

Renton ASU Lease  
King County Sheriff's Office



**PROJECT:** Renton Gateway Center, LLC, Hangars

**LESSEE:** King County, a political subdivision of the State of Washington

**LESSOR:** Renton Gateway Center, LLC

**USE:** See Use Section

**PREMISES:** Hangars G and H  
Renton Gateway Center, LLC  
750 W. Perimeter Rd  
Renton, WA 98057

**LEASE AGREEMENT**  
Triple Net (NNN) lease

**PARTIES**

1. This Lease is entered into by each of the following parties:

Lessor: Renton Gateway Center, LLC  
750 W. Perimeter Rd  
Renton, WA 98057

Lessee: King County  
500 4th Avenue, Room 500  
Seattle, WA 98104

The singular terms 'Lessor' and 'Lessee' as used below shall include each person or other legal entity identified as such in this paragraph. Each Lessor and Lessee agrees to be bound by the following terms and conditions.

**PREMISES**

2. Lessor hereby leases to Lessee those Premises depicted in Exhibit A attached hereto, commonly known as Hangars G and H, which are part of the Building located at 750 W. Perimeter Rd, Renton, WA 98057, as legally described in Exhibit A.

Approximate size of Premises: **7,200 square feet**  
Total Building size: **28,800 square feet**  
Lessee's pro-rata share: **1/4**

**CONDITIONS**

This lease is subject to the terms, conditions and rule of operation of the lease that was executed by and between Renton Gateway Center, LLC and City of Renton for the Land on which the hangars have been erected ("Master Lease") attached hereto as Exhibit E. Lessee agrees to comply with all terms and conditions of the Master Lease which are applicable to Lessee's Use of the Premises.

**TERM**

3.1 The Term of this agreement is month-to-month, commencing on the date Lessor delivers the site (the "Commencement Date") for occupancy by the Lessee. The Term of this lease will convert to the remaining balance of five (5) years less the time from the Commencement Date until 20 days after approval of the Lease by the King County Council until five (5) years from the Commencement Date (the "Termination Date") unless sooner terminated pursuant to any provision set forth below.

3.2 If for reasons beyond the reasonable control of Lessor, Lessor cannot deliver possession of the Premises to Lessee on the Commencement Date, Lessee agrees to hold Lessor harmless for any and all liability, in contract and in tort, including from third parties, arising from such failure

to timely deliver the Premises. Lessor's failure to deliver the Premises on the Commencement Date shall not affect the validity of this Lease or release Lessee from any obligation contained herein, except that the Commencement and Termination Dates set forth in this paragraph shall be extended for a period equal to the period of delay, which shall end when Lessor tenders possession of the Premises to Lessee. Lessee shall not be obligated to pay rent to Lessor during that period of delay, and if the delay continues for longer than ninety (90) days from the original Commencement Date, Lessee shall have the option to declare this Lease void, which shall be exercised by transmitting written notice of cancellation to Lessor within ten (10) days after the ninety day period has run. If Lessee's option to void this Lease is not so exercised within that time, Lessor shall have an additional ninety (90) days to deliver possession under the conditions set forth in this Section 3.2.

3.3 Force Majeure: Neither party shall be held liable for any delay or failure in performance of any part of this Lease arising out of or resulting from any cause beyond its control and without its fault or negligence including, without limitation, acts of God, acts or omissions of civil or military authority, government regulations, embargoes, epidemics, war, terrorists acts, riots, civil commotion or civil uprisings, insurrections, earthquakes, floods, power blackouts and other caused beyond a party's reasonable control, whether or not similar to the foregoing conditions.

3.4 If Lessee occupies the Premises prior to the original Commencement Date, such occupancy will be subject to the provisions of this Lease and shall not advance the Termination Date, nor alter the Anniversary Date. Lessee shall pay rent for such occupancy pro rata at the rate set forth below:

3.5 Options to Renew. Lessee shall have three (3) renewal options, each option for a consecutive three (3) year term (individually, "Option Term" and collectively "Option Terms"). Each Option Term shall be subject to the terms and conditions of the Lease, unless otherwise mutually agreed to in writing by Lessor and Lessee. Lessee shall provide Lessor written notice of its intent to either exercise its next available Option Term, or its decision not to exercise its next available Option Term, no sooner than 180 days prior to the Termination Date of the current Lease Term and no later than ninety (90) days prior to the Termination Date ("Option Notice Period"). Should Lessee fail to provide notice within the Option Notice Period, Lessee's remaining Option Terms shall become null and void. Rent during any Option Term shall be based on the then current market rent. Rent during any Option Term shall not be less than the rent charged during the most recent previous term. Lessor shall notify Lessee of the Annual Base Rent that will be charged under any Option Term 180 days prior to the Termination Date of the current term.

## **RENT**

4.1 Annual Base Rent amount: \$108,000.00 (one hundred and eight thousand dollars.)

4.2 Base Rent and CPI Adjustment: Lessee shall pay to Lessor at the address set forth above, or, subject to the notice provision of Section 27, to such other parties or place as Lessor may otherwise designate in writing, the sum of \$9,000.00 (nine thousand dollars) in United States Dollars per month, payable in advance on the first day of each month during the first year of the term hereof (the "Base Rent").

On each anniversary of the Commencement Date (the "Anniversary Date"), the Base Rent shall be increased by an amount equal to the previous year's Base Rent multiplied by the percentage increase in the Consumer Price Index, and this sum shall become the Base Rent for subsequent adjustments. The basis for computing any such increase shall be United States Department of Labor Statistics Consumer Price Index for 'All West' which is published for the prior twelve (12) month period nearest each Anniversary Date. If that index shows an increase for the prior twelve (12) month period, the Base Rent shall be increased in an amount equal to the index increase. If there is no increase in the index, the Base Rent shall remain the same as in the previous year. If the United States Department of Labor Statistics Consumer Price Index for 'All West' is discontinued or revised, such other governmental index or computation which replaces it shall be used so as to obtain substantially the same result as if it had not been discontinued or revised.

4.3 Proration. If the Commencement Date is on any other than the first day of a month, the first month's Base Rent shall be the Base Rent divided by the number of days in that month that Lessee occupies the Premises. Such prorated amount shall be payable on the first day of occupancy.

4.4 Late Payments: If Lessee fails to pay any monthly Base Rent payment or other amount owed under this Lease to Lessor within ten (10) days after it is due, Lessee shall pay an additional sum equal to ten percent (10%) of each such payment.

4.5 Security Deposit. Intentionally Deleted.

4.6 Waiver of Right to Setoff. Each payment obligation of Lessee under this lease is independent of any duty created by contract or arising by operation of law that is owed to Lessee by Lessor, other than those duties of Lessor specified in this agreement. Lessee hereby waives any right of equitable setoff it may have or claim to have against Lessor now or in the future, and agrees that each payment obligation will be timely met notwithstanding the existence of any independent claim Lessee may have against Lessor.

## **COMMON AREAS**

5.1 Common areas include parking areas, entrances, and exits thereto as depicted in Exhibit A ("Common Areas") and are the responsibility of the Lessor, and Lessor shall, during the term of this Lease, maintain all of the Common Areas in a commercially reasonable manner and at such a cost as the Lessor in their sole judgment may reasonably determine. Lessor reserves the right, from time to time, to reasonably alter the Common Areas and to exercise control and management of the Common Areas and to establish, modify, change and enforce such reasonable rules and regulations as Lessor in its discretion may deem desirable, but only to the extent such alterations to Common Areas and modifications, changes and enforcement of rules and regulations enacted subsequent to execution of this Lease do not materially interfere with Lessee's Use of the Premises, subject to the provisions of Paragraphs 6.1 and 19.

5.2 Lessee agrees to abide by and conform to the Renton Airport Regulations and Minimum Standards and shall be responsible for the compliance with same by its employees, agents, customers and invitees. The failure of Lessor to enforce the rules and regulations against Lessee or any other tenant shall not be deemed to be a waiver of same, and shall not prevent

enforcement of the same or other rules or regulations by Lessor against this Lessee or others.

5.3 Lessor shall have the right to close all or any portion of the Common Areas at such times and for such periods as may be reasonably necessary for maintenance and repair as may be required from time to time, but only to the extent such closure does not materially interfere with Lessee's Use of the Premises. Such closure shall not be deemed an eviction, and Lessor shall not be liable to Lessee for any loss resulting therefrom. Prior to any closure, Lessor shall provide Lessee with reasonable advanced notice. Lessee acknowledges there are common area ramp improvements to be completed in 2011. Completion of these improvements (seal coating and striping) may require temporary common area ramp closure. Any closures will be coordinated in advance with Lessee.

#### **MAINTENANCE AND REPAIRS**

6.1 The Premises, including all fixtures and appurtenances, shall at the inception of the Lease Term be in the configuration and condition as specified in the plans and specifications for Tenant Improvements, as defined in Exhibit C. Lessor shall have the obligation to maintain and keep the building structural components in good repair. Lessee shall be responsible for interior maintenance, which includes but is not limited to, interior lighting, hangar door, electrical panel maintenance, interior low voltage wiring and any Tenant Improvements installed by Lessee. Lessee shall permit no waste, damage or injury to the Premises, and shall be solely responsible for repairs to any part of the Premises damaged as result of actions of the Lessee and/or its invitees. Should Lessee be responsible for damages, those damages shall be repaired by Lessor and Lessee shall promptly reimburse Lessor the reasonable and actual costs.

6.2 Premises shall at all times be kept and used in accordance with all laws and ordinances at the sole cost and expense of Lessee, unless an alleged violation is the result of acts or omissions beyond the reasonable control of Lessee.

#### **UTILITIES AND SERVICES**

7.1 Lessee shall pay its separately metered electric and water service, as well as its pro rata share of non-metered utilities water, sewer and garbage removal services.

7.2 Lessee is to pay for all other public utilities, including but not limited to telephone, data, cable and satellite, not specifically stated herein which shall be used in, or charged against, the Premises as a result of Lessee's occupancy during the term of this Lease. Lessor shall not be liable for any injury or damages suffered as a result of the interruption of any utility services by fire or other casualty, strike, riot, vandalism, the making of necessary repairs or improvements, or any other cause beyond Lessor's control.

7.3 This is a triple net Lease. Lessor shall pay costs associated with maintenance and repair of Building structural components, including roof and exterior, electrical and mechanical systems. Lessee's pro rata share of Building and Common Area Charges, including but not limited to, building insurance, garbage collection, surface water management, real estate taxes, maintenance of Common Areas and management fees, shall be approximately \$1.53 (one dollar-fifty-three cents) per square foot of the Premises for the first year, and shall be adjusted annually thereafter as per actual costs. This obligation is over and above the Base Rent amount due, and shall be

payable to Lessor as Additional Rent at the same time that Base Rent payments are due. Lessor shall invoice Lessee for reimbursement of Building and Common Area Charges on a monthly basis beginning upon the Commencement Date.

7.4 Reconciliation. If Lessee wishes to dispute any invoice relating to Building and Common Area Charges, Lessee shall have ninety (90) days after receipt of such invoice to request inspection of Lessor's books, and upon issuance of such request Lessee shall have the right, for an additional sixty (60) days, to inspect, at reasonable times and in a reasonable manner such of Lessor's reconciliation of costs as pertain to, and contain information concerning, the costs and expenses contained in the questioned accounting period invoice, in order to verify the amounts thereof.

Given the limited scope of the Premises and Common Area Charges, Lessee and Lessor agree to work cooperatively on resolving Common Area Charges disputes, if any.

7.5 Lessee also covenants and agrees to pay for its own telephone, separately metered utilities, janitorial and interior maintenance, including but not limited to ceiling, floors, electrical and plumbing systems.

#### **INSPECTION OF PREMISES**

8. Lessee agrees that full opportunity has been given for inspection of the Premises for purposes of ascertaining suitability for Lessee's intended Use and the physical condition of thereof and that occupancy of the Premises is on an 'as is' basis, unless otherwise provided herein or agreed in writing, except for the Tenant Improvements as provided in Exhibit C.

#### **USE OF PREMISES**

9.1 Lessee shall use the Premises only for **Aircraft Storage, Aviation Operations, Maintenance and Washing and Flight Department**, and any other lawful use or other use as Lessor may approve in writing. This Use shall be a permitted use under all applicable laws, ordinances, and governmental or municipal regulations, and shall not make or permit any use of the Premises which may be dangerous to life, limb, or property or which increases the insurance premium cost or invalidates any policy or insurance covering or carried on the Premises, the building or its contents. Lessee shall not obstruct the Common Areas or use them for business or display purposes. Other than those noises and odors resulting from the Use provided herein, Lessee shall not make any noise or permit any odor to emit from the Premises which is objectionable to the public, to the other tenants, or to Lessor.

9.2 Lessee shall permit no lien or other encumbrance to attach to the Premises. In the event that any lien or other encumbrance should attach to the Premises because of Lessee's actions or inaction, or that of its agent, employees or invitees, Lessee shall immediately satisfy the same, and shall defend, indemnify and hold Lessor harmless for the same and for any damages, costs and attorney's fees Lessor may realize therefrom.

9.3 Lessee shall park no more than 5 vehicles in the common facility parking lot at any one time. Lessee shall coordinate with Lessor, in advance, when additional parking is required.

#### **ALTERATIONS**



10. Lessee will make no alterations in, or additions to, the Premises without prior approval of the Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. All alterations shall comply with city and/or state building codes.

### **INDEMNIFICATION**

11.1 The Lessor and its employees, and agents shall not be liable for any injury to any persons or for damage to any property, regardless of how such injury or damage may be caused, excluding Lessor's sole negligence, as a result of the condition of, or in any way related to the Premises, the use of the Premises or the operations of Lessee in, on or about the Premises by Lessee or others. Lessee shall indemnify, defend and hold harmless Lessor and its agents, and employees, from and against all claim, liabilities, losses, damages and expenses (including attorney fees and cost) for injury to or death of any person or loss of or damage to property in or upon said Premises or arising out of or relating to Lessee's operations thereon, and including the person and property of Lessee, its employees, agents, invitees, licensees or others, however caused, it being understood and agreed that all property kept, stored or maintained in or upon the Premises shall be at the risk of Lessee.

11.2 The foregoing immunity is specifically intended to constitute a waiver of Lessee's immunity under the Washington Industrial Insurance Act, RCW Title 51, to the extent necessary to provide Lessor only with a full and complete indemnity from claims made by Lessee and its employees. The foregoing shall be in addition to Lessee's self-insurance obligation and not in discharge of or substitution for same.

11.3 Lessor and Lessee agree that Lessee's recourse against Lessor for any obligations of Lessor under this Lease shall be limited to Lessee's execution against Lessor's right, title and interest in the Premises and Building. Neither Lessor nor any of its partners, shareholders, officers, directors or other principals shall have any personal liability to Lessee as the result of any breach or default by Lessor under this Lease.

### **INSURANCE**

12.1 Lessor acknowledges, accepts, and agrees that the Lessee is self-insured for purposes of general liability and Lessee will provide proof of such self-insurance upon the request of the Lessor. As a self-insured governmental entity, Lessee lacks the capacity to name Lessor as "additional insured."

12.2 Property Insurance. Lessor agrees to provide fire insurance in reasonable amounts on the Building only, not the Tenant Improvements (as defined in Exhibit C) or Lessee's personal property. Lessee covenants and agrees that it will not do or permit anything to be done on the Premises during the term hereof, which will increase the rate of Lessor's insurance on the Building which the leased Premises form a part, above the minimum rate which would be applicable in such premises for the Lessee's type of business; and Lessee agrees that in the event it shall cause such an increase in the rate of insurance, it will, upon request of Lessor, promptly pay to the Lessor, as Additional Rent, any increase in premiums resulting therefrom.

12.3 Lessee shall be responsible to maintain appropriate insurance for its personal property and Tenant Improvements, in the Premises.

12.4 Waiver of Subrogation. Lessor and Lessee each release and relieve the other and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils covered by the special form property insurance policy with replacement cost endorsement and business income and extra expense endorsements (including loss of rents) approved for use in the State of Washington which occur in, on or about the Premises, whether caused by the negligence of either party, their agents, employees, or otherwise. Each party shall obtain from its insurers provisions permitting waiver of any claim against the other party for loss or damage within the scope of the above insurance.

## **TAXES**

13.1 Real Property Taxes: / King County Assessor Improvement Taxes: The Lessor shall pay the real property taxes assessed against the land and buildings of which the Premises is a part and the Lessee shall reimburse the Lessor for the cost of their pro rata portion, attributable to Lessee's occupancy, of said taxes.

13.2 Personal Property Taxes: Lessee shall be responsible for any personal property taxes arising from Lessee's occupancy of the Premises.

13.3 Business Taxes: Lessee shall pay all special taxes and assessments or license fees levied, assessed or imposed by law or ordinance, by reason of the use of the Premises for the Use set forth in this Lease.

13.4 All business and occupation taxes, if any, and any other taxes and fees applicable to property of Lessee or its business conducted on the Premises presently in effect, or subsequently levied by federal, state or local governments, or any political subdivision thereof shall be the responsibility of the Lessee. If applicable, Lessee shall cause its trade fixtures, furnishings, equipment and all of its other personal property to be assessed and billed separately from the real property. To the extent Lessee is subject to such taxes, Lessee shall pay Lessor the taxes attributable to such Lessee's property within ten (10) days after the receipt of a written statement setting forth the taxes applicable to Lessee's property.

13.5 Should there presently be in effect, or should there be enacted during the term of this Lease any law, statute, or ordinance levying any tax other than federal, state or city income taxes directly or indirectly in whole or in part upon rents or the income from real estate or rental property, or increasing any such tax, Lessee shall reimburse Lessor monthly as additional rent at the same time as minimum rental payments are due hereunder for the actual pro-rata amount of such taxes paid.

## **DAMAGE OR DESTRUCTION**

14.1 Subject to the provisions of this Paragraph 14, if the Premises are damaged and such damage was caused by a fire or other casualty included within the classification of casualty as defined in a standard fire and extended coverage real property insurance policy, Lessor shall, at Lessor's expense, repair such damage, but not Lessee's fixtures or equipment, and this Lease shall continue in full force and effect. Provided however, in the event the Premises are damaged to such an extent to render the same untenable in whole or in a substantial part thereof, or destroyed, it shall be optional with the Lessor to repair or rebuild the same, and after the

happening of any such event, the Lessee shall give Lessor immediate written notice thereof. Lessor shall have not more than thirty (30) days after notification to notify the Lessee in writing of Lessor's intention to repair or rebuild the Premises, or the part so damaged as aforesaid, but not Lessee's fixtures or equipment, and if Lessor elects to repair or rebuild the Premises, Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during such period the base Rent and Additional Rent shall be abated in the same ratio that that portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the leased Premises. If the Lessor shall fail to give the notice aforesaid, Lessee shall have the right to declare this lease terminated by written notice served upon the Lessor. In the event the building in which Premises hereby leased are located shall be damaged (even though the Premises thereby leased shall not be damaged thereby) to such an extent that in the opinion of Lessor it shall not be practicable to repair or rebuild, or is destroyed, then it shall be optional with Lessor to terminate this lease by written notice served on Lessee within ninety (90) days after such damage or destruction.

14.2 If Lessor gives notice of intent to repair or reconstruct the damaged Premises as set forth above, Lessor shall be relieved of such obligation and Lessor may terminate the Lease, if Lessor is unable to obtain the necessary financing, labor or materials, or if Lessor is unable to perform such obligation due to any cause beyond its control, including, but not limited to strikes, lockouts and labor disturbances, acts of civil or military authorities, restrictions by municipal authorities, restrictions by municipal ordinances or federal or state statutes and military activity.

14.3 If Lessor gives notice of intent to repair or restore the Premises under the provisions of this Paragraph 14, and shall not commence such repair or restoration within ninety (90) days after such notice, Lessee may elect to terminate this Lease by written notice to Lessor. Upon termination of this Lease pursuant to this Paragraph 14, an equitable adjustment shall be made concerning advance rent and any advance payments made by Lessee to Lessor.

14.4 Notwithstanding the above, if the cost to repair damage to the Building that occurs during the last 20 months of the Lease Term exceeds 30% of the insurable replacement cost of the Building, Lessor shall have the option to terminate this Lease by giving written notice to the Tenant within sixty (60) days after the date of damage and either party may terminate this Lease by delivering written notice to the other within thirty (30) days after the date Lessee receives Lessor's notice. In addition, if the cost to repair any damage to the Premises or the Building exceeds the insurance proceeds available to Lessor, and Lessor elects not to repair such damage, then Lessor shall have the right to terminate this Lease by written notice to Lessee given within sixty (60) days after such damage occurred.

#### **EMINENT DOMAIN**

15. If the whole of the Premises shall be taken by any public authority under the power of eminent domain, or purchased by the condemnor in lieu thereof, then the Term of this Lease shall cease as of the date possession is taken by such public authority. If only a part of the Premises shall be so taken, the Lease shall terminate only as to the portion taken and shall continue in full force and effect as to the remainder of said Premises, and the minimum rent shall be reduced proportionately; provided, however if the remainder of said Premises cannot be made tenantable for the purposes for which Lessee has been using the Premises, or if more than

twenty-five percent (25%) of the rentable square footage of the Premises shall be so taken, then either party, by written notice to the other, given at least thirty (30) days prior to the date that possession must be surrendered to the public authority, may terminate this lease effective as of such surrender of possession. If any part of the property described in Exhibit 'A' other than the Premises shall be so taken as to render, in Lessor's sole opinion, the termination of this Lease beneficial to the remaining portion of the property described in Exhibit 'A', Lessor shall have the right to terminate this lease within sixty (60) days of said taking. Whether whole or partial, Lessor shall be entitled to any and all awards, settlements, or compensation which may be given for the land and buildings. Lessee shall have no claim against Lessor for the value of any unexpired term of this Lease.

### **TRASH, GARBAGE, HAZARDOUS/TOXIC SUBSTANCES**

16.1 Lessee shall place all trash and garbage in their own receptacle within the Premises. Lessee shall not burn any trash and garbage in or about the buildings.

16.2 Lessee shall not, without obtaining Lessor's prior written approval, generate, release, spill, store, deposit, transport, or dispose of any hazardous or toxic substances as defined by any state or federal statute. In the event Lessor approves such release of hazardous substances on the Premises, Lessee agrees that such release shall occur safely and in compliance with all applicable federal, state and local laws and regulations. Lessee shall indemnify, hold harmless and defend Lessor from any and all claims, liabilities, losses, damages, cleanup costs, and expenses, including attorney's fees, arising out of or in any way related to the release by Lessee or any of its agents, representatives or employees, or the presence of such hazardous or toxic substances in, on or about the Premises occurring at any time during the Lease Term and any extension thereof. Lessee agrees to contract with qualified and certified service to remove all hazardous, toxic or contaminated materials from the Premises.

### **EXTERIOR SIGNS** 17. N/A

### **ASSIGNMENT AND SUBLETTING**

18.1 Lessee shall not voluntarily or by operations of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of Lessee's interest in this lease or in the Premises.

### **LESSOR'S RIGHT OF ENTRY**

19. Lessor reserves and shall at any and all reasonable times have the right to enter the Premises, inspect the same, supply janitorial service and any other service to be provided by the Lessor to Lessee hereunder, to show the Premises to prospective purchasers or Lessees, and to repair the Premises and any portion of the Building of which the Premises or any area of nonexclusive use are a part and may for the purpose erect scaffolding and other necessary structures when reasonably required by the character of the work performed, all as providing that the entrance to the Premises shall not be blocked thereby, and further providing that the business of Lessee shall not be interfered with unreasonably. Except for emergencies, Lessor shall give twenty four (24) hour notice to arrange for the required ASU personnel escort before entry to repair or show the Premises.

For emergency access, Lessor shall call the King County Sheriff's Office (KCSO) Regional Communication and Emergency Coordination Center (RCECC) at (206) 296-3311, request to

speak to the Communications Room Supervisor, state the nature of the emergency and ask the Supervisor to contact the Lessee for immediate response and an escort.

Lessee shall maintain a key with the local fire department for emergency access. Any entry to the Premises obtained by Lessor by any of said means or otherwise shall not under any circumstances be construed or deemed to be forceful or unlawful entry into, or a detainer of the Premises, or an eviction of Lessee for the Premises or any portion thereof provided said entry relates to emergency purposes as aforesaid.

#### **DEFAULT AND REMEDIES**

20.1 Lessor shall not be in default unless Lessor fails to perform its obligation under this Lease within thirty (30) days after notice by Lessee specifying wherein Lessor has failed to perform. If the nature of Lessor's obligation is such that more than thirty (30) days is required to cure such default, and Lessor thereafter cures such default within a reasonable time, Lessor shall not be deemed in default.

20.2 Events of Default: Each of the following events shall constitute a material default or breach of this lease by Lessee:

- (a) If Lessee, or any successor or assignee of Lessee while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors;
- (b) If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed of all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment;
- (c) If Lessee shall fail to pay Lessor any Base Rent or Additional Rent when the same shall become due and in any event no later than ten (10) days after the first day of each month.
- (d) If Lessee shall fail to perform or comply with any of the non-monetary covenants or obligations of this Lease and if the nonperformance shall continue for a period of thirty (30) days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably completed within the thirty day period, Lessee shall not in good faith have commenced performance within the thirty day period and shall not diligently proceed to completion of performance;
- (e) If Lessee shall vacate or abandon the Premises or ceases to use the Premises as described in the recitals above, prior to Termination Date;
- (f) Except as expressly permitted under this Lease, any attempted conveyance, assignment, mortgage or subletting of this Lease.

20.3 Remedies: On the occurrence of any of the defaults or elements of default described in this section, Lessor shall have the right to:

- (a) Accelerate the full balance due for the remaining Lease Term and commence legal action to collect money damages for same from Lessee or any guarantor of this Lease;
- (b) Commence eviction proceedings under Chapter 59.12 of the Revised Code of Washington (unlawful detainer statute);
- (c) Commence proceedings in Superior Court of King County and seek an order of specific performance of all the terms and conditions of the Lease and Lessor shall have the right to an injunction to restrain Lessee and the further right to invoke any remedy allowed by law or equity.

20.4 The rights and remedies given to Lessor in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by Lessor, shall be deemed to be in exclusion of any of the others herein, by law, or by equity provided.

20.5 No receipt of money by Lessor from Lessee after default or cancellation of this Lease in any lawful manner shall (1) reinstate, continue or extend the term or affect any notice given to Lessee, (2) operate as a waiver of the right of Lessor to enforce the payment of Base Rent and Additional Rent then due or falling due, or (3) operate as a waiver of the right of Lessor to recover possession of the Premises by proper suit, action, proceeding or other remedy. After any event of default by Lessee, Lessor may demand, receive and collect any monies due, without in any manner relieving Lessee of the legal consequences of default. Any and all such monies so collected shall be deemed to be payment on account of the use and occupation of the Premises or at the election of Lessor, on account of the liability of Lessee hereunder.

#### **LIABILITY FOR COSTS AND ATTORNEY'S FEES**

21. The substantially prevailing party in any dispute resolution proceeding, whether judicial or nonjudicial, shall be entitled to recover from the other all reasonable attorney's fees and costs incurred in connection with such proceeding.

21.1 Any controversy or claim arising out of or relating to this Lease, including any non-monetary default thereof, or for unlawful detainer or ejection, shall be subject to arbitration in King County, Washington and in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the issuance of a decision shall be a condition precedent to bringing action thereon in the Superior Court of King County.

#### **QUIET ENJOYMENT**

22. Lessor warrants that it has full right to execute and to perform the lease and to grant the estate demised herein, and that upon payment by the Lessee of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Lessee's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the Premises for the Term hereby demised without hindrance or interruption by Lessor or any other persons lawfully or equitably claiming by, through or under the Lessor, subject, nevertheless, to the terms and conditions of this Lease. Lessor shall defend and indemnify Lessee against any such third party claim.

### **SURRENDER OF POSSESSION**

23. Lessee shall, upon the Termination date or earlier termination of this Lease, remove from the Premises all of Lessee's trade fixtures, or furniture, and other unattached personal property, and such alterations, additions or improvements, except for the Tenant Improvements installed by Lessor for Lessee's benefit, required by Lessor to be removed pursuant to Paragraph 10 above, and shall repair or pay for all damage to the Premises caused by such removal. Lessor shall inform Lessee within fifteen (15) days after Lessee's vacation of the Premises what alterations or improvements or fixtures it will require to be removed. All such property remaining and every interest of Lessee in the same shall be conclusively presumed to have been conveyed by Lessee to Lessor under this lease as a bill of sale, without compensation, allowance, or credit to Lessee. Lessee shall, upon termination of this lease or of Lessee's right of possession, deliver all keys to Lessor and peacefully quit and surrender the Premises and all equipment and fixtures comprising a part thereof without notice, neat and clean, and in as good condition as when Lessee took possession, except for reasonable wear and tear. It is also responsible for removal of any and all electrical, co-ax, voice and data lines, low voltage wiring and cabling, and to dispose of this material at its own expense.

### **HOLDING OVER**

24. If Lessee, with the implied or express consent of Lessor, shall hold over the Termination Date, Lessee shall remain bound by all of the covenants and agreements herein, except that: (i) the tenancy shall be from month to month, and (ii) the minimum rent to be paid by Lessee shall be 150% of the last Base Rent amount.

### **ESTOPPEL AFFIDAVIT**

25. Lessee shall, at any time upon not less than ten (10) days' prior written notice from Lessor, execute, acknowledge and deliver to Lessor, a statement in writing (a) certifying 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), and the date to which the rental and other charges are paid in advance, if any; (b) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of the Lessor hereunder, or specifying such defaults if any are claimed; and (c) any other matters as the Landlord or its Lender may reasonably request. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion, of the real property of which the Premises are a part.

### **SALE OF PREMISES BY LESSOR**

26. Lessor shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises, shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out all of the covenants and obligations of the Lessor under this Lease.

## **NOTICE**

27. Any notice required to be given by either party to the other pursuant to the provisions of this Lease or any law, present or future, shall be in writing and shall be deemed to have been duly given or sent if either delivered personally or deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, addressed to the Lessor at the address set forth on page 1 of this lease, except that, upon Lessee's taking possession of the leased premises, the premises shall constitute Lessee's address for notice purposes, or to such other address as either party may designate to the other in writing from time to time.

## **ENTIRE AGREEMENT**

28. It is expressly understood and agreed by Lessor and Lessee that there are no promises, agreements, conditions, understandings, inducements, warranties or representations oral or written, expressed or implied, between them other than as herein set forth, and this Lease shall not be modified in any manner except by an instrument in writing and executed by the parties.

## **BINDING ON HEIRS, SUCCESSORS AND ASSIGNS**

29. The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as herein above provided. It is further acknowledged that the signor for the Lessee is authorized by local ordinance to have full authority to execute this Lease.

## **NON-WAIVER OF BREACH**

30. The failure of either party to insist on strict performance of any covenant or condition hereof, or to exercise any option herein contained, shall not be construed as a waiver of such covenant, condition, or option in any other instance. Consent by Lessor in any one instance shall not dispense with the necessity of consent by Lessor in any other instance.

## **SUBORDINATION**

31. This Lease and the interest of Lessee hereunder shall be at all times subject to any and all now effective or hereafter executed mortgages and/or deeds of trust which may now or hereafter affect Lessor's estate in the real property of which the Premises form a part and to all renewals, modifications, replacements, or extensions thereof. Lessee shall promptly execute any instruments which may be required to evidence such subordination.

**The following exhibits are made a part of this lease by this reference:**

EXHIBIT A: Legal Description and Site Plan

EXHIBIT B: Floor Plan

EXHIBIT C: Construction Work Letter Addendum and Tenant Improvement Plans

EXHIBIT D: Master Lease between Renton Gateway Center, LLC and the City of Renton



In witness whereof, the parties hereto have hereunto set their hands the date set forth below.

**LESSEE:**  
King County

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

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

Date: \_\_\_\_\_

**LESSOR:**  
Renton Gateway Center, LLC

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

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

Date: \_\_\_\_\_

King County Sheriff's Office Consent:

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

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

Date: \_\_\_\_\_

Approved as to form

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

Timothy Barnes, Senior Deputy Prosecuting Attorney

Date: \_\_\_\_\_

STATE OF WASHINGTON  
COUNTY OF \_\_\_\_\_

I certify that I know or have satisfactory evidence that \_\_\_\_\_  
signed this instrument and acknowledged it to be \_\_\_\_\_ free and voluntary act for the  
uses and purposes mentioned in the instrument.

dated: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC, State of Washington

My appointment expires: \_\_\_\_\_

STATE OF WASHINGTON  
COUNTY OF \_\_\_\_\_

I certify that I know or have satisfactory evidence that \_\_\_\_\_  
signed this instrument and acknowledged it to be \_\_\_\_\_ free and voluntary act for the  
uses and purposes mentioned in the instrument.

dated: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC, State of Washington

My appointment expires: \_\_\_\_\_

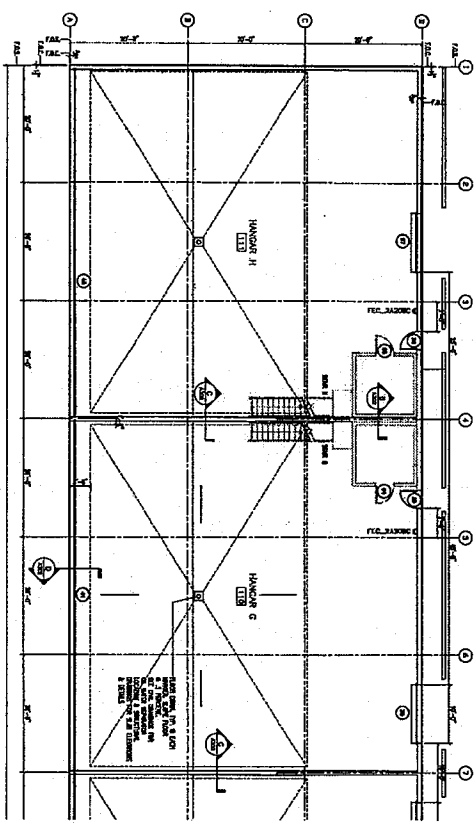
**CONSULT YOUR ATTORNEY**

**THIS DOCUMENT HAS BEEN PREPARED FOR SUBMISSION TO YOUR ATTORNEY FOR HIS/HER REVIEW AND APPROVAL PRIOR TO YOUR EXECUTION OF SAME. NO REPRESENTATION OR RECOMMENDATION IS MADE BY PRIME LOCATIONS, INC. OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT, OR THE DOCUMENTS REFERRED TO HEREIN, OR THE TRANSACTION RELATING THERETO. THESE ARE QUESTIONS FOR YOUR ATTORNEY WITH WHOM YOU SHOULD CONSULT BEFORE SIGNING THIS DOCUMENT.**

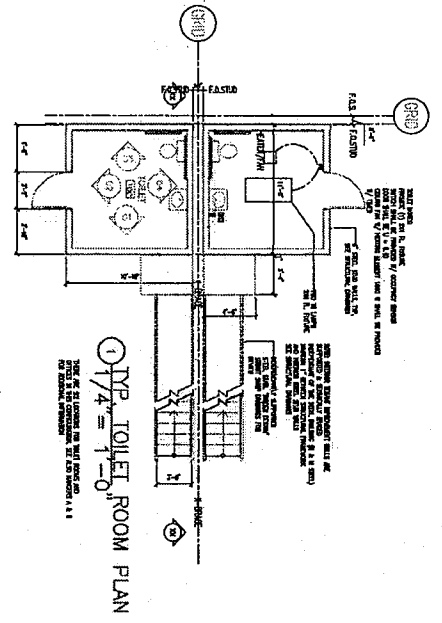
**EXHIBIT A**  
**Legal Description and Site Plan**



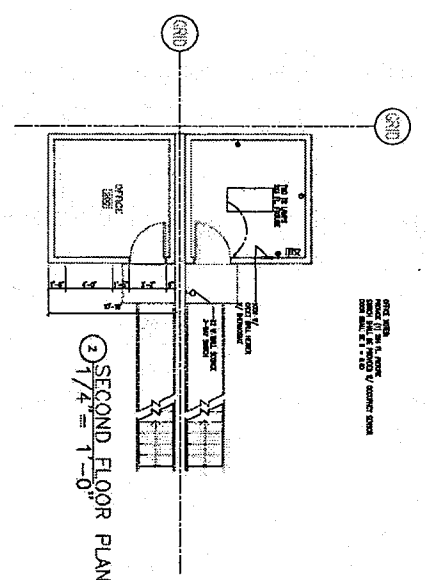
EXHIBIT B  
Floor Plan



SECOND FLOOR PLAN



1 TYP. TOILET ROOM PLAN  
1/4" = 1'-0"



2 SECOND FLOOR PLAN/ELECT PLAN  
1/4" = 1'-0"

**THE LEITZKE ARCHITECTS**  
 1081 AME 14TH STREET  
 SPOKANE, WA 99177  
 TEL: (509) 325-1111  
 FAX: (509) 325-1112



HANGER H & G  
 REGISTERED PROFESSIONAL ENGINEER  
 LICENSE NO. 14500  
 STATE OF WASHINGTON

PROJECT NO.	14-001
DATE	11/11/00
OWNER	SENTRY CENTER
DESIGNER	LEITZKE ARCHITECTS
SCALE	AS SHOWN
DATE	11/11/00
BY	HANGER H & G
CHECKED BY	HANGER H & G
APPROVED BY	HANGER H & G
DATE	11/11/00
PROJECT NO.	14-001
DATE	11/11/00
OWNER	SENTRY CENTER
DESIGNER	LEITZKE ARCHITECTS
SCALE	AS SHOWN
DATE	11/11/00
BY	HANGER H & G
CHECKED BY	HANGER H & G
APPROVED BY	HANGER H & G
DATE	11/11/00

A-1013

EXHIBIT C  
Construction Work Letter Addendum and Tenant Improvement Plans

This Construction Work Letter Addendum ("Work Letter") is part of and incorporated into that certain lease (the "Lease") between King County, a political subdivision of the State of Washington (hereinafter called "Lessee") and Renton Gateway Center, LLC (hereinafter called "Lessor") for the Premises, Hangars G and H. Capitalized terms shall have the meaning defined in the Lease unless otherwise specific herein.

Renton Gateway Center, LLC  
750 W. Perimeter Rd  
Renton, WA 98057

1) **SHELL AND CORE IMPROVEMENTS TO BE PROVIDED BY LESSOR:** Lessor shall deliver the Premises to Lessee within 90 days of execution of this Lease with the following Improvements in the Premises constructed at Lessor's sole cost and expense (collectively the "Shell and Core Work"):

(a) **Walls.** Core and perimeter walls including metal framing, sound batt insulation, drywall, to be completely finished (taped and painted).

(b) **Ceiling.** Hard Lid ceiling to be completely finished including ceiling tiles within the office, break room and bathroom areas

(c) **Floor.** Concrete slab floor prepared to receive floor covering and carpet. Floor loading capacities: eighty pounds (80) per square foot live load; twenty pounds (20) per square foot partition load.

(d) **Mechanical.** The heating ventilation and air conditioning system for the Building is a Cadet Electric Heater

(e) **Electrical** as per plan submitted by Architect

(f) **Fire Sprinklers.** Code compliant fire sprinkler system with upright heads provided in the Premises.

(g) **Telephone/Data Closet.** Code compliant closet for Lessee's use together with access thereto or other acceptable phone/data connectivity facility. See plans for Voice/Data.

2) **TENANT IMPROVEMENTS TO BE PROVIDED BY LESSOR:** Design and construction of all Tenant Improvements, which shall include Lessor's Shell and Core Work, in the Premises (the "Tenant Improvements") shall be provided by Lessor within ninety (90) days of execution of this Lease (the "Required Completion Date") subject to reimbursement by Lessee as provided herein. The Tenant Improvements to be provided by Lessor shall include, without limitation, architectural design; permitting and special inspections; structural review and



engineering; mechanical and electrical engineering; partitioning, millwork, and finishes; fire sprinkler modifications to meet codes; plumbing lines, connection and fixtures; HVAC equipment, connection to Building systems, distribution and controls, testing and balance; electrical wiring, equipment and fixtures; voice, data and security cabling, connection to Building systems and Improvements.

3) **DESIGN OF TENANT IMPROVEMENTS:** Lessor shall use its space planners, architects and construction general contractor in the design and construction of the Tenant Improvements.

Lessor's space planners and architects shall ensure that the work shown on Lessor's plans is compatible with the basic Building plans and that necessary basic Building modifications are included in Lessor's plans. Such modifications shall be subject to the Lessee's approval and the cost thereof shall be paid by Lessor.

Lessor's and Lessee's space planners and architects shall collaborate in preparing a space plan for Lessee's Tenant Improvements which shall be the basis for Lessor's Tenant improvement plans as provided herein. All plans for the Tenant Improvements shall be subject to Lessee's reasonable review and approval prior to construction. Lessor shall supply Lessee with said plans for review and approval at sixty percent (60%) and ninety percent (90%) design review. Lessee shall provide written comments, requested revisions and/or approval for Lessor's construction plans within ten (10) days of receipt. Lessor and Lessee shall cooperate as reasonably necessary to approve said construction plans. Upon final agreement of Lessor and Lessee, the approved construction plans shall become the Final Plans. Lessor shall complete construction of the Tenant Improvements in conformance with said Final Plans, subject only to usual and customary Change Orders (defined below). Final Plans are to be signed by Lessor and Lessee and shall include, in addition to the aforementioned Shell and Core Work, the following:

(a) **Basic Plans.** These shall be fully dimensioned floor plans showing partition layout and identifying each room with a number and each door with a number. The Basic Plans must clearly identify and locate equipment requiring plumbing or other special mechanical systems, area(s) subject to above-normal floor loads, special openings in the floor, and other major or special features, including:

(1) **Electrical and Telephone Outlets.** Locate all power and telephone requirements: Dimension the position from a corner and give height above concrete slab for all critically located outlets. Identify all dedicated circuits and identify all power outlets greater than 120 volts. For the equipment used in these outlets which require dedicated circuits and/or which require greater than 120 volts, identify the type of equipment, the manufacturer's name and the manufacturer's model number, and submit a brochure for each piece of equipment. Also identify the manufacturer's name of the phone system to be used and the power requirements, size, and location of its processing equipment. Provide for a secure communications' closet for Lessee's sole use.

(2) **Reflected Ceiling Plan.** Lighting layout showing location and type of all Building Standard and special lighting fixtures.

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

(4) Room Finish and Color Schedule. This information shall be in final form and include locations and specifications for all wall finishes, floor covering and base for each room.

(5) Construction Notes and Specifications. Complete specifications for every item included except those specified by the Lessor.

(6) Lessor will coordinate all engineering at Lessor's expense.

(b) Change Orders. Lessee shall notify Lessor in writing of any desired material changes to the Final Plans, hereinafter referred to as a "Change Order." Lessor shall have five (5) days from receipt to approve any Change Orders, which shall not be unreasonably withheld or conditioned, and notify Lessee of the cost for said Change Order. Following Lessee's approval of the cost of any Change Order, the Change Order shall become part of the Final Plans and shall be subject to reimbursement by Lessee and payable as provided herein.

(c) As-Built Plans. After completion of construction, Lessor shall supply to Lessee within thirty (30 days) a complete set of construction documents for Lessor's files including as-built plans.

(d) Lessor shall be allowed to recommend and implement Change Orders, with notice to Lessee; to take advantage of value engineering opportunities and unforeseen construction conditions, but only if such changes (i) do not materially impact the appearance, safety or mechanical systems and operations of the Premises, and (ii) will not result in an extension of the Required Completion Date. If a Change Order initiated by Lessor, due to unforeseen construction conditions, has the potential to increase the cost of construction of the Tenant Improvements, Lessor shall obtain Lessee's written approval in advance.

4) **LESSEE'S REIMBURSEMENT OF THE COST OF TENANT IMPROVEMENTS AND CHANGE ORDERS:**

(a) Lessee's Cost of the Tenant Improvements. Lessee shall reimburse Lessor, as provided in Section 4(c) below, for the cost of those certain Tenant Improvements, which costs shall not include Lessor's Shell and Core Work. Tenant Improvements shall not exceed \$77,000.00, subject to approved change orders. At time of signing of this lease, approximately \$10,000.00 in Tenant Improvements have been completed. In the event that Tenant terminates this lease during the month-to-month portion of the Term, Tenant shall reimburse Landlord for the approximate \$10,000.00 in Tenant Improvements completed by Landlord. In the event of such termination, Landlord and Tenant shall have no further rights or obligations in relation to each other. Upon approval of the lease by the King County Council, the

remaining Tenant Improvements will be constructed by Landlord at a cost not to exceed \$67,000.00, subject to approved change orders, and subject to reimbursement by Tenant as provided herein.

(b) Lessor's Certification of Cost. Upon Lessor's completion of the construction of the Tenant Improvements, and Change Orders, if any, Lessor shall certify to Lessee the actual cost of construction of the Tenant Improvements, and Change Orders, if any. Lessor shall provide Lessee with copies of receipts and other documentation of the cost of said construction in detail reasonably acceptable to Lessee.

(c) Lessee's Reimbursement. Within thirty (30) days of Lessee's receipt of Lessor's certifications of cost reasonably acceptable to Lessee, as provided herein, Lessee shall reimburse Lessor for those Tenant Improvements including approved Change Orders, if any.

(d) Substantial Completion. As used herein, "Substantially Completed" or "Substantial Completion" shall mean that on or before the one-hundred twentieth day following execution (execution is herein defined as the date on which both Lessor and Lessee have signed and notarized the Lease) each of the following have occurred subject only to completion of customary "punch list" items: (a) Lessor's contractor shall have notified Lessor in writing that Lessor's Work is substantially complete in accordance with the Final Plans; (b) the City of Renton has issued a certificate of occupancy or temporary certificate of occupancy such that Lessee is legally entitled to occupy the Premises for its permitted use; and (c) the director of the King County Facilities Management Division shall have issued a written statement to Lessor confirming that the Tenant Improvements are sufficiently complete in accordance with the Final Plans to permit Lessee to utilize the Premises for the intended uses as defined in Section 5 of the Lease. Lessee shall not unreasonably withhold, delay or condition its concurrence if each of the items (a) and (b) have occurred, and provided further, it shall be deemed unreasonable hereunder for Lessee to withhold its concurrence. Lessor agrees to provide Lessee no less than ten (10) business days advance notice of the anticipated Substantial Completion date, and for the sole purpose of determining Substantial Completion hereunder.

5) **INSTALLATION OF LESSEE'S FURNITURE, FIXTURES AND EQUIPMENT:**

(a) Improvements Installed by Lessee. For any work to be performed in connection with installation of Lessee's furniture, fixtures and equipment on the Premises by Lessee or Lessee's contractor prior to commencement of the Lease Term, the following shall apply:

(1) Such work shall proceed upon Lessor's written approval of (i) Lessee's contractor, (ii) general liability and property damage insurance satisfactory to Lessor carried by Lessee's contractor, (iii) detailed plans and specifications for such work, pursuant to Section IV above, and (iv) amount of general conditions, if any, to be paid by Lessee to Lessor for the services still provided by Lessor's contractor. Lessor will provide Lessee coordination of Lessee's contractor at no expense to Lessee.

(2) All work by Lessee or Lessee's contractor shall be scheduled through Lessor.

(b) Lessee's Entry to Premises. Lessee's entry to the Premises for any purpose, including without limitation, inspection or performance of Lessor's Construction by Lessor's agents, prior to the Commencement Date of the Lease shall be scheduled in advance with Lessor and shall be subject to all the terms and conditions of the Lease, except the payment of Rent. Lessee's entry shall mean entry by Lessee, its officers, contractors, office planner, licensees, agents, servants, employees, guests, invitees, or visitors.

(c) Lessee's Telephone and Computer/Data Service. Lessee is responsible for Lessee's telephone service, computer and data service and obtaining any applicable permits. Lessee shall select and coordinate installation of such communication and information systems with the Lessor as provided herein.

6) **GENERAL**

(a) Warranties. Upon Substantial Completion of all Tenant Improvements, Lessor shall ensure that its contractor warrants that the Tenant Improvements have been completed in substantial accordance with the Final Plans and are free from defects in workmanship and materials for a period of one (1) year following Substantial Completion.

(b) This Work Letter, the Final Plans, and any approved Change Orders shall constitute the complete construction specifications and no other representations, or oral agreements between the parties shall be recognized in the event of a dispute between Lessor and Lessee, unless this Work Letter has been specifically amended by the parties.

(c) Time is of the essence with respect to each of the duties and obligations of Lessor and Lessee set forth in this Work Letter. Notwithstanding any of the foregoing provisions hereof, default by Lessor or Lessee under any provisions of this Work Letter which are not cured within applicable notice and cure periods set forth in the Lease shall constitute a default under the Lease.

(d) Any notice, statement, advice, approval, consent or other communication required or permitted to be given by either party to the other pursuant to this Work Letter shall be given in the manner set forth in Section 27 of the Lease. A default by Lessor of any obligation hereunder shall constitute a default by Lessor under the Lease, except that Lessor's failure to deliver the Premises in Substantially Complete condition within 180 days of execution of the Lease shall be governed by the provisions of Section 20.1 of the Lease, which shall constitute Lessee's exclusive remedy.

**SIGNED:**

**LESSOR:** Renton Gateway Center, LLC

**LESSEE:** King County

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_