



TEMPORARY USE LICENSE

This Temporary Use License (“License”) is by and between the Pacific Hospital Preservation & Development Authority, a Washington public corporation (“Licensor”) and the State of Washington, acting through the Department of Commerce (“Licensee”), and is pursuant to ESSB 5187, Section 129 (61), Chapter 475, Laws of 2023:

\$450,000 of the general fund—state appropriation for fiscal year 2024 and \$450,000 of the general fund—state appropriation for fiscal year 2025 are provided solely for costs to develop and operate community-based residential housing and services for youth wellness spanning a range of needs and circumstances at the Pacific hospital preservation and development authority quarters, buildings three through 10 in Seattle. The amounts provided in this subsection may be used for planning, lease payments, and other related expenses for the development and operation of comprehensive residential programs providing housing, on-site social services, and community-based resources for youth identified by the department of commerce, the department of children, youth, and families, or the health care authority. The funding may also be used for the preparation and issuance of a request for qualifications for a site operator, or lease management and related administrative functions. The department is authorized to enter into a lease, with an option to enter into multiyear extensions, for the Pacific hospital preservation and development authority quarters, buildings three through 10.

Recitals

- A. Licensor owns certain property located at 1200 12th Avenue South, Seattle, WA 98144 (the “Property”) upon which certain existing structures commonly known as Quarters 3 through 10 (collectively, the “Buildings”) are located. The Buildings consist of five (5) separate structures that total approximately 31,720 rentable square feet (being Quarters 3/4 (6,060 rentable square feet), Quarters 5 (3,690 rentable square feet), Quarters 6/7 (6,060 rentable square feet), Quarters 8/9 (6,060 rentable square feet) and Quarters 10 (9,850 rentable square feet)). The Buildings are depicted on the attached Exhibit A.
- B. Licensee desires (i) certain limited and intermittent access to the Buildings during the approximately Twenty Four (24) month period defined below as the “License Period”; and (ii) that Licensor not allow another third party to occupy the Buildings during such License Period, according to the terms and conditions herein.
- C. The parties acknowledge and agree that the purpose of such access and restriction, and of the fee to be paid under this Agreement, is to allow the State of Washington to undertake evaluation of the Buildings for concept development, design, and planning of state-operated or contracted residential housing facilities and services.
- D. The parties further acknowledge and agree that Licensee is not responsible for, nor shall Licensee perform, any maintenance, repair or renovation of the Buildings during the License Period (other than repair of any damage caused by Licensee or Licensee’s employees, agents, contractors or invitees); further, that Licensee’s activities with respect to the Buildings are intended to be limited to intermittent access during the License Period for evaluation purposes.
- E. Licensor is willing to provide Licensee and its agents and invitees with the right to access the Buildings during the License Period, according to the terms and conditions herein.

Agreement

- 1. DESCRIPTION OF LICENSED AREA.** On the following terms and conditions, Licensor hereby grants Licensee a temporary, nonexclusive, revocable license to access the Buildings (“Licensed Area”).

2. **LICENSE PERIOD.** This License shall be in effect for a period of time ("License Period") commencing as of July 1, 2023 ("Effective Date") and ending on June 30, 2025. At the conclusion of the License Period, Licensee shall provide Licensors with a copy of all studies, reports, or other documentation related to the Licensed Area obtained by Licensee during the License Period.
3. **AGREEMENT NOT TO ALLOW OTHER OCCUPANCY.** Provided that Licensee timely pays the License Fee and otherwise complies with the terms of this License, and so long as this License remains in effect, Licensors agree not to allow any other third party to occupy the Licensed Area during the License Period; provided that Licensee further acknowledges that Licensors are entitled to access the Licensed Area from time to time during the License Period in order to tour third parties through the Licensed Area, to do its own property inspection and assessment work; and/or to perform property improvements or alterations.
4. **CONSIDERATION.** Licensee shall pay to Licensors a license fee in the amount of Eight Hundred Thousand Dollars (\$800,000.00) ("License Fee") to be paid in two payments as follows: \$400,000.00 to be paid within thirty (30) days of Licensee's execution of this License and \$400,000.00 to be paid no later than July 19, 2024. Each installment of the License Fee shall be immediately nonrefundable and shall not be subject to reimbursement or proration in the event of early termination of this License.
5. **USE OF LICENSED AREA.** Licensee may use the Licensed Area only for inspecting the Licensed Area. Notwithstanding the foregoing, Licensee may not perform, authorize or allow any form of invasive testing of the Buildings or the property on which the same are located (including, without limitation, any soils studies, borings or testing of areas behind or beneath walls, ceilings or floors) without Licensors' prior written consent, which consent will not be unreasonably withheld. Licensee may access the Licensed Area during the License Period only by first contacting Licensors' property manager (currently JLL), who will facilitate such access.

