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LEASE AGREEMENT

between

BROADWAY OFFICE PROPERTIES, a Washington  
non-profit corporation, as Landlord

and

KING COUNTY, a political subdivision  
of the State of Washington, as Tenant

DATED: \_\_\_\_\_, 2002

401 BROADWAY  
Seattle, Washington

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\* Exhibits

Exhibit A	Schedule of Monthly Rent
Exhibit B	Project Schedule
Exhibit C	Land
Exhibit D	Confirmation of Commencement and Expiration Dates
Exhibit E	Memorandum of Lease
Exhibit F	Form of Notice of Election of Option to Purchase
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## EXHIBIT A

### LEASE AGREEMENT

This Lease Agreement ("Lease") is made as of the \_\_\_\_ day of \_\_\_\_\_, 2002, by and between BROADWAY OFFICE PROPERTIES, a Washington non-profit corporation, as "Landlord" and KING COUNTY, a political subdivision of the State of Washington, as "Tenant." Landlord and Tenant agree as follows:

1. Definitions. As used in this Lease, the following capitalized terms shall have the following meanings:

1.1 "ADA" means the Americans With Disabilities Act of 1990, as amended from time to time.

1.2 "Additional Rent" means the Operating Costs, Taxes, and Utilities (each as defined herein), the costs of maintenance and repair of the Premises (as provided in Paragraph 10.1 hereof), and any other monetary sum to be paid by Tenant to Landlord or to third parties under the provisions of this Lease (other than Monthly Rent).

1.3 "Architect" means LMN Architects, architect for the shell and core of the Project.

1.4 "Bond Closing" refers to the date the Bond proceeds are available to the Trustee.

[1.5 "Bond Insurer" means an insurance company that issues a municipal bond insurance policy at the request of the Landlord in connection with the issuance of the Bonds.]

1.6 "Bonds" means those tax-exempt obligations to be issued by the Landlord which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financing, from the proceeds of which Landlord intends to pay, among other things, the Fixed Price.

1.7 "Calendar Year" means a calendar year commencing with January 1 and ending with December 31.

1.8 "Code" means the Internal Revenue Code of 1986, as amended, or any successor federal income tax statute or code. Any reference to a provision of the Code shall include the applicable Department of Treasury regulations.

1.9 "Commencement Date" means the date of Substantial Completion of the Project.

1.10 "Commencement of Construction" means the date General Contractor is authorized to commence construction of the Project pursuant to the General Construction Contract for the shell and core, but not later than the earlier of: (a) 90 days following Bond Closing, and (b) December 31, 2002. Commencement of Construction shall not occur until after the Land Closing described in Section 4(b) of the Development Agreement.

1.11 "Construction Contracts" means the General Construction Contracts and all subcontracts entered into by General Contractor pursuant to the General Construction Contracts and all other contracts for construction services entered into by General Contractor for construction of Tenant Improvements or any other portion of the Project.

1.12 "Construction Documents" mean the final Construction Drawings and Detailed Specifications approved by the Landlord for construction of the Project, including technical drawings, schedules, diagrams, plans and specifications setting forth in detail the requirements for construction of the Project and providing information customarily required for the use of the building trades.

1.13 "Construction Drawings" means Drawings setting forth in detail the requirements for the construction of the Project. As used herein "Drawings" include all graphic and pictorial documents depicting the design, location and dimensions of the elements of the Project (including Tenant Improvements) and include plans, elevations, sections, details, schedules and diagrams for the Project. Construction Drawings may consist of separate Drawings for the building shell and core prepared by Architect and separate Drawings for Tenant Improvements prepared by Interior Architect.

1.14 "Contract Documents" means the Construction Documents, the General Construction Contracts and the other documents identified as Contract Documents in the General Construction Contracts.

1.15 "Contractors" means the General Contractor and any other construction subcontractors with whom General Contractor enters into subcontracts or any contractors with whom the Developer contracts for the Project.

1.16 "Costs Resulting From Owner-Caused Delay" means any increase in costs of constructing the Project resulting from Owner-Caused Delay. Where additional costs are incurred as a result of a combination of Owner-Caused Delay and (i) failure of Developer to provide, within the time frames allowed under the Development Agreement, draw requests, architect's certifications, progress completion certifications, copies of change orders and supporting documentation, shop drawings, schedules, costs, invoices, job progress reports, or other documents or information which Owner is entitled to receive under the Development Agreement or which is reasonably requested by Owner in connection with any such decision or response required under the Development Agreement, or (ii) delay caused by the existence of reasonable cause to suspect that construction of the Project or Tenant Improvements or any other services provided by Developer under the Development Agreement have not been performed in accordance with



Construction Documents and other requirements thereunder, Costs Resulting From Owner-Caused Delay shall be only the portion of such costs fairly attributable to Owner-Caused Delay.

1.17 "Detailed Specifications" means all written detailed requirements for materials, equipment, construction systems, standards and workmanship for the construction of the Project.

1.18 "Developer" means Opus Northwest, L.L.C., a Delaware limited liability company.

1.19 "Development Agreement" means that certain Development Agreement dated \_\_\_\_\_, 2002, as amended from time to time with the consent of Tenant, between Developer and Landlord which provides for the acquisition of the Land and the development, design, permitting and construction of the Project.

1.20 "Effective Date" means the date that this Lease is fully executed, acknowledged and delivered by Landlord and Tenant.

1.21 "Environmental Laws" means, as amended from time to time, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., Federal Hazardous Materials Transportation Control Act, 42 U.S.C. Section 1801 et seq., Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., Federal Water Pollution Control Act, Federal Water Act of 1977, 93 U.S.C. Section 1251 et seq., Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136 et seq., Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Federal Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., Washington Water Pollution Control Act, RCW Chapter 90.48, Washington Clean Air Act, RCW Chapter 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW Chapter 70.95, Washington Hazardous Waste Management Act, RCW Chapter 70.105, Washington Hazardous Waste Fees Act, RCW Chapter 70.95E, Washington Model Toxics Control Act, RCW Chapter 70.105D, Washington Nuclear Energy and Radiation Act, RCW Chapter 70.98, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW Chapter 70.99, Washington Underground Petroleum Storage Tanks Act, RCW Chapter 70.148.

1.22 "Event(s) of Default" has the meaning set forth in Paragraph 22 of this Lease.

1.23 "Expiration Date" means \_\_\_\_\_, \_\_\_\_\_ (unless sooner terminated pursuant to Paragraph 9.16 of this Lease).

1.24 "Final Acceptance" means the Landlord's written approval and concurrence that certain events, more fully defined in Section 13(d) of the Development Agreement, have occurred prior to Final Payment (as defined in the Development Agreement) being made.

1.25 “Fixed Price” means the sum of \$50,770,945, which is the amount to be paid by Landlord for the acquisition of the Land and the completion of the design, development, permitting and construction of the Project, and is the price to be paid by Landlord for Project Costs. The Fixed Price includes, among other Project Costs, a Tenant Improvement Allowance and a Guaranteed Maximum Construction Price contract for the construction of the shell and core of the building. A detailed description of Project Costs by line item and category is set forth in the Project Budget.

1.26 “General Construction Contracts” means the agreements between the Landlord and the General Contractor for construction of (i) the building shell and core and (ii) Tenant Improvements for the Project.

1.27 “General Contractor” means Opus Seattle Construction, L.L.C., a Delaware limited liability company.

1.28 “Harborview” means Harborview Medical Center, a county hospital owned by King County pursuant to Chapter 36.62 RCW and currently managed by the University of Washington pursuant to the Harborview Management Agreement. When used with respect to the giving, making, or undertaking of notices, decisions, approvals, or other actions pursuant to this Lease or in connection with the Premises, the term "Harborview" means the notice party identified pursuant to Paragraph 32.7 of this Lease. If at any time during the Term of this Lease a successor to the University of Washington is designated to operate the Harborview Medical Center, the term "Harborview" shall then refer to such successor.

1.29 “Harborview Management Agreement” means the Management and Operations Contract between the Harborview Medical Center Board of Trustees and the University of Washington, dated December 19, 1995, as the same may be amended from time to time.

1.30 “Hazardous Substance” means any material, waste, substance, industrial waste, toxic waste, chemical contaminant, petroleum, asbestos, polychlorinated biphenyls, radioactive materials, or other substances regulated or classified by Law or Environmental Laws as hazardous, toxic or lethal to persons or property.

1.31 “Indenture” means the loan agreement, trust indenture or other agreements or documents pursuant to which Landlord will cause the issuance of the Bonds.

1.32 “Interior Architect” means Opus Architects & Engineers, Inc., a Minnesota corporation.

1.33 “Land” means the land on which the Premises is located, as more particularly described in Exhibit C attached hereto and by this reference incorporated herein.

1.34 “Landlord” means Broadway Office Properties, a Washington nonprofit corporation, its successors and permitted assigns.

1.35 “Law” means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of any federal, state, county, municipal or other governmental agency or authority having jurisdiction over the parties or the Premises, or both, in effect either at the time of execution of this Lease or at any time during the Term, including without limitation, any regulation or order of a quasi official entity or body (e.g., board of fire examiners or public utilities) and all rules, laws and regulations issued thereunder, as the same may be amended from time to time.

1.36 “Lease Year” means each succeeding year of the Term, commencing with the Commencement Date and ending with the date which is one day less than one year later.

1.37 “Liens” means any lien, charge, security interest or encumbrance, except the Indenture and the Mortgage, which may be attached to, upon or against the Premises or any portion thereof.

1.38 “Monthly Rent” means the rent payable by Tenant under this Lease from the Commencement Date to and including the Expiration Date in the amounts for each Lease Year as set forth on the Schedule of Monthly Rent annexed hereto as Exhibit A and by this reference incorporated herein.

1.39 “Mortgage” means the (a) Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing; (b) Assignment of Leases and Cash Collateral; (c) applicable Uniform Commercial Code financing statements; and (d) other security documents executed by Landlord in connection with or to secure the Bonds.

1.40 “Notice Address” means, as to each of the Notice Parties, its respective address as specified in or pursuant to Paragraph 32.7 of this Lease.

1.41 “Notice Parties” means each of Landlord, Tenant, Trustee and Bond Insurer.

1.42 “Operating Costs” has the meaning given to it in Paragraph 5 of this Lease.

1.43 “Owner” means Broadway Office Properties, a Washington nonprofit corporation, its successors and permitted assigns.

1.44 “Owner-Caused Delay” means any period of delay in the overall progress of design, construction, and completion of the Project, including Tenant Improvements, that is caused by Owner-initiated change orders to the General Construction Contracts or by Owner’s or Owner’s Consultant’s failure to approve, disapprove, decide, or otherwise respond to Developer with respect to a particular item for which Owner’s or Owner’s Consultant’s response is required

under the Development Agreement or under the General Construction Contracts, or failure to deliver plans, information, specifications, or other information within the time frames required under the Development Agreement or the General Construction Contracts. However, Owner-Caused Delay shall not include: (i) delay for which a substantially contributing cause is Developer's failure to provide, within the time frames allowed under the Development Agreement, draw requests, architect's certifications, progress completion certifications, copies of change orders and supporting documentation, shop drawings, schedules, costs, invoices, job progress reports, or other documents or information which Owner is entitled to receive under the Development Agreement or which is reasonably requested by Owner in connection with any such decision or response, or (ii) delay caused by the existence of reasonable cause to suspect that construction of the Project or Tenant Improvements or any other services provided by Developer under the Development Agreement have not been performed in accordance with Construction Documents and other requirements thereunder, in which case Owner-Caused Delay shall not include the amount of additional time reasonably needed by Owner or Owner's Consultant to determine whether such construction or other services conform to all requirements under the Development Agreement, so long as Owner and Owner's Consultant proceed with all reasonable diligence to make such determination. To facilitate timeliness in Owner's or Owner's Consultant's communications with Developer over matters relating to design or construction of the Project and to minimize the possibility of Owner-Caused Delay, Developer shall make a good faith effort to alert Owner to deadlines for approvals, decisions or other responses that Owner must provide hereunder, possibly including, among other methods, attachment of "deadline cover sheets" on any submissions to Owner that require response by a particular deadline or distribution of weekly calendars that show deadlines imposed on Owner. If Developer at any time believes that an instance of Owner-Caused Delay has occurred that has directly caused or will directly cause an increase in Project Costs or extension of the Substantial Completion Date, Developer shall send, or shall cause the General Contractor to send, a written notification to Owner within five (5) days of the occurrence of such alleged Owner-Caused Delay explaining the alleged event that constituted such Owner-Caused Delay, specifying the period of alleged Owner-Caused Delay, describing how the alleged Owner-Caused Delay adversely affected the Project Schedule and identifying any incremental increase in Project Costs that are identifiable or reasonably foreseeable as a direct result of such Owner-Caused Delay. Any disputes between Developer and Owner over Project Costs attributable to Owner-Caused Delay shall not be a reason to stop or delay construction of the Project and shall be resolved by the parties as expeditiously as possible, either by mutual agreement of the parties or in accordance with the dispute resolution mechanisms described in Section 26 of the Development Agreement.

1.45 "Owner Contingency" means the contingency described in Section 5(i) of the Development Agreement, which may be used by the Landlord in its sole discretion to cover any increase in costs of constructing the Project resulting from: (a) design, construction or installation of enhancements, upgrades, changes, and/or deviations required by the Owner from the Plans and Outline Specifications (b) Tenant Improvements requested by Owner in excess of the Tenant Improvement Allowance, (c) Owner-Caused Delay, or (d) any other additional costs that Owner in its discretion elects to incur in connection with the Project.

1.46 “Owner’s Consultant” means Lorig Associates, LLC, which shall provide development and construction consulting and oversight services for the benefit of the Landlord.

1.47 “Permitted Use” has the meaning given to it in Paragraph 7 of this Lease.

1.48 “Plans and Outline Specifications” are the renditions for the shell and core of a first class office building to be constructed on the Land pursuant to the Master Use Permit issued with respect to the Project by the City of Seattle.

1.49 “Premises” means the entirety of the building to be known as 401 Broadway, containing approximately 156,800 square feet of rentable area together with a three-level underground parking garage containing approximately 298 parking spaces.

1.50 “Project” means the total design and construction, including all professional design services, and all labor, materials and equipment used or incorporated in such design and construction of a five story first class office building to be constructed on the Land and to be known as 401 Broadway, containing approximately 156,800 square feet of rentable area as more fully described in the Plans and Outline Specifications, including all HVAC, electrical and other building systems, Tenant Improvements, and the entirety of a three-level underground parking garage located on the Land containing approximately 298 parking spaces. The Project shall include work which is consistent with and reasonably inferable from the approved Project Requirements as being necessary to produce the intended results.

1.51 “Project Budget” means the budget for development of the Project attached to the Development Agreement as Exhibit E, as revised from time to time by Developer and Landlord, with the concurrence of Tenant, in accordance with the Development Agreement.

1.52 “Project Costs” means the total costs of acquisition of the Land (including all reimbursements due to the Seller under the Real Estate Purchase Agreement), and all costs for the completion of the development, design, permitting and construction of the Project, including, without limitation, all Permit expenses, all costs of the building shell and core, HVAC, electrical and other building systems, all costs of Tenant Improvements (but not to exceed the Tenant Improvement Allowance), all costs of architectural services provided by the Architect under the Architect’s Agreement, all costs of services provided by Interior Architect under the Interior Design Contract with respect to the Tenant Improvements, all costs of the Owner Consultant provided under the Owner’s Consultant Agreement, all other professional design and other services provided by Contractors or other professionals engaged by the Developer or General Contractor, all amounts paid to General Contractor under the General Construction Contracts including all labor, material, and equipment used or incorporated in such design and construction, all amounts paid to other Contractors and subcontractors, if any, under any other Construction Contract or subcontract entered into by Owner upon the written approval of Developer or by the Developer on behalf of and acting as the Owner’s agent in connection with the Project, including all labor, material, equipment used or incorporated in such design and construction, services provided by engineers, environmental consultants, surveyors and other professionals and consultants retained by Developer in connection with the Project, Developer’s Overhead, Developer’s Fee, insurance (other than Bond

insurance), bonds (other than the Bonds), real estate brokerage and leasing commissions (other than commissions applicable for retail spaces) as set forth in the Project Budget, applicable state and local retail sales, business and occupation and other taxes (including real property taxes and assessments accruing from Land Closing until Substantial Completion), plus the Owner Contingency and the Developer Contingency; excluding only (a) Tenant's Personal Property and any taxes thereon (which shall be paid by Tenant at its sole cost and expense), (b) Financing Costs, (c) costs for enhancements that are not included in the Plans and Outline Specifications and not paid from the Owner Contingency, (d) the Costs Not To Be Reimbursed as defined in the Development Agreement, (e) Costs Resulting From Owner-Caused Delay, but only if they are not paid from the Owner Contingency, and (f) expenses for services for which Owner contracts directly without the prior written approval of Developer. A budget of the Project Costs is set forth on Exhibit E to the Development Agreement.

1.53 "Project Requirements" means the Plans and Outline Specifications as set forth in Exhibit F of the Development Agreement, relevant attachments to the General Construction Contracts, Exhibits D and M of the Development Agreement, and as otherwise specifically agreed to by Owner and Developer.

1.54 "Project Schedule" means the schedule for development and construction of the Project as revised from time to time by Developer and Landlord, with the concurrence of Tenant, in accordance with the Development Agreement. The initial Project Schedule is set forth in Exhibit B attached hereto and by this reference incorporated herein.

1.55 "Property Management Agreement" means an agreement entered into by Landlord or the Tenant for management of the Premises in accordance with Paragraphs 10.2 or 10.3 of this Lease.

1.56 "Punch List" means a list of items required to be completed after Substantial Completion that are minor items which do not affect Landlord's ability to lease the Premises to Tenant and do not affect Tenant's ability to use the Premises for their intended use.

1.57 "Real Estate Purchase Agreement" means that certain Purchase and Sale Agreement dated February 28, 2002, between Jefferson Associates, L.L.C., a Washington limited liability company as Seller and Developer, as Buyer, as amended by a First Amendment to Purchase and Sale Agreement dated June 24, 2002, and as further amended prior to execution of the Development Agreement.

1.58 "Rent" means Monthly Rent and Additional Rent, each as defined herein.

1.59 "Requirements of Law" means all requirements relating to land and building construction (including those specifically applicable to Tenant's contemplated use of the Premises), including, without limitation, planning, zoning, subdivision, environmental, air quality, flood hazard, fire safety, accessibility, and other governmental approvals, permits, licenses and/or certificates as may be necessary from time to time to comply with all the foregoing and other applicable statutes, rules, orders, regulations, laws, ordinances, and covenants, conditions and

restrictions, which now apply to and/or affect the design, construction, existence, intended use, operation and/or occupancy of the Land, the Premises or any part thereof.

1.60 "Sale of the Bonds" means execution and delivery by Landlord and a responsible bond underwriter of an agreement providing for the purchase and sale of the Bonds on terms consistent with the terms of this Lease and with no conditions to the underwriter's obligation to pay for and accept delivery of the Bonds other than those conditions contained in the agreement between Landlord and the responsible bond underwriter.

1.61 "State Nonprofit Corporation Act" means the Washington Nonprofit Corporation Act, Chapter 24.03 RCW, as amended from time to time.

1.62 "Substantial Completion" means that each of the following events shall have occurred with respect to the Project:

(a) Developer shall have notified Landlord and Owner's Consultant in writing that the Project, including all Tenant Improvements (which may exclude any street level retail rental space, if any) is Substantially Completed subject only to the completion of normal Punch List items;

(b) Architect and Interior Architect shall each have issued its "Certificate of Substantial Completion" AIA Document G704 stating that the work under the General Construction Contracts is sufficiently complete in substantial accordance with the Contract Documents to permit Tenant to occupy or utilize the Project for its Permitted Use;

(c) The City of Seattle has issued a temporary certificate of occupancy such that the Tenant is permitted to and could, pursuant to such issued certificate of occupancy, physically occupy the Project for its Permitted Use, including parking; and

(d) Landlord has received evidence from the Developer satisfactory to Landlord that all real property taxes and assessments on the Project payable by Developer that were due and owing have been paid.

Notwithstanding that Substantial Completion of the Project shall have occurred, Owner or Owner's Consultant shall be entitled to provide Developer with a Punch List, in accordance with the provisions of Section 13 of the Development Agreement.

1.63 "Substantial Completion Date" for the Project means the date 20 months after the Commencement of Construction, as may be extended, pursuant to Section 8(b) of the Development Agreement for (i) Unavoidable Delay not exceeding, in the aggregate, 90 days, and (ii) Owner-Caused Delay.

1.64 "Substantially Complete" or "Substantially Completed" means that the Project has been constructed in substantial accordance with the Contract Documents and: (a) all elements required for the functioning of the Project shall be operational and in good working

order and condition including satisfying applicable ADA building requirements as set forth in Chapter 51-30 of the Washington Administrative Code; (b) the Project shall be weather tight and waterproof; (c) the fire and life safety systems within the Project shall be operational and in good working order and condition; (d) the elevators shall operate and function in good working order and condition, but may still require touch up installation and cleaning; (e) the mechanical and electrical systems, including the HVAC system, shall be individually tested and in good working order able to support the Project and shall also be tested to assure that Project systems operate on an integrated basis, but the HVAC system may still require final balancing work; (f) the finish work is substantially completed, including, but not limited to public lobby, elevator, HVAC, plumbing, fire and life safety, sprinkler and electrical systems, doors, partitions, cabinetry, carpet and base, including removal of all construction debris; (g) all site utilities, sidewalks and landscaping are substantially completed and construction barricades and equipment have been removed; (h) the parking garage, including elevators and lobbies, and all entrances and exits thereto are completed; and (i) the access and security systems for the Project (including the parking garage) are installed and operational, except in each case for Punch List items.

1.65 “Taxes” means all real property taxes and assessments (including assessments for special improvements), license and permit fees, charges for public utilities, leasehold excise taxes, other excise taxes, levies, sales, use and occupancy taxes, any tax or charge assessed against the Rent or fair market value of the Premises and any taxes levied or assessed in addition to or in lieu of, in whole or in part, such taxes, assessments or other charges and all other governmental impositions and charges of every kind and nature, general and special, ordinary and extraordinary, foreseen and unforeseen of every character (including interest and penalties thereon) which at any time from and after the Commencement Date of this Lease may be imposed, levied upon or assessed against or which arise with respect to or constitute a lien upon the Land, the Premises (or any part thereof), the leasehold estate created by this Lease or any part thereof, or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Premises or any part thereof.

1.66 “Tenant” means King County, a political subdivision of the State of Washington, its successors and permitted assigns.

1.67 “Tenant Improvement Allowance” means, within the Fixed Price, an \$8,963,125 allowance to cover the design and construction costs of the Tenant Improvements.

1.68 “Tenant Improvements” means those certain interior improvements to the Project, all of which are more specifically defined in the Construction Documents and the General Construction Contract for Tenant Improvements.

1.69 “Tenant’s Personal Property” means Tenant’s furniture, equipment and movable property placed in the Premises by the Tenant and any property installed in or about the Premises by Tenant. Tenant shall provide Tenant’s Personal Property at Tenant’s sole cost and expense.



1.70 “Term” means the period beginning on the Effective Date and ending on the Expiration Date.

1.71 “Trustee” means a national bank or other financial institution with trust powers selected by Landlord to serve as the bond trustee under the Indenture or any duly authorized successor thereto appointed pursuant to the Indenture.

1.72 “Unavoidable Delays” means any delay in the performance by Developer or General Contractor of its obligations with respect to construction of the Project caused by strikes (other than those directly caused by Developer’s acts, omissions or failure to negotiate in good faith), acts of God, Unusually Severe Weather Conditions, unavoidable casualties, acts of the public enemy, acts of terrorists, governmental embargo restrictions, or similar causes beyond the reasonable control of Developer or General Contractor, which, after the exercise of due diligence to mitigate the effects thereof, delay construction of the Project, other than such delays resulting from (a) Developer’s or General Contractor’s failure to comply with the terms and provision of the Development Agreement or the General Construction Contracts, (b) increased prices, or (c) unavailability of funds, provided the Fixed Price is paid in accordance with Section 10 of the Development Agreement. Unavoidable Delays will entitle Developer and General Contractor to an extension of the Substantial Completion Date but will in no way entitle Developer to additional compensation. Nothing contained in the Development Agreement shall prevent Developer from allocating the Developer Contingency to increased costs of constructing the Project caused by Unavoidable Delays. In the event of any Unusually Severe Weather Conditions, the length of Unavoidable Delay to become effective under the Development Agreement as a result of such conditions shall be the period of time (not less than one day) by which Developer’s progress in constructing the Project has reasonably been delayed as a result of such Unusually Severe Weather Conditions. Developer shall notify Owner in writing as soon as possible but in no event later than 35 days after any Unusually Severe Weather Conditions have occurred, shall provide in such notice a specification as to which of the listed conditions has occurred and the data supporting such determination, and shall provide an explanation of Developer’s position as to the length of Unavoidable Delay to be granted as a result of such conditions, explaining how such conditions delayed Developer’s construction progress. Owner shall respond within 10 days thereafter as to whether Owner accepts or disagrees with Developer’s position. Any disagreements that cannot be resolved by Developer and Owner shall be submitted to the Disputes Resolution Board under Section 26 of the Development Agreement, but work shall continue pending resolution of such dispute.

1.73 “Unusually Severe Weather Conditions” means the occurrence of any of the following scenarios of precipitation, low temperature, windstorms, or snow or ice, but only if the building shell has not been sealed from weather and there remains substantial external work or other conditions that are affected by adverse weather and that will adversely affect the Developer’s ability to achieve Substantial Completion by the Substantial Completion Date:

- (a) Daily rainfall equal to or greater than .80 inch within any 24 hour period.

(b) Daily rainfall equal to or greater than .50 inch during any "rainy season month" (i.e., October through June) in which the total monthly rainfall (at the end of such month) is at least 115% but less than 150% of the total average monthly rainfall for such month.

(c) Daily rainfall equal to or greater than .30 inch during any rainy season month in which the total monthly rainfall (at the end of such month) is at least 150% but less than 200% of the total average monthly rainfall for such month.

(d) Daily rainfall equal to or greater than .20 inch during any rainy season month in which the total monthly rainfall (at the end of such month) is at least 200% of the total average monthly rainfall for such month.

(e) Daily maximum temperature less than 35 degrees Fahrenheit for two or more consecutive weekday days which impacts critical components of the work.

(f) A combination of temperature and precipitation that results in snowfall in excess of 3 inches on a particular day that does not melt and substantially disappear (but for isolated shaded areas) by 7:00 a.m. on the next work day, or that results in a coating of ice during the bulk of the workday (not merely morning frost) that makes walking, transporting or loading of materials, or operation of equipment or vehicles hazardous or significantly slowed.

(g) Maximum wind gusts exceeding 50 mph at any time during the work day.

(h) Maximum wind gusts exceeding 35 mph during each hour of a continuous six hour period during the work day.

(i) Any other unusually inclement weather condition which causes the construction site to be in a condition such that the General Contractor orders the workers to not work on the construction site.

Weather conditions shall be measured at Sea-Tac International Airport by the Environmental Data and Information Service of the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce. However, if Developer wishes to monitor weather at a location on or nearer to the Project site, Developer may make a proposal to install and operate, at its expense through Developer Contingency, a weather monitoring station at the Property or in the vicinity of the Property, monitored by an independent consultant, and Owner shall not unreasonably withhold its approval to utilization of the weather data from such closer site so long as the equipment and independent consultant appear to be capable and trustworthy and the results obtained from such monitoring appear to be reasonably reliable.

1.74 "Utilities" means all utilities and utility services furnished to the Premises, including without limitation, gas, electricity, water, sewer, garbage collection, and telephone service.

Capitalized terms used in this Lease and not set forth above or elsewhere herein shall have the meanings given such terms in the Development Agreement.

2. Premises. Landlord leases to Tenant and Tenant leases from Landlord the Premises for the Term.

3. Term. The Term shall commence on the Effective Date and shall expire on the Expiration Date; provided, however, that the obligation of the Tenant to pay Rent shall not commence until the Commencement Date. Landlord and Tenant shall confirm the Commencement and Expiration Dates by executing within 15 days after the Commencement Date, a written Confirmation of Commencement and Expiration Dates in the form attached hereto as Exhibit D, which Confirmation of Commencement and Expiration Dates shall become a part of this Lease and be binding upon Landlord and Tenant to establish the actual Commencement Date and Expiration Date of the Term. Notwithstanding that the obligation of Tenant to pay Rent under this Lease shall not commence until the Commencement Date, all of the other terms and provisions of this Lease shall be effective from and after the Effective Date (except as otherwise provided herein).

4. Monthly Rent.

4.1 Monthly Rent Payments. Tenant's obligation to pay Monthly Rent shall begin as of the Commencement Date and continue until the Expiration Date. Commencing on the first day of the first calendar month beginning after the Commencement Date and continuing on the first day of each month thereafter during the Term, Tenant shall pay to Landlord or as Landlord may otherwise direct in writing and without deduction, offset, prior notice or demand, in advance, an amount equal to Monthly Rent; provided, however, that the first payment of Monthly Rent shall also include an amount in arrears for the prorated Monthly Rent due and owing from the Commencement Date through and including the last day of the month preceding such first payment date. Tenant acknowledges that time is of the essence in payment of Monthly Rent since Landlord intends to use Monthly Rent to make principal and interest payments on the Bonds.

Monthly Rent for any partial month shall be prorated on a daily basis at the rate of 1/30th of the Monthly Rent. All Monthly Rent shall be paid to Landlord at Landlord's Notice Address or as otherwise directed in writing by Landlord.

4.2 Rent a General Obligation. Tenant's obligation to pay Rent constitutes a limited tax general obligation of the Tenant. Tenant hereby irrevocably covenants and agrees that it will include in its annual budget and levy taxes annually on all taxable property within King County, within and as a part of the tax levy permitted to Tenant without a vote of the electors, in amounts sufficient, together with all other money legally available and to be used therefor (including payments to Tenant from Harborview), to pay Monthly Rent and Additional Rent as the same shall become due. The full faith, credit and resources of Tenant are irrevocably

pledged for the annual levy and collection of such taxes and the prompt payment of such amounts.

4.3 Defeasance. In the event that money and/or "Government Obligations," as such obligations are now or may hereafter be defined in Chapter 39.53 RCW, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to pay or prepay all Monthly Rent and to pay any Additional Rent then due under this Lease in accordance with the terms of this Lease, are irrevocably set aside and pledged in a special account to effect such payment or prepayment, then no further payments need be made of any Monthly Rent under this Lease and the Landlord shall not be entitled to any lien, benefit or security in the Leased Premises, except the right to receive the funds so set aside and pledged, and Landlord shall have no further obligation to Tenant hereunder, except under Paragraph 30 hereof, if applicable. Landlord shall apply such prepaid Rent to the defeasance or redemption of Bonds in accordance with the Indenture.

5. Additional Rent; Payment of Operating Costs, Taxes and Utilities.

5.1 Absolute Net Lease. Tenant acknowledges that this Lease is an absolute net lease. From and after the Commencement Date, Tenant shall (i) provide for and pay costs of maintenance and operation of the Premises in accordance with Paragraph 10.1 hereof, (ii) pay Taxes, and (iii) pay Utilities, and Tenant shall also reimburse Landlord for all Operating Costs. Prior to the Commencement Date of this Lease, all Operating Costs, if any, taxes and Utilities relating to the Premises shall be paid by Developer or Landlord pursuant to the provisions of the Development Agreement.

