



## STANDARD LEASE

This Lease is made as of the date of the Mayor's signature below, between the City of Everett, a Washington municipal corporation ("**Landlord**"), and the Tenant identified below in the Basic Lease Provisions ("**Tenant**").

**1. BASIC LEASE PROVISIONS.** The following definitions and provisions apply and are part of this Lease:

Tenant	Pelham Group NW LLC, a WA Limited Liability Company
	2814 Baker Ave Ste 102
	Everett, WA. 98201
	kim@pelhamgroupnw.com
Base Rent	\$284.00 per month + \$36.46 Leasehold Tax (12.84%) Total Monthly Rent: \$320.47 Base rent shall increase at the rate of 4% annually, beginning June 10, 2027.
Security Deposit	\$640.94
Building	The building located at 3201 Smith Avenue in Everett, Washington, in which the Leased Premises is located.  The legal description of real property on which the Building is located is attached as <u>Exhibit A</u> . If the parties determine that a drawing of the Leased Premises is necessary, it will also be included as part of <u>Exhibit A</u> .
Leased Premises	Approximately 142 rentable square feet of commercial space comprised of Suite #409
Term	Three (3) years, Commencing on June 10, 2026.
Extension Term	The terms and conditions of Extension Term(s), if any, are provided in <u>Exhibit B</u> . If there is no <u>Exhibit B</u> , then there are no Extension Term(s).
Approved Use	Commercial office space
Special Termination Right	Landlord may terminate this Lease for convenience at any time at Landlord's sole discretion effective upon 30 days prior written notice to Tenant. A termination for convenience is not a default under this Lease by either party, and Tenant's obligation to pay Base Rent and Additional Rent

	is only for Base Rent and Additional Rent accruing prior to the effective date of the termination for convenience.
Landlord Notice Address	Real Property Manager City of Everett 802 E. Mukilteo Blvd., Bldg. 100 Everett, WA 98201
Services Provided by Landlord	Landlord will provide common utilities (electrical, plumbing, HVAC), garbage, janitorial, common area repairs and maintenance, building insurance. Landlord to provide maintenance and repairs to structural components in Leased Premises unless caused by Tenant's misuse or negligence.
Additional Requirements Regarding Signs	With Landlord's prior review and approval at Landlord's sole discretion, Tenant (at Tenant's sole cost) may install signage. Landlord shall also provide a directory in the main lobby and directional signage at the elevator directing visitors to the common suite entrance (as designated by Tenant) and hallway signage. Tenant shall be responsible for the cost of signage placards.
Additional Rules	N/A
Additional Provisions	<p>A. Base Rent includes use share of the common area, which only includes the common breakroom/kitchen and restrooms shown on <u>Exhibit A</u>.</p> <p>B. Tenant shall be responsible for repairs and maintenance within the Leased Premises as set forth in Section 8. This includes, for example, repair of damage to drywall caused by installation or mounting of objects.</p> <p>C. Tenant is responsible for its phone and internet service.</p> <p>D. Tenant has requested to make the following Tenant Alterations to the Leased Premises: No tenant improvements are requested.</p> <p>E. Section 23(a) below is replaced with the following: Landlord and Tenant acknowledge that Lee &amp; Associates Commercial Real Estate Services, LLC represents the Landlord in this transaction. Landlord shall be responsible for paying commissions to Lee &amp; Associates pursuant to a separate listing agreement. Landlord and Tenant warrant to one another that, except for Lee &amp; Associates, neither has engaged a broker in connection with this Lease and agree to indemnify the other if a claim for a fee or commission from any person other than Lee &amp; Associates arises in connection with this transaction as a result of such indemnifying parties' activities. All parties acknowledge receipt of the pamphlet entitled, "Real Estate Brokerage in Washington."</p>

Landlord Work	If Landlord has agreed to construct improvements in the Leased Premises, such work is shown in <u>Exhibit C</u> . If there is no <u>Exhibit C</u> , Landlord has not agreed to construct any improvements in the Leased Premises.
Lease Guaranty	Name of Guarantor, if any: <u>Kimberly H. Pelham</u> .  The Lease Guaranty is <u>Exhibit D</u> .
Parking	The parking provisions of this Lease, if any, are provided in <u>Exhibit E</u> . If there is no <u>Exhibit E</u> , then there are no parking provisions applicable to this Lease.
Tenant Insurance Contact Information	To be provided upon request
	To be provided upon request
	To be provided upon request

**2. LEASED PREMISES.** Landlord leases to Tenant, and Tenant leases from Landlord, the Leased Premises. Tenant has examined the Leased Premises and is in all respects familiar with the Leased Premises and the improvements in the Leased Premises and Building. Tenant accepts the Leased Premises and its improvements in their “as is” condition. Tenant further acknowledges and agrees that (a) except as specifically provided in this Lease, Landlord has made no representations or warranties to Tenant with respect to the Leased Premises or the Building, (b) Tenant is not relying on any representations or warranties by any person regarding the Leased Premises or the Building, and (c) except for Landlord Work, if any, described in Section 1 and Exhibit C to this Lease, Landlord has no obligation to construct any improvements to the Leased Premises or the Building.

**3. TERM.** The term of this Lease is for the Term stated in Section 1 of this Lease. The terms and conditions of one or more Extension Terms, if any, are provided in the attached Exhibit B.

(a) If Landlord cannot deliver possession of the Leased Premises for any reason at the commencement of the Term, such non-delivery will not (i) cause Landlord liability for damages, (ii) cause the Lease to become void or voidable, or (iii) cause the Term to be extended. However, in such event Tenant will not be liable for rent until Landlord can deliver possession, and if possession is delayed by over ninety (90) days, Tenant may terminate this Lease by written notice to Landlord, so long as the written notice is delivered to Landlord prior to delivery of possession of the Leased Premises to Tenant.

(b) The Lease may be terminated by Landlord pursuant to its Special Termination Right set forth in Section 1 above, in addition to any other termination rights that may be contained in this Lease.

**4. RENT.** During the term of this Lease, Tenant shall pay the Base Rent by the first day of each calendar month of the Term to:

Treasurer  
City of Everett  
2930 Wetmore Avenue  
Everett, WA 98201

or such other place as Landlord may from time to time designate in writing. Tenant shall also pay to Landlord items described as "**Additional Rent**" in this Lease, including, without limitation, Leasehold Excise Tax (as defined below). If any rent is, at any time, five (5) or more days past due, Tenant shall pay a late charge equal to ten percent (10%) of the past due rent. In addition, interest will accrue on the past due amount from the date due until paid in full at a per annum rate, which is the lesser of the highest interest rate permitted by applicable law or twelve percent (12%) per annum (the "**Default Rate**"). Tenant shall make all rent payments without deduction or offset. Rent for partial months, if any occur, will be prorated.

**5. USE.** Tenant shall use the Leased Premises only for the Approved Use stated in Section 1. Tenant shall not use or permit the use of the Leased Premises for any other use without the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. Tenant shall abide by the rules and regulations governing the Leased Premises or the Building that may be made by Landlord from time to time, including, without limitation, those described in Section 1 above. Tenant shall use reasonable methods to induce customers, clients and all persons invited by Tenant to observe such rules and regulations.

