



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**May 9, 2011**

**Ordinance 17084**

**Proposed No. 2011-0213.1**

**Sponsors Patterson**

1 AN ORDINANCE approving one public health clinic lease  
2 in order to provide continuing public health services in  
3 Seattle, Washington.

4 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

5 SECTION 1. Findings:

6 A. King County department of public health provides essential public health  
7 services in the city of Seattle.

8 B. The King County executive has negotiated a lease for a King County public  
9 health clinic necessary to provide essential public health services at the Downtown  
10 Seattle Public Health Clinic - 2124 Fourth Avenue, Seattle, WA.

11 C. In accordance with K.C.C. 4.04.040, the King County council may adopt an  
12 ordinance permitting the county to enter into contracts requiring the payment of funds  
13 from the appropriation of subsequent fiscal years. These leases are subject to K.C.C.  
14 4.04.040.

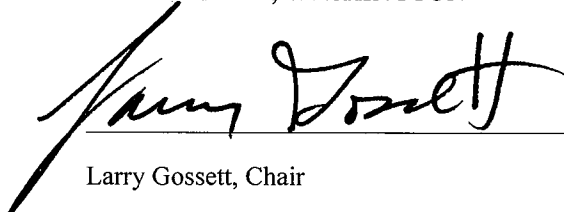
15 SECTION 2. The executive is hereby authorized to take all actions necessary to  
16 implement the lease, which is Attachment A to this ordinance, and all actions up to now  
17 taken by county officials, agent and employees consistent with the terms and purposes of  
18 the lease agreement are hereby ratified, confirmed and approved.

19            SECTION 3. The lease at Downtown Seattle Public Health Clinic - 2124 Fourt  
20 Avenue, Seattle, Washington, , executed by the King County executive, which is  
21 Attachment A to this ordinance, is hereby approved.  
22

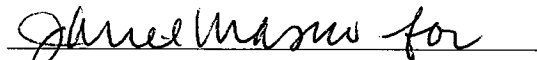
Ordinance 17084 was introduced on 5/2/2011 and passed by the Metropolitan King County Council on 5/9/2011, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,  
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.  
McDermott  
No: 0  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON


  
\_\_\_\_\_  
Larry Gossett, Chair

ATTEST:

  
\_\_\_\_\_  
Anne Noris, Clerk of the Council

RECEIVED  
2011 MAY 12 PM 4:12  
KING COUNTY COUNCIL CLERK

APPROVED this 12 day of MAY, 2011.

  
\_\_\_\_\_  
Dow Constantine, County Executive

**Attachments:** A. Lease Agreement--Dated April 27, 2010

17084

2011-0213  
ATTACHMENT A

**LEASE AGREEMENT  
BETWEEN**

**KING COUNTY, A MUNICIPAL CORPORATION  
("TENANT")**

**AND**

**JEFFREY S. LYNN, JODY MOSS, THOMAS J. STEPHENS AND  
U.S. BANK, N.A., AS CO-TRUSTEES OF  
THE ELIZABETH A. LYNN TRUST ("LANDLORD")**

**FOR THE PREMISES LOCATED AT**

**2124 FOURTH AVENUE  
SEATTLE, WASHINGTON**

**April 27, 2010**

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into this 27th day of April, 2010, between JEFFREY S. LYNN, JODY MOSS, THOMAS J. STEPHENS and U.S. BANK, N.A., as Co-Trustees of the Elizabeth A. Lynn Trust ("Landlord"), and KING COUNTY, a municipal corporation ("Tenant"). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

(a) Leased Premises. The leased commercial real estate (the "Premises") consists of the real property located at 2124 Fourth Avenue, Seattle, Washington, and legally described on attached Exhibit A, and all improvements thereon. The Premises have an agreed rentable area of 25,497 square feet.

(b) Lease Commencement Date. The Lease shall commence on the later of (i) December 15, 2010, or (ii) approval of this Lease by ordinance of the King County Council, provided that if such approval does not occur by May 31, 2011, then this Lease shall be void and of no further force or effect, as provided in Section 3(d). The date the Lease commences is referred to herein as the "Commencement Date".

(c) Lease Termination Date. The Lease shall terminate on the later of (i) December 31, 2020, or (ii) the last day of the calendar month in which the tenth anniversary of the Commencement Date occurs. The date of Lease termination is referred to herein as the "Termination Date".

(d) Base Rent. The base monthly rent shall be according to the Rent Rider attached hereto and incorporated herein by reference. Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.

(e) Prepaid Rent. N/A.

(f) Security Deposit. N/A.

(g) Permitted Use. The Premises shall be used for a public health clinic and/or general office use, including offices for general governmental services, and for no other purpose without the prior written consent of Landlord, which shall not be unreasonably withheld.

(h) Notice and Payment Addresses:

Landlord: c/o JSH Properties, Inc.  
10230 NE Points Drive, Suite 110  
Kirkland, WA 98033

Fax No.: (425) 889-0606

Tenant: \_\_\_\_\_

Fax No.: \_\_\_\_\_

(i) Base Year. The Base Year for this Lease shall be calendar year 2011.

(i) Base Year. The Base Year for this Lease shall be calendar year 2011.

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord, the Premises upon the terms specified in this Lease.

3. TERM.

(a) Commencement Date/Termination Date. The Lease shall commence on the Commencement Date specified in Section 1(b) and shall expire on the Termination Date set forth in Section 1(c), unless sooner terminated as provided hereunder, or unless extended as provided in Section 3(c). The first "Lease Year" shall commence on the Commencement Date and shall end on December 31, 2011. Each successive Lease Year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease Year.

(b) Tenant Obligations. Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises and the condition of all mechanical, electrical, and other systems on the Premises. Responsibilities for design, payment and performance of Landlord's Work shall be as set forth on attached Exhibit B. Upon the termination or expiration of this Lease, Tenant, at Tenant's expense, shall remove from the Premises all cabling and wiring which was installed by or for the benefit of Tenant.