5.2 Operating Costs. In accordance with Paragraph 5.7 hereof, Tenant shall pay as Additional Rent amounts sufficient to reimburse Landlord for all Operating Costs incurred by Landlord and identified in this Paragraph 5.2. All other costs of operating and maintaining the Premises shall be paid directly by Tenant pursuant to Paragraph 10.1 hereof. Operating Costs means any and all costs and expenses directly related to ownership and operation of the Premises and invoiced by Landlord from and after the Commencement Date of this Lease in connection with:

(a) the repair, replacement, operation, and maintenance of the Premises, including, without limitation, interior and exterior maintenance, all exterior doors and windows, elevators, sidewalks, driveways, interior perimeter and interior partition walls and finishes (including periodic painting thereof), exterior wall finishes, broken glass in exterior and interior doors and windows, roof, floor covering, window frames, gutters and downspouts, HVAC system, landscaping and all other areas used in connection with the Premises, excluding those costs described in Paragraph 5.3(h)-(i);

(b) the asset management fee paid Landlord pursuant to Paragraph 10.2(c);

(c) the property management fees, if any, paid to the entity or entities managing the Premises under property management contracts entered into pursuant to Paragraphs 10.2(a) and 10.3 of this Lease;

(d) the auditing fees incurred by Landlord in connection with the preparation of the financial statements required under Paragraph 10.2(b) of this Lease;

(e) if Tenant requests that Landlord hire an operator of the parking garage, any expenses, fees, and charges paid to such operator of the parking garage, provided that such fees are competitive with then current market rates and that any parking management contract complies with Revenue Procedure 97-13 or any successor revenue procedure issued by the Internal Revenue Service governing management, operation, or other service contracts in connection with the issuance of tax exempt obligations;

(f) all costs of services furnished by or through Landlord, if any, in connection with the Premises, including janitorial, security, gardening, landscaping, and related costs and expenses, licenses, permits, and inspection fees, the cost of supplies, materials, equipment, and tools used in connection with the maintenance, operation, or repair of the Premises and all other reasonable, necessary and customary costs and expenses directly related to the operation, maintenance, and repair of the Premises (provided, however, that if, with the prior written approval of Tenant or upon Tenant's material uncured default hereunder or a default by Tenant under a Property Management Agreement executed for the Premises, Landlord contracts with any non-governmental and non-public entity for property management services or other services relating to the Premises, Landlord shall be required to obtain such services at rates generally competitive in the marketplace);

(g) any damage to the Premises (but not to Tenant's Personal Property) caused by breaking and entering or other criminal act and not covered by insurance;

(h) all costs of compliance with governmental laws or the board of fire underwriters (or similar organization) now or hereafter constituted as applicable to the Premises;

(i) all insurance premiums for insurance required to be carried under this Lease (including loss of rent insurance);

(j) all Costs Resulting from Owner-Caused Delay and all other additional costs and liabilities that Landlord may incur under the Development Agreement as a result of decisions, determinations, change orders, or other actions or omissions made by Tenant or Harborview, but excluding any such costs (i) paid from the Owner Contingency or (ii) incurred as a result of Landlord's negligence, Landlord's intentional misconduct, or Landlord's direct breach of provisions of the Development Agreement;

(k) all attorneys' fees and other costs incurred by Landlord in efforts to enforce the provisions of the Development Agreement and/or the General Construction Contracts, to remove construction Liens from the Premises, or to enforce product or

workmanship warranties given by the Developer, General Contractor, or other Contractors or suppliers of equipment or materials (unless Tenant desires that Landlord instead assign such warranties to Tenant in accordance with Paragraph 5.8 hereof), but only to the extent that such costs have not been paid from the Owner Contingency or reimbursed by or recovered from Developer or General Contractor;

(l) Trustee's fees for the Bonds, any rebate payable with respect to the Bonds, amounts necessary to maintain the debt service reserve requirement with respect to the Bonds, costs payable in connection with any defeasance or prepayment of Monthly Rent and any defeasance or redemption of the Bonds; and

(m) all other costs reasonably incurred by Landlord in connection with the ownership, leasing (under this Lease), maintenance, and upkeep of the Premises in order to: (i) prevent any dangerous or unsafe condition on the Premises that could result in liability to Landlord or its officers, employees, directors, or other agents, or (ii) comply fully with and to avoid or to cure any default under the Indenture, Mortgage, and other documents relating to the Bonds and all Requirements of Law; provided, however, that prior to incurring any such costs, Landlord shall (except for costs advanced under emergency circumstances to protect the Premises from immediate risk of danger or destruction) have given Tenant and/or the property manager under any Property Management Agreement reasonable notice (i.e., the lesser of 30 days or such shorter period as is permitted under the Indenture, Mortgage, or other Bond documents to avoid an imminent default or to cure a default for which notice has already been given) of Landlord's intention to take such action to remove such dangerous condition or to achieve such compliance with the Bond documents and shall have given Tenant the first opportunity to take such curative action, prior to Landlord taking such action itself.

Notwithstanding the foregoing list of Operating Costs, which Landlord may incur from time to time, as described in this Paragraph 5.2, and which Tenant shall pay as Additional Rent, the listing of such items as Operating Costs is not intended to suggest that Landlord has a duty to maintain or repair the Premises or to take any other actions that Landlord is not expressly obligated to undertake under other provisions of this Lease.

5.3 Exclusions From Operating Costs. Operating Costs shall exclude:

- (a) costs of the Project;
- (b) costs arising from Landlord's political or charitable contributions;
- (c) fines, penalties and interest penalties incurred as a result of Landlord's negligence or unwillingness to make payments when due or take such other actions as may be required;
- (d) legal fees, accountant's fees and other expenses incurred in connection with (a) disputes with Tenant or associated with the interpretation of the terms of this Lease (unless Tenant is otherwise required to pay such fees and expenses pursuant to

Paragraph 29 of this Lease); or (b) legal proceedings arising out of Landlord's violation of the terms of this Lease;

(e) costs of any service provided to Tenant for which Landlord is reimbursed, or any other expense for which Landlord is or will be reimbursed by another source (i.e., expenses covered by insurance or warranties);

(f) fees to Landlord for goods or services in excess of the fees that would typically be charged by unrelated, independent persons or entities for similar goods and services;

(g) Taxes and Utilities paid by the Tenant directly to the applicable government authority or utility provider pursuant to the provisions of Paragraph 5.4 and Paragraph 6 of this Lease;

(h) repairs or replacements made to rectify or correct any latent defect(s) in the original design, materials or workmanship of the Project, as originally constructed, to the extent of and in the amount that the cost of such repairs or replacements are paid to Landlord (i) from the Owner Contingency or (ii) by reimbursement or other recovery from the Developer, General Contractor, any other Contractor, or any other party who may be obligated to Landlord to pay or reimburse for such repairs; and

(i) repairs or replacements necessitated by the negligence or willful misconduct of Landlord, Landlord's employees, contractors or agents.

5.4 Payment of Taxes by Tenant. Tenant shall be liable only for taxes that accrue from and after the Commencement Date of this Lease. Tenant shall pay all Taxes directly to the applicable governmental agency prior to delinquency and shall provide proof of such payment promptly to Landlord and Trustee. To the extent Taxes or other charges can be paid in installments, Tenant may pay such Taxes in installments. With respect to any general or special assessments which may be levied against or upon the Premises, or which under the Laws then in force may be evidenced by improvement or other bonds or may be paid in annual installments, only the amount of such annual installment, and interest due thereon, shall be included within the computation of Taxes.

5.5 Real Property Tax Statements. Tenant shall make appropriate arrangements to receive directly from the applicable governmental agency assessment notices and real property tax statements for the current year and Tenant shall provide a copy thereof promptly to Landlord and Trustee.

5.6 Right to Contest Taxes. If Landlord receives prior notice that an appraisal of the Premises, or any portion thereof, will be conducted for real property tax purposes, Landlord shall so notify Tenant and permit Tenant to be present during such appraisal if Tenant so elects. Tenant shall have the right in Landlord's name and stead, and at Tenant's sole expense, to contest the validity or amount of any real property taxes. Landlord shall cooperate

with Tenant and provide reasonable assistance with respect to any such contest, including, without limitation, such information and supporting documents as may be reasonably requested by Tenant. Notwithstanding any provision of this Lease to the contrary, Tenant shall not be required, nor shall Landlord have the right, to pay, discharge or remove any such real property tax so long as no Event of Default has occurred and Tenant is contesting the existence, amount, applicability or validity thereof by appropriate proceedings conducted in good faith with due diligence. In the event Landlord shall obtain a tax refund as a result of any such tax appeal or other proceedings Tenant shall be entitled to, and Landlord shall promptly pay to Tenant, all such tax refunds.

5.7 Payment of Operating Costs. From and after the Commencement Date of this Lease Tenant shall reimburse Landlord for all Operating Costs within 30 days of receiving an invoice therefor from Landlord. If Tenant fails to pay Taxes or Utilities, Landlord may advance funds to pay such items and demand reimbursement from Tenant within 10 days of making such advance.

5.8 Warranties. During the Term of this Lease, Landlord shall exert its good faith and diligent efforts to enforce any and all applicable warranties, express or implied, in connection with defects which may arise in the original design, materials or workmanship of the Premises as originally constructed. At Tenant's request, Landlord shall assign to Tenant any warranty right held by Landlord with respect to the original design, materials or workmanship of the Premises, as originally constructed.

6. Utilities. From and after the Commencement Date of this Lease, Tenant shall be solely responsible for and shall pay separately all charges for Utilities used or consumed in the Premises. It is understood that Landlord shall not be required to provide any Utilities to Tenant, and Tenant shall make any necessary arrangements to have all such Utilities billed directly to and paid for directly by Tenant.

7. Use. Tenant intends to use the Premises for offices and may use the Premises for a clinic, retail space, and any other lawful use consistent with the provisions of this Paragraph 7 (the "Permitted Use"). Landlord hereby acknowledges that Tenant's initial use of the Premises shall be for Harborview's purposes and that the Premises initially shall be managed for Tenant by the University of Washington pursuant to the Harborview Management Agreement. Landlord acknowledges that space in the Premises may be subleased by Tenant to governmental entities or to organizations described in Section 501(c)(3) of the Internal Revenue Code at a rent and on other terms and conditions acceptable to Tenant, without Landlord's consent. Landlord further acknowledges that up to 4,704 square feet of space in the Premises may be subleased to private parties at a rent and on terms and conditions acceptable to Tenant, without Landlord's consent; provided, however, that the aggregate square footage of leasable space in the Premises that is subleased to private persons shall not be increased beyond 4,704 square feet without the prior written consent of Landlord, Trustee and Bond Insurer, and provided, further, that Landlord, Bond Insurer, Trustee and Tenant receive (i) an opinion of nationally recognized bond counsel that such sublease(s) will not adversely affect the tax-exempt status of interest payable on the Bonds and (ii) an opinion of counsel to Landlord that such sublease(s) will not adversely affect



Landlord's 501(c)(3) status. Tenant has determined to its satisfaction that the Premises can be used for the Permitted Use. Tenant's use of the Premises shall be in accordance with the following:

7.1 No Insurance Cancellation. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance covering the Premises.

7.2 Compliance With Laws. From and after the Commencement Date of this Lease, or such earlier date as Tenant occupies the Premises, Tenant shall comply with all Laws concerning the Premises and Tenant's use of the Premises, including without limitation, Environmental Laws. Tenant shall not use the Premises for the transportation, storage or generation of any Hazardous Substances in violation of Environmental Laws. To the extent permitted by law, Tenant shall absolutely and unconditionally indemnify, defend and hold Landlord harmless from and against any and all debts, demands, obligations, liens, judgments, claims, liabilities, losses, damages, cleanup costs and expenses (including reasonable attorneys' fees) now or hereafter arising in connection with the presence, transportation, storage, disposal or handling of Hazardous Substances located in, on or about the Premises or Land caused by or resulting from the actions of Tenant, its agents or employees after the Commencement Date of this Lease or such earlier date as Tenant occupies the Premises, excluding (a) any Hazardous Substances present on the Land or the Premises prior to the Commencement Date of this Lease; (b) any such debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense resulting from the actions or omissions of Landlord, Developer, General Contractor and their respective agents, employees, contractors, subcontractors or invitees; or (c) any debt, demand, obligation, lien, judgment, claim, liability, loss, damage, cleanup cost or expense resulting from actions of Landlord which result in violation of any contractual obligation of Landlord under this Lease, the Indenture, or any other document executed by Landlord in connection with a Mortgage incurred in connection with Paragraph 11 of this Lease. This indemnification shall survive the Expiration Date of this Lease.

7.3 No Waste, Nuisance or Damage. Tenant shall not use the Premises in any manner that will constitute waste of the Premises or nuisance and Tenant shall not do anything on the Premises that will cause damage to the Premises.

7.4 Tax Covenants. At all times from and after the Effective Date, Landlord (a) shall maintain its purposes and engage only in activities that are in furtherance of its purposes and are permitted by the State Nonprofit Corporation Act; (b) will maintain its status as a nonprofit corporation under the State Nonprofit Corporation Act and as an organization described in Section 501(c)(3) of the Code whose income does not inure to the benefit of any private person; (c) shall not encumber, pledge, hypothecate or grant a security interest in all or any part of the Premises (except for the Indenture and the Mortgage, which comply with the provisions of Paragraph 11 of this Lease) or except as consented to by Tenant and Bond Insurer in writing; (d) shall not engage in any activities related to the Premises or the Mortgage incurred by Landlord (except those specifically set forth in Paragraphs 9 and 11 of this Lease) that would cause the transaction contemplated under this Lease to constitute an unrelated trade or business determined by applying Section 513(a) of the Code; and (e) will not take any action or omit to

take any action that, if taken or omitted, would adversely affect the tax-exempt status of interest payable on the Bonds. At all times during the term of this Lease, Landlord shall not assign its rights under this Lease (except to Trustee pursuant to the Indenture and the Mortgage) without the prior written consent of Tenant and Bond Insurer and the opinion of nationally recognized bond counsel to the effect that such assignment will not adversely affect the tax-exempt status of interest payable on the Bonds. At all times from and after the Effective Date of this Lease, Tenant covenants that it will not take any action or omit to take any action that, if taken or omitted, would adversely affect the tax-exempt status of interest payable on the Bonds.

## 8. Liens.

8.1 Covenant Against Liens. Except for the Indenture and the Mortgage incurred by Landlord in compliance with the provisions of Paragraph 11 of this Lease to secure the Bonds, Landlord covenants and agrees that it shall not during the Term of this Lease suffer or permit any Liens to be attached to, upon or against the Premises, or any portion thereof or any Rent payable under this Lease for any reason, including without limitation, Liens arising out of the possession, use, occupancy, acquisition, construction, repair, or rebuilding of the Premises or by reason of the furnishing of labor, services, materials, or equipment to the Premises or to Landlord. Tenant acknowledges that Landlord shall cause Developer to keep the Premises free and clear of all construction Liens resulting from the initial construction of the Project (including the right to contest same by appropriate proceedings conducted in good faith with due diligence) under the terms of the Development Agreement prior to the Commencement Date of this Lease. If Developer shall fail to do so, Landlord shall protect, defend, indemnify and hold Tenant harmless against any such Liens. Landlord agrees to indemnify, protect, defend and hold Tenant harmless from and against all liabilities, losses, damages, expenses and costs (including reasonable attorneys' fees and costs) incurred in connection with any such Lien. Landlord's obligations pursuant to this Paragraph 8.1 shall survive the Expiration Date of this Lease. Tenant covenants and agrees that, from and after the Commencement Date, it shall not during the Term of this Lease suffer or permit any Liens to be attached to, upon or against the Premises, or any portion thereof or its leasehold interest in the Premises for any reason, including without limitation, Liens arising out of the possession, use, occupancy, acquisition, maintenance, operation, repair, or rebuilding of the Premises or by reason of the furnishing of labor, services, materials, or equipment to the Premises or to Tenant.

8.2 Covenant to Remove Liens. Landlord will promptly, and in all events within 30 days following the attachment of same, remove and discharge any and all Liens which attach to, upon or against the Premises or any portion thereof, or any leasehold interest of Tenant created under this Lease as a result of actions of Landlord or its officers, agents, contractors, or other parties who have performed work on the Premises at Landlord's request. Landlord reserves the right to contest the validity or amount of any such Lien in good faith provided that, within 30 days after the filing of such Lien, Landlord discharges said Lien of record or records a bond which complies with the requirements of RCW 60.04.161 eliminating said Lien as an encumbrance against the Premises. In the event Landlord shall fail to so remove any such Lien, Tenant may take such action as Tenant shall reasonably determine to remove such Lien and all costs and expenses incurred by Tenant including, without limitation, amounts paid in good faith

settlement of such Lien and attorneys' fees and costs shall be paid by Landlord to Tenant together with interest thereon at the rate of twelve percent (12%) interest per annum from the date advanced until paid. Landlord's obligations pursuant to this Paragraph 8.2 shall survive the Expiration Date of this Lease.

8.3 Tenant's Disclaimer. Notwithstanding the consent or request of Tenant for the performance of any labor or services or for the furnishing of any materials or equipment for any construction, alteration, addition, repair or demolition of or to the Premises (or any part thereof), the costs of any such labor, services, materials or equipment are the responsibility of Landlord or Landlord's agents or contractors. NOTICE IS HEREBY GIVEN THAT TENANT WILL NOT BE LIABLE FOR ANY LABOR, SERVICES, MATERIALS OR EQUIPMENT FURNISHED OR TO BE FURNISHED TO LANDLORD, OR ANYONE HOLDING AN INTEREST IN THE PREMISES (OR ANY PART THEREOF) THROUGH OR UNDER LANDLORD, AND THAT NO CONSTRUCTION OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES, MATERIALS OR EQUIPMENT SHALL ATTACH TO OR AFFECT THE INTEREST OF TENANT IN THE PREMISES. Nothing in this Paragraph 8.3 shall relieve Tenant of its obligation to pay Rent hereunder.

9. Construction of Project. Tenant would not have entered into this Lease but for the agreement by Landlord to undertake, at Landlord's sole cost and expense, the Project, including without limitation (i) the obtaining of financing for the Project, (ii) the acquisition of the Land, and (iii) the construction and equipping of the Premises for use by Tenant primarily as offices. It is of critical importance to Tenant that the construction of the Project on the Land be completed in a timely manner and within the Project Budget. Accordingly, Landlord shall diligently cause the Project to be designed, constructed and prosecuted to completion in a good and workmanlike manner and in accordance with the provisions of this Paragraph 9, free and clear of all Liens and otherwise in accordance with the requirements of this Lease. Landlord shall also furnish, or shall cause Developer or General Contractor to furnish, a performance bond satisfactory to Tenant with respect to the Project.

9.1 Development Agreement. To meet the requirements of this Lease for completion of the Project, Landlord shall, simultaneously with the execution of this Lease by the parties, enter into a Development Agreement with Developer. Pursuant to the terms of the Development Agreement, Developer shall transfer to Landlord its interest as purchaser under the Real Estate Purchase Agreement with respect to the Land and shall develop, oversee and manage the design, permitting and construction of the Project.

9.2 Schedule for Design and Construction. Landlord and Tenant acknowledge and agree that the dates set forth in the initial Project Schedule attached hereto as Exhibit B and by this reference incorporated herein, and as revised from time to time in accordance with the terms of the Development Agreement, shall serve as target dates for achieving the matters set forth therein. In order to ensure to the greatest extent practicable that the Project is designed, permitted and completed on or before the dates set forth in the Project Schedule, Landlord and Tenant shall each proceed with all necessary due diligence and in good faith to complete such matters as require action or approval on the part of Landlord and Tenant. Landlord shall,

following consultation with Tenant, promptly and diligently respond to all questions and concerns raised by Developer or by the Architect, Interior Architect, Contractors, engineers or other consultants.

(a) Notices from Developer to Landlord. To ensure that Tenant is fully apprised of decisions required of Landlord pursuant to the Development Agreement, Section 27(g) of the Development Agreement requires Developer and Landlord to provide simultaneously to Tenant and Harborview a copy of all notices, plans and specifications, change orders, invoices, documents or other agreements required to be delivered by one party to the other. In addition, Tenant, Harborview [and Bond Insurer] shall have the right, but not the obligation, to attend all meetings, and participate in all decisions to protect Tenant's interest under the Lease.

(b) Notices by Tenant to Landlord and Developer. To ensure that Developer is fully apprised of Tenant's position on Project decisions to be made by Landlord, prior to Final Acceptance Tenant shall have the right to provide simultaneously to Developer a copy of any notice Tenant issues to Landlord hereunder. Such notice shall be sent to the Developer at the following address by the same means specified in Section 27(g) of the Development Agreement (i.e., messenger or facsimile):

Opus Northwest, L.L.C.  
915 - 118<sup>th</sup> Avenue S.E., Suite 300  
Bellevue, WA 98005  
Attention: Tom Parsons and Richard Wieneke  
Telephone: (425) 453-4100  
Facsimile: (425) 453-1712

### 9.3 Plans and Specifications.

(a) Plans and Outline Specifications. As of the date of this Lease, Tenant has reviewed and accepted the Project Requirements for the Project to be constructed on the Land including the Plans and Outline Specifications and the following Construction Documents:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In addition, Tenant has reviewed and accepted the Project Budget which sets forth a detailed itemization by line item and category for all Project Costs, including the Owner Contingency, Developer Contingency, Tenant Improvement Allowance, Developer's Overhead and Developer's Fee.

(b) Construction Drawings and Detailed Specifications. Pursuant to Section 5 of the Development Agreement, Landlord will cause the completion by Architect of

Construction Drawings and Detailed Specifications for the building shell and core and shall cause the preparation by Interior Architect of plans and specifications for Tenant Improvements, in each case for review and acceptance by Tenant. Landlord shall, following consultation with Tenant, cooperate in good faith with Developer to cause a completed design, which meets all Requirements of Law and Project Requirements and is consistent with all Project Requirements and the building quality reflected therein. Accordingly, as provided above, Developer will provide Tenant and Harborview a copy of all submittals requiring Landlord's review and approval pursuant to the Development Agreement, as and when such submittals are provided to Landlord. Tenant shall have the right to disapprove such Construction Drawings and Detailed Specifications which (i) do not meet the Project Requirements, or (ii) do not comply with Requirements of Law, or (iii) do not comply with previous Construction Drawings and Detailed Specifications in all material respects, or (iv) propose changes in work or materials that would result in a material change in appearance or diminution in quality of the Project; provided, however, that Tenant's right to disapprove must be exercised within the time limits permitted to the Landlord for response regarding such matters under the Development Agreement. Tenant shall have the right to give notice to Landlord (and shall simultaneously provide a copy of such notice to the Owner's Consultant) disapproving the Construction Drawings and Detailed Specifications, and Landlord shall notify Developer in the manner and within the time period set forth in the Development Agreement. If Tenant fails to issue such notice so as to allow Landlord to make timely objection or comment, Landlord shall nonetheless make a timely response to Developer and such submittals shall be deemed approved by Tenant.

(c) Changes to Construction Documents. There shall be no material change in the Construction Documents except as provided in Section 9 of the Development Agreement. Accordingly, Landlord has directed that Developer provide Tenant and Harborview a copy of all proposed changes in the Construction Documents requiring Landlord's review and/or approval pursuant to the Development Agreement, as and when such proposed changes are provided to Landlord. Tenant shall have the right to give notice to Landlord (and shall simultaneously provide a copy of such notice to the Owner's Consultant) disapproving any such proposed change in the Construction Documents and Landlord shall notify Developer in the manner and within the time period set forth in the Development Agreement. If Tenant fails to issue such notice so as to allow Landlord to make timely objection or comment, Landlord shall nonetheless make a timely response to Developer and any such change shall be deemed approved by Tenant. If Tenant timely disapproves any such proposed change, Tenant shall notify Landlord in writing specifying the reason for its disapproval and Landlord shall notify Developer in the manner and within the time period set forth in the Development Agreement. Tenant shall have the right to disapprove changes which (i) are not a consistent development of the Project Requirements in all material respects, (ii) do not meet Project Requirements, (iii) do not comply with Requirements of Law, (iv) would violate the terms of any Permits, (v) would cause the Project Schedule to be adversely impacted as a result of such proposed changes, or (vi) involve proposed changes in work or materials which would result in a material change in appearance or diminution in quality of the Project; provided, however, that Tenant's right to disapprove must be exercised within the time limits permitted to the Landlord for response regarding such matters under the Development Agreement. Disputes regarding a proposed change in the Construction

Documents shall be resolved by the dispute resolution process set forth in Paragraph 9.6 of this Lease.

9.4 Owner Contingency . As described in Section 5(i) of the Development Agreement, the Developer's Fixed Price for the Project includes an Owner Contingency of \$1,000,000. Until the Working Drawings Delivery Date established under the schedule set forth on Exhibit K of the Development Agreement, \$200,000 of the Owner Contingency shall be reserved and allocated by Landlord solely to pay Costs Resulting From Owner-Caused Delay. From and after the Working Drawings Delivery Date, Landlord may, in its discretion, allocate any money remaining from this reserved amount either to Costs Resulting From Owner-Caused Delay or any other additional costs that Landlord incurs in connection with the Project so long as such costs are in furtherance of Landlord's obligations as Owner under the Development Agreement or as Landlord hereunder. During the course of the Project, Tenant may request changes in (i) the design, construction or installation of enhancements, upgrades, changes, and/or deviations from the Plans and Outline Specifications that increase the cost of the Project, or (b) Tenant Improvements in excess of the Tenant Improvement Allowance. Upon receiving such requests, Landlord shall charge such increased costs against the unreserved \$800,000 of Owner Contingency; provided, however, that if (i) Landlord has been charged with Costs Resulting From Owner-Caused Delay under the Development Agreement or has incurred other unanticipated expenditures in enforcing the Development Agreement, and (ii) as a result thereof, the \$200,000 reserve amount has been exhausted or substantially depleted and Landlord has concerns about having an adequate reserve, then Landlord may, in its discretion, decline to commit the entire \$800,000 unreserved amount as requested by Tenant, but may instead reserve a portion of such \$800,000 amount for further possible Costs Resulting From Owner-Caused Delay or other unanticipated expenditures.

9.5 Tenant Improvement Allowance. The Fixed Price under the Development Agreement includes a Tenant Improvement Allowance of \$8,963,125 for the design and construction of Tenant Improvements. Exhibit K thereto sets forth the dates for delivery of the space plans by which Landlord must deliver the plans to avoid potentially jeopardizing the Project Schedule. Tenant shall act promptly and diligently in responding to all submittals related to completion of final plans for the Tenant Improvements. If the total cost of designing and constructing the Tenant Improvements is less than the Tenant Improvement Allowance, all excess funds in the Tenant Improvement Allowance shall be subject to Paragraph 9.11 below. If the total cost of designing and constructing the Tenant Improvements desired by Tenant is greater than the Tenant Improvement Allowance, Landlord shall have no obligation to cause such Tenant Improvements to be designed and constructed unless Tenant provides any necessary funds (including, in its discretion, part of the Owner Contingency) in excess of the Tenant Improvement Allowance.

9.6 Dispute Resolution Process. As a condition precedent to any litigation regarding this Lease, Tenant and Landlord agree to follow the independent resolution process set forth in this Paragraph 9.6 to resolve disputes regarding preparation of the Construction Drawings and Detailed Specifications and changes to Construction Documents in an economic and time efficient manner so that such documents conform to the requirements of this Lease, the

Project Schedule is not adversely affected, and the Project as constructed will satisfy the Project Requirements.

(a) Dispute Resolution Mediator. In the event that a dispute arises between Tenant and Landlord during the design phase of the Project regarding the adequacy of any Construction Drawings or Detailed Specifications or the responsibility for any costs associated with any design development, addition or change (e.g., whether any design development is consistent with and reasonably inferable from the Project Requirements and the Plans and Outline Specifications), the parties shall proceed in good faith to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the parties are unable to resolve the dispute, either party may, by delivering written notice to the other, refer the matter to \_\_\_\_\_, whose address is \_\_\_\_\_, \_\_\_\_\_, Washington \_\_\_\_\_, whom Tenant and Landlord have mutually designated to act as a dispute resolution mediator to resolve such dispute.

(b) Disputes Resolution Board. At the written request of Tenant, Landlord agrees to cause any dispute with respect to design or construction of the Project to be brought before the Disputes Resolution Board established pursuant to Section 26(a) of the Development Agreement. During any such resolution process, Landlord shall consult with Tenant and allow Tenant to fully participate to seek a resolution which is satisfactory to Tenant. However, any costs or expenses incurred by Landlord as a result of this Paragraph 9.6(b) and any increased Project Costs resulting therefrom which the Disputes Resolution Board determines are the responsibility of Landlord shall be reimbursed to Landlord by Tenant as Additional Rent.

9.7 Permits; Costs; Compliance with Legal Requirements. Landlord shall cause Developer to secure, at no cost to Tenant, all Permits, licenses, permissions, consents and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Project pursuant to Requirements of Law, unless final plans for the Tenant Improvements are not completed as required under Development Agreement and as a result of such delay, Developer is required to apply for an additional building permit to construct the Tenant Improvements, in which case the cost of such permit shall be paid from the Tenant Improvement Allowance. Tenant shall join in the application for such permits or authorizations whenever such joinder is required; provided, however, Tenant shall incur no expense or liability in connection therewith. Landlord shall cause all work on the Premises during the Term to be performed in accordance with the Development Agreement and all Requirements of Law and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction over the Project and/or the Premises.

9.8 Construction Contracts. Landlord intends to contract for the construction of the Project directly with the General Contractor and to cause Developer to serve as construction manager in connection therewith pursuant to the provisions of the Development Agreement. Prior to Tenant's execution of this Lease, Landlord provided Tenant with the proposed forms of the General Construction Contracts for Tenant's review. In addition, Tenant shall have the right to view, for its own information, and to determine, prior to Landlord's

entering into such construction contracts, that any other construction contract is consistent with the requirements of this Lease and the Construction Documents, all Construction Contracts and the bids submitted by potential Contractors .

9.9 Construction of Project. Landlord shall use its reasonable best efforts to cause the General Contractor to commence construction of the Project following receipt of the building permits and shall thereafter cause construction of the Project to be diligently and continuously prosecuted. All work shall be performed in a good and workmanlike manner, shall be free of defects in the work and materials and shall be constructed and in substantial accordance with the Contract Documents, the requirements of this Lease and Requirements of Law. The Landlord shall use its reasonable best efforts to cause the Project to be Substantially Completed on or before the date that is 20 months following the Commencement of Construction.

9.10 Payment of Project Costs and Other Costs Associated with the Project. Throughout the course of construction of the Project, Developer shall submit to Landlord on a monthly basis Project Applications for Payment in the manner, and with all supporting documentation described in, Section 10 of the Development Agreement. Pursuant to Paragraph 9.2(a) above, Landlord shall require Developer to simultaneously provide Tenant and Harborview with a copy of all such Project Applications for Payment and supporting documentation. Tenant shall have the right, but not the obligation, to give notice to Landlord objecting to any aspect of such submittals and Landlord shall notify Developer in the manner and within the time period set forth in the Development Agreement. If Tenant fails to give such notice so as to allow Landlord to make timely objection, Landlord shall be free to approve or to take such other action as it deems appropriate with respect to any such submittal. Any dispute with respect to Project Applications for Payment shall be subject to dispute resolution pursuant to Paragraph 9.6 above.

9.11 Savings. In the event that all or some portion of the Tenant Improvement Allowance, the Owner Contingency or the Landlord's portion of the Developer Contingency is not used in completion of the Project, such amounts shall be for Landlord's account pursuant to Section 13(g) of the Development Agreement. Landlord agrees to provide Tenant and Trustee with written notice of the amount of the Tenant Improvement Allowance, Owner Contingency and/or the Landlord's portion of the Developer Contingency which is not used for completion of the Project and agrees to direct Trustee to apply such amounts as directed by Tenant pursuant to the Lease in accordance with the terms and provisions set forth in the Indenture and the Development Agreement.

9.12 Substantial Completion of Project. Substantial Completion of the Project shall have occurred when all of the events described in Section 13(a) of the Development Agreement and Paragraph 1.62 of this Lease have occurred.

9.13 As-Built Plans and Specifications; Manuals; Warranties; Permits and Licenses; and Survey. On or before Final Acceptance of the Project Landlord shall provide Tenant with a complete and detailed set of "as-built" plans and specifications for the Project



(Tenant Improvements to be provided on CAD), together with copies of all other materials received from Developer pursuant to Section 15 of the Development Agreement including manuals, warranties, permits and licenses and an as-built survey.

9.14 Enforcement of Warranties. Tenant acknowledges that from and after the Commencement Date, in accordance with Paragraph 10.1 hereof, it shall be fully responsible for maintenance and repair of the Premises pursuant to the terms of this Lease. Landlord shall take all actions reasonably requested by Tenant to enforce or otherwise obtain the benefit of any warranty received from the Developer, the General Contractor or any other Contractors, or any supplier, materialman or manufacturer relating to the Project or to assign any such warranty in accordance with Paragraph 5.8 hereof; provided, however, that Landlord shall incur no additional expense or liability in that connection.

9.15 Inspection by Tenant. Tenant and Harborview shall have the right to inspect the on-going construction of the Project and Contract Documents upon reasonable prior notice to Landlord. In addition, Tenant shall have the right to have an independent consulting architect, engineer or other appropriate consultant inspect the Project and Contract Documents pursuant to Section 10(c) of the Development Agreement. Landlord shall cause Developer to provide Tenant and Harborview with all updates of the status of the construction of the Project issued to Landlord in accordance with the Development Agreement.

9.16 Termination of Lease. In the event that the Development Agreement is terminated pursuant to Section 3(d) thereof as a result of a delay in the Sale of the Bonds beyond December 16, 2002, this Lease shall terminate and neither Landlord nor Tenant shall have any further rights, duties or obligations hereunder. Upon 60 days' prior written notice to Landlord and in the event that Substantial Completion of the Project has not occurred for any reason whatsoever including, but not limited to Unavoidable Delays by May 1, 2005, Landlord shall be in default under this Lease and Tenant shall have the right to terminate this Lease, without liability to Landlord, or Tenant may require Landlord to complete the Project and maintain this Lease. This Lease may also be terminated in accordance with the prepayment provisions of Paragraph 30(a) hereof.

9.17 No Amendment of Documents. In the event Landlord desires to amend the Architect's Agreement, any Contract Document, the Development Agreement, the Indenture, the Mortgage, or any other document, contract or agreement entered into in connection with the Project or the Bonds, Landlord shall submit a copy of such proposed amendment to Tenant for its review and approval. In the event Tenant notifies Landlord within five business days following receipt of such proposed amendment of its objection to such proposed amendment, Landlord shall not enter into the proposed amendment. In the event Tenant does not notify Landlord within the time frame set forth above, Tenant shall be deemed to have consented to such proposed amendment.

