

COMMERCIAL OFFICE LEASE

THIS COMMERCIAL OFFICE LEASE, dated 4-11 -, 2016, is made between **5303 1st Avenue South, LLC**, a Washington limited liability company ("Landlord"), and **King County**, a political subdivision of the State of Washington ("Tenant"). (This agreement is hereinafter referred to as the "Lease".)

IT IS AGREED:

1. BASIC PROVISIONS AND DEFINITIONS.

The following terms, whenever used in this Lease, with the first letter of each word capitalized, will have the meanings set forth in this Section, and only such meanings, unless expressly contradicted, limited or expanded in this Lease:

1.1 Premises: The leased portion of the property, the Building and the Warehouse as shown and/or legally described on attached **Exhibit A** (Legal Description), **Exhibit B** (Site Premises, Floor Plans) and Exhibit D Tenant's Designated Parking Area).

1.2 Building Address: 5303 First Avenue, Suite 200 Seattle, Washington 98108

1.3 Tenant's Square Footage & Proportionate Share:

<u>Tenant's Bldg Sq. Footage:</u>	<u>Bldg Total Sq. Footage:</u>
9,180	14,976

Tenant's proportionate Building share: 61.3%

<u>Tenant's Warehouse Sq. Footage:</u>
2,800

Warehouse Total Sq. Footage:
2,800

Tenant's proportionate Warehouse share: 100.0%

1.4 Date of Execution: The Date of Execution shall be the latter date that both Landlord and Tenant have executed and notarized the Lease.

1.5 Commencement Date (Section 4): The Commencement Date shall be the latter of 1) one month following the Date of Execution or 2) Landlord's completed work/delivery of premises provided Tenant does not delay or interfere in the completion of initial improvements.
The Warehouse delivery shall be 45 days following the Date of Execution which in any event shall not delay The Commencement Date of the Building & Tenant's Designated Parking Area. Tenant's obligations under this Lease for the Warehouse portion of the Premises will not take effect until delivery of the Warehouse portion of the

Premises. In the event the Warehouse portion of the Premises is delivered prior to the Lease Commencement Date, Tenant shall have no obligations for the remainder of the Premises until the Lease Commencement Date or early possession pursuant to Section 4.2.

1.5.1 Confirmation of Lease Commencement Date: Confirmation of Lease Commencement Date: Within 15 days after the Lease Commencement Date is established, Tenant shall confirm and reiterate said Lease Commencement Date to Landlord in writing.

1.6 Initial Term (Section 3): Twelve (12) months commencing on The Commencement Date and ending at the end of the 12th month therefrom.

1.7 Initial Term End Date (Section 3):

The Initial Term shall terminate on the last day of the calendar month that is 12 months after The Commencement Date. In the event that the County and Landlord mutually execute a new lease for the Premises or new premises that include the Premises, the Lease contemplated herein shall terminate upon the Lease Commencement date of said new Lease Agreement.

Tenant's obligations to Landlord under this Lease, if any, that extend beyond the current biennial budget cycle are contingent upon appropriation by the King County Council of sufficient funds to pay such obligations. This Lease may be unilaterally terminated by the Tenant for lack of appropriation and the costs associated with such a termination, if any, shall not exceed the appropriation for the biennium budget cycle in which the termination occurs. Tenant shall not be subject to any obligation under this Lease to provide advance notice of termination or pay any termination penalties.

1.8 Extended Term (Section 3):

Tenant shall have the right to extend this Lease on a month to month basis for one (1) period of up to six (6) months upon the same terms and conditions with 30 days prior written notice. During any extended term, in the event that Landlord and Tenant mutually execute a new long term Lease Agreement which has received King County Council approval, the office rental rate shall be adjusted to a rate of \$25.00 per RSF annum effective to begin anytime beyond the 13th month after The Commencement Date of the short term lease and shall continue at that rate for the duration of any Extended Terms prior to The Lease Commencement Date of the new Lease.

1.9 Minimum Rent for Initial Term:

(Section 7):

Beginning on The Commencement Date, the Minimum Rent for the Building shall be as follows:

Building:

Months 1-12 \$33.00 per rentable sq. feet
 \$25,245.00/mo.

Beginning 45 days following The Execution Date, the Minimum Rent for the Building shall be as follows:

Warehouse:

Months 1-12 \$12.00 per rentable sq. feet
 \$2,800.00/mo.

1.10 Percentage Rent (Section 8):

None.

1.11 Rent Payment:

Monthly, in advance on the first calendar day of each month.

1.12 Deposits (Section 9):

Security Deposit: N/A
Last month's rent: N/A

1.13 Landlord's Notice and Payment Address (Section 25.15):

NOTICE:

5303 1st Avenue South, LLC.
Attn: Tom Cothran
5303 1st Avenue South, Suite 100
Seattle, WA 98108

PAYMENT:

5303 1st Avenue South, LLC
5303 1st Avenue South, Suite 100
Seattle, WA 98108

1.14 Tenant's Billing and Notice Address (Section 25.15):

BILLING:

Michael A. Stanaszek, PE, PMP
Project Manager
King County Metro
Design and Construction Section
KSC-TR-0435
201 South Jackson Street
Seattle, WA 98104-3856

NOTICE:

King County
Attn: Lease Administration
500 Fourth Avenue, Suite 830
Seattle, WA 98104

1.15 Guarantors Addresses (Section 25.18):

N/A

1.16 Tenant's Trade Name (if any):

N/A

1.17 Permitted Uses under Lease (Section 5):

Sheriff's Precinct, general office use; Storage; and any other legally permitted use required by Tenant to conduct Tenant's business operations.

1.18 Exhibits to the Lease

Exhibit Lettered: A (Legal Description)
 B (Site premises & Floor Plans)

(Section 24.20)

C (Landlord's Work Letter)
D (Tenant's Designated
Parking Area)
E (Cleaning Services)

1.19 Broker Fee (if any, owed by Landlord): N/A
(Section 25)

2. PREMISES

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, upon the terms and conditions set forth in this Lease, the Premises as legally described on attached **Exhibit A** and identified on the floor plans attached as **Exhibit B, and parking area as described in Exhibit D (Tenant's Designated Parking Area)**. The Premises are a part of the Building and land which is situated at the Building Address as set out in Section 1.2.

3. TERM

Tenant leases from Landlord the Premises for a Lease term which includes the Initial term of this Lease listed in Section 1.6 (the "Lease Term"). The Initial Term will begin on the Commencement Date and end at midnight on the Initial Term End Date unless sooner terminated as provided elsewhere in this Lease.

4. POSSESSION

4.1 Possession. Except as provided elsewhere in this Lease, Tenant will be entitled to possession of the Premises on the Commencement Date. Landlord will be deemed to have delivered possession of the Premises to Tenant on the Commencement Date. Tenant acknowledges that neither Landlord or its agents or employees have agreed to undertake any alterations or construct any Tenant Improvements to the Premises except as expressly provided in this Lease. If for any reason Landlord cannot deliver possession of the Premises to Tenant on the Commencement Date, this Lease will not be void or voidable, and Landlord will not be liable to Tenant for any resultant loss or damage, except that if Landlord fails to deliver possession of the Premises to Tenant by July 1, 2016, provided Tenant does not delay or interfere in the completion of initial improvements, Tenant shall have the right to terminate the Lease upon five (5) business day's written notice to Landlord.

4.2 Early Possession. Landlord and Tenant may agree to Tenant's early occupancy of the Premises prior to the Commencement Date. Landlord agrees to allow early access to the Premises for the purposes of Tenant improvements, furnishing, fixturing, and equipment move-in. If Tenant occupies the Premises prior to the Commencement Date, the occupancy will be subject to all provisions of this Lease and the occupancy shall not advance the termination date.