During any period of access, Licensee shall not drill into, damage, disfigure, or deface any part of the Buildings, grounds, or any part or portion of the property.

Licensee shall not do or permit anything to be done in or about the Licensed Area or bring or keep anything in the Licensed Area that will in any way increase the fire insurance upon the Building; provided however that Licensors shall notify Licensee with specificity what activities are so prohibited. Licensee will not perform any act or carry on any practices that may injure the Building or be a nuisance or menace to occupants of adjoining areas in the Building or on the Property. Licensee shall not cause, maintain or permit any storage on or about the Licensed Area. Licensee warrants that no flammable, hazardous or explosive materials shall be allowed into the Licensed Area. Licensee shall not place any signs on the Buildings or on or about the property on which the Buildings are located without Licensors' permission, which shall not be unreasonably withheld. Furthermore, Licensee shall not commit or suffer any waste upon or about the Licensed Area, or any nuisance, or other act or thing which may disturb the quiet enjoyment of any other occupant of the project of which the Buildings are a part.
6. **ALTERATIONS.** Licensee shall not perform, authorize or allow any alterations to the Licensed Area.
7. **AS-IS, WHERE-IS.** Licensee acknowledges that the Licensed Area is licensed to Licensee in its "as-is, where-is" condition, with no representations or warranties, either express or implied, from Licensors. Licensors have no obligation to provide janitorial, trash or any other similar service to the Licensed Area. Without limiting the foregoing, Licensee acknowledges that Licensors have disclosed the risks of the possible presence of and exposure to asbestos and lead paint in the Buildings and Licensee by its execution of this License expressly assumes such risks.
8. **INDEMNIFICATION.** Each party shall be solely responsible for the acts, omissions, negligence or willful misconduct of its employees, officers, and agents.
9. **ENTRY BY LICENSOR.** Licensee understands that Licensors, Licensors' agents and their invitees may enter the Licensed Area at any time for the purpose of inspecting the same, for the purpose of maintaining the Buildings, for the purpose of making repairs, alterations, or additions to any portion of the Buildings or the Licensed Area, or for the

purpose of marketing the Buildings or the Licensed Area. Licensee shall not alter any lock or install a new or additional lock or any bolt on any door of the Building in which the Licensed Area is located.

10. ASSIGNMENT. Licensee shall not assign this License or any interest in this License or permit the use of all or any portion of the Licensed Area by any person or persons other than Licensee. Any attempted assignment shall void this License.

11. DEFAULT. Time is of the essence in Licensee's obligations under this License. If any default shall be made by Licensee of any of the covenants herein contained, Licensor shall have the right to terminate this License if Licensee fails to cure the default within 10 days after Licensee receives written notice and opportunity to cure. Unless otherwise agreed by the parties, if Licensee fails to remove any of its property as of the expiration or termination of this License, then Licensor may treat the same as abandoned property and Licensor may dispose of such property as Licensor deems appropriate.

12. ATTORNEYS' FEES. In the event of any legal action or proceeding between the parties hereto, reasonable attorneys' fees and expenses of the prevailing party in any such action or proceeding may be added to the judgment therein.

