

# COMMERCIAL LEASE AGREEMENT

## Downtown Grocers - Seattle, Washington

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### PAGE 1: LEASE SUMMARY & PARTIES

#### COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Agreement") is entered into on September 1, 2019, between the parties identified below:

**LANDLORD:** Pacific Northwest Realty Partners

1001 4th Avenue, Suite 3200

Seattle, WA 98154

Phone: (206) 555-9000

Tax ID: 91-5432187

**TENANT:** FreshMart Grocery Chain

1200 Corporate Drive

Denver, CO 80202

Phone: (303) 555-4321

Tax ID: 87-9876543

**PROPERTY ADDRESS:** 415 Pine Street

Seattle, WA 98101

**LEASE TERM:**

- **Commencement Date:** September 1, 2019
- **Expiration Date:** August 30, 2024
- **Initial Term:** 4 years and 364 days
- **Total Square Footage:** 18,200 square feet

**MONTHLY BASE RENT:** \$47,516.67 per month (\$31.25 per square foot annually)

**SECURITY DEPOSIT:** \$142,550.00 (equivalent to three months' base rent)

This Agreement shall be governed by the laws of the State of Washington and the City of Seattle municipal codes.

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## PAGE 2: PROPERTY DETAILS

**PROPERTY DESCRIPTION:** The leased premises consists of a ground-floor urban retail space in Seattle's Central Business District. The property features contemporary design, high ceilings, energy-efficient systems, and is located in a mixed-use development with residential units above.

**TOTAL SQUARE FOOTAGE BREAKDOWN:**

- **Total Retail Space:** 18,200 square feet
- **Produce Department:** 3,276 square feet
- **Dairy Section:** 1,820 square feet
- **Meat Department:** 2,730 square feet
- **Packaged Goods:** 4,914 square feet
- **Storage/Office/Other:** 5,460 square feet

**PERMITTED USE:** The premises shall be used exclusively for retail grocery operations, including the sale of food products, beverages, prepared foods, and related merchandise. Sale of alcoholic beverages permitted with proper Washington State licensing.

**PARKING SPECIFICATIONS:**

- **Customer Parking:** 45 spaces in shared underground garage
- **Employee Parking:** 8 dedicated spaces
- **Handicap Accessible:** 4 spaces
- **Loading Zone:** Street-level loading area (permit required)
- **Bicycle Storage:** Secure indoor storage for 20 bicycles

**PROPERTY FEATURES:** LED lighting throughout, polished concrete floors, 14-foot ceilings, floor-to-ceiling windows facing Pine Street, modern HVAC with individual zone controls, and integrated security system.

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## PAGE 3: FINANCIAL TERMS

**BASE RENT SCHEDULE:**

- **Years 1-2:** \$47,516.67/month (\$31.25/sq ft annually)
- **Years 3-4:** \$49,892.50/month (\$32.81/sq ft annually)
- **Year 5:** \$52,268.33/month (\$34.38/sq ft annually)

**RENT ESCALATION:** Base rent increases by 5% every two years, with the first increase effective September 1, 2021.

**SECURITY DEPOSIT:** \$142,550.00 held in interest-bearing escrow account with Washington Trust Bank. Interest accrues to Tenant benefit. Deposit refundable within 30 days of lease termination, less any damages or unpaid amounts.

**COMMON AREA MAINTENANCE (CAM) CHARGES:** \$6.75 per square foot annually = \$10,237.50 monthly CAM includes:

- Parking garage maintenance and security
- Building lobby and common area maintenance
- Elevator maintenance and utilities
- Building security system
- Property management fees
- Shared loading dock maintenance

**ADDITIONAL COSTS:**

- **Property Taxes:** Tenant responsible for pro-rata share (estimated \$8,100/year)
- **Utilities:** Tenant responsible for all interior utilities
- **Waste Management:** \$595/month for commercial waste service

**LATE PAYMENT PENALTY:** 10% of monthly rent if payment received after the 3rd of each month, plus \$75 administrative fee.

**ANNUAL RECONCILIATION:** CAM charges reconciled annually by December 31st. Tenant billed for overages or credited for under-charges within 45 days.

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## **PAGE 4: TENANT RESPONSIBILITIES**

**MAINTENANCE OBLIGATIONS:** Tenant shall maintain the interior of the premises in good condition, including:

- All interior fixtures, flooring, and wall finishes
- Plumbing fixtures and interior systems
- Electrical panels and lighting systems
- HVAC units and regular filter replacement
- Refrigeration and freezer equipment

- Daily cleaning and sanitization
- Quarterly deep cleaning services

**INSURANCE REQUIREMENTS:** Tenant must maintain the following insurance coverage:

- **General Liability:** \$3,000,000 per occurrence, \$6,000,000 aggregate
- **Property Insurance:** Full replacement value of fixtures and inventory
- **Workers' Compensation:** As required by Washington State law
- **Cyber Liability:** \$500,000 minimum coverage
- **Umbrella Policy:** \$2,000,000 minimum coverage

Landlord and building management must be named as additional insured. Annual certificate updates required.

**UTILITY RESPONSIBILITIES:** Tenant responsible for all utilities serving the premises:

- Electricity (including refrigeration and lighting)
- Natural gas for heating and cooking equipment
- Water, sewer, and stormwater fees
- Internet, phone, and cable services
- Grease trap maintenance and pumping

**OPERATING HOURS:**

- **Monday-Saturday:** 7:00 AM to 10:00 PM
- **Sunday:** 8:00 AM to 9:00 PM
- **Extended Hours:** Permitted with 30-day written notice
- **24-Hour Access:** Allowed for restocking with security escort

**COMPLIANCE REQUIREMENTS:** Tenant must maintain all required permits including Seattle Department of Health permits, business licenses, and Washington State Department of Agriculture certifications.

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## PAGE 5: LANDLORD RESPONSIBILITIES & PROPERTY MANAGEMENT

**LANDLORD MAINTENANCE OBLIGATIONS:** Landlord shall maintain building systems and common areas:

- Structural elements and building envelope

- Elevator systems and common area HVAC
- Parking garage maintenance and lighting
- Building security systems
- Fire safety systems and sprinklers
- Major plumbing and electrical systems (over \$2,500)

**PROPERTY MANAGEMENT COMPANY: Metropolitan Property Management LLC**

Contact: Lisa Chen, Property Manager

Office: (206) 555-8200

Mobile: (206) 555-8201

Email: [l.chen@metropm.com](mailto:l.chen@metropm.com)

Office Hours: Monday-Friday, 7:30 AM - 6:00 PM

**EMERGENCY MAINTENANCE PROCEDURES:**

- **Emergency Hotline:** (206) 555-911-1 - Available 24/7
- **Primary Emergency Contact:** Robert Kim, Building Engineer
- **Emergency Mobile:** (206) 555-8210
- **Response Time:** 1 hour for emergencies, 4 hours for urgent issues

**BUILDING MANAGEMENT POLICIES:**

- Weekly common area inspections
- Monthly elevator maintenance and testing
- Quarterly fire system inspections
- Semi-annual garage cleaning and maintenance
- Daily security patrols during overnight hours

**LANDLORD CONTACT INFORMATION: Primary Contact:** Amanda Rodriguez, Regional Manager

**Phone:** (206) 555-8205

**Email:** [a.rodriguez@pnwrealty.com](mailto:a.rodriguez@pnwrealty.com)

**Building Operations: Address:** Pacific Northwest Realty Partners

1001 4th Avenue, Suite 3200

Seattle, WA 98154

**Legal Counsel:** Hansen & Associates

**Phone:** (206) 555-7700

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## PAGE 6: RENEWAL TERMS & CONTACT INFORMATION

**LEASE RENEWAL OPTIONS:** Tenant has the option to renew this lease for two additional 5-year terms under the following conditions:

- Written notice of intent to renew must be provided 6 months prior to lease expiration (by February 28, 2024)
- Tenant must be current on all rent and charges with no material defaults
- Renewal rent determined by professional market analysis
- Terms substantially similar to original lease

### RENEWAL TERMS:

- **Notice Period:** 180 days written notice required
- **Rent Determination:** Third-party appraisal if parties cannot agree within 60 days
- **Option Periods:** Two consecutive 5-year renewal options
- **Security Deposit:** Adjusted proportionally to new rent amount

### EARLY TERMINATION CLAUSES:

- **Tenant Early Termination:** Not permitted before August 30, 2023
- **Force Majeure:** Either party may terminate if premises unusable for 6+ months
- **Condemnation:** Either party may terminate if more than 40% of premises affected
- **Assignment Rights:** Tenant may assign with Landlord consent (not unreasonably withheld)

### KEY CONTACT INFORMATION:

**PRIMARY PROPERTY MANAGER:** Lisa Chen, Property Manager

Metropolitan Property Management LLC

Phone: (206) 555-8200

Mobile: (206) 555-8201

Email: [l.chen@metropm.com](mailto:l.chen@metropm.com)

**EMERGENCY MAINTENANCE:** Robert Kim, Building Engineer

24/7 Emergency Hotline: (206) 555-911-1

Mobile: (206) 555-8210

Email: [r.kim@metropm.com](mailto:r.kim@metropm.com)

**LANDLORD REPRESENTATIVE:** Amanda Rodriguez, Regional Manager

Pacific Northwest Realty Partners

Phone: (206) 555-8205

Email: [a.rodriquez@pnwrealty.com](mailto:a.rodriquez@pnwrealty.com)

**LEASE ADMINISTRATION:** Marcus Johnson, Lease Coordinator

Phone: (206) 555-8207

Email: [m.johnson@pnwrealty.com](mailto:m.johnson@pnwrealty.com)

**RENT PAYMENT ADDRESS:** Pacific Northwest Realty Partners

Lockbox Services

P.O. Box 98000

Seattle, WA 98109

**LEGAL NOTICES ADDRESS:** Pacific Northwest Realty Partners

1001 4th Avenue, Suite 3200

Seattle, WA 98154

Attention: Legal Affairs

**BUILDING MANAGEMENT OFFICE:** 415 Pine Street, Suite B-100

Seattle, WA 98101

Hours: Monday-Friday, 8:00 AM - 4:00 PM

**TENANT CONTACT FOR NOTICES:** FreshMart Grocery Chain

1200 Corporate Drive

Denver, CO 80202

Attention: Northwest Regional Manager

This lease agreement has been executed on the date first written above.

**SIGNATURES:** [Signature blocks for both parties with date and witness lines]