, JANUARY 24, 1957 UNDER AUDITOR'S FILE NO. 580325 AND JULY 3, 1985 UNDER AUDITOR'S FILE NO. 8507030084.

SITUATE IN THURSTON COUNTY, WASHINGTON.

SUBJECT TO EASEMENTS, RESERVATIONS, AND RESTRICTIONS OF RECORD.

EXHIBIT "B"
General Vicinity Sketch