4.3 Surrender of Premises. At the expiration or sooner termination of this Lease, Tenant shall return the Premises to Landlord in the same condition in which received or, if altered by Landlord or by Tenant with Landlord's consent, then the Premises may be returned in such altered condition, broom clean, reasonable wear and tear excepted. Tenant shall remove all personal property, trade fixtures, appliances and equipment ("Fixtures"). Where such removal will require structural changes or damage to the Premises, Landlord will have the option to have same removed at Tenant's expense and under Landlord's supervision. Tenant shall also remove any and all alterations which Landlord designates to be removed pursuant to Section 11.4 below, and shall restore the Premises to the condition they were in prior to the installation or construction of said alterations. If Tenant has failed to fully pay all amounts due under this Lease, Landlord may, at Landlord's option, designate any or all Fixtures paid for by Tenant and installed on the Premises as Landlord's payment in full or in part of any such unpaid amounts, and Tenant shall provide Landlord with a Bill of Sale correctly evidencing the transfer of ownership. If Tenant fails to remove any fixture, at Landlord's option, Tenant shall agree to designate and permit Landlord to remove the same at Tenant's expense. Tenant's obligation to perform this covenant shall survive the expiration or termination of this Lease. Landlord may place and maintain "For Lease" signs in conspicuous places on the Premises for one hundred eighty (180) days prior to the expiration or early termination of this Lease, and reserves the right to enter any part of the

Premises during business hours, after reasonable advance notice to Tenant, during the same one hundred eighty (180) day period to show the Premises to prospective tenants.

5. USE

5.1 Use. Tenant covenants that at all times during the Lease term and such other time as Tenant occupies the Premises, Tenant shall use the Premises for the Permitted uses and for no other purposes without the prior written consent of Landlord, as set out in Section 1.17. Tenant shall have 24-hour access, every day of the calendar year, to the Building, the Warehouse and Tenant's Designated Parking Area.

5.2 Uses Prohibited. Tenant shall not do or permit anything to be done in nor about the premises or bring or keep anything therein which will in any way increase or affect the existing rate of any fire or other insurance policy upon the Premises or the Building, or cause a cancellation of any such insurance policy covering said Premises, nor which will in any way obstruct or interfere with the right of other tenants or occupants of the Building or injure or annoy them, nor shall the Tenant use or allow the Premises to be used for any improper, immoral, unlawful, objectionable or offensive purpose, nor shall Tenant cause, maintain or suffer or permit any nuisance in, on or about the Premises. Landlord acknowledges that the permitted use identified under Section 1.17 shall not constitute a prohibited use hereunder. Tenant shall not commit or allow to be committed any waste in or upon the Premises and shall refrain from using or permitting the use of the Premises or any portion thereof as living quarters, sleeping quarters or for lodging purposes.

5.3 Building Codes and Zoning. Tenant has investigated all applicable building and zoning codes, regulations and ordinances to determine whether Tenant's intended use of the Premises is permitted. Based upon this investigation, Tenant accepts the Premises "As Is", subject to all applicable statutes, ordinances, rules and regulations governing Tenant's use of the Premises. Any and all expenses required to comply with all applicable statutes, ordinances, rules, regulations and requirements in effect during the Lease Term or part thereof regulating Tenant's use of the Premises will be borne exclusively by Tenant, unless otherwise assumed by Landlord hereunder. Tenant agrees to comply with all such statutes, ordinances, rules and regulations throughout the Lease Term.

5.4 Condition of Premises. Tenant has inspected the plumbing, lighting, air conditioning, heating, windows, interior walls, flooring and all other elements of the Premises prior to execution of this Lease. Based upon that inspection, Tenant accepts the Premises "As Is" in the absence of any material change in its condition prior to the Commencement Date or the date the Tenant takes possession of the Premises, whichever is earlier. Tenant acknowledges that neither Landlord nor Landlord's agent has made any representation or warranty as to the present or future suitability of the Premises for the conduct of Tenant's business. Provided however, that upon Tenant taking possession of the Premises, Landlord warrants that all mechanical, plumbing and electrical systems servicing the premises shall be in code compliant, good working order, and that the walls, ceiling and roof shall not leak.

6. COMMON AREAS

6.1 Areas. Landlord shall make available such areas and facilities for the common use of all tenants of the Building (including but not limited to elevators, walkways and foyers) as Landlord shall reasonably deem appropriate ("Common Areas"). The utility systems up to the exterior walls of the Premises are Common Areas. Landlord or its agents shall operate, manage, equip, light, repair, replace and maintain the Common Areas for their intended purposes in such manner as Landlord shall reasonably, in its sole discretion, determine. Landlord may, from time to time, change the size, location, nature and use of any Common Area, and make installations therein and move and remove the same, provided that Tenant's access to the Premises is not materially altered. All expenses in connection with the Common Areas are Operating Expenses for the purposes of Section 10 below.

6.2 Rights. Tenant and its employees, agents and invitees shall have the non-exclusive right (in common with other tenants of the Building and Landlord) to use the Common Areas, subject to any Rules, as defined in Section 18. Landlord may at any time temporarily close any Common Areas due to construction, maintenance, repair or changes to any part of the Building or the real property upon which the Building is located, with prior written notice to Tenant. Said closure shall not impede Tenant's business and/or restrict any emergency exits during regular business hours.

7. MINIMUM RENT

7.1 Initial Term. As specified in Section 1.9, and during the Initial Term of this Lease, Tenant agrees to pay to Landlord at Landlord's Payment Address or such other place as designated, the Minimum Rent for the Initial Term of this Lease and any Extended Term thereof, in the manner described in Section 7.2.

7.2 Rent Payment. The Minimum Rent for the Initial Term shall be paid in advance of the first day of each calendar month of the Initial Term or any period prior of subsequent thereto while Tenant is in possession of the Premises. The Minimum Rent for any partial month shall be prorated. The Minimum Rent is exclusive of any sales, franchise, business or occupation or other tax based on rents and should any such taxes apply during the term of this Lease, the Minimum Rent shall be increased by such amount. In the event percentage or other additional rent is payable by the Tenant under this Lease, it shall be paid in the manner and at the time set forth in the Riders attached hereto and by reference made a part of this Lease.

8. PERCENTAGE RENT. [Intentionally left blank.]

9. FIRST/LAST MONTHS RENTAL AND SECURITY DEPOSIT. [Intentionally left blank.]

10. OPERATING EXPENSES

10.1 Gross Lease. The monthly rental to be paid pursuant to this Lease Agreement is meant to include all costs for services to the Building and Premises, including providing all utilities to same and maintaining the Common Areas as further described in Section 10.4; provided, however, Tenant shall pay all Utility Costs only for the part of the Premises located in the Warehouse. Such operating expenses include all costs in administering and maintaining the building common areas, the building and property real estate taxes, Landlord's insurance, and any other expense incurred by the Landlord as a result of its ownership of the Property and Building, ("Operating Expenses"). Landlord shall provide HVAC to the premises from 7:00 a.m. to 6:00 p.m., Monday through Friday (except holidays), and shall provide janitorial services to the Building and Premises five times per week per attached Exhibit E. The Minimum Rental Amounts set forth in Section 1.9 include the yearly expense to Landlord in providing the services and paying the costs identified in Section 10.1. After-hours HVAC shall be available at an hourly rate of \$25.00/hour, which shall be billed on a monthly basis the month following the incurred after-hours expenses. Tenant's monthly expenses owed to Landlord for after-hours HVAC shall not exceed two thousand dollars (\$2,000), irrespective of whether Tenant incurs more than two thousand dollars (\$2,000) in after-hours HVAC charges. Landlord shall install, per the attached Exhibit C, HVAC equipment that allows Tenant to activate the after-hours HVAC without notification to Landlord, and tracks Tenant's usage of after-hours HVAC. The after-hours HVAC equipment shall also monitor Tenant's usage of after-hours HVAC in units of time that shall be mutually agreed upon by Landlord and Tenant.