**6. COMPLIANCE WITH LAW.** Tenant shall not do anything or suffer anything to be done in or about the Leased Premises which will in any way violate or conflict with any Governmental Requirements (as defined below). At its sole cost and expense, Tenant shall obtain all required permits in connection with its use, occupancy and operation of the Leased Premises and shall promptly comply with all Governmental Requirements. Should any Governmental Requirement now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant shall, at its sole cost and expense, comply promptly with such Governmental Requirements. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Leased Premises that are required to comply with Governmental Requirements. Tenant shall not use or permit the use of the Leased Premises in any manner that may create a nuisance. Tenant shall not use any machinery or equipment in the Leased Premises which might be injurious to the Leased Premises or to the Building or which might cause noise or vibration that would be objectionable to other persons. "**Governmental Requirements**" means any and all statutes, ordinances, codes, laws, rules, regulations, standards, orders and directives, now in

force or which may hereafter be enacted or promulgated, of the United States of America, the State of Washington, any county, city, district, municipality or other governmental subdivision, court or agency or quasi-governmental agency with jurisdiction and any board, agency or authority associated with any such governmental entity, as now or later amended, promulgated or issued and all current or future final orders, judgments or decrees of any court with jurisdiction interpreting or enforcing any of the foregoing.

**7. INSPECTION AND RIGHT-OF-ENTRY.** Landlord and its agents shall have the right, but not the duty, to inspect the Leased Premises at any time to determine whether Tenant is complying with the terms of this Lease. If Tenant is not in compliance with this Lease, Landlord shall have the right, but not the duty, to immediately enter upon the Leased Premises to remedy any conditions or circumstances caused by Tenant's failure to comply with the terms hereof, and Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in connection with the remedy of such conditions or circumstances within thirty (30) days of demand.

**8. MAINTENANCE OF PREMISES.** Tenant shall at all times throughout the Term keep the Leased Premises in good order, condition and repair. Tenant shall maintain the Leased Premises in a clean, orderly and neat appearance, and shall not permit any offensive odors to emit from the Leased Premises and shall not commit waste nor permit any waste to be committed in the Leased Premises. Except for maintenance attributable (a) to Tenant's breach of its obligations under this Lease, (b) to Tenant's acts or omissions or those of Tenant's employees, agents or contractors, or (c) to improvements made by Tenant, Landlord shall maintain the roof, exterior walls, foundation, HVAC and building structure of the Leased Premises in a good state of repair.

**9. LANDLORD'S ACCESS FOR REPAIRS.** Landlord reserves the right to make repairs, alterations, connections or extensions to the Leased Premises and the Building as Landlord deems necessary ("**Landlord Repairs**"), and Tenant shall permit Landlord to enter the Leased Premises for the purpose of making Landlord Repairs at any time on reasonable notice (except in the case of an emergency in which case no notice shall be required). Tenant shall have no right to abate rent or receive any compensation by reason of inconvenience or annoyance arising from Landlord Repairs. This Section 9 does not create any duty on the part of Landlord to make Landlord Repairs. Tenant agrees to pay to Landlord as Additional Rent the entire cost of Landlord Repairs which are necessary due to Tenant's negligence or breach of this Lease together with a fee for overhead and administrative expenses equal to 10% of such costs.

**10. LANDLORD-PROVIDED SERVICES.** Landlord shall provide the Leased Premises with services as described in Section 1 of this Lease. Landlord shall in no case be liable for damages (including consequential damages) or in any way be responsible for the loss to Tenant of such services arising from the failure of, diminution of or interruption of such services to the Leased Premises, unless (a) such failure of, diminution of or interruption of any such service was caused by the gross negligence or willful misconduct of Landlord, its agents or contractors, and (b) any such claims are not covered by the business interruption insurance required to be maintained by Tenant pursuant to this Lease, nor will such failure of, diminution of or interruption be deemed an eviction of Tenant or release Tenant from any of Tenant's obligations under this Lease. To the extent that Landlord bears any responsibility for the foregoing,

Landlord's responsibility and Tenant's remedy shall be limited to an abatement in Base Rent for the period beginning with (i) the day which is five (5) consecutive days after the date on which Tenant delivers notice to Landlord of such interruption, deprivation or reduction and of the fact that Tenant is being deprived of all reasonable use of the Leased Premises and ending on (ii) the date such interruption, deprivation or reduction which is Landlord's responsibility is no longer causing Tenant to be deprived of all reasonable use of the Leased Premises.

**11. UTILITIES AND OTHER CHARGES.**

(a) Utility Charges. With respect to services other than those described as Landlord-provided in Section 1 of this Lease, Tenant shall be responsible for, and pay prior to delinquency, all charges for utilities or services used or consumed on or supplied to the Leased Premises, including the charges, if any, for installing meters. Meter locations and installation methods shall be subject to Landlord's prior written consent, which may be withheld in its sole discretion.

(b) Licenses and Taxes. Tenant shall pay when due all license fees, excise taxes, business and occupation taxes and any other fees and taxes pertaining to the business conducted on the Leased Premises and all personal property taxes levied with respect to all personal property located at the Leased Premises.

(c) Leasehold Excise Tax. Tenant shall pay Landlord as Additional Rent, all leasehold excise tax, as required by RCW 82.29A or any other Governmental Requirement, in lieu of real property taxes, and any taxes levied or assessed in lieu of the foregoing, in whole or in part (collectively, "**Leasehold Excise Tax**"). Leasehold excise tax is calculated by the State of Washington using a percentage multiplier of either the rent required under this Lease or an imputed fair market value, and as a result, Tenant shall be responsible for any increases in leasehold excise tax that result from an increase in rent for the Leased Premises over the term of the Lease, or for the increases due to an increase in the statutory rate during the term of this Lease. If Tenant provides Landlord with a proof of exemption from payment of leasehold excise tax issued by the Washington State Department of Revenue, then Tenant shall not be required to pay leasehold excise tax for the period that such exemption is effective. If the exemption is of limited duration, Tenant shall be required to obtain documented renewal of such exemption and provide such to Landlord in order to claim continued exemption under this Lease. To the extent that any rent credit provisions are a part of this Lease, Tenant's obligation to pay leasehold excise tax shall not be obviated by such credit.

**12. ALTERATIONS AND FIXTURES; SIGNS.** Tenant shall not make or permit to be made any alterations, additions, improvements or installations in or to the Leased Premises (including telecommunication facilities), or place signs or other displays visible from outside of the Leased Premises (individually and collectively "**Tenant Alterations**"), without first obtaining the consent of Landlord, which may be withheld in Landlord's sole discretion. Tenant shall deliver to Landlord complete plans and specifications for any proposed Tenant Alterations and, if consent by Landlord is given, all such work shall be performed at Tenant's sole cost and expense by Landlord or, with Landlord's consent, by Tenant with contractors approved by Landlord. Tenant shall be authorized to perform Tenant Alterations only to the extent and under such terms and conditions as Landlord, in its absolute discretion, shall specify. All Tenant Alterations performed by Tenant

shall be (a) completed in accordance with the plans and specifications approved by Landlord; (b) completed in accordance with all Governmental Requirements (including, without limitation, Chapter 39.12 RCW); (c) carried out promptly in a good and workmanlike manner; (d) completed with all new materials; and (e) free of defects in materials and workmanship.

