

Attachment C

2010-0280
16850

**PARK PLACE
LEASE AGREEMENT**

BETWEEN

WH PARK PLACE LLC,

LANDLORD

AND

KING COUNTY,

TENANT

TABLE OF CONTENTS

	<u>Page</u>
Article 1 PREMISES	3
1.1 Construction; Suitability; Early Entry	3
1.2 Location	3
1.3 Right of First Offer	4
1.4 Emergency Space.....	4
1.5 Exhibits	4
Article 2 BUSINESS RIGHTS AND RESTRICTIONS	4
2.1 Use	4
2.2 Restrictions	4
Article 3 TERM	5
3.1 Initial Term	5
3.2 Tenant's Early Termination Options	5
3.3 Option to Extend.....	6
3.4 Extended Term Minimum Monthly Rent	6
Article 4 RENT	6
4.1 Payment	6
4.2 First Partial Month	7
4.3 Lease Year	7
Article 5 COMMON AREA	7
5.1 Definition	7
5.2 Use	7
5.3 Maintenance and Operation	7
5.4 Records	8
5.5 Tenant's Contribution	8
5.6 Operation and Control	8
5.7 Obstructions	9
5.8 Allocation of Expenses; Gross Up.....	9
Article 6 TAXES.....	9
6.1 Personal Property Taxes	9
6.2 Real Property Taxes.....	9
6.3 Business Taxes.....	10
6.4 Substitute and Additional Taxes	10
6.5 Commercial Rent Tax.....	10
Article 7 UTILITIES AND SERVICES	10
7.1 Utilities and Services	10
7.2 Payment	11
7.3 Interruptions.....	11
7.4 LEED Certification	12
Article 8 REPAIRS AND ALTERATIONS	12
8.1 Landlord's Repairs.....	12
8.2 Tenant's Repairs	12

	<u>Page</u>
8.3 Alterations.....	13
8.4 General Conditions	13
8.5 Americans with Disabilities Act Compliance.....	13
Article 9 INSURANCE.....	14
9.1 Use Rate.....	14
9.2 Liability Insurance	14
9.3 Worker's Compensation Insurance.....	14
9.4 Property Insurance/Business Income.....	14
9.5 Waiver of Subrogation.....	14
9.6 General Requirements.....	14
9.7 Blanket Insurance	15
9.8 Self- Insurance	15
9.9 Failure to Maintain Insurance	15
Article 10 DAMAGE AND RESTORATION.....	16
10.1 Damage and Destruction of the Premises	16
10.2 Damage or Destruction of Property	16
10.3 Tenant's Work	16
10.4 Limitation of Obligations.....	16
10.5 Damage or Destruction at End of Term.....	17
10.6 Waiver.....	17
Article 11 SECURITY DEPOSIT.....	17
Article 12 EMINENT DOMAIN	17
12.1 Definition	17
12.2 Total Taking.....	17
12.3 Partial Taking of Premises	17
12.4 Common Area Taking	17
12.5 Repair and Restoration.....	17
12.6 Award	17
12.7 Waiver.....	18
Article 13 INDEMNITY; WAIVER.....	18
13.1 Indemnification and Waivers.....	18
Article 14 OPERATION OF BUSINESS.....	19
Article 15 SIGNS AND ADVERTISING	20
15.1 General.....	20
15.2 Directory Board	20
15.3 Elevator Lobby; Suite Entry Signage	20
Article 16 LIENS	20
Article 17 RIGHT OF ENTRY.....	20
Article 18 DELAYING CAUSES.....	21
Article 19 ASSIGNMENT AND SUBLEASE.....	21

	<u>Page</u>
19.1 Consent Required.....	21
19.2 Request For Consent.....	21
19.3 Recapture.....	21
19.4 General Conditions.....	22
19.5 Transfer to a Subsidiary.....	22
19.6 Transfer Pursuant to Bankruptcy Code.....	22
Article 20 NOTICES.....	22
Article 21 SURRENDER OF POSSESSION.....	23
21.1 Surrender.....	23
21.2 Holding Over.....	23
Article 22 QUIET ENJOYMENT.....	23
Article 23 SUBORDINATION.....	23
Article 24 ESTOPPEL CERTIFICATES.....	23
Article 25 DEFAULT.....	24
25.1 Default.....	24
25.2 Remedies.....	24
25.3 Interest.....	26
Article 26 INSOLVENCY.....	26
26.1 Breach of Lease.....	26
26.2 Operation of Law.....	26
26.3 Non-Waiver.....	27
26.4 Events of Bankruptcy.....	27
26.5 Landlord's Remedies.....	27
Article 27 REMEDIES CUMULATIVE.....	28
Article 28 ATTORNEY'S FEES.....	28
Article 29 LIABILITY OF MANAGER.....	28
Article 30 NO PARTNERSHIP.....	28
Article 31 SUBTENANCIES.....	28
Article 32 SUCCESSORS.....	29
Article 33 REMOVAL OF TENANT'S PERSONAL PROPERTY.....	29
Article 34 EFFECT OF CONVEYANCE.....	29
Article 35 LANDLORD'S DEFAULT; NOTICE TO LENDER.....	29
35.1 Landlord's Default.....	29
35.2 Notice to Lender.....	29
35.3 Independent Covenants; Limitation of Remedies and Landlord's Liability.....	29

	<u>Page</u>
Article 36 CONSENT	30
Article 37 INTERPRETATION.....	30
Article 38 ENTIRE INSTRUMENT.....	30
Article 39 EASEMENTS; RECORDING.....	30
Article 40 SALE BY LANDLORD.....	30
Article 41 SECURITY MEASURES.....	31
Article 42 RESERVED.....	31
Article 43 CHOICE OF LAW; WAIVER OF TRIAL BY JURY	31
Article 44 HAZARDOUS SUBSTANCES	31
44.1 Indemnity	31
44.2 Covenant	31
44.3 Definitions	31
44.4 Breach of Obligations	32
44.5 Handling; Notices	32
Article 45 AUTHORITY	33
Article 46 BROKERS	33

**PARK PLACE
LEASE AGREEMENT
(Base Year)**

Landlord hereby leases to Tenant and Tenant hereby leases and accepts from Landlord the premises hereinafter described in the terms and conditions set forth in this Lease Agreement, hereinafter called "this Lease".

BASIC LEASE PROVISIONS

- A. Lease Date: November 5, 2009
- B. Landlord: WH Park Place LLC, a Delaware limited liability company
- C. Tenant: King County, a political subdivision of the State of Washington
- D. Reserved.
- E. Property: The project including parking facilities (if any) on property particularly described and depicted on Exhibit "A" (the "Property").
- F. Building, Building Rentable Area: The building commonly known as Park Place, located at 1200 Sixth Avenue, Seattle, King County, Washington, 98101-5300, containing a total of approximately 314,591 rentable square feet ("RSF") of area.
- G. Premises Rentable Area: The areas shown on the Space Plans attached hereto as Exhibit "B", containing approximately 44,325 RSF, comprising the entire rentable area on the Third Floor (15,686 RSF), plus the entire rentable area on the Fourth Floor (15,686 RSF), plus a portion of the rentable area on the Sixth Floor (12,953 RSF) in the Building.
- H. Tenant's Pro Rata Share: 14.1%.
- I. Permitted Use: Solely for courtroom and general office uses (as modified below) and for no other use or purpose.
- Tenant acknowledges that the Building is a first-class, multi-tenant office building. Tenant shall use reasonable efforts to manage its visitors and clientele consistent with the Permitted Use. Tenant's use of the Premises shall be to house the operations of King County Superior Court with the following clarifications: (i) Tenant shall design its Premises such that it provides adequate facilities to accommodate visitors and clientele within the Premises; (ii) Tenant shall not use Building Common Areas for visitor waiting or breakout purposes; (iii) it is not the intention of Tenant to hold jury trials in the Premises; and (iv) Tenant agrees not to hold jury selection or criminal related trials in the Premises.
- J. Initial Term: Five (5) years, commencing on the Lease Commencement Date and terminating on the Expiration Date.
- K. Extension Option: One (1) option of five (5) years (the "Extended Term"). The Initial Term, together with the Extended Term if duly exercised by Tenant, are collectively referred to in this Lease as the "Lease Term" or the "Term".
- L. Possession Date: The date on which Landlord tenders possession of the Premises to Tenant with Landlord's Work as described in Exhibit "C" substantially completed.
- M. Commencement Date: December 1, 2009.

N. Expiration Date: 11:59 p.m. on the last day of the calendar month in which the fifth (5th) anniversary of the Commencement Date occurs; subject to Tenant's Early Termination Option and Tenant's Extension Option described in Article 3 below.