10.2 Tenant's Liability Insurance. Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a fully funded self-insurance program as defined in King County Code 2.21 for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate of self-insurance as proof of coverage. Landlord further acknowledges that Tenant does not maintain a commercial General Liability Insurance policy and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured to such policy. Should Tenant cease self-insuring its liability exposure and purchase a Commercial General Liability Insurance Policy, Tenant shall add Landlord as an additional insured to such policy. Tenant shall at all times maintain its self-funded program or a Commercial General Liability Insurance Policy, each in an amount sufficient to cover its liability exposure under this Lease.

10.2.2 Personal Property Taxes. Intentionally deleted.

10.2.3 Licenses and Taxes. Intentionally deleted.

10.3 Landlord's Insurance Throughout the Lease Term. Landlord shall maintain throughout the Term, insurance in the following coverage types and amounts:

- Commercially reasonable policies of property insurance covering loss of or damage to the Building and Project (including tenant improvements and subsequent alterations) in the full amount of its replacement cost with endorsement to cover code changes.
- A policy of commercial general liability (occurrence form) insurance, including contractual liability insuring Landlord's activities upon, in or about the Premises or the Building against claims of injuries to persons or death and property damage loss with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate.
- Workers' Compensation insurance in accordance with applicable state statutory requirements, and Employer's Liability or "Stop Gap" coverage in the amount of \$1,000,000 each occurrence, throughout the term of this Lease and any renewal thereof.

Landlord hereby waives and releases any right of recovery (including by way of subrogation) against Tenant, its officers, employees and agents, for any loss or damage sustained by Landlord with respect to the Building, Project, or Premises or any portion thereof or the contents of the same or any operation therein, to the extent such loss or damage is actually insured against or is required hereunder to be insured against.

10.4 Common Area Expenses. The following items are considered Operating Expenses subject to Section 10.1:

(a) All real estate taxes, including assessments, all insurance costs, all utility costs and all costs to maintain, repair and replace common areas, parking lots, sidewalks, driveways and other areas used in common by the tenants of the Building (including, but not limited to HVAC and signs).

(b) All costs to supervise and administer the Common Areas, parking lots, driveways and other areas used in common by the tenant or occupants of the Building shall be included in the Minimum Rent.

(c) Any parking charges, utility subcharges, or any other costs levied, assessed or imposed by or at the direction of, or resulting from statutes or regulations, or interpretations thereof, promulgated by any governmental authority in connection with the use or occupancy of the Premises or the parking facilities serving the Premises.

11. MAINTENANCE, REPAIRS AND ALTERATIONS.

11.1 Landlord's Obligations. Landlord shall maintain, repair and replace, if necessary, at Landlord's sole cost and expense which shall not be subject to annual pass-through, recapture or additional rent, the Building; all Building systems, including but not limited to interior lighting (including replacement of ballasts and starters as required with the exception of light bulb replacement which shall be the responsibility of the Tenant); plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.) Absent express written approval from Landlord, Tenant shall not do any work in or about the premises that will require roof penetrations. Except as otherwise required by Section 14 regarding subrogation, if any of this maintenance and/or repair is required in whole or in part because of the sole negligence of the Tenant, its agents or invitees, Tenant shall pay to Landlord the reasonable cost of the repairs. Except as provided by Section 15 regarding reconstruction, there shall be no abatement of rent, and no liability of Landlord, due to any injury or interference with Tenant's business

arising from Landlord's performance of any maintenance or repair which it is required or permitted to perform, so long as Landlord provides reasonable prior written notice to Tenant of any maintenance or repair to be performed. Tenant waives any right which it may have under any current or future law or ordinance to make repairs at Landlord's expense, unless Landlord fails to make repair or initiate cause to cure repair within 30 days following written notification of necessary repair by Tenant to Landlord.

11.2 Tenant's Obligations. Subject to Landlord's obligations under this Lease, Tenant shall be responsible for the maintenance and non-structural repairs to the interior of the Premises, which shall be maintained and repaired in a commercially reasonable manner.

Tenant shall, upon expiration or sooner termination of this Lease, surrender the Premises to Landlord in good and clean condition, ordinary wear expected. If Tenant fails to perform the maintenance, repair or replacement required by this Section 11.2 or to surrender the Premises in the condition required by this Section, Landlord shall have the right to perform the necessary work at Tenant's expense, and Tenant agrees to reimburse all costs incurred by Landlord. Notwithstanding anything to the contrary in this paragraph, if Landlord and Tenant enter into a new long term lease agreement, the surrender obligations of the long term lease shall apply, and any surrender obligations in this Section 11.2 or elsewhere in this Lease shall be null and void.

11.3 Government Repairs. In the event any governmental agency requires major repairs or modifications to be made to the Premises, which repairs are the obligation of Landlord and cannot, in Landlord's judgment, be justified by the Minimum Rent, the Landlord shall have the right to cancel and terminate this Lease by giving Tenant ninety (90) days written notice. Major repairs for purposes of this Section shall be repairs or modifications with a cost exceeding six (6) months' Minimum Rent under this Lease. However, Tenant may elect in writing within fifteen (15) days of Tenant's receipt of the ninety (90) days notice of cancellation from Landlord to make these repairs at its sole cost and expense, in which event this Lease shall remain in full force and effect.

11.4 Alterations and Additions. Tenant shall not make or permit any structural or utility alteration, addition or improvement to the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall not make or permit any alteration, addition or improvement over \$5,000.00 to the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall pay any and all costs incurred by Landlord in reviewing and evaluating any request for the consent required by this section. Any alteration, addition or improvement consented to by Landlord shall be made in a good workmanlike manner at Tenant's sole cost and expense and shall comply with all applicable laws, codes, ordinances, rules and regulations. All alterations, additions or improvements (including but not limited to wall and window covering, paneling and built-in cabinet work, but excluding movable furniture and trade fixtures) shall at once become a part of the Premises belonging to the Landlord and shall be surrendered with the Premises at the expiration of this Lease, unless Landlord demands their removal as set forth below. Upon expiration or sooner termination of the Lease term, Tenant shall, at Tenant's sole cost and expense, with all due diligence, remove any alterations, additions or improvements made by Tenant and designated by Landlord to be removed; provided Landlord gives Tenant not less than thirty (30) days advance written notice prior to termination of this Lease and provided Landlord did not, at the time such improvements or alterations were made, approve same in writing (in which case Tenant shall not be required to remove such improvements/alterations). Tenant may install I-net fiber cabling to the Premises and Building but shall be required to remove all Tenant installed cabling (of any type) at Lease Termination, unless Landlord and Tenant mutually execute a new Lease Agreement in which case Tenant shall not be required to remove cabling. Tenant shall, at its sole cost and expense, repair any damage to the Premises caused by such removal, if applicable. If Tenant fails to remove any such alterations, additions or improvements, Landlord may do the same at Tenant's expense.

12. LIENS

12.1 Liens. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant, and agrees to hold Landlord harmless from the same. Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.

12.2 Encumbrances. The Tenant shall not cause or suffer to be placed, filed or recorded against the title to the

Premises, the Building, or any part thereof, any mortgage, deed of trust, security agreement, financing statement or other encumbrances. Further, in no event shall the Tenant lien or mortgage any leasehold improvements, alterations, additions or improvements thereto, except trade fixtures, appliances and equipment which are owned by Tenant and which are not, and which do not become a part of the Premises. The form of any such mortgage, deed of trust or other security agreement or financing statement which includes a legal description of the Premises or the Building shall be subject to Landlord's prior written approval, which approval shall be subject to such conditions as the Landlord may deem appropriate.

13. HOLD HARMLESS

Tenant agrees to indemnify and hold Landlord harmless from any and all claims caused by Tenant's negligent acts or omissions in Tenant's use of the Premises, conduct of Tenant's business, or activity, work or things done or permitted to be done by Tenant on the premises. Tenant further agrees to indemnify and hold Landlord harmless from any and all claims, to the extent such claims arise from, connect with, or relate to any default by Tenant in the performance of its obligations under this Lease, or are caused by any negligent act or omission of Tenant, its agents or invitees, except to the extent such claims arise from, are in connection with, or are related to the negligent acts or omissions of the Landlord or the Landlord's agents or representatives. Tenant further agrees to indemnify and hold Landlord harmless from all costs (including but not limited to attorney's fees) incurred by Landlord in connection with its defense against any claim made against the Landlord as to which Tenant is required to indemnify Landlord pursuant to this Section. Tenant shall give prompt notice to Landlord of any casualty or accident in the Premises. Upon notice by Landlord, Tenant, at Tenant's expense, shall defend Landlord, through counsel reasonably satisfactory to Landlord, in any action or proceeding brought against Landlord by reason of any such claim for which Tenant is required to indemnify Landlord pursuant to this Section. Tenant further assumes all risk of, and waives and releases all claims against Landlord for any damages to person or property sustained by Tenant, or any person claiming through Tenant, to the extent such damage results from any accident or occurrence in or on the Premises caused by Tenant's exercise of rights under this Lease, unless such damage is caused by the negligence of Landlord or its agent(s).

Landlord shall, at Landlord's sole cost and expense, indemnify Tenant against all claims arising from, in connection with, or related to:

- (1) Any breach or default by Landlord of any term, condition, covenant or other obligation of Landlord under this Lease; and
- (2) Landlord, or Landlord's agents or representatives, negligence or intentional and/or willful misconduct.

Landlord further agrees to indemnify and hold Tenant harmless from all costs (including but not limited to attorney's fees) incurred by Tenant in connection with its defense against any claim made against the Tenant as to which Landlord is required to indemnify Tenant pursuant to this Section. Landlord, at Landlord's expense, shall defend Tenant, through counsel reasonably satisfactory to Tenant, in any action or proceeding brought against Tenant by reason of any such claim. Each of the parties, by mutual negotiation, hereby waives, with respect to the other party only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's negligence.

14. SUBROGATION

Neither Landlord nor Tenant shall be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or other tangible property, or any resulting loss of income, or losses under worker's compensation laws and benefits, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees if any such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required to be covered by

insurance pursuant to this Lease.

15. RECONSTRUCTION

15.1 Effect of Insured Loss. Except as provided below, if the Premises are damaged by fire or other cause covered by Landlord's property insurance, Landlord agrees to repair the same, and this Lease shall remain in full force and effect.

15.2 Landlord's Options. Landlord shall have the option either to repair or rebuild the Premises or to terminate this Lease if the Premises or any portion of the Building is damaged if:

- (a) The damage results from any cause not covered by Landlord's insurance;
- (b) Insurance proceeds are insufficient to fully pay for repair and restoration;
- (c) The repair or restoration, in Landlord's opinion, cannot be completed within three (3) months of the damage; or
- (d) The damage occurs during the last twelve (12) months of the Lease Term.

Landlord shall exercise its option to terminate this Lease by giving to Tenant, at any time within thirty (30) days after the damage, written notice of its election to terminate this Lease as of the date specified in the notice. The termination date shall not be less than thirty (30) nor more than sixty (60) days after the date of notice. If Landlord fails to give notice within the thirty (30) days, it shall be deemed to have elected to repair or restore the damage. If Landlord terminates this Lease as provided by this Section 15.2, this Lease shall automatically terminate on the date specified in Landlord's notice. Neither party shall have further liability to the other, except for obligations which were accrued and unpaid as of the date of termination specified in Landlord's notice.

If Landlord elects to repair or restore the Premises and/or Building, and said restoration or repair is not completed within three (3) months of the date of occurrence of the damage, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord.

15.3 Rent Abatement. This Lease shall remain in full force and effect if Landlord elects to repair the damage, or until the termination date specified in the notice of termination, as applicable, except that the Minimum Rent and any Additional Rent shall be proportionately abated from the date of damage until the repairs are completed, or until the specified termination date, as applicable. Such proportionate abatement shall be based upon the extent to which the damage materially interferes with the business carried on by Tenant in the Premises.

15.4 Tenant's Repair Obligations. In the event Landlord elects to repair or rebuild the Premises, Landlord shall not be required to repair or replace any leasehold improvements, fixtures or other personal property of Tenant, all of which shall be repaired or replaced promptly by Tenant.

16. EMINENT DOMAIN.

16.1 Total or Partial Taking. If any portion of the Premises is taken or appropriated by any public or quasi-public authority under the power of eminent domain, or is purchased by the condemner in lieu of condemnation proceedings, either party shall have the right to terminate this Lease upon thirty (30) days written notice given to the other party. If neither party elects to terminate, the Minimum Rent and any Additional Rent thereafter to be paid shall be equitably reduced. If any part of the Building other than the Premises is so taken or appropriated, or is purchased by the condemner in lieu thereof, Landlord shall have the right at its option to terminate this Lease upon thirty (30) days written notice to Tenant given within sixty (60) days after the date that possession is surrendered to the condemner.

16.2 Damages. Landlord reserves all rights to the entire damage award or payment for any taking by eminent

domain and Tenant shall make no claim whatsoever against Landlord for damages for termination of its leasehold interest in the Premises or for interference with its business. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to damages related to any taking by eminent domain and agrees to execute and deliver such further instruments of assignment thereof as Landlord may from time to time request. Tenant shall, however, have the right to claim from the condemning authority all compensation that may be recoverable by Tenant on account of any loss incurred by Tenant in removing Tenant's merchandise, furniture, trade fixtures and equipment or for damage to Tenant's business provided, however, that Tenant may claim such damages only if they are awarded separately in the eminent domain proceeding and not as part of Landlord damages.

17. ASSIGNMENT AND SUBLETTING.

17.1 Restriction. Except as permitted herein, Tenant shall not, without the prior written consent of Landlord:

- (a) Voluntarily, involuntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or otherwise encumber this Lease, or any interest in it, or any right of privilege appurtenant to it;
- (b) Sublet all or any part of the Premises; or
- (c) Allow any other person, except the agents and invitees of Tenant, to occupy or use any portion of the Premises.

Any assignment, transfer, encumbrance, subletting or use without Landlord's consent shall be void and shall, at the option of Landlord, constitute a material default under this Lease. An assignment or sublease consented to by Landlord shall not be binding upon Landlord unless the assignee or subtenant delivers to Landlord:

- (i) An original executed assignment or sublease;
- (ii) Any collateral agreements; and
- (iii) An instrument containing said assignee's or sublessee's assumption of all of the obligations of the Tenant under this Lease, in form and substance satisfactory to Landlord.

The assignee's or sublessee's failure to execute such a covenant shall not waive, release or discharge the assignee or sublessee from its liability for the performance of the Tenant's obligations under this Lease. Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligations or alter the primary liability of Tenant to pay rent and to perform all the obligations of the Tenant under this Lease.

Should the tenant wish to assign the lease in whole or in part or sublet all or any portion of the premises, it shall so notify the landlord in writing and request landlord to consent to the proposed assignment or sublease. Landlord shall not unreasonably withhold, delay, or condition its consent for any proposed assignment or sublease, provided the credit, proposed use, and other commercially reasonable factors are acceptable to Landlord and consistent with acceptable uses in a professionally operated office project. Landlord's failure to respond within fifteen (15) days shall be deemed as Landlord's consent. At the same time, Tenant shall also submit to Landlord the name of the proposed assignee or subtenant, the nature of the proposed assignee or subtenant's business to be carried on in the premises, the terms and provisions of any proposed assignment or sublease and such financial business and other background information as landlord may request concerning the proposed assignee or subtenant.

17.2 Costs. Tenant shall reimburse Landlord for all attorney's fees and other costs incurred by Landlord in connection with the review of and preparation of documents incident to any request by Tenant for Landlord's consent, but said fees and costs shall be capped at Five Hundred Dollars (\$500.00) per request. Each request for Landlord's consent shall be accompanied by a deposit in the amount of Two Hundred Fifty Dollars (\$250.00) to be applied to such costs. Landlord shall return to Tenant any unused balance of the deposit.

17.3 Excluded Transfers. Tenant may assign this lease or sublease the premises without Landlord's approval, but with notification to Landlord as follows:

- (a) Any entity into which Tenant has merged or consolidated;
- (b) Any subsidiary, successor, affiliated entity of Tenant;
- (c) Any entity that acquires all or substantially all of the assets or operations of Tenant;
- (d) Any partnership, the majority interest of which shall be owned by tenant, subsidiary or affiliated interest of which shall be owned by tenant or subsidiary or affiliated corporation of tenant.

17.4 Judicially Imposed Assignment. Intentionally Deleted.

17.5 Assignment by Landlord. If Landlord shall assign its interest under this Lease or transfer its interest in the Premises, Landlord shall be relieved of any obligation accruing hereunder after such assignment or transfer, such transferee shall thereafter be deemed to be the Landlord under this Lease, and Tenant's tenancy under this Lease shall not be disturbed. Landlord may transfer Tenant's Security Deposit to such transferee and Tenant shall look solely to the transferee for the return of such deposit.

18. REMEDIES IN DEFAULT

18.1 Defaults. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

(a) The vacating or abandonment of the Premises by Tenant or the failure to continuously operate in the premises in accordance with the Lease Agreement.

(b) The failure by Tenant to make when due any payment of rent or any other payment required to be made by Tenant under this Lease, where such failure shall continue for a period of five (5) business days after written notice of default from Landlord to Tenant. In the event that Landlord serves Tenant with a notice to pay rent or vacate pursuant to applicable unlawful detainer statutes, such notice to pay rent or vacate shall also constitute the notice required by this Section.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than those described above, for a period of thirty (30) days after written notice of such default from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences a cure within that thirty (30) day period and thereafter diligently prosecutes the cure to completion.

18.2 Remedies. In the event of a material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In this event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to: the cost of recovering possession of the Premises; expenses of reletting (including necessary renovation and alteration of the Premises); reasonable attorney's fees and costs and any real estate commission actually paid; the worth at the time of award by a court having jurisdiction of any unpaid rent or other charges owed by Tenant to Landlord which had been earned at the time of termination; the amount by which the unpaid rent or other charges for the balance of the term after the time of such award exceeds the amount of such rental or other loss for the same period that Tenant proves could reasonably be avoided; and that portion of the leasing commission paid by Landlord according to this Lease applicable to the unexpired term of this Lease.

(b) Maintain Tenant's right to possession in which case this Lease shall continue in effect whether or not

Tenant shall have abandoned the Premises. In this event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due under the Lease.

(c) Pursue any other remedy now or afterwards available to Landlord under the laws or judicial decisions of the state where the Premises are located.

18.3 Late Charges. Tenant acknowledges that late payment by Tenant to Landlord of rent and other sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. These costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or deed of trust covering the Premises. Accordingly, if any installment of rent or other sums due from Tenant shall not be received by Landlord or Landlord's agent within fifteen (15) days after the amount shall be due, then without any requirement of notice to Tenant, Tenant shall pay to Landlord a late charge of Two Hundred Fifty Dollars (\$250). The parties agree that this late charge represents fair and reasonable estimate of the cost Landlord will incur by reason of late payment by Tenant. Acceptance of the late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Landlord from exercising any of the other rights or remedies granted to Landlord under this Lease, or at law or equity.

18.4 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in any event within (30) days after written notice by certified mail by Tenant to Landlord. Said notice shall specify wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) days period and thereafter diligently prosecutes the same to completion. Tenant further agrees not to invoke any of its remedies under this Lease until said thirty (30) days have elapsed. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or an injunction; and in no case may the Tenant withhold rent or claim a set-off from rent.

19. RULES AND REGULATIONS

Tenant shall faithfully observe and comply with all recorded covenants, conditions and restrictions affecting the Premises, all existing rules and regulations, and all reasonable rules and regulations that Landlord may from time to time make to facilitate the reasonable operation of the Building of which the Premises are a part or the complex in which it is located or to comply with the requirements of any governmental entity or insurance company (collectively called "Rules"). Landlord reserves the right to modify the Rules from time to time. The Rules and any modifications shall be binding upon Tenant upon delivery of a copy of the Rules to Tenant. Landlord shall not be responsible to Tenant for the failure of any other tenants or occupants to comply with the Rules.

20. HOLDING OVER

20.1 Holding Over. If Tenant remains in possession of the Premises or any part thereof, after the expiration of the Initial Lease Term together with any Extended Term, such occupancy shall be a tenancy from month to month at a minimum rent in an amount equal to one hundred twenty percent (125%) of the last monthly Minimum Rent, plus all additional rent and other charges payable hereunder, and upon all the terms hereof applicable to a month-to-month tenancy. In the event the Landlord and Tenant have executed a new long term Lease Agreement, Landlord shall not charge holdover rate for any holdover period of this Lease Agreement.

20.2 Abandonment. Tenant agrees not to vacate or abandon the Premises at any time during the Lease Term. Should Tenant vacate or abandon said Premises or be dispossessed by process of law or otherwise, such abandonment, vacation or dispossession shall be deemed a breach of this Lease and, in addition to any other rights which Landlord may have, Landlord may remove any personal property belonging to Tenant which remains on the Premises and store the same, the cost of such removal and storage to be Tenant's liability.

20.3 Voluntary Surrender. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, but shall, at the option of Landlord, terminate all or any existing subleases or

subtenancies, or operate as an assignment to it of any or all such subleases or subtenancies.

21. ENTRY BY LANDLORD

Landlord reserves the right to enter the Premises to inspect the same during business hours upon reasonable notice, to show the Premises to prospective purchasers or tenants, to perform any alterations, improvements, repairs or maintenance, to provide any services that Landlord may deem necessary or desirable and to do any other act permitted under this Lease. No entry by Landlord shall be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from all or any portion of the Premises.

22. ESTOPPEL CERTIFICATE

Upon not less than ten (10) business days prior written notice from Landlord, Tenant shall execute, acknowledge and deliver to Landlord a written estoppel certificate stating certain facts including, but not limited to:

- (a) That this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect);
- (b) The date to which the Minimum Rent and other charges are paid; and
- (c) That there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord (or specifying such defaults if any are claimed).

The statement shall be in any form that Landlord provides to Tenant. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Building or the real property upon which it is located.

23. SIGNS

Tenant shall not place any signs or symbols in the windows or on the doors of the Premises or upon any part of the Building without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Landlord hereby consents to the placement of a temporary sign during construction announcing that Tenant is coming soon. Any signs or symbols shall be in conformity with other signs on the Premises and the Building, the Rules, and all applicable laws, ordinances and regulations. Tenant shall maintain any such sign or symbol in good condition and repair at its sole cost and expense. Tenant shall remove such sign or symbol at its sole cost and expense upon termination of the Lease Term, and shall repair all damage caused by the removal. If Tenant fails to remove any sign or symbol and/or repair any damage caused by its removal, Landlord may have the same removed and/or repaired at Tenant's expense.

24. AUTHORITY OF PARTIES

24.1 Authority. The individual executing this Lease on behalf of Tenant warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant.

24.2 Partnerships. (Intentionally left blank).

25. GENERAL PROVISIONS

25.1 Exhibits and Addendums. Any exhibits and addendums attached to this Lease are a part hereof and are fully incorporated in this Lease by this reference.

25.2 Non-Waiver of Default. Landlord's waiver of any term, covenant or condition of this Lease shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent default under the same or any other term, covenant or condition. Landlord's acceptance of any sum shall not be deemed to be a waiver of any preceding default by Tenant, other than the failure of Tenant to pay the particular sum so accepted, regardless of Landlord's knowledge of such preceding default at the time it accepts the sum.

25.3 Joint Obligations. If there is more than one Tenant, the obligations of the Tenants under this Lease shall be joint and several.

25.4 Section Titles. The section titles of this Lease are not a part of this Lease and shall have no effect upon its construction or interpretations.

25.5 Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor, including, but not limited to, Tenant's execution of estoppel certificates and subordinations and Tenant reimbursements to Landlord.

25.6 Successors and Assigns. The covenants and conditions of this Lease apply to and bind the heirs, successors, executors, administrators and assigns of all parties of this Lease.

25.7 Recordation. A short form memorandum may be recorded at the request of either party, and at the requesting party's expense.

25.8 Quiet Possession. Subject to all the provisions of this Lease and provided Tenant pays all sums due under this Lease and observes and performs all of the other covenants, conditions and provisions to be observed and performed by Tenant, Tenant shall have quiet possession of the Premises for the entire Lease Term, against any adverse claim of Landlord or any party claiming under Landlord.

25.9 Prior Agreements. This Lease contains the full agreement of the parties with respect to any matter covered or mentioned in this Lease. No prior agreements or understandings pertaining to any such matter shall be effective for any purpose. This Lease may be amended or supplemented only by an agreement in writing signed by the parties or their respective successors in interest.

25.10 Inability to Perform.

(i) Except as provided in Sections 14 and 15, this Lease and Tenant's obligations hereunder, including Tenant's obligation to make payments, shall not be affected or impaired because Landlord is unable to fulfill any of its obligations, or is delayed in doing so, if such inability or delay is caused by reason of weather, strike labor troubles, acts of God, or any other cause beyond the reasonable control of the Landlord.

(ii) Except as provided in Sections 14 and 15, Tenant's obligations hereunder shall be excused to the extent Tenant is unable to fulfill any of said obligations, or is delayed in doing so, if such inability or delay is caused by reason of weather, strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the Tenant.

25.11 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, and all other provisions shall remain in full force and effect.

25.12 Cumulative Remedies. No remedy or election under this Lease shall be deemed to be exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

25.13 Choice of Law. This Lease shall be governed by the laws of State of Washington.

25.14 Attorney's Fees. In the event any action or proceeding is brought by either party against the other arising out of or in connection with this Lease, the prevailing party shall be entitled to recover its cost, including, but not limited to, reasonable attorney's and accountant's fee, incurred in such action or proceedings, including any appeal. The hourly rates for any award of attorneys' fees will be calculated based on the rate that would be charged for the services provided by an attorney who is in private practice, of the same expertise and experience as the prevailing party's attorney(s).

25.15 Notices. All notices or demands which are required or permitted to be given by either party to the other

under this Lease shall be in writing. Except as otherwise provided in any addendum, all notices and demands to the Tenant shall be either personally delivered or sent by the US Mail, registered or certified, postage prepaid, addressed to the Tenant at the Premises, or at the address set forth in Sections 1.13 and 1.14, or to such other place as Tenant may from time to time designate in a notice to the Landlord. Except as provided in any addendum, all notices and demands to the Landlord shall be either personally delivered or sent by US Mail, registered or certified, postage prepaid, addressed to the Landlord at the address set forth below, or to such other person or place as the Landlord may from time to time designate in a notice to the Tenant. Any notices sent by US Mail as provided above shall be deemed to have been received three (3) days after deposit into the mail as set out in Section 1.13 and 1.14.

25.16 Subordination. At Landlord's option, this Lease shall be subject to and subordinate to the lien of any existing or future mortgages or deeds of trust in any amount or amounts whatsoever, now or hereafter placed in or against the Building or the real property upon which it is located, and to any extensions, renewals or replacements thereof, without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. Upon Landlord's request, Tenant will execute and deliver such further instruments as may be appropriate to evidence such subordination of this Lease. As long as Tenant is not in default under this Lease, said subordination shall not disturb Tenant's right to possession of the Premises.

25.17 Attornment. In the event of foreclosure, or the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, or in the event of any sale in lieu thereof, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease; provided said purchaser expressly agrees in writing that, so long as Tenant is not in default under the Lease, Tenant's possession and occupancy of the Premises shall not be disturbed and said purchaser will thereafter perform all of the obligations of Landlord under this Lease.

25.18 Guarantor. N/A.

25.19 Compliance with Environmental Laws. Intentionally Deleted.

25.20 Exhibits. The Exhibits referred to in Section 1.18 are attached to this Lease and made a part of it.

26. BROKERS

Tenant warrants that it has had no dealing with any real estate broker or agent in connection with the negotiation of this Lease other than Washington Partners and it knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Under no circumstances shall Landlord be obligated to pay any brokerage fees, except to Washington Partners. The commission amount paid to Washington Partners shall be based on a separate agreement, fifty percent (50%) due upon mutual Lease execution, and fifty percent (50%) due upon Tenant commencing business in the Premises. Landlord shall also pay Orion Commercial Partners its commission based on a separate agreement.

27. LEGAL DOCUMENT

Tenant understands that this is a legally binding contract. Tenant has carefully read each of its provisions, and prior to execution of the Lease, represents and warrants that Tenant has discussed the legal effect of the Lease with Tenant's legal counsel.

28. LANDLORD'S WORK AND ALLOWANCE

Landlord shall ensure that electricity is provided to the Building and Premises which shall be sufficient to satisfy the electrical requirements set forth in Tenant's final working drawings. Such requirements shall not be extraordinary, but shall include and not be limited to duplicating machines, computers, servers, terminals, facsimile machines, telephone switch, communication and audio visual equipment, vending machines and kitchen equipment, some of which uses may require separate electrical circuits.

Landlord shall also install Tenant building standard suite and lobby directory signage at its cost and expense. Maximum expense to be \$250.00. The location of such signage shall be mutually agreed upon by Landlord and

Tenant.

Except as set forth elsewhere in this Lease and Exhibits, any alterations and improvements to the Premises shall be performed and completed at Tenant's sole cost and expense. Notwithstanding the foregoing, provided this Lease is in full force and effect and Tenant shall not be in breach or default of any of terms, conditions, covenants and provisions of this Lease, Landlord shall provide to Tenant an allowance equal to five dollars (\$5.00) per rentable square foot of office, (the "Allowance"). The cost of Tenant's improvements and alterations shall not exceed the amount of \$45,900.00. The Allowance shall be applied towards the total costs incurred by Landlord in providing Landlord's Work as specified in Exhibit C.

29. PARKING

Tenant shall be provided twenty seven (27) parking stalls at no additional charge for a ratio of approximately 2.9/1,000 SF of office space leased. Parking spaces shall be adjacent to the west side of the office building, adjacent to the east side of the warehouse, and north of the warehouse as delineated in Exhibit D, ("Tenant's Designated Parking Area"). Two (2) of the spaces shall be handicap accessible parking stalls and open to the public during commercially accepted business hours.

30. ANTI-DISCRIMINATION

Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment of application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Landlord shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to Chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County.

31. HAZARDOUS MATERIALS

31.1 For purposes of this Agreement, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70.105D ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

31.2 Landlord represents and warrants to Tenant that there is no Hazardous Material on, in, or under the Premises, Building or the underlying real property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises, Building, or the underlying real property which has been or thereafter becomes released through no fault of Tenant, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) 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 release.

31.3 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, Building, or the underlying real property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees 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 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 ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly 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, in, or under the Premises, Building, or underlying real property.

31.4 Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises, Building, or the underlying real property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises, Building, or the underlying real property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes commingled with Hazardous Materials released by Landlord or other parties, nothing in this Agreement shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other parties.

31.5 The provisions of this Section 31 shall survive expiration or earlier termination of this Lease.

31.6 Scope: Any liability arising under this Section 31 shall be subject to the indemnities in this Section 31, and shall not be subject to Section 13.

IN WITNESS WHEREOF, the parties have executed this instrument as of the day and year first above written:

LANDLORD:

5303 1st Avenue South, LLC


By: 
Its: General Partner

TENANT:

King County

By: 
Its: **Anthony O. Wright, Director**
Facilities Management Division

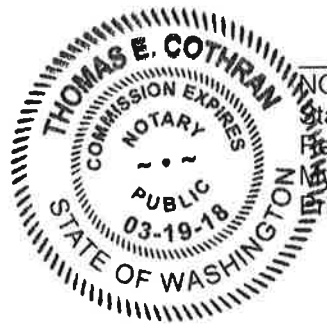
APPROVED AS TO FORM:

By: 
Chris Leopold
Senior Deputy Prosecuting Attorney

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this 11th day of APRIL, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared PETER DE VALLE, to me known to be the MEMBER of 5303 1ST AVENUE SOUTH, LLC, a Washington limited liability company, that executed the foregoing instrument, and acknowledge the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

WITNESS MY HAND and official seal affixed the day and year first above written.



[Handwritten Signature]

NOTARY PUBLIC in and for the
State of Washington
Residing in KING County
My Commission Expires: 3-19-18
Printed Name: THOMAS E. COTHRAN

STATE OF WASHINGTON)
) SS:
COUNTY OF KING)

On this 15th day of April, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Anthony Wright, to me known to be the Director, FMD of KING COUNTY, a political subdivision of Washington State, that executed the foregoing instrument, and acknowledge the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

WITNESS MY HAND and official seal affixed the day and year first above written.



[Handwritten Signature]

NOTARY PUBLIC in and for the
State of Washington
Residing in Mercer Island, King County
My Commission Expires: 5-30-19
Printed Name: Steve Rizika

EXHIBIT A
Legal Description

LEGAL DESCRIPTION
5303 1ST AVENUE SOUTH, SEATTLE, WA 98108
Lease between King County and 5303 1st Avenue South, LLC

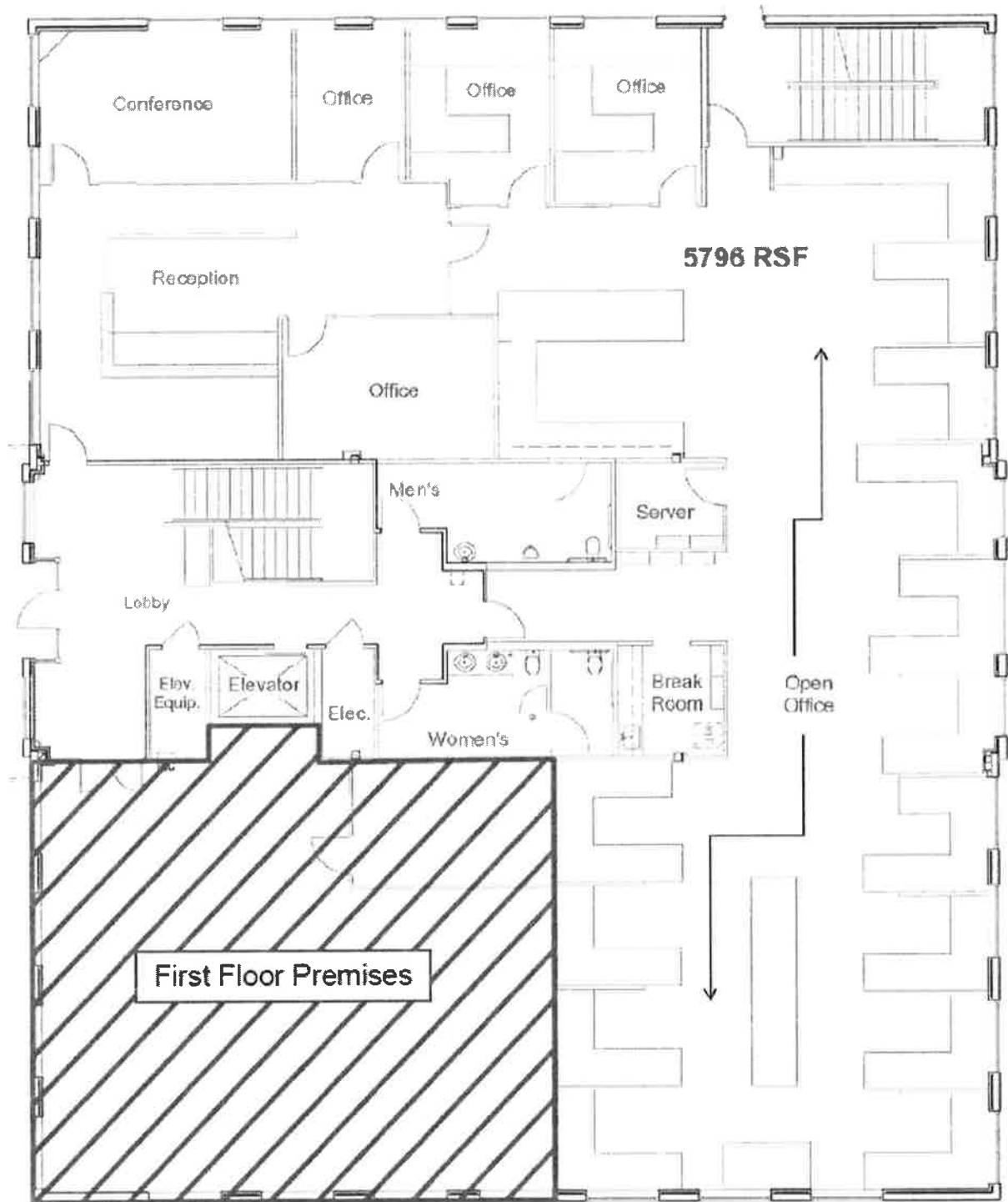
Property Legal Description

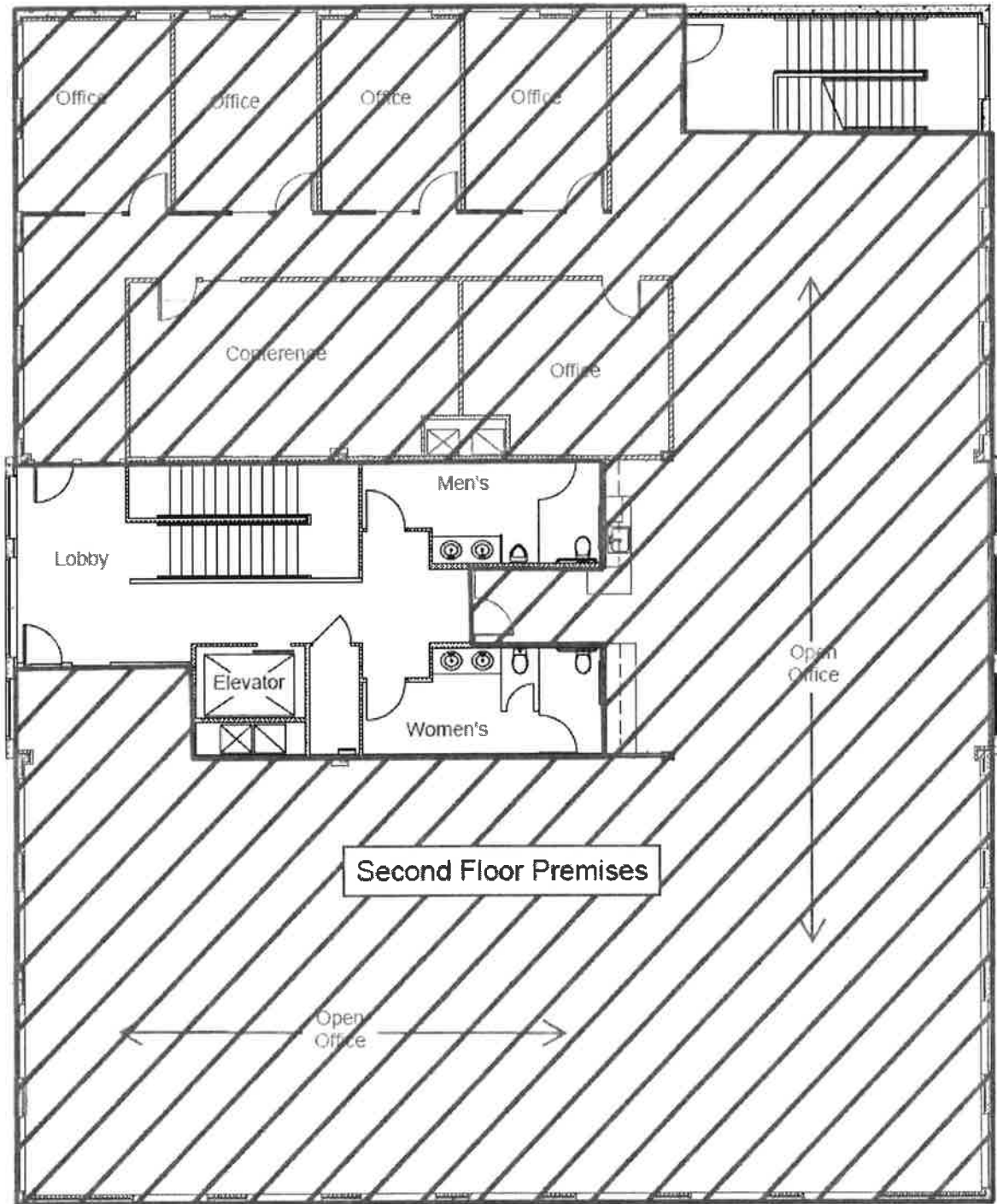
Lots 3, 4, 5 and 6 in Block 18 of McCALLISTER'S ADDITION TO THE CITY OF SEATTLE, according to the Plat thereof recorded in Volume 1 of Plats, page 239, records of King County, Washington, including the South half of vacated Bennett Street adjoining said property according to Ordinance No. 93993;

EXCEPT portion thereof condemned in King County Superior Court Cause No. 5857 for widening First Avenue South.

Situate in the County of King, State of Washington.

EXHIBIT B
Site Premises & Floor Plans





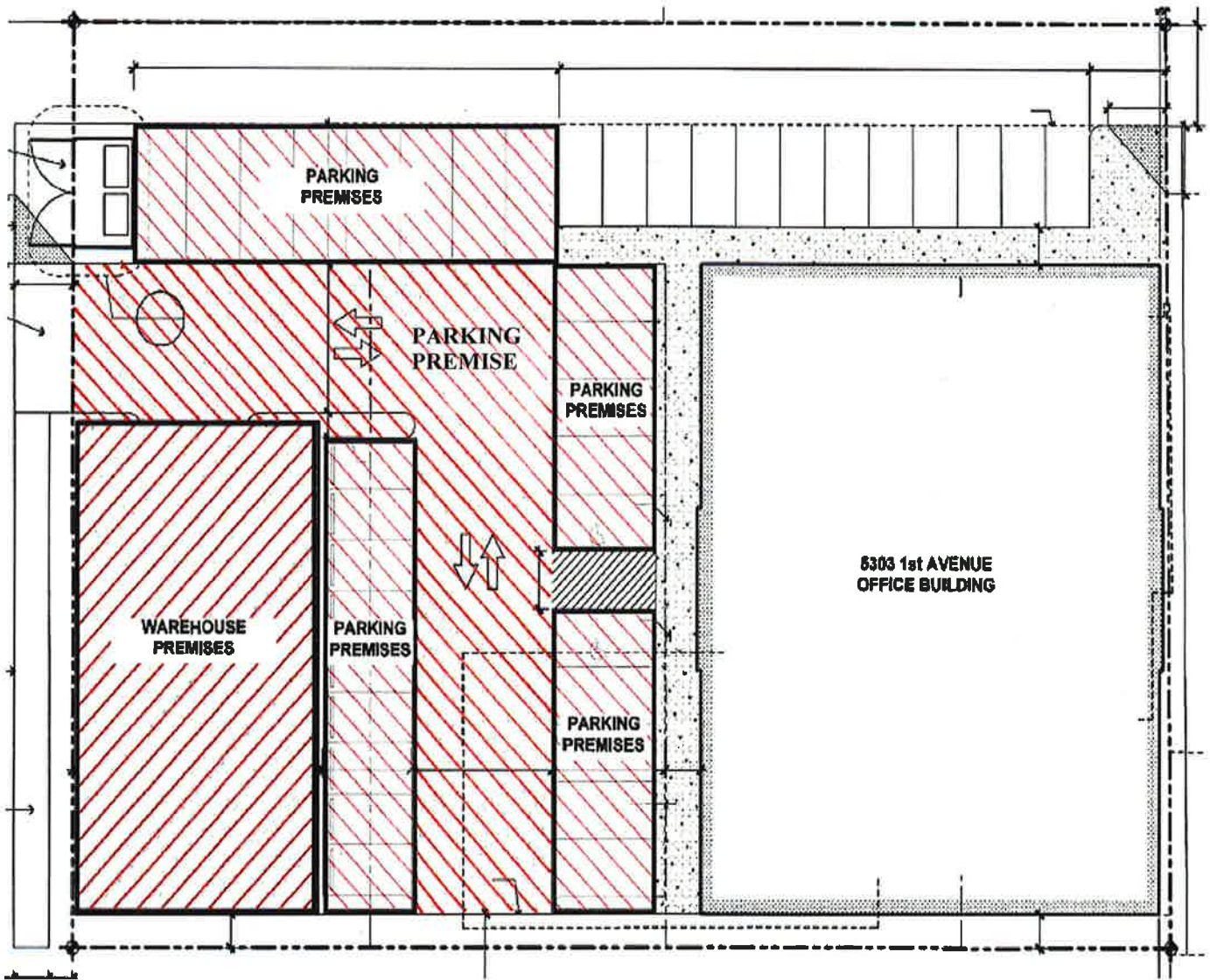


EXHIBIT C

Landlord's Work Letter

Landlord's Work

The Landlord shall be responsible for the construction, design and payment of all Tenant Improvements to the Premises specified below, ("Landlord's Work") at Landlord's sole cost and expense and in accordance with Landlord's building standards which shall be delivered to Tenant and total costs of Landlord's work shall not exceed the allowance of \$45,900. Landlord shall directly pay Landlord's contractor for the costs of Landlord's Work. Immediately upon mutual Lease Execution, Landlord shall commence Landlord's Work as described below:

- **Permanent fence:** Scope of work includes furnishing and installing permanent fencing per the undated MTPS Short Term Lease TI Request for Bid and the Transit Police Temporary Fencing Aerial exhibit. Scope includes installing permanent 7' mesh chain link fencing with manual gates per plan cored and concrete encased mounted in asphalt pavement. Fence specification meets requirements of other King County project requirements.
- **Prox Card/Access Control:** Scope of work includes furnishing and installing proximity and access control per the MTPS Short Term Lease TI RFP. Scope includes card reader at the three (3) second floor suite entry doors and the one (1) main building storefront door. Scope of work is per the attached Building Control Systems (BCS) quote and scope of work.
- **2ND Floor HVAC deduct meters:** Furnish and install two (2) Leviton VerifEye EMH + Integrated meter & hub deduct meters to allow for tracking of after-hours HVAC use.

Tenant shall have fifteen (15) days after Landlord's delivery of possession of Premises to Tenant, to notify Landlord of any defects in the Landlord's Work, otherwise, Tenant shall be deemed to have accepted the Premises in their then condition. If Tenant discovers any major defects in the Landlord's Work during this 15-day period that would prevent Tenant from using the Premises for the Permitted Use, Tenant shall notify Landlord and the Commencement Date shall be delayed until after Landlord has notified Tenant that Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for the Permitted Use. Tenant shall prepare a punch list to Landlord, detailing any minor defects, which Landlord shall promptly correct.

EXHIBIT D
Tenant's Designated Parking Area

Tenant's Designated Parking Area is delineated below:



EXHIBIT E
Cleaning Services

Landlord, at its sole cost and expense, shall clean Tenant's Premises five (5) days per week. Landlord shall be responsible for the security of janitorial services and is responsible for providing access control and personnel identification and clearance for all persons entering Tenant's Premises for cleaning services. Tenant shall approve the Landlord's security and safety protocol for cleaning services prior to Lease Commencement.

Landlord shall professionally shampoo all carpets prior to Lease Commencement.