### **13. SUBLETTING AND ASSIGNMENT.**

(a) Assignment and Subletting by Tenant. Tenant shall not sublet the whole or any part of the Leased Premises, nor assign this Lease, or any part thereof, without the prior written consent of Landlord, which consent may be withheld at Landlord's sole discretion. This Lease is not assignable by operation of law. If Tenant is a corporation (or after incorporation), then any transfer of this Lease by merger, consolidation or liquidation, or any change in the ownership of, or power to vote the majority of Tenant's outstanding stock, will constitute an assignment for the purposes of this Section. If Tenant is a partnership or limited liability company, then any dissolution or termination of the partnership or limited liability company or change in control of the partnership or limited liability company or in a majority of the interests held by the partners or members thereof will constitute an assignment for purposes of this Section. Any assignment made by Tenant will not become effective until the assignee, in a written instrument acceptable to Landlord at Landlord's sole discretion, assumes this Lease and agrees to perform and be bound by all of the obligations of Tenant accruing under this Lease from and after the date of assignment. Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay rent and to perform all other obligations to be performed by Tenant under this Lease. Acceptance of rent by Landlord from any person other than Tenant will not be deemed to be a waiver by Landlord of any provision of this Lease. Consent to one assignment or subletting will not be deemed consent to any subsequent assignment or subletting. Whether or not Landlord consents to any proposed assignment of this Lease, Tenant shall pay Landlord's reasonable review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord not to be less than two thousand five hundred dollars (\$2,500), within thirty (30) days after demand by Landlord.

(b) Assignment by Landlord. Landlord shall have the right to assign and transfer, in whole or in part, its rights and obligations under this Lease and in any and all of the Building and the real property upon which it is situated. If Landlord so assigns this Lease or sells or transfers any or all of the Building, Landlord shall, upon consummation of such assignment or transfer be released automatically from any liability under this Lease for obligations to be performed or observed after the date of the assignment or transfer. After the effective date of the assignment or transfer, Tenant must look solely to Landlord's successor-in-interest for all liability and obligations hereunder.

### **14. SURRENDER OF LEASED PREMISES.**

(a) Surrender. Tenant shall, at the expiration or earlier termination of this Lease, surrender and deliver the Leased Premises to Landlord (i) in as good condition as when received by Tenant from Landlord or as later improved, reasonable use and wear excepted, and (ii) free from any tenancy or occupancy by any person.

(b) Removal of Property. Upon the expiration or earlier termination of this Lease, Tenant may remove its personal property, office supplies and office furniture and equipment if (i) such items are readily moveable and are not attached to the Leased Premises; (ii) such removal is completed prior to the expiration or earlier termination of this Lease; and (iii) Tenant immediately repairs all damage caused by or resulting from such removal. All Tenant Alterations shall become the property of Landlord and shall remain upon and be surrendered with the Leased Premises, unless Landlord requires their removal. If removal is required, Tenant shall, at its sole cost and expense, remove all (or such portion as Landlord shall designate) of the Tenant Alterations, repair any damages resulting from such removal and return the Leased Premises to the same condition as existed prior to such Tenant Alterations.

(c) Holding Over. If Tenant holds over after the expiration of the term of the Lease with Landlord's express prior written consent, which may be withheld at Landlord's sole discretion, such holding over will be construed as a tenancy from month-to-month on the terms and conditions set forth in this Lease, which tenancy may be terminated by either party upon at least thirty (30) days' written notice to the other party, effective as of the last day of a calendar month. If Tenant holds over after the expiration of the Term or earlier termination thereof without Landlord's prior written consent, which may be withheld in Landlord's sole discretion, such tenancy shall be a tenancy at sufferance, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a daily rate equal to three times the amount of the daily Base Rent applicable during the last rental period of the Term under this Lease. Such tenancy shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Section 14(c) shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Leased Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. If Tenant fails to surrender the Leased Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom. Tenant agrees that any proceedings necessary to recover possession of the Leased Premises, whether before or after expiration of the Term, shall be considered an action to enforce the terms of this Lease for purposes of the awarding of any attorney's fees in connection therewith.

## **15. INDEMNIFICATION.**

(a) Indemnity. Tenant shall indemnify, defend and hold harmless Landlord against and from any and all claims, actions, damages, liability, costs and expenses, including attorney's fees, arising out of or relating to (a) Tenant's use of the Leased Premises or from the conduct of Tenant's business or from any activity, work, or other things done or permitted by Tenant in or about the Leased Premises, (b) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, (c) any act or omission, negligence or willful misconduct of Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, damages, attorneys' fees and liabilities incurred in defense of any such

claim in any action or proceeding brought thereon. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Leased Premises from any cause other than and to the extent of Landlord's gross negligence or willful misconduct. Tenant shall give prompt notice to Landlord in case of casualty or accident in the Leased Premises. This Section 15 shall survive the expiration or termination of this Lease. For the purposes of this Lease, the claims, actions, damages, liability and expenses for which Tenant must indemnify, defend and hold harmless the City are referred to as "**Covered Claims**".

(b) Concurrent Fault. This Section does not purport to indemnify Landlord against liability for Covered Claims caused by or resulting from the sole gross negligence or willful misconduct of Landlord, its officers, employees and agents. If Covered Claims are caused by or result from the concurrent negligence of (i) Landlord, its officers, employees or agents, and (ii) Tenant, its agents, servants, employees, officers, subcontractors, sublicensees, subtenants, successors or assigns, then this Section will provide Landlord the maximum indemnification permitted by law.

(c) Washington Law. This Section is specifically and expressly intended to constitute a waiver of Tenant's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the full extent necessary to provide Landlord with a full and complete indemnity from claims made by Tenant and its employees, to maximum extent allowed by law. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF THIS SECTION WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

(d) Waiver and Release. Landlord shall not be liable to Tenant, or its directors, officers, shareholders, agents, employees, invitees, subtenants, contractors or licensees, for any loss, injury or damage to Tenant or any other person, or to its or their property, irrespective of the cause of such injury, damage or loss, unless, and then only to the extent, it is caused by or results from the gross negligence or willful misconduct of Landlord or its employees without contributory negligence on the part of Tenant or any of its directors, officers, shareholders, employees, agents, invitees, subtenants, licensees or contractors. As a material part of the consideration to Landlord for this Lease, Tenant hereby waives and releases all claims against Landlord with respect to all matters for which Landlord has disclaimed liability pursuant to the provisions of this Lease.

## **16. INSURANCE/WAIVER OF SUBROGATION.**

(a) Tenant Insurance. Tenant shall, throughout the Term, at its own expense, keep and maintain in full force and effect each and every one of the following policies, each of which shall be endorsed as needed to provide that the insurance afforded by these policies is primary and that all insurance carried by Landlord and Landlord's self-insurance is strictly excess and secondary and shall not contribute with Tenant's liability insurance:

(i) A policy of commercial general liability insurance, including a contractual liability endorsement covering Tenant's obligations under Section 15 above, insuring against claims of bodily injury and death or

property damage or loss with a combined single limit at the Commencement Date of this Lease of not less than Two Million Dollars (\$2,000,000.00) per occurrence and location. Tenant shall include Landlord and Landlord's officers, elected officials, employees, agents, and volunteers as additional insureds. The limit shall be reasonably increased during the Term at Landlord's request.

(ii) "Special Form" property insurance (which is commonly called "all risk") covering Tenant Alterations and any and all furniture, fixtures, equipment, inventory, improvements and other property in or about the Leased Premises which is not owned by Landlord, for the then, entire current replacement cost of such property.

(iii) Business interruption insurance in an amount sufficient to cover costs, damages, lost income, expenses, Base Rent, Additional Rent and all other sums payable under this Lease, should any or all of the Leased Premises not be usable for a period of up to twelve (12) months.

(iv) A policy of worker's compensation insurance if and as required by applicable law and employer's liability insurance with limits of no less than One Million and No/100 Dollars (\$1,000,000.00).

(v) In the event Tenant acquires company automobiles, a policy of comprehensive automobile liability insurance, including loading and unloading, and covering owned and hired vehicles with limits of no less than One Million Dollars (\$1,000,000.00) per occurrence.