O. Rent Commencement Date: The Lease Commencement Date.

P. Minimum Rent:

Lease Months	Annual Rental Rate Per RSF	Minimum Annual Rent	Minimum Monthly Rent
1-12	\$20.00	\$886,500	\$73,875
13-24	\$20.00	\$886,500	\$73,875
25-36	\$21.50	\$952,987	\$79,416
37-48	\$23.00	\$1,019,475	\$84,956
49-60	\$23.00	\$1,019,475	\$84,956

Q. Tenant Improvement Allowance: \$15.00 per RSF of the Premises (i.e., for 44,325 RSF, the amount of \$664,875); see Exhibit "C" attached hereto. Any unused portion of the \$15.00 per RSF Tenant Improvement Allowance shall be credited to Tenant in the form of free rent. Landlord shall provide Tenant with documentation, in detail reasonably acceptable to Tenant, of the cost of said Tenant Improvements actually constructed within the Premises and paid for by Landlord. Landlord, subject to Tenant's review and reasonable approval shall establish a construction schedule for Landlord's construction of Tenant Improvements, and Landlord shall identify costs associated with expediting the construction schedule, which costs associated with expediting construction, once approved in advance by Tenant, shall be at Tenant's sole cost and expense.

R. Adjusted Rent Payment Schedule: Notwithstanding anything to the contrary elsewhere in this Lease, Tenant shall pay Minimum Rent due during the first six (6) months of the Term as follows: (i) Tenant shall pay Minimum Monthly Rent allocable to Lease Months 1 & 2 on or before the Commencement Date hereof; (ii) Tenant shall pay Minimum Monthly Rent allocable to Lease Months 3 & 4 on or before February 1, 2010; and (iii) Tenant shall pay Minimum Monthly Rent allocable to Lease Months 5 & 6 on or before April 1, 2010.

S. Base Year: Calendar year 2010

T. Landlord's Address for Notices: c/o Washington Holdings
600 University Street, Suite 2820
Seattle, Washington 98101
Attention: Park Place Asset Manager

U. Landlord's Address for Rent Payments: WH Park Place LLC
DEPT #34167
P.O. BOX 39000
SAN FRANCISCO, CA 94139

V. Tenant's Address for Notices: King County Real Estate Services Section
500 Fourth Avenue, Suite 500
Seattle, WA 98104-3279
Attention: Manager, Real Estate Services

W. Landlord's Broker: Urbis Partners, LLC

X. Tenant's Broker: Washington Partners, Inc.

- Y. Property Manager: Wright Runstad & Company
1200 - Sixth Avenue, Suite 1815
Seattle, Washington 98101
Attention: Property Manager
- Z. Parking: Tenant shall have ongoing access to twenty-five (25) parking stalls in the Building garage at the then market rates. The current monthly rate is \$260.00 per stall.

Within sixty (60) days of the Commencement Date, Tenant shall notify Landlord of how many of the twenty-five (25) parking stalls it initially chooses to use. Thereafter, Tenant shall have the right at any time on ninety (90) days prior written notice to relinquish use of up to twenty (20) parking stalls for a minimum period of at least twelve (12) consecutive months. If Tenant so elects to relinquish use of such parking stalls, it shall have the right to resume use of all or part of such relinquished parking stalls after the twelve (12) month period upon ninety (90) days' prior written notice specifying the relinquished stalls which it intends to use. If it elects to resume such use, it must continue such use for at least twelve (12) consecutive months. Tenant shall not be charged for any relinquished parking stalls during the period of such relinquishment.

Employees shall have 24-hour access to the garage and building. Client parking is available in the garage on an hourly basis during business hours on an as available basis.

ARTICLE 1 PREMISES

1.1 Construction; Suitability; Early Entry. The initial improvements to the Premises shall be constructed pursuant to Exhibit "C" attached hereto. Landlord shall have no other obligation to perform any construction or other work to the interior or exterior of the Premises or elsewhere at the Property unless expressly set forth in Exhibit "C". Tenant's taking possession of the Premises or any portion thereof shall be conclusive evidence that the Premises or such portion were then in good order, repair and satisfactory condition. Except as expressly provided herein, Tenant acknowledges that neither Landlord, nor any agent or representative of Landlord, has made any representation or warranty with respect to the suitability of the Premises for the use set forth in the Basic Lease Provisions, and that Tenant has entered into this Lease based solely upon its own investigation and inspection of the Property and the Premises. Landlord does not represent, and Tenant does not rely on the fact that any specific tenant or tenants will occupy space in the Property during the Term of this Lease. Landlord reserves and excepts from the Premises the roof and exterior walls of the Building of which the Premises are a part. Upon mutual execution hereof and provision to Landlord of appropriate insurance certificates, Tenant may enter the Premises for limited purposes of inspecting same and for installation of its desired furniture, fixtures, and equipment, provided that such early entry shall not unreasonably interfere with the prosecution of the Landlord's Work to the Premises. Such early entry by Tenant shall be subject to all the terms and conditions of this Lease except for the obligation to pay Rent.

1.2 Location. The parties acknowledge that Exhibit "A" describes the current perimeter of the Property and sets forth a general layout of the Property, and shall not be deemed a representation by Landlord that the Property shall always be constructed as indicated thereon or that any tenants or occupants designated by name or nature of business thereon shall conduct business in the Property during the Term of this Lease; and, subject to compliance with all applicable laws and governmental requirements and provided that there is reasonable access to the Premises, Landlord may in its sole discretion increase, decrease or change the number, location, and dimensions of the buildings, the premises therein, driving lanes, driveways, walkways, parking places and other improvements shown on Exhibit "A", and Landlord reserves the right to make additions and alterations, including the addition of pay telephones, to all buildings constructed in the Property, and to change the name of the Building, the Property, or any of the other buildings thereon from time to time. References to "this Lease" include all exhibits and matters incorporated by reference as part of this Lease. In the event a portion of the Premises, Building, or Property is damaged or any other event or change occurs which alters the RSF of any or all of the foregoing, Landlord may appropriately adjust the foregoing areas and Tenant's Pro Rata Share thereof. Following completion of any Landlord's Work and/or Tenant Improvements described in Exhibit "C", Landlord reserves the right to remeasure the Premises and the Building in accordance with provisions of the Standard Method for Measuring Floor Area in Office Buildings published by the Building Owners and Managers Association (ANSI/BOMA Z65.1-1996) applicable to multi-tenant office buildings, to establish the RSF thereof, and appropriate adjustments (if any) shall be made to Minimum Monthly Rent, Tenant's Pro Rata Share, and other terms of this Lease dependent

on the RSF of the Premises and/or Building. Tenant shall be deemed to have accepted any such remeasurement and/or adjustment unless Tenant objects to same within thirty (30) days after receipt of notice thereof from Landlord.

1.3 Right of First Offer. Provided that Tenant is not at the time of exercise below in material default under the terms and conditions of this Lease beyond applicable notice and cure periods, Tenant shall have, during the Term hereof, a continuous right of first offer to lease additional space coming available on the Fifth and Sixth Floors of the Building (the "ROFO Space"). Tenant's right of first offer shall be subject and subordinate to the following rights granted as of the date of this lease (x) Gensler's right of first offer as to Suite 550 and extension option as to Suite 500, and (y) Total Resource Management's extension option as to Suite 620. If at any time during the Lease Term, Landlord shall receive a bona fide offer from any third party to lease all or any part of the ROFO Space, which offer Landlord shall desire to accept, or all or any part of the ROFO Space becomes available for lease (after waiver by any of the aforementioned parties with rights superior to the rights granted to Tenant hereunder), then Landlord shall promptly notify Tenant of the existence of such offer, including the fundamental economic terms of the third party offer, or the availability of such portion of the ROFO Space for lease and the fundamental economic terms under which Landlord would accept a lease therefor. Tenant may, within fifteen (15) days thereafter, elect by written notice to Landlord to lease the ROFO Space on the same terms and conditions as those set forth in the third-party offer (or, if Landlord's notice indicates that the space is becoming available to lease and no third-party offer has yet been received, at the terms described in Landlord's notice), except that (i) the Lease Term of Tenant's lease of the ROFO Space shall end contemporaneously with the Term as to the original Premises demised hereby (provided that, if there are fewer than two (2) years remaining on the then-effective Term as to the Premises then being leased by Tenant, then the Lease Term as to the ROFO Space shall be five (5) years from the date the ROFO Space is added to the Premises, and the then-effective Term as to the Premises then being leased by Tenant prior to addition of the ROFO Space shall not be affected), and (ii) terms and conditions contained in any third-party offer that are unique to that third party or are made in connection with a third-party offer to lease other space in the Building in addition to the ROFO Space shall not be included in the terms under which Tenant shall be permitted to lease such ROFO Space. Failure of Tenant to exercise the foregoing right within the prescribed time period above shall constitute a waiver of Tenant's right as to that offer with respect to the ROFO Space mentioned in Landlord's notice, and Landlord shall have the right to lease the ROFO Space in Landlord's sole discretion. If Tenant duly elects to exercise its right of first offer as aforesaid, Landlord shall prepare, and Tenant shall promptly execute, an amendment to this Lease to memorialize such election, provided, however, that failure of Tenant to execute such amendment shall not affect the binding nature of Tenant's election to exercise the right of first offer as aforesaid. Tenant's right of first offer shall continue as to the ROFO Space, and the procedure described in this paragraph shall be followed, if there is a failure to enter into a lease with the third party making the offer within one hundred twenty (120) days of the date of Landlord's initial notice above. All rights of Tenant under the provisions of this right of first offer shall terminate and be of no further force or effect even after Tenant's due and timely exercise of the right of first offer, if after such exercise, but prior to the occupancy of the ROFO Space, Tenant is in material default hereunder beyond applicable notice and cure periods. The rights described in this paragraph are personal to Tenant and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than Tenant, and are not assignable separate and apart from this Lease.

