



State of Washington

PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908
(360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdca.wa.gov

BEFORE THE PUBLIC DISCLOSURE COMMISSION OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH
RCW 42.17A

Respondent.
Kitsap County Republican Party

PDC Case 82077

Report of Investigation

I. Background, Complaint and Allegation

- 1.1 On February 11, 2021, the Kitsap County Republican Party (KCRP) filed a Registration Statement with the PDC as a Bona Fide Political Party, selecting the Full Reporting Option and listing Juliana McMahan as Chair, Justin Weis as Vice-Chair, Alice Tawresey as Secretary, and Heather George as Treasurer. The KCRP Registration indicated it was filed for the Non-Exempt funds account.
- 1.2 On December 29, 2017, the KCRP filed an Amended Committee Registration Statement (C-1pc) with the PDC as Continuing Bona Fide Political Party, selecting the Full Reporting Option and listing Tony Stephens as Chair, Kristine Cowan as Vice-Chair, Juliana McMahan as Secretary, and Chris Stephens as Treasurer.
- 1.3 The KCRP has been registered and filing reports campaign finance reports under the Full Reporting Option as a bona-fide political party with the Public Disclosure Commission (PDC) since the 1990's, and such reports are on file with the PDC dating back to 2007.
- 1.4 Between January 1, 2016 through December 31, 2020, the Kitsap County Republican Party (KCRP) was registered and filing reports with the Public Disclosure Commission for only one account, a non-exempt bona-fide political party under the Full Reporting Option.

1.5 On December 12, 2020, Alex Bond filed a complaint with the PDC alleging violations of RCW 42.17A.405 for accepting contributions that exceed the contribution limitations.
Exhibit #1

1.6 On Wednesday, March 9, the PDC held an Initial Hearing (Case Status Review Hearing), after opening a formal investigation for the Kitsap County Republican Party, PDC Case 82077.

II. Investigative Findings

- 2.1 PDC statutes, rules and reporting requirements prohibit a non-exempt bona-fide political party from accepting contributions of more than \$5,500 in a calendar year from any person, except an individual, bona fide political party, or caucus political committee, unless an exempt funds account is created and registered with the PDC.
- 2.2 A bona-fide political party may use non-exempt funds for all expenditures. However, non-exempt funds must be used for all candidate contributions and any expenditure not included in the list below.
- 2.3 Exempt funds can only be spent by a political party organization for: (1) voter registration; (2) absentee ballot information; (3) precinct caucuses; (4) get-out-the vote campaigns; (5) precinct judges or inspectors; (6) sample ballots; (7) ballot counting; and (8) internal party-building expenses or party fund raising activities, all without direct association with any individual candidates.
- 2.4 Exempt funds are required to be deposited into a separate bank account. Once a bona fide political party establishes an exempt funds account and registers the account with the PDC, contributions to the exempt funds account are not subject to contribution limits in accordance with RCW 42.17A.405(15).
- 2.5 As noted above, separate bank accounts must be maintained for exempt and non-exempt funds and when a bona-fide political party receives a contribution, it cannot split the contribution between its exempt and non-exempt accounts. A contributor must include a separate written instrument to make a contribution to an exempt account, and exempt funds may not be moved to a non-exempt funds account as noted in the PDC advice which states: "Once exempt, always exempt." If a bona-fide political party has exempt and non-exempt funds bank accounts, the party must file separate PDC registrations and file separate contribution and expenditure reports for each registration.
- 2.6 The KCRP did not have an exempt funds registration with the PDC between January 1, 2016 through December 31, 2020. On May 11, 2021, Juliana McMahan stated to PDC staff the KCRP established an exempt funds bank account and is in the process of registering the account with the PDC.

2.7 For calendar years 2016 through 2020, PDC staff reviewed the Campaign Explorer pages for the KCRP, disclosing the following activity:

Calendar Year	Total Contributions	Total Expenditures	Contribution and Expenditure Highlights
2020	\$290,524.72 (Note-includes \$111,819.74 in funds carried forward from 2019)	\$186,785.64	<ul style="list-style-type: none"> • \$85,000 in monetary contributions made to Jesse Young for 2020 State House (\$35,000) & 2022 Senate (\$50,000) in December of 2020. • \$30,000 in-kind contribution received from the Mentor Co. (Rent/utilities). • Two \$10,000 contributions were received from Burke Mechanical of Port Orchard and from Emerald Fire, LLC. of Gig Harbor. • Six additional monetary contributions to 2020 candidates totaling \$8,000.
2019	\$166,569.91 (Note-includes \$90,984.02 in funds carried forward from 2018)	\$69,346.74	<ul style="list-style-type: none"> • \$30,000 in-kind contribution from the Mentor Co. (Rent/utilities). • 13 expenditures totaling \$8,982 to Mentor Co. for rent \$6,000 = 12 x \$500 per mo. + \$2,982 for office space remodel.
2018	\$165,826.05 (Note-includes \$102,976.15 in funds carried forward from 2017)	\$70,317.49	<ul style="list-style-type: none"> • Nine contributions to 2018 Leg. Candidates totaling \$30,975. • \$8,000 contribution to WA State Republican Party in October of 2018. • 12 expenditures totaling \$6,000 to Mentor Co. for rent (12 x \$500 per mo.).
2017	\$149,443.08 (Note-includes \$90,631.94 in funds carried forward from 2016)	\$55,090.25	<ul style="list-style-type: none"> • \$30,000 in-kind contribution from the Mentor Co. (Rent/utilities). • 12 expenditures totaling \$6,000 to Mentor Co. for rent (12 x \$500 per mo.). • No contributions to any candidates or political committees/party organizations.
2016	\$138,195.38 (includes \$86,580.07 in funds carried forward from 2015)	\$48,296.22	<ul style="list-style-type: none"> • 17 expenditures for GOTV activities totaling \$16,885.29 that included printing and mailing a voter guide, GOTV printing and phone banking. • 31 expenditures for 2016 Caucus/LDD activities totaling #13,990.99. • 11 expenditures totaling \$5,500 to Mentor Co. for rent (11 x \$500 per mo.). • Received a \$10,000 monetary contribution received from the Affordable Housing Council of the HBA of Kitsap County (October 2016).

2.8 The KCRP disclosed receiving six monetary and in-kind contributions that exceeded the contribution limits to its non-exempt funds account as follows:

- On October 4, 2016, the KCRP filed a Monetary Contributions (C-3) report disclosing a \$10,000 contribution received from the Affordable Housing Council of the HBA of Kitsap County. The \$10,000 contribution from the Affordable Housing Council of the HBA of Kitsap County exceeded contribution limits by \$4,500.
- On April 2, 2017, the KCRP filed a Full Campaign Summary Contributions and Expenditures (C-4) report for March of 2017, disclosing the receipt of a \$30,000 in-kind contribution received from the Mentor Company on March 26, 2017, for office space.
- On April 10, 2019, the KCRP filed a Full Campaign Summary Contributions and Expenditures (C-4) report for March of 2019, disclosing the receipt of a \$30,000 in-kind contribution received from the Mentor Company on March 1, 2019, for “Market rate, utilities, property tax for office.”
- On March 2, 2020, the KCRP filed a Full Campaign Summary Contributions and Expenditures (C-4) report for February of 2020, disclosing the receipt of a \$30,000 in-kind contribution received from the Mentor Company on February 2, 2020, for “rent and utilities.”
- On December 10, 2020, the KCRP filed a C-3 report listing two contributions received December 9, 2020, a \$10,000 contribution was from Burke Mechanical of Port Orchard and a \$10,000 contribution from Emerald Fire, LLC. of Gig Harbor. Both contributors are businesses that exceeded the contribution limitations by \$4,500 each.

2.9 On January 4, 2021, Tony Stephens submitted the original response to the complaint on behalf of the KCRP in which he stated the KCRP agrees with the intention of RCW 42.17.400 that “The financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates.” He stated that each of the small business owners that made contributions to the KCRP in 2020, “are simply individuals who wish to have fair and equal opportunity to influence elective and governmental processes”.

2.10 Stephens stated that neither of the two contributing entities “nor the KCRP was attempting to break the law. This is evidenced on their part by using a check with their company name on it, and on our part by openly reporting the contribution on our PDC C-3 report.” He stated that the KCRP further agreed with the statutory concept found in RCW 42.17A.001 that “attempting to increase financial participation of individual contributors in political campaigns is encouraged.” He added that “overzealous enforcement” could result with individual contributors withdrawing from participating, at least financially in the election process.