(b) All insurance policies required under this Section 16 shall be with companies having a rating according to Best's Insurance Key Rating Guide for Property – Casualties of no less than A- Class VII. Each policy shall provide that it is not subject to cancellation, lapse or reduction in coverage except after thirty (30) days' written notice to Landlord. Tenant shall deliver to Landlord, prior to the commencement of its occupation of the Leased Premises and, from time to time thereafter, at Landlord's request, certificates evidencing the existence and amounts of all such policies and copies of such insurance policies. There shall be no deductible amount applicable with respect to the Tenant's policy of commercial general liability insurance, unless approved in advance by Landlord in writing. Deductibles for Tenant's "special form" property insurance shall be commercially reasonable and customary. There shall be no self-insured retention with respect to the insurance requirements under this Section 16, unless approved in advance in writing by Landlord in its sole discretion.

(c) If Tenant fails to acquire or maintain any insurance or provide evidence of insurance required by this Section 16, Landlord may, but shall not be required to, obtain such insurance or evidence and the costs associated with obtaining such insurance or evidence shall be payable by Tenant to Landlord on demand together with a fee for overhead and administrative expenses equal to 10% of such costs.

(d) Receipt by the Landlord or the Landlord's designee of any certificate or other insurance document showing less coverage than required is not a waiver of Tenant's obligations to fulfill

the requirements of this Section. No statement on a third-party website (such as a Trustlayer) that a requirement is “waived” or “overridden” is a waiver of Tenant’s obligations to fulfill the requirements of this Section.

(e) Waiver of Subrogation. Tenant intends that its property loss risks shall be borne by reasonable insurance carriers to the extent above provided, and Tenant hereby agrees to look solely to, and seek recovery only from, its respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder. Tenant hereby waives all rights and claims for such losses, and waives all rights of subrogation of its respective insurers, provided such waiver of subrogation shall not affect the rights to the insured to recover thereunder. Tenant agrees that its respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor.

**17. DAMAGE OR DESTRUCTION BY FIRE OR OTHER CASUALTY.**

(a) If the Leased Premises are damaged by fire, earthquake or other casualty (“*Casualty*”), Tenant shall give immediate written notice to Landlord. If Landlord estimates that (i) the damage can be repaired to meet Tenant’s business needs within one hundred eighty (180) days after Landlord is notified by Tenant of such damage, and (ii) if there are sufficient insurance proceeds available to repair such damage, then Landlord shall proceed with reasonable diligence to restore the Leased Premises to substantially the condition which existed prior to the damage and this Lease shall not terminate. If either of the conditions set forth in (i) and (ii) of the previous sentence are not satisfied, then Landlord may elect, in its sole and absolute discretion, to either: (x) terminate this Lease or (y) restore the Leased Premises to substantially the same condition which existed prior to the damage and this Lease shall continue. Notice of Landlord’s election shall be delivered to Tenant within ninety (90) days after the date Landlord receives written notice of the damage. Failure to deliver notice within the specified period shall be treated as an election not to restore. Tenant agrees to look to the provider of Tenant’s insurance for coverage for the loss of Tenant’s use of the Leased Premises and any other related losses or damages incurred by Tenant during any reconstruction period following a Casualty.

(b) If the Building is damaged by Casualty and more than fifty percent (50%) of the Building is rendered untenable, without regard to whether the Leased Premises are affected by such damage, Landlord may, in its absolute discretion, elect to terminate this Lease by notice in writing to Tenant within thirty (30) days after the date Landlord receives written notice of the damage. Such notice shall be effective twenty (20) days after delivery to Tenant unless a later date is set forth in Landlord’s notice.

**18. CONDEMNATION.** If the property or any part thereof wherein the Leased Premises are located shall be taken by public or quasi-public authority under any power of eminent domain or condemnation, this Lease, at the option of Landlord shall terminate and Tenant shall have no claim or interest in or to any award of damages for such taking. In the case of a taking of a part of the Leased Premises or a portion of the Building not required for Tenant’s reasonable use of the Leased Premises, this Lease shall continue in full force and effect and the Base Rent shall be equitably reduced based on the proportion by which the floor area of the Leased Premises is reduced, such reduction in Base Rent to be effective as of the date the physical

taking occurs. Landlord reserves all rights to damages or awards for any taking by eminent domain relating to the Leased Premises, the Building and the real property upon which the Building is situated, and the unexpired term of this Lease. Tenant assigns to Landlord any right Tenant may have to such damages or award and Tenant shall make no claim against Landlord for damages for termination of its leasehold interest or interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Tenant may be entitled for Tenant's moving expenses or other relocation costs if they are awarded separately to Tenant in the eminent domain proceedings and do not reduce the damages or award to Landlord.

**19. EVENTS OF DEFAULT.** Each of the following occurrences is an "***Event of Default***":

(a) Payment Default. Tenant's failure to pay rent or any other amount due under this Lease within five (5) days after Landlord has delivered written notice to Tenant that such amount is due; however, an Event of Default shall occur without any obligation of Landlord to give any written notice if Tenant fails to pay rent when due and, during the twelve (12) month interval preceding such failure, Landlord has given Tenant written notice of failure to pay rent on one (1) or more occasions;

(b) Abandonment. Tenant abandons or vacates the Leased Premises or any substantial portion of the Leased Premises combined with the non-payment of rent;

(c) Other Defaults. Except as otherwise provided in this Section 19 or elsewhere in this Lease, Tenant's failure to perform, comply with, or observe any other agreement or obligation of Tenant under this Lease and the continuance of such failure for a period of more than thirty (30) days after Landlord has delivered to Tenant written notice thereof or such shorter or longer period expressly provided elsewhere in this Lease (provided, if the nature of Tenant's failure is such that more time is reasonably required in order to cure, an Event of Default shall not be deemed to have occurred and such failure may be cured if Tenant commences to cure such failure within such period and thereafter reasonably and diligently pursues the cure to completion, such period in no event to exceed ninety (90) days from the date of Landlord's original default notice);

(d) Insolvency. The filing of a petition by or against Tenant (the term "***Tenant***" shall include, for the purpose of this Section, any guarantor of Tenant's obligations hereunder) (i) in any bankruptcy or other insolvency proceeding; (ii) seeking any relief under any state or federal debtor relief law; (iii) for the appointment of a liquidator or receiver for all or substantially all of Tenant's property or for Tenant's interest in this Lease; (iv) for the reorganization or modification of Tenant's capital structure; or (v) in any assignment for the benefit of creditors proceeding; however, if such a petition is filed against Tenant, then such filing shall not be an Event of Default unless Tenant fails to have the proceedings initiated by such petition dismissed within ninety (90) days after its filing.

(e) Failure to Surrender. Tenant fails to surrender possession of the Leased Premises at the expiration or earlier termination of his Lease in the condition required by this Lease.

(f) Multiple Events of Default. Notwithstanding any cure periods specified in this Section 19, after the occurrence during the Term of any two events which after the giving of notice or the lapse of time would become an Event of Default, Tenant shall neither be entitled to notice nor an opportunity to cure and Landlord, at its option, may immediately declare an Event of Default.