## 10. Maintenance and Modification.

10.1 Maintenance and Repair. Except as otherwise expressly provided herein (including in Paragraph 5.2 hereof) and except for Owner's Warranty Claims under the Development Agreement which shall be paid by Developer as provided in the Development Agreement and except for damage caused by the negligent acts or omissions of Landlord, Tenant at its sole cost and expense shall from and after the Commencement Date maintain or cause to be maintained the Premises and appurtenances and every part thereof in good order, condition and repair and will take all action and will perform all interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary, maintenance and repairs required to keep all parts of the Premises in good repair and condition, subject only to ordinary wear and tear. Except as otherwise expressly provided herein and except for Owner's Warranty Claims, which Landlord shall cause Developer to cure or remedy in accordance with the provisions of the Development Agreement or which Landlord shall assign to Tenant at Tenant's request pursuant to Paragraph 5.8 hereof, Landlord shall not be required to pay for the cost required to maintain all or any part of the Premises in good order, condition and repair. Tenant shall make a reasonable effort to provide or to cause Harborview to provide Landlord with an annual budget or annual data relating to expenses incurred in connection with operation, maintenance and repair of the Premises, to the extent that such data or budgeting for the Premises is accounted for separately from other facilities and properties of Tenant or Harborview, as applicable.

10.2 Management of Premises; Accounting.

(a) Property Management. In accordance with the Harborview Management Agreement, Tenant intends to delegate to Harborview supervision over the maintenance of the Premises, including security. Tenant shall at all times operate, or cause Harborview to operate, the Premises in compliance with all Requirements of Law and in compliance with the terms and provisions of this Lease. Immediately upon the termination of the Harborview Management Agreement, Tenant shall notify Landlord of such termination. Tenant may at any time following Substantial Completion request that Landlord enter into a Property Management Agreement in form and substance satisfactory to Landlord and Tenant under which the appointed property manager shall assume all obligations of a property manager for the Premises. Landlord may also enter into a Property Management Agreement in form and substance satisfactory to Landlord (i) in accordance with the provisions of Paragraph 10.3 of this Lease or (ii) as part of its exercise of remedies pursuant to Paragraph 23 of this Lease. Any such Property Management Agreement shall comply with Revenue Procedure 97-13 or any successor revenue procedure issued by the Internal Revenue Service governing management, operation or other service contracts in connection with the issuance of tax-exempt obligations. The appointed property manager shall at all times operate the Premises in compliance with all Requirements of Law and in compliance with the terms and provisions of this Lease and the Property Management Agreement. Such private property manager shall have experience managing commercial buildings of comparable size and quality and shall be paid a management fee not in excess of the management fee customarily charged by other property managers who manage similar buildings. If a Property Management Agreement is terminated in accordance with the provisions therein due to a material and uncured default by the property manager, Landlord shall have the ability to replace the property manager with a private professional property management company selected by Landlord and not unreasonably objected to by Tenant.

(b) Financial Statements. As soon as reasonably possible and in any event within 90 days after the close of each fiscal year of Landlord, Landlord shall deliver to Tenant, Trustee and Bond Insurer the (1) the consolidated balance sheet of Landlord and the Premises as at the end of such fiscal year setting forth in comparable form the corresponding figures as at the end of the preceding fiscal year, certified as to accuracy by an officer of Landlord; (2) statements of income, retained earnings and changes in financial position for such fiscal year of Landlord and the Premises setting forth in comparable form the corresponding figures for the previous fiscal year prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year or containing disclosure of the effect on financial position or results of operations of any change in the application of accounting principles during the year certified as to accuracy by an officer of Landlord; (3) an operating statement for the Premises for the preceding Calendar Year certified as to accuracy by an officer of Landlord; and (4) a certificate executed by an officer of Landlord certifying compliance by Landlord with the requirements of this Lease, the Mortgage, the Indenture and the Bonds. Such year-end balance sheet and income statements of the Premises shall be accompanied by an unqualified report and opinion of independent public accountants of recognized standing selected by Landlord and not objected to by Tenant, which report and opinion shall be in accordance with generally accepted auditing standards relating to reporting, or, if qualified, the opinion shall not be qualified due to any departure from any generally accepted accounting principles, and shall be accompanied by a statement of such accountants that in making the audit necessary for the certification of such financial statements and any such report, such accountants have obtained no knowledge of any default under this Lease, the Mortgage, the Indenture, the Bonds or any other evidence of indebtedness or of any event which, with notice or lapse of time, or both, would constitute an event of default under this Lease, the Mortgage, the Indenture, the Bonds or any other evidence of indebtedness or, if in the opinion of such accountants any such event of default or other event shall exist, shall include a statement as to the nature and status thereof.

(c) Asset Management Fee. As compensation for its services in overseeing management of the Premises and the preparation of financial statements, Tenant shall pay Landlord an asset management fee equal to \_\_\_\_% of the Monthly Rent payable under this Lease. Such asset management fee shall be paid monthly in advance at the same time and in the same manner that Monthly Rent is paid.

10.3 Landlord's Remedies. Tenant shall diligently pursue all necessary or appropriate maintenance and repairs in accordance with its obligations under Paragraph 10.1 hereof. However, if, based on inspections of the Premises permitted under Paragraph 25 hereof, Landlord becomes aware of needed maintenance or repairs, Landlord shall provide Tenant written notice of any maintenance or repair required to the Premises or of any default by Tenant in the performance of its obligations under Paragraph 10.1 of this Lease. Tenant shall have 30 days after receipt of notice from Landlord detailing the need for maintenance or repair, to commence to perform its obligations under this Lease, except that Tenant shall perform its obligations as soon as reasonably possible if the nature of the problem presents a hazard or emergency. If Tenant does not perform its obligations under Paragraph 10.1 of this Lease within

the time limitations set forth in this Paragraph 10.3, provided written notice has been given to Tenant as provided in this Paragraph 10.3, Landlord shall have the right, but not the obligation, to perform such maintenance and repair and shall have the right to be reimbursed by Tenant for the sum it actually expends in the performance of such work. If Tenant does not reimburse Landlord within 30 days after demand from Landlord, Landlord shall have the right to pursue any and all remedies available at law or equity. Following any material uncured default of Tenant with respect to its obligations under Paragraph 10.1 hereof or in connection with Landlord's exercise of default remedies under Section 23 hereof, Landlord shall have the right, but not the obligation, upon 30 days' written notice to Tenant, to enter into a Property Management Agreement in form and substance satisfactory to Landlord under which the appointed property manager shall assume all obligations of a property manager for the Premises. Any such Property Management Agreement shall comply with the requirements of Paragraph 10.2(a) hereof.

10.4 Modifications, Alterations and Additions. From and after the Commencement Date of this Lease Tenant may, at Tenant's sole cost and expense, make modifications, alterations and additions to the Premises provided that such modifications, alterations and additions do not decrease the value of the Premises, and such modifications, alterations and additions shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable Laws and the requirements of all insurance policies required to be maintained by Tenant, without further consent from Landlord. Landlord shall, upon reasonable notice, have access to all plans and specifications relating to alterations and modifications made by Tenant to the Premises.

11. Landlord Financing of Project. Landlord shall not have the right to mortgage, pledge, encumber or assign the Premises in whole or in part except in connection with its financing of the Project through Bonds issued by Landlord pursuant to the Indenture and the Mortgage in compliance with the requirements of Revenue Ruling 63-20 and Revenue Procedure 82-26 issued by the Internal Revenue Service. Copies of the Indenture and the Mortgage securing the Bonds shall be provided to and shall be approved by Tenant which approval shall not be unreasonably withheld; provided Tenant receives an opinion from nationally recognized bond counsel acceptable to Tenant that the interest on the Bonds secured by the Indenture and such Mortgage is exempt from taxation under the provisions of the Code and the financing proposed by the Indenture and the Mortgage is otherwise in full compliance with all requirements of the Code in connection with the issuance of tax-exempt obligations which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings. The Mortgage shall expressly provide that so long as Tenant is not in default under any of the terms, covenants or conditions of this Lease, the beneficiary under the Mortgage shall not disturb Tenant's possessory rights in the Premises in the event such beneficiary should foreclose the Mortgage.

12. Construction Liens. From and after the Commencement Date of the Lease Tenant shall pay all costs for modifications, alterations and additions done by it or caused to be done by it on the Premises as permitted by this Lease (other than the construction of the Project) and

Tenant shall keep the Premises free and clear of all construction Liens resulting from modifications, alterations and additions done by or for Tenant; provided, however, Tenant shall have the right to contest the correctness or validity of any such Lien by appropriate proceedings conducted in good faith with due diligence. Within 30 days following written notice from Landlord, Tenant shall discharge said Lien of record or record a bond which complies with the requirements of RCW 60.04.161 eliminating said Lien as an encumbrance against the Premises if in the reasonable exercise of Landlord's judgment the protection of the Premises or Landlord's interest therein shall require such payment. In the event Tenant shall fail to so remove any such Lien, Landlord may take such action as Landlord shall reasonably determine to remove such Lien and all costs and expenses incurred by Landlord including, without limitation, amounts paid in good faith settlement of such Lien and attorneys' fees and costs shall be paid by Tenant to Landlord.

Tenant acknowledges that Landlord shall cause Developer to keep the Premises free and clear of all construction liens resulting from the initial construction of the Project (including the right to contest same by appropriate proceedings conducted in good faith with due diligence) under the terms of the Development Agreement prior to the Commencement Date of this Lease. If Developer shall fail to do so, Landlord shall protect, defend, indemnify and hold Tenant harmless against any such liens.

13. Indemnity and Hold Harmless. Landlord and Tenant mutually agree that in any and all causes of action and/or claims or third party claims arising out of or in connection with the terms, activities, use and/or operations of this Lease, including the Premises, each party shall be responsible to the other only to the extent of each other's comparative fault in causing the alleged damages or injuries.

As to any and all causes of action and/or claims or third-party claims arising from the sole fault of a party to this Lease, said party shall have the duty to defend, save and hold the other party harmless and upon failure to do so, said party shall pay reasonable attorneys' fees, costs, and expenses incurred by the other party to this Lease in defense of said claims and/or actions.

Nothing contained within this Paragraph 13 shall affect and/or alter the application of any other provision contained within this Lease.

14. Minimum Scope of Insurance Coverage for Landlord.

14.1 Landlord's Coverages. During the Term of this Lease, Landlord shall at a minimum maintain: commercial general liability insurance (Insurance Services Office form number (CG00 001 Ed. 11-88), covering commercial general liability with a limit of not less than \$1,000,000 combined single limit per occurrence; \$2,000,000 aggregate. In addition, Landlord shall maintain workers' compensation coverage as required by the Industrial Insurance Act of the State of Washington, statutory limits.

14.2 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Tenant. The deductible and/or self-insured

retention of the policies shall not limit or apply to the Landlord and shall be the sole responsibility of the Landlord.

14.3 Other Insurance Provisions. The insurance policies required by this Lease are also to contain or be endorsed to contain the following provisions where applicable:

(a) Liability Policies:

(1) The Bond Insurer, the Trustee and the Tenant, its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Landlord in connection with this Lease.

(2) Landlord's insurance coverage shall be primary insurance as respects the Tenant, its officers, officials, employees and agents. Any insurance and/or self insurance maintained by Tenant, its officers, officials, employees and agents shall not contribute with the Landlord's insurance or benefit the Landlord in any way.

(3) Landlord's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

(b) All Policies. Coverage required hereunder shall not be suspended, voided, canceled, reduced in coverage or in limits except by the reduction of the applicable aggregate limits by claims paid, until after 45 days prior written notice has been given to the Landlord, Tenant, Trustee and Bond Insurer.

(c) Acceptability of Insurers. Unless otherwise approved by Tenant and Bond Insurer:

(1) Insurance is to be placed with insurers with a Best's rating of no less than A:VIII or, if not rated by Best's, with a rating in one of the two highest categories maintained by Standard & Poor's Rating Group and Moody's Investors Service.

(2) If at any time any of the foregoing policies shall fail to meet the requirements above, the Landlord shall, upon notice to that effect from Tenant promptly obtain a new policy and shall submit the same to Tenant and Bond Insurer with certificates and endorsements, for approvals.

15. Minimum Scope of Insurance Coverage for Tenant.

15.1 General Liability. During the Term of this Lease, Tenant shall maintain general liability coverage. So long as the Harborview Management Agreement remains in effect, Tenant's requirement for coverage under this Paragraph 15.1 may be satisfied by general liability coverage provided by the University of Washington. If such coverage is provided by the University of Washington through other than a commercial insurance policy, then Tenant shall

provide Landlord, Trustee and Bond Insurer annually with a certified actuarial statement from an independent insurance consultant or actuary that such program is in full force and effect and is actuarially sound and consistent with industry standards and prudent risk management standards. Tenant agrees to provide Landlord and Bond Insurer with at least 45 days' written notice of any change in the University of Washington's coverage program and will cause the University of Washington to provide Landlord, Trustee and Bond Insurer with a certificate of coverage. From and after such time as the Harborview Management Agreement terminates, Tenant shall have the right to self-insure under Paragraph 15.2 or, at its sole cost and expense, shall obtain and keep in force throughout the Term of this Lease general liability insurance on an occurrence basis insuring the Tenant against claims for personal injury (including bodily injury or death), property damage liability and such other loss or damage from such causes of loss as are embraced by insurance policies of the type now known as "Commercial General Liability" insurance with a limit of not less than \$1,000,000 combined single limit per occurrence, \$2,000,000 aggregate. Tenant agrees to add Trustee and the Bond Insurer as additional insureds to any such commercial general liability insurance policy.

15.2 Self-Insurance by Tenant. Notwithstanding anything herein to the contrary, Tenant may self-insure for general liability coverage, provided that Tenant maintains at all times a program of self-insurance and provides Landlord, Trustee and Bond Insurer annually with a certified actuarial statement from an independent insurance consultant or actuary that such program is in full force and effect and is actuarially sound and consistent with industry standards and prudent risk management standards. Annual evidence of Tenant's program of self-insurance is and shall continue to be included in the Tenant's annual financial statements and shall be provided to Landlord, Trustee and Bond Insurer. Tenant agrees to provide Landlord and Bond Insurer with at least 30 days' prior written notice of any change in Tenant's self-insured status and will provide Landlord and Bond Insurer with a certificate of self-insurance as adequate proof of insurance. In the event Tenant fails to satisfy the condition set forth above, Tenant shall immediately procure the insurance coverage required for risks against which Tenant had previously self-insured to the minimum scope and limits specified above. Except for the active negligence of the Landlord and if Tenant elects to self-insure as set forth in this paragraph, Tenant acknowledges and agrees that Landlord shall have no liability to third parties for such losses or damage which would otherwise have been covered by the general liability insurance that Tenant (or the University of Washington) could have provided in accordance with Paragraph 15.1 of this Lease, nor shall Tenant's failure to obtain commercial general liability insurance have any effect on Tenant's obligations under this Lease.

15.3 Workers' Compensation. Landlord acknowledges, agrees and understands that Tenant is self-insured for all of its workers' compensation liability exposure. Tenant agrees, at its own expense, to maintain through its self-insurance program coverage for its workers' compensation liability exposure for the duration of the Term of this Lease. Tenant agrees to provide Landlord and Bond Insurer with at least 30 days' prior written notice of any change in the Tenant's self-insured status and will provide Landlord and Bond Insurer with a certificate of self-insurance as adequate proof of insurance. So long as the Harborview Management Agreement remains in effect, Tenant's requirements for self-insurance under this Paragraph 15.3 may be satisfied by the University of Washington, and Tenant agrees to cause the University of

Washington to provide Landlord, Trustee and Bond Insurer with the notices, certificates and reports regarding the University's workers' compensation coverage.

16. Property Insurance.

16.1 Coverage for Premises. From and after the Commencement Date of this Lease, Tenant agrees that it shall keep the Premises insured at 100% of replacement value for fire and other perils currently covered by a special causes of loss commercial property insurance form. Such coverage shall include 12 months of rental interruption coverage and shall name Trustee as loss payee as its interests may appear. Tenant further agrees to insure the Premises against the perils of earthquake and flood, either as part of the aforementioned commercial property policy, or under a separate policy or policies. Such earthquake and flood insurance shall include 12 months of rental interruption coverage and shall name Trustee as loss payee as its interests may appear. Tenant shall maintain earthquake and flood insurance so long as such coverage is reasonable and commercially available, but shall not be in default under this Lease if coverage is no longer written or is otherwise unavailable for properties comparable to the premises. The Tenant will provide the Landlord and Trustee with 30 days prior written notification of material changes in coverage. Tenant will, upon request, furnish Landlord and Trustee with satisfactory evidence that such coverage is in effect.

16.2. Coverage for Tenant's Personal Property. Landlord shall have no obligation to insure any of Tenant's Personal Property.

17. Reserved. 18. Other Insurance Matters.

18.1 Insurance Requirements.

(a) At all times from and after the Effective Date of this Lease, Landlord and Tenant agree to procure and maintain in full force and effect for the duration of the Term of this Lease insurance against claims for personal injury or property damage which may arise from or in connection with this Lease.

(b) Each insurance policy shall be written on an "occurrence" form.

(c) By requiring such minimum insurance as specified herein, neither party shall be deemed to, or construed to, have assessed the risks that may be applicable to the other party to this Lease. Each party shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits or broader coverage.

(d) Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Lease.



(e) Each insurance policy required to be carried by Tenant hereunder shall comply with the provisions of Paragraph 14.3 of this Lease.

(f) Each party shall furnish the other party with certificates of insurance and endorsements as required by this Lease. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for Landlord's insurance are to be on forms approved by Tenant and are to be received and approved by the Tenant and Bond Insurer prior to the Effective Date of this Lease. The certificate and endorsements for Tenant's insurance are to be received and approved by the Bond Insurer and Landlord prior to the Effective Date or Commencement Date of this Lease as appropriate. Tenant, Landlord, and Bond Insurer each reserves the right to require complete certified copies of all required policies at any time.

18.2 Insurance Prior to the Commencement Date. Landlord and Tenant acknowledge, understand and agree that, prior to the Commencement Date of this Lease, all liability and property insurance necessary in connection with the Land and the Premises (except for Tenant's general liability insurance described in Paragraph 15.1 of this Lease to be maintained as provided in Paragraph 15.1 of this Lease) shall be obtained and thereafter maintained in full force and effect by Landlord or Developer with the cost to be allocated between Landlord and Developer pursuant to the provisions of the Development Agreement. Such insurance shall name Landlord, Tenant, and Bond Insurer as their respective interests may appear, shall name the Trustee as loss payee, where appropriate, and shall be in form satisfactory to Tenant and Bond Insurer.

19. Destruction. In the event that the Premises are damaged or destroyed by fire or other casualty following the Commencement Date, this Lease shall not terminate nor shall there be any abatement of Monthly Rent or Additional Rent otherwise payable by Tenant hereunder; provided, however, that Tenant may elect to defease or prepay Monthly Rent in accordance with Paragraphs 4.3 and 30 hereof.

20. Condemnation.

20.1 Total Condemnation Prior to Commencement Date. If prior to the Commencement Date there is a taking or damaging of all or any portion of the Premises by the exercise of any governmental power, whether by legal proceedings or otherwise, by a governmental agency with jurisdiction over the Premises or a transfer by Landlord either under threat of condemnation or while legal proceedings for condemnation are pending (a "Condemnation") such that there can be no reasonable use of the Premises by Tenant, as reasonably determined by Tenant, this Lease shall terminate on the date the condemnor has the right to possession of the property being condemned. The entire award with respect to a taking of the Premises (including Tenant's leasehold estate under this Lease) shall belong to Landlord but shall be paid to Trustee and (i) applied at the Bond Insurer's direction, if there has been no default by the Bond Insurer under the terms of its municipal bond insurance policy that insures payment of principal of and interest on the Bonds, and otherwise (ii) applied at the direction of Landlord in accordance with the Indenture.

20.2 Total Condemnation after Commencement Date. From and after the Commencement Date, if there is a taking or damaging of all or any portion of the Premises by the exercise of any governmental power, whether by legal proceedings or otherwise, by a governmental agency with jurisdiction over the Premises or a transfer by Landlord either under threat of condemnation or while legal proceedings for condemnation are pending (a "Condemnation") such that there can be no reasonable use of the Premises by Tenant, as reasonably determined by Tenant, this Lease shall not terminate nor shall there be an abatement of Monthly Rent or Additional Rent payable by Tenant hereunder. Any Condemnation proceeds shall be paid to Tenant.

20.3 Partial Condemnation Prior to Commencement Date. If prior to the Commencement Date there is a partial taking of a part of the Premises by Condemnation, and Tenant determines that a reasonable use can be made of the Premises then the condemnation proceeds shall be paid to Trustee who shall deposit said condemnation proceeds into the Non-Bond Proceeds Subaccount within the Project Costs Account established under the Indenture and shall disburse such condemnation proceeds to Developer in accordance with Section 22(b) of the Development Agreement.

20.4 Partial Condemnation after Commencement Date. From and after the Commencement Date, if there is a partial taking of a part of the Premises by Condemnation, this Lease shall not terminate and there shall be no abatement of Monthly Rent or Additional Rent payable by Tenant hereunder. Any Condemnation proceeds shall be paid to Tenant.

21. Assignment of Lease or Premises; Subletting. Landlord shall not assign its interest in the Lease or in the Premises (except to Trustee) without the prior written consent of Tenant and the Bond Insurer and a written opinion from nationally recognized bond counsel that such assignment by Landlord of all or any portion of its interest in the Lease or the Premises will not have an adverse effect on the tax exempt status of interest payable on the Bonds. Any attempted assignment in violation of the consent requirements under this Paragraph 21 shall be null and void and shall constitute an event of default under the Indenture. Tenant shall not assign its interest in this Lease or in the Premises without the prior written consent of Landlord and Bond Insurer and a written opinion of nationally recognized bond counsel that such assignment by Tenant will not have an adverse effect on the tax exempt status of interest payable on the Bonds. Landlord acknowledges that Tenant's use of the Premises for Harborview's purposes, as described in Paragraph 7 hereof, does not constitute a sublease or an assignment of Tenant's rights hereunder. Tenant may sublease the Premises or any portion thereof, to the extent and on the terms and conditions set forth under Paragraph 7 of the Lease and so long as the execution of such sublease would not violate the provisions of Paragraph 7 hereof; provided, however, that under no circumstances shall Tenant be released or relieved from any of its obligations hereunder. Any such assignment or sublease as provided for in this Paragraph shall be in writing and shall require such assignee or subtenant to comply fully with the terms of this Lease, including, without limitation, the provisions of Paragraph 7 regarding use of the Premises. Tenant shall provide Landlord, Trustee and Bond Insurer with written notice of any such assignment or sublease and a copy of any such assignment or sublease documentation.

22. Default by Tenant. The occurrence of any of the following shall constitute an Event of Default by Tenant under this Lease:

22.1 Payment. Failure (A) to make any Monthly Rent payments due under this Lease if the failure to pay is not cured within seven days after written notice of such failure has been given by Trustee or Landlord to Tenant, or (B) failure to make any other payment required if the failure to pay is not cured within ten days after written notice of such failure has been given by Landlord to Tenant.

22.2 Other Failure to Perform. Failure to perform any other provision of this Lease if the failure to perform is not cured within 30 days after written notice of such default has been given by Landlord to Tenant. If the default cannot reasonably be cured within 30 days, then Tenant shall not be in default under this Lease if Tenant commences to cure the default within 30 days and diligently and in good faith continues to cure the default; provided, however, that if such default is of a nature such that it cannot be cured within 90 days, the Tenant shall obtain the written approval of Landlord and the Trustee to continue its efforts to cure such default following the 90-day cure period.

22.3 Late Charges; Interest on Past Due Monthly Rent. Tenant acknowledges that a late payment of Monthly Rent hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which is difficult to ascertain. Therefore, in the event Tenant shall fail to pay any installment of Monthly Rent due hereunder for 15 days after the date such amount is due, Tenant shall also pay Landlord a late charge equal to two percent (2%) of the amount then owing and past due together with interest on such past due amount at an interest rate of twelve percent per annum (12%) commencing eight days after the date such amount is due until paid. Payment of such late charges and/or default interest shall not excuse or cure any default by Tenant under this Lease.

23. Remedies for Tenant Default. If Tenant commits a payment default described in Paragraph 22.1 and fails to cure such default within the time period provided under Paragraph 22.1 hereof, then Landlord, by providing Tenant with ten days' advance written notice, may terminate Tenant's rights under this Lease, evict the Tenant and re-enter the Premises, but notwithstanding such eviction and re-entry by Landlord, Tenant shall remain obligated to pay Rent hereunder for the balance of the Term of this Lease. In re-letting the Premises, Landlord shall restrict possible replacement tenants to those whose occupancy would have no adverse effect on the tax-exempt status of interest payable on the Bonds, but within such category of qualified tenants Landlord shall take reasonable measures to seek a maximum rental rate for reletting. In the circumstances described in this Paragraph 23, Landlord also shall have the right to enter into a Property Management Agreement pursuant to Paragraph 10.2(a) hereof. Landlord shall provide notice to Tenant of any amount by which rentals from such reletting are less than the Rent and the due dates of such rent. The deficiency amount for each such Rent payment shall be paid by Tenant on or before the due date for such Rent payment.

24. Signs. Tenant shall have the right to place identification signage, other signage, advertisements, awnings, banners or other exterior decorations on the exterior of the Premises without any further consent or approval from Landlord. Any sign that Tenant has the right to place, construct and maintain shall comply with all Laws, and Tenant shall obtain any approval required by such Laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.

25. Landlord's Right to Enter the Premises. Landlord shall have the right to enter the Premises at reasonable times during Tenant's normal business hours for the below-listed purposes; provided, however, Landlord acknowledges and agrees to comply with Tenant's requests regarding security. Landlord shall conduct its activities on the Premises as allowed in this Paragraph in a manner that will cause the least possible inconvenience, annoyance or disturbance to Tenant. Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Paragraph, except damage resulting from the negligent acts or omissions of Landlord. Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any right reserved in this Paragraph:

25.1 Condition. To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease.

25.2 Notices. To serve, post or keep posted any notices required or allowed under the provisions of this Lease.

26. No Encumbrances by Landlord. Except to the extent expressly authorized in Paragraphs 11 and 21 of this Lease Landlord shall not at any time during the Term of this Lease sell, transfer, lease (other than to Tenant pursuant to this Lease or a replacement tenant pursuant to Paragraph 23 hereof), convey, encumber (other than to Trustee pursuant to the Mortgage), pledge (other than to Trustee pursuant to the Indenture), hypothecate or otherwise grant a security interest in the Premises or any portion thereof.

27. Right to Estoppel Certificates. Each party, within 15 days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified and stating the modifications. Failure to deliver the certificate within such 15 day period shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

28. Limitation on Landlord's Liability. Notwithstanding any provision in the Lease to the contrary, Tenant agrees that it shall look solely to the estate and property of Landlord in the Land and buildings constituting the Premises, any insurance proceeds or condemnation proceeds payable to the Landlord under this Lease, and any sums paid to Landlord under the Development Agreement for the collection of any judgment requiring the payment of money by

Landlord or for the enforcement of any other judgment or remedy against Landlord and no other assets of Landlord shall be subject to levy, execution or other procedure for the satisfaction of Tenant's remedies.

29. Attorneys' Fees. In the event either party requires the services of an attorney in connection with enforcing the terms of this Lease, or in the event suit is brought for the recovery of any Rent due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of said Premises to Landlord and/or eviction of Tenant during said Term or after the expiration thereof, the prevailing party will be entitled to a reasonable sum for attorneys' fees, witness fees, and court costs, including costs of appeal.

30. Options to Prepay Lease and Purchase Premises.

30.1 Option to Purchase. Provided that Tenant is not in default under this Lease (including payment of any Additional Rent then due and owing), Tenant shall have the option to purchase the Premises and thereby terminate this Lease at any time on or after December 1, 2012. The purchase price of the Premises shall be an amount equal to the total outstanding principal amount of Monthly Rent payments set forth on Exhibit A, plus interest accrued thereon to the date of prepayment at the applicable rate(s) set forth on Exhibit A, plus an option exercise fee of one dollar (\$1.00).

30.2 Exercise of Option. Tenant shall give Landlord not less than 45 days' prior written notice of its election to exercise its option to purchase under Paragraph 30.1 hereof in the form set forth in Exhibit F attached hereto. The purchase price and any Additional Rent then due and owing shall be paid in cash or same-day available funds by 10:00 a.m. Seattle time on the payment date specified in such notice (or such other date as Tenant and Landlord may mutually agree).

30.3 Conveyance of Premises . On the payment date specified in the notice of election to exercise the purchase option, or such other date as Tenant and Landlord may mutually agree, Landlord shall convey the Premises to Tenant by quitclaim deed, and this Lease shall terminate. Landlord shall not be required to make any representations regarding the conditions of the Premises and Tenant agrees to accept the Premises in an "as is" condition. Nothing herein shall be construed to require Tenant to exercise the purchase option herein granted.

30.4 Option to Partially Prepay Lease. Tenant shall have the option to partially prepay the principal component of Monthly Rent, in \$5,000 increments for periods to be determined by Tenant (as represented by the principal portion of Monthly Rent due each year as set forth in Exhibit A). Notice of such intent to prepay shall be given to the Landlord in writing not less than 45 days in advance of the intended prepayment date. Such prepayment may be at any time on or after December 1, 2012. The notice of partial prepayment shall be substantially in the form set forth on Exhibit G attached hereto. By 10:00 a.m. Seattle time on the date set for such prepayment, Tenant shall pay to Landlord in cash or same-day available funds, an amount equal to the principal portion of Monthly Rent to be prepaid, together with interest thereon to the date of prepayment. Upon such prepayment, the term of this Lease shall be deemed modified

such that this Lease terminates on the payment date for the last outstanding Monthly Rent not prepaid.

30.5 Option Not Exercised. If Tenant does not exercise the purchase option hereunder upon termination of this Lease, then, after giving Tenant 90 days' written notice, Landlord may sell the Premises to any third party. The proceeds from such sale, less Landlord's costs in connection with the sale, shall be distributed to Tenant.

31. Broker. Landlord and Tenant each represent to the other that neither is represented in any manner by any broker, agent or finder with respect to this Lease. Each party agrees to indemnify and hold the other party harmless from and against any and all liability, costs, damages, causes of action or other proceedings instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in any manner whatsoever in connection with this Lease.

32. Miscellaneous Provisions.

32.1 Entire Agreement. This Lease sets forth the entire agreement of the parties as to the subject matter hereof and supersedes all prior discussions and understandings between them. This Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized officer or representative of each party hereto and the consent of Bond Insurer if required pursuant to the provisions of Paragraph 32.13 of this Lease.

32.2 Governing Law. This Lease shall be governed by and construed and enforced in accordance with the laws of the State of Washington.

32.3 Severability. Should any of the provisions of this Lease be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the parties.

32.4 Jurisdiction. In the event any action is brought to enforce any of the provisions of this Lease, the parties agree to be subject to exclusive in personam jurisdiction in the King County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Seattle, Washington.

32.5 Waiver. No waiver of any right under this Lease shall be effective unless contained in writing signed by a duly authorized officer or representative of the party sought to be charged with the waiver and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

32.6 Captions. Paragraph captions contained in this Lease are included for convenience only and form no part of the agreement between the parties.

32.7 Notices. All notices or requests required or permitted under this Lease shall be in writing, shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by facsimile transmission and shall be deemed given when so delivered, received or faxed (provided the fax machine has issued a printed confirmation of receipt). All notices or requests to any party shall be sent to all other parties as follows:

If to Landlord: Broadway Office Properties  
1932 - 1st Avenue, Suite 800  
Seattle, Washington 98101  
Telephone: (206) 448-5244  
Facsimile: (206) 448-5246

If to Tenant: King County  
Attn: \_\_\_\_\_  
King County Administration Building  
500 Fourth Avenue, Room 320  
Seattle, Washington 98104  
Telephone:  
Facsimile:

If to Harborview: [to come]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Trustee: [to come]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any party may change the address to which notices shall be sent by notice to the other party in the manner and with the effect set forth in this Paragraph 32.7.

32.8 Binding Effect. Subject to the provisions of Paragraphs 11 and 21 hereof, this Lease shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. No permitted assignment of this Lease or Tenant's rights hereunder shall be effective against Landlord unless and until an executed counterpart of the instrument of assignment shall have been delivered to Landlord and Landlord shall have been furnished with the name and address of the assignee.

32.9 Gender and Number. As used in this Lease, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, the neuter shall include the masculine and feminine, the singular shall include the plural and the plural shall include the singular, as the context may require.

32.10 Nondiscrimination. Landlord and Tenant each agree it will not discriminate in employment at the Premises on the basis of race, color, religion, sex, national origin, veteran status, sexual orientation or physical and mental disability in regard to any position for which the prospective employee is qualified, nor will Landlord or Tenant maintain facilities which are segregated on the basis of race, color, religion, sex or national origin at the Premises.

32.11 Recording; Memorandum of Lease. Neither Landlord nor Tenant shall record this Lease without the written consent of the other; provided, however, that Tenant shall have the right to record a Memorandum of this Lease in the form attached hereto as Exhibit E and by this reference incorporated herein upon the Effective Date. Such Memorandum of Lease shall be amended by the parties and a new Memorandum recorded once the Commencement Date and Expiration Date of this Lease have been determined.

[32.12 Amendment of Lease; Bond Insurer Consent. So long as the Bonds remain outstanding and there has been no default by the Bond Insurer under the terms of its municipal bond insurance policy which insures payment of principal and interest on the Bonds, there shall be no amendment of this Lease without the prior written consent of the Bond Insurer.]

32.13 Time is of the Essence. Time is of the essence in the performance of each party's obligations under this Lease. Each party will carry out its obligations under this Lease diligently and in good faith.

33. Prevailing Wage. Landlord agrees and covenants with Tenant that the Development Agreement shall obligate Developer to require contractors and subcontractors of such contractors in connection with such contracts as may be let regarding the construction of the Project to pay the prevailing wage to the workmen, laborers and mechanics as may then be determined by the Washington State Department of Labor and Industries for the particular craft in the particular geographic area.



34. Authority. Landlord is a Washington non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of Washington. Tenant is a municipal corporation and political subdivision of the State of Washington. By execution of this Lease, Landlord and Tenant each represent that they have authority to enter into this Lease.

DATED the date first above written.

Landlord:

BROADWAY OFFICE PROPERTIES, a  
Washington non-profit corporation

By \_\_\_\_\_  
John Finke  
Its Vice President

Approved as to form:

Tenant:

KING COUNTY, a political subdivision of  
the State of Washington

\_\_\_\_\_  
Deputy Prosecuting Attorney  
King County

By \_\_\_\_\_  
Its \_\_\_\_\_

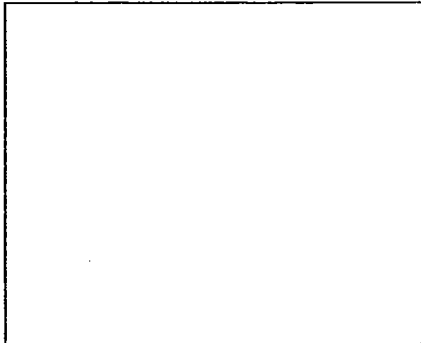
By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF WASHINGTON    )  
  ) ss.  
COUNTY OF KING        )

I certify that I know or have satisfactory evidence that John Finke is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of BROADWAY OFFICE PROPERTIES, a Washington non-profit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_



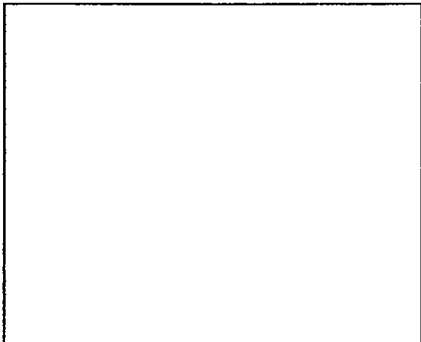
(Use this space for notarial stamp/seal)

\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON    )  
  ) ss.  
COUNTY OF KING        )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_



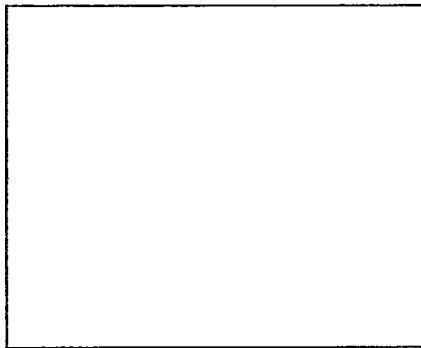
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\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON    )  
  ) ss.  
COUNTY OF KING         )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_



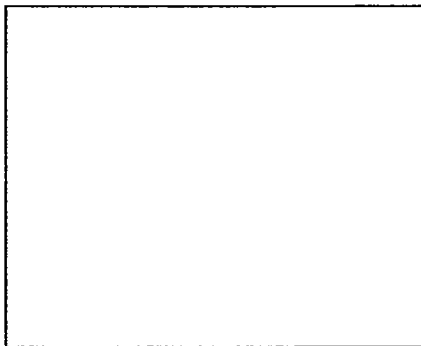
Use this space for notarial stamp/seal)

\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON    )  
  ) ss.  
COUNTY OF KING         )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_



Use this space for notarial stamp/seal)

\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_

EXHIBIT A  
SCHEDULE OF MONTHLY RENT

Upon Substantial Completion

Through \_\_\_\_\_, 20\_\_

\$ \_\_\_\_\_ per month

From \_\_\_\_\_, 20\_\_

Through \_\_\_\_\_, 20\_\_

\$ \_\_\_\_\_ per month

EXHIBIT B  
PROJECT SCHEDULE

EXHIBIT C  
LAND

EXHIBIT D  
CONFIRMATION OF COMMENCEMENT AND EXPIRATION DATES

In accordance with the provisions of Paragraph 3 of the Lease as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, Landlord and Tenant acknowledge, agree and confirm the following:

The Commencement Date of this Lease is \_\_\_\_\_;

The Expiration Date of this Lease is \_\_\_\_\_;

The foregoing agreement and confirmation shall be binding upon Landlord and Tenant and shall supersede and control over any other provision in the Lease regarding the Commencement Date and Expiration Date which might be construed other than as set forth in this Confirmation.

AGREED THE DAY AND YEAR FIRST ABOVE WRITTEN.

Landlord:

BROADWAY OFFICE PROPERTIES,  
Washington non-profit corporation

By \_\_\_\_\_  
Its \_\_\_\_\_

Approved as to form:

Tenant:

KING COUNTY, a political subdivision of  
the State of Washington

\_\_\_\_\_  
Deputy Prosecuting Attorney  
King County

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

EXHIBIT E  
MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Preston Gates & Ellis LLP  
701 Fifth Avenue, Suite 5000  
Seattle, WA 98104-7078

Attention: David O. Thompson

MEMORANDUM OF LEASE

GRANTOR: Broadway Office Properties, a Washington non-profit corporation

GRANTEE: King County, a political subdivision of the State of Washington

Legal Description:

Abbreviated form: \_\_\_\_\_

Additional legal on page Exhibit A of document

Assessor's Tax Parcel ID No(s): \_\_\_\_\_

Reference number(s) of Related Document(s): \_\_\_\_\_

(Additional on page \_\_\_ of document)



MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is executed this \_\_\_\_ day of \_\_\_\_\_, 2002, by and between BROADWAY OFFICE PROPERTIES, a Washington non-profit corporation ("Landlord"), and KING COUNTY, a political subdivision of the State of Washington ("Tenant").

1. Lease. Landlord has leased the real property described in Exhibit A attached hereto and by this reference incorporated herein (the "Premises") at a rent and on the terms and conditions set forth in that certain Lease Agreement dated \_\_\_\_\_, 2002, by and between Landlord and Tenant (the "Lease"). The Lease is for a term of \_\_\_\_\_ 30 years commencing \_\_\_\_\_, 2002, and shall expire \_\_\_\_\_, \_\_\_\_\_, unless sooner terminated pursuant to the terms of the Lease; provided, however, that the Tenant's duty to pay Rent shall not commence until the Commencement Date.

2. Definition of Terms. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Lease.

3. Purpose of Memorandum. This Memorandum is prepared for purposes of recordation only and does not set forth all of the terms and conditions set forth in the Lease. In the event there is any conflict between the terms and conditions of the Lease and this Memorandum, the Lease shall control.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2002.

Landlord:

Approved as to form:

BROADWAY OFFICE PROPERTIES,  
Washington non-profit corporation

\_\_\_\_\_  
Deputy Prosecuting Attorney  
King County

By \_\_\_\_\_  
Its \_\_\_\_\_

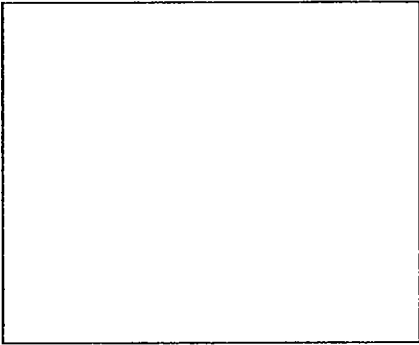
(Signature continued on next page)



STATE OF WASHINGTON    )  
  ) ss.  
COUNTY OF KING         )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_



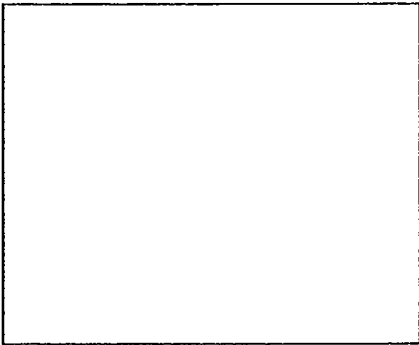
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\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON    )  
  ) ss.  
COUNTY OF KING         )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_



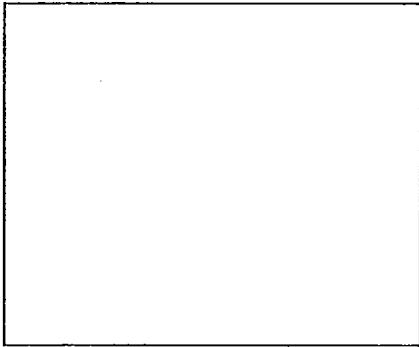
(Use this space for notarial stamp/seal)

\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON    )  
  ) ss.  
COUNTY OF KING         )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_



Use this space for notarial stamp/seal)

\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_

EXHIBIT A  
LAND

EXHIBIT F

FORM OF NOTICE OF ELECTION OF OPTION TO PURCHASE

[date]

To: Landlord

You are hereby notified that King County, Washington (the "County"), has elected to exercise on [date of payment] its option to purchase the 401 Broadway Building (the "Premises") currently leased by the County pursuant to the Lease Agreement (the "Lease") by and between the County and Landlord dated \_\_\_\_\_, 2002. This purchase option is being exercised pursuant to Paragraph 30.1 of the Lease. The County is now, and on the date set forth above for payment will be, in full compliance with all terms and conditions of the Lease. In accordance with Paragraph 30.1 of the Lease, the County shall purchase the Premises for a price of the total outstanding principal portion of the Monthly Rent set forth in Exhibit A to the Lease plus accrued interest thereon to the date of payment at the rates set forth in Exhibit A of the Lease, plus an option fee of \$1.00, for a total Purchase Price of \$\_\_\_\_\_. On or prior to the date set forth above, the County shall also pay any Additional Rent then due and owing under the Lease.

KING COUNTY, WASHINGTON

By \_\_\_\_\_  
Authorized Representative

EXHIBIT F

FORM OF NOTICE OF ELECTION TO PARTIALLY PREPAY MONTHLY RENT

[date]

To: Landlord

You are hereby notified that King County, Washington (the "County"), has elected to exercise its option to prepay a portion of the Monthly Rent due under that certain Lease Agreement (the "Lease") by and between the County and Landlord dated \_\_\_\_\_, 2002. In accordance with Paragraph 30.4 of the Lease, the date of prepayment shall be \_\_\_\_\_, and the principal portion of Monthly Rent to be prepaid on such date is \_\_\_\_\_, representing the maturities (or portions thereof) set forth below. By 10:00 a.m. Seattle time on such date, the County shall pay to Landlord in cash or same-day available funds, an amount equal to the principal portion of Monthly Rent to be prepaid, together with interest thereon accruing to such date, together with any other amounts payable under the Lease on such date. In accordance with that certain Indenture of Trust dated \_\_\_\_\_, 2002, by Landlord and \_\_\_\_\_, as Trustee, Landlord shall direct Trustee to cause an optional redemption of the Bonds in principal amounts and maturities corresponding to the principal portion of Monthly Rent set forth below.

KING COUNTY, WASHINGTON

By \_\_\_\_\_  
Authorized Representative

Schedule of Principal Component of Monthly Rent to be Prepaid  
and Bonds to be Redeemed

Date Principal Component Due	Amount of Principal Component to be Prepaid*
---------------------------------	---

---

\*Principal may be prepaid only in increments of \$5,000.



401 BROADWAY  
DEVELOPMENT AGREEMENT

Between

BROADWAY OFFICE PROPERTIES,

a Washington non-profit corporation

("Owner")

and

OPUS NORTHWEST, L.L.C.,

a Delaware limited liability company

("Developer")

Dated as of the \_\_\_\_\_

day of \_\_\_\_\_, 2002

401 Broadway

Development Agreement

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[Note: - We have not attempted to update the table of contents;  
that can be done when we have a final agreement.]

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<u>Exhibit</u>	<u>Description</u>	<u>Partial Section Reference</u>
A	Legal Description of Real Property	Recitals
B	Lease Agreement	Recitals; Section 3
C	Architect's Agreement	Section 6(b)
D	General Construction Contract (shell and core)	Section 8(d)
E	Project Budget	Section 6(c)
F	List of Plans and Outline Specifications	Section 6(d)
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H	Interior Design Contract	Section 6(b)
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## 401 BROADWAY DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") dated the \_\_\_\_\_ day of \_\_\_\_\_, 2002, is by and between BROADWAY OFFICE PROPERTIES, a Washington non-profit corporation ("Owner") and OPUS NORTHWEST, L.L.C., a Delaware limited liability company ("Developer").

### RECITALS

A. Developer has the right to purchase certain real property located in Seattle, King County, Washington, located on Broadway between Terrace and Jefferson Streets ("Real Property") more specifically described on Exhibit A hereto, pursuant to a Real Estate Purchase Agreement (as defined in Section 1 below) and that certain Codevelopment Agreement dated February 28, 2002, between Jefferson Associates, L.L.C., a Washington limited liability company as Seller and Developer as Buyer (the "Codevelopment Agreement").

B. Developer has agreed to transfer its interests in the Real Estate Purchase Agreement to Owner, along with Developer's rights and obligations under Section 1(b) of the Codevelopment Agreement. Owner wishes to purchase the Real Property pursuant to the terms and conditions of the Real Estate Purchase Agreement and Section 1(b) of the Codevelopment Agreement for the construction of a first class office building (including tenant improvements) suitable for use by Harborview Medical Center ("Harborview") to be known as 401 Broadway, containing approximately 156,800 square feet of rentable area, including a three-story underground parking garage containing approximately 298 parking spaces ("Project").

C. Owner has entered into a long term lease with King County, a political subdivision of the State of Washington ("Tenant"), whereby Tenant has agreed to lease the Project upon substantial completion thereof, at the rent and subject to all of the terms, covenants, and conditions set forth in that certain Lease Agreement between Owner and Tenant, a copy of which is attached hereto as Exhibit B and by this reference incorporated herein (the "Lease"). The Lease requires that Owner shall cause Developer to design, develop, construct and complete the Project.

D. Owner intends to engage Developer to develop, oversee and manage the design, permitting and construction phases of the Project in accordance with the terms and conditions of this Agreement to acquire the Project for a Fixed Price of \$50,770,945. Developer intends to transfer its interest in the Real Estate Purchase Agreement to Owner. Developer agrees to perform development and construction management services in connection with the construction of the Project in accordance with the terms and conditions of this Agreement. Subject to the terms of this Agreement, Developer agrees to provide the financial warranty that the Project will be completed for a total dollar amount not to exceed \$50,770,945.

E. Owner understands that Developer will perform no construction services and that General Contractor (as identified in Section 1 below) will be performing construction services pursuant to the terms of the General Construction Contracts. The parties intend for the Owner to contract directly and separately with the General Contractor, with the Architect designing the shell

and core of the Project, and with the Owner's Consultant engaged to provide construction and development oversight services for the Owner.

F. Owner intends to pay the Fixed Price with the proceeds of tax-exempt obligations which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financings.

NOW, THEREFORE, in order to fulfill the foregoing objectives, Owner and Developer desire to enter into this Agreement and proceed in accordance with its terms.

1. Definitions. As used herein, the following terms shall have the following meanings:

"Architect" means LMN Architects, architect for the shell and core of the Project.

"Architect's Agreement" means the Agreement between Owner and Architect substantially in the form attached hereto as Exhibit C.

"Bond Closing" refers to the date the Bond proceeds are available to the Trustee. On or after Bond Closing and in accordance with Developer's Initial Draw, Developer will be entitled to payment of its Initial Draw as defined herein.

"Bonds" means those tax-exempt obligations to be issued by Owner which satisfy the requirements of Revenue Ruling 63-20, Revenue Procedure 82-26 and other regulations, interpretations and letter rulings issued by the Internal Revenue Service with respect to such financing, from the proceeds of which Owner intends to pay, among other things, the Fixed Price.

"Commencement of Construction" means the date General Contractor is authorized to commence construction pursuant to the General Construction Contract for the shell and core, Exhibit D, but not later than the earlier of: (a) 90 days following Bond Closing, and (b) December 31, 2002. Commencement of Construction shall not occur until after the Land Closing described in Section 4(b) below.

"Construction Contracts" means the General Construction Contracts and all subcontracts entered into by General Contractor pursuant to the General Construction Contracts and all other contracts for construction services entered into by General Contractor for construction of Tenant Improvements or any other portion of the Project.

"Construction Documents" means the final Construction Drawings and Detailed Specifications approved by the Owner for construction of the Project, including technical drawings, schedules, diagrams, plans and specifications setting forth in detail the requirements for construction of the Project and providing information customarily required for the use of the building trades.



“Construction Drawings” means Drawings setting forth in detail the requirements for the construction of the Project. As used herein “Drawings” include all graphic and pictorial documents depicting the design, location and dimensions of the elements of the Project (including Tenant Improvements) and include plans, elevations, sections, details, schedules and diagrams for the Project. Construction Drawings may consist of separate Drawings for the building shell and core prepared by Architect and separate Drawings for Tenant Improvements prepared by Interior Architect.

“Contract Documents” means the Construction Documents, the General Construction Contracts and the other documents identified as Contract Documents in the General Construction Contracts.

“Contractors” means the General Contractor and any other construction subcontractors with whom General Contractor enters into subcontracts or any contractors with whom the Developer contracts for the Project.

“Costs Not To Be Reimbursed” means, except for the Developer’s Overhead and Developer’s Fee payable under Section 12 hereof and Exhibits D and M (General Construction Contract and Tenant Improvement Construction Contract), the following items: (i) Salaries or other compensation of Developer’s personnel normally situated at the Developer’s principal office or branch offices, or for any officer of Developer or Contractor; (ii) Expenses of Developer’s or Contractor’s principal office; (iii) Overhead or general expenses, except as may be expressly included in Section 12 hereof; and (iv) Project Costs in excess of the Fixed Price except to the extent they are reimbursable as Costs Resulting From Owner-Caused Delay.

“Costs Resulting From Owner-Caused Delay” means any increase in costs of constructing the Project resulting from Owner-Caused Delay. Where additional costs are incurred as a result of a combination of Owner-Caused Delay and (i) failure of Developer to provide, within the time frames allowed hereunder, draw requests, architect’s certifications, progress completion certifications, copies of change orders and supporting documentation, shop drawings, schedules, costs, invoices, job progress reports, or other documents or information which Owner is entitled to receive hereunder or which is reasonably requested by Owner in connection with any such decision or response required hereunder, or (ii) delay caused by the existence of reasonable cause to suspect that construction of the Project or Tenant Improvements or any other services provided by Developer hereunder have not been performed in accordance with Construction Documents and other requirements hereunder, Costs Resulting From Owner-Caused Delay shall be only the portion of such costs fairly attributable to Owner-Caused Delay.

“Detailed Specifications” means all written detailed requirements for materials, equipment, construction systems, standards and workmanship for the construction of the Project.

“Developer” means Opus Northwest, L.L.C., a Delaware limited liability company.

“Developer Contingency” means the maximum amount of \$1,400,000 which may be used for payment of Project Costs as described in Section 8(g) of this Agreement.

“Developer’s Fee” means the fee to be paid to Developer subject to the terms and conditions set forth in Sections 12(c) and 13 of this Agreement.

“Developer’s Overhead” means Developer’s overhead in the amount of \$1,000,000 which shall be paid to Developer in accordance with the provisions of Section 12(b) of this Agreement.

“Dispute Resolution Board” means the board, more particularly described in Section 26(a) hereof, to which Developer and Owner shall take disputes regarding the interpretation and construction of this Agreement and the duties and obligations arising therefrom.

“Environmental Laws” means, as amended from time to time, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., Federal Hazardous Materials Transportation Control Act, 42 U.S.C. Section 1801 et seq., Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., Federal Water Pollution Control Act, Federal Water Act of 1977, 93 U.S.C. Section 1251 et seq., Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136 et seq., Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Federal Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., Washington Water Pollution Control Act, RCW Chapter 90.48, Washington Clean Air Act, RCW Chapter 70.94, Washington Solid Waste Management Recovery and Recycling Act, RCW Chapter 70.95, Washington Hazardous Waste Management Act, RCW Chapter 70.105, Washington Hazardous Waste Fees Act, RCW Chapter 70.95E, Washington Model Toxics Control Act, RCW Chapter 70.105D, Washington Nuclear Energy and Radiation Act, RCW Chapter 70.98, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW Chapter 70.99, Washington Underground Petroleum Storage Tanks Act, RCW Chapter 70.148.

“Final Acceptance” means the Owner’s written approval and concurrence that certain events, more fully defined in Section 13(d) of this Agreement, have occurred prior to Final Payment being made.

“Final Payment” means payment to Developer, General Contractor and any other Contractors following Final Acceptance of the Project pursuant to Section 13 of this Agreement.

“Financing Costs” means all financing costs approved by Owner, Tenant and bond counsel in connection with the issuance of the Bonds.

“Fixed Price” means the sum of \$50,770,945, which is the amount to be paid by Owner for the acquisition of the Real Property and the completion of the design, development, permitting and construction of the Project, and is the price to be paid by Owner for Project Costs. The Fixed Price includes, among other Project Costs, an \$8,963,125 Tenant Improvement Allowance and a Guaranteed Maximum Construction Price contract for the construction of the shell and core of the building in the amount of \$ \_\_\_\_\_. A detailed description of Project Costs by line item and category is set forth in the Project Budget attached hereto as Exhibit E.

“General Construction Contracts” means the agreements between the Owner and the General Contractor (i) for construction of the building shell and core substantially in the form

attached hereto as Exhibit D, and (ii) for construction of the Tenant Improvements substantially in the form attached hereto as Exhibit M.

“General Contractor” means Opus Seattle Construction, L.L.C., a Delaware limited liability company, general contractor for the Project.

“Guaranteed Maximum Construction Price” means the maximum cost for construction of the building shell and core and Tenant Improvements (up to the amount of the Tenant Improvement Allowance) as guaranteed by the General Contractor pursuant to the terms of the General Construction Contracts, Exhibits D and M.

“Harborview” means Harborview Medical Center, a county hospital owned by King County pursuant to Chapter 36.62 RCW and currently managed by the University of Washington pursuant to the Management and Operations Contract, dated December 19, 1995, between the Harborview Medical Center Board of Trustees and the University of Washington. When used with respect to the giving, making or undertaking of notices, decisions, approvals or other actions pursuant to the Lease or in connection with the Project, the term “Harborview” means the notice party identified pursuant to Section 27(g) of this Agreement. If at any time during the term of this Agreement a successor to the University of Washington is designated to operate the Harborview Medical Center and whose designation has been communicated in writing to Developer, the term “Harborview” shall then refer to such successor.

“Hazardous Substances” means any material, waste, substance, industrial waste, toxic waste, chemical contaminant, petroleum, asbestos, polychlorinated biphenyls, radioactive materials or other substances regulated or classified by Law or Environmental Laws as hazardous, toxic or lethal to persons or property.

“Indenture” means the loan agreement, trust indenture or other agreements or documents pursuant to which Owner will cause the issuance of the Bonds, a copy of which shall be provided to Developer by Owner.

“Initial Draw” refers to Developer’s first Project Application for Payment of Project Costs, which shall not be paid before Bond Closing, but which will be paid on or immediately following Bond Closing, provided that Owner has been given the time periods for review and approval as set forth in Section 10 below.

“Interior Architect” means Opus Architects & Engineers, Inc., a Minnesota corporation.

“Interior Design Contract” means the contract for space planning design services in connection with the design of Tenant Improvements entered into by Developer and the Interior Architect.

“Land Closing” means the closing of the purchase of the Real Property pursuant to Section 4(b) of this Agreement.

“Law” means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of any federal, state, county, municipal or other governmental agency or authority having jurisdiction over the parties or the Project, or both, in effect either at the time of execution of this Agreement or at any time during its term, including without limitation, any regulation or order of a quasi official entity or body (e.g., board of fire examiners or public utilities) and all rules, laws and regulations issued thereunder, as the same may be amended from time to time.

“Lease” means the lease agreement between Owner and the Tenant for occupancy of the Project in the form attached hereto as Exhibit B.

“Major Contractors” means the construction subcontractors with whom General Contractor enters into subcontracts and whose contract amount is \$1,000,000.00, or more.

“Owner” means Broadway Office Properties, a Washington non-profit corporation.

“Owner-Caused Delay” means any period of delay in the overall progress of design, construction, and completion of the Project, including Tenant Improvements, that is caused by Owner-initiated change orders to the General Construction Contracts or by Owner’s or Owner’s Consultant’s failure to approve, disapprove, decide, or otherwise respond to Developer with respect to a particular item for which Owner’s or Owner’s Consultant’s response is required hereunder or under the General Construction Contracts, or failure to deliver plans, information, specifications, or other information within the time frames required under this Agreement or the General Construction Contracts. However, Owner-Caused Delay shall not include: (i) delay for which a substantially contributing cause is Developer’s failure to provide, within the time frames allowed hereunder, draw requests, architect’s certifications, progress completion certifications, copies of change orders and supporting documentation, shop drawings, schedules, costs, invoices, job progress reports, or other documents or information which Owner is entitled to receive hereunder or which is reasonably requested by Owner in connection with any such decision or response, or (ii) delay caused by the existence of reasonable cause to suspect that construction of the Project or Tenant Improvements or any other services provided by Developer hereunder have not been performed in accordance with Construction Documents and other requirements hereunder, in which case Owner-Caused Delay shall not include the amount of additional time reasonably needed by Owner or Owner’s Consultant to determine whether such construction or other services conform to all requirements hereunder, so long as Owner and Owner’s Consultant proceed with all reasonable diligence to make such determination. To facilitate timeliness in Owner’s or Owner’s Consultant’s communications with Developer over matters relating to design or construction of the Project and to minimize the possibility of Owner-Caused Delay, Developer shall make a good faith effort to alert Owner to deadlines for approvals, decisions or other responses that Owner must provide hereunder, possibly including, among other methods, attachment of “deadline cover sheets” on any submissions to Owner that require response by a particular deadline or distribution of weekly calendars that show deadlines imposed on Owner. If Developer at any time believes that an instance of Owner-Caused Delay has occurred that has directly caused or will directly cause an increase in Project Costs or extension of the Substantial Completion Date, Developer shall send, or shall cause the General Contractor to send, a written notification to Owner within five (5) days of the occurrence of such alleged Owner-Caused Delay explaining the alleged event that constituted

such Owner-Caused Delay, specifying the period of alleged Owner-Caused Delay, describing how the alleged Owner-Caused Delay adversely impacted the Project Schedule and identifying any incremental increase in Project Costs that are identifiable or reasonably foreseeable as a direct result of such Owner-Caused Delay. Any disputes between Developer and Owner over Project Costs attributable to Owner-Caused Delay shall not be a reason to stop or delay construction of the Project and shall be resolved by the parties as expeditiously as possible, either by mutual agreement of the parties or in accordance with the dispute resolution mechanisms described in Section 26 hereof.

“Owner’s Consultant Agreement” means the Agreement dated \_\_\_\_\_, 2002, between the Owner and the Owner’s Consultant.

“Owner’s Consultant” means Lorig Associates LLC, which shall provide development and construction consulting and oversight services for the benefit of the Owner pursuant to the Owner’s Consultant Agreement.

“Owner Contingency” means the contingency described in Section 5(i) which may be used by the Owner in its sole discretion to cover any increase in costs of constructing the Project resulting from: (a) design, construction or installation of enhancements, upgrades, changes, and/or deviations required by the Owner from the Plans and Outline Specifications, (b) Tenant Improvements requested by Owner in excess of the Tenant Improvement Allowance, (c) Owner-Caused Delay, or (d) any other additional costs that Owner in its discretion elects to incur in connection with the Project. Owner has sole discretion as to whether and how the Owner Contingency shall be allocated to pay particular Project Costs or other expenses. Any such allocation, including, but not limited to, payment of the unused amount of such Owner’s Contingency to Owner after Substantial Completion, shall constitute a Project Cost.

“Permits” means all land use approvals, permits and approvals required for construction of the Project.

“Permitted Use” means the intended use of the Project by Tenant for offices and the possible use of the Project for a clinic, retail space and any other lawful use consistent with the provisions of Paragraph 7 of the Lease.

“Plans and Outline Specifications” are the renditions for the shell and core of a first class office building to be constructed on the Real Property pursuant to the Master Use Permit (“MUP”) issued with respect to the Project by the City of Seattle.

“Project” means the total design and construction, including all professional design services, and all labor, materials and equipment used or incorporated in such design and construction of a five story first class office building to be constructed on the Real Property and to be known as 401 Broadway containing approximately 156,800 square feet of rentable area as more fully described in the Plans and Outline Specifications, including all HVAC, electrical and other building systems, Tenant Improvements, and the entirety of a three-level underground parking garage located on the Real Property containing approximately 298 parking spaces. The Project shall include work which is consistent with and reasonably inferable from the approved Project Requirements as being necessary to produce the intended results.

“Project Application for Payment” means the procedures by which requests for payment for Project Costs, art costs and other costs shall be made in accordance with Section 10 of this Agreement, which are based in part on the procedures for applications for payment under the General Construction Contracts.

“Project Budget” means the budget for development of the Project attached to this Agreement as Exhibit E, as revised from time to time by Developer and Owner in accordance with this Agreement.

“Project Costs” means the total costs of acquisition of the Real Property (including all reimbursements due to the Seller under the Real Estate Purchase Agreement), and all costs for the completion of the development, design, permitting and construction of the Project, including, without limitation, those items set forth in Exhibit J, all Permit expenses, all costs of the building shell and core, HVAC, electrical and other building systems, all costs of Tenant Improvements (but not to exceed the Tenant Improvement Allowance), all costs of architectural services provided by the Architect under the Architect’s Agreement, all costs of services provided by Interior Architect under the Interior Design Contract with respect to the Tenant Improvements, all costs of the Owner’s Consultant provided under the Owner’s Consultant Agreement, all other professional design and other services provided by Contractors or other professionals engaged by the Developer or General Contractor, all amounts paid to General Contractor under the General Construction Contracts including all labor, material, and equipment used or incorporated in such design and construction, all amounts paid to other Contractors and subcontractors, if any, under any other Construction Contract or subcontract entered into by Owner upon the written approval of Developer, including all labor, material, equipment used or incorporated in such design and construction, services provided by engineers, environmental consultants, surveyors and other professionals and consultants retained by Developer in connection with the Project, Developer’s Overhead, Developer’s Fee, insurance (other than Bond insurance), bonds (other than the Bonds), real estate brokerage and leasing commissions (other than commissions applicable for retail spaces) as set forth in the Project Budget, applicable state and local retail sales, business and occupation and other taxes (including Real Property taxes and assessments accruing from Land Closing until Substantial Completion), plus the Owner Contingency and the Developer Contingency; excluding only (a) Tenant’s Personal Property and any taxes thereon (which shall be paid by Tenant at its sole cost and expense), (b) Financing Costs, (c) costs for enhancements that are not included in the Plans and Outline Specifications and not paid from the Owner Contingency, (d) the Costs Not To Be Reimbursed as defined above, (e) Costs Resulting From Owner-Caused Delay, but only if they are not paid from the Owner Contingency, and (f) expenses for services for which Owner contracts directly without the prior written approval of Developer. A budget of the Project Costs is attached as Exhibit E.

“Project Fund” means the fund of that name established under the Indenture for the purpose, among others, of paying Project Costs.

“Project Requirements” means the Plans and Outline Specifications as set forth in Exhibit F, relevant attachments to the General Construction Contracts, Exhibits D and M, and as otherwise specifically agreed to by Owner and Developer.

“Project Schedule” means the schedule for development and construction of the Project as set forth on Exhibit G, relevant attachments to the General Construction Contracts, Exhibits D and M to this Agreement, as revised from time to time by Developer and Owner in accordance with this Agreement.

“Punch List” means a list of items required to be completed after Substantial Completion that are minor items which do not affect Owner’s ability to lease the “Premises” (as defined in the Lease) to Tenant and do not affect Tenant’s ability to use the Premises for the Permitted Use.

“Real Estate Purchase Agreement” means that certain Purchase and Sale Agreement dated February 28, 2002, between Jefferson Associates, L.L.C., a Washington limited liability company as Seller and Developer as Buyer, as amended by a First Amendment to Purchase and Sale Agreement dated June 24, 2002, and as further amended prior to execution of this Agreement.

“Real Property” means the real property located in the City of Seattle, King County, Washington, more specifically described on Exhibit A hereto.

“Requirements of Law” means all requirements relating to land and building construction (including those specifically applicable to Tenant’s contemplated use of the Project under the Lease), including, without limitation, planning, zoning, subdivision, environmental, air quality, flood hazard, fire safety, accessibility, and other governmental approvals, permits, licenses and/or certificates as may be necessary from time to time to comply with all the foregoing and other applicable statutes, rules, orders, regulations, laws, ordinances, and covenants, conditions and restrictions, which now apply to and/or affect the design, construction, existence, intended use, operation and/or occupancy of the Real Property, the Project or any part thereof.

“Sale of the Bonds” means execution and delivery by Owner and a responsible bond underwriter of an agreement providing for the purchase and sale of the Bonds on terms consistent with the terms of the Lease and with no conditions to the underwriter’s obligation to pay for and accept delivery of the Bonds other than those conditions contained in the agreement between Owner and the responsible bond underwriter.

“Seller” means Jefferson Associates, L.L.C., a Washington limited liability company, the seller under the Real Estate Purchase Agreement.

“Substantial Completion” has the meaning set forth in Section 13(a) of this Agreement.

“Substantial Completion Date” for the Project means the date twenty (20) months after the Commencement of Construction, as may be extended pursuant to Section 8(b) below for (i) Unavoidable Delays not exceeding, in the aggregate, ninety (90) days, and (ii) Owner-Caused Delay.

“Substantially Complete” or Substantially Completed” means that the Project has been constructed in substantial accordance with the Contract Documents and: (a) all elements required for the functioning of the Project shall be operational and in good working order and condition

including satisfying applicable American With Disabilities Act building requirements as set forth in the Chapter 51-30 of the Washington Administrative Code; (b) the Project shall be weather tight and waterproof; (c) the fire and life safety systems within the Project shall be operational and in good working order and condition; (d) the elevators shall operate and function in good working order and condition, but may still require touch up installation and cleaning; (e) the mechanical and electrical systems, including the HVAC system, shall be individually tested and in good working order able to support the Project and shall also be tested to assure that Project systems operate on an integrated basis, but the HVAC system may still require final balancing work; (f) the finish work is substantially completed, including, but not limited to public lobby, elevator, HVAC, plumbing, fire and life safety, sprinkler and electrical systems, doors, partitions, cabinetry, carpet and base, including removal of all construction debris; (g) all site utilities, sidewalks and landscaping are substantially completed and construction barricades and equipment have been removed; (h) the parking garage, including elevators and lobbies, and all entrances and exits thereto are completed; and (i) the access and security systems for the Project (including the parking garage) are installed and operational, except in each case for Punch List items.

“Tenant” means King County, a political subdivision of the State of Washington, its successors and permitted assigns.

“Tenant Improvement Allowance” means, within the Fixed Price, an \$8,963,125 allowance to cover the design and construction costs of the Tenant Improvements. If any portion of this allowance is not needed to pay for Tenant Improvements, it shall be paid to the Owner as a Project Cost.

“Tenant Improvements” means those certain interior improvements to the Project, all of which are more specifically defined in the Construction Documents and the General Construction Contract for the Tenant Improvements, Exhibit M hereto.

“Tenant’s Personal Property” means Tenant’s furniture, equipment, and movable personal property placed in the Project by Tenant and any property installed in or about the Project by Tenant. Tenant shall provide Tenant’s Personal Property at Tenant’s sole cost and expense.

“Title Policies” shall mean the owner’s policy of title insurance issued to Owner upon its acquisition of the Real Property (herein called the “Owner’s Title Policy”) and the lender’s policy of title insurance issued to the Trustee upon the recording of the mortgage or deed of trust in favor of the Trustee (the “Lender’s Title Policy”).

“Trustee” shall mean a national bank or other financial institution with trust powers selected by Owner to serve as the bond trustee under the Indenture or any authorized successor thereto appointed pursuant to the Indenture.

“Unavoidable Delays” means any delay in the performance by Developer or General Contractor of its obligations with respect to construction of the Project caused by strikes (other than those directly caused by Developer’s acts, omissions or failure to negotiate in good faith), acts of God, Unusually Severe Weather Conditions, unavoidable casualties, acts of the public enemy, acts of terrorists, governmental embargo restrictions, or similar causes beyond the reasonable control



of Developer or General Contractor, which, after the exercise of due diligence to mitigate the effects thereof, delay construction of the Project, other than such delays resulting from (a) Developer's or General Contractor's failure to comply with the terms and provisions of this Agreement or the General Construction Contracts, (b) increased prices, or (c) unavailability of funds, provided the Fixed Price is paid in accordance with Section 10 of this Agreement. Unavoidable Delays will entitle Developer and General Contractor to an extension of the Substantial Completion Date but will in no way entitle Developer to additional compensation. Nothing contained herein shall prevent Developer from allocating the Developer Contingency to increased costs of constructing the Project caused by Unavoidable Delays. In the event of any Unusually Severe Weather Conditions, the length of Unavoidable Delay to become effective under this Agreement as a result of such conditions shall be the period of time (not less than one day) by which Developer's progress in constructing the Project has reasonably been delayed as a result of such Unusually Severe Weather Conditions. Developer shall notify Owner in writing as soon as possible but in no event later than 35 days after any Unusually Severe Weather Conditions have occurred, shall provide in such notice a specification as to which of the listed conditions has occurred and the data supporting such determination, and shall provide an explanation of Developer's position as to the length of Unavoidable Delay to be granted as a result of such conditions, explaining how such conditions delayed Developer's construction progress. Owner shall respond within 10 days thereafter as to whether Owner accepts or disagrees with Developer's position. Any disagreements that cannot be resolved by Developer and Owner shall be submitted to the Disputes Resolution Board under Section 26 hereof, but work shall continue pending resolution of such dispute.

"Unusually Severe Weather Conditions" means the occurrence of any of the following scenarios of precipitation, low temperature, windstorms, or snow or ice, but only if the building shell has not been sealed from weather and there remains substantial external work or other conditions that are affected by adverse weather and that will adversely affect the Developer's ability to achieve Substantial Completion by the Substantial Completion Date:

- (a) Daily rainfall equal to or greater than .80 inch within any 24 hour period.
- (b) Daily rainfall equal to or greater than .50 inch during any "rainy season month" (i.e., October through June) in which the total monthly rainfall (at the end of such month) is at least 115% but less than 150% of the total average monthly rainfall for such month.
- (c) Daily rainfall equal to or greater than .30 inch during any rainy season month in which the total monthly rainfall (at the end of such month) is at least 150% but less than 200% of the total average monthly rainfall for such month.
- (d) Daily rainfall equal to or greater than .20 inch during any rainy season month in which the total monthly rainfall (at the end of such month) is at least 200% of the total average monthly rainfall for such month.
- (e) Daily maximum temperature less than 35 degrees Fahrenheit for two or more consecutive weekday days which impacts critical components of the work.

(f) A combination of temperature and precipitation that results in snowfall in excess of 3 inches on a particular day that does not melt and substantially disappear (but for isolated shaded areas) by 7:00 a.m. on the next work day, or that results in a coating of ice during the bulk of the workday (not merely morning frost) that makes walking, transporting or loading of materials, or operation of equipment or vehicles hazardous or significantly slowed.

(g) Maximum wind gusts exceeding 50 mph at any time during the work day.

(h) Maximum wind gusts exceeding 35 mph during each hour of a continuous four hour period during the work day.

(i) Any other unusually inclement weather condition which causes the construction site to be in a condition such that the General Contractor orders the workers to not work on the construction site.

Weather conditions shall be measured at Sea-Tac International Airport by the Environmental Data and Information Service of the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce. However, if Developer wishes to monitor weather at a location on or nearer to the Project site, Developer may make a proposal to install and operate, at its expense through Developer Contingency, a weather monitoring station at the Property or in the vicinity of the Property, monitored by an independent consultant, and Owner shall not unreasonably withhold its approval to utilization of the weather data from such closer site so long as the equipment and independent consultant appear to be capable and trustworthy and the results obtained from such monitoring appear to be reasonably reliable.

“Warranty Period” shall mean that period commencing on the date of Substantial Completion of the Project and expiring one (1) year thereafter.

## 2. Development of the Project.

(a) Fixed Price. Owner hereby retains Developer to, and Developer shall, develop, oversee and manage the design, permitting and construction phases of the Project in accordance with the terms and conditions of this Agreement. Subject to the terms of this Agreement, Developer agrees, guarantees and warrants that, provided the Fixed Price is paid in accordance with Section 10 of this Agreement, Developer shall deliver the completed Project for a Fixed Price of \$50,770,945 on or before the Substantial Completion Date. Provided the Fixed Price is paid in accordance with Section 10 of this Agreement, the Project shall be constructed in a good and workmanlike manner and in substantial accordance with the Contract Documents, free and clear of all liens on or before the Substantial Completion Date. Failure of the General Contractor to substantially complete construction of the Project under the General Construction Contracts on or before the Substantial Completion Date shall not excuse Developer from its obligations hereunder, except as specifically provided herein. All Project Costs exceeding the Fixed Price shall be paid by Developer, with Developer depositing any required funds with Trustee pursuant to Section 10(h) below. Upon compliance by Developer with its obligations under this Agreement, Owner shall

cause the Trustee to disburse money from the Project Costs Account to Developer or any other party entitled to receive such disbursement as set forth in Section 10 of this Agreement to pay the Project Costs, until money in an amount equal to the Fixed Price has been disbursed.

(b) Tenant Improvement Allowance. The Fixed Price includes the Tenant Improvement Allowance of \$8,963,125 for the design and construction of Tenant Improvements. Notwithstanding any other provision in this Agreement to the contrary, payment for the construction of Tenant Improvements shall be governed by the terms of this Section 2(b). The Tenant Improvements shall be constructed pursuant to the General Construction Contract for Tenant Improvements, attached as Exhibit M hereto. Exhibit K hereto sets forth the dates for delivery of the space plans by which Owner must deliver the plans to avoid potentially jeopardizing the Project Schedule. Owner's failure to meet those dates shall constitute an Owner-Caused Delay that may result in Costs Resulting From Owner-Caused Delay for which Developer shall not be held responsible. Owner shall pay any Costs Resulting From Owner-Caused Delay unless (i) Owner elects to allocate Owner Contingency to pay such costs, or (ii) such costs are required to be paid from the Tenant Improvement Allowance pursuant to Section 7(c) hereof. Any Owner-Caused Delay shall also result in an adjustment of the Substantial Completion Date under Section 8(b) below.

Developer shall work with Owner to develop the pricing on Owner's desired Tenant Improvements. If the total cost of designing and constructing the Tenant Improvements is less than the Tenant Improvement Allowance, then all excess funds in the Tenant Improvement Allowance shall be retained by Owner upon Final Acceptance. If the total cost of designing and constructing the Tenant Improvements exceeds the Tenant Improvement Allowance, such excess costs shall be paid solely by Owner.

(c) Diligent Efforts; Relationship of the Parties. Developer accepts the relationship of trust and confidence established with Owner by this Agreement and agrees that in providing the services set forth in this Agreement, Developer shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and oversee the General Contractor, Architect, Interior Architect, all other engineers, design consultants, managers and other persons retained by Developer or by Owner with Developer's prior approval (except the Owner's Consultant, which shall operate with independent discretion to assist Owner in exercising its rights and performing its obligations hereunder) in connection with the design, permitting, development and construction of the Project so as to cause Substantial Completion of the Project in an expeditious and economic manner consistent with the best interests of Owner, and otherwise in a good and workmanlike manner and in substantial accordance with the Contract Documents on or before the Substantial Completion Date, free and clear of liens (provided the Fixed Price is paid in accordance with Section 10 of this Agreement). Developer shall perform its services in accordance with the terms of this Agreement, including, without limitation, all services to be provided by Developer as described in Section 6 herein. By the terms of this Agreement, Developer is not obligated to perform services for which Owner has contracted with a third party without Developer's prior written consent, nor obligated to pay for such services for which Owner has contracted with third parties without Developer's prior written consent, and such services shall be paid for directly by Owner and shall not be considered Project Costs unless they are pre-approved by Developer in writing. However, Developer has approved the Architect's Agreement

and the Owner's Consultant Agreement and the costs of services thereunder shall be included in Project Applications for Payment and shall be paid for as Project Costs.

(d) Mutual Cooperation; Liability of Owner. Developer and Owner shall fully and in good faith cooperate with each other to accomplish each of the activities provided herein. Developer acknowledges and agrees that Owner shall have no liability or responsibility whatsoever with respect to the activities provided herein to be performed by Developer, except to pay the Fixed Price pursuant to the terms and conditions contained herein.

(e) Term. The rights and obligations of the Developer and Owner hereunder shall commence on the date of execution of this Agreement and shall continue, subject only to early termination pursuant to Section 3(d) hereof, until expiration of the Warranty Period.

### 3. Project Financing.

(a) Issuance of Bonds. Owner intends to issue the Bonds in an approximate principal amount of \$65,000,000. The terms and conditions of such Bonds including terms and provisions relating to interest rates, maturities, capitalized interest, debt service and other reserves, redemption requirements and security shall be acceptable to Owner if they are in accordance with the financing provision of the King County ordinance approving the Lease and described in Section 3(b) hereof. Owner shall use all reasonable efforts to cause the Sale of the Bonds to occur on or before October \_\_\_\_\_, 2002, but shall have no liability to Developer, Architect, General Contractor or any other person in the event Owner is unable to cause the Sale of the Bonds within the time frame set forth above. The proceeds of the Bonds shall be used to pay Project Costs (in an amount not in excess of the Fixed Price), Financing Costs, and other costs.

(b) Approval by King County. The Lease, in the form attached hereto as Exhibit B, has been approved by the King County Council pursuant to Ordinance \_\_\_ passed by a vote of the King County Council on the \_\_\_ day of \_\_\_\_\_, 2002.

(c) Disbursal of Proceeds. A portion of the proceeds from the sale of the Bonds shall be deposited into the Project Fund held by the Trustee and shall be used to pay Project Costs and other costs in accordance with the terms of the Indenture and this Agreement.

(d) Termination of Agreement. In the event the Sale of the Bonds has not occurred on or before December 16, 2002, either party hereto shall have the right, upon ten (10) calendar days prior written notice to the other, to terminate its obligations under this Agreement without liability to the other party, the Architect, General Contractor or any other person or entity, whereupon this Agreement shall terminate and neither party shall have any further rights, duties and obligations hereunder.

4. Closings. Owner may elect, in its discretion, to either have Bond Closing occur simultaneously with Land Closing or to have Bond Closing occur first.

(a) Bond Closing. Upon (i) execution and delivery of the Lease by Owner and Tenant and (ii) Sale of the Bonds, Developer shall assign all of its right, title and interest in and to

the Real Estate Purchase Agreement and Section 1(b) of the Codevelopment Agreement to Owner. Upon Sale of the Bonds, Developer may submit its initial Project Application for Payment pursuant to Section 10 hereof.

(b) Land Closing. On or after Bond Closing (but in no event later than December 16, 2002) and on a date which shall not delay the Project Schedule, Owner shall close the purchase of the Real Property from Seller in accordance with the terms of the Real Estate Purchase Agreement. Seller shall convey legal title to the Real Property directly to Owner. The purchase price for the Real Property shall be paid either (i) at Bond Closing directly from Bond proceeds, or (ii) thereafter from money on deposit in the Project Costs Account of the Project Fund, as the case may be.

(c) Assignment of MUP and Other Development Rights. At the time of Land Closing and as part of the property acquired under the Real Estate Purchase Agreement, Developer shall cause Seller to assign to Owner certain permits, entitlements, plans and other work product more particularly described in the Real Estate Purchase Agreement.

(d) Title. Owner and Developer have each approved the title as required pursuant to the Real Estate Purchase Agreement, including the survey of the Real Property prepared by Bush, Roed & Hitchings, Inc. dated \_\_\_\_\_.

5. Project Design. Developer shall cause design services to be performed by qualified architects, engineers and other professionals recommended by Developer, approved by Owner and paid as part of the Project Costs.

(a) Selection of Development Team for Project. The following entities are intended to be retained in connection with the Project:

- (i) Architect: LMN Architects.
- (ii) General Contractor: Opus Seattle Construction, L.L.C.
- (iii) Structural Engineers: Skilling Ward and Magunsson, Barkshire
- (iv) Land Surveyors: Bush, Roed & Hitchings
- (v) Mechanical Design Build Engineers: Encompass
- (vi) Geotechnical Engineers: Hart Crowser, Inc., Ground Support, and Terra Associates
- (vii) Interior Architect: Opus Architects & Engineers, Inc.
- (viii) Electrical Design/Build Engineers: Valley Electric.

In order to complete the Project, Developer shall have the right to select other professionals as necessary or desirable for the design, permitting, and development of the Project and shall have the obligation to recommend other Contractors for Owner's approval. All amounts paid to the entities outlined above and any others hereinafter engaged by Developer in connection with the performance of its duties and responsibilities under this Agreement shall be part of the Fixed Price.

(b) Design Contracts. Owner shall enter into the Architect's Agreement with the Architect in substantially the form attached hereto as Exhibit C and Developer shall enter into the Interior Design Contract with the Interior Architect. Consistent with the terms and conditions of the respective General Construction Contracts, Interior Design Contract, Architect's Agreement, and Owner's Consultant Agreement, there shall be no amendment to those or any other design contract, Construction Contracts, or other professional services contract with Owner that is paid as a Project Cost from Project Applications for Payment without the prior written consent of Owner and Developer. All rights of Owner and/or Developer, respectively, under the Architect's Agreement, the Interior Design Contract, the Owner's Consultant Agreement, and the General Construction Contracts and any other contract designated by Trustee shall be assigned to Trustee under an assignment agreement in form and substance satisfactory to Trustee. Developer shall obtain, at no cost to Owner, the consent of Architect, Interior Architect, Owner's Consultant, General Contractor and other design professionals and Contractors as necessary to each such assignment.

(c) Project Budget. The Project Budget sets forth a detailed itemization by line item and category of all Project Costs, including Owner Contingency, Developer Contingency, the Developer's Overhead and Developer's Fee. The Project Budget is attached hereto as Exhibit E.

(d) Construction Drawings. Developer shall cause the Architect to complete the Construction Drawings and Detailed Specifications for the building shell and core and cause the Interior Architect to prepare such necessary plans and specifications for the Tenant Improvements, in each case for Developer's review and Owner's approval. The intention of the parties is to cooperate in good faith to provide a completed design which meets all Requirements of Law and is consistent with all Project Requirements and the building quality reflected therein. The Construction Drawings and Detailed Specifications for the building shell and core construction and Tenant Improvements shall include, at a minimum, architectural services set forth under Basic Services in the Architect's Agreement and such other architectural services as may be necessary to provide Construction Documents for the building shell and core and Tenant Improvements portions of the Project.

(e) ADA Compliance. Each design contract shall include a provision requiring that upon Substantial Completion of that portion of the work covered by that design contract, the work and the portion of the Project so constructed shall comply with the applicable Americans With Disabilities Act requirements referenced herein.

(f) Owner's Review. Owner and Owner's Consultant may participate in all design meetings with Developer, Architect, Interior Architect and other design professionals as appropriate in the course of the development of all Construction Documents in order to facilitate the approval of such Construction Documents in accordance with the terms of this Agreement. Owner shall promptly review the Project Budget and all Construction Drawings and Detailed Specifications

submitted in accordance with this Agreement and shall give Developer written notice within ten (10) business days following its receipt of the Project Budget and/or Construction Drawings and Detailed Specifications of its approval or disapproval thereof, specifying in the case of its disapproval, its reason therefor. Owner shall have the right to disapprove such Construction Drawings and Detailed Specifications which (i) do not meet the Project Requirements, (ii) do not comply with Requirements of Law, (iii) do not comply with previous Construction Drawings and Detailed Specifications in all material respects, or (iv) propose changes in work or materials that would result in a material change in appearance or diminution in quality of the Project. If no objections or comments are received within such ten (10) business day period, then the submittals shall be deemed approved.

(g) Resubmittals. If objections or comments are submitted in writing within the time frame and in accordance with the requirements set forth in the preceding subsection 5(f), Developer shall cause the Architect and/or the Interior Architect to make changes in the Construction Drawings and/or Detailed Specifications consistent with reasonable objections or comments made by the Owner and shall resubmit the same to Owner in accordance with the foregoing schedule for further review. The process of resubmittal and review shall continue until the submittals have been approved by all the parties. The final Construction Drawings and Detailed Specifications setting forth in detail the requirements for the construction of the Project which have been approved by Owner are called the Construction Documents. There shall be no material change in the Construction Documents except as set forth in Section 9 below.

(h) Permit and Construction Documents. Developer shall cause the Architect and other design professionals to prepare Construction Documents as required for submittal of the building permit and other permit applications in accordance with Section 7 hereof, and as required for construction of the Project by the Contractors.

(i) Owner Contingency. The Fixed Price includes an Owner Contingency in the amount of \$1,000,000 which shall be allocated as directed by Owner, including to Project Costs if so directed. After exhaustion of the Owner Contingency, no further design changes shall be permitted hereunder unless Owner agrees to pay for any resulting increase in Project Costs.

6. Construction Management Services. Developer shall provide Owner with all construction administration and construction management services necessary or desirable to cause Substantial Completion of the Project on or before the Substantial Completion Date in a good and workmanlike manner and in substantial accordance with the Contract Documents, including, without limitation, the following:

(a) Pre-construction Phase.

(i) Developer shall oversee all design work done by Architect, Interior Architect and other design professionals for the design and development of the Project. Developer shall expeditiously review design documents during their development and advise on proposed site use and improvements, selection of materials, building systems and equipment and methods of Project delivery. Developer shall provide recommendations on relative feasibility of construction methods, availability of materials and labor, and time requirements for procurement, installation,

construction and factors related to construction costs including, but not limited to, costs of alternative designs or materials, budgets and possible economics.

(ii) Developer shall prepare and periodically update the Project Schedule for Owner's acceptance. Developer shall coordinate and integrate the Architect's and Interior Architect's services into the Project Schedule and Developer's and Owner's responsibilities with anticipated construction schedules, highlighting critical and long lead time items.

(iii) Developer shall consult with Owner and Architect regarding the Construction Documents and make recommendations whenever design details adversely affect constructibility, cost or schedules.

(iv) Developer shall cause the General Contractor to establish the assignment of responsibilities for temporary Project facilities and equipment, materials and services for common use of the Contractors. Developer shall verify that such requirements and assignment of responsibilities are included in the proposed Contract Documents.

(v) Developer shall cause the General Contractor to determine the division of the Project into individual contracts for various categories of work, including the method to be used for selecting Contractors and awarding Construction Contracts. Developer shall cause the General Contractor to review the Construction Documents as required to provide that (1) the work of the Contractors is coordinated; (2) all requirements for the Project have been assigned to the appropriate Construction Contract; (3) the likelihood of jurisdictional disputes has been minimized; and (4) proper coordination has been provided for phased construction.

(vi) Developer shall prepare a Project Schedule providing for the components of the work and shall consult with the General Contractor in connection with the preparation and updating of the Project Schedule, including phasing of construction, times of commencement and completion required of each Contractor, ordering and delivery of products requiring long lead time, and the occupancy requirements of Owner. Developer shall provide the current Project Schedule to the General Contractor for each set of bidding documents.

(vii) Developer shall work with the General Contractor to expedite and coordinate the ordering and delivery of materials requiring long lead times.

(viii) Developer shall select and coordinate the professional services of surveyors, special consultants and testing laboratories required for the Project.

(ix) Developer shall cause the General Contractor to provide an analysis of the types and quantities of labor required for the Project and shall review with the General Contractor the availability of appropriate categories of labor required for critical phases. Developer shall make recommendations for actions designed to minimize adverse effects of labor shortages.

(x) Following Owner's approval of the Construction Documents, the Developer shall update and submit the latest estimate of Project Costs, Project Budget and the Project Schedule for Owner approval.



(xi) Developer shall direct the General Contractor to develop bidders' interest in the Project, establish bidding procedures, issue bidding documents to bidders and conduct pre-bid conferences with prospective bidders. Developer shall cause the General Contractor to submit the list of prospective bidders for Owner's review. Owner shall have the right to reject any bidder if there exists substantial and reasonable cause for such rejection. Developer shall assist the General Contractor with respect to questions from bidders and the issuance of addenda.

(xii) General Contractor shall receive bids and Developer shall cause the General Contractor to prepare bid analyses.

(b) Construction Phase.

(i) Developer shall administer the General Construction Contracts for the Project and cause the General Contractor to obtain performance and payment bonds.

(ii) Developer shall provide administrative, management and related services to coordinate scheduled activities and responsibility of the General Contractor and with those of the Developer, Owner and Architect to manage the Project substantially in accordance with the Project Schedule and Contract Documents.

(iii) Developer shall cause the General Contractor to update the Project Schedule incorporating the activities of the Contractors on the Project, including activity sequences and duration, allocation of labor and materials, processing of shop drawings, product data and samples and delivery of products requiring long lead times and procurement. The Project Schedule shall include Owner's occupancy requirement showing portions of the Project having occupancy priority. Developer shall update and reissue the Project Schedule as required to show current conditions. If an update indicates that the previously approved Project Schedule may not be met, Developer shall cause the General Contractor to take corrective action so as to cause the Project to be Substantially Completed on or before the Substantial Completion Date.

(iv) Developer shall cause the General Contractor to schedule and coordinate the sequence of construction so as to cause Substantial Completion of the Project on or before the Substantial Completion Date.

(v) Developer shall dutifully administer and enforce the Interior Design Contract and Developer shall cause the General Contractor to dutifully administer and enforce all Construction Contracts with subcontractors and, provided that Owner authorizes Developer to do so and assigns to Developer any rights necessary in connection therewith, Developer shall fully enforce, administer and take such actions as are necessary to implement contracts with the Architect, Interior Architect, and General Contractor. Developer shall notify and consult with Owner regarding any material breaches or defaults by any party to a Construction Contract relating to the Project. Developer shall, with respect to such breach or default by such contracting party, follow the instructions or directions of Owner so long as such instructions or directions do not, in the reasonable professional judgment of Developer, restrict, delay, impair or otherwise jeopardize the Substantial Completion of the Project by the Substantial Completion Date.

(vi) Developer shall develop cash flow reports and forecasts for the Project (including variances between actual and budgeted costs) and provide Owner with copies of same.

(vii) In consultation with the Architect, Developer shall oversee the course of construction and shall conduct such inspections of the course of construction and testing of work to insure that the work of each Contractor is being performed in substantial accordance with the requirements of the Contract Documents in a good and workmanlike manner, free of defects and deficiencies in work, and free and clear of all liens. Developer shall reject all work which does not conform to the requirements of the Contract Documents and cause corrective action to be taken.

(viii) Developer shall transmit to Architect requests for interpretations of the meaning and intent of Construction Drawings and Detailed Specifications and assist in the resolution of questions that arise.

(ix) Developer shall expedite the processing and approval of shop drawings, product data, samples and other submittals.

(x) Section 9 of this Agreement shall control with regard to changes in the work.

(xi) Developer shall record the progress of the Project. Developer shall cause the General Contractor to submit written monthly progress reports to Owner and Developer, including information on each Contractor and each Contractor's work, as well as the entire Project, showing percentages of completion. Developer shall maintain or cause the General Contractor to maintain a daily log, containing a record of weather, each Contractor's work on the site, number of workers, identification of equipment, work accomplished, problems encountered and such other information as Owner may require.

(xii) Developer shall maintain at the Project site or at Developer's offices in Bellevue, Washington, for Owner one record copy of all Contract Documents, all drawings, specifications, addenda, change orders and other modifications, in good order and marked currently to record changes and selections made during construction together with approved shop drawings, product data, samples and similar required submittals. Developer shall maintain records, in duplicate, of principal building layout lines, elevations of the bottom of the footings, floor levels and key site elevations certified by a qualified surveyor or professional engineer. All such records shall be made available to Architect, Interior Architect, Owner, and/or Owner's Consultant upon request and, upon completion of the Project, duplicate originals shall be delivered to Owner.

(xiii) Although Developer shall not be responsible for the purchase of materials, systems and/or equipment, Developer shall assure that the General Contractor is responsible for the delivery and storage, protection and security of such materials, systems and equipment that are part of the Project until such items are incorporated into the Project.

(xiv) Developer shall develop and implement procedures for the review and processing of applications by General Contractor for progress and final payments.

(xv) Based on the Developer's observations and evaluations of the General Contractor's application for payment, the Developer shall review and certify the amounts due the respective Contractors. The Developer shall prepare Project Applications for Payment based on the General Contractor's applications for payment.

(xvi) Each Project Application for Payment and certification of the General Contractor's application for payment shall constitute a representation to Owner based on the Developer's and General Contractor's overall supervision of the course of construction, inspections conducted at the site, and review of the data comprising the General Contractor's application for payment that, to the best of Developer's knowledge, information and belief, the work has progressed to the point indicated and the quality of the work is in substantial accordance with the Contract Documents (subject to minor deviations from the Contract Documents correctable prior to completion and to specific qualifications expressed by Developer in Developer's Project Application for Payment).

(xvii) With Owner's maintenance personnel present, Developer shall supervise the final testing and start-up of utilities, operational systems and equipment.

(xviii) When Developer considers each Contractor's work or a designated portion thereof Substantially Complete, the Developer shall, jointly with the Architect, prepare for the Contractor a list of incomplete or unsatisfactory items (Punch List) and a schedule for their completion. The Developer shall assist Architect in conducting inspections to determine whether the work or designated portion thereof is Substantially Complete.

(xix) Developer shall cause the General Contractor to coordinate the correction and completion of the work, including all Punch List items, and shall evaluate the completion of the work of the Contractors and make final recommendations to the Architect when the Project or any designated portion thereof has achieved Final Acceptance. Developer shall assist Architect in conducting final inspections of the work.

(xx) Developer shall take such other and further action as may be necessary or desirable to cause the Project to be Substantially Completed on or before the Substantial Completion Date.

## 7. Permits.

(a) Master Use Permit. The City of Seattle Department of Construction and Land Use conditionally approved the MUP for the Project on July 8 1999. Such permit and all rights therein and all other permits and approvals for the Real Property and the Project obtained by Developer prior to the date of this Agreement shall be assigned by Developer to Owner as part of the Land Closing and are included as part of the Real Property purchased under the Real Estate Purchase Agreement.

(b) Permits. Developer shall obtain all Permits necessary to construct the Project. For those Permits yet to be acquired as of the date of the execution of this Agreement,

Owner shall have two (2) business days to review any Permit application Developer intends to submit. Owner's failure to object to terms or conditions of a Permit application shall not be construed as approval of the same but shall constitute Owner's authorization for Developer to submit the Permit application. For those Permit applications already submitted by Developer prior to the execution of this Agreement, Owner shall receive a copy upon request. Owner shall join in any application for Permits as required, at the expense of Developer. Developer shall pursue issuance of such Permits with all due diligence.

(c) Costs. All costs associated with issuance of the Permits shall be paid for by Developer as part of the Fixed Price, except that in the event Owner fails to meet the delivery schedule dates for Tenant Improvement plans set forth in Section 1 of Exhibit K attached hereto and, as a result, Developer is required to obtain a separate permit for the construction of the Tenant Improvements, the cost of such permit shall be paid from the Tenant Improvement Allowance.

(d) Schedule and Delays. Owner and Developer anticipate issuance of Permits by the City of Seattle and Commencement of Construction of the Project within the time set forth in the Project Schedule set forth as Exhibit G hereto. The Project Schedule shall be updated by Developer and Owner from time to time as reasonably required to reflect the current status of the Project. There shall be no increase in the Fixed Price as a result of any delay in issuance of the Permits, the Commencement of Construction or the completion of construction of the Project.

## 8. Construction.

(a) Commencement of Construction. Developer shall cause Substantial Completion of the Project on or before the Substantial Completion Date in a good and workmanlike manner, free from defects in work or materials and in substantial accordance with the Contract Documents, free and clear of all liens, provided the Fixed Price is paid in accordance with Section 10 hereof. As soon as reasonably practical following issuance of the Permits and the Land Closing, and by no later than the Commencement of Construction, Developer shall cause the General Contractor to initiate commencement of construction and to diligently and continuously prosecute such work to Final Acceptance. Developer shall cause the General Contractor to coordinate the sequencing of all construction and diligently and continuously prosecute such work to Final Acceptance. Developer warrants to the Owner that materials and equipment incorporated into the Project shall be new unless otherwise specified.

(b) Delays. The Substantial Completion Date shall be extended by the same number of days as any (i) Unavoidable Delay, provided, however, that extensions due to Unavoidable Delay shall not exceed in the aggregate ninety (90) days; or (ii) Owner-Caused Delays. There shall be no adjustment to the Fixed Price for additional costs resulting from Unavoidable Delay, but Owner shall have responsibility to pay Costs Resulting From Owner-Caused Delay, either from Owner Contingency or other funds. If Substantial Completion fails to occur by the Substantial Completion Date, as extended pursuant to this Section 8(b), then Developer shall pay to Trustee on the first day of each month an amount equal to the Monthly Rent, as defined in the Lease, until the earlier of Substantial Completion or termination of the Lease pursuant to Section 9.16 of the Lease; provided, however, to the extent Owner receives insurance proceeds under the Builders Risk Insurance Policy described in Section 17(b)(iv) below to reimburse Owner for loss of

income and rents, such sums shall be credited against Developer's obligation to pay Monthly Rent to the Trustee. Upon Final Acceptance, if there are funds remaining in the Project Costs Account (as defined in the Indenture) prior to the final distribution of said Account (i.e., the sharing of contingency money), if Substantial Completion has failed to occur by the Substantial Completion Date, and if Developer has made the payments it is required to make pursuant to this Section 8(b), the Developer and the Owner, with concurrence by the Tenant, shall determine and direct Trustee to pay to the Developer any additional interest earnings that accrued on the undisbursed Bond proceeds as a direct result of such delay in excess of interest that would have accrued absent such delay.

(c) Guaranteed Maximum Construction Price Contracts. As part of the Fixed Price, the building shell and core (which constitutes a portion of the Project) and Tenant Improvements shall be constructed pursuant to the General Construction Contracts, containing the Guaranteed Maximum Construction Price, between Owner and the General Contractor in substantially the forms attached hereto as Exhibits D and M. The General Construction Contracts shall contain a provision for payment and performance bonds issued by a surety reasonably acceptable to Owner pursuant to which Owner, Developer and Trustee shall be named as obligees pursuant to a rider or riders reasonably acceptable to Owner and Trustee.

(d) Construction Contracts. All Construction Contracts shall include recitations or provisions requiring the following:

(i) Owner intends to lease the Project to Tenant, a public agency, and desires that the Project incorporate and include public art, consistent with the spirit and intent of King County's Public Art Program.

(ii) All Contractors and subcontractors employed on the Project shall pay the prevailing rate of wages as defined in Chapter 39.12 of the Revised Code of Washington.

(iii) Provisions for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Project.

(e) Protection of Persons and Property. Developer shall or shall cause the General Contractor to take reasonable precautions for safety of, and shall cause the General Contractor to provide reasonable protection to prevent damage, injury or loss to: (1) all persons working on the Project construction site and all other persons who may be affected thereby; (2) the Project and materials and equipment to be incorporated therein; and (3) other property at or adjacent to the site. Developer shall or shall cause the General Contractor and all other Contractors to give notices and comply with all applicable laws, ordinances, rules, regulations, and orders of public authorities bearing on the safety of persons and property and their protection from damage, injury or loss.

(f) Insurance During Construction. Insurance shall be provided by Developer, Owner, Architect and Contractors in accordance with the provisions of Section 17 of this Agreement.

(g) Use of Developer Contingency. The amounts set forth in the various line items of the Project Budget are estimates only of Project Costs to be incurred. To the extent the actual Project Costs in any line item of the Project Budget exceed the amount shown for such line item, Developer shall first allocate amounts in other line items, in which the actual known Project Costs shall have been less than the amount in the Project Budget, to the line item in which the excess Project Cost(s) has occurred. Following the allocation by Developer as set forth in the preceding sentence with respect to all line items, except Developer Contingency, Owner Contingency and the Tenant Improvement Allowance, Developer shall be fully entitled to draw upon the Developer Contingency line item of the Project Budget and use the Developer Contingency in its entirety, if necessary to pay the Project Costs. In addition, except for any particular line items in the Project Budget and budgets attached to the General Construction Contracts that are specified as "Exclusive Owner Allowances" (which, if not fully expended, may not be used for other purposes and will not be shared with the Developer), in the event the Owner receives any cost savings under the General Construction Contracts, such cost savings shall also be allocated to any line item in which Project Costs exceed the amount shown in such line item.

(h) Warranties. Developer shall cause the General Contractor to secure for the benefit of Owner all warranties and guarantees of the work by Contractors, suppliers and manufacturers of components of the Project. Upon Final Acceptance, Developer shall cause the General Contractor to assure that such warranties are assigned to Owner. After Final Acceptance of the Project and during the Warranty Period, Developer shall upon Owner's request assist Owner to enforce any warranties or guarantees with respect to the Project. The General Construction Contracts shall provide a warranty of materials and workmanship for a period of one (1) year following Substantial Completion of the Project. Without increasing the Fixed Price, Developer and Owner have agreed that Developer shall cause the General Contractor to obtain warranties of longer periods from Contractors and material suppliers for the fixtures, services, or subcontracts set forth in Exhibit O, provided, however, that neither Developer nor General Contractor shall have any direct responsibility or liability for such warranty periods to the extent that such warranty periods extend beyond the General Contractor's one (1) year warranty of materials and workmanship above referred.

(i) Correction of Work. During the Warranty Period, Developer shall promptly correct or cause to be corrected work properly rejected by Owner or Owner's Consultant or known by Developer to be defective or failing to conform to the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed, and shall correct or caused to be corrected work found to be defective or non-conforming within the Warranty Period. Such costs (to the extent not borne by insurance) shall be Project Costs. It is intended that at Final Acceptance, there shall remain at least \$50,000 in the Project Costs Account to cover these items during the one-year warranty period; said \$50,000 shall be held by Trustee in trust upon Final Acceptance to be applied toward warranty work in accordance with the General Construction Contracts, with any amounts not so expended to be treated as savings in accordance with, and subject to the limitations in, Section 13(g)(i) below; however if there are no funds left in the Project Costs Account (including the Developer Contingency) to pay for the corrective action, such costs shall be paid by Developer from its own funds.

(j) Stop Work by Owner. If General Contractor fails to correct defective work as required, or persistently fails to carry out work in accordance with the Construction Documents, Owner, by written order, may order Developer and General Contractor to stop the work, or any portion thereof, until the cause for such order has been eliminated.

(k) Developer Default. If Developer defaults or neglects to carry out the work in accordance with the Contract Documents and fails within seven calendar days after receipt of written notice from Owner to commence and continue correction of such default or neglect with diligence and promptness, Owner may give a second written notice to Developer and if Developer fails within such second seven calendar day period to commence and continue correction of such default or neglect with diligence and promptness, then Owner may, without prejudice to other remedies Owner may have, act to correct such deficiencies. In such case an appropriate change order shall be issued deducting from the Fixed Price the costs of correcting such deficiencies. If the payments then or thereafter due Developer are not sufficient to cover the amount of the deduction, Developer shall pay the difference to the Owner. Such action by the Owner shall be without prejudice to any other rights or remedies to which Owner may be entitled under this Agreement or applicable law.

9. Changes to the Work.

(a) No Changes Without Owner Approval. Following approval of the Construction Documents by Owner there shall be no changes in the work except in accordance with this Section 9. Changes in the work covered by the General Construction Contracts and approved by Owner shall be processed in accordance with the General Construction Contracts.

(b) Developer Approved Changes in the Work. It is anticipated that there will be field orders and change orders which shall result in changes to the scope of work. Developer shall use its reasonable efforts to apprise Owner and Owner's Consultant of proposed changes in the work and its recommendations regarding them prior to any action being taken. It is anticipated that it may not always be possible to receive Owner's prior approval to these changes in a timely manner. Therefore, field orders and change orders may be approved by the Developer, without prior Owner approval, but only if the changes authorized by these field orders and change orders shall not have the effect of extending the Substantial Completion Date or materially altering the work. As soon as practical, but no later than with the next Project Application for Payment, Developer shall provide Owner with all field orders and/or change orders approved by Developer. For the purposes of this Section 9(b) a material alteration would reduce the intended quality of the Project, result in an increase of Owner's operational costs over time, or result in a substitution of any of the systems in the Project (including but not limited to HVAC, plumbing, electrical, elevators, roofing, fire and life safety, infrastructure components). In the case of either a material alteration or a change that would result in failure to Substantially Complete the Project by the Substantial Completion Date, prior written approval by the Owner of the proposed change must be received. To the extent that the Owner's Consultant Agreement includes a delegation of Owner's authority to review and approve field orders and change orders to Owner's Consultant, Developer may rely on such approvals given by Owner's Consultant.

(c) Change Proposals Initiated by Owner. Subject to the provisions of Section 5(i) governing Owner Contingency, Owner may initiate change proposals which shall be processed in accordance with the General Construction Contracts.

10. Payment of Project Costs. Trustee will act as disbursing agent and hold and disburse money on deposit in the Project Fund to pay Project Costs and other costs in accordance with the Indenture and this Agreement. The parties intend that there occur monthly disbursements from the Project Costs Account to the Architect, Owner's Consultant and any other Contractors with whom Owner has contracted, and to Developer in order that Developer be able to pay other Project Costs. So long as there has not occurred an Event of Default by Developer under Section 25(a) of this Agreement, such disbursements of money from the Project Costs Account shall continue until the Fixed Price has been disbursed pursuant to Section 2(a) hereof. Disbursements received by Developer from the Project Fund shall, except as otherwise expressly provided herein, be used solely to pay the Project Costs. Upon Developer's compliance with its obligations under this Agreement, Owner shall take all such action as is necessary and required to obtain such disbursements of money from the Project Costs Account by the Trustee.

(a) Applications for Payment. Developer shall submit to Owner, Owner's Consultant and Tenant on or before the last business day of each month a Project Application for Payment in the form attached hereto as Exhibit I signed by Developer, which shall also include a pay application submitted by the General Contractor consistent with the terms of the General Construction Contracts. The Project Application for Payment shall request payment of a specified dollar amount, which shall constitute a portion of the Fixed Price, reasonably detailed to reflect the amount of the Project Costs expended in each category of the Project Budget. Such Project Application for Payment shall request the appropriate amount of hard or soft costs based on a percentage of completion basis with respect to such work as of the date of such Project Application for Payment, less retainage being withheld by the General Contractor from any of the Contractors. When retainage that has been previously withheld from a pay application submitted by the General Contractor is to be paid by the General Contractor to a Contractor, it shall be added to the next pay application of the General Contractor submitted to the Developer. Project Costs other than hard and soft construction costs that are incurred or paid on a schedule that is not related to percentage of completion (e.g., property taxes payable twice per year, Developer's Contingency paid only as allocated by Developer to specific costs incurred, Owner's Contingency paid only as allocated by Owner to specific costs incurred, Developer's Fee paid as described in Section 12(c), Developer's Overhead paid as described in Section 12(b), reserves for warranty work paid only after Substantial Completion, the 150% holdback for uncompleted Punch List items, payment of unutilized contingency accounts or construction savings to Owner and/or Developer, etc.) shall be included in the Project Application for Payment only when such items are to be paid in accordance with other provisions of this Agreement, without regard to the percentage completion of the Project. Developer shall also provide a reconciliation between the total of all draw amounts requested (including such draw request) under a Project Application for Payment and the then current Project Budget and include all the information and documentation required to be provided by the General Contractor to the Owner pursuant to the General Construction Contracts, as well as a conditional partial lien release from the Major Contractor(s) to become effective upon payment to the Major Contractor(s) of the amount of the payment specified in said Contractor's Application for Payment, and Endorsement No. 122 to the Lender's Title Policy and a similar endorsement to the Owner's



Title Policy showing no liens or claims of lien; provided, that if a lien has been filed, Developer and/or General Contractor may resolve such lien in accordance with Section 20 below. Developer shall provide copies of all conditional partial lien releases to the title company issuing the Title Policies and shall execute an indemnity agreement with the title company in a form sufficient to enable the title company to issue the foregoing endorsements.

(b) Payment Procedures. Architect shall certify General Contractor's application for payment. Owner, Owner's Consultant, Tenant, and Harborview shall have the opportunity to attend all meetings between Developer and Contractors at which applications for payments are to be discussed (e.g. Developer shall be available and shall require the General Contractor to be available for a monthly meeting for review of the current month's application for payment, if requested by Owner). Owner, Owner's Consultant, Tenant and Harborview shall receive with the Project Application for Payment any documentation submitted to Developer supporting the General Contractor's application for payment. So long as Owner and Owner's Consultant shall have received the Project Application for Payment on or before the last business day of a calendar month, Owner or Owner's Consultant shall make any objections regarding such Project Application for Payment in writing prior to the twelfth (12<sup>th</sup>) day of the succeeding calendar month or the Owner shall be deemed to have waived its right to object to such Project Application for Payment. Owner shall be obligated to pay those portions of the Project Application for Payment as to which there was no objection in accordance with Section 10(d) hereof on or before the twelfth (12<sup>th</sup>) day of the succeeding calendar month. If Owner or Owner's Consultant fails to receive the Project Application for Payment on or before the last business day of the month, Owner shall have a period of at least 12 days from its receipt of such Project Application for Payment to review, approve and pay the same. If Owner objects to any portion of a Project Application for Payment, Owner or Owner's Consultant shall provide detailed written comments explaining the nature of the disapproval, whereupon (i) Project Costs which are approved by Owner shall be paid in accordance with Section 10(d), and (ii) Developer and Owner and Owner's Consultant shall meet within two (2) business days to determine mutually acceptable revisions to the Project Application for Payment. Failure of Developer and Owner to determine mutually acceptable revisions to the Project Application for Payment within the two business day period shall entitle either Owner or Developer to commence the dispute resolution process described in Section 26 hereof and then, if necessary, litigation.

(c) Review and Inspections. In addition to the engagement of Owner's Consultant under the Owner's Consultant Agreement and payment of the costs thereunder as a Project Cost to be included in each Project Application for Payment, Owner, Tenant and/or Trustee shall have the right, but not the obligation, to have such additional independent consulting architects, engineers or any other appropriate consultants retained and paid by such party (not as a Project Cost), to inspect the construction work as it progresses and to review the Contract Documents. Such inspections shall be coordinated with Developer so as to not interfere with or delay construction of the Project and, if Owner receives any written report from any such consultant that Owner believes would be helpful to Developer in administering and enforcing any of the Contracts or in completing the Project, Owner shall provide Developer with a copy of such written inspection report. If during the course of such construction Owner, Tenant and/or Trustee shall determine that the construction is not proceeding in accordance with the Contract Documents, Owner shall give notice in writing to Developer that includes Owner's best efforts to specify the

particular deficiency or omission and Developer shall thereupon take, or cause to be taken, all steps necessary to correct same. The failure to give such notice shall not give rise to any liability for Owner and shall not be considered a waiver of any right of Owner under this Agreement, including, without limitation, the enforcement of the representations and warranties of Developer under this Agreement and the requirements with respect to construction of the Project in accordance with the Contract Documents, but such failure may limit any recovery against Developer if such failure is determined to constitute a breach of a contracting party's duty to take reasonable actions to mitigate its damages caused by another party's breach.

(d) Requisition from Project Cost Account. Owner shall execute and deliver the requisition to the Trustee for the amount of the Project Application for Payment, or such undisputed portion thereof under Section 10(b), on or before expiration of the 12-day period specified in Section 10(b) above. Owner shall take all reasonable steps to cause Trustee to disburse the amount shown on such requisition to Developer for disbursement to applicable Contractors and others on the 10th calendar day of each month and no later than the 12th calendar day of the month if the Project Application for Payment was received by the last business day of the previous month.

(e) Application for Payment for Tenant or Owner Costs. Upon the prior written request of Owner, Developer shall include in any Project Application for Payment a request that the Trustee disburse to Developer, Owner or Tenant, as appropriate, Bond proceeds held in the Owner Contingency Account in the Project Fund. Developer shall have no right or responsibility to review or determine the appropriateness of the requests for such costs or the amount thereof.

(f) Initial Draw. The Initial Draw shall include a mutually agreed amount for Project Costs actually incurred or paid by Developer (including, without limitation, fees and costs incurred prior to this Agreement for the General Contractor, Architect and other design professionals) on and before the date of Bond Closing, including costs associated with the Land Closing if the Land Closing occurs simultaneously with the Bond Closing. Developer and Owner shall agree on the exact amount during the week prior to the expected payment date of the Initial Draw.

(g) Real Property Draw. If the Land Closing does not occur simultaneously with the Bond Closing, a subsequent Project Application for Payment shall include the purchase price and all other amounts (including amounts to be reimbursed to the Seller) to be paid for the Real Property under the Real Estate Purchase Agreement and other normal closing costs to be paid by Owner as the Developer's assignee under the Real Estate Purchase Agreement. Notwithstanding any other provision hereof, Developer shall submit this Project Application for Payment including the Real Property costs no less than fifteen (15) business days in advance of the Land Closing to enable the Owner to review the same and authorize a requisition of funds from the Trustee on or before the Land Closing. The Project Application for Payment including the Real Property costs may also include Project Costs actually incurred or paid by Developer on and after the date of this Agreement for other reimbursable expenses in connection with the Real Estate Purchase Agreement and permit applications.

(h) Cost Overruns; Sufficiency of Funds to Complete Construction. Owner shall have no obligation to request any disbursement of money on deposit in the Project Costs Account

unless and until the Project is in balance. The Project shall be deemed to be in balance only when the undisbursed portion of Bond proceeds in the Project Costs Account together with funds deposited by Developer with Trustee and expected earnings on the Project Costs Account to the date of their anticipated disbursement after provision for all contingencies shall equal or exceed the amount reasonably estimated by Owner to pay for all work done by the Developer or to be done but not yet paid for and all other Project Costs required to cause Final Acceptance of the Project. In the event Owner advises Developer that the Project is not in balance, Developer shall deposit into the Project Costs Account held by the Trustee the amount necessary to bring the Project into balance, and such funds shall be disbursed in their entirety prior to any further disbursement of Bond proceeds.

11. Other Services by Developer. Services may be performed by the Developer at the written request of Owner which are not included as part of the Project. Such services shall be performed pursuant to a separate written agreement between Owner and Developer.

12. Developer's Fee and Developer's Overhead.

(a) Developer's Contingency and Fees. The Fixed Price includes: (i) a "Developer Contingency" in the amount of \$1,400,000, which may be used for Project Costs as provided in Section 8(g); (ii) a Developer's Overhead in the amount of \$1,000,000 payable to the Developer as hereinafter provided; and (iii) a fee payable to Developer in the maximum amount of \$1,500,000 (the "Developer's Fee") payable to the Developer as hereinafter provided.

(b) Developer's Overhead. Developer shall be paid a Developer's Overhead in connection with the work in the amount of \$1,000,000 (which amount shall not be changed notwithstanding any change to the Fixed Price). Such amount shall be paid to Developer as follows:

(i) At payment of the Initial Draw, an amount equal to \$300,000;

(ii) With each subsequent monthly Project Application for Payment following the disbursement of the Initial Draw, prior to Final Acceptance, \$35,000 (until the cumulative amount of Developer's Overhead, including the payment of the Initial Draw and all subsequent monthly payments, equals the sum of \$1,000,000); and

(iii) Any unpaid balance, if any, shall be paid with the Final Payment.

(c) Developer's Fee. Developer shall be paid a Developer's Fee in connection with the work in the amount of \$1,500,000 (which amount shall not be changed notwithstanding any change to the Fixed Price). Such amount shall be paid to Developer as follows:

(i) At payment of the Initial Draw, an amount equal to \$337,500;

(ii) With each subsequent monthly Project Application for Payment prior to Final Acceptance, \$39,375 (not to exceed in the aggregate, including the payment of the Initial Draw, the sum of \$787,500); and

(iii) The unpaid balance of \$712,500 shall be paid with the Final Payment.

13. Completion of the Project.

(a) Substantial Completion. "Substantial Completion" means that each of the following events shall have occurred with respect to the Project:

(i) Developer shall have notified Owner and Owner's Consultant in writing that the Project, including all Tenant Improvements (which may exclude any street level retail rental space, if any) is Substantially Completed, subject only to the completion of normal Punch List items.

(ii) Architect and Interior Architect shall each have issued its "Certificate of Substantial Completion" AIA Document G704 stating that the work under the General Construction Contracts is sufficiently complete in substantial accordance with the Contract Documents to permit Tenant to occupy or utilize the Project for its Permitted Use;

(iii) The City of Seattle has issued a temporary certificate of occupancy such that the Tenant is permitted to and could, pursuant to such issued certificate of occupancy, physically occupy the Project for its Permitted Use, including parking.

(iv) Owner has received evidence from the Developer satisfactory to Owner that all Real Property taxes and assessment on the Project payable by Developer that were due and owing have been paid.

Notwithstanding that Substantial Completion of the Project shall have occurred, Owner or Owner's Consultant shall be entitled to provide Developer with a Punch List, in accordance with the provisions of this Section 13.

(b) Notice of Substantial Completion. Developer shall give notice in writing to Owner and Owner's Consultant at least thirty (30) days prior to the date upon which Developer anticipates the Project shall be Substantially Complete. During the fifteen (15) business day period after the delivery of the estimated completion notice, Owner, Owner's Consultant, Developer, Architect, General Contractor and Tenant shall meet on one or more occasions, if necessary, and tour to inspect and review the Project to determine whether the Project is Substantially Complete. The parties shall prepare the Punch List. The completion of the Punch List shall not be required in order for the Project to be Substantially Complete.

(c) Completion of Punch List Items. Following Substantial Completion, Developer shall cause all Punch List items to be completed promptly in accordance with the Contract Documents.

(d) Final Acceptance. Developer shall give notice in writing to Owner and Owner's Consultant at least thirty (30) days prior to the date upon which the Project shall be ready

for Final Acceptance. "Final Acceptance" means that each of the following items shall have occurred with respect to the Project:

(i) The City of Seattle has issued all Temporary Certificates of Occupancy, other than those relating to any street level retail space, if any.

(ii) General Contractor shall have issued its "Certificate of Substantial Completion" together with its Affidavit of Payment of Debts and Claims, AIA Forms 706 and 706A together with final waivers and releases of lien in form satisfactory to Owner from the Major Contractors.

(iii) The parties shall have agreed upon the estimated costs of the Punch List items and 150% of such estimated cost shall be withheld by the Trustee in the Project Costs Account until the Punch List items have been completed to the reasonable satisfaction of Owner. When the Punch List items have been completed, Developer shall notify Owner and, upon Owner's reasonable satisfaction that the Punch List items have been completed, Owner shall deliver its requisition to the Trustee for payment of the funds withheld by the Trustee under this Section 13(d)(iii).

(iv) Developer shall have submitted its final Project Application for Payment together with evidence reasonably satisfactory to Owner that all construction costs have been paid in full including evidence of full payment for any personal property installed on the Real Property as part of the Project Costs.

(v) Releases or discharges of construction liens in form and substance satisfactory to Owner have been obtained by the Developer from the General Contractor and all Major Contractors in accordance with all Construction Contracts; provided, that if a lien has been filed, Developer and/or General Contractor may provide a bond to remove such lien from the public records in accordance with Section 20 below.

(vi) Architect shall have issued its Certificate of Final Completion and Owner shall have received the certificate of the Owner's Consultant or any other architect or engineer requested by Owner to conduct construction progress inspections.

(vii) General Contractor shall have issued a certificate that (1) the Project has been finally completed in substantial accordance with the Contract Documents, and (2) no Hazardous Substance as defined in said certificate was incorporated into the structure of the Project.

(viii) Developer shall have delivered to Owner and Owner's Consultant a written report showing the allocation of Project Costs among the categories of the Project Budget and the remaining specified dollar amount of the Owner Contingency, the Developer Contingency and the Tenant Improvement Allowance, if any, and the undisbursed portion of the Developer's Fee.

(ix) Owner shall have received an endorsement to the Owner's Title Policy and Trustee shall have received an endorsement to the Lender's Title Policy, each dated as of and

issued on the date of Final Acceptance, which shall insure Owner and Trustee (1) against any liens for labor or materials, whether or not of record, which may have arisen in connection with the construction of the Project, and (2) show no additional exceptions to the Title Policies other than those approved by or arising through Owner.

(x) Developer shall have completed and delivered the matters set forth in Section 15.

(e) Final Project Application for Payment. Upon Final Acceptance, Developer shall be entitled to payment of the balance of Developer's Fee as well as all other Project Costs incurred in connection with the work, not to exceed the Fixed Price less such sums as are intended to be paid following Final Acceptance or are to be paid to Owner (e.g., the \$50,000 reserve for warranty repair items, the 150% holdback for Punch List items, any construction savings or unutilized Owner's Contingency or Tenant Improvement Allowance that is payable to Owner). Upon delivery of Developer's final Project Application for Payment and other materials set forth in Section 13(d) above, Owner shall, acting reasonably and in good faith, review and approve the final Project Application for Payment on or before that period expiring fourteen (14) business days after receipt of the final Project Application for Payment and Owner's receipt of the materials set forth in Section 15 of this Agreement. In the event no objections are received within said 14-business day period, Owner shall have waived its right to comment on the final Project Application for Payment. If Owner disapproves the final Project Application for Payment, or any portion thereof, Owner shall provide detailed written comments explaining the nature of the disapproval; whereupon, Developer and Owner shall meet within two (2) business days to determine mutually acceptable revisions to the final Project Application for Payment. Failure of Developer and Owner to determine mutually acceptable revisions to the final Project Application for Payment within such two (2) business day period shall entitle either Owner or Developer to commence the disputes resolution process described in Section 26 hereof. Failure to reach agreement on the amount of the Developer's final Project Application for Payment which is approved for payment shall in no way release Developer from its duties and obligations under this Agreement.

(f) Requisition of Final Payment. Owner shall execute and deliver the requisition for Final Payment to the Trustee within one (1) business day following expiration of said 14-business day period, or if Owner disapproves of the final Project Application for Payment, then within one (1) business day after the date of approval of the mutually acceptable revisions to the final Project Application for Payment or the determination of the disputes resolution process, if applicable. Owner shall take all steps to cause the Trustee to disburse the remaining money in the Project Costs Account, except for any money withheld for completion of the Punch List items under Section 13(d)(iii) and the \$50,000 reserved for warranty work as provided for in Section 8(i), up to the Fixed Price in the amount shown on such requisition within one (1) business day of Trustee's receipt of such requisition. In addition, Owner shall in such requisition direct payment of the unexpended Owner Contingency and Developer Contingency and of the remaining Developer's Fee in accordance with the provisions of Section 13(g) below.

(g) Savings; Disbursement of Owner Contingency, Developer Contingency; Developer's Fee.

(i) If all or some portion of the \$1,000,000 Owner Contingency is not used for the Project, then the remaining portion of the Owner Contingency shall be paid to the Owner.

(ii) If all or some portion of the \$1,400,000 Developer Contingency is not used for Project Costs, then two-thirds of the unused Developer Contingency shall be paid to the Owner and one-third of the unused Developer Contingency shall be paid to Developer as part of the Final Payment, as an addition to the Developer's Fee.

(h) Certificate of Occupancy. Beyond Developer's obligation to obtain temporary certificates of occupancy for all space other than any retail space as a condition of Final Acceptance, Developer shall for a period of one (1) year from Substantial Completion of the Project use its best efforts and due diligence in assisting Owner to obtain from the City of Seattle a final, unconditional certificate of occupancy of the Project permitting Tenant to occupy and use the Project for its Permitted Use, including parking in accordance with the conditions imposed by the City of Seattle.

14. Developer Representations; Warranties. Upon Substantial Completion of the Project, Developer shall represent and warrant as follows (which representations shall be contained in a Developer's Certificate to be executed by Developer and submitted to Owner in connection with Developer's final Project Application for Payment):

(a) The Project has been completed in substantial accordance with the Contract Documents (as revised by Project change orders set forth in Section 9) and is, and at all times during the Warranty Period shall be, free from defects in workmanship and materials in connection with the construction thereof.

(b) Developer has no knowledge of any structural defects, latent defects or building systems defects within the Project.

(c) The Project has been constructed in accordance with all Requirements of Law, all Permits and all insurance laws, regulations and requirements in effect during the construction of the Project.

(d) The Project is served by water, storm and sanitary sewage facilities, telephone, electricity, fire protection and other required public utilities adequate to serve the Project at the time of Substantial Completion of the Project.

(e) General Contractor, Architect and any and all third parties hired by Developer or General Contractor have (subject to Developer's receipt of the payment of the Fixed Price) been paid in full for work related to construction of the Project and there are no liens, encumbrances or other defects affecting title to the Real Property which has been or will be filed against the Real Property and /or the Project with respect thereto; provided, that if a lien has been filed, Developer and/or General Contractor shall have arranged for a bond to remove such lien in accordance with Section 20 below.

(f) Developer is not aware of any physical defect in the Real Property or the Project which would prevent Owner from leasing the Project to Tenant for the Permitted Use pursuant to the Lease.

(g) The use and operation of the Project for offices and clinics for Harborview is permitted pursuant to the MUP.

(h) To the best of Developer's knowledge and except as disclosed in writing there are no condemnation, environmental, zoning or other land use regulation proceedings currently instituted which could detrimentally affect the use and operation of the Project for its Permitted Use. If during the term of this Agreement any such proceedings have been instituted, Developer shall have used its best efforts and due diligence to resolve them prior to Substantial Completion.

(i) Developer has provided Owner with prompt notice of any special assessment proceedings affecting the Real Property.

(j) To the best of Developer's knowledge, there are no soils conditions adversely affecting the Real Property. The Project does not encroach onto adjoining land or onto any easements and there are no encroachments of improvements from adjoining land onto the Real Property. The location of the Project does not violate any applicable setback requirements. The Real Property is not located in a flood zone.

(k) Except as disclosed to Owner in writing, there is no litigation pending, or to the best knowledge of Developer, threatened, with respect to the Project for matters undertaken by Developer under this Agreement.

(l) To the best of Developer's knowledge, except for Hazardous Substances brought onto the Property by Tenant, Harborview, Owner, Owner's Consultant, Trustee, or any of their agents, employees, representatives, or invitees, there are no Hazardous Substances located in, on, under or affecting the Real Property or the Project or any Hazardous Substances incorporated into the structure of the Project.

(m) Prior to Substantial Completion, Developer or the Seller has removed and properly disposed of all known Hazardous Substances from the Project and if applicable, received a no further action letter from the appropriate governmental agency.

(n) To the best of Developer's knowledge, after due and diligent inquiry, all Permits necessary for the construction, use and occupancy of the Project have been obtained and are in full force and effect.

Each of the foregoing warranties with respect to the Project shall expire and be of no further force or effect, unless Owner shall have made a claim based upon an alleged breach of such warranties by Developer on or before the expiration of the Warranty Period; however such expiration shall not otherwise limit Owner's rights and remedies hereunder. In the event Owner



alleges a breach of any of the foregoing warranties, Owner shall give Developer written notice of any such allegation together with a detailed explanation of the alleged breach ("Owner's Warranty Claim"). Developer shall, within thirty (30) days of receipt of Owner's Warranty Claim, proceed to commence to cure the circumstances specified in Owner's Warranty Claim, or provide Owner with written notice of Developer's dispute of Owner's Warranty Claim. If Developer commences a cure or correction of the matter alleged in Owner's Warranty Claim, Developer shall proceed diligently and promptly to complete such cure or correction, and the Warranty Period for the particular matter shall be extended for the period necessary to complete cure or correction.

Developer shall warrant neither artist-made materials included in the Project nor any recycled construction products which Owner has directed Developer to include in the Project over Developer's written objections.

15. Developer Obligations. On or before Final Acceptance of the Project, Developer shall obtain and submit to Owner, the following:

(a) As-Built Plans. A complete set of final as-built plans and specifications prepared by General Contractor for the Project. Tenant Improvements will be provided on CAD.

(b) Manuals. All technical and service, instruction and procedure manuals relating to the operation and maintenance of all HVAC systems and other mechanical devices and equipment installed in the Project, except insofar as relating to Tenant's Personal Property.

(c) Warranties. An assignment and delivery of all warranties, guarantees, maintenance contracts, and machinery and equipment warranties received by Developer from the General Contractor or any subcontractor thereof, or any supplier, materialmen or manufacturer relating to the Project; provided, however, that so long as Developer's warranty set forth in Section 14 herein remains in effect, and so long as Developer is not in default of its obligations under this Agreement, Developer reserves the right, notwithstanding the assignment and delivery of such warranties hereunder to Owner, to fully enforce all such warranties in the place and stead of Owner.

(d) Permits and Licenses. The originals (if not posted at the Project) of all Permits, licenses and other approvals necessary for the occupation, use and operation of the Project.

(e) As-Built Survey. An as-built Survey of the Real Property showing the location of all improvements constructed thereon.

16. Indemnification.

(a) Developer's Indemnification. The Developer shall protect, defend, indemnify, and save harmless the Owner, Trustee, Tenant, Harborview and their respective officers, officials, employees, and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments, or costs of any kind whatsoever (hereinafter "claims"), arising out of or in any way resulting from the Developer's officers, employees, agents, and/or subcontractors of all tiers,

acts or omissions, performance or failure to perform this Agreement, to the maximum extent permitted by law or as defined by RCW 4.24.115, as now enacted or as hereinafter amended.

Developer's obligations under this Section 16 shall include, but not be limited to:

(i) The duty to promptly accept tender of defense and provide defense to Owner at Developer's own expense.

(ii) The duty to indemnify and defend Owner from any claim, demand, and/or cause of action brought by or on behalf of any of Developer's employees, or agents. The foregoing duty is specifically and expressly intended to constitute a waiver of Developer's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the Owner only, with a full and complete indemnity and defense of claims made by Developer's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

(iii) In the event the Owner incurs any judgment, award, and/or costs arising therefrom, including attorneys fees, to enforce the provisions of this Section, all such fees, expenses, and costs shall be recoverable from the Developer.

Notwithstanding the provisions contained in this subsection above, Developer's obligation to indemnify Owner shall not extend to any claim, demand or cause of action arising or in connection with the negligence, intentional acts or breach of this Agreement by Owner, Owner's Consultant, Trustee, Tenant, Harborview or their respective agents or employees.

(b) Owner's Indemnification. To the extent that, prior to Final Acceptance, Owner enters or occupies any portion of the Project to direct any construction or alteration of the Project or allows Tenant, Harborview, Trustee, or Owner's Consultant to do the same, Owner shall protect, defend, indemnify, and save harmless Developer, Contractors, Tenant, Harborview, Trustee and their respective officers, officials, employees, and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments, or costs of any kind whatsoever (hereinafter "claims"), arising out of or in any way resulting from Owner's negligence, acts or omissions or Owner's breach of this Agreement to the maximum extent permitted by law.

Notwithstanding the previous paragraph contained in this subsection above, Owner's obligation to indemnify Developer shall not extend to any claim, demand or cause of action arising or in connection with Developer's negligence, intentional acts or breach of this Agreement.

(c) Notice of Claim Any party making a claim for indemnification pursuant to this Section 16 (an "Indemnified Party") must give the party from whom indemnification is sought (an "Indemnifying Party") written notice of such claim (an "Indemnification Claim Notice") promptly after the Indemnified Party receives any written notice of any action, lawsuit, proceeding, investigation or other claim (a "proceeding") against or involving the Indemnified Party by a government entity or other third party, or otherwise discovers the liability, obligation or facts giving rise to such claim for indemnification; provided that the failure to notify or delay in notifying an

Indemnifying Party will not relieve the Indemnifying Party of its obligations pursuant to this Section 16 except to the extent that the Indemnifying Party's ability to defend against such claim is actually prejudiced thereby. Such notice shall contain a description of the claim and the nature and amount of such loss (to the extent that the nature and amount of such loss is known at such time).

17. Insurance Requirements.

(a) For All Coverages. Each insurance policy shall be written on an "occurrence" form.

By requiring such minimum insurance as specified below, neither party shall be deemed to, or construed to, have assessed the risks that may be applicable to the other party to this Agreement. Each party shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits or broader coverage.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Agreement.

(b) Developer's or General Contractor's Insurance. By the date of the execution of this Agreement (except as provided in Section 17(b)(iv) below), Developer shall procure and maintain, or cause the General Contractor to procure and maintain, for the duration of this Agreement (unless another period of duration is expressly provided herein) insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of, work hereunder by Developer, General Contractor, their agents, representatives, employees and/or subcontractors. The cost of such insurance shall be paid by Developer, General Contractor or their consultants. Coverage shall be at least as broad as:

(i) General Liability: Insurance Services Office form number (CG00 001 Ed. 11-88) covering Commercial General Liability, with a limit of not less than \$1,000,000 combined single limit per occurrence, \$2,000,000 aggregate.

(ii) Automobile Liability: Insurance Services Office form number (CA 00 01 Ed. 12-90) covering Business Automobile Coverage, symbol 1 "any auto"; or the combination of symbols 2, 8, & 9, with a limit of not less than \$1,000,000 combined single limit per occurrence.

(iii) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, statutory limits.

(iv) Builders Risk Insurance: Insurance Services Office form number (CP 00 02 Ed. 10-90) Builders All Risk Coverage Form covering all work to be done on the Property for the full 100% replacement cost of all such improvements. Coverage shall be provided for (i) the perils of earth movement and flood; (ii) resultant damage from errors in design, plans,

specifications, faulty workmanship, materials and construction; (iii) "extra expense" as required in Exhibit P attached hereto; (iv) all materials to be stored offsite and while in transit to the jobsite; (v) "cold testing" of all building systems; (vi) Owner's and Developer's loss of use of the Property due to delays in Project completion caused by covered peril losses to the Project, including loss of income and rents and soft costs such as interest on the Bonds, real estate taxes and insurance premiums; (vii) the increased cost of construction, debris removal and demolition due to the operation of building laws and code upgrades; and (viii) direct physical damage to the Project and loss of use caused by an off premises power interruption. Coverage shall be provided neither for Tenant's Personal Property nor for art not installed by the General Contractor. The policy shall include a waiver of subrogation provision, shall grant permission for partial occupancy of the facilities without having a detrimental affect on the coverage provided, and shall contain a separate debris removal limit of liability which is separate from, in addition to, and not part of the overall policy limit of liability. Notwithstanding the foregoing in Section 17(b), Developer shall have the required Builder's Risk Policy in place no later than Commencement of Construction. The Builder's Risk Policy shall include Developer, General Contractor and its subcontractors, other Contractors, and Owner as insureds in an amount equal to their interest, with a loss payable clause in favor of the Trustee. To the extent the insurance proceeds intended to cover damage to or repair or reconstruction of the Project are not used to repair or rebuild the Project at the request of Owner, Developer shall be relieved of the obligation to pay for the repairs or restorations that were intended to be covered by such insurance proceeds.. Developer shall keep the Builder's Risk Policy in place continuously from Commencement of Construction to the Commencement Date defined in the Lease.

(v) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions of Developer must be declared to and approved by the Owner. The cost of any deductible and/or self-insured retention of the policies shall not limit or apply to the Owner and shall be the sole responsibility of the Developer.

(c) Owner's Insurance. By the date of the execution of this Agreement and for the duration of this Agreement, the Owner shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of, work hereunder by the Owner, its agents, representatives, employees and/or subcontractors. The cost of such insurance shall be paid by the Owner. Coverage shall be at least as broad as:

(i) General Liability: Insurance Services Office form number (CG00 001 Ed. 11-88) covering Commercial General Liability, with a limit of not less than: \$1,000,000 combined single limit per occurrence, \$2,000,000 aggregate.

(ii) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, statutory limits.

(d) Other Insurance Provisions. The insurance policies required by this Agreement are to contain or be endorsed to contain the following provisions where applicable:

(i) Liability Policies: The Owner and its officers are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Developer in connection with this Agreement.

(A) To the extent of the Developer's negligence, insurance coverage shall be primary insurance as respects the Owner, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the Owner, its officers, officials, employees and/or agents shall not contribute with the Developer's insurance or benefit the Developer in any way.

(B) Developer's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

(ii) All Policies: Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except by the reduction of the applicable aggregate limit by claims paid, until after forty-five (45) days prior written notice has been given to the Owner and Trustee.

(iii) Acceptability of Insurers: Unless otherwise approved by the Owner, all insurance is to be placed with insurers with a Best's rating of no less than A-:VII or, if not rated by Best's, with minimum surpluses the equivalent of Best's surplus size VIII.

(e) Verification of Coverage. The Developer shall furnish the Owner with certificates of insurance and endorsements required by this Agreement. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms approved by the Owner and are to be received and approved by the Owner prior to the commencement of activities associated with this Agreement. The Owner reserves the right to require complete certified copies of all required policies at any time.

(f) Subcontractors. The Developer shall cause the General Contractor to obtain separate certificates of insurance and policy endorsements from each subcontractor which shall comply with the requirements set forth in Exhibit N attached hereto.

(g) Factory Mutual Engineering Plan Review. Developer shall submit to Factory Mutual Engineering Association ("Factory Mutual"), for its review, plans of all elements of the building design and construction, including but not limited to: seismic and wind loading, roofing and HVAC systems, fire protection and alarm systems, and boiler systems (if any). Plans were submitted for review on July 2, 2002. All Factory Mutual recommendations shall be immediately shared with Developer, Owner, and Owner's Consultant. Owner and Developer shall work together with Factory Mutual to reasonably incorporate those recommendations into the Project design. Developer is obligated under this Agreement to design and cause to construct the Project in compliance with Requirements of Law. However, Owner and Developer acknowledge that the Fixed Price may not include the cost of incorporating the recommendations of Factory Mutual, and if Owner elects to incorporate any of the Factory Mutual recommendations and such changes increase Project Costs, Owner shall bear the costs of those changes.

Upon completion of the fire protection system installations, one copy of the Contractor's Materials and Test Certificate shall be forwarded to Factory Mutual's District Office for their records at the following address:

Factory Mutual Engineering Association  
Seattle District Office  
10900 N. E. 4th Street, Suite 700  
Bellevue, Washington 98004  
Telephone: (206) 454-3931

18. Representatives.

(a) Developer Representatives. Developer shall consult with Owner on initial assignments of personnel assigned to the Project. Owner agrees that the persons with overall responsibility for the work for the Project for the Developer shall be Tom Parsons or Richard Wieneke. The Project Manager shall be Bill Bieber. Owner shall have the right to approve any changes in the personnel named above, such approval not to be unreasonably withheld.

(b) Owner Representative. Owner designates John Finke as Owner's representative authorized to act on the Owner's behalf with respect to the Project. Owner shall promptly render decisions to avoid delay in the orderly process of design and construction of the Project. Owner shall communicate with the Contractor and the Architect only through Developer. Owner's representative may be changed by Owner from time to time. Owner may delegate certain powers, authorities, and other rights relating to review and approval of plans, disbursement requests, field orders and change orders to Owner's Consultant. If Owner elects to do so and to the extent that the Owner's Consultant Agreement includes a delegation of such authority, Developer may rely on such approvals given by Owner's Consultant.

19. Accounting, Inspection and Audit.

(a) Accounts. Developer shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement.

(b) Inspection and Audit. At any time specified in the Indenture and at any time when Owner or Owner's Consultant has reasonable cause to question the accuracy of any reports of Developer or General Contractor, including a Project Application for Payment, Owner and Owner's Consultant may, upon reasonable notice and under reasonable arrangements, inspect all books and records of Developer relating to the Project. If Owner so elects to conduct such an audit, it shall give notice to Developer, and such audit shall be conducted as soon as is reasonably feasible thereafter, but progress payments to Developer shall not be delayed pending the outcome of the audit. Such audit shall be conducted by an auditor selected by Owner. Owner shall, except as hereinafter provided, pay the cost of such audit and the auditor selected by Owner shall charge either a flat fee or a fixed hourly rate and shall not be entitled to any bonus or contingency which is based upon the findings of such auditor. Developer agrees to cooperate with the auditor and make available for examination at its principal office all of its books, records, correspondence and other

documents deemed necessary by the auditor to conduct the audit. If the audit reveals a variation of three percent (3%) or more of the then Project Costs, Developer shall pay the cost of the audit, not to exceed \$10,000.

(c) Preservation of Records. Developer shall preserve all records for a period of three (3) years after Final Payment hereunder; provided, however, if at any time thereafter, Developer proposes to dispose of any Contract Documents related to the Project, Developer shall give Owner at least 30 days advance written notice of its intention to dispose of such Contract Documents and shall thereafter either deliver the same to Owner upon its request or may dispose of such documents if Owner authorizes such disposal or fails to request delivery of the Contract Documents within such 30 day response period.

20. Construction Liens. Upon Final Acceptance of the Project, Developer shall submit evidence that all payrolls, material bills and other indebtedness relating to the work have been paid. If at any time there shall be appropriate evidence of any lien or claim for which, if established, Owner shall be liable, or which would constitute a lien on the Project, and which is chargeable to Developer, General Contractor or one of its subcontractors, upon written request by Owner, Developer or General Contractor shall furnish a bond in form and amount satisfactory to remove such lien from the public records. If any potential lien claimant gives notice to Trustee in accordance with the provisions of RCW 60.04.221, there shall be no further disbursement of Bond proceeds until Developer shall have provided Trustee and Owner with a bond or other security in accordance with RCW 60.04.221(5), to the amount claimed under the lien or notice until resolution of such dispute and payment of such lien, agreement with such potential lien claimant that such notice is withdrawn, or a court declaration that such notice is void in accordance with the provisions of RCW 60.04.221(9). Developer shall notify Owner and Trustee upon the filing of any lien or the service of any notice in connection with the Project.

21. Priority Agreements. Developer shall require the General Contractor to subordinate its lien rights, by agreement in form and substance satisfactory to Owner, to the lien of the mortgage(s) securing the Bonds in favor of Trustee and its successors or assigns, and shall use its best efforts to obtain a similar subordination from all subcontractors under this Agreement. Any subcontractor which refuses to so subordinate its lien rights must be specifically approved in writing by Owner.

22. Damage and Destruction; Condemnation

(a) Damage and Destruction. After the happening of any casualty to the Project, Developer shall give Owner and Trustee prompt written notice thereof generally describing the nature and cause of such casualty and the extent of the damage or destruction to the Project. Developer and Owner acknowledge, agree and assign all insurance proceeds which Developer or Owner may be entitled to receive prior to Final Acceptance of the Project with respect to damage or destruction to the Project to Trustee for deposit into the Project Fund held by Trustee under the Indenture, and the insurance carrier is hereby irrevocably instructed in accordance herewith. Such insurance proceeds shall be used to pay Project Costs, including increases in the Project Costs caused by such casualty. If, prior to the Substantial Completion of the Project, damage or destruction occurs to the Project, Developer shall proceed diligently to reconstruct and restore the

Project in accordance with the Contract Documents and the provisions of this Agreement. Insurance proceeds deposited in the Project Fund for payment of the costs to repair and restore the Project shall be disbursed to Developer in accordance with the provisions of Section 10 herein for payment of progress payments. Insurance proceeds shall be disbursed for such purposes whether or not such disbursement results in disbursements which exceed the Fixed Price. All costs of such repair or restoration of the Project exceeding the amount of the insurance proceeds shall be paid by Developer.

(b) Condemnation. In the event of a partial condemnation of the Project to the extent that the Project may still be constructed in accordance with the Contract Documents, or may be constructed in accordance with the Contract Documents as modified by changes acceptable to Owner and Developer, Developer shall proceed diligently to construct the Project in accordance with the Contract Documents, as modified, if applicable. Any such partial condemnation proceeds shall be deposited in the Project Fund and disbursed in accordance with the provisions of Section 10 above. Condemnation proceeds shall be disbursed for such purposes whether or not such disbursements exceed the Fixed Price. In the event of a condemnation of all of the Project or so much thereof that the Project may no longer be constructed in accordance with the Contract Documents, this Agreement shall terminate, Developer and the Contractors shall be paid for all costs incurred as of the date of such condemnation (including costs that Developer is obligated to pay third parties as of that date, together with a prorata portion of the Developer's Overhead and the Developer's Fee), and the parties shall have no further obligations hereunder. In such event, after Developer and the Contractors have been paid in accordance with the foregoing sentence, all condemnation proceeds shall be paid to Owner.

23. Tenant's Personal Property. So long as construction of the Project shall not be delayed, restricted or impaired, Owner shall be permitted to install items of Tenant's Personal Property, trade fixtures or equipment on a "space ready" basis prior to Substantial Completion of the Project. Owner shall provide Developer with a written request regarding installation and placement of any of Tenant's Personal Property, whereupon Owner and Developer shall determine a mutually acceptable schedule during which such installation by Owner or Tenant can occur.

24. Payment of Taxes/Assessments.

(a) Real Property Taxes. Developer shall pay any and all Real Property taxes and assessments accruing against the Real Property and the Project or any portion thereof from Land Closing until Substantial Completion. Owner shall pay any and all Real Property taxes accruing from and after Substantial Completion.

(b) Other State and Local Taxes. Developer shall pay as part of the Fixed Price any and all state and local taxes assessed in connection with the Project (other than Real Property taxes and assessments which shall be paid as provided in Section 24(a) above), including, but not limited to, state and local retail sales taxes and business and occupation taxes. Developer shall complete all necessary tax returns relating to such taxes and file the same with the applicable state or local governmental agency and remit, on or before the date such tax payment is due, payment of such state and local taxes to the proper taxing authority.



25. Default.

(a) Developer Default. The following events shall constitute an “Event of Default” by Developer:

(i) If Developer shall fail to perform any material obligation under this Agreement;

(ii) If General Contractor persistently or repeatedly refuses or fails to cause to be supplied to the Project enough properly skilled workers or proper materials to complete the Project, including Tenant Improvements, or if Developer or General Contractor ceases work on the Project for a period of fourteen (14) consecutive days (subject to Unavoidable Delays);

(iii) If Developer misappropriates any funds received by Developer pursuant to the provisions of this Agreement;

(iv) If Developer persistently disregards and fails to comply with laws, ordinances or rules, regulations or orders of a public authority having jurisdiction over the Project.

(v) If, due to the actions of Developer, any Permit required for construction of the Project shall be revoked or canceled;

(vi) If there shall occur any lien or other encumbrance on the Real Property or the Project caused by Developer which is not bonded and removed in accordance with Section 20 above;

(vii) If there shall have occurred defective workmanship or materials within the Project which is not cured within the time period provided in Section 8 of this Agreement;

(viii) If Developer shall have assigned, pledged or encumbered its rights, duties or obligations under this Agreement in violation of Section 27(f) of this Agreement;

(ix) If any warranty made by Developer as set forth in Section 14 shall be untrue or breached in any material respect; or

(x) If Developer files a petition for bankruptcy or if it makes a general assignment for the benefit of Developer’s creditors, or if a receiver is appointed on account of Developer’s insolvency and any such petition or appointment is not dismissed within sixty (60) days.

(b) Owner Remedies upon Developer Event of Default. Except for defaults that must be cured under and within the time frames of Section 8(k) above, upon any Event of Default by Developer, Owner shall give Developer written notice of the same, whereupon following receipt of such written notice Developer shall have thirty (30) days within which to commence all necessary action to cure any such Event of Default (and if such cure is commenced, proceed to diligently complete such cure within a reasonable period of time not to exceed 60 days), except with

respect to Events of Default set forth in Section 25(a)(iii) and (viii) for which the cure period shall be ten (10) business days, or Section 25(a)(x) for which no cure period exists beyond the time period stated therein; provided however, that such cure period shall not apply to failure of Developer to achieve Substantial Completion of the Project on or before the Substantial Completion Date for the Project. In the event Developer fails to cure such Event of Default within the time period set forth above, Owner shall be entitled to the following remedies:

(i) To take over and complete the Project. Owner is hereby irrevocably appointed attorney-in-fact (the appointment being coupled with an interest) to incur obligations, to enforce contracts or agreements theretofore made by Developer, to use the undisbursed Project Costs Account proceeds to pay Project Costs and to do any and all things that are necessary and proper to complete the Project;

(ii) In addition to a claim for damages for such breach or default, and in addition to and without prejudice to any other right or remedy available under this Agreement or at law or in equity, the right to demand specific performance of this Agreement;

(iii) To withhold approval of further disbursement of Bond proceeds;

(iv) To bring an action for damages; or

(v) To terminate this Agreement without liability upon ten (10) days written notice.

(c) Owner Default. The following shall constitute an "Event of Default" by Owner:

(i) Owner fails to cause Trustee to make disbursements to Developer of any sum of money owed to Developer pursuant to this Agreement as and when due, including without limitation, all monies due and owing from the Project Costs Account unless Developer shall have committed an Event of Default as set forth in Section 25(a) above;

(ii) Owner shall have assigned, pledged or encumbered its rights, duties or obligations under this Agreement in violation of Section 27(f); or

(iii) Owner shall have failed to perform any other material obligation under this Agreement.

(d) Developer Remedies Upon Owner Event of Default. Upon any Event of Default by Owner, Developer shall give Owner written notice of the same. Upon receipt of such written notice Owner shall have ten (10) business days to cure any such Event of Default. In the event Owner fails to cure such Event of Default within said 10 day period, Developer shall be entitled to stop all work relating to the Project, if Developer so desires, and shall further be entitled to pursue its rights and remedies at law and in equity under this Agreement, including without limitation, specific performance of Owner's obligations hereunder.

(e) Remedies Not Exclusive. No remedy conferred upon either party in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

26. Disputes. The parties hereto agree to cooperate in good faith and to deal fairly in performing their respective duties under this Agreement in order to accomplish their mutual objectives and avoid disputes. If a dispute arises between Owner and Developer, the parties agree to utilize the dispute resolution board process contained herein, which will be non-binding but a condition precedent to having said dispute decided in court by a judge or jury.

(a) Disputes Resolution Board. In the event a dispute arises between Owner and Developer under this Agreement, the parties shall proceed in good faith to resolve such dispute as expeditiously as possible and shall cooperate so that the progress of the design and construction of the Project is not delayed. If, however, the parties are unable to resolve the dispute, either party may convene the Disputes Resolution Board, comprised of three members, including one selected by Developer and one selected by Owner.

(i) Third Member. The first duty of these two members of the Disputes Resolution Board will be to select the third member. The goal is to obtain a third member who will complement the construction experience of the first two, thus furnishing technical expertise which will facilitate the Disputes Resolution Board's operations. The first two Disputes Resolution Board members shall proceed with the selection of the third Disputes Resolution Board member upon receiving their notices to proceed with the work of this Agreement.

(ii) Member Appointed by Architect and/or General Contractor. If, after a review of the dispute, either Owner or Developer, or in the unanimous opinion of the Disputes Resolution Board, the Architect and/or General Contractor, are additional necessary parties to resolving the particular dispute, then said additional necessary parties may appoint a member to the Disputes Resolution Board and be bound by the provisions of this Section 26(a), including a proportional share of expenses for the particular dispute in which they participate.

(iii) Construction Site Visit. The Disputes Resolution Board shall visit the Project site to keep abreast of construction activities and to develop familiarity with the work in progress. The frequency, exact time, and duration of these visits shall be as mutually agreed upon among the Disputes Resolution Board, the Owner and Developer, but only as necessary to address a dispute. In the case of an alleged changed condition, or construction problem, it will be advantageous, but not absolutely necessary, for the Disputes Resolution Board to personally view such conditions. Photographs and descriptions of these conditions, by both parties, will suffice, if viewing by the Disputes Resolution Board would cause delay to the Project.

(iv) Procedures. During its first meeting at the job site, the Disputes Resolution Board shall, with the agreement of the parties, establish procedures for the conduct of its hearings for consideration of disputes and claims. The conduct of its business shall, in general, be based on this Agreement and if applicable, Project Requirements, Construction Drawings and Detailed Specifications and Contract Documents.

(v) Disputes Resolution Board Consideration of Disputes or Claims.

Upon receipt by the Disputes Resolution Board of a written appeal of a dispute, either from Owner or Developer, the Disputes Resolution Board shall convene a hearing to review and consider the dispute. Both Owner and Developer shall be given the opportunity to present their evidence at these hearings. Both the Owner and Developer are encouraged to provide exhibits, calculations, and any other pertinent material to the Disputes Resolution Board prior to the hearing, for review. All such material shall be given in the same form and content to both parties to this Agreement.

It is expressly understood that all Disputes Resolution Board members are to act impartially and independently in the consideration of facts and conditions surrounding any dispute presented by Owner and Developer, and that the recommendations concerning any such dispute are advisory only. The Disputes Resolution Board recommendations shall be based on the pertinent Agreement provisions, and the facts and circumstances involved in the dispute. The recommendations shall be furnished in writing to the parties.

(vi) Disputes Resolution Board Member Replacement.

Should the need arise to appoint a replacement Disputes Resolution Board member, the replacement member shall be appointed in the same manner as the original member was appointed. The selection of a replacement Disputes Resolution Board member shall begin promptly upon notification of the necessity for a replacement and shall be completed in a timely fashion, but no later than one (1) week from the vacancy.

(vii) Owner Responsibility.

The Owner shall furnish each Disputes Resolution Board member one copy of all documents it might have, other than those furnished by the Developer, which are pertinent to the performance of the Disputes Resolution Board.

(viii) Developer Responsibility.

Developer shall furnish each Disputes Resolution Board member one copy of all Contract Documents, including but not limited to Plans and Outline Specifications, applicable contracts, interpretative geotechnical reports, progress schedule and updates, monthly progress reports, and other documents pertinent to the performance of the Agreement and necessary to the Disputes Resolution Board's work.

(ix) Coordination.

The parties will coordinate to effectively assist the Disputes Resolution Board's operation.

(x) Term.

The Disputes Resolution Board will be in operation throughout the duration of this Agreement. It shall begin operation upon written authorization from Developer and Owner, following execution of this Agreement, and shall terminate upon completion of the Punch List items. With the exception of choosing a third member by the first two members, the Disputes Resolution Board members shall not begin any work under the terms of this Agreement until authorized in writing by both parties. The first two members will be reimbursed for the time and expense of choosing the third member.

(xi) Payment.

The fees charged by the Disputes Resolution Board members shall be shared equally by the parties to the particular dispute. Payments shall be full

compensation for work performed, services rendered, and for all materials, supplies, travel, office assistance and support and incidentals necessary to serve on the Disputes Resolution Board.

Payment for services rendered by each Disputes Resolution Board member will be at the rate not to exceed \$150 per hour, including expenses, which may include, but are not necessarily limited to parking, printing, long distance telephone, postage, and courier delivery.

Each Disputes Resolution Board member may submit invoices for payment for work completed not more often than once per month during the progress of the work. Such invoices shall be in format approved by both parties, and accompanied by a general description of activities performed during that period. The value of work accomplished for payment shall be established from the billing rate and hours expended by the Disputes Resolution Board members. The Disputes Resolution Board Chair shall compile all monthly invoices and prepare a cover letter which summarizes the total monthly invoice amount. The invoiced amount shall be divided in half and clearly stated. A copy is to be sent to Owner and Developer, and if appropriate Architect and/or General Contractor, for payment. Satisfactorily submitted invoices shall be paid within 30 days.

The Disputes Resolution Board members shall keep available, for inspection by representatives of Owner or Developer for a period of three years after final payment, the cost records and accounts pertaining to this Agreement.

Disputes Resolution Board members shall not assign any of the work of this Agreement.

(xii) Termination of Disputes Resolution Board. Disputes Resolution Board members may withdraw from the Disputes Resolution Board by providing written notice to the parties. Disputes Resolution Board members may be terminated only by their original appointee and the first two members appointed by Owner and Developer must agree to terminate the third member chosen in accordance with subsection (i) above.

(xiii) Legal Relationship. Each Disputes Resolution Board member, in the performance of duties on the Disputes Resolution Board, is acting in the capacity of an independent agent and not as an employee of either Owner or Developer.

The Disputes Resolution Board members are absolved of any personal or professional liability arising from the recommendations of the Disputes Resolution Board, unless due to their gross negligence or willful malfeasance.

(b) Litigation.

(i) In the event either party brings any suit or other proceeding with respect to the subject matter or enforcement of this Agreement, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall, in addition to such other relief as may be awarded, be entitled to recover attorneys fees, expenses and

costs of investigation as actually incurred (including without limitation, attorneys fees, expenses and costs of investigation incurred in a mediation or arbitration proceeding, in appellate proceedings, or in any action or participation in, or in connection with, any case or proceeding under the Bankruptcy Code).

(ii) This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any action is brought to enforce any of the provisions of this Agreement, the parties agree to be subject to exclusive in personam jurisdiction in the King County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Seattle, Washington.

27. Miscellaneous.

(a) Waiver. Any waiver by either of the parties of any breach of any covenant herein contained to be kept and performed by the other party shall not be deemed or considered as a continuing waiver, and shall not operate to bar or prevent the damaged party from declaring a forfeiture for any succeeding breach, either of the same condition or covenant or otherwise.

(b) Neutral Authorship. In connection with the execution and delivery hereof, each party has been represented by counsel. Each of the provisions of this Agreement has been reviewed and negotiated, and represents the combined work product of both parties hereto. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

(c) Severability. If any portion or portions of this Agreement is declared void or unenforceable, it shall not affect the other provisions of this Agreement.

(d) Relationship of Parties. Developer and Owner shall not be construed as joint venturers or general partners, and neither shall have the power to bind or obligate the other party except as set forth in this Agreement. Nothing herein shall be construed as reserving to Owner the right to control Developer's business.

(e) No Third Party Rights. The provisions of this Agreement are intended solely for the benefit of, and may only be enforced by, the parties hereto and their respective successors and assigns, including, as to Owner, Trustee. None of the rights or obligations of the parties herein set forth (or implied) is intended to confer any claim, cause of action, remedy, defense, legal justification, indemnity, contribution claim, set-off, or other right whatsoever upon or otherwise inure to the benefit of any Contractor, Architect, subcontractor, worker, supplier, mechanic, architect, insurer, surety, guest, member of the public, or other third parties having dealings with either of the parties hereto or involved, in any manner, in the Project.

(f) Assignment; Encumbrance or Pledge. Neither this Agreement nor any rights or duties hereunder nor any benefits derived herefrom may be assigned, delegated, pledged or encumbered to any other person or entity by either party hereto without the express written consent of the other, which consent may be withheld by either party in the exercise of its absolute discretion,

except that Owner may assign its rights under this Agreement to the Trustee pursuant to the Indenture as security in connection with the financing described in Section 3 above.

(g) Notices. Any notices or other communications required or permitted by this Agreement or by law to be served on, given to, or delivered to either party hereto by the other party, shall be in writing and shall be deemed duly served, given, or delivered when personally delivered to the party to whom it is addressed or in lieu of such personal service, three (3) days after it is deposited in the United States mail, first-class postage prepaid, certified or registered, return receipt requested, addressed as follows, or sent via facsimile transmission with received invoice followed by a "hard copy" mailed, regular mail, within one (1) business day to the fax number listed as follows:

Owner: BROADWAY OFFICE PROPERTIES  
c/o National Development Council  
1932 - 1st Avenue, Suite 800  
Seattle, Washington 98101  
Fax: 206-448-5246

Developer: OPUS NORTHWEST, L.L.C.  
915 - 118<sup>th</sup> Avenue Southeast, Suite 300  
Bellevue, Washington 98005  
Attention: Tom Parsons and Richard Wieneke  
Fax: 425-453-1712

Either party may change its address for the purposes of this section by giving written notice of such change to the other party in the manner provided in this Section.

A copy of all notices, plans and specifications, change orders, invoices, documents or other agreements required to be delivered by one party to the other pursuant to this Agreement shall be simultaneously sent to Tenant and to Harborview at their addresses set forth below and Tenant and Harborview shall have the right, but not the obligation, to attend all meetings and participate in all decisions to protect their leasehold interest under the Lease.

Tenant: KING COUNTY  
  
Attn.: Manager Property Services  
Rm. 500 King County Admin. Bldg.  
500 4th Avenue  
Seattle, Washington 98104  
Fax: 206-296-0196

Project Manager, DCFM  
Rm. 320 King County Admin. Bldg.  
500 4th Avenue  
Seattle, Washington 98104  
Fax: 206-205-5695

Harborview

HARBORVIEW MEDICAL CENTER

Attn: Project Manager

\_\_\_\_\_  
Seattle, Washington 98104

Fax: 206-\_\_\_\_-\_\_\_\_

(h) Entire Agreement. This Agreement (and the exhibits referred to herein) constitute the entire agreement between the parties with respect to the subject matter hereof and may be amended only in writing signed by both parties.

(i) Time is of the Essence. Time is of the essence of this Agreement.

(j) Employees of Developer. Developer is acting under this Agreement as an independent contractor and shall be responsible for each of Developer's employees or other persons performing services to be performed by Developer hereunder and for determining the manner and time of performance of all acts to be performed by Developer hereunder. Developer shall maintain all required industrial and worker's compensation insurance for all employees of Developer and shall cause all Contractors, Architect and all design professionals and other persons, firms and corporations employed to perform services in connection with the Project to provide worker's compensation and similar insurance with respect to their respective employees.

(k) Exhibits. The Exhibits to this Agreement are:

<u>Exhibit</u>	<u>Description</u>	<u>Partial Section Reference</u>
A	Legal Description of Real Property	Recitals
B	Lease Agreement	Recitals; Section 3
C	Architect's Agreement	Section 6(b)
D	General Construction Contract (shell and core)	Section 8(d)
E	Project Budget	Section 6(c)
F	List of Plans and Outline Specifications	Section 6(d)
G	Project Schedule	Section 6(c)
H	Interior Design Contract	Section 6(b)
I	Project Application for Payment Form	Section 10(a)
J	Project Costs	Section 1
K	Tenant Improvement Plans Delivery Date Schedule	Section 2(b)
L	Owner's Consultant Agreement	Section 1 – various definitions
M	General Construction Contract (Tenant Improvements)	Section 2(b)



N	Subcontractor Insurance Requirements	Section 17(f)
O	Additional Warranties	Section 8(h)
P	Extra Expense for Builder's Risk Insurance Policy	Section 17(b)(iv)

DATED at Seattle, Washington the day and year first above written.

OWNER: BROADWAY OFFICE PROPERTIES,  
a Washington non-profit corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

DEVELOPER: OPUS NORTHWEST, L.L.C.,  
a Delaware limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A

PARCEL A:

BEGINNING AT A POINT IN THE EAST LINE OF BLOCK 98, TERRY'S SECOND ADDITION TO THE TOWN OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON, WHERE THE SOUTH LINE OF LOT 4 IN SAID BLOCK WOULD, IF PRODUCED EASTERLY AS A STRAIGHT LINE, INTERSECT SAID EAST LINE;  
THENCE SOUTHWESTERLY PARALLEL TO THE NORTH LINE OF SAID BLOCK TO A POINT IN SAID SOUTH LINE SO PRODUCED, WHICH POINT IS 136 FEET DISTANT FROM THE WEST LINE OF SAID BLOACK;  
THENCE NORTHWESTERLY PARALLEL TO SAID WEST LINE TO THE NORTH LINE OF SAID BLOCK;  
THENCE ALONG SAID NORTH LINE TO THE EAST LINE OF SAID BLOCK;  
THENCE SOUTH ALONG SAID EAST LINE TO THE PLACE OF BEGINNING.

TOGETHER WITH THE EASTERLY 6 FEET OF VACATED ALLEY ADJOINING.

PARCEL B:

LOTS 1 AND 4, BLOCK 98, TERRY'S SECOND ADDITION TO THE TOWN OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THE WESTERLY 10 FEET OF VACATED ALLEY ADJOINING.

PARCEL C:

THAT PORTION OF LOT 5, BLOCK 98, TERRY'S SECOND ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON, DEFINED AS FOLLOWS;

BEGINNING AT THE MOST WESTERLY CORNER OF SAID LOT 5;  
THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT, 80 FEET;  
THENCE SOUTHEASTERLY PARALLEL TO THE SOUTHWESTERLY LINE OF SAID LOT, 48 FEET;  
THENCE EASTERLY AT RIGHT ANGLES TO BROADWAY STREET, 21 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE SOUTHEASTERLY LINE OF SAID LOT 5;  
THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID LOT TO THE MOST SOUTHERLY CORNER OF SAID LOT;

THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 60 FEET TO THE PLACE OF BEGINNING;

ALSO

LOT 8, BLOCK 98, TERRY'S SECOND ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF LYING NORTHERLY OF THE LINE DRAWN WESTERLY AT RIGHT ANGLES TO THE EASTERLY LINE OF SAID LOT 8 FROM A POINT ON SAID EASTERLY LINE, WHICH IF PRODUCED WOULD INTERSECT A LINE WHICH IS PARALLEL TO AND 12 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHWESTERLY LINE OF SAID LOT 8, AT A POINT 80 FEET NORTHEASTERLY FROM AND THE SOUTHWESTERLY LINE OF SAID BLOCK 98.

PARCEL D:

ALL THAT PORTION OF LOTS 5 AND 8, BLOCK 98, TERRY'S SECOND ADDITION TO THE TOWN OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON, LYING NORTH AND EAST OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF SAID LOT 5, WHICH IS 80 FEET DISTANT NORTHEASTERLY FROM ITS MOST WESTERLY CORNER;

THENCE SOUTHEASTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 48 FEET;

THENCE EASTERLY AT RIGHT ANGLES TO THE WEST LINE OF BROADWAY, TO THE WEST LINE OF BROADWAY, THE END OF THE LINE;

TOGETHER WITH THAT PORTION VACATED ALLEY AND OF AN UNNUMBERED TRACT ADJOINING AS SHOWN ON SAID RECORDED PLAT, LYING SOUTHERLY OF THE NORTHWESTERLY LINE OF SAID LOT 5 EXTENDED NORTHEASTERLY.

## EXHIBIT J

Project Costs. Subject to the Fixed Price, and specifically excluding Costs Not To Be Reimbursed, by way of illustration and not by way of limitation, Project Costs shall mean all costs necessarily incurred by Developer or by Owner in accordance with the Agreement and in the proper performance of the Project and shall include the items set forth below:

1. Amounts due under the Construction Contracts, the Interior Design Contract and all other subcontracts, supply agreements and purchase orders made in accordance with the provisions of this Agreement or the Construction Contracts;
2. The cost (including transportation, storage, operating, maintenance and repair costs) of all materials, equipment or supplies purchased by Developer for incorporation into the Project or purchased by Owner with Developer's written approval;
3. Costs and fees incurred pursuant to the Interior Design Contract, the Architect's Agreement, the Owner's Consultant Agreement, and any other contracts entered between the Owner and other Contractors or consultants with the prior written approval of the Developer;
4. Developer's expenses of reasonable non-commuting travel for purposes reasonably related to the Project;
5. Developer's or Contractors' costs of telephone, telegrams, postage, photographs (including negatives) and similar items, blueprints, transportation and storage charges, surveys, and soil and other investigations;
6. The cost of protecting, crossing or altering any public utility on, or adjacent to, the site;
7. Except in the case of Bond insurance, premiums and any deductibles on all insurance required under this Agreement;
8. Fees for all municipal and other permits including the Permits (except as provided in Section 7I above), licenses and patents and royalties, if any; fees of testing and inspecting agencies;
9. The cost of engineering and accounting services contracted for by Developer or, with Developer's prior approval, by Owner, directly related to the Project paid to third parties, including the General Contractor;
10. The cost of obtaining and using all utility services for construction, including connection fees and charges for service to the Project upon completion;

11. Losses and expenses incurred in connection with the construction of the Project, not compensated by insurance, provided they result from causes other than the negligence or default of Developer, any Contractor or any subcontractor, anyone directly or indirectly employed by any of them, or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of Owner and Developer;
12. The costs of royalties, damages for infringement of patents, and costs of defending suits for causes other than the negligence of Developer, Contractor or its subcontractors;
13. Premiums and fees for all bonds (other than the Bonds) called for by this Agreement or the Construction Contract;
14. Other expenses or charges, incurred in the prosecution of the Project and approved by Owner;
15. Costs due to an emergency affecting the safety of persons or property at the site;
16. Costs incurred for security or guard service at the site;
17. Legal, consulting and other professional fees, other than those occasioned by negligence of Developer;
18. Sales taxes payable with respect to this Agreement, the work performed hereunder or the design and construction of the Project;
19. All Real Property taxes and assessments on the Project accruing from Land Closing until Substantial Completion; and
20. Developer's or Contractor's capital expenses, including interest on capital employed for the Project, except for such capital expenses incurred prior to the execution of this Agreement.

## EXHIBIT K

### TENANT IMPROVEMENT PLANS DELIVERY DATES

1. SEPARATE FROM SHELL AND CORE. Owner shall cause Tenant to comply with the following delivery schedule:

(a) Functional Programming 77 days after Commencement of Construction. 70 days for Functional Programming and 7 days for Tenant review and approval.

(b) Basic Plan Delivery Date: 131 days after Commencement of Construction. 40 days for Basic Plans and 14 days for Tenant review and approval.

(c) Working Drawings Delivery Date: 208 days after Commencement of Construction. 70 days for Working Drawings and 7 days for Tenant review and approval.

(d) Final Plans Delivery Date: 255 days after Commencement of Construction. 40 days for Final Drawings and 7 days for Tenant review and approval.

2. DESCRIPTION OF MATERIALS. The following materials shall be delivered on the dates referenced above:

(a) Functional Programming Delivery Date. On this date, Opus A&E shall produce Functional Programming documents developed from meetings with Tenant. Documents to include space requirement spreadsheets with move-in date and one future date, blocking plans (per floor), stacking plans (vertical) and adjacency diagrams (group working relationships).

(b) Basic Plans Delivery Date. On this date, Opus A&E and engineering consultants shall produce Basic Plans developed from Functional Programming documents approved and signed by Tenant. These CAD drawings shall include:

(i) Architectural Floor Plans: Also referred to as Space Plans, these plans shall identify open work station areas with partition layout and offices. Common areas such as conference rooms, break rooms, file and data rooms and other support areas shall be identified. Areas of higher floor loading, plumbing, major floor penetrations, Tenant specific electrical and mechanical system requirements or any Tenant Improvements altering building core and shell shall also be identified.

(c) Working Drawings Delivery Date. On this date, Opus A&E shall produce four (4) sets of CAD Working Drawings developed from Basic Plans approved and signed by Tenant. Drawings are to be used for coordination with Building core and shell drawings and for Contractor pricing as well as be sufficient in content and detail for permit submittal. The Working Drawings due on this date shall be approved and signed by the Tenant and shall include

all items in the Basic Plans referenced in Section 2(a) above plus the following additional information:

- (i) Floor Plans: Fully developed to include critical dimensions, rooms and doors labeled and other notations necessary to understand construction intent.
- (ii) Reflected Ceiling Plans: Ceiling grid and Lighting layouts showing location and type of lighting fixtures and HVAC diffusers.
- (iii) Electrical Plans: Locate electrical devices including outlets, switches, telephone, data on plans. Identify special requirements for the above such as dedicated circuits or special electrical requirements. Locate phone room and identify service requirements.
- (iv) Furniture Plans: Layout furniture within open workstations, common areas and individual offices where information is known at this time.
- (v) Code review: Provide detailed code analysis identifying compliance with applicable codes and ordinances.
- (vi) Outline Specifications: All major materials categories identified and specified where known at this date.
- (vii) Schedules: Provide formatted schedules for Finishes, Doors and Equipment with developed data to include all room, door and equipment information and applicable code related information.
- (viii) Engineering Drawings: Team design build engineers shall prepare plumbing, electrical, heating, air conditioning and structural plans ("Engineering Drawings") as necessary for Tenant's improvements during this phase and level of completion shall be commensurate with above stated requirements in Section 2(b).

(d) Final Plans Delivery Date: On this date, Opus A&E shall produce four (4) complete sets of CAD Final Plans developed from Working Drawings approved and signed by Tenant. Drawings are to be 100% complete and used by Contractor to obtain sub-bids for construction. Final Plans due on this date shall be approved and signed by the Tenant and shall include all items in the Working Drawings plus the following additional information:

- (i) Construction Detailing: Sections and construction details sufficient to allow Contractor to construct project and coordinate work between sub contractors.
- (ii) Millwork and Casework Drawings: Details sufficient for respective sub contractors to develop shop drawings.

(iii) Schedules: Finalize finish, door and equipment schedules with location information as required on plans.

(iv) Keying Schedules and Hardware Information: This information shall be in final form and include a Keying Schedule indicating which doors are locked and which key(s) open each lock, plus an "X" on the side of the door where the key will be inserted if a keyed door. Complete specifications for all non-Building Standard hardware will also be provided.

(v) Outline Specifications: Complete specifications for every item included within Tenant scope except those previously specified by Landlord.

(vi) Finish Boards: Provide examples of all finishes within Tenant scope mounted on boards.



EXHIBIT L

OWNER'S CONSULTANT AGREEMENT

EXHIBIT M

GENERAL CONSTRUCTION CONTRACT FOR TENANT IMPROVEMENTS

EXHIBIT N

Subcontractor Insurance Requirements

<b>GENERAL LIABILITY:</b>	\$2,000,000 Minimum General Aggregate \$1,000,000 Minimum Each Occurrence
<b>AUTO LIABILITY:</b>	\$1,000,000 Minimum Each Person \$1,000,000 Minimum Each Occurrence \$1,000,000 Minimum Property Damage, Each Occurrence <i>Note: Need to check all three boxes for owned, non-owned, and hired autos, or the box for "Any Auto".</i>
<b>WASHINGTON STATE EMPLOYER'S LIABILITY / STOP GAP OR WORKERS' COMPENSATION</b>	Must have employer's liability/Stop Gap coverage.  <i>Also must provide proof you have Worker's Compensation coverage by requesting the Dept. of Labor &amp; Industries (360-902-4762) send Opus a current "Status Letter" each year during which you are working on an Opus project. This letter needs to be submitted before going on any Opus jobsite.</i>
<b>PRIMARY ADDITIONAL INSURED:</b>	"Opus Seattle Construction, L.L.C. and Owner" <b><u>must</u></b> be named " <b><u>Primary</u></b> " Additional insured.  On some projects, there will be other parties who <b><u>also</u></b> need to be named as additional insured. Please review Article 6 of the subcontract, to be sure of the <b><i>job specific</i></b> insurance requirements.
<b>CANCELLATION NOTICE:</b>	Must have a minimum of 30 days written notice prior to cancellation of the subcontractor's policy.
<b>COMPLETED OPERATIONS:</b>	Subcontractor must keep a current certificate on file with us for two years after substantial completion and/or through the warranty period.

## EXHIBIT O

Listing of additional warranties, and copies of such warranties.

<u>Item</u>	Warrantor	<u>Warranty Period in Years</u>
Hot Rubberized Asphalt Waterproofing		15
Water Repellant Sealer		10
Metal Wall Panels		10 – Coiled Coated Metal
Metal Wall Panels		5 – Sprayed- on Coating Systems
Built-up Roofing		15 – NDL
Fluid Applied Roofing		5
Sheet Metal Flashing and Trim		15
Joint Sealants		5
Wood Doors		Lifetime of Project – Warping doors material only
All-Glass Entrances and Storefronts		2
Glass and Glazing		10
Glazed Aluminum Curtainwall and Window		5 – NDL
Waterproof membrane for ceramic tile		5
Broadloom Carpet		1 – Workmanship
Broadloom Carpet		10 – Wear Warranty
High Performance Coating		5
Variable Frequency Drives		2

Copies of the above-referenced warranties are attached hereto.

EXHIBIT P

Description of Extra Expenses  
Under Builder's Risk Policy  
(Section 17(b)(iv))

**EXHIBIT E  
FIXED PRICE BUDGET  
8/21/2002**

**401 BROADWAY  
156,800 Net Rentable Square Feet**

<b>TOTAL FIXED PRICE</b>	<b>\$50,770,945</b>
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**LAND & ENTITLEMENTS** **\$11,800,000**

**ARCHITECTURAL & ENGINEERING**

Architectural, Structural, Civil & Permits	493,000	
Mechanical, Electrical, Fire Protection & Oversight	150,000	
Signage Consultant	*	15,000
Printing & Reimbursables	*	50,000
Survey	*	15,000
Testing & Inspection	*	170,000
Soils	*	25,000
Factory Mutual Allowance		
8.8% WSST	(*) applied	<u>24,200</u>
<b>TOTAL ARCHITECTURAL &amp; ENGINEERING</b>		<b>\$942,200</b>

**CONSTRUCTION**

Shell & Core Construction	*	20,112,000
Warranty	*	50,000
Utility Hook-up	*	188,000
8.8% WSST	(*) applied	<u>1,790,800</u>
<b>TOTAL CONSTRUCTION</b>		<b>\$22,140,800</b>

**TENANT IMPROVEMENTS** **\$8,963,125**

**BROKERAGE & LEASING COMMISSIONS** **\$537,500**

**MISCELLANEOUS**

Legal, Accounting, Title Insurance	*	150,000
Building Commissioning	*	50,000
Payment and Performance Bond	*	315,000
Earthquake Coverage	*	125,000
1% for the Arts		376,000
Real Estate Taxes During Construction		195,000
8.8% WSST	(*) applied	<u>56,320</u>
<b>TOTAL MISCELLANEOUS</b>		<b>\$1,267,320</b>

**SUBTOTAL** **\$45,650,945**

**DEVELOPER'S CONTINGENCY (Residual goes 2/3 to Owner & 1/3 to Developer)** **\$1,400,000**

**DEVELOPER'S OVERHEAD** **\$1,000,000**

**DEVELOPER'S FEE** **\$1,500,000**

**OWNER'S CONTINGENCY (Residual goes 100% to Owner)** **\$1,000,000**

8.8% WSST (\*) applied **\$220,000**

<b>TOTAL FIXED PRICE</b>	<b>\$50,770,945</b>
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**ARCHITECTURAL & ENGINEERING**

<b>Architectural, Structural &amp; Civil</b>	
<b>Architect - LMN</b>	
	<b>\$259,200</b>
Interim Phase	\$ 10,000
Code revisions/permit application	\$ 40,800
Bidding/pricing/neg phase	\$ 18,000
Construction Administration	\$ 190,400
<b>Structural engineer - Skilling Ward Magnuson Barkshire</b>	
	<b>\$34,000</b>
Restart fee	\$ 5,000
Remaining original contract	\$ 29,000
<b>Civil Engineering - DCI</b>	
	<b>\$17,400</b>
Code update requirement	\$ 2,000
DCLU Design Review	\$ 5,500
Seatrans Design Review	\$ 6,500
Construction Phase	\$ 2,500
Reimbursable Expense Budget	\$ 900
<b>Mechanical design-build</b>	
	<b>NONE</b>
Schematic	
Design development	
Construction Documents	
Construction Administration	
<b>Fire sprinkler design-build</b>	
	<b>NONE</b>
Schematic	
Design development	
<b>Electrical design-build</b>	
	<b>NONE</b>
Schematic	
Design development	
Construction Documents	
Construction Administration	
<b>Landscape Architect - Lauchlin R. Bethune Associates</b>	
	<b>\$ -</b>
See proposal	\$ 5,000
<b>DCLU PERMITS</b>	
Building Permit (Estimate DCLU)	\$ 140,000
SeaTran	\$ 30,000
Health Dept.	\$ 8,000
Fire (included in DCLU)	\$ -
<b>TOTAL: \$ 493,600</b>	

<b>Mechanical, Electrical, Fire Protection &amp; Oversight</b>	
McKinstry Issue	\$ 95,000.00
Mechanical Overview	\$ 20,000.00
Electrical Overview	\$ 15,000.00
Fire Protction Overview	\$ 5,000.00
Opus Peer Review	\$ 15,000.00
<b>TOTAL: \$ 150,000.00</b>	

<b>Signage Consultant</b>	(allow) \$ 15,000.00
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<b>Printing &amp; Reimburables</b>	(allow) \$ 50,000.00
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<b>Survey</b>	(allow) \$ 15,000.00
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<b>Testing &amp; Inspection</b>	
	<b>\$ 170,000</b>
<b>Geotechnical Engineering - Hart Crowser</b>	\$ 54,595
Geotech and Shoring Inspection Services	
<b>Geotechnical Engineering - Ground Support</b>	
Geotechnical and Shoring Design	\$ 15,785
<b>Construction Inspection Services</b>	
<b>AAR Testing</b>	
	<b>\$ 99,620</b>
Concrete, rebar, Masonry, PT Slabs, Tie-backs, Sh	\$ 84,620
Exterior skin	allow \$ 5,000
<b>Roofing</b>	
	allow \$ 5,000
<b>Waterproofing</b>	
	allow \$ 5,000
<b>TOTAL: \$ 170,000.00</b>	

<b>Soils</b>	(allow) \$ 25,000.00
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**CONSTRUCTION**

<b>Shell &amp; Core Construction</b>			
GENERAL CONDITIONS		\$	1,921,866
HOISTING		\$	548,835
SITework		\$	1,916,029
CONCRETE		\$	6,797,559
MASONRY		\$	570,656
STEEL		\$	673,379
CARPENTRY		\$	45,381
THERMAL/MOISTURE PROTECTION		\$	584,905
DOORS/Frames/HARDWARE		\$	1,521,755
FINISHES		\$	860,962
SPECIALTIES		\$	28,055
EQUIPMENT		\$	52,163
FURNISHINGS		\$	-
SPECIAL CONSTRUCTION		\$	-
CONVEYING SYSTEMS		\$	381,839
MECHANICAL		\$	1,417,227
ELECTRICAL		\$	690,000
<b>SUBTOTAL</b>		<b>\$</b>	<b>18,010,612</b>
LABOR TAX	0.50%	\$	7,055
STATE B & O TAX	0.50%	\$	90,053
CITY TAX	0.22%	\$	39,623
LIABILITY INSURANCE	0.50%	\$	90,053
BUILDERS RISK INS	1.00%	\$	180,106
PERF BOND - OPUS	0%	\$	-
PERF BOND - OTHER	0%	\$	-
<b>Subtotal</b>		<b>\$</b>	<b>18,417,502</b>
CONTINGENCY	5%	\$	920,875
FEE	4%	\$	773,535
SALES TAX		\$	-
<b>GRAND TOTAL excluding Sales Tax</b>		<b>\$</b>	<b>20,111,912</b>

<b>Utility charges and assessments</b>			
Power		\$	115,000
Water		\$	23,000
Sewer (6"SS, 8"RWL)		\$	15,000
Gas (PSE)		\$	-
Phone		\$	10,000
Governmental charges contingency		\$	25,000
<b>TOTAL:</b>		<b>\$</b>	<b>188,000</b>

<b>Warranty</b>	<b>allowance</b>	<b>\$</b>	<b>50,000.00</b>
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**Tenant Improvements**

<b>Tenant Improvement Estimate dated March 29, 02</b>	
A. Construction Costs (from Page 1, 2, 3 & 4)	\$4,788,957
B. Architectural & Engineering Fees (\$2.5/SF)	\$399,875
C. Permit & Plan Check Fees	\$50,000
D. Base Tenant Construction Cost	<u>\$5,238,832</u>
E. Overhead & General Conditions (7%)	\$366,718
B & O Tax, Insurance & Warranty (1.5%)	\$84,083
G. Fee (7%)	\$398,274
H. Washington State Sales Tax	\$535,736
H. Contingency (10%)	\$662,364
<b>I. Total Taxed Tenant Construction Cost</b>	<b>\$7,286,007</b>

<b>Harborview Specific Requirements</b>	
Upgrade distribution and panel to Harborview standard	\$33,562
Provide 80kVA/80kW UPS with 20-minutes of run time	\$168,820
TVSS to main switchboard and (5) 120-volt tenant panels	\$15,037
Card Access system	\$63,800
Provide CCTV system as requested prior to budget	\$22,097
(25) Station Duress system	\$24,157
Garage Access system	\$24,843
Upgrade to voice paging over fire alarm system	\$63,822
Allowance for work in MDF	\$51,217
Add (6) 4" from new MDF to rise	\$13,957
Add Electric heaters	\$12,133
Telecommunications Infrastructure	\$746,896
Cabletray outside IDF and MDF rooms	\$79,245
Upgrade from standard Parabolic to indirect 2X4 fixtures	\$121,873
Upgrade from standard Parabolic to VDT parabolic	\$126,086
TI add rack mounted UPS/PDU (3/floor for 5 floors), (3) in MDF	\$41,306
TI add rack mounted Marway Power Cond. units (3/floor for 5 floors)	\$14,806
Separate Paging system	\$53,460
<b>TOTAL:</b>	<b>\$1,677,117</b>

includes overhead and GC's at 7%, labor, B&O tax, insur at 1.5%, Fee at 7% and wsst at 8.8%

Total Tenant Improvement Allowance:  
 $\$7,286,008 + \$1,677,117 =$   
**\$8,963,125**

**EXHIBIT F**  
**LIST OF PLANS SPECIFICATIONS**  
**401 BROADWAY**

Dwg #	Description	Issue Date	Rev. Date	Comments
	"Geotechnical Engineering Design Study"	7/28/98		
	Prepared by HartCrowser			
	Appendix A "Facing Calculations"	1/3/01		
	Prepared by Hart Crowser			
	"Project Manual"	12/30/98		
	Prepared by LMN Architects			
	<b>ARCHITECTURAL:</b>			
	<b>LMN Architects</b>			
A001	Cover Sheet	12/10/98	12/10/98	CD/Permit Submit
A002	Abbreviations and Symbols	12/10/98	12/10/98	CD/Permit Submit
A101	Site Plan	12/10/98	12/10/98	CD/Permit Submit
A2P3	Parking Level 3 Plan	12/10/98	12/10/98	CD/Permit Submit
A2P2	Parking Level 2 Plan	12/10/98	12/10/98	CD/Permit Submit
A2P1	Parking Level 1 Plan	12/10/98	12/10/98	CD/Permit Submit
A201	First Floor Plan	12/10/98	12/10/98	CD/Permit Submit
A202	Second Floor Plan	12/10/98	12/10/98	CD/Permit Submit
A203	Third Floor Plan	12/10/98	12/10/98	CD/Permit Submit
A204	Fourth Floor Plan	12/10/98	12/10/98	CD/Permit Submit
A205	Fifth Floor Plan	12/10/98	12/10/98	CD/Permit Submit
A206	Roof Plan	12/10/98	12/10/98	CD/Permit Submit
A300	Building Elevations	12/10/98	12/10/98	CD/Permit Submit
A301	Building Elevations	12/10/98	12/10/98	CD/Permit Submit
A302	Enlarged Exterior Elevations	12/10/98	12/10/98	CD/Permit Submit
A303	Enlarged Exterior Elevations	12/10/98	12/10/98	CD/Permit Submit
A304	Enlarged Exterior Elevations	12/10/98	12/10/98	CD/Permit Submit
A305	Enlarged Exterior Elevations	12/10/98	12/10/98	CD/Permit Submit
A310	Building Sections	12/10/98	12/10/98	CD/Permit Submit
A311	Building Sections	12/10/98	12/10/98	CD/Permit Submit
A312	Building Sections	12/10/98	12/10/98	CD/Permit Submit
A320	Wall Sections	12/10/98	12/10/98	CD/Permit Submit
A321	Wall Sections	12/10/98	12/10/98	CD/Permit Submit
A322	Wall Sections	12/10/98	12/10/98	CD/Permit Submit
A323	Wall Sections	12/10/98	12/10/98	CD/Permit Submit
A324	Wall Sections	12/10/98	12/10/98	CD/Permit Submit
A325	Wall Sections	12/10/98	12/10/98	CD/Permit Submit
A400	Enlarged Floor Plans, Levels P3, P2 and P1	12/10/98	12/10/98	CD/Permit Submit
A401	Enlarged Floor Plans Levels 1 and 2	12/10/98	12/10/98	CD/Permit Submit
A402	Enlarged Floor Plans Level 2	12/10/98	12/10/98	CD/Permit Submit
A403	Enlarged Floor Plans, Levels 3, 4 and 5	12/10/98	12/10/98	CD/Permit Submit
A420	Entry Lobby Interior Elevations	12/10/98	12/10/98	CD/Permit Submit
A501	Stair Section and Details	12/10/98	12/10/98	CD/Permit Submit
A502	Stair Section and Details	12/10/98	12/10/98	CD/Permit Submit
A503	Toilet Room Plans, Elevations & Details	12/10/98	12/10/98	CD/Permit Submit
A504	Stair Section and Details	12/10/98	12/10/98	CD/Permit Submit
A505	Elevator Details	12/10/98	12/10/98	CD/Permit Submit

**EXHIBIT F**  
**LIST OF PLANS SPECIFICATIONS**  
**401 BROADWAY**

Dwg #	Description	Issue Date	Rev. Date	Comments
A601	Exterior Wall Details	12/10/98	12/10/98	CD/Permit Submit
A602	Exterior Wall Details	12/10/98	12/10/98	CD/Permit Submit
A603	Exterior Wall Details	12/10/98	12/10/98	CD/Permit Submit
A604	Exterior Wall Details	12/10/98	12/10/98	CD/Permit Submit
A605	Exterior Wall Details	12/10/98	12/10/98	CD/Permit Submit
A606	Exterior Wall Details	12/10/98	12/10/98	CD/Permit Submit
A607	Exterior Wall Details	12/10/98	12/10/98	CD/Permit Submit
A608	Exterior Wall Details	12/10/98	12/10/98	CD/Permit Submit
A609	Window Details	12/10/98	12/10/98	CD/Permit Submit
A610	Roof Details	12/10/98	12/10/98	CD/Permit Submit
A615	Misc. Exterior Details	12/10/98	12/10/98	CD/Permit Submit
A616	Misc. Exterior Details	12/10/98	12/10/98	CD/Permit Submit
A701	Reflected Ceiling Plans Level 1 and 2	12/10/98	12/10/98	CD/Permit Submit
A702	Enlarged Lobby Reflected Ceiling Plans	12/10/98	12/10/98	CD/Permit Submit
A901	Partition Types, Room Finish Schedules	12/10/98	12/10/98	CD/Permit Submit
A902	Wall & Door Details, Door Schedule	12/10/98	12/10/98	CD/Permit Submit
	<b>STRUCTURAL:</b>			
	<b>Skilling Ward Magnusson Barkshire</b>			
S0.00	Abbreviations, Symbols, Drawing Index	11/19/98		
S0.01	General Notes	11/19/98		
S1.00	Load Maps	11/19/98		
S2.P3	P3 Foundation Plan	11/19/98		
S2.P2	P2 Composite Plan	11/19/98		
S2.P2.1	P2 Bottom Reinforcing Plan	11/19/98		
S2.P2.2	P2 Top Reinforcing Plan	11/19/98		
S2.P1	P1 Composite Plan	11/19/98		
S2.P1.1	P1 Bottom Reinforcing Plan	11/19/98		
S2.P1.2	P1 Top Reinforcing Plan	11/19/98		
S2.01	1st Floor Composite Plan	11/19/98		
S2.01.1	1st Floor Bottom Reinforcing Plan	11/19/98		
SS2.01.2	1st Floor Top Reinforcing Plan	11/19/98		
S2.02	2nd Floor Plan	11/19/98		
S2.02.01	2nd Floor Slab Mild Reinforcement	11/19/98		
S2.03	3rd Floor Plan	11/19/98		
S2.03.1	3rd Floor Slab Mild Reinforcement	11/19/98		
S2.04	4th Floor Plan	11/19/98		
S2.04.1	4th Floor Slab Mild Reinforcement	11/19/98		
S2.05	5th Floor Plan	11/19/98		
S2.05.1	5th Floor Slab Mild Reinforcement	11/19/98		
S2.06	Roof Plan	11/19/98		
S2.06.1	Roof Slab Mild Reinforcement	11/19/98		
S3.00	Typical Concrete Details	11/19/98		
S3.03	Typical Foundation Details	11/19/98		
S3.02.1	Typical Basement Wall Sections	11/19/98		
S3.02.2	Typical Basement Wall Sections	11/19/98		
S3.03	Typical Post-Tensioned Slab Detail	11/19/98		

**EXHIBIT F  
LIST OF PLANS SPECIFICATIONS  
401 BROADWAY**

Dwg #	Description	Issue Date	Rev. Date	Comments
S3.04	Column Schedule and Details	11/19/98		
S3.05	Beam and Slab Schedule and Details	11/19/98		
S4.00	Core Wall Elevations	11/19/98		
S4.01	Core Wall Elevations	11/19/98		
S4.02	Core Wall Details	11/19/98		
S5.00	Sections & Details	11/19/98		
S5.01	Sections & Details	11/19/98		
S5.02	Sections & Details	11/19/98		
	<b>CIVIL:</b>			
	<b>DCI Engineers</b>			
C100	Civil Title Sheet			
C101	Survey	6/12/98		
C102	Civil Demolition Plan	6/17/98		
C201	Civil Tesc Plan	6/17/98		
C202	Horizontal Control and Utility Plan	6/17/98		
C203	Subdrain System Plan	6/17/98		
C301	Miscellaneous Details	6/17/98		
C-1	Sidewalk Improvements	10/22/98		
C-2	Sidewalk Improvements - Boren Ave.	10/22/98		
C-3	Sidewalk Improvements - Jefferson Street	10/22/98		
C-4	Sidewalk Improvements - Broadway Ave	10/22/98		
C-5	Sidewalk Improvements - Terrace Street	10/22/98		
	<b>LANDSCAPE:</b>			
	<b>Lauchlin R. Bethune Associates</b>			
L1.1	Landscape Planting Plan	6/17/98	9-16-98 \ 10-28-98	Per DLCU
L1.2	Landscape Irrigation Plan	11/27/98		
L1.3	Landscape Details	11/27/98		
	<b>MECHANICAL:</b>			
	<b>McKinstry</b>			
	<b>CD/Permit Submittal Date:</b>	12/10/98		
M-001	Symbols, Index, Abbreviations	10/28/98	08/26/98	Found. Permit Submit
M2-P3	Parking Level 3 Plan	10/28/98	08/26/98	Found. Permit Submit
M2-P2	Parking Level 2 Plan	10/28/98	08/26/98	Found. Permit Submit
M2-P1	Parking Level 1 Plan	10/28/98	08/26/98	Found. Permit Submit
M-201	First Floor HVAC Plan	10/28/98	08/26/98	Found. Permit Submit
M-202	Second Floor HVAC Plan	10/28/98	08/26/98	Found. Permit Submit
M-203	Third Floor HVAC Plan	10/28/98	08/26/98	Found. Permit Submit
M-204	Fourth Floor HVAC Plan	10/28/98	08/26/98	Found. Permit Submit
M-205	Fifth Floor HVAC Plan	10/28/98	08/26/98	Found. Permit Submit
M-260	Roof HVAC Plan	10/28/98	08/26/98	Found. Permit Submit
M-310	Building Sections	10/28/98	08/26/98	Found. Permit Submit
M-900	HVAC Schedules	10/28/98	08/26/98	Found. Permit Submit
P-004	Foundation Plumbing Plan	10/28/98	08/26/98	Found. Permit Submit

**EXHIBIT F**  
**LIST OF PLANS SPECIFICATIONS**  
**401 BROADWAY**

Dwg #	Description	Issue Date	Rev. Date	Comments
P-003	P3 Level Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-002	P2 Level Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-001	P1 Level Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-201	First Floor Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-202	Second Floor Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-203	Third Floor Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-204	Fourth Floor Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-205	Fifth Floor Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-206	Roof Plumbing Plan	10/28/98	8/26/98	Found. Permit Submit
P-900	Fixture Schedules & Plumbing Details	10/28/98	8/26/98	Found. Permit Submit
	<b>ELECTRICAL:</b>			
	<b>D.W.. Close Company, Inc.</b>			
E0.0	Symbols and Abbreviations	12/10/98	12/10/98	CD/Permit Submit
E1.0	Power One-Line Diagram	12/10/98	10/10/98	CD/Permit Submit
E1.1	Communication One-Line Diagram	12/10/98	12/10/98	CD/Permit Submit
E2.0	Site Power & Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.P3	Parking Level 4 Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.P2	Parking Level 2 Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.P1	Parking Level 1 Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.01	First Floor Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.02	Second Floor Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.03	Third Floor Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.04	Fourth Floor Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.05	Fifth Floor Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E3.06	Roof Power and Comm. Plan	12/10/98	12/10/98	CD/Permit Submit
E7.P3	Parking Level 3 Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E7.P2	Parking Level 2 Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E7.P1	Parking Level 1 Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E7.01	First Floor Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E7.02	Second Floor Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E7.03	Third Floor Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E7.04	Fourth Floor Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E7.05	Fifth Floor Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E7.06	Roof Lighting Plan	12/10/98	12/10/98	CD/Permit Submit
E8.0	Electrical Details	12/10/98	12/10/98	CD/Permit Submit
		12/10/98	12/10/98	CD/Permit Submit
	<b>GEOTECHNICAL:</b>			
	<b>Hart Crowser</b>			
G-1	Soil Nail Wall Cover Sheet	08/26/98	08/13/98	Draft
G-2		08/26/98	07/31/98	100% Des. Dev.
G-3	Soil Nail Wall N and W Wall Elevations	08/26/98	08/13/98	Draft
G-4	Soil Nail Wall S, E and NE Wall Elevations	08/26/98	08/13/98	Draft
G-5	Soil Nail Wall Details	08/26/98	08/13/98	Draft

## 401 Broadway Development Agreement Placeholder Exhibits

### Placeholder for:

- Exhibit C Architect's Agreement
- Exhibit D General Construction Contract
- Exhibit G Project Schedule
- Exhibit H Interior Design Contract
- Exhibit I Project Application for Payment Form