(c) Option to Extend. Provided Tenant is not in default beyond any applicable notice and cure period at the time it gives notice to extend or at the time the extension would take effect, Tenant shall have the option to extend the Term of this Lease for one (1) successive period of five (5) years (the "Extension Option"), provided Tenant gives Owner written notice of its election to exercise the Extension Option at least twelve (12) months prior to the then expiration of the Term of this Lease. If Tenant exercises the Extension Option, this Lease shall continue on all of the terms and conditions herein set forth, and the "Term" shall be deemed to include the applicable extension period. The rental rate for the extension term shall be the then prevailing market rent rate for similar quality and style buildings in the Downtown Seattle office market (the market concessions and allowances, the size of the space, the quality of the tenant and the presence or absence of costs such as commissions, retrofit allowance, etc.) (the "Market Rental Rate"). If Owner and Tenant are unable to agree on the Market Rental Rate within thirty (30) days following Tenant's exercise of this option, then the Lease shall terminate on the termination date provided in Section 1 (c).

This Extension Option is personal to Tenant and cannot be transferred without Landlord's consent in accordance with this Lease.

(d) Tenant Option to Terminate. Tenant's obligations to Landlord under this Lease are contingent upon approval of this Lease and appropriation of sufficient funds to pay such obligations by ordinance of the King County Council on or before May 31, 2011. In the event that such approval of this Lease and appropriation by the King County Council do not

occur by May 31, 2011, this Lease shall be null and void and have no further effect and Tenant shall have no further obligations to Landlord, including any liability or cost arising from Landlord's Work, if any, as described in Exhibit B. In the event that grant funding for the project for which the Premises are used is cancelled or not renewed, this Lease and all Tenant's obligations hereunder (except for those that expressly survive termination) will terminate when such funding expires. Following approval by ordinance of this Lease by the King County Council, if Tenant terminates this Lease at any time during the first three (3) years, Tenant agrees to pay a termination fee of Seven Hundred One Thousand One Hundred Sixty-Seven and 50/100 Dollars (\$701,167.50) to Landlord. If the Lease is terminated at any time in Lease Years four (4) through ten (10), Tenant shall pay the termination fee listed above, but reduced by Eight Thousand Three Hundred Forty-Seven and 23/100 Dollars (\$8,347.23) for every month during the Lease term after the third (3rd) anniversary of the Commencement Date for which rent has been paid. Any unused Initial Allowance or Refurbishment Allowance (as those terms are described in Exhibit B) can be used as an offset of against this termination fee payable to Landlord. The termination fee will be waived by Landlord if the Lease is terminated, after proper notice, at any time during the tenth (10<sup>th</sup>) Lease Year. Tenant will not be released from its obligations under this Lease until such termination fee is paid.

(e) Option to Terminate Based on Termination of Existing Lease. Landlord and Tenant are parties to an existing lease for the Premises originally dated August 1, 1990, as subsequently amended and assigned (the "Existing Lease"). This Lease is scheduled to commence upon expiration of the Existing Lease. If, prior to expiration of the term of the Existing Lease, either Landlord or Tenant lawfully terminates the Existing Lease, then this Lease shall simultaneously terminate and be of no force and effect, without any liability of Landlord or Tenant to the other under this Lease, regardless of any liability of Landlord or Tenant to the other in connection with the termination of the Existing Lease.

4. RENT. Tenant shall pay Landlord without demand, deduction or offset, in lawful money of the United States, in advance on or before the first day of each month during the Lease term, the base monthly rent set forth in the Rent Rider attached hereto and any other additional payments due to Landlord, including increases in Operating Costs after the Base Year (collectively the "Rent") when required under this Lease. Payments for any partial month at the beginning or end of the Lease term shall be prorated. If any sums payable by Tenant to Landlord under this Lease are not received within five (5) days of the due date more than one time in any calendar year, then for each such occasion that a payment is more than five (5) days late during such calendar year, Tenant shall pay Landlord in addition to the amount due, for the cost of collecting and handling such late payment, an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount.

In addition, all delinquent sums payable by Tenant to Landlord and not paid within five days of the due date shall, at Landlord's option, bear interest at the rate of twelve percent (12%) per annum, or the highest rate of interest allowable by law, whichever is less. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.

Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims.

5. SECURITY DEPOSIT. N/A.

6. USES. The Premises shall be used only for the use(s) specified in Section 1(g) above (the "Permitted Use"), and for no other business or purpose without the prior written consent of Landlord, which shall not be unreasonably withheld. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance.

7. COMPLIANCE WITH LAWS. Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of Tenant's particular use, such as modifications required by the Americans With Disabilities Act as a result of Tenant opening the Premises to the public as a place of public accommodation. If the enactment or enforcement of any law, ordinance, regulation or code during the Lease term requires any changes to the Premises during the Lease term, the Tenant shall perform all such changes at its expense if the changes are required due to the nature of Tenant's activities at the Premises, or to alterations that Tenant seeks to make to the Premises; otherwise, Landlord shall perform all such changes at its expense. Notwithstanding the foregoing, Landlord shall be solely responsible for compliance with laws respecting alterations to the Premises made by Landlord after the date of execution of this Lease and prior to the Lease Commencement Date, including those described on attached Exhibit B.

8. OPERATING COSTS.

(a) Definition. As used herein, the term "Operating Costs" shall mean all costs of operating, maintaining and repairing the Premises, determined in accordance with generally accepted accounting principles, and including without limitation the following: all taxes and assessments, including without limitation real and personal property taxes and assessments, local improvement district assessments and other special purpose assessments and taxes on rent or gross receipts; insurance premiums paid by Landlord and (to the extent used) deductibles on insurance policies; water, sewer and all other utility charges (other than utilities separately metered and paid directly by Tenant or other tenants); janitorial and all other cleaning services; refuse and trash removal; repair, maintenance and, when necessary, replacement of carpet and paint; air conditioning, heating, ventilation and elevator and escalator service; pest control; lighting systems; fire detection and safety services; landscape maintenance; management fees and/or personnel costs (not to exceed 4 percent of Rent); parking lot, road, sidewalk and driveway patching, resurfacing and maintenance; snow and ice removal; amortization (in accordance with generally accepted accounting principles) of capital improvements that Landlord may in the future install to comply with governmental regulations and rules, or as undertaken in

good faith with the reasonable expectation of reducing Operating Costs (the useful life of which shall be a reasonable period of time in accordance with generally accepted accounting principles); costs of legal and accounting services specifically related to the Premises (except those related to leasing, disputes with Tenant or sale or financing of the Premises); labor, supplies, materials and tools. Operating Costs shall not include: Landlord's income tax or general corporate overhead; depreciation on the Premises or equipment therein; loan payments; real estate brokers commissions; capital improvements to or major repairs of the building shell (that is, the building structure, exterior walls and roof not described in this paragraph); or any other costs regarding the operation, maintenance and repair of the Premises paid directly by Tenant.