**20. REMEDIES.** Upon any Event of Default, Landlord may, in addition to all other rights and remedies afforded Landlord under this Lease or by law or equity, take any one or more of the following actions:

(a) Termination of Lease. Terminate this Lease by giving Tenant written notice, in which event Tenant shall pay to Landlord the sum of (i) all rent accrued under this Lease through the date of termination, (ii) all other amounts due hereunder, plus interest at the Default Rate, and (iii) an amount equal to the total rent that Tenant would have been required to pay for the remainder of the Term discounted to present value based on the then U.S. Treasury yield rate for ten-year notes; or

(b) Termination of Possession. Terminate Tenant's right to possess the Leased Premises without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord (i) all rent and other amounts accrued under this Lease to the date of termination of possession, (ii) all amounts due from time to time, and (iii) all rent and other net sums required under this Lease to be paid by Tenant during the remainder of the Term, diminished by any net sums thereafter received by Landlord through reletting the Leased Premises during such period, after deducting all reasonable costs incurred by Landlord in reletting the Leased Premises. If Landlord elects to proceed under this subsection, Landlord may remove all of Tenant's property from the Leased Premises and store the same in a public warehouse at a reasonable cost to, and for the account of, Tenant, without becoming guilty of trespass, or liable for any reasonable loss or damage that may be occasioned thereby. Landlord shall use commercially reasonable efforts to relet the Leased Premises on such terms as Landlord in its sole discretion may determine (including a lease term different from the Term, rental concessions, use of brokers and alterations to, and improvement of, the Leased Premises); however, Landlord is not obligated to relet the Leased Premises before leasing other portions of the Building or property and Landlord is not obligated to accept any prospective tenant proposed by Tenant unless such proposed tenant meets all of Landlord's reasonable, then existing leasing criteria. Landlord shall not be liable for, nor shall Tenant's obligations under this Lease be diminished because of, Landlord's failure to relet the Leased Premises or to collect rent due for such reletting. Tenant is not entitled to the excess of any consideration obtained by reletting over the rent due under this Lease. Reentry by Landlord in the Leased Premises shall not affect Tenant's obligations under this Lease for the unexpired Term; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term. Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all reasonable actions taken by Landlord to dispossess or exclude Tenant from the Leased Premises shall be deemed to be taken under this subsection 20(b). If Landlord elects to proceed under this subsection 20(b), it may at any time elect to terminate this Lease. Tenant hereby waives all claims for damages that may be caused by Landlord's re-entering and taking possession of Leased Premises or removing

and storing the property of Tenant as provided in this Lease, and will save Landlord harmless from loss, costs or damages occasioned Landlord thereby, and no such re-entry shall be considered or construed to be forcible entry.

## **21. HAZARDOUS MATERIALS.**

(a) No Hazardous Materials. Tenant shall not cause or permit any storage, use, sale, release, generation or disposal of any Hazardous Materials (as defined below) in, on or about the Leased Premises or the Building; provided, however, Tenant shall be permitted without notice or Landlord's written consent to handle, store, use or dispose of products containing small quantities of Hazardous Materials, such as ordinary cleaning and ordinary maintenance products used by Tenant for cleaning and maintenance in the reasonable and prudent conduct of the Approved Use on the Leased Premises. Tenant further covenants and agrees that at all times during the Term of this Lease, Tenant shall comply with all applicable Environmental Laws (as defined below), now or hereafter in effect, regulating Tenant's occupation and/or operation and/or use of the Leased Premises or any other portion of the Building. Prior to the expiration or termination of this Lease or such earlier time as may be required by Landlord or applicable law, Tenant shall, at Tenant's sole cost and expense and in accordance with all Environmental Laws and after obtaining Landlord's written consent which may be subject to such conditions as Landlord deems necessary, (i) remove from the Leased Premises and the Building any and all Hazardous Materials which Tenant, its employees, agents, contractors and/or sublessees, or invitees have used, sold, released, generated or disposed of in, on or about the Leased Premises or the Building and (ii) restore the Leased Premises and the Building to their condition existing prior to the appearance of such use, sale, release, generation or disposal of Hazardous Materials.

(b) Indemnification. In addition to Tenant's indemnity, defense, and hold harmless obligations elsewhere in this Lease, if Tenant breaches this Section 21, or if the use, sale, release, generation or disposal of Hazardous Materials caused or permitted by Tenant causes contamination or other damage of the Leased Premises or the Building or any property in the vicinity of the Building, or if contamination or other damage to the Leased Premises by Hazardous Materials otherwise occurs for which Tenant is responsible or otherwise legally liable to Landlord for damage resulting therefrom, then Tenant shall indemnify, defend, and hold Landlord harmless from any and all liabilities, obligations, charges, losses, damages, penalties, claims, demands, actions, suits, judgments, costs, expenses and disbursements (including, without limitation, diminution in value of the Leased Premises or the Building, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees) which arise during or after the Term as a result of such contamination or damage. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Materials present in the soil or groundwater on or under the Leased Premises or the Building.

(c) **"Hazardous Materials"** means any waste, pollutant, contaminant, chemical, petroleum product, pesticide, fertilizer, substance, or material that is defined, classified, or designated as hazardous, toxic, radioactive, dangerous, or other comparable term

or category under any Environmental Laws (as defined below), including, but not limited to, gasoline, oil or any byproducts or fractions thereof, polychlorinated biphenyls, per- and polyfluoroalkyl substances, asbestos, paints, solvents, lead, cyanide, radioactive material, or any other materials which have adverse effects on the environment or the health and safety of persons.

(d) **“Environmental Laws”** means all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes, and any judicial or administrative interpretation thereof or requirement thereunder, now or hereafter in effect, relating, to the regulation or protection of human health, safety, the environment and natural resources, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. §§ 5101 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Clean Water Act (33 U.S.C. §§ 1251 et seq.), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §§ 11001 et seq.), and any similar or comparable state or local laws, including without limitation, the Model Toxics Control Act (Chapter 70A.030 RCW, formerly codified at Chapter 70.105D RCW) and the Hazardous Waste Management Act (Chapter 70A.029 RCW, formerly codified at Chapter 70.105 RCW).

(e) All portions of this Section 21 shall survive the expiration or termination of this Lease.

**22. RELOCATION.** Landlord reserves the right to relocate Tenant from the Leased Premises into other premises within the Building owned by Landlord similar in size and convenience to the Leased Premises. If Landlord elects to so relocate Tenant, Landlord shall deliver written notice to Tenant at least forty-five (45) days in advance of the relocation date. Upon relocation, this Lease shall be amended by substituting the description of the relocated premises and all rights of Tenant to the original Leased Premises shall cease. Landlord shall reimburse Tenant for the actual, reasonable out-of-pocket costs incurred in (a) moving into the new location, (b) relocating telecommunication facilities and other electronic installations and (c) reprinting stationery, business cards and similar Tenant forms and supplies.

### **23. MISCELLANEOUS**

(a) **Brokers.** Landlord and Tenant warrant to one another that neither has engaged a broker in connection with this Lease and agree to indemnify the other if a claim for a fee or commission arises in connection with this transaction as a result of such indemnifying parties' activities.

(b) **Not Used.**

(c) **Estoppel Certificates.** Tenant shall, at any time, on not less than ten (10) days prior written notice from Landlord, sign and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), (ii) the date to which the rent, security deposit, and other charges are paid in advance, if any, and (iii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on

the part of Landlord or Tenant under this Lease, or specifying such defaults, if any, which are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Leased Premises or Building. Tenant's failure to deliver such statement within such time period shall be conclusive upon Tenant that (x) this Lease is in full force and effect, without modification except as may be represented by Landlord, (y) there are no uncured defaults in Landlord's performance, and (z) not more than one (1) month's rent has been paid in advance.