1.4 Emergency Space. Prior to Landlord's initial delivery of the Premises as contemplated by this Lease, in the event of a flood (or Tenant's reasonable anticipation of a flood) in the Green River Valley impacting Tenant's existing locations, Landlord shall make diligent efforts to provide the Premises, or alternate premises at the Building subject to availability, for Tenant's use on an emergency short-term basis. Such emergency occupancy shall be subject to not unreasonably interfering with Landlord's completion of the Landlord's Work, and shall be subject to all of the other terms and conditions of this Lease including the obligation to pay Rent.

1.5 Exhibits. The following drawings and special provisions are attached as exhibits and made a part of this Lease:

Exhibit "A"	-	Legal Description
Exhibit "B"	-	Space Plans
Exhibit "C"	-	Workletter
Exhibit "D"	-	Rules and Regulations
Exhibit "E"	-	Delivery of Premises

ARTICLE 2 BUSINESS RIGHTS AND RESTRICTIONS

2.1 Use. The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions and under the Trade Name set forth in the Basic Lease Provisions and for no other purpose or use whatsoever.

2.2 Restrictions. Tenant shall not, without Landlord's prior written consent, which consent Landlord may withhold in its sole discretion: (a) conduct any auction or bankruptcy sales; (b) conduct any fire sale; (c) conduct any close-out sale except

at the expiration of the Lease Term; (d) sell any so-called "surplus", "Army and Navy", or "secondhand" goods, as those terms are generally used at this time and from time to time hereafter; (e) permit anything to be done on the Premises which will in any way obstruct, interfere with or infringe on the rights of other occupants or invitees of the Property; (f) install or erect any satellite dish or other roof- or building-mounted equipment; (g) install any automated teller or cash machines ("ATMs"), appliances, video games, arcade games, pinball machines, or pay telephones in or about the Premises; or (h) bring or keep on the Premises any item or thing or permit any act thereon which is prohibited by any law, statute, ordinance or governmental regulation now in force or hereinafter enacted or promulgated, or which is prohibited by any Standard form of fire insurance policy.

ARTICLE 3 TERM

3.1 Initial Term. The Term hereof shall commence on the Lease Commencement Date defined in the Basic Lease Provisions and shall terminate on the Expiration Date defined in the Basic Lease Provisions, unless earlier terminated or extended as set forth elsewhere herein. If Landlord encounters delays in delivering possession of the Premises to Tenant, this Lease will not be void or voidable, nor will Landlord be liable to Tenant for any loss or damage resulting from such delay. Tenant agrees to execute a certificate confirming the date of the Lease Commencement Date in the form of the certificate attached hereto as **Exhibit "E"**, which certificate shall be initialed by Landlord and attached to, and incorporated into, this Lease. Tenant may utilize the period between the Possession Date and the Lease Commencement Date to fixturize and otherwise ready the Premises for the commencement of Tenant's business therein. Commencing on the date of mutual execution hereof, Tenant and Landlord shall comply with each and every term, covenant, condition and provision of this Lease, excepting only those provisions pertaining to Tenant's obligation to pay Minimum Monthly Rent, which obligation shall commence on the Rent Commencement Date described in the Basic Lease Provisions. In connection therewith, Tenant acknowledges and agrees that certain obligations under various articles hereof shall commence prior to the Lease Commencement Date (i.e., payment of certain charges, construction obligations, hold harmless, liability insurance, etc.), and Tenant agrees to be bound by these articles prior to the Lease Commencement Date.

3.2 Tenant's Early Termination Options. Notwithstanding anything to the contrary herein, provided Tenant is not, at the time of notice or the time of early termination, in material default of this Lease beyond applicable grace and cure periods, Tenant shall have the right to terminate this Lease early, such early termination to be effective on the applicable date set forth below (each such date, an "Early Termination Date"). In partial consideration for and as a condition to Tenant's right to terminate this Lease early, Tenant shall be required to pay to Landlord on the applicable Early Termination Date a fee (the "Early Termination Fee") equal to the unamortized value, calculated as of the applicable Early Termination Date, of the sum of the utilized portion of the Tenant Improvement Allowance and brokers' fees and commissions paid by Landlord in connection with this Lease (the "Landlord's Fees and Concessions"), amortized over the Initial Term of this Lease with interest on the unamortized balance at nine percent (9%) per annum. The total of Landlord's Fees and Concessions shall be confirmed after completion of the Landlord's Work. To exercise its early termination option, Tenant must provide written notice to Landlord on or before the applicable Notice Dates set forth below, such notice to be accompanied by the applicable Early Termination Fee, paid by wire transfer or other "same day" funds.

Notice Date	Early Termination Date
May 1, 2010	June 30, 2010
November 1, 2010	December 31, 2010
May 1, 2011	June 30, 2011
November 1, 2011	December 31, 2011
May 1, 2012	June 30, 2012
June 1, 2012	November 30, 2012

If Tenant duly and timely elects to terminate this Lease early as provided herein, the Early Termination Date selected by Tenant shall operate as if that date were the time originally fixed for the termination of this Lease and this Lease shall come to an end with the same force and effect as if such Early Termination Date were the date herein provided for the normal expiration hereof. Furthermore, all provisions of this Lease that are to become effective on the termination of this Lease shall become operative or effective on the Early Termination Date. The foregoing options to terminate the Lease early are personal to the originally-named Tenant hereunder and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than such Tenant.

3.3 Option to Extend. Provided that Tenant is not in default beyond applicable grace and cure periods at the time of Tenant's exercise notice described below, or at the time of commencement of the Extended Term described below, and provided further that Tenant has not been in monetary default hereunder more than twice, Tenant shall have the right to extend the term of this Lease for one (1) period of five (5) years (the "**Extended Term**"). Tenant may exercise its extension option by delivering to Landlord written notice of Tenant's intention to exercise such option (the "**Option Notice**") not earlier than September 1, 2013 and not later than October 31, 2013. The Extended Term shall be on all of the terms and conditions contained in this Lease, except that (i) Minimum Monthly Rent shall be adjusted as set forth below; and (ii) there shall be no further extension options. The option to extend the Term of this Lease is exercisable only by the original Tenant named in the Basic Lease Provisions, and an assignee pursuant to a Permitted Transfer, and is not assignable or transferable. Once delivered, an Option Notice cannot be cancelled or revoked.

3.4 Extended Term Minimum Monthly Rent. Minimum Monthly Rent during the Extended Term shall be Fair Market Rental Value. The term "**Fair Market Rental Value**" shall be the rental rate and concessions that comparable office space for the same term of the Extended Term would command on the open market at the time of commencement of the Extended Term, determined in the manner set forth below. For purposes hereof, the term "comparable Premises" shall mean office space similar in size and location to the Premises, in comparable buildings, with comparable views, and with similar improvements and amenities for a renewal term.

(i) If Landlord and Tenant cannot agree upon the Fair Market Rental Value of the Premises within twenty (20) days after Landlord's receipt of the Option Notice, then Landlord and Tenant shall agree within ten (10) days thereafter on one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers or equivalent) who will determine the Fair Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, then one M.A.I. qualified appraiser shall be appointed by Tenant and one M.A.I. qualified appraiser shall be appointed by Landlord within ten (10) days of notice by one party to the other of such disagreement. The two appraisers shall determine the Fair Market Rental Value of the Premises within twenty (20) days of their appointment; provided, however, if either party fails to appoint an appraiser within such ten (10) day period, then the determination of the appraiser first appointed shall be used. The appraisers appointed shall proceed to determine Fair Market Rental Value within twenty (20) days following such appointment. If said appraisers should fail to agree, but the difference in their conclusions as to Fair Market Rental Value is ten percent (10%) or less of the lower of the two appraisals, the Fair Market Rental Value shall be deemed the average of the two.