(b) Method of Payment. The base rent paid by Tenant under this Lease includes Tenant's responsibility for Operating Costs through the Base Year. Tenant shall pay any increases, and receive credit for any decreases, in Operating Costs for the Premises over the Base Year. Operating Costs for the Base Year and all subsequent years shall be calculated as if the Premises were 100% occupied. Landlord's operating statement shall include a breakdown of all Operating Costs for the Base Year. Tenant shall have the right to audit Landlord's books and records upon notice that any operating statement is disputed. Tenant shall receive credit against Operating Costs if it provides or pays directly for any operating services.

As additional rent, Tenant shall pay to Landlord on the first day of each month commencing on the first day of the year after Base Year, with Tenant's payment of base rent, one-twelfth of the amount, if any, by which the Operating Costs are projected by Landlord to exceed the actual Operating Costs incurred in the Base Year. If in any year following the Base Year the Operating Costs are projected to be less than the actual Operating Costs incurred in the Base Year, then 1/12<sup>th</sup> of the amount of any such difference shall be credited monthly to Tenant's base rent.

Landlord shall provide Tenant, beginning on or before May 1, 2011, and on or before each May 1<sup>st</sup> thereafter during the Lease term, with a good faith estimate of the annual Operating Costs, excluding Landlord's maintenance obligations in Section 12, for the succeeding year to be used as a planning tool for Tenant's operating budget. Such estimates shall not be representative of Landlord's actual budget for that year and shall be based on actual Operating Costs from the prior year's history for the Premises and projected expense increases for inflation and labor rate charges. Each estimate of annual Operating Cost increases so determined by Landlord shall be divided into twelve (12) equal monthly installments. In the event that the estimated amount of Operating Cost increases has not yet been determined for any calendar year, Tenant shall pay the monthly installment of the estimated amount determined for the preceding calendar year until the estimate for the current calendar year has been provided to Tenant. At such time as the estimate for the current calendar year has been received, Tenant shall pay any shortfall, or receive a credit for any surplus, for the preceding months for the current calendar year, and shall thereafter make the monthly installment payment in accordance with the current estimate.

As soon as reasonably possible following the end of each calendar year of the Lease term, but not later than April 1, Landlord shall determine and provide the Tenant a statement



("Operating Costs Statement") setting forth the amount of Operating Costs actually incurred for such prior year and the amount of the Operating Costs actually payable by Tenant with respect to such calendar year. In the event the amount of Operating Costs so payable exceeds the sum of the monthly installments actually paid by Tenant for such calendar year, Tenant shall pay to Landlord the difference within thirty (30) days following receipt of the Operating Costs Statement. In the event the sum of such installments exceeds the amount of Operating Costs actually due and owing for such prior year, the difference shall be applied as a credit to future Operating Costs payable by Tenant pursuant to this Section.

9. UTILITIES. This is a fully serviced Lease. Landlord shall provide electricity, water, sewer and telephone lines to the Premises at Landlord's sole expense. Tenant shall determine whether the available capacity of such utilities will meet Tenant's needs. In the event that Tenant determines that additional utility capacity is required, Landlord shall procure, or cause to be procured, at Tenant's expense, all necessary permits, licenses or other authorizations required for the lawful and proper installation, maintenance, replacement, and removal on or from the Premises of wires, pipes, conduits, tubes, and other equipment and appliances that Tenant shall request for supplying additional utility capacity to the Premises.

10. TAXES. Tenant shall pay all Taxes (defined below), if any, applicable to the Premises during the Lease term. All payments for Taxes shall be made at least ten (10) days prior to their due date. Tenant shall promptly furnish Landlord with satisfactory evidence that Taxes have been paid. The term "Taxes" shall mean any form of personal property tax or assessment imposed on any personal property, fixtures, furniture, tenant improvements, equipment, inventory, or other items, and all replacements, improvements, and additions to them, located on the Premises and owned by Tenant.

11. ALTERATIONS. Tenant may make alterations, additions or improvements to the Premises ("Alterations"), with the prior written consent of Landlord, which shall not be unreasonably withheld. The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures which may be performed without damaging existing improvements or the structural integrity of the Premises, and Landlord's consent shall not be required for Tenant's installation of those items. Tenant shall complete all Alterations at Tenant's expense in compliance with all applicable laws and in accordance with plans and specifications approved by Landlord, and using contractors approved by Landlord. Landlord shall be deemed the owner of all Alterations except for those which Landlord requires to be removed at the end of the Lease term. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

12. REPAIRS AND MAINTENANCE. Landlord and Tenant would like to continue maintenance of the Premises as it is currently being done, with the Landlord maintaining the Premises in good condition and promptly making all repairs and replacements, necessary to keep the Premises in safe operating condition, including all utilities and other systems serving the Premises, and include the cost thereof in Operating Costs, but excluding the structural portions of

the roof, the foundation and the interior and exterior structural load-bearing walls, which Landlord shall maintain in good condition and repair at Landlord's expense. Landlord's scope of work for said maintenance and repair shall be subject to Tenant's reasonable review and approval. Landlord shall provide Tenant with copies of Landlord's service contracts for purposes of reviewing and approving the scope of work for repair and maintenance. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, agents, contractors, or invitees. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the acts of Landlord or its agents, employees, contractors or invitees therein.

Landlord shall make improvements to the Premises as and when described on attached Exhibit B. These improvements will be done at Landlord's expense and shall be part of the base building. Any such costs incurred by Landlord shall not be amortized over the term of the Lease, or utilize any of the tenant improvement allowance payable to Tenant for tenant improvements.

Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

13. **ACCESS.** After reasonable notice from Landlord (except in cases of emergency, where no notice is required), Tenant shall permit Landlord and its agents and employees to enter the Premises at all reasonable times for the purposes of repair or inspection. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within twelve (12) months prior to the expiration or sooner termination of the Lease term.

14. **SIGNAGE.** Tenant, at its expense, shall have the right to install a sign on the exterior of the Premises in accordance with all applicable laws, regulations and codes. Tenant shall remove the sign at its expense upon expiration or sooner termination of the Lease. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.