(d) Liens. Tenant shall keep the Leased Premises free and clear of all liens and encumbrances arising from or out of its use and occupancy of the Leased Premises and Building. If any lien is filed against the Leased Premises or the Building or adjacent or underlying property owned by Landlord as a result of the action or inaction of Tenant or its employees, agents or contractors, Tenant shall upon demand promptly have the lien released or provide Landlord with a bond in the amount required by Landlord to remove the lien of record. Nothing in this Lease, including this subsection, shall be deemed as a concession that the Leased Premises, or any other City-owned property, is subject to lien under Washington law.

(e) Notices. All notices to be given by the parties shall be in writing and may either be served personally, delivered by overnight courier (such as UPS or Fed Ex) or deposited in the United States mail, postage prepaid, by either registered or certified mail to the notice addresses provided in Section 1 of this Lease. A party may change its notice address effective on written notice to the other party. All such notices shall be deemed delivered and effective on the earlier of (i) the date received or refused for delivery, or (ii) five (5) calendar days after having been deposited in the United States Postal Service, postage prepaid.

(f) No Waiver of Covenants. No waiver of any default hereunder shall be implied from any omission by either party to take any action on account of such default if such default persists or is repeated and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated. The subsequent acceptance of rent by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition or provision of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. One or more waivers of any breach of any covenant, term, or condition of this Lease shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

(g) Landlord Exculpation. The liability of Landlord to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Leased Premises shall be limited solely and exclusively to the interest of Landlord in the Building.

(h) No Consequential Damages. Notwithstanding any contrary provision herein, Landlord shall not be liable under any circumstances for injury or damage to, or interference with, Tenant's business, or for any consequential, incidental or special damages, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

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

(j) Joint and Several Liability. If Tenant is composed of more than one signatory to this Lease, each signatory shall be jointly and severally liable with each other signatory for payment and performance according to this Lease. The act of, notice to, notice from, refund to or signature of, any signatory to this Lease (including, without limitation, modifications of this Lease made by fewer than all such signatories) shall bind every other signatory as though every other signatory had so acted, or received or given the notice or refund, or signed.

(k) Recording. Tenant agrees that Landlord, at its sole option, may record a written memorandum of this Lease, and that Tenant shall have no right to record this Lease or such a memorandum.

(l) Costs and Attorney's Fees. If, by reason of any default or breach on the part of Tenant in the performance of any of the provisions of this Lease, it becomes necessary for Landlord to institute legal action to interpret this Lease or as a result of the breach or default, then Tenant agrees to pay all reasonable costs and attorney's fees incurred by Landlord in connection therewith, including, without limitation, those on any appeal or in any bankruptcy action.

(m) Entire Agreement; Amendment. This Lease represents the entire agreement between the parties and supersedes all other agreements and representations made prior hereto. No amendment hereof shall be binding on either party unless and until approved in writing by both parties.

(n) Severability. If any provision of this Lease or any application hereof shall be found to be invalid or unenforceable, for any reason, such provisions shall be enforceable to the maximum extent permitted by law and the remainder of this Lease and any other application of such provision shall not be affected thereby. If this Lease is invalidated or deemed unenforceable in its entirety by a court of competent jurisdiction, such event will be deemed a termination for convenience, which not a default under this Lease by either party, and Tenant's obligation to pay Base Rent and Additional Rent is only for Base Rent and Additional Rent accruing prior to the effective date of the termination for convenience.

(o) Choice of Law and Venue. This Lease shall be administered and interpreted under the laws of the State of Washington. Exclusive venue for litigation arising from or relating to this Lease shall be in Snohomish County, Washington.

(p) Survivability. All clauses of this Lease that require performance beyond the expiration of termination of the Lease shall survive such termination or expiration.

(q) Legislative Appropriation. If the term of this Lease extends beyond Landlord's current fiscal year, the obligations of Landlord in succeeding fiscal years are contingent

upon legislative appropriation for the specific purpose of funding this Lease in accordance with law. In the event that funds are not so appropriated, Landlord may terminate this Lease without penalty or further obligation.

(r) Standard for Landlord's Consent. Wherever Landlord's consent or approval is required under this Lease, except as expressly stated to the contrary herein, the standard for Landlord's consent or approval shall be Landlord's sole discretion.

(s) Reimbursement of Landlord. Landlord's reasonable costs and expenses (including, without limitation, architects', engineers', attorneys' and other consultants' fees) incurred in consideration of, or in response to, a request by Tenant for any Landlord consent, including but not limited to, consents to an assignment, a subletting or the presence or use of Hazardous Materials, shall be paid by Tenant upon receipt of an invoice therefor.

(t) Business Licenses. Tenant agrees to obtain and/or maintain a City of Everett business license, if required by applicable law. Tenant also agrees that its performance of this Lease shall be conclusively deemed to have been performed in Everett and shall pay all applicable local, state, and federal taxes thereon. Tenant agrees to register, obtain, and maintain any State of Washington business licenses, Department of Revenue account and/or unified business identifier as required by RCW 50.04.140 and 51.08.195.

(u) No Third Party Beneficiary. This Lease is executed for the exclusive benefit of the signatory parties and their respective successors and assigns. Nothing herein shall be construed as creating any enforceable right, interest, claim or cause of action in or for any third-party.

(v) Regulatory Authority Reserved. Tenant expressly acknowledges that the Landlord is a municipal corporation organized under the laws of the state of Washington and has executed this Lease in its capacity as owner of the Leased Premises. Nothing in this Lease shall be construed as waiving, abridging or otherwise limiting the City of Everett's regulatory authority, police power and/or legislative discretion, which are hereby expressly reserved in full. Without prejudice to the foregoing, nothing in this Lease shall be construed as entitling Tenant to receive any permit, license or other regulatory approval, or as waiving or excusing Tenant's compliance with any applicable regulatory process.

(w) Public Records Disclosure. Tenant expressly acknowledges that the Landlord is an "agency" as defined by Chapter 42.56 RCW, and is fully subject to the provisions governing the disclosure of public records codified in that statute. To the extent required or otherwise authorized by said statutes or other applicable law:

- Any public records submitted to or generated by Landlord in connection with this Lease are potentially subject public to inspection and copying upon request. Tenant expressly waives any claim or cause of action against Landlord arising out of such disclosure.
- Tenant shall fully cooperate with and assist Landlord with respect to any request for public records received by Landlord and related to any public records generated, produced, created and/or possessed by

Landlord and related to this Lease. Upon written demand by Landlord, Tenant shall furnish Landlord with full and complete copies of any such records within ten business days. Tenant's failure to timely provide such records upon demand shall be deemed a breach of this Lease. To the extent that Landlord incurs any monetary penalties, attorneys' fees, and/or any other expenses as a result of such breach, Tenant shall fully indemnify and hold harmless Landlord therefor.

For purposes of this subsection, the term "public records" shall have the same meaning as defined Chapter 42.56 RCW, as such chapter has been construed by Washington courts. The provisions of this subsection shall survive the expiration or termination of this Lease.

(x) Counterparts; Signatures. This Lease may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic signatures, facsimile signatures or signatures transmitted by electronic mail in "pdf" format shall be legal and binding and shall have the same full force and effect as if an original of this Lease had been delivered. Landlord and Tenant (i) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent by facsimile or electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature.

***[signatures on following pages(s)]***

IN WITNESS WHEREOF THE PARTIES hereto have executed this lease.

**LANDLORD:**

**CITY OF EVERETT  
WASHINGTON**



\_\_\_\_\_  
Cassie Franklin, Mayor

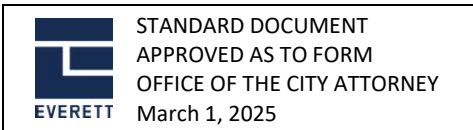
ATTEST

**06/09/2026**

\_\_\_\_\_  
Date



\_\_\_\_\_  
Office of the City Clerk



**TENANT:**

Pelham Group NW LLC, a WA Limited Liability Company



Signature: \_\_\_\_\_

Name of Signer: Kimberly Pelham

Title of Signer: Managing Member

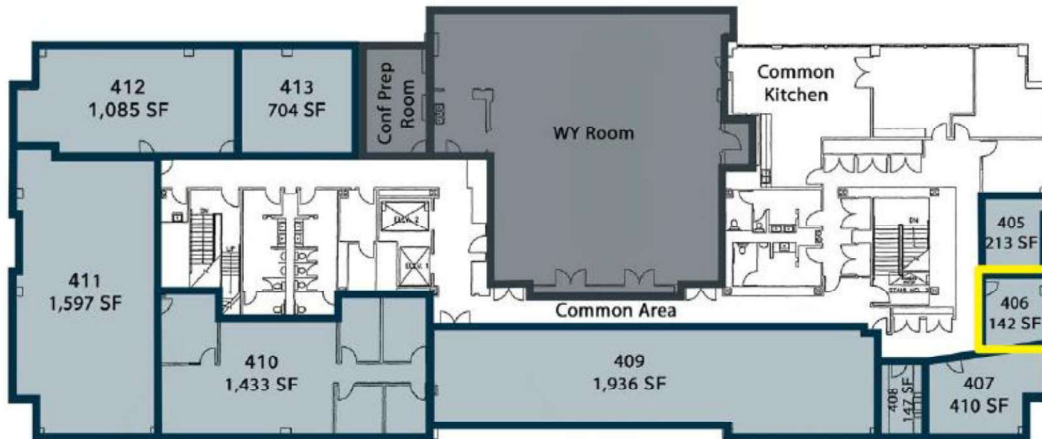
## EXHIBIT A

### Legal Description of Property at 3201 Smith Avenue

That portion of Blocks 744 and 759 in the Everett Land Company's First Addition to the City of Everett, according to the plat thereof recorded in Volume 3 of Plats, Page 20, vacated 32<sup>nd</sup> Street and the east half of the northwest quarter of Section 29, Township 29 North, Range 5 East W.M. in Snohomish County, Washington, described as follows:

Beginning at the southwest corner of Lot 3, said Block 759: thence northwesterly along the northeasterly right-of-way line of Smith Avenue, according to the recorded plat thereof, in Volume 3 of Plats, Page 20, to the northwest corner of Lot 13, said Block 744; thence northeasterly along the northwest line of said Lot 13 and the northeasterly extension of said line to the point of intersection with a line drawn parallel with, and distant 40.0 feet southwesterly of Burlington Northern Railroad Company's Main Track centerline, as now located and constructed; thence southeasterly along said parallel line to the point of intersection with the northeasterly extension of the southeasterly line of said Lot 3, Block 759; thence southwesterly along said southeasterly line to the point of beginning.

#### Leased Premises



**EXHIBIT B**

Terms and Conditions of Extension Term

No extension term

## **EXHIBIT C**

### Landlord Work

Leased Premises to be delivered to Tenant in its current condition, except that Landlord shall complete the work outlined below, per Landlord's base building specifications:

Replace carpeting with new building-standard;  
Paint the interior walls

**EXHIBIT D**

Form of Lease Guaranty



**GUARANTY OF LEASE**

<b>Guarantor</b>	Kimberly Pelham
<b>Tenant</b>	Pelham Group NW LLC, a WA Limited Liability Company
<b>Date of Lease Agreement</b>	6/10/2026
<b>Address of Leased Premises</b>	3201 Smith Ave., Everett, WA 98201

For valuable consideration, and as an inducement to the City of Everett, a Washington municipal corporation (“**Landlord**”) to agree to and enter into the Lease Agreement with the Tenant shown in the table above (the “**Tenant**”) dated on or about the date shown in the table above (the “**Lease**”), which covers certain premises located at the address in the table above and otherwise may be described in the Lease, the undersigned Guarantor shown in the table above (the “**Guarantor**”), being financially interested in Tenant and benefiting from the Lease, guarantees to Landlord the full and prompt payment of all sums, including, but not limited to, the rent, taxes, leasehold excise tax, insurance, utility charges and any and all other sums and charges payable by the Tenant under the Lease, including all renewals and extensions thereof, and the full and prompt performance and observance of all the covenants, terms conditions and agreements in the Lease required to be performed and observed by Tenant. Guarantor agrees to and with Landlord that if Tenant or its successors or assigns at any time defaults in the payment of any such sum or in the performance of any of the terms, covenants, provisions or conditions contained in the Lease, and such default is not cured within the applicable cure period, Guarantor will immediately pay such sum or will immediately perform and fulfill such terms, covenants and conditions and agreements, and will immediately pay to Landlord, or its successors and assigns, all damages that may arise as a consequence of any default by Tenant under the Lease including, without limitation, all reasonable attorneys’ fees incurred by Landlord. This is an absolute and unconditional guaranty of payment and performance.

The obligations under this Guaranty are independent of the obligations of Tenant to Landlord, and a separate action or actions may be brought and prosecuted against Guarantor, regardless of whether an action is brought against Tenant and regardless of whether Tenant is joined in such action or actions. Guarantor waives the benefit of any statute of limitations affecting its liability under this Guaranty or the enforcement of this Guaranty. The liability of Guarantor under this Guaranty is primary and will not be affected or diminished by any transfer, assignment or encumbrance of Tenant’s interest in the Lease or any sublease of all or any part of the premises covered under the Lease.

Guarantor authorizes Landlord, without notice or demand and without affecting Guarantor's liability under this Guaranty, from time to time to (a) renew, extend, accelerate or otherwise change the time for payments under or otherwise change the terms of, the Lease or any part thereof including, but not limited to, extending the duration thereof; (b) take and hold security for the payment of this Guaranty or the indebtedness guaranteed and exchange, enforce, waive and release any such security; (c) apply any security for the Lease or direct the order or manner of sale thereof as Landlord in its sole discretion may determine; (d) release or substitute any one or more guarantors; (e) modify or alter the liability of Tenant under the Lease; (f) settle or compromise any claim of Landlord against Tenant; or (g) consent to the assignment Tenant's interest under the Lease or the subletting of all or any part of the premises. Landlord may assign the Lease and/or this Guaranty in whole or in part, without notice and without in any manner affecting Guarantor's obligations hereunder.

Guarantor waives any right to require Landlord to (a) proceed against Tenant; (b) proceed against or exhaust any security held from Tenant; or (c) pursue any other remedy in Landlord's power whatsoever. Guarantor waives any defense arising by reason of any disability or other defense of Tenant or by reason of the cessation from any cause whatsoever of the liability of Tenant. Until all obligations of Tenant to Landlord under the Lease shall have been fully paid and performed, Guarantor shall have no right of subrogation, and waives any right to enforce any remedy which Landlord now has or may hereafter have against Tenant, and waives any benefit of, and any right to participate in any security now or hereafter held by Landlord. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Guaranty and of the existence, creation or incurring of new or additional indebtedness and all other notices of every kind and nature to which Guarantor might otherwise be entitled as a matter of law.

Any indebtedness of Tenant now or hereafter held by Guarantor is subordinated to the indebtedness of Tenant to Landlord and such indebtedness of Tenant to Guarantor, if Landlord so requests, shall be collected, enforced and received by Guarantor as a trustee for Landlord and be paid over to Landlord on account of the indebtedness of Tenant to it, but without reduction or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty. Until such time as the Lease has been paid and performed in full, Guarantor agrees not to exercise any rights it may now or hereafter acquire against Tenant (whether by subrogation, reimbursement, or otherwise) arising out of payments to Landlord hereunder. Guarantor hereby waives and relinquishes in favor of Landlord and Tenant any claim or right to payment Guarantor may now have or hereafter have or acquire against Tenant, by subrogation or otherwise. This Guaranty shall continue in effect until one year and one day following the final payment and performance by Tenant under the Lease.

Guarantor agrees that it is not necessary for Landlord to inquire into the powers of Tenant or any managers, members, officers, directors or agents acting or purporting to act on Tenant's behalf, if any, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder. Guarantor warrants that this Guaranty has been duly authorized by all necessary authorities.

This Guaranty shall be governed by and construed in accordance with the laws of the State of Washington, Guarantor hereby irrevocably agrees that any legal action or proceedings against Guarantor with respect to this Guaranty may be brought in the courts of the State of Washington and, by Guarantor's execution and delivery of this Guaranty, Guarantor irrevocably submits to each such jurisdiction and irrevocably waives any and all objections which Guarantor may have as to venue in any of such courts. In the event that the Lease is subject to the Residential Landlord Tenant Act, Chapter 59.18 RCW, this Guaranty will be construed in accordance with such Act and enforced to the maximum extent allowed under such Act.

Guarantor agrees to immediately pay all costs of enforcement of this Guaranty, including Landlord's reasonable attorneys' fees and all costs and expenses of suit and in preparation therefor and on appeal therefrom. Any sums due hereunder which are not paid when due shall bear interest at a rate equal to the lesser of 12% or the maximum rate permitted by law. This Guaranty shall continue in full force and effect and shall be unaffected by any bankruptcy, reorganization or insolvency of Tenant or any successor or assign of Tenant or any disaffirmance or rejection of the Lease by a trustee of Tenant or any trustee of any successor or assign of Tenant. This Guaranty may be signed with Adobesign, which is fully binding.

**KIMBERLY PELHAM**



Signature: \_\_\_\_\_

Signer's Name: Kimberly Pelham

Title of Signer (if any):

Signer's Physical Address: 2814 Baker Ave Ste 102, Everett, WA 98201

Signer's Email Address: kim@pelhamgroupnw.com

## EXHIBIT E

### Parking

Starting at the commencement of the Lease Term, Tenant shall have the use of Commuter Parking Lot on a first come first serve basis.














# Lease with Pelham Group at Everett Station\_SD

Final Audit Report

2026-06-09

Created:	2026-06-03
By:	Marista Jorve (mjorve@everettwa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAApysdVCbUFHeTDy_bZ6rSQy71piMM2z

## "Lease with Pelham Group at Everett Station\_SD" History

-  Document created by Marista Jorve (mjorve@everettwa.gov)  
2026-06-03 - 11:59:53 PM GMT
-  Document emailed to Rory Frazier (RFrazier@everettwa.gov) for approval  
2026-06-04 - 0:00:49 AM GMT
-  Email viewed by Rory Frazier (RFrazier@everettwa.gov)  
2026-06-04 - 2:05:39 AM GMT
-  Document approved by Rory Frazier (RFrazier@everettwa.gov)  
Approval Date: 2026-06-05 - 7:38:16 PM GMT - Time Source: server
-  Document emailed to kim@pelhamgroupnw.com for signature  
2026-06-05 - 7:38:18 PM GMT
-  Email sent to kim@pelhamgroupnw.com bounced and could not be delivered  
2026-06-05 - 7:38:22 PM GMT
-  Marista Jorve (mjorve@everettwa.gov) replaced signer kim@pelhamgroupnw.com with Kim Pelham (kim@thepelhamgroupnw.com)  
2026-06-08 - 7:24:23 PM GMT
-  Document emailed to Kim Pelham (kim@thepelhamgroupnw.com) for signature  
2026-06-08 - 7:24:25 PM GMT
-  Email viewed by Kim Pelham (kim@thepelhamgroupnw.com)  
2026-06-08 - 10:30:27 PM GMT
-  Document e-signed by Kim Pelham (kim@thepelhamgroupnw.com)  
Signature Date: 2026-06-09 - 2:15:32 PM GMT - Time Source: server - Signature Appearance Selected: MOBILE\_DRAW
-  Document emailed to Tim Benedict (TBenedict@everettwa.gov) for approval  
2026-06-09 - 2:15:33 PM GMT

 Email viewed by Tim Benedict (TBenedict@everettwa.gov)

2026-06-09 - 2:46:34 PM GMT

 Document approved by Tim Benedict (TBenedict@everettwa.gov)


Approval Date: 2026-06-09 - 2:46:59 PM GMT - Time Source: server

 Document emailed to Cassie Franklin (cfranklin@everettwa.gov) for signature


2026-06-09 - 2:47:01 PM GMT

 Email viewed by Cassie Franklin (cfranklin@everettwa.gov)

2026-06-09 - 4:38:29 PM GMT

 Document e-signed by Cassie Franklin (cfranklin@everettwa.gov)

Signature Date: 2026-06-09 - 4:38:40 PM GMT - Time Source: server - Signature Appearance Selected: DRAW

 Document emailed to Marista Jorve (mjorve@everettwa.gov) for signature

2026-06-09 - 4:38:42 PM GMT

 Email viewed by Marista Jorve (mjorve@everettwa.gov)

2026-06-09 - 4:44:41 PM GMT

 Document e-signed by Marista Jorve (mjorve@everettwa.gov)

Signature Date: 2026-06-09 - 4:44:52 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

 Agreement completed.

2026-06-09 - 4:44:52 PM GMT












# Lease with Pelham

Final Audit Report

2026-06-09

Created:	2026-06-09
By:	Marista Jorve (mjorve@everettwa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAUuNkDNVLo3f4ZdqAyPuMzokMoSOWq7Ak

## "Lease with Pelham" History

-  Document created by Marista Jorve (mjorve@everettwa.gov)  
2026-06-09 - 5:37:08 PM GMT
-  Document emailed to Rory Frazier (RFrazier@everettwa.gov) for approval  
2026-06-09 - 5:37:33 PM GMT
-  Email viewed by Rory Frazier (RFrazier@everettwa.gov)  
2026-06-09 - 5:38:19 PM GMT
-  Document approved by Rory Frazier (RFrazier@everettwa.gov)  
Approval Date: 2026-06-09 - 8:13:30 PM GMT - Time Source: server
-  Document emailed to kim@pelhamgroupnw.com for signature  
2026-06-09 - 8:13:33 PM GMT
-  Email sent to kim@pelhamgroupnw.com bounced and could not be delivered  
2026-06-09 - 8:13:37 PM GMT
-  Marista Jorve (mjorve@everettwa.gov) replaced signer kim@pelhamgroupnw.com with Kim Pelham (kim@thepelhamgroupnw.com)  
2026-06-09 - 8:52:28 PM GMT
-  Document emailed to Kim Pelham (kim@thepelhamgroupnw.com) for signature  
2026-06-09 - 8:52:30 PM GMT
-  Email viewed by Kim Pelham (kim@thepelhamgroupnw.com)  
2026-06-09 - 10:34:03 PM GMT
-  Document e-signed by Kim Pelham (kim@thepelhamgroupnw.com)  
Signature Date: 2026-06-09 - 10:34:45 PM GMT - Time Source: server - Signature Appearance Selected: MOBILE\_DRAW
-  Agreement completed.  
2026-06-09 - 10:34:45 PM GMT