- 2.11 Stephens stated the KCRP, after becoming aware of the contribution limitations, has taken corrective action, and brought both Emerald Fire, LLC, and Burke Mechanical into compliance with the \$5,500 contribution limit by returning \$4,500 of the \$10,000 contributions to both entities. He stated the KCRP is currently working to address the \$10,000 contribution received from the Affordable Housing Council of the HBA of Kitsap County in 2016.
- 2.12 Concerning the \$30,000 in-kind contributions the KCRP received from the Mentor Company, Stephens stated that the KCRP is working with PDC staff, and has communicated with the Mentor family, seeking advice from both parties. Specifically, he stated the KCRP he has been working with a PDC Compliance Officer “on the best way to bring the Mentor Company into compliance with the limits of the RCW.”
- 2.13 Stephens provided additional information stating the KCRP rents office space from the Mentor Company, paying an agreed upon \$515 each month for the office space (dating back to 2016 for purposes of this report). He stated the KCRP believes “the space is worth more than we are paying, and thought the public had a right to know that. We chose the amount of in-kind contribution (\$30,000) in order to report what we think the offices are worth minus the amount we pay each month.”
- 2.14 Stephens stated the KCRP was not aware of the contribution limitation for the fair market value of the office space provided by the Mentor Company and added “we thought it made no difference what the amount was as long as the amount we reported is at least as great as the benefit we receive, so that the public is informed.”
- 2.15 Stephens further stated that past interactions between the KCRP and PDC staff have been “transparent and professional” and that the party routinely seeks advice in attempting to comply with the reporting requirements under “Washington State’s Campaign Finance Law.” He stated that any mistakes made by the KCRP were “unintentional and small and are being corrected.” He went on to state the following:
- “As the KCRP dutifully reported every aspect in clear language on our reports, the public had every ability, as Alex did, to view our contribution activity. Since the donors are just regular folks trying to be involved, and not mega corporations attempting to sway Washington politics, the public has not been impacted negatively. We believe this is the crux of the issue.”
 - “Two of our contributors exceeded their lawful limit and we have returned the overage. We will work with the PDC for the amount we asserted for our land-lord, and for guidance concerning the contribution in 2016 by a community group. We believe, as Alex does, that the public has not been adversely impacted. We further believe by acting in good faith, as is our custom, the word and intent of Washington’s Campaign Finance Law can continue to be a focus of the Kitsap County Republican Party.”

III. Scope

3.1 PDC staff reviewed the following:

- The complaint and exhibits filed against the Kitsap County Republican Party by Alex Bond. **Exhibit#1**
- The response submitted by past Kitsap County Republican Party Chair Tony Stephens. **Exhibit #2**
- Additional responses submitted by new Kitsap County Republican Party Chair Julianna McMahan. **Exhibit #3**
- Telephone conversations and email communications with past Kitsap County Republican Party Chair Tony Stephens, past Treasurer Chris Stephens, new Chair Juliana McMahan, and new Treasurer Heather George.
- The commercial lease agreement between the Kitsap County Republican Party and the Mentor Company provided by the Committee **Exhibit #4**

3.2 PDC staff conducted queries of the following:

- PDC database for contribution and expenditure information filed by the Kitsap County Republican Party.
- Public data regarding ownership and rental costs of office space located in the Silverdale Village Shopping Center Building at 9481 Silverdale Way Ste. in Silverdale, Kitsap County, Washington. **Exhibit #5**

IV. Statutes and Rules

- 4.1 **RCW 42.17A.405(15)** states: The following contributions are exempt from the contribution limits of this section: (a) An expenditure or contribution earmarked for voter registration, for absentee ballot information, for precinct caucuses, for get-out-the-vote campaigns, for precinct judges or inspectors, for sample ballots, or for ballot counting, all without promotion of or political advertising for individual candidates; (b) An expenditure by a political committee for its own internal organization or fund-raising without direct association with individual candidates; or (c) An expenditure or contribution for independent expenditures or electioneering communications as defined in **RCW 42.17A.005**.

- 4.2 **WAC 390-17-060** states in part the following: (1)(a) "Exempt contributions" are contributions made to a political committee which are earmarked for exempt activities as described in RCW 42.17A.405. Such contributions are required to be reported under RCW 42.17A.240, are subject to the restrictions in RCW 42.17A.420 but are not subject to the contribution limits in RCW 42.17A.405. Any written solicitation for exempt contributions must be so designated. Suggested designations are "not for individual candidates" or "for exempt activities."
- (2) "Exempt contributions account" is the separate bank account into which only exempt contributions are deposited and out of which only expenditures for exempt activities shall be made.
- (3) "Exempt activities" are those activities referenced in RCW 42.17A.405 as further clarified by subsections (4), (5), and (6) of this section. Only exempt activities are eligible for payment with exempt contributions.
- 4.3 **WAC 390-17-065** states in part the following: (1) Any political committee that receives exempt contributions as defined by RCW 42.17A.405 and WAC 390-17-060 shall keep the contributions in a separate bank account. Exempt contributions commingled with contributions subject to contribution limits are presumed to be subject to the limits. Expenditures to promote candidates or which are made for purposes other than those specified in RCW 42.17A.405 shall not be made with funds from the exempt contributions account.
- (2)(a) Separate campaign disclosure reports shall be completed and filed for an exempt contributions account.
- (b) Political committees maintaining an exempt contributions account shall make known the existence of the account by filing a statement of organization for the account pursuant to RCW 42.17A.205.
- (c) Political committees maintaining an exempt contributions account shall be subject to the provisions of chapter 42.17A RCW and file the disclosure reports required by this chapter for the account pursuant to RCW 42.17A.235

Respectfully submitted this 17th day of MAY, 2021.

electronically signed, Alice Fiman
Alice Fiman
PDC Compliance Officer

List of Exhibits

- | | |
|-------------------|---|
| Exhibit #1 | Complaint and exhibits filed against the Kitsap County Republican Party by Alex Bond. |
| Exhibit #2 | Response submitted by past Kitsap County Republican Party Chair Tony Stephens |
| Exhibit #3 | Additional responses submitted by new Kitsap County Republican Party Chair Julianna McMahan. |
| Exhibit #4 | The commercial lease agreement between the Kitsap County Republican Party and the Mentor Company provided by the Committee |
| Exhibit #5 | Public data regarding ownership and rental costs of office space located in the Silverdale Village Shopping Center Building |

Exhibit 1

PDC Case 82077 Exhibits 1 of 22

Respondent Name
Kitsap County Republican Party
Complainant Name
Alex Bond
Complaint Description
<p><u>Alex Bond</u> (Sat, 12 Dec 2020 at 4:10 PM)</p> <p>WAC 390-05-400 states that a nonexempt political party can accept a maximum of \$5,500 per calendar year from PACs, unions, corporations, or other entities.</p> <p>The Kitsap County Republican Party is registered as a nonexempt party committee according to their C1: https://apollo.pdc.wa.gov/public/registrations/registration?registration_id=19615</p> <p>According to their C3 of 12/10/2020, #110003211, on 12/9/2020 they accepted two contributions of \$10,000 from Burk Mechanical of Port Orchard and Emerald Fire LLC of Gig Harbor: https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=110003211</p> <p>According to their C4 of 5/4/2020, #100965985, on 2/2/2020 they accepted an in-kind contribution of \$30,000 from Mentor Company of Silverdale: https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=100965985</p> <p>They also accepted a \$30,000 in-kind contribution from Mentor Company in 2019 per C4 #100897711: https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=100897711</p> <p>They also accepted a \$30,000 in-kind contribution from Mentor Company in 2017 per C4 #100809825: https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=100809825</p> <p>And in 2016 they accepted a \$10,000 contribution from the Affordable Housing Council of the HBA of Kitsap per C3 #100724324: https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=100724324</p> <p>These all appear to be over-limit illegal contributions.</p>
What impact does the alleged violation(s) have on the public?
List of attached evidence or contact information where evidence may be found
List of potential witnesses with contact information to reach them
Certification (Complainant)
I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.

Exhibit 2

Tony Stephens reported via email Sun, 3 Jan 2021 at 9:21 PM

To: "PDC Support" <pdcc@pdc.wa.gov>

The Kitsap County Republican Party acknowledges the complaint filed on Dec 12th, 2020 by Alex Bond. We thank Alex for bringing this matter to our attention.