13. NOTICES. All notices shall be in writing and shall be sufficiently given and served upon the other party if sent by certified mail, return receipt requested, postage prepaid, and addressed as follows:

All notices to Licensor are to be sent to:

Pacific Hospital Preservation & Development Authority
1200 12th Avenue S, Quarters 2
Seattle, WA 98114
Attention: Executive Director

All notices to Licensee are to be sent to:

Department of Commerce
Attn: Nathan Lichti, Managing Director, Multifamily Housing Unit
1011 Plum Street SE
PO Box 42525
Olympia, WA 98504
With email to: Nathan.Lichti@commerce.wa.gov

14. WAIVER. The waiver by Licensor of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition of any subsequent breach of the same or any other term, covenant, or condition herein contained.

15. INSURANCE. Licensee is a Washington State agency insured through the state risk pool and private lines coverages administered through state risk management, and is responsible for the acts, omissions, negligence or willful misconduct of its employees, officers, and agents. It is further agreed that any insurance maintained by Licensee will apply in excess of, and not contribute with, insurance provided by Licensor. Licensee shall, at its sole cost and expense, procure and maintain, or cause to be procured and maintained, during the entire License Period insurance including commercial general liability insurance insuring against bodily injury or property damage sustained in, on or about, or as a result of Licensee's use or occupancy of, the Licensed Area with limits of liability not less than \$2,000,000 per occurrence and in the aggregate and automobile bodily injury and property damage liability covering all owned, nonowned, and hired vehicles with limits of liability not less than \$2,000,000 for each occurrence or accident (aggregate not applicable). The policies required under this Section 16 shall name Licensor as additional insured to the extent of Licensee's negligence, as appropriate.

16. CONDITION OF LICENSED AREA AT END OF LICENSE PERIOD. Upon termination of the License Period, Licensee shall leave the Licensed Area in as good of a condition as exists at the commencement of the License Period,

except for ordinary wear and tear. Licensee shall remove all personal property from the Licensed Area. Licensor can elect to retain or dispose of in any manner Licensee's personal property not removed from the Licensed Area by Licensee prior to the expiration of the License Period, and Licensee shall be responsible for all costs related to the same. Licensee waives all claims against Licensor for any damage to Licensee resulting from Licensor's retention or disposition of Licensee's personal property. Licensee shall be liable to Licensor for storage, removal or disposal of Licensee's personal property.

17. PARTIAL INVALIDITY. If any provision of this License or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this License or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this License shall be valid and enforced to the fullest extent permitted by law.

18. ENTIRE AGREEMENT. This License and any exhibits attached hereto constitute the entire agreement between the parties with respect to the Licensed Area and Licensee's and Licensee's invitees' use thereof. All exhibits mentioned in this License (if any) are incorporated herein by reference. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this License shall be binding upon Licensor or Licensee unless reduced to writing and signed by both parties. The captions and section numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of any section herein.

19. CHOICE OF LAW. This License shall be governed by and construed in accordance with the laws of the State of Washington.

20. AUTHORITY TO EXECUTE. Each party represents and warrants that it is duly authorized to execute and deliver this License, and that this License shall be binding upon said party in accordance with its terms. Licensor represents and warrants to Licensee that the consent or approval of no third party, including, without limitation, a lender, is required with respect to the execution of this License.

21. COUNTERPARTS. This License may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the parties had signed the same signature page.

22. GENERAL. The Pacific Hospital Preservation & Development Authority is organized pursuant to Seattle Municipal Code 3.110 and RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides as follows: "All liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority."

[Signatures follow]

IN WITNESS HEREOF Licensor and Licensee have executed this Temporary Use License as of the day and year of the last signature below.

LICENSOR

Pacific Hospital Preservation and Development Authority,
a Washington public corporation

By: 
Name: Virgil Wade

Its: Executive Director
11/29/2023 | 12:43 PM PST
Date: _____

LICENSEE

State of Washington, acting through the Department of
Commerce

By: 
Name: Corina Grigoras

Its: Housing Division Assistant Director
11/29/2023 | 12:46 PM PST
Date: _____

EXHIBIT A
LICENSED AREA DEPICTION
Quarters 3-10

[See following page]