(ii) If the two appraisers should fail to agree on the Fair Market Rental Value, and the difference between the two appraisals exceeds ten percent (10%), then the two appraisers thus appointed shall appoint a third M.A.I. qualified appraiser, and in case of their failure to agree on a third appraiser within ten (10) days after their individual determination of the Fair Market Rental Value, either party may apply to the Presiding Judge of the Superior Court for Pierce County, Washington, requesting said Judge to appoint the third M.A.I. qualified appraiser. The third appraiser so appointed shall promptly determine the Fair Market Rental Value of the Premises and the average of the appraisals of the two closest appraisers shall be used. The fees and expenses of said third appraiser or the one appraiser Landlord and Tenant agree upon, shall be borne equally by Landlord and Tenant. Landlord and Tenant shall pay the fees and expenses of their respective appraiser if the parties fail to agree on a single appraiser. All M.A.I. appraisers appointed or selected pursuant to this subsection shall have at least ten (10) years experience appraising commercial properties in the downtown Seattle central business district.

(iii) The determination of Fair Market Rental Value pursuant to this paragraph shall be final, conclusive and binding upon both parties.

ARTICLE 4 RENT

4.1 Payment. Tenant shall pay to Landlord without prior demand, abatement, deduction, set-off, counter claim or offset, for all periods during the Lease Term, all sums provided in this Paragraph 4.1 and all other additional sums as provided in this Lease, at the address set forth in the Basic Lease Provisions, payable in lawful money of the United States of America on the first day of each month. All sums of money required to be paid pursuant to the terms of this Lease are hereby defined as "**rent**" or "**Rent**", including all sums as provided in Paragraphs 4, 5, 6, 7, 8, and 9 and provided elsewhere in this Lease, whether or not the same are designated as such. All Rent other than Minimum Monthly Rent is sometimes referred to herein as "**Additional Rent**." Landlord's acceptance of Tenant's bank check or other funds shall not be deemed a waiver of Landlord's right to thereafter demand and receive timely payment in immediately available funds.

(a) Minimum Monthly Rent. Commencing on the Rent Commencement Date, Tenant shall pay to Landlord Minimum Monthly Rent at the initial monthly rate provided in the Basic Lease Provisions.

(b) Late Fee. If Tenant shall fail to pay when due any installment of Minimum Monthly Rent or any other sums due under this Lease, a late charge equal to the greater of (i) \$100, or (ii) five percent (5%) of the overdue amount shall be payable by Tenant to reimburse Landlord for costs relating to collecting and accounting for said late payment(s).

4.2 First Partial Month. If the first day of the Lease Term occurs on a day other than the first day of a calendar month; Minimum Monthly Rent for such partial month ending on the last day of the calendar month in which the Lease Term commences shall be prorated based on a 30-day month, and as so prorated shall be paid on the date of execution of the Lease.

4.3 Lease Year. The term "Lease Year" shall mean each period of twelve (12) or less consecutive months which ends on December 31 of each calendar year during the Lease Term or any Extended Term, and the period from the last December 31 during the Lease Term or any Extended Term to and including the last day of the Lease Term or any Extended Term during the next calendar year. The first and last Lease Years may be less than twelve (12) months.

ARTICLE 5 COMMON AREA

5.1 Definition. The "Common Area" is that area within the Property which is neither occupied by buildings (excluding roof overhangs and canopies, columns supporting roof overhangs and canopies, and subsurface foundations) nor devoted permanently to the exclusive use of a particular tenant, except that areas containing pylon signs and buildings or subsurface utilities which are used with respect to the operation of the Common Area shall be deemed to be a part of the Common Area. The Common Area includes each area designated as a building area on Exhibit "A" until such time as it is improved with a building.

5.2 Use. During the Term hereof, Tenant, its subtenants, concessionaires, licensees, invitees, customers, and employees shall have the nonexclusive right to use the Common Area with Landlord, other owners of portions of the Property, other tenants, and their respective subtenants, concessionaires, licensees, invitees, customers, and employees, subject to the provisions of this Lease.

5.3 Maintenance and Operation. "Operating Expenses" shall include, but not be limited to, the costs and expenses of operating, managing, lighting, repairing, replacing (when repairing will be uneconomic), painting, and maintaining the Common Areas and the remainder of the Property in reasonably good and sanitary order, condition, and repair, including without limitation, the costs and expenses of the following: (1) reasonable and customary property management fees; (2) cleaning and removing rubbish and dirt, and recycling expenses; (3) labor costs for personnel performing services in connection with the operation, repair and maintenance of the Common Area or Property and the payroll taxes and fringe and other benefits related thereto; (4) all utility services utilized in connection with the Common Area and Property which are not separately metered to the tenants, including but not limited to heating, ventilation, and air conditioning ("HVAC"), if any; as well as electricity, gas, water charges, sewer charges, hook-up fees, and cost of installing, maintaining and repairing the Property's intrabuilding network cabling, repair and/or installation of any fire protection systems, security alarm systems, lighting systems, electrical systems and any other utility systems; (5) cleaning, maintaining, repairing, replacing, and re-marking paved and unpaved surfaces, curbs, signs, landscaping, lighting and electrical facilities, drainage, elevators, escalators, meters, breakers, security systems, life safety systems, irrigation systems, window, fences and gates, wiring, and repairs, modifications, additions and replacements to the foregoing whether or not necessitated by any present or future law, statute, regulation, or directive of any governmental agency, and other similar items; (6) all premiums on, deductibles, retentions, and claims not covered by, worker's compensation, casualty, public liability, property damage, loss of rent, fire and extended coverage, and other insurance on the Common Area and Property obtained by Landlord pursuant to Article 9, or otherwise; (7) rental of or cost of tools, machinery, and equipment used in connection with managing, repairing, cleaning and maintaining the Common Area; (8) the cost of all janitors, gardeners, security personnel and equipment performing services on the Common Area; (9) any regulatory fee or surcharge or similar imposition imposed by governmental requirements based upon or measured by the number of parking spaces, commuter trips, or the areas devoted to parking in the Common Area; (10) the cost of other capital improvements to the Common Area; (11) all costs and expenses incurred in connection with the management, maintenance, repair, operation, and replacement of all landscaping and parking facilities serving the Property; (12) the Property's portion of the cost of any easements or other agreements maintained for the benefit of the Property or the Property's tenants and occupants; (13) license, permit, and inspection fees associated with the ongoing operation, maintenance, and repair of the Common Area; (14) the Property's portion of accounting (i.e., the salary and associated expenses of Property accounting) and legal services directly attributable to the Property, but excluding all such services in connection with negotiations and disputes with specific tenants unless the matter involved affects all tenants of the Property;. Notwithstanding the foregoing, following shall be excluded from Operating Expenses: depreciation and amortization, except as provided herein and except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation and amortization would otherwise have been included in the charge for such third party's services and when depreciation or amortization is permitted or required, the item shall be amortized with reasonable interest over its

reasonably anticipated useful life. Notwithstanding the foregoing, costs of a capital nature, including, without limitation, capital improvements, capital replacements, capital repairs, capital equipment and/or capital tools, Tenant's share of which costs exceed Five Thousand and No/100 Dollars (\$5,000.00), shall be amortized over the useful life thereof as reasonably determined by Landlord and only included in the cost for which Tenant shall reimburse Landlord for the portion of the useful life falling within the Lease Term but only if and to the extent made subsequent to the initial development of the Property or Building and which are designed with a reasonable probability of enhancing the life safety systems of the Property or improving the operating efficiency of the Property or Building, or are required to comply with laws enacted or interpreted after the Commencement Date hereof.

5.4 Records. Landlord shall keep accurate records showing in reasonable detail all expenses incurred for such maintenance. These records shall, upon at least thirty (30) days' request, be made available during business hours at the offices of Landlord for inspection by Tenant. Any such inspection by Tenant shall take place within one (1) year following the date of the annual reconciliation statement (as defined in Paragraph 5.5 below) setting forth such expenses, or else any disagreements or claims by Tenant in connection therewith shall be deemed forever waived.