Our response is in the following form, corresponding to the respective paragraphs below:

1. We acknowledge that no entity other than those listed in paragraph seven of the cited RCW may contribute more than the amount cited by law (\$5,550 in FY2020, but unknown for FY2016) to a political party.
2. We acted in good faith by reporting the contributions. Our error lies in the rarity and inexperience of receiving donations from such entities, or in amounts greater than \$5,500 from any source. In the case of the Mentor Company in-kind donation, we acknowledge this scrivener's error.
3. We remediated the errors made by our contributors.
4. We offer terms of extenuation and mitigation.
5. We seek further guidance from the PDC to help us regain our standard of being proudly compliant.

Response of the Kitsap County Republican Party

1. RCW 42.17A.405 limits entities other than those cited from contributing greater than the amount revised by WAC 390-05-400 to political parties. For FY 2020 that amount is \$5,500. We received a contribution of \$10,000 from Burk Mechanical and a contribution from Emerald Fire LLC of \$10,000. Our compliance focus was to ensure that we receive from those entities the newly required certificate against foreign interests, and to ensure that if we chose to contribute to candidates that we would not violate the intent of the limits on personal contributions, nor the limits on the amount a political party may contribute in an election cycle. We sought PDC compliance office assistance to understand our duties in these areas.
2. We reported both of these contributions openly and with confidence, as we believed ourselves in compliance. We are a small, volunteer organization which rarely receives contributions of \$5,500 or greater, and which rarely receives contributions from any entity other than an individual donor. The subject of the limit exceeded in this case simply never comes up, so we were caught unawares.
3. Upon learning of the RCW limitation on businesses, we immediately returned \$4,500 to Burk Mechanical, and \$4,500 to Emerald fire so our donors would remain compliant with the law.
4. We offer the extenuating circumstance that we are an all-volunteer organization, that we routinely contact the PDC for compliance guidance, that we operate constantly in good faith, and that we rarely encounter the situation for which we were in error. For mitigation we offer that we reported these contributions in a timely manner and without purpose of evasion, and that we corrected the situation as quickly as we knew it to exist.

We also understand that small business owners concern themselves with the distinctions between personal accounts and business accounts mainly to ensure compliance with tax law. They otherwise may see no difference in application between a personal contribution to a political party or a business contribution to a political party as neither are tax exempt. These two contributions were from individuals, and we have asked them to make their contributions personally from this point on.

There was never any attempt to circumvent campaign finance law by the KCRP nor by the contributors. We were trying to do the right thing in all respects, but made a mistake.

5. We seek further guidance from the compliance office of the PDC. We do not know whether we must remedy the contribution the Affordable Housing Council made in excess of the law in 2016. If we must, we do not know what amount that entity was permitted to contribute at that time. We have elected new board members in accordance with RCW 29A.80.30 three times since then, and have not been in contact with the Affordable Housing Council, nor even know if it still exists.

The matter of the Mentor Company is that we rent a space from the Mentor Company for our offices. We pay \$515 each month for the space. We think the space is worth more than we are paying, and thought the public had a right to know that. We chose the amount of in-kind contribution in order to report what we think the offices are worth minus the amount we pay each month. As we were unaware of the limitation, we thought it made no difference what the amount was as long as the amount we reported is at least as great as the benefit we receive, so that the public is informed.

The Mentor Company is a family-owned business and the members of the Mentor family are the ones who are contributing. We chose to call them the Mentor Company on the PDC Report for brevity's sake. This is a scrivener's error on our part. We have asked the Mentor family how they wish their contributions to be apportioned. As soon as we hear back from these individual donors, we will amend the appropriate C-3 reports.

Summary:

The Kitsap County Republican Party agrees with the intention of RCW 42.17.400 that "The financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates". Each of these small business owners are simply individuals who wish to "have fair and equal opportunity to influence elective and governmental processes". Neither they nor the KCRP was attempting to break the law. This is evidenced on their part by using a check with their company name on it, and on our part by openly reporting the contribution on our PDC C-3 report.

The KCRP also agrees with RCW 42.17.01 that the concept of attempting to increase financial participation of individual contributors in political campaigns is encouraged. An unfortunate result of overzealous enforcement could be the withdrawal of such individuals from participation in the election process.

The KCRP has brought Emerald Fire and Burk Mechanical into compliance by returning money to them in excess of the \$5,500 limit assigned to them by RCW 42.17A.405.

The KCRP will seek to bring the Fair Housing Alliance into compliance if the PDC Compliance Office suggests we should and advises us what the limit was in 2016.

The KCRP is bringing this matter to the attention of the Mentor family and seeking their advice, as well as seeking the advice of the PDC compliance office on the best way to bring the Mentor Company into compliance with the limits of the RCW.

I believe a look at the past interactions between the PDC and the Kitsap County Republican Party will reveal we have had a transparent and professional relationship, in which the Kitsap County Republican Party seeks advice routinely in its attempt to remain compliant with Washington State's Campaign Finance Law. Any mistakes we have made are unintentional and small, and are being corrected.

Perhaps the most important consideration of this complaint is the statement under the heading "What impact does the alleged violation have on the public?" This was left blank by Alex Bond. In this we are in agreement. As the KCRP dutifully reported every aspect in clear language on our reports, the public had every ability, as Alex did, to view our contribution activity. Since the donors are just regular folks trying to be involved, and not mega corporations attempting to sway Washington politics, the public has not been impacted negatively. We believe this is the crux of the issue. Two of our contributors exceeded their lawful limit and we have returned the overage. We will work with the PDC for the amount we asserted for our land-lord, and for guidance concerning the contribution in 2016 by a community group. We believe, as Alex does, that the public has not been adversely impacted. We further believe by acting in good faith, as is our custom, the word and intent of Washington's Campaign Finance Law can continue to be a focus of the Kitsap County Republican Party.

Tony Stephens

Exhibit 3

by Hixsonchris2 on Tue, 12 Jan

To Filer Specialist - Scott

Re: 82077 Kitsap County Republican Party

Hello Scott,

This letter is in regards to the recent complaint made by Alex Bond on 12/12/2020 against the Kitsap County Republican Party (KCRP). The complaint cited that businesses contributed and made in-kind business donations that exceed the \$5,500. We appreciate that Alex Bond pointed these administrative errors out to us.

As a PDC filer specialist, I have appreciated your advice to correct these clerical errors. On 1/5/2020 we discussed that the two businesses, namely, Burke Mechanical and Emerald Fire wrote business checks to KCRP in the amount of \$10,000. Each business was refunded \$4,500 to bring them in compliance with campaign finance law. You explained to me how to amend their aggregate from \$10,000 to \$5,500, and to file an amended C3.

On 1/8/2020 we discussed how to resolve the business in-kind donations from the Mentor Company since these donations also exceed the \$5,500 limit. During this conversation I explained that our party receives reduced rent for our office space from the Mentor Family. As a short hand I entered the Mentor Company instead of the individual names. You explained how to change the in-kind donation entry from a business to an individual and to amend the C4.

We wait for the PDC's reply to the email sent on January 4th, as to how to address the contribution in 2016 from the Affordable Housing Council of Kitsap #100724324.

In addition, as per our conversation, this letter will serve as documentation for the next KCRP Chairman and Executive Board that I consulted the PDC to resolve these matters. Again, thank you so much for sharing your knowledge of how to resolve these admin errors.

Sincerely,

Chris Stephens, KCRP Treasurer

Tony Stephens reported via email Mon, 25 Jan 2021

To: "PDC Support" <pdcc@pdcc.wa.gov>, "heather george" <georgeheather@wavecable.com>

Thank you for the information. I am bringing the new Chair and new Treasurer of the Kitsap County Republican Party into this conversation. I, the immediate past Chair, and the Immediate past Treasurer will assist them in any way we can.

The new Chair is Juliana McMahan and the new Treasurer is Heather George.

Tony Stephens

Juliana replied Thu, 18 Feb 2021

To: "PDC Support" <pdcc@pdcc.wa.gov>

Cc: georgeheather@wavecable.com, chairman@kitsaprepublicans.com

Hi Alice!

We have contacted the Affordable Housing Council of the HBA of Kitsap and received information for how to issue them a refund. Our sticking point has been getting the signers on our bank account changed so we can actually write them the check. We are working to get all the paperwork completed for the bank. We will issue the refund and file the amended PDC report as soon as possible.

I believe all of the PDC Reports dealing with the Mentor Company contributions have been amended to reflect the correct in-kind donor source. Please let me know if there is still any outstanding issue for this item.

Sincerely,

Juliana McMahan, Chair

Kitsap County Republican Party

Juliana reported via email Thu, 25 Mar 2021

To: "PDC Support" <pdcc@pdcc.wa.gov>

Cc: georgeheather@wavecable.com

Hi Alice!

Here are the answers to your questions. Please let me know if you need anything else.

The legal owner of the space is the Estate of Joseph P. Mentor.

Yes. Copy attached.

The regular cost per square foot would be \$9/RSF per year according to Jennifer Mentor Mills. According to our Lease Agreement we have approximately 1,700 rentable square feet. That equals \$15,300 per year.

I have no knowledge of increases or decreases in market value since 2014.

Have a great day!

Juliana McMahan, Chair

Kitsap County Republican Party

Exhibit 4

COMMERCIAL LEASE

THIS LEASE AGREEMENT, dated this **1st day of January 2020**, is entered into between the Estate of Joseph P. Mentor, d/b/a Mentor Company ("Landlord"), and **Kitsap County Republican Party** ("Tenant").

1. **PREMISES.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain premises shown on Exhibit A, containing approximately \pm **1,700** rentable square feet located in the **Silverdale Village Shopping Center Building** at **9481 Silverdale Way Ste. Nos. 235 + 241** in **Silverdale**, Kitsap County, Washington, on the real property legally described on Exhibit B ("Premises").

2. **TERM.** ~~The term of this Lease shall be for one (1) year, commencing on January 1, 2020 and ending on December 31, 2021.~~ ^{one} In the event Tenant occupies the Premises prior to the commencement of the term, such occupancy shall be subject to all of the provisions of this Lease. Early possession shall not advance the termination date of this Lease. In the event of such early possession, all other charges shall be prorated.

3. **OPTION TO EXTEND.** Tenant is given the option to extend the term of this Lease for **one (1) additional one (1) year period** following expiration of the initial lease term **so long as Tony Stephens retains his position as Kitsap County Republican Party Chairman**. The Monthly Base Rent during the option period shall be at the prevailing fair market rate per rentable square foot, but shall in no event be less than the Monthly Base Rent at the end of the lease term. This option may not be exercised if Tenant is or has been in default under this Lease or if Tenant has made more than 3 late payments during the term of the Lease. Unless Tenant provides Landlord with written notice at least 90 days before the end of the lease term, the Lease will automatically extend for the option period.

4. **RENT.** Tenant agrees to pay to Landlord as Rent for the Premises all of the following:

a. **Monthly Base Rent.** Tenant agrees to pay a minimum Monthly Base Rent without deduction or offset, of **Five Hundred and No/100 Dollars (\$500.00)** per month in lawful money of the United States in advance on the first day of each calendar month of the lease term to Landlord or to such other party or at such place as Landlord hereafter designates.

b. **Annual Rental Adjustment of Monthly Base Rent.** The Monthly Base Rent shall be adjusted on June 1 of each year of the lease term on the basis of changes in the Consumer Price Index for All Urban Consumers for the metropolitan area of Seattle-Tacoma-Bremerton, Washington, published by the Bureau of Labor Statistics, U.S. Department of Labor (the "CPI-U"). The Monthly Base Rent shall be increased by the percentage by which the CPI-U has increased in the previous twelve-month period, which shall not be less than three percent (3%) per year. In no event shall the monthly rental be less than the minimum Monthly Base Rent set forth in Section 4a above. Landlord shall give Tenant notice of the adjusted rent. If the CPI-U is discontinued, Landlord shall use a successor or similar index.

c. ~~**Additional Monthly Charges.** Tenant agrees to pay on the first day of each month Tenant's pro rata share of all costs and expenses, including Landlord's reasonable management fee, of maintaining, operating and repairing the Premises and the Building (except for structural defects not caused by Tenant or its invitees), including parking lots, elevators, driveways, sidewalks, stairways, landscaping and other common areas. Except for items separately billed for the Premises, Landlord shall prorate on the basis of comparing the floor area of the Premises to the total rentable floor area of the Building.~~

d. ~~**Insurance, Real Estate Taxes and Assessments.** Tenant agrees to pay its pro rata share (based on comparison of the floor area of the Premises to the total rentable floor area of the Building) of all real and personal property taxes, general and special assessments and insurance coverage (including deductibles) attributable to the Building and improvements of which the Premises are a part. Landlord shall notify Tenant of its proportionate share of such taxes, assessments and insurance and together with such notices, shall furnish a copy of the tax, assessment or insurance bills upon Tenant's request. Tenant shall pay its share of the taxes, assessments or insurance not later than 30 days prior to date such payments are due or 10 days after receipt of Landlord's notice, whichever is later.~~

e. **Late Payment & Past Due Amounts.** If Tenant fails to pay any monthly installment of rent by the 10th day of the month such installment is due, a late charge equal to 10% of the monthly installment of base rent (or the maximum rate allowed by law) or \$50, whichever is greater, shall be assessed as liquidated damages. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. In addition to such late charge, any past due balance shall bear interest from the due date until paid at the rate of 12% per year compounded monthly (or the maximum rate allowed by law). Such late charges and/or interest shall be paid by Tenant to Landlord without demand. Further, any payment made by a check returned for non-sufficient funds will be charged \$50.00. If Landlord receives more than 2 payments from Tenant that are returned for non-sufficient funds, Landlord has the option to require all future payments by made by cash or cashier's check.

5. **SECURITY DEPOSIT.** Landlord confirms that it holds a deposit from Tenant for the sum of **Five Hundred and No/100 Dollars (\$500.00)**, to be held by Landlord during the lease term as security for the faithful performance by Tenant of its responsibilities under the Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Landlord uses any portion of the Security Deposit, Tenant shall, within 5 days after demand, restore the Security Deposit to its original amount. If Tenant fully and faithfully performs all its responsibilities under the Lease, the security deposit or any balance thereof shall be returned to Tenant within thirty (30) days following expiration of the lease term.

6. **USE OF PREMISES.** The Premises are to be used for the purpose of **operating the Kitsap County Republican Party office** and for no other purpose, without Landlord's prior written consent. Further, no use shall be made of the Premises, or any act done in or about the Premises in violation of any applicable law, rule, regulation, ordinance or governmental decree, or which will increase the existing rate of insurance upon the building or the land. Tenant shall not commit or allow to be committed any waste upon the Premises or any public or private nuisances or any other act or thing which disturbs the quiet enjoyment of any other tenant in the Building. If Tenant engages in any such prohibited activities, which shall increase insurance rates or cause Landlord damages or cost, Tenant shall pay such increase, damages or cost to Landlord. In addition, Tenant covenants and agrees that it will operate and conduct business within

the Premises during normal business hours and that it will at all times keep and maintain within and upon the Premises an adequate stock of merchandise and trade fixtures to service and supply the usual and ordinary demands and requirements of its customers.

7. NON-COMPETE. Tenant shall not enter into a new use or activity which would compete with any other tenant of Landlords within a two (2) mile radius without the express written consent of the Landlord.

8. ACCEPTANCE OF PREMISES. By taking possession, Tenant shall be deemed to have inspected the Premises, accepted the Premises in its present condition ("as is") without any obligation whatsoever by Landlord to improve the Premises, acknowledged that the Premises are in good and tenantable condition and agreed that Landlord has completed any work agreed to be accomplished by Landlord to prepare the Premises for Tenant.

9. CARE OF PREMISES. Tenant agrees at all times to maintain the Premises in a neat, clean and sanitary condition. All damage or injury done to the Premises by Tenant, by any persons who may be in or upon the Premises with Tenant's consent, shall be paid for by Tenant. At the termination of this Lease, Tenant shall without notice surrender and deliver up the Premises and all keys belonging to the Premises to Landlord in as good a condition as when received by Tenant from Landlord, reasonable wear and tear and insured damage by fire or other casualty excepted.

10. MAINTENANCE AND REPAIRS. All maintenance and repairs (including replacement of cracked or broken glass windows and doors) shall be at Tenant's expense, except maintenance or repairs to outside walls, roof and foundation. Tenant will, at its expense, keep all drainage pipes free and open, protect water, heating and other pipes so that they will not freeze or become clogged, repair all leaks and repair all damages caused by leaks or by its failure to protect and keep free, open and unfrozen any of the pipes and plumbing on the Premises. Tenant hereby waives any right to make repairs at Landlord's expense.