15. **DESTRUCTION OR CONDEMNATION.**

(a) **Damage and Repair.** If the Premises are partially damaged but not rendered untenantable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and this Lease shall not terminate. The Premises shall not be deemed untenantable if less than twenty-five percent (25%) of the Premises are damaged. Landlord shall have no obligation to restore the Premises if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the

entire cost of restoring the Premises, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises to their previous condition. If, within 60 days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises untenable, Landlord fails to notify Tenant of its election to restore the Premises, or if Landlord is unable to restore the Premises within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease.

If Landlord restores the Premises under this Section 15(a), Landlord shall proceed with reasonable diligence to complete the work, and the base monthly rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors. Provided, Landlord complies with its obligations under this Section, no damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises. Landlord will not carry insurance of any kind for the protection of Tenant or any improvements paid for by Tenant or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by Landlord's negligence.

(b) Condemnation. If the Premises are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall automatically terminate as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rent and other payments shall be paid to that date. In case of taking of a part of the Premises that does not render the Premises untenable for the Permitted Use, then this Lease shall continue in full force and effect and the base monthly rental shall be equitably reduced based on the proportion by which the floor area of any structures is reduced, such reduction in Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award.

## 16. INSURANCE.

(a) Liability Insurance. During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and

contractual liability endorsements. This policy shall name Landlord as an additional insured, and shall insure Tenant's activities and those of Tenant's employees, officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors with respect to the Premises against loss, damage or liability for personal injury or death or loss or damage to property with a combined single limit of not less than \$2,000,000, and a deductible of not more than \$5,000. The insurance will be noncontributory with any liability insurance carried by Landlord.

(b) Casualty Insurance. During the Lease term, Tenant shall pay for and maintain all-risk coverage casualty insurance (with coverage for earthquake and, if the Premises are in a flood plain, flood damage) for the Premises, in an amount sufficient to prevent Landlord or Tenant from becoming a co-insurer under the terms of the policy, and in an amount not less than the replacement cost of the Premises, with a deductible of not more than \$5,000. The casualty insurance policy shall name Tenant as the insured and Landlord and Landlord's lender(s) as additional insureds, with loss payable to Landlord, Landlord's lender(s), and Tenant as their interests may appear. In the event of a casualty loss on the Premises, Landlord may apply insurance proceeds under the casualty insurance policy in the manner described in Section 15(a).

(c) Miscellaneous. Insurance required under this Section shall be with companies rated A-VIII or better in Best's Insurance Guide, and which are authorized to transact business in the State of Washington. No insurance policy shall be canceled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days prior written notice to Landlord. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, copies or certificates of the insurance policies required by this Section. In no event shall the limit of such policies be considered as limiting the liability of Tenant under this Lease.

(d) Waiver of Subrogation. Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by insurance required to be carried by each of them. Each party shall provide notice to the insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such policies or to the extent of liabilities exceeding the limits of such policies.

17. INDEMNIFICATION. Tenant shall defend, indemnify, and hold Landlord harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, arising from any negligent or wrongful act or omission of Tenant or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors on or around the Premises as a result of any act, omission or negligence of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel acceptable to Landlord in defense of any action within Tenant's defense obligation. Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, arising from any negligent or wrongful act or omission of Landlord or Landlord's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors on or around the Premises or arising from any

breach of this Lease by Landlord. Landlord shall use legal counsel acceptable to Tenant in defense of any action within Landlord's defense obligation.

18. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent, which shall not be unreasonably withheld or delayed. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer.

If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change(s) in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, if required, for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption instruments.

19. **LIENS.** Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability from any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, upon request of Landlord, at Tenant's expense, immediately furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien(s).

20. **DEFAULT.** The following occurrences shall each be deemed an Event of Default by Tenant:

(a) **Failure To Pay.** Tenant fails to pay any sum, including Rent, due under this Lease following five (5) days written notice from Landlord of the failure to pay. If Tenant cures its nonpayment prior to the expiration of the fifth day after Tenant's receipt of Landlord's written notice of the failure to pay, then the payment default shall be deemed cured and no Event of Default shall exist.

(b) **Insolvency.** Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or a receiver, assignee or other liquidating officer is appointed for Tenant's business, provided that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding such constitute an Event of Default only if such proceeding is not dismissed or vacated within 60 days after its institution or commencement.

(c) Levy or Execution. Tenant's interest in this Lease or the Premises, or any part thereof, is taken by execution or other process of law directed against Tenant, or is taken upon or subjected to any attachment by any creditor of Tenant, if such attachment is not discharged within 15 days after being levied.

(d) Other Non-Monetary Defaults. Tenant breaches any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section, and the breach continues for a period of 30 days after notice by Landlord to Tenant of the breach, unless Tenant's breach is of the type which cannot be cured within 30 days in which case Tenant shall have initiated cure within 30 days and shall have diligently prosecuted such cure to completion.

21. REMEDIES. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

(a) Termination of Lease. Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than written notice from Landlord to Tenant of termination shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation reasonable Reletting Expenses described in Section 21(b).

(b) Re-Entry and Reletting. Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions, as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate

this Lease, unless a written notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. During the Event of Default, Tenant will pay Landlord the rent and other sums which would be payable under this Lease if repossession had not occurred, plus the net proceeds, if any, after reletting the Premises, after deducting Landlord's Reletting Expenses. "Reletting Expenses" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions, attorneys' fees, remodeling and repair costs, costs for removing and storing Tenant's property and equipment, and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

(c) Waiver of Redemption Rights. Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, as it may have been extended.

(d) Nonpayment of Additional Rent. All costs which Tenant agrees to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have all the rights herein provided for in case of nonpayment of Rent.

(e) Failure to Remove Property. If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law to foreclose Landlord's lien for unpaid rent.

22. **MORTGAGE SUBORDINATION AND ATTORNTMENT.** This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"), provided the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage shall elect to continue this Lease in full force and effect. Tenant shall attorn to the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided such person(s) assume the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days execute, acknowledge and deliver documents which the holder of any

Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section are conditioned on the holder of each of Landlord's Mortgage and each person acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default exists.

23. **NON-WAIVER.** Landlord's waiver of any breach of any term contained in this Lease shall not be deemed to be a waiver of the same term for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any breach by Tenant preceding such acceptance.