5.5 Tenant's Contribution. From and after the Lease Commencement Date, and during the entire Initial Lease Term and all Extended Terms, Tenant shall pay to Landlord on the first day of each month, Tenant's Pro Rata Share of the amount by which Operating Expenses for a particular Lease Year exceed Operating Expenses for the Base Year, based on, at Landlord's election, either: (a) the amount of such expenses actually incurred during the billing period; or (b) equal periodic installments which have been reasonably estimated in advance by Landlord for a particular period. Landlord may revise such estimates upward or downward at any time with reasonable prior notice to Tenant. If Landlord elects to bill Tenant based upon estimates, Landlord shall, within one hundred twenty (120) days after the end of the calendar year, or as soon thereafter as possible, forward to Tenant a written statement (the "annual reconciliation statement") which adjusts the estimated expenses to reflect the actual expenses incurred for such year. If the annual reconciliation statement shows the actual expenses to have exceeded the estimated expenses, then Tenant's share of such additional amount shall be paid by Tenant to Landlord within ten (10) days of receipt of the annual reconciliation statement; if the annual reconciliation statement shows the actual expenses to have been less than the estimated expenses, Landlord shall at its election pay the amount to Tenant or credit Tenant's share against the sums next due hereunder from Tenant to Landlord (or against any outstanding sums then due). Tenant shall have the right at its own cost and expense to review and/or inspect Landlord's records once in any calendar year with respect to any Operating Costs shown on Landlord's annual reconciliation statement provided to Tenant. Tenant shall give Landlord written notice of its intention to conduct any such review or inspection on or before thirty (30) days after the date of Tenant's receipt of Landlord's annual reconciliation statement. Tenant's review/inspection shall be conducted by a certified public accounting firm at Landlord's main business office, or at such other location as Landlord may keep its relevant business records, and on a date mutually agreed upon by Landlord and Tenant. Landlord agrees that it shall give Tenant said access to review/inspect the business records no later than sixty (60) days after Tenant's notice to Landlord. Tenant must provide written notice to Landlord within one hundred twenty (120) days after Tenant's notice to Landlord, specifying any and all claims it may have determined in good faith. Tenant agrees to diligently pursue its review/inspection of Landlord's records in order to determine if it concurs or disagrees with Landlord's statement. All such inspection(s) shall be at the sole cost and expense of Tenant, provided that in the event Tenant's review reasonably determines there is an overcharge of Operating Expenses which has not been credited to Tenant, said overcharge being more than five percent (5%) of Tenant's share of the Operating Expenses, and Landlord does not contest the Tenant's results, then Landlord shall pay Tenant's reasonable out-of-pocket costs of such inspection, not to exceed Two Thousand Dollars (\$2,000). If Landlord desires to contest the result of Tenant's inspection, Landlord may do so within thirty (30) days of its receipt of the inspection results, by submitting the results of the inspection to binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, to be conducted by a mutually acceptable single arbitrator with not less than ten (10) years experience as a real estate attorney, or a retired judge with experience in commercial real estate litigation and/or leases. Any overcharge or undercharge determined as a result of Tenant's inspection or by the arbitrator shall be paid by the appropriate party to the other within thirty (30) days after the inspection results are provided to Landlord.

5.6 Operation and Control. Landlord shall have control and non-exclusive possession of the entire Common Area and may from time to time adopt rules and regulations pertaining to the use thereof. Landlord shall, except as otherwise provided herein, operate and maintain the Common Area during the Lease Term. Landlord reserves the right to use the Common Area for such promotions, exhibitions and similar uses as Landlord reasonably deems in the best interests of the Property and its tenants. Landlord may temporarily close parts of the Common Area for such periods of time as may be necessary for (i) temporary use as a work area in connection with the construction of buildings or other improvements within the Property or contiguous property; (ii) repairs or alterations in or to the Common Area to any utility facilities; (iii) preventing the public from obtaining prescriptive rights in or to the Common Area; (iv) emergency or added safety reasons; (v) temporary use of the Common Area for entertainment, performance or shopping events; or (vi) performing such other acts as in Landlord's reasonable judgment are appropriate for the proper operation or maintenance of the Property. Landlord shall have the sole and exclusive control of the Common Area. Landlord's rights shall include, but not be limited to, the right to (vii) restrain the use of the Common Area by unauthorized persons; (viii) utilize from time to time any portion of the Common Area for promotional, entertainment and related

matters; (ix) place permanent or temporary kiosks, displays, carts and stands in the Common Area and to lease same to tenants; (x) temporarily close any portion of the Common Area for repairs, improvements or alterations, to discourage non-customer use, to prevent dedication or an easement by prescription, or for any other reason deemed sufficient in Landlord's judgment; and (xi) change the shape and size of the Common Area, add, eliminate or change the location of improvements to the Common Area, including, without limitation, buildings, lighting, parking areas, roadways and curb cuts, and construct buildings on the Common Area. Landlord may determine the nature, size and extent of the Common Area and whether portions of the same shall be surface, underground or multiple-deck; as well as make changes to the Common Area from time to time which in Landlord's opinion are deemed desirable for the Property. The manner in which the Common Area shall be operated and maintained and the expenditures therefor shall be in Landlord's sole discretion. Landlord reserves the right to appoint a substitute operator, including but not limited to, any tenant in the Property, to carry out any or all of Landlord's rights and duties with respect to the Common Area as provided in this Lease; and Landlord may enter into a contract either by a separate document or in a Lease agreement with such operator on such terms and conditions and for such period as Landlord shall deem proper.

5.7 Obstructions. No fence, wall, structure, division, rail or obstruction shall be placed, kept, permitted or maintained upon the Common Area or any part thereof by Tenant. Tenant shall not conduct any sale, display, advertising, promotion, or storage of merchandise or any business activities of any kind whatsoever in or upon the Common Area without Landlord's prior written consent. Tenant shall not use the Common Area for solicitations, demonstrations or any other activities that would interfere with the conduct of business in the Property, or which might tend to create civil disorder or commotion.

5.8 Allocation of Expenses; Gross Up. Those Operating Expenses, Taxes, and insurance costs that Landlord reasonably determines should be allocable to all tenants of the Property shall be considered to be Property Operating Expenses, Taxes, and insurance costs, respectively, and those Operating Expenses, Taxes and insurance costs that Landlord reasonably determines should be allocable only to specific tenants shall be shared among only those tenants. Landlord also reserves the right to create, as appropriate, new categories of Operating Expenses, Taxes, and insurance costs, if certain Operating Expenses, Taxes, and/or insurance costs are reasonably allocable only to Tenant and not to all tenants of the Property or the Building. In such case, Tenant's Pro Rata Share shall be established for such separately-categorized Operating Expenses, Taxes, and/or insurance costs, and Tenant shall be responsible for paying the costs and expenses of installing meters or other devices to determine the actual cost or expense of such separately categorized Operating Expenses, Taxes, or insurance costs on a pro rata basis with those other tenants, if any, that are responsible for paying a portion of such separately-categorized Operating Expenses, Taxes and insurance costs, as applicable. If less than an average of ninety-five percent (95%) of the rentable area of the Property is occupied by tenants during all or any portion of a lease year, Landlord shall make an appropriate adjustment of those Operating Expenses and insurance costs that vary by occupancy, including for purposes of calculating Tenant's estimated payments of increases thereof, employing sound accounting and property management principles, to determine the amount of Operating Expenses and taxes that would have been expended or incurred had ninety-five percent (95%) of the rentable area of the Property been occupied during the entire year.

ARTICLE 6 TAXES

6.1 Personal Property Taxes. Tenant shall pay before delinquency all license fees, public charges, taxes and assessments on the furniture, fixtures, equipment, inventory and other personal property of or being used by Tenant in the Premises, whether or not owned by Tenant.

6.2 Real Property Taxes.

(a) Definition: Payment. Tenant shall pay to Landlord as Additional Rent, in the manner set forth in Paragraph 5.5, Tenant's Pro Rata Share of the amount by which "Taxes" (as defined below) for a particular Lease Year exceed Taxes for the Base Year. As used herein, Taxes shall mean all real property taxes, excises, license and permit fees, utility levies and charges, business improvement districts, transport fees, trip fees, monorail and other light rail fees or assessments, transportation management program fees, school fees, fees assessed by air quality management districts or any governmental agency regulating air pollution or commercial rental taxes, and other governmental charges and assessments, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, and installments thereof (including any business and occupation tax imposed on Landlord, the Building or the Property, and any tax imposed on the rents collected therefrom or on the income generated thereby, whether or not substituted in whole or in part for real property taxes, as well as assessments and any license fee imposed by a local governmental body on the collection of rent), which shall be levied or assessed against all or any portion of the Premises, or imposed on Landlord for any period during the Term of this Lease. Said Taxes attributable to the years that this Lease commences and terminates shall, if necessary, be prorated and apportioned between Landlord and Tenant to coincide with the commencement and expiration of the Lease Term.

(b) Separate Tax Bill. If the Premises are separately billed pursuant to a segregation, Tenant shall pay such Taxes as Additional Rent, at Landlord's election, either (i) at least 30 days prior to delinquency, directly to the tax collector, or (ii) together with Tenant's Pro Rata Share of monthly Operating Expenses, to Landlord, or (iii) twice each year within ten (10) days after delivery of Landlord's written statement which shall be accompanied by a copy of the tax bill, to Landlord. Each party shall furnish the other upon written request, evidence of payment of such Taxes.

(c) Tenant's Use. Notwithstanding any other provisions of this Paragraph 6.2, in the event that Tenant's use of the Premises or any action undertaken by Tenant causes an increase in Taxes assessed against the Property or the Premises as a result of any tax reassessment or reappraisal, Tenant shall be solely liable for, and shall pay, in addition to all other sums payable under this Paragraph 6.2 or elsewhere in the Lease, the entire amount of the increase in Taxes over the amount of Taxes for the Property or the Premises had such reassessment or reappraisal not occurred.

6.3 Business Taxes. Tenant shall also pay Tenant's Pro Rata Share of: (a) all special taxes and assessments or license fees now or hereafter levied, assessed or imposed by law or ordinance, by reason of Tenant's use of the Premises; (b) all business and occupation tax and any tax, assessment, levy or charge assessed on the Rent paid under this Lease; and (c) metropolitan improvement and other business improvement district fees.

6.4 Substitute and Additional Taxes. If, at any time during the Term, the methods of taxation prevailing on the execution date hereof shall be altered so that in lieu of, or as a supplement to or as a substitute for, the whole or any part of the Taxes now levied, assessed or imposed on the Premises or the Property, there shall be levied, assessed or imposed a tax, assessment, levy, imposition or charge, wholly or partially as a capital levy or otherwise, on the rents received therefrom, or a tax, assessment, levy (including but not limited to any municipal, state, or federal levy), imposition or charge measured by or based in whole or in part upon the Premises and imposed upon Landlord, or a license fee measured by the rent payable under this Lease or by expenditures made by Tenant on Landlord's behalf in connection with this Lease, then all such taxes, assessments, levies, impositions, charges of the part thereof so measured or based, shall be deemed to be included within the term "Taxes" as defined in Article 6 hereof, and Tenant shall pay and discharge the same in the manner provided for the payment of Taxes herein, it being the intention of the parties hereto that the rent to be paid hereunder shall be paid to Landlord absolutely net, without deduction of any kind or nature whatsoever.

6.5 Commercial Rent Tax. Tenant shall pay to Landlord, in addition to and together with any and all installments of Minimum Monthly Rent, Additional Rent and other charges payable pursuant to this Lease, the excise, transaction, sales, privilege, or other tax (other than net income and/or estate taxes), if any, now or in the future imposed by the city, county, state or any other government or governmental agency upon Landlord and attributable to or measured by the Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges or prorations payable by Tenant pursuant to this Lease.

ARTICLE 7 UTILITIES AND SERVICES

7.1 Utilities and Services. Provided that Tenant is not in default under this Lease, Landlord will provide the following services:

7.1.1 Maintain normal business hours at the Building, Monday through Friday from 6:00 a.m. to 6:00 p.m.

7.1.2 Furnish utilities to provide for lighting, convenience power, and heat and air conditioning capable of maintaining a temperature in accordance with applicable energy code requirements. Landlord shall cause the Premises to be supplied with electricity for standard power usage. As used herein, "standard power usage" means use of electricity for building standard lighting and office standard machines used in quantities and for amounts of time typically used by tenants in the building for ordinary office use. As use herein, "office standard machines" means typewriters, dictaphones, desk top calculators, desk top computer terminals and other analogous office equipment with equal or lesser power requirements, all operating on 110 volt circuits. High power usage equipment includes without limitation servers, as well as machines that operate on 220-volt circuits. Tenant shall not install or operate high power usage equipment on the Premises without Landlord's prior written consent, which may be refused unless Tenant confirms in writing its obligation to pay the additional charges necessitated by such equipment. Electricity used by Tenant in the Premises shall, at Landlord's option, be paid for by Tenant either: (i) through inclusion in Operating Expenses (except as otherwise provided herein for excess usage); (ii) by a separate charge payable by Tenant to Landlord within 30 days after billing by Landlord; or (iii) by separate charge billed by the applicable utility company or reseller and payable directly by Tenant. Electrical service to the Premises may be furnished by one or more companies providing electrical generation, transmission and distribution services, and the cost of electricity may consist of several different components or separate charges for such services, such as generation, distribution and stranded cost charges.

Landlord shall have the exclusive right to select any company providing electrical service to the Premises, to aggregate the electrical service for the Property, any Buildings and the Premises with other Buildings, to purchase electricity through a broker and/or buyers group and to change the providers and manner of purchasing electricity. Landlord shall be entitled to receive a fee (if permitted by law) for the selection of utility companies and the negotiation and administration of contracts for electricity. Whenever heat generating machines or equipment or lighting other than building standard lights in excess of Tenant's requirements described herein are used in the Premises by Tenant which affect the temperature otherwise maintained by the air cooling system, Landlord shall have the right to install supplementary air cooling units in the Premises, and the cost thereof, including the cost of installation and the cost of operation and maintenance thereof, shall be paid by Tenant upon billing. Landlord may impose a reasonable charge for utilities and services, including without limitation, air cooling, electric current and water, required to be provided the Premises by reason of, (a) any substantial recurrent use of the Premises at any time other than the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday, (b) any use beyond what Landlord agrees to furnish as described above, (c) electricity used by equipment designated by Landlord as high power usage equipment, or (d) the installation, maintenance, repair, replacement or operation of supplementary air cooling equipment, additional electrical systems or other equipment required by reason of special electrical, heating, cooling or ventilating requirements of equipment used by Tenant at the Premises. In no event shall Tenant install portable low voltage A/C units anywhere within the Premises. At Landlord's option, separate meters for such utilities and services may be installed for the Premises and Tenant upon demand therefor, shall pay within 30 business days for the actual cost of the installation, maintenance, repair and replacement of such meters. Notwithstanding the foregoing, in the event Tenant installs supplemental air-cooling equipment within the Premises (subject to Landlord's prior approval), it shall do so at its sole cost and expense and shall be required to be connected to the Building' condenser water loop, for which an additional monthly fee shall be paid for the consumption of water and electricity.

Notwithstanding anything to the contrary elsewhere herein, Tenant shall be entitled to one hundred (100) hours per year of additional/after-hours HVAC used on Saturdays for the Premises at no additional charge. Tenant shall request such Saturday HVAC at least 24 hours in advance.

7.1.3 Provide non-attended passenger elevator facilities during all working days (Saturday, Sunday and holidays one elevator subject to call).

7.1.4 Provide five day per week janitorial services similar to that furnished in comparable general office space in the vicinity of the Building. Any and all additional janitorial service desired by Tenant shall be contracted for by Tenant directly with Landlord's janitorial agent.

7.1.5 Provide water for drinking, lavatory and toilet purposes drawn through fixtures installed by Landlord.

7.1.6 Maintain the roof and all structural portions of the Building.

7.1.7 Maintain the Property and Common Area in reasonably good condition and in compliance with all governmental codes, rules and regulations.

7.1.8 Replace burned out fluorescent tubes in light fixtures that are standard for the Building. Burned out bulbs, tubes or other light sources in fixtures that are not standard for the Building will be replaced by Landlord, but at Tenant's expense.

7.2 Payment. Costs for all services rendered under this paragraph shall be included in Operating Expenses unless specifically excluded above or in Article 5 of this Lease.

7.3 Interruptions. It is understood that Landlord does not warrant that any of the services referred to above will be free from interruption by virtue of a strike or a labor trouble or any other cause beyond Landlord's reasonable control. Such interruption of service shall never be deemed an eviction or disturbance of Tenant's use or possession of the Premises, or any part thereof, nor shall it render Landlord liable to Tenant for damages, by abatement or reduction of rent or otherwise, nor shall it relieve Tenant from performance of Tenant's obligations under this Lease, nor shall Tenant be relieved from the performance of any covenant or agreement in this Lease because of such failure or interruption; provided that Tenant's responsibility for Minimum Monthly Rent shall abate beginning on the fourth business day after the interruption caused by the gross negligence or intentional misconduct of Landlord or its agents or employees which renders all or a portion of its Premises untenable (in proportion to the amount of Tenant's space rendered untenable), and continuing until the interrupted service or utility no longer renders a significant portion of the Premises untenable. Landlord reserves the right to stop service of the elevator, plumbing, HVAC and electrical systems, when necessary, by reason of accident or emergency, or for repairs, alterations or improvements, which are in the reasonable judgment of Landlord desirable or necessary, until said repairs, alterations or

improvements shall have been completed; provided, Landlord shall use its good faith efforts to try to minimize interruption to Tenant's business operations.

7.4 LEED Certification. Tenant acknowledges that the Building has received Leadership Energy and Environmental Design ("LEED")-EB Platinum certification from the U.S. Green Building Council. In order to assist Landlord in maintaining this certification for the Building, Tenant agrees to observe the following minimum requirements to the extent reasonably possible and readily achievable:

7.4.1 Green Cleaning: The Premises shall be cleaned utilizing LEED criteria for both procedures and products.

7.4.2 Occupant Recycling: Landlord shall provide Building-standard recycling containers for the collection of all recycling and composting. Tenant shall make every effort to minimize office-generated landfill waste by purchasing recyclable products whenever practical. All Tenant battery, light bulbs and electronics waste shall be recycled. If completed by Tenant, Tenant shall upon request by the Landlord provide proof of proper disposal.

7.4.3 Office Purchasing – Ongoing Consumables: Tenant shall whenever practical purchase high recycled content office products. This shall include ongoing consumables (office paper products). Tenant will be requested to supply purchasing data (compliant versus non compliant) data to the Landlord.

7.4.4 Office Purchasing – Furniture and Electronics: Tenant shall whenever practical purchase office furniture with a high recycled content. Tenant shall maintain copies of invoices for all office furniture purchases and supply them to Landlord. Tenant shall, whenever possible purchase (or lease) electronics and appliance equipment (PC's, laptops, printers, fax, copiers, etc.) that is Energy Star Rated by the U.S. Environmental Protection Agency. Tenant shall maintain copies of invoices and supply them to Landlord when requested.

7.4.5 Construction and Maintenance of Tenant Space. Tenant shall comply with all Building rules and regulations to ensure all construction and maintenance of the Premises complies with the LEED criteria for the following areas: construction waste – recycling; construction indoor air quality ("IAQ"); sustainable product purchasing; and Occupant Transportation and Comfort Surveys. Tenant shall make every reasonable effort to participate in all LEED surveys to document Building – Tenant transportation use and occupant comfort.

ARTICLE 8 REPAIRS AND ALTERATIONS

8.1 Landlord's Repairs. Landlord shall keep in good condition and repair the structure, foundation, bearing walls, roof system, and exterior utility lines serving the Building, the costs of which shall be included in Operating Expenses pursuant to Paragraph 5.3, and paid by Tenant in accordance with Paragraph 5.5, but which shall be paid solely by Tenant in the event that the repair or replacement relates solely to the Premises or is necessitated by Tenant's actions, or if not, which shall be pro rated and paid by Tenant in accordance with Paragraph 5.5), provided further that Landlord shall not be required to make any such repairs or replacements occasioned by the act or negligence of Tenant, its agents, employees, invitees, licensees, representatives or contractors. Nothing contained in this Paragraph 8.1 shall limit Landlord's right to reimbursement from Tenant for maintenance, repair costs and replacement costs provided elsewhere in this Lease.

8.2 Tenant's Repairs. Except as expressly provided in Paragraph 8.1, Tenant shall, at its sole cost, keep in first-class appearance, in a condition at least equal to that which existed when Tenant initially began operating at the Premises, and in good order, condition, cleanliness and repair, the exterior and interior of the Premises and every part thereof, including without limitation, the interior surfaces of the walls and ceilings (including all interior painting thereof), all doors, door frames, door checks, interior relites and other glass, storefronts (if any), all plumbing, HVAC, and sewage facilities serving the Premises, including free flow up to the main sewer line, trade fixtures, floor coverings (including periodic shampooing of all carpets), maintenance, repair and lightbulb replacement for all non-Building standard lighting fixtures, and any mechanical systems or equipment installed for the sole use by Tenant. Tenant agrees to utilize Building-approved lighting and lamps, participate in the Building's recycling program, and participate in the Building's purchasing program, and provide reasonable documentation as required in connection therewith. All equipment, facilities or fixtures shall, at Tenant's sole expense, be kept, repaired, maintained, replaced or added to by Tenant at all times in accordance with all governmental requirements. Tenant shall cause all grease traps, if any, serving the Premises to be cleaned and serviced as often as may be required by law, ordinance or regulation or in order to keep the grease traps safe, sanitary and in good working order, and shall, within five (5) days of receipt, furnish to Landlord true copies of all receipts or other evidence of service from outside vendors who empty, clean or service the grease traps. In the event that Tenant fails to comply with the obligations set forth in this Paragraph 8.2, Landlord may, but shall not

be obligated to, perform any such obligation on behalf of, and for the account of Tenant, and Tenant shall reimburse Landlord for all costs and expenses paid or incurred on behalf of Tenant in connection with performing the obligations set forth herein. Tenant expressly waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

8.3 Alterations.

(a) Tenant's Alterations. Tenant shall not make any alterations, decorations, changes, installations or improvements (collectively, "Tenant Changes") in, to, or about the interior or exterior of the Premises without obtaining the prior written consent of Landlord. Tenant's request for Landlord's consent to perform any Tenant Changes which may affect the HVAC system or cause penetration through the roof of the Building, must be accompanied by plans and specifications (to be prepared by Tenant at Tenant's sole cost) for the proposed Tenant Change in detail reasonably satisfactory to Landlord, together with notice of the identity of the licensed contractor which Tenant has or will engage to perform such work, plus a review fee not to exceed \$300.00. Landlord shall grant or withhold its approval of such plans and specifications within ten (10) business days after Tenant makes request therefor in the manner provided herein; provided, however, if Landlord needs to consult with an outside consultant or expert with respect thereto, Landlord's consent shall be granted or denied not later than within a reasonable time after the expiration of such 10-business day period. All such work shall be accomplished at Tenant's sole risk and expense, and Tenant shall indemnify, defend and hold harmless Landlord from and against any and all loss, cost, liability and expense (including consequential damages) relating to or arising from the Tenant Changes. All Tenant Changes shall become a part of the realty upon installation thereof.

(b) Approval Not Required. Notwithstanding Paragraph 8.3(a), with respect to carpeting and painting of the interior portions of the Premises and other Tenant Changes which (i) are non-structural in nature (i.e., do not involve changes to or penetrations of any portion of the Building or the Property); (ii) do not involve changes to the building's systems, including without limitation, the roof, electrical, plumbing, and HVAC systems (the Tenant Changes described in clauses (i) and (ii) hereof are collectively called "Non-Structural Changes"); and (iii) in the aggregate would not cost in excess of \$3,000.00 when added together with the cost of all other Non-Structural Changes made by or for Tenant during the prior 12 month period, Tenant need not obtain Landlord's prior written consent, but must notify Landlord in writing within ten (10) days prior to the commencement of such Non-Structural Changes. Landlord may elect upon expiration or termination of this Lease to require Tenant, at Tenant's sole cost, to remove all Tenant Changes installed by Tenant pursuant to this paragraph and to restore the Premises to substantially their condition prior to the installation thereof.

8.4 General Conditions. Tenant shall at all times comply with the following requirements when performing any work pursuant to Paragraphs 8.2 or 8.3:

(a) Contractors. Tenant shall use the contractors and mechanics then appearing on Landlord's approved list if the Tenant Changes involve changes to the Building's systems and/or structural elements. With respect to Non-Structural Changes, Tenant shall use such contractors and mechanics which Landlord approves of in writing prior to their use, which approval shall not be unreasonably withheld. All contractors used by Tenant shall be licensed contractors who are experienced in the type of work to be performed, and shall provide to Landlord certificates of liability insurance evidencing coverage in force from insurance and with liability limits reasonably acceptable to Landlord, and naming Tenant, Landlord and the Property Manager as additional insureds.

(b) Compliance With Laws. All Tenant Changes shall at all times comply with all laws, rules, orders and regulations of governmental authorities having jurisdiction thereof and all insurance requirements of this Lease, shall comply with the rules and regulations for the Property now or hereafter in existence, and shall comply with the plans and specifications approved by Landlord.

(c) Tenant's Responsibility. All Tenant Changes shall be made and completed at Tenant's sole cost and expense, and the Property and the Premises shall be kept lien-free at all times by Tenant.

8.5 Americans with Disabilities Act Compliance. Landlord and Tenant acknowledge that, in accordance with the provisions of the Americans with Disabilities Act of 1990, together with its implementing regulations and guidelines (collectively, the "ADA"), responsibility for compliance with the terms and conditions of Title III of the ADA may be allocated as between the parties. Notwithstanding anything to the contrary contained in the Lease, Landlord and Tenant agree that the responsibility for compliance with the ADA (including, without limitation, the removal of architectural and communications barriers and the provision of auxiliary aids and services to the extent required) shall be allocated as follows: (i) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises if such construction, renovations, alterations and repairs are made by Tenant at its expense without the assistance of the Landlord; (ii) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for all

construction, renovations, alterations and repairs Landlord makes within the Premises, whether at Landlord's or Tenant's expense; and (iii) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for all Landlord's Work (if any) and for exterior and interior areas of the Building not included within the Premises. Landlord and Tenant each agree that the allocation of responsibility for ADA compliance shall not require either party to supervise, monitor or otherwise review the compliance activities of the other party with respect to its assumed responsibilities for ADA compliance as set forth in this paragraph.

ARTICLE 9 INSURANCE

9.1 Use Rate. Tenant shall not carry any stock of goods or do anything in or about the Premises which will cause an increase in insurance rates on the building in which the Premises are located. In no event shall Tenant perform any activities which would invalidate any insurance coverage on the Property or the Premises. Tenant shall pay on demand any increase in premiums that may be charged as a result of Tenant's use or activities or vacating or otherwise failing to occupy the Premises, but this provision shall not be deemed to limit in any respect Tenant's obligations under Article 14. In no event shall the limits of insurance required to be maintained by Tenant pursuant to this Lease be deemed to limit the liability of Tenant hereunder.

9.2 Liability Insurance. Tenant shall, during the Lease Term, at its sole expense, maintain in full force a policy or policies of Commercial general liability (CGL) insurance including contractual, on an occurrence basis, with coverage at least as broad as the most commonly available ISO Commercial General Liability policy CG 00 01, at least Two Million Dollars (\$2,000,000) per occurrence limit, Two Million Dollars (\$2,000,000) general aggregate limit, including any necessary and appropriate extensions to comply with the additional requirements of this Lease. Tenant shall also maintain Commercial Automobile coverage, One Million Dollars (\$1,000,000) combined single limit/per accident, covering injury (or death) and property damage arising out of the ownership, maintenance, or use of any private passenger or commercial vehicles and of any other equipment required to be licensed for road use. Such limits may be achieved through the use of umbrella liability insurance otherwise meeting the requirements of this paragraph. Such insurance shall also cover independent contractors liability, products and completed operations liability, and personal injury liability.

9.3 Worker's Compensation Insurance. Tenant shall at all times maintain worker's compensation insurance in compliance with federal, state and local law including Employer's Liability coverage (contingent liability/stop gap) in the amount of \$1,000,000 each accident; \$1,000,000 bodily injury by disease policy limit; and \$1,000,000 bodily injury each employee.

9.4 Property Insurance/Business Income.

(a) Landlord's Insurance. Landlord shall pay for and shall maintain in full force and effect during the Term of this Lease property insurance with respect to the Property as it may require and as may be required by its lender, which coverage may include at Landlord's option special extended coverage, earthquake and sprinkler leakage coverage, boiler and machinery, difference in conditions, business income and extra expense, building ordinance, terrorism, and excess rental value endorsements, along with rent loss insurance. Tenant shall pay Tenant's Pro Rata Share for the costs incurred by Landlord for such insurance in excess of the costs thereof for the Base Year in accordance with the payment provisions set forth in Paragraph 5.5 above.

(b) Tenant's Insurance. Tenant shall pay for and shall maintain in full force and effect during the Term of this Lease property insurance covering its leasehold improvements to the Premises, furniture, fixtures, equipment, inventory and other personal property located on the Premises in an amount of not less than one hundred percent (100%) insurable replacement value with no coinsurance penalty, "Special Form—Causes of Loss", with Flood Insurance and earthquake if Landlord or its lender deems such insurance to be necessary or desirable), with an Ordinance or Law endorsement, and replacement cost coverage to protect against loss of owned or rented equipment and tools brought onto or used at the Property by Tenant. Tenant shall also obtain and maintain Business Income and Extra Expense coverage for a period of not less than twelve (12) months.

9.5 Waiver of Subrogation. Except for the waiving party's deductible amount, each party hereby waives, and each party shall cause their respective property insurance policy or policies to include a waiver of such carrier's, entire right of recovery (i.e., subrogation) against the other party, and the officers, directors, agents, representatives, employees, successors and assigns of the other party, for all claims which are covered or would be covered by the property insurance required to be carried hereunder or which is actually carried by the waiving party.

9.6 General Requirements. All policies of insurance required to be carried hereunder by Tenant shall be evidenced by an appropriate evidence of insurance (e.g., ACORD Forms), which evidences must contain the following additional clause:

1. "It is agreed that this insurance will not be canceled, not renewed, or the limits of coverage in any way reduced without at least thirty (30) days' advance written notice [ten (10) days for nonpayment of premiums] sent by certified mail, return receipt requested, to _____ [Insert Landlord's name and address]"

(a) Licensed in State. Be written by companies reasonably satisfactory to Landlord and licensed to do business in the state of in which the Property is situated. All policies of insurance required to be maintained by Tenant shall be issued by insurance companies with an A.M. Best's financial strength rating of "A-" or better and an A.M. Best's Financial Size Category of Class "IX" or higher, and shall not contain a deductible greater than \$2,500 or any self-insured retention unless expressly approved in writing by Landlord.

(b) Primary. Contain a clause that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord, and that any coverage carried by Landlord shall be excess insurance. All insurance coverage must be on an "occurrence basis"; "claims made" forms of insurance are not acceptable, and shall contain a severability of interests endorsement.

(c) Additional Named Insured. Liability policies shall name Landlord, its Property Manager, Washington Real Estate Holdings, LLC, Washington Holdings Management Company, LLC, and any other party identified by Landlord as additional insureds utilizing ISO Endorsement CG 20-11-01-96 or its equivalent ("certificate holder" status is not acceptable). Landlord shall be listed as a "loss payee" on property policies as its interests may appear.

(d) Notice of Cancellation. Not be subject to cancellation or reduction in coverage except upon at least thirty (30) days prior written notice to each additional insured. The policies of insurance containing the terms specified herein, or duly executed certificates evidencing them, together with satisfactory evidence of the payment of premiums thereon, shall be deposited with Landlord prior to the Possession Date and thereafter not less than thirty (30) days prior to the expiration of the original or any renewal term of such coverage. If Tenant fails to comply with the insurance requirements set forth in this Lease, Landlord shall have the right, but not the obligation, at any time and from time to time, without notice, to procure such insurance and/or pay the premium for such insurance, in which event Tenant shall repay Landlord, immediately upon demand by Landlord, as Additional Rent, all sums so paid by Landlord together with interest thereon and any costs or expenses incurred by Landlord in connection therewith, without prejudice to any other rights and remedies of the Landlord under this Lease.

9.7 Blanket Insurance. Each party shall be entitled to fulfill its insurance obligations hereunder by maintaining a so-called "blanket" policy or policies of insurance. Such policy shall contain an endorsement that names the other party as an additional insured, references the Premises, and guarantees a minimum limit of coverage available for the obligations under this Lease at least equal to the insurance amounts required hereunder. Tenant's right to fulfill its insurance obligations hereunder through a "blanket" policy shall be subject to approval of such policy by Landlord and Landlord's lender(s).

9.8 Self-Insurance. Landlord hereby consents to Tenant's right to comply with and satisfy the obligations contained in this Article 9 as to maintenance of policies of insurance by acting as a self-insurer as to the applicable insurance coverage. Tenant, a charter county government under the constitution of the State of Washington, maintains a fully funded self-insurance program for the protection and handling of Tenant's liabilities including injuries to persons and damage to property. Landlord acknowledges, agrees and understands that the Tenant is self-funded for all of its liability exposures. Tenant agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Lease. Tenant agrees to provide Landlord with at least 30 days' prior written notice of any material change in Tenant's self-funded program and will provide Landlord with a certificate of self-insurance as adequate proof of coverage. Landlord further acknowledges, agrees and understands that Tenant does not purchase commercial general liability insurance and is a self-insured governmental entity; therefore Tenant does not have the ability to add Landlord as an additional insured. However, Tenant's obligations under this Lease with regard to Landlord's right to receive any proceeds from the insurance policies and coverages required in this Article 9 shall apply equally during any period of self-insurance by Tenant, including but not limited to Tenant's indemnity and duty to defend Landlord pursuant to Articles 13 and 44. All amounts which Tenant pays or is required to pay and all loss or damages resulting from risks for which Tenant has elected to self-insure shall be subject to the waiver of subrogation provisions of Paragraph 9.5 above. Should Tenant elect to cease self-insuring its liability exposures and purchase commercial general liability insurance, Tenant agrees to add the Landlord as an additional insured and comply with the remainder of this Article 9 herein.

9.9 Failure to Maintain Insurance. If Tenant fails to maintain its self-insurance program described above and fails or refuses to purchase and maintain any insurance required in this Article 9, Landlord may, at its option, procure insurance for Landlord's benefit and/or interests and any and all reasonable premiums paid by Landlord therefore shall be deemed Additional Rent and shall be due on demand. Landlord will not be responsible to procure insurance for Tenant's interests and/or benefit.

ARTICLE 10 DAMAGE AND RESTORATION

10.1 Damage and Destruction of the Premises. If the Premises are at any time destroyed or damaged by a casualty insured against by Landlord pursuant to Article