11. ALTERATIONS. Tenant shall not make any alterations, additions or improvements in or to the Premise, make changes to locks on doors, or add, disturb or in any way change any plumbing or wiring without Landlord's prior written consent. All alterations, additions and improvements shall be at Tenant's expense and, upon termination of the lease term, shall become Landlord's property and remain with the Premises. If Tenant performs work, Tenant agrees to comply with all applicable laws, ordinances, rules and regulations. Tenant further agrees to hold Landlord free and harmless from damage, loss or expense arising out of said work. Upon the expiration or termination of the lease term Tenant shall, at its expense and upon written demand by Landlord, forthwith and with all due diligence remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed and repair any damage to the Premises caused by such removal. In no event shall Tenant make or cause to be made any penetration through the roof of the Premises without the prior written approval of Landlord.

12. SIGNS. Tenant shall be permitted at its sole expense to install signage, including Tenant's name and logo, subject to Landlord's approval, and in compliance with all applicable codes and ordinances. In the event signage is not satisfactory to Landlord, Landlord may demand its immediate removal. The Tenant's failure to comply with such demand within 24 hours will constitute a breach of this Lease and entitle Landlord to immediately recover possession of the Premises in the manner provided by law. Further, Tenant agrees to remove all signs or symbols placed by Tenant upon expiration of the lease term and repair any damage or injury to the Premises caused thereby. If Tenant fails to do so, Landlord may have them removed at Tenant's expense.

13. UTILITIES. **Landlord agrees to pay for electricity, gas, sewer, garbage and water and Tenant shall pay for any other utilities (e.g. telephone and cable).** If a separate meter is provided for Tenant for any such utilities, it shall be at Tenant's expense. Landlord shall not be liable for any failure or interruption of utility services to the Premises nor shall any such failure or interruption entitle Tenant to terminate the Lease.

14. GOVERNMENTAL FEES. All fees due the city, county or state on account of any inspection made on the Premises by any officer thereof shall be paid by Tenant.

15. PERSONAL PROPERTY TAXES. During the lease term, Tenant shall pay, prior to delinquency, all taxes assessed against and levied upon fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises. When possible, Tenant shall cause said fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from Landlord's real property.

16. LIENS AND INSOLVENCY. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. Tenant hereby agrees to indemnify and hold Landlord harmless from any loss, cost or liability resulting from any such lien or claim of lien. Further, Landlord may cancel the Lease, at Landlord's option, if Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidating officer is appointed for Tenant's business.

17. HOLD HARMLESS & INDEMNIFICATION. Landlord shall not be liable for any damage to, or loss of, property in the Premises belonging to Tenant, its employees, agents, visitors, licensees or other persons in or about the premises or for damage or loss suffered by Tenant's business from any cause whatsoever, whether the damage results from conditions arising upon the Premises or from other sources. Landlord shall not be liable in any manner to Tenant, its agents, employees, invitees or visitors, or their property, caused by the criminal or intentional misconduct of or by any act of neglect of third parties or of Tenant's, its agents, employees, invitees or visitors or of any other tenant of Landlords. Further, Tenant covenants and agrees to save Landlord, its agents, and employees harmless from all loss, damage, liability or expense of any kind including without limitation attorneys' fees and costs incurred, suffered or claimed by any person whomsoever, or for any cause whatsoever, by reason of the use or occupancy of Tenant, its agents, employees, invitees or visitors of the Premises, unless caused solely by Landlord's gross negligence.

18. COMMON AREAS. Tenant agrees to conform to Landlord's rules and regulations governing use of parking lots, driveways, sidewalks, stairways, landscaping and other common areas and to pay proportionate share for the care and maintenance as provided in Section 4. If a tenant's association is organized and approved by Landlord to control and share such common area care and maintenance, Tenant agrees to comply with the rules and regulations of such tenant's association. Tenant shall remove rubbish, debris, ice, snow and other obstructions from common areas about the Premises.



19. ACCESS. Tenant will allow Landlord or its agents free access at all reasonable times to the Premises for the purpose of inspection or of making repairs, additions, or alterations to the Premises or any property owned by or under the control of Landlord. In addition, Landlord shall have the right to place and maintain "For Lease" signs in a conspicuous place on the Premises for 60 days prior to the expiration of this Lease and shall have the right to show the interior of the Premises to interested parties 90 days prior to the expiration of this Lease. Nothing contained in this Section shall be deemed to impose any obligation upon Landlord not expressly stated elsewhere in this Lease.

20. POSSESSION. In the event of Landlord's inability to deliver possession of the Premises or any portion thereof, at the time of commencement of the lease term, Landlord shall not be liable for any damage caused thereby, nor shall this Lease thereby become void or voidable, nor shall the term herein specified be in any way extended; but in such event, Tenant shall not be liable for any rent until such time as Landlord can deliver possession. If Landlord delivers possession of the Premises to Tenant prior to the effective date of this Lease, Tenant agrees to accept same at such time and both Landlord and Tenant agree to be bound by all the provisions and obligations hereunder during such prior period.

21. FIRE AND OTHER CASUALTY. In the event the Premises are destroyed or rendered untenantable by fire, earthquake or other casualty, either wholly or in part, Landlord may at its option, restore the Premises to its previous condition and in the meantime the rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole thereof. Landlord may, however, in its sole discretion within thirty (30) days after the happening of such casualty, notify Tenant of its election not to restore the Premises in which event this Lease shall terminate.

22. EVENTS OF DEFAULT. Each of the following events shall be deemed to be an "Event of Default" by Tenant under this Lease: (a) Tenant fails to pay any payment of Rent when due, or any other payment or reimbursement to Landlord when due, and such failure continues for a period of three (3) days after written notice thereof from Landlord; (b) Tenant becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors; (c) Tenant files a petition of bankruptcy, or Tenant is adjudged bankrupt or insolvent in proceedings filed against Tenant; (d) a receiver or trustee is appointed for all or substantially all of the assets of Tenant; (e) Tenant abandons, deserts or vacates any substantial portion of the Premises; (f) Tenant fails to comply with any term, provision or covenant in this Lease and does not cure such failure within fifteen (15) days after written notice thereof to Tenant from Landlord.

23. REMEDIES. Upon the occurrence of an Event of Default described in Section 22 above, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

a. Accelerate all rent payments due under this Lease, which shall then become immediately due and payable.

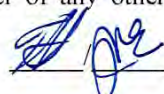
b. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying such Premises or any part thereof, by any lawful means without being liable for prosecution or any claim of damages therefore, and Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

c. Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying such Premises or any portion thereof, by any lawful means without being liable for prosecution or any claim for damages thereof, and relet the Premises for such terms ending before, on or after the expiration date of the Lease Term, at such rentals and upon such other conditions (including concessions and prior occupancy periods) as Landlord in its sole discretion may determine, and receive the rent therefore; and Tenant agrees to pay to the Landlord on demand any deficiency that may arise by reason of such reletting. Landlord shall use reasonable efforts to mitigate its damages as required by applicable law. If Landlord is successful in reletting the Premises at rent that is in excess of that agreed to be paid by Tenant pursuant to the terms of this Lease, Landlord and Tenant each mutually agree that Tenant shall not be entitled, under any circumstances to excess rent, and Tenant does hereby specifically waive any claim to such excess rent.

d. Enter upon the Premises, by any lawful means without being liable for prosecution or any claim for damages therefore, and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by the negligence of Landlord or otherwise.

e. Whether or not Landlord retakes possession of or relets the Premises, Landlord shall have the right to recover unpaid rent and all damages caused by Tenant's default including attorneys' fees. Damages shall include, without limitation, all rentals lost, all legal expenses and other related costs incurred by Landlord following Tenant's default, all costs incurred by Landlord following Tenant's default, all costs incurred by Landlord in restoring the Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Premises for reletting, all costs (including without limitation any brokerage commissions) incurred by Landlord, plus interest thereon from the date of expenditure (in the case of a reimbursement owing by Tenant to Landlord), or from the date the failure of Tenant to make such payment to Landlord became a default under Section 22 above (in the case of any installment in rent or other payment owing by Tenant to Landlord other than a reimbursement) until fully repaid at the rate of twelve percent (12%) per annum.

f. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, such remedies being cumulative and non-exclusive, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants contained in this Lease. No act or thing done by the Landlord or its agents during the Lease Term shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises and no agreement to terminate this lease or accept a surrender of the Premises shall be valid unless in writing signed by Landlord. No waiver by Landlord of any violation of breach of any of the terms, provisions and covenants contained in this Lease shall be deemed or construed to constitute a waiver of any other



violation or breach of any of the terms, provisions, and covenants contained in this Lease. Landlord's acceptance of the payment of rent or other payments due hereunder after the occurrence of an Event of Default shall not be construed as a waiver of such default, unless Landlord so notifies Tenant in writing. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such default or of Landlord's right to enforce any such remedies with respect to such default or any subsequent default.

24. SECURITY INTEREST. To protect Landlord in the event Tenant defaults hereunder, Tenant hereby grants to Landlord a continuing security interest for all Rent and other sums of money becoming due hereunder from Tenant, and upon all goods, wares, chattels, fixtures, furniture and other personal property of Tenant which are or may be located on the Premises and the proceeds thereof, none of which may be removed from the Premises without Landlord's written consent so long as any Rent or other such sums from time to time owed to Landlord remain unpaid. Tenant shall, on its receipt of a written request from Landlord, execute such financing statements, continuation statements and other instruments as are necessary or desirable in Landlord's judgment to perfect such security interest.

25. REMOVAL OF PROPERTY. In the event of any entry in, or taking possession of, the Premises, Landlord shall have the right, but not the obligation, to remove from the Premises all personal property located therein, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Tenant, after it has been stored for a period of thirty (30) days or more, the proceeds of such sales to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof, the balance, if any, to be paid to Tenant.

26. SURRENDER AND HOLD-OVER. Upon termination of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender Premises to Landlord. If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises "after termination" shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease, and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 150% of the sum of the Base Rent and Additional Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. If Landlord is unable to deliver possession of the Premises to a new tenant or to perform improvements for a new tenant as a result of Tenant's holdover and Tenant fails to vacate the Premises within 15 days after notice from Landlord, Tenant shall be liable for all damages that Landlord suffers from the holdover.

27. COMMISSIONS. Landlord and Tenant represent to the other that they have not employed any broker in connection with this matter. No party shall be liable for any brokerage fees or similar commissions as may be claimed or incurred by the other, and each party hereto shall hold the other harmless from any such claims, including costs and attorney's fees, should it become necessary for such party to defend an action for commissions based upon representations of the other party.

28. INSURANCE.

a. Tenant shall, at its cost and expense, obtain and maintain at all times during the lease term, for the protection of Landlord and Tenant, Public Liability Insurance (Comprehensive General Liability or Commercial General Liability), with a combined personal injury and property damage limit of not less than \$1 million in the aggregate, insuring against all liability of Tenant, its representatives, agents, employees, visitors, guests and customers arising out of and in connection with Tenant's use or occupancy of the Premises and covering Tenant's furniture, fixtures, equipment, all leasehold improvements and inventory, plate glass and all other glass at the Premises, in an amount equal to not less than 100% of the full replacement value thereof and insuring against fire and all risk perils coverage as provided by a standard all risk coverage endorsement. Landlord shall be named as an additional insured. Tenant agrees to provide a certificate of insurance to Landlord within three days after execution of this Lease. If Tenant fails to procure and maintain said insurance, Landlord may, but is not required to, procure and maintain insurance at Tenant's expense as additional rent.

b. Landlord shall during the Lease Term, subject to reimbursement from Tenant, maintain in full force commercial general liability insurance insuring against injury to or death of persons and loss of or damage to property occurring in or on the common area, except any portion thereon subject to Tenant's exclusive control.

29. WAIVER OF SUBROGATION. Landlord and Tenant hereby mutually release each other from liability and waive all right of recovery against each other for any loss of, in, or about the Premises, from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereof and other property insurance policies, whether due to negligence or any other cause; PROVIDED, that this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidation of any insurance coverage of Landlord or Tenant.

30. CONDEMNATION. In the event the entire Premises are taken, or so much thereof are taken that, in Landlord's opinion, the Premises are no longer suitable for continuation of the business then being conducted thereon, then, in either event, this Lease shall automatically terminate on the date of condemnation. Any award for taking of all or any part of the Premises under the Power of Eminent Domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for taking of the fee. Nothing herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to or cost of removal of Tenant's trade fixtures and removable personal property, or for damages for cessation or interruption of Tenant's business. A sale by Landlord to any authority with power of Eminent Domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of Eminent Domain under this Section.

31. SUBORDINATION. This Lease is subject and is hereby subordinated to all present and future mortgages, deeds of trust and other encumbrances affecting the Premises, Building or the Property of which the Premises are a part. Tenant agrees to execute as requested, at no expense to Landlord, any instrument which may be deemed necessary or desirable by



Landlord to further effect the subordination of this Lease to any mortgage, deed of trust or encumbrance. In the event Landlord sells the Premises or the Premises are sold in a foreclosure proceeding, Tenant shall attorn to the purchaser and recognize such purchaser as Landlord under this Lease.

32. ASSIGNMENT OR SUBLETTING. Tenant shall not voluntarily or by operation of law sublet, assign, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Premises without obtaining Landlord's prior written consent in each instance. In the event of any assignment or subletting so consented to, a minimum charge of 50% of one month's rent shall be made by Tenant to Landlord for the services received in transferring or assigning this Lease. If Tenant is a corporation, partnership, or limited liability company, any change in the partners or members, a transfer of substantially all of Tenant's assets or transfer of any or all of Tenant's shares of stock by sale, assignment, operation of law or otherwise shall be deemed to be an assignment within the meaning of this Section. Any attempt to assign, mortgage, encumber or sublease any portion of the Premises without Landlord's prior written consent shall be voidable at the Landlord's option.

33. TRANSFER OR ASSIGNMENT OF PREMISES BY LANDLORD. In the event of any sale, transfer or assignment by Landlord, Landlord shall be relieved of all liability arising from this Lease and arising out of any act, occurrence or omission occurring after the consummation of such sale, transfer or assignment; and the transferee shall be deemed to have assumed and agreed to carry out all of the obligations of Landlord under this Lease, including obligations respecting the return of any security deposit.

34. NOTICES. To be effective, all notices under this Lease shall be in writing, delivered in person or mailed postage prepaid, to the appropriate party(s) at the addresses set forth below their signatures, or to such other address as the parties may hereinafter designate. Notices given shall be deemed received pursuant to Washington State statute or in absence of such applicable statute, on the date of personal delivery, one (1) business day following deposit with a reputable overnight delivery service with directions for next business morning delivery, or three (3) days after deposit in U.S. mail postage prepaid.

35. RELATIONSHIP OF THE PARTIES. Nothing in this Lease shall be deemed or construed by the parties or a third-party to create the relationship of principal and agent or of a partnership, joint venture or any other association whatsoever other than Landlord and Tenant. Further, Landlord has delivered a copy of this Lease to Tenant for Tenant's review only and the delivery of it does not constitute an offer to Tenant or an option.

36. NON-WAIVER. Landlord's failure to insist upon strict performance of any part of this Lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such option or part and the same shall be and remain in full force and effect.

37. TIME IS OF THE ESSENCE. All times, whenever stated in this Lease, are declared to be of the essence in this Lease.

38. GOVERNING LAW/VENUE/ATTORNEYS FEES. This Lease shall be construed and governed by the laws of the State of Washington. Venue for any cause of action arising out of or relating to this Agreement shall lie in Kitsap County, Washington. The prevailing party in any action (declaratory or otherwise) shall be entitled to an award of attorneys' fees, expenses and other costs.

39. SUCCESSORS. Subject to the provisions hereof pertaining to assignment and subletting, this Lease shall be binding upon the heirs, legal representations, successors and assigns of any and all of the parties hereto.

40. ENTIRE AGREEMENT. This Lease contains the entire agreement and understanding of the parties with respect to the subject matter of this Lease and merges all proposals, prior discussions or prior agreements between them. No modification or amendments are permitted unless set forth in writing and signed by all parties.

41. INVALIDITY OF PROVISIONS. The invalidity of all or any part of any section of this Lease will not render invalid the remainder of this Lease or the remainder of such section. If any provision of this Lease is so broad as to be unenforceable, such provision will be interpreted to be only as broad as is enforceable.

42. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

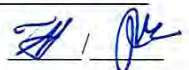
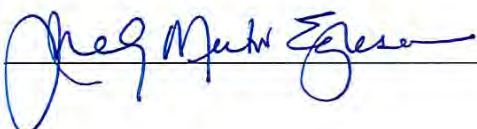
43. RELOCATION. Landlord shall have the right at any time, upon reasonable notice to Tenant ("Relocation Notice") to relocate Tenant to different premises in the Silverdale Village Shopping Center ("Substitute Premises"), provided that the Substitute Premises are of approximately the same size and finish as the Premises and provided Landlord reimburses Tenant for all reasonable out-of-pocket expenses incurred by Tenant as a result of the relocation (not to exceed one month's Monthly Base Rent). Tenant shall relocate to the Substitute Premises within the time set out in the Relocation Notice. Upon the date Tenant takes possession of the Substitute Premises, this Lease shall be deemed amended to provide for the Substitute Premises and all other terms and conditions of this Lease shall remain in full force and effect. Tenant agrees to execute any document reasonably required by Landlord to reflect the relocation to the Substitute Premises. **If in Landlord's discretion relocation of Tenant is not feasible, Landlord retains the option to terminate this Lease upon sixty (60) days written notice to tenant.**

44. PARKING. Tenant and its employees shall not park in front of the building, but shall park in the north parking lot of the Silverdale Village Shopping Center or such other place as Landlord designates.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly signed as of the day and year first above written.

LANDLORD:

TENANT:



Kitsap County Republican Party
By: Tony Stephens
Its: County Chairman

Address: P.O. Box 3074
Silverdale, WA 98383
Office Phone: () _____
Tony Cell : (360) 440-2377 _____
Chris E-Mail: ~~tonystephens4liberty@gmail.com~~
KCRPchair@gmail.com

STATE OF WASHINGTON)) ss.
COUNTY OF KITSAP)

On this 30th day of January, 2020, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Tony Stephens**, to me known to be the **County Chairman** of the **Kitsap County Republican Party**, the entity that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned; and on oath stated that s/he was authorized to execute the said instrument on behalf of said entity.

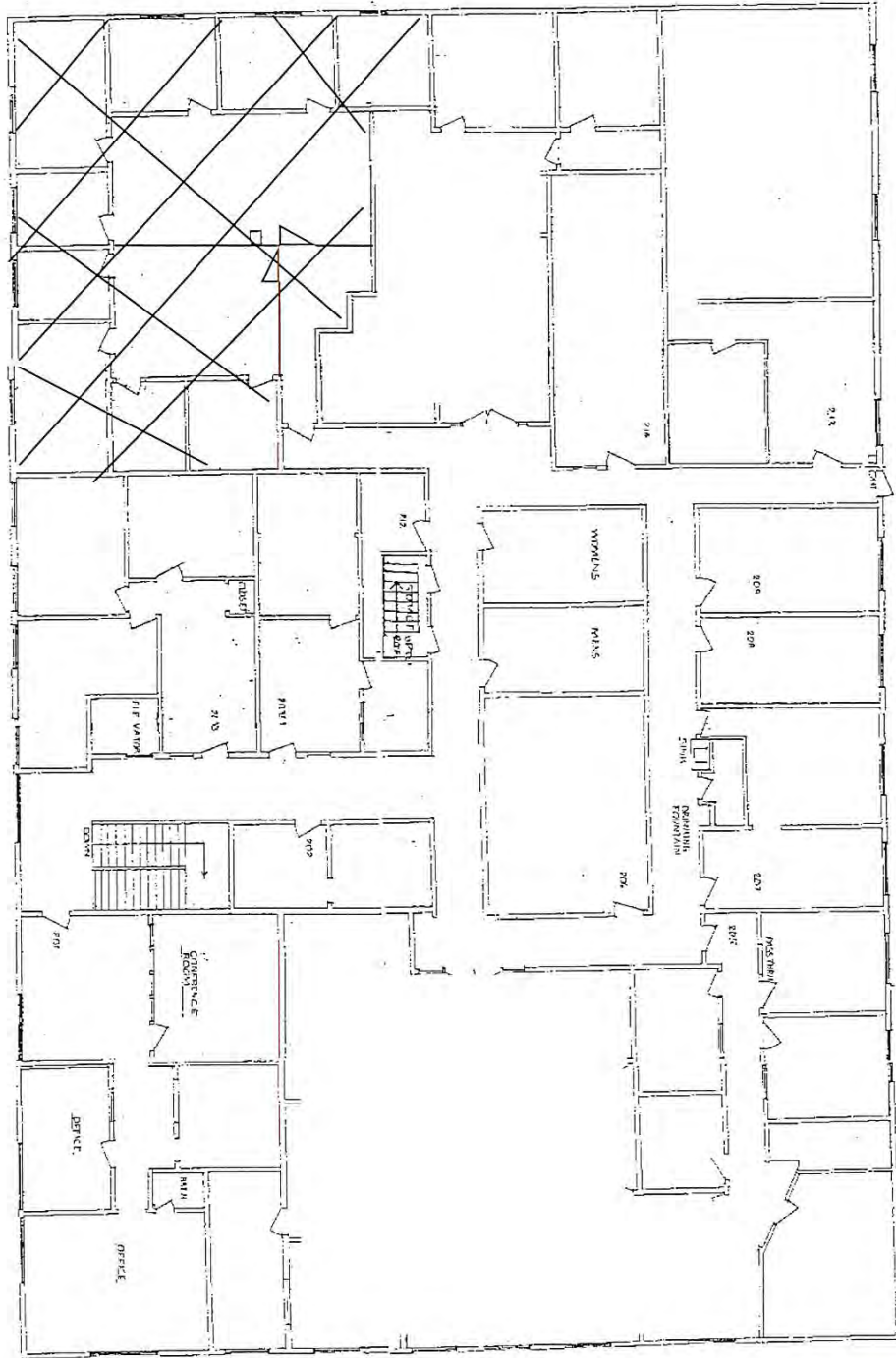
WITNESS my hand and official seal hereto affixed the day and year first above written.

[PRINTED NAME] Frances D Garcia
 NOTARY PUBLIC in and for the State of Washington,
 residing at PORT ORCHARD
 My commission expires: 3-10-21
 Notary Phone Number: 360-692-3679



EXHIBIT A

SECOND FLOOR PLAN Credit Union Building- 9481 Silverdale Way, Silverdale, WA 98383



TH

EXHIBIT B

LEGAL DESCRIPTION:

PARCEL A:

THAT PORTION OF GOVERNMENT LOT 1, SECTION 20, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M., AND ALL OF LOTS 3 AND 4 OF FIRST ADDITION TO SILVERDALE, ACCORDING TO PLAT RECORDED IN VOLUME 6 OF PLATS AT PAGE(S) 60, IN KITSAP COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 20;
THENCE ALONG THE SECTION LINE SOUTH 88°38'50" WEST 1060.12 FEET;
THENCE SOUTH 0°18'50" WEST 30.00 FEET TO A POINT ON THE SOUTHERLY MARGIN OF BUCKLIN HILL ROAD AND THE TRUE POINT OF BEGINNING, SAID POINT BEING THE NORTHWEST CORNER OF LOT 4 OF SAID PLAT OF SILVERDALE;
THENCE SOUTH 0°18'50" WEST 159.92 FEET TO THE SOUTHWEST CORNER OF SAID LOT 4;
THENCE SOUTH 88°55'50" WEST 27.18 FEET;
THENCE SOUTH 0°06'10" EAST 190.84 FEET;
THENCE SOUTH 87°56'48" EAST 140.80 FEET;
THENCE NORTH 0°18'50" EAST 19.47 FEET, MORE OR LESS, TO A POINT THAT IS 179.55 FEET SOUTH OF THE SOUTH LINE OF LOT 3 OF SAID PLAT OF SILVERDALE TO A POINT WHICH WILL BE CALLED POINT B;
THENCE NORTH 0°18'50" EAST 19.55 FEET TO A POINT THAT IS 160 FEET SOUTH OF THE SOUTH LINE OF SAID LOT 3;
THENCE NORTH 88°38'50" EAST 95 FEET;
THENCE NORTH 0°18'50" EAST 160 FEET;
THENCE NORTH 88°38'50" EAST 70.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3;
THENCE NORTH 0°18'50" EAST 160 FEET TO THE SOUTH MARGIN OF BUCKLIN HILL ROAD;
THENCE WEST ALONG SAID SOUTH MARGIN 280 FEET TO THE TRUE POINT OF BEGINNING;
TOGETHER WITH AN UNDIVIDED ONE-FOURTH INTEREST IN THE FOLLOWING DESCRIBED PORTION OF GOVERNMENT LOT 1, SECTION 20, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON;

COMMENCING AT THE SAID POINT B;
THENCE NORTH 0°18'50" EAST 19.55 FEET, MORE OR LESS, TO A POINT 160 FEET SOUTH OF SOUTH LINE OF LOT 3 OF SAID PLAT OF SILVERDALE;
THENCE NORTH 88°38'50" EAST 330.44 FEET, MORE OR LESS, TO OLD STATE HIGHWAY;
THENCE SOUTH 36°17'50" WEST ALONG SAID HIGHWAY 33.56 FEET;
THENCE SOUTH 89°56' WEST 310.59 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

ALSO, A PORTION OF GOVERNMENT LOT 1, SECTION 20, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 20;
THENCE ALONG THE SECTION LINE SOUTH 88°38'50" WEST 1060.12 FEET;
THENCE SOUTH 0°18'50" WEST 30.00 FEET TO A POINT ON THE SOUTHERLY MARGIN OF BUCKLIN HILL ROAD;
THENCE SOUTH 0°18'50" WEST 159.92 FEET;
THENCE SOUTH 88°55'50" WEST 27.18 FEET;
THENCE SOUTH 0°06'10" EAST 190.84 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 0°06'10" EAST 240.16 FEET;

THENCE NORTH 88°55'50" EAST 28.56 FEET;



THENCE SOUTH 0°06'10" EAST 60.90 FEET;
THENCE SOUTH 88°55'50" WEST 37.06 FEET TO POINT WHICH WILL BE CALLED POINT A;
THENCE SOUTH 0°06'10" EAST 131.84 FEET;
THENCE SOUTH 71°55'10" EAST 110.49 FEET, MORE OR LESS, TO THE STATE HIGHWAY;
THENCE NORTH 36°17'50" EAST 598.16 FEET, MORE OR LESS, ALONG THE WESTERLY MARGIN OF SILVERDALE
WAY TO A POINT THAT IS NORTH 89°56'30" EAST OF THE HEREINABOVE DESCRIBED POINT B;
THENCE SOUTH 89°56'30" WEST 310.59 FEET TO POINT B;
THENCE SOUTH 0°18'50" WEST 19.47 FEET, MORE OR LESS, TO A POINT THAT IS SOUTH 87°56'48" EAST OF
THE TRUE POINT OF BEGINNING;
THENCE NORTH 87°56'48" WEST 140.80 FEET ALONG THE BUILDING LINE BETWEEN AN EXISTING TWO-
STORY BRICK BUILDING AND A ONE-STORY BRICK BUILDING TO THE TRUE POINT OF BEGINNING;
TOGETHER WITH AN UNDIVIDED ONE-HALF INTEREST IN THE FOLLOWING PORTION OF GOVERNMENT LOT 1,
SECTION 20, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M.;

COMMENCING AT THE SAID POINT B;
THENCE NORTH 0°18'50" EAST 19.55 FEET;
THENCE NORTH 88°38'50" EAST 330.44 FEET;
THENCE SOUTH 36°17'50" WEST 33.56 FEET ALONG SAID HIGHWAY;
THENCE SOUTH 89°56' WEST 310.59 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

EXCEPT FROM ALL THE ABOVE THAT PORTION THEREOF LYING WITHIN THE BOUNDARIES OF THAT CERTAIN
TRACT OF LAND QUIETED TO LAWRENCE TORPEY AND IRENE TORPEY, HUSBAND AND WIFE, BY DECREE OF
QUIET TITLE ENTERED IN KITSAP COUNTY SUPERIOR COURT CAUSE NO. 63677;
ALSO EXCEPT THAT PORTION THEREOF, IF ANY, LYING WITHIN THE BOUNDARIES OF THAT CERTAIN TRACT
OF LAND CONVEYED BY DEED RECORDED UNDER RECORDING NO. 300980 TO CHARLES HOLT;
ALSO EXCEPT THAT PORTION THEREOF WHICH LIES WITHIN THAT PORTION OF THE WEST 236.50 FEET OF
SAID GOVERNMENT LOT 1 THAT LIES NORTH OF THAT CERTAIN TRACT CONVEYED TO CHARLES HOLT BY
DEED RECORDED UNDER RECORDING NO. 300980 AND THAT LIES SOUTH OF THE NORTH 248.73 FEET OF
SAID GOVERNMENT LOT 1.

PARCEL B:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER, UNDER AND ACROSS THE FOLLOWING
PORTION OF SAID GOVERNMENT LOT 1:

COMMENCING AT THE HEREINABOVE DESCRIBED POINT A;
THENCE NORTH 0°06'10" WEST 60.90 FEET;
THENCE NORTH 88°55'50" EAST 37.06 FEET;
THENCE SOUTH 0°06'10" EAST 60.90 FEET;
THENCE SOUTH 88°55'50" WEST 37.06 FEET TO THE POINT OF BEGINNING.



Exhibit 5

PDC Case 82077 Exhibits 20 of 22

Silverdale Village Shopping Center

9331 - 9523 Silverdale Way NW Silverdale WA 98383

Listing #: 632361 | Status: Available | Last Modified: 2/1/2021 |

FOR LEASE

9481 Silverdale Way NW
Suite Suite 121



AGENT INFORMATION

SHOWING INSTRUCTIONS

Call Listing Agent	No
Use Discretion	No

Judy Eagleson
(360) 692-3079
judy@mentorcompany.com

Mentor Company
(360) 692-3079

LISTING INFORMATION

PRICE

Min Rent per SF	\$ 20.00
Max Rent per SF	\$ 20.00
Total Monthly Rent	\$ 7,158.33
Lease Type	NNN
NNN Expense	\$ 2.70
Listing Status	Available
Days On Market	155
Asset Class	Retail, Office
Search Tags	Government, Medical/Dental, Street Retail, Strip Mall

SPACE INFORMATION

Suite/Space Info	Suite 121
Frontage	Silverdale Way
Available SF	4,295
Divisible To	4,295
Floor Number	1st

PROPERTY INFORMATION

BUILDING INFORMATION


Building Status	Existing
# of Buildings	2
# of Floors	2
Total Building SF	72,000
Net Rentable Area	72,000
Total Office SF	14,000
Lot SF	207,346
Acres	4.76

PROPERTY TYPE

Property Type	Retail
Investment	Yes

LOCATION

County	Kitsap
Cross Street	Bucklin Hill Road
Market Area	Silverdale



CBA

AGENT INFORMATION

SHOWING INSTRUCTIONS

Call Listing Agent

No

Use Discretion

No

Judy Eagleson

(360) 692-3079

judy@mentorcompany.com

Mentor Company

(360) 692-3079

Lease type

NNN

NNN Expense

\$ 2,70

Listing Status

Available

Days On Market

155

Asset Class

Retail, Office

Search Tags

Government, Medical/Dental, Street Retail, Strip Mall

SPACE INFORMATION

Suite/Space info

Suite 121

Frontage

Silverdale Way

Available SF

4,295

Divisible To

4,295

Floor Number

1st

Availability Status

Available

Date Available


11/02/2020

Move In Terms


Immediately

ASSOCIATED FILES

Floor Plan



CBA Flyer



Total Building SF

72,000

Net Rentable Area

72,000

Total Office SF

14,000

Lot SF

207,346

Acres

4.76

PROPERTY TYPE

Property Type

Retail

Investment

Yes

LOCATION

County

Kitsap

Cross Street

Bucklin Hill Road

Market Area

Silverdale

Tax ID #

20250110802003

CONSTRUCTION

Year Built

1976

Year Renovated

1996

Roof Type

PVC

Silverdale Office or Retail

Public Comments: First floor space next to a bustling Kitsap Credit Union branch in the heart of Silverdale. The space is currently configured with individual offices, work room and kitchen. There is even a vault room if needed for file storage. It is close to the new CK campus, YMCA and St. Michael Medical Center. While set up for office space, this could also be modified to fit a retail need.

Search Tags: Grocery Anchor,