24. **HOLDOVER.** If Tenant holds over after the expiration or sooner termination of this Lease, its tenancy shall be a month-to-month tenancy on the same terms and conditions of the Lease, including base monthly rent which shall be payable during the first three (3) months of any holdover at the same base monthly rent rate that was payable at the end of the immediately preceding Lease term. Landlord shall have no right or remedy against Tenant, and Tenant shall be deemed to have no liability, obligation or charges which may be incurred by Landlord because of a holdover by Tenant, for the first three (3) months after the expiration or sooner termination on the Lease term. Following the initial three (3) month holdover period, each successive monthly base rent installments shall be due in an amount equal to 150% of the last base monthly rent installment due during the Lease term. All other terms of the Lease shall remain in effect during the holdover period.

25. **NOTICES.** All notices under this Lease shall be in writing and effective (i) when delivered in person, (ii) three (3) days after being sent by registered or certified mail, return receipt requested, to Landlord or Tenant, as the case may be, at the Notice Addresses set forth in Section 1(h); or (iii) upon confirmed transmission by facsimile to such persons at the facsimile numbers set forth in Section 1(h) or such other addresses/facsimile numbers as may from time to time be designated by such parties in writing.

26. **COSTS AND ATTORNEYS' FEES.** If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such suit, at trial and on appeal.

27. **ESTOPPEL CERTIFICATES.** Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the date the Lease term commenced and the date it expires; (ii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iii) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (iv) that this Lease represents the entire agreement between the parties; (v) that all conditions under this Lease to be performed by Landlord have been satisfied; (vi) that



there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (vii) that no Rent has been paid more than one month in advance; and (viii) that no security has been deposited with Landlord (or, if so, the amount thereof). Any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days of receipt by Tenant of a written request by Landlord as herein provided, Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee.

28. TRANSFER OF LANDLORD'S INTEREST. This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for security purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, except for any retained security deposit or prepaid rent, and Tenant shall attorn to the transferee.

29. RIGHT TO PERFORM. Subject to the notice and cure requirements of Section 20 as may be applicable, if Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Tenant shall, on demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.

30. HAZARDOUS MATERIAL. If there is any Hazardous Material on, in, or under the Premises as of the Commencement Date which has been or thereafter becomes unlawfully released through no fault of Tenant, then Landlord shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such contamination.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises by Tenant, its agents, employees, contractors or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, or elsewhere, damages arising from any adverse impact on marketing of space at the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Landlord and Tenant include, without limitation,

costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, results in any unlawful release of Hazardous Material on the Premises or any other property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or any other property, to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion.

As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government due to its potential harm to the health, safety or welfare of humans or the environment.

31. **QUIET ENJOYMENT.** So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord, or by the holders of any Landlord's Mortgage or any successor thereto.

32. **PARKING.** Landlord shall provide to Tenant twenty one (21) parking stalls at the Premises, which shall be available twenty four (24) hours per day, seven (7) days per week, at current rates through the end of the Lease term. Tenant shall pay monthly in advance, with Tenant's payment of rent, the sum of \$170 per stall per month, including taxes, for such parking during the initial ten (10) year term. In connection with any Additional Term, Landlord may adjust the rate per stall to reflect then-current market rate parking charges.

33. **GENERAL.**

(a) **Heirs and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

(b) **Brokers' Fees.** Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution, or delivery of this Lease other than as disclosed in this Lease. Tenant shall indemnify and hold Landlord harmless against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of

Tenant. This subparagraph shall not apply to brokers with whom Landlord has an express written brokerage agreement.

(c) Entire Agreement. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior agreements or understanding pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

(d) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.

(e) Force Majeure. Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.

(f) Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

(g) No Recording. This Lease shall not be recorded.

(h) Submission of Lease Form Not an Offer. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both Landlord and Tenant.

(i) Authority of Parties. Any individual signing this Lease on behalf of an entity represents and warrants to the other that such individual has authority to do so and, upon such individual's execution, that this Lease shall be binding upon and enforceable against the party on behalf of whom such individual is signing.

(j) Landlord's Liability. Notwithstanding anything in this Lease to the contrary, covenants, undertakings and agreements herein made on the part of Landlord in this Lease are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord (except Landlord's interest in the Premises and in any available insurance proceeds), but are made and intended for the purpose of binding only the Landlord's interest in the Premises, as the same may from time to time be encumbered. No personal liability or personal responsibility is assumed by Landlord, its trustees or beneficiaries, nor any assets of Landlord (or the trustees or beneficiaries) other than the Premises, nor shall at any time be asserted or enforceable against Landlord or its trustees, heirs, beneficiaries, legal representatives, successors or assigns on account of the Lease or on account of any covenant, undertaking or agreement of Landlord in this Lease.

34. EXHIBITS AND RIDERS. The following exhibits and riders are made a part of this Lease:

Exhibit A - Legal Description  
Exhibit B - Landlord's Work  
Rent Rider

35. AGENCY DISCLOSURE. At the signing of this Agreement, Neal Warner of JSH Properties Inc. represented Landlord and Garth Olsen of GVA Kidder Mathews represented Tenant. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

36. BROKER PROVISIONS AND COMMISSION. Landlord shall pay to Garth Olsen/GVA Kidder Mathews ("Tenant's Broker") a commission pursuant to separate agreement, payable on mutual execution of this Lease; provided, however, if this Lease is terminated before the Commencement Date due to a Tenant default under the Existing Lease, then upon demand Tenant's Broker shall return the entire commission to Landlord.

37. SATELLITE DISH. Tenant shall have the right to install and maintain one satellite dish/antenna at the Premises at Tenant's expense, and for no additional base rent paid to Landlord. Tenant shall remove the dish/antennae upon expiration of the Lease, and shall repair and restore the Premises affected by the dish/antenna to its prior condition, subject to Landlord's satisfaction. Tenant shall comply with all applicable governmental laws, regulations, ordinances and codes in its installation, operation, repair and removal of the dish/antenna.

38. RIGHT OF FIRST OPPORTUNITY. If at any time during the Lease term, Landlord intends to offer the Premises for sale to a third party ("Landlord's Offer"), Landlord shall first give written notice thereof to Tenant ("Landlord's Sale Notice"). Landlord's Sale Notice shall constitute Landlord's Offer to sell the Premises to Tenant at the price and upon the terms and conditions contained in such notice. Tenant shall have three (3) months after receipt of Landlord's Sale Notice in which to accept Landlord's Offer. Tenant shall accept Landlord's Offer, if at all, only by written notice to Landlord in which Tenant shall agree to purchase the Premises from Landlord at the price and upon the terms set forth in Landlord's Sale Notice. If Tenant accepts Landlord's Offer within the three month period, Tenant and Landlord shall have a period of thirty (30) days after Tenant's acceptance to enter into a binding, written purchase and sale agreement containing all of the terms of the purchase and sale (the "Agreed Terms"); if Tenant fails to accept Landlord's offer within the three month period described above, or if Tenant and Landlord fail to enter into such a binding, written agreement during the thirty day period, then Landlord may attempt to sell the Premises on the open market. Tenant shall purchase the Premises from Landlord in accordance with the terms and conditions contained in the Agreed Terms; the Agreed Terms shall provide Tenant with six months after the date on which Tenant accepts Landlord's Offer to close on its purchase of the Premises. Notwithstanding the foregoing, Landlord may not enter into a binding agreement to sell the Premises to a third party for less than 93% of the purchase price contained in Landlord's Notice to Tenant with the lower purchase price, and again give Tenant the opportunity to purchase the Premises at such


reduced price and in accordance with the terms of this Section 38. The preceding right of first offer shall not apply to (a) sales or transfers among entities or persons related to Landlord, including trust beneficiaries; (b) any transfer or disposition by assignment, gift, devise, testamentary transfer, intestate successions; or (c) any transfer to a trust for the benefit of any heir at law of Landlord (or any heir at law of any partner or shareholder of Landlord) or for the benefit of Landlord. Tenant shall have no rights under this paragraph if it has defaulted under the Lease and fails to cure such default within the applicable cure period.

IN WITNESS WHEREOF this Lease has been executed the date and year first above written.


LANDLORD:


TENANT:

KING COUNTY, a municipal corporation

  
\_\_\_\_\_  
Jeffrey B. Lynn, Co-Trustee of  
the Elizabeth A. Lynn Trust

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

  
\_\_\_\_\_  
Jody Moss, Co-Trustee of  
the Elizabeth A. Lynn Trust

  
\_\_\_\_\_  
Thomas J. Stephens, Co-Trustee of  
the Elizabeth A. Lynn Trust

APPROVED AS TO FORM:

By \_\_\_\_\_  
Timothy Barnes, Senior Deputy Prosecuting  
Attorney

U.S. BANK, N.A., Co-Trustee of  
the Elizabeth A. Lynn Trust

APPROVED BY CUSTODIAL AGENCY:

By   
Its VICE PRESIDENT

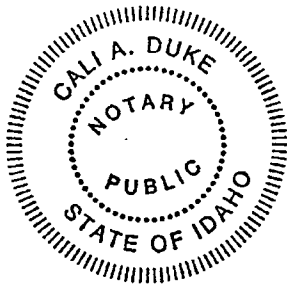
By \_\_\_\_\_

STATE OF IDAHO )  
 ) ss.  
COUNTY OF Blaine )

On this 14th day of May, 2010, before me, the undersigned, a Notary Public in and for the State of Idaho, duly commissioned and sworn personally appeared **JEFFREY S. LYNN**, known to me to be the Co-Trustee of the **ELIZABETH A. LYNN TRUST**, the trust that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said trust, for the purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

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



Cali A. Duke  
Signature

Cali A. Duke  
Print Name

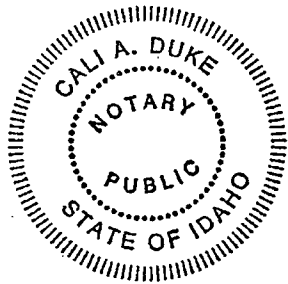
NOTARY PUBLIC in and for the State of Idaho, residing at Letterman Ln.  
My commission expires 10/10/12.

STATE OF IDAHO )  
 ) ss.  
COUNTY OF Blaine )

On this 10<sup>th</sup> day of May, 2010, before me, the undersigned, a Notary Public in and for the State of Idaho, duly commissioned and sworn personally appeared **JODY MOSS**, known to me to be the Co-Trustee of the **ELIZABETH A. LYNN TRUST**, the trust that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said trust, for the purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

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



*Cali A. Duke*  
Signature

Cali A. Duke  
Print Name

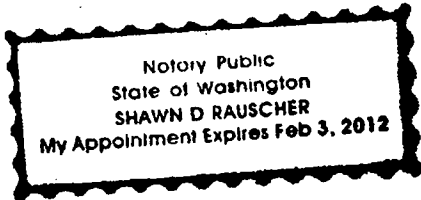
NOTARY PUBLIC in and for the State of  
Idaho, residing at Ketchum, Id.  
My commission expires 10/10/12.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Snohomish )

On this 3rd day of April, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared **THOMAS J. STEPHENS**, known to me to be the Co-Trustee of the **ELIZABETH A. LYNN TRUST**, the trust that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said trust, for the purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

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



Shawn D. Raucher  
Signature

Shawn D. Raucher  
Print Name

NOTARY PUBLIC in and for the State of Washington, residing at Brier WA.  
My commission expires 2/3/12.

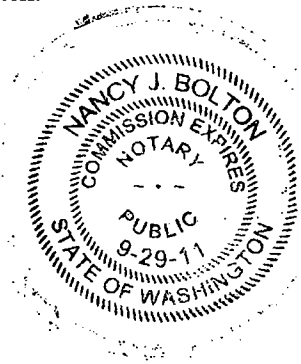


STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF King )

On this 27th day of April, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Michael Daly, known to me to be the Vice President of U.S. BANK, N.A., Co-Trustee of the ELIZABETH A. LYNN TRUST, the trust that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said trust, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

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



Nancy J. Bolton  
Signature

Nancy J. Bolton  
Print Name

NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle.  
My commission expires 9/29/11.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of KING COUNTY, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_.  
My commission expires \_\_\_\_\_.

17084

**Exhibit A**

**Legal Description**

Lots 5 and 6, Block "J," Bell's 5<sup>th</sup> Addition to the City of Seattle, according to the Plat recorded in Volume 1 of Plats, Page 191 in King County, Washington;

Except the Southwesterly 12 feet thereof for the widening of Fourth Avenue condemned in King County Superior Court Cause No. 52280, as provided under Ordinance No. 13776 of the City of Seattle.

## Exhibit B

### Landlord's Work

This Exhibit B is attached to and made a part of the Lease dated April 27, 2010, by and between **Jeffrey S. Lynn, Jody Moss, Thomas J. Stephens** and **U.S. BANK, N.A.**, as Co-Trustees of the Elizabeth A. Lynn Trust ("Landlord") and **King County**, a municipal corporation ("Tenant"), for the Premises located at 2124 Fourth Avenue, Seattle, Washington. Capitalized terms not defined in this Exhibit B shall have the same meanings given them in the attached Lease. The work to be performed by or under the direction of Landlord under this Exhibit B is referred to herein as the "Landlord's Work."

1. Landlord's Work to be Performed at Landlord's Sole Expense. This Section 1 describes the portion of Landlord's Work that shall be provided at Landlord's sole expense, and will not be covered by the Allowance described in Section 2 below. Landlord shall be responsible for all design, permitting and construction costs associated with the improvements described in this Section 1 as provided herein.

(a) Restrooms Upgrade – Landlord has, at its expense, provided to Tenant a scope of work and plans to upgrade the restrooms serving the Premises including, without limitation, the improvements listed below (the "Restroom Plans"). On a timely basis, Landlord shall, at its expense, construct the improvements listed in the Restroom Plans in compliance with those plans and with all applicable government regulations.

(i) **FIRST FLOOR**

Men's Room

- Remove and replace sink and countertop, exhaust fan, TP holder. Replace toilet with new Kohler white ADA toilet with top spud. Repaint walls and ceiling.

Women's Room

- Remove and replace sink and countertop, exhaust fan, TP holder. Replace toilet with new Kohler white ADA toilet with top spud. Repaint walls and ceiling.

(ii) **SECOND FLOOR**

Men's Room

- Replace exhaust fan, repair wall covering by urinal and repaint area.
- Replace urinal.

Women's Room

- Remove and replace existing LAV faucets and drain assemblies on two sinks.
- Secure hot and cold water feeds for two sinks and install new angle stop shut off valves.
- Install two new chrome P-traps and ADA boot covers.

- Replace exhaust fan and paint throughout.

(iii) **THIRD FLOOR**

Men's Room

- Remove and replace existing LAV faucet and drain assembly on one LAV sink.
- Secure hot and cold water feeds for sink and install new angle stop shut off valves.

Women's Room

- Remove and replace two LAV faucets and drain assemblies for LAV sinks.
- Secure hot and cold water feeds for two sinks and install new angle stop shut off valves.
- Install new P-traps for both sinks.
- Replace exhaust fan, lighting over sinks and re-paint entire room.

(iv) **FOURTH FLOOR**

Men's Room

- Replace exhaust fan and paint throughout.

Women's Room

- Remove and replace LAV faucets and drain assemblies on two LAV sinks.
- Secure hot and cold water feeds for two sinks and install new angle stop shut off valves.
- Install new P-traps for both sinks.
- Replace new ADA boot covers on "hot side" and P-trap.
- Replace exhaust fan, lighting over sinks and re-paint entire room.

(b) Frontage Door Grills – Promptly following the date that the King County Council approves this Lease as provided herein, Landlord shall, at its expense, provide a scope of work and plans to install three (3) aluminum security screens for the unused entry doors located on Fourth Avenue serving the Premises subject to the reasonable approval of Tenant. Said security screens shall be attached to the steel header above the doors with upper and lower security pins controlled by mortis hardware and include locking hardware similar to the existing building doors. On a timely basis, Landlord shall, at its expense, construct the improvements in the approved scope of work and plans in compliance with all applicable government regulations.

(c) HVAC Upgrade – On the earlier to occur of (i) completion of the Approved Plans described in Section 3 below, or (ii) written notice from Tenant, Landlord shall review the existing HVAC system at Landlord's expense. Said review shall include: (i) air flow design for all tenant spaces (as modified by the Approved Plans, if applicable) in accordance with ASHRAE standards and applicable codes; and (ii) confirmation that all components of the HVAC system are in reasonable operating condition and operating as intended by the designer

and equipment manufacturer. Landlord shall report the detailed findings and conclusions of said review to Tenant. Based on the review and report to Tenant, Landlord shall provide a scope of work and plans, at Landlord's expense, subject to the reasonable approval of Tenant including, without limitation, the improvements listed below. Landlord and Tenant agree to cooperate in the coordination of the work described in this Section 1(c) with work described in any Approved Plans, and to coordinate the sequence of the work to be performed under this Section 1(c), in order to achieve the purposes of the work described in this Section 1(c). On a timely basis, Landlord shall construct the improvements provided in the approved scope of work and plans, at Landlord's expense, in compliance with all applicable government regulations.

- (i) Balance of variable air volume ("VAV") boxes on all floors in the Premises;
- (ii) Calibration to synchronize the VAV boxes with the Premises' HVAC Automation Control System in accordance with the air flow design and NEBB procedures and standards for remodeled HVAC systems.
- (iii) Following completion of construction, Landlord shall submit to Tenant a Test Adjust and Balance (TAB) report in accordance with NEBB standards.

2. Allowance. Landlord shall provide Tenant an allowance of \$20.00 per rentable square foot for the reconfiguration and refurbishment of the Premises (the "Initial Allowance"). This Initial Allowance will be utilized by Tenant for improvements to the Premises other than those described in Section 1 above, including, but not limited to, construction costs, cabling and costs associated with moving as well as architectural costs. This Initial Allowance will be available to Tenant to use any time during the first five (5) years of the Lease term. If the Initial Allowance is not fully utilized during the first five years of the Lease term, then fifty percent (50%) of the unused amount, up to a total of Ten Dollars (\$10.00) per rentable square foot, shall be credited back to the Tenant. This will be done as a credit against base monthly rent any time during the first five years of the Lease term, until the Initial Allowance has been fully utilized.

Landlord will provide a refurbishment allowance (the "Refurbishment Allowance") for Tenant's space during the sixth (6<sup>th</sup>) year of the Lease term. The amount shall be Six and 50/100 Dollars (\$6.50) per rentable square foot.

3. Design, Bidding and Payment. Subject to the terms and conditions of this Exhibit B, Landlord shall design, permit and construct the improvements to be made to the Premises, other than those described in Section 1 above, in accordance with plans and specifications mutually approved by Landlord and Tenant, such approval not to be unreasonably withheld (the "Approved Plans"). Landlord shall competitively bid all Landlord's Work other than those described in Section 1 above, and Landlord shall obtain guaranteed maximum price bids from all contractors for the work bid. Tenant shall have the right to review and approve all bids from contractors and to add contractors (approved by Landlord) to the bidder's list. A

complete construction cost breakdown is required of all bidders, including costs. Landlord shall assume responsibility for ensuring that all construction work is in compliance with all applicable federal and state codes. Tenant shall select a bid and direct Landlord to let the contract for such Landlord's Work to the selected bidder. The Initial Allowance and the Refurbishment Allowance, respectively, shall include all contributions to be made by Landlord toward the cost of design, permitting and construction of such portion of the Landlord's Work, including any construction management fee payable to Landlord's contractor and/or Landlord collectively not to exceed five percent (5%) of the cost of construction, and Tenant shall be responsible for all such costs in excess of those Allowances. If the cost of such Landlord's Work pursuant to a guaranteed maximum price contract exceeds the amount of any available Allowance to be applied to such costs, then upon completion of such work Landlord shall invoice Tenant for the remaining balance owed, and Tenant shall pay such sum to Landlord within thirty (30) days of invoicing.

4. Design Process. Landlord shall retain an architect approved by Tenant in its reasonable discretion to design all Landlord's Work to be performed other than the work described in Section 1 above. Within seven (7) days after delivery to Landlord and Tenant for the proposed plans and specifications for such Landlord's Work, Landlord and Tenant shall work cooperatively to approve such plans, or to agree on a set of Approved Plans, and Landlord will solicit guaranteed maximum price bids for construction of such Landlord's Work in accordance with the Approved Plans.

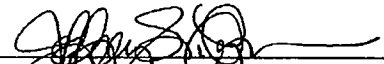
5. Changes. If Tenant shall request any change after the Approved Plans are agreed upon, Tenant shall request such change in writing to Landlord and such request shall be accompanied by all plans and specifications necessary to show and explain changes from the Approved Plans. After receiving this information, Landlord shall give Tenant within five (5) business days a written price for the cost of engineering design services and an estimate of construction costs to incorporate the change in Approved Plans and any anticipated change to the completion schedule that the change would cause. If Tenant approves such price in writing within five (5) business days, Tenant shall within five (5) business days have such Approved Plans changes made to engineering drawings and Tenant shall have changes made to other Approved Plan design documents. Within three (3) business days after completion of such changes in the Approved Plans, Landlord shall provide Tenant a written breakdown of the final costs, if any, which shall be chargeable or credited to Tenant for such change, addition or deletion and any impact such changes shall have on the schedule. If Tenant wishes to proceed with such changes, Tenant shall within five (5) business days so notify Landlord in writing. If the cost of the Landlord's Work other than the work described in Section 1 above is increased by change order approved by Tenant, and if the total cost of the Landlord's Work (as increased) exceeds the amount of the available Allowance, then Tenant shall deposit with Landlord before such work is commenced an amount equal to the increased cost of the additional work, less any portion of the unused Allowance available to cover a portion of such cost. In the absence of such notice, Landlord shall proceed in accordance with the previously Approved Plans before such change, addition or deletion was requested.


Tenant shall be responsible for additional costs in completion of such Landlord's Work incurred as a result of changes requested by Tenant and made to any of the Approved Plans, delays caused by Tenant's failure to timely respond to any request to review plans or pricing, Tenant's failure to provide adequate specifications or information for the completion of the Approved Plans, or by delays caused by Tenant's specification of materials.

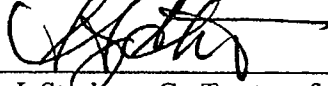
6. Meetings and Representatives. A representative of Landlord shall attend all of Tenant's design and construction meetings, provided Landlord is given adequate prior notice of such meetings. Neal Warner shall serve as Landlord's representative with respect to the Landlord's Work and shall be entitled to bind Landlord. Tenant shall designate person(s) to serve as Tenant's representatives with respect to the Landlord's Work. Landlord's and Tenant's representatives shall make themselves generally available to one another during normal business hours from the execution of this Lease through substantial completion of the Landlord's Work.

IN WITNESS WHEREOF, Landlord and Tenant have executed this exhibit as of the day and year first above written.

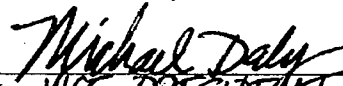
**LANDLORD:**

  
\_\_\_\_\_  
Jeffrey S. Lynn, Co-Trustee of  
the Elizabeth A. Lynn Trust

  
\_\_\_\_\_  
Jody Moss, Co-Trustee of  
the Elizabeth A. Lynn Trust

  
\_\_\_\_\_  
Thomas J. Stephens, Co-Trustee of  
the Elizabeth A. Lynn Trust

U.S. BANK, N.A., Co-Trustee of  
the Elizabeth A. Lynn Trust

By   
\_\_\_\_\_  
Its VICE PRESIDENT

**TENANT:**

KING COUNTY, a municipal corporation

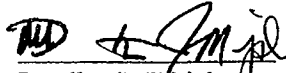
By: \_\_\_\_\_  
Its: \_\_\_\_\_



**RENT RIDER**

BASE MONTHLY RENT SCHEDULE. Tenant shall pay Landlord base monthly rent during the Lease term according to the following schedule:

<u>Period</u>	<u>Base Rent/Rentable SF/YR</u>	<u>Base Monthly Rent</u>
12/15/10 – 12/31/11	\$24.00	\$50,994.00
1/1/12 – 12/31/12	\$24.65	\$52,375.09
1/1/13 – 12/31/13	\$25.30	\$53,756.18
1/1/14 – 12/31/14	\$25.95	\$55,137.26
1/1/15 – 12/31/15	\$26.60	\$56,518.35
1/1/16 – 12/31/16	\$27.25	\$57,899.44
1/1/17 – 12/31/17	\$27.90	\$59,280.53
1/1/18 – 12/31/18	\$28.55	\$60,661.61
1/1/19 – 12/31/19	\$29.20	\$62,042.70
1/1/20 – 12/31/20	\$29.85	\$63,423.79

  
Landlord's Initials:

\_\_\_\_\_  
Tenant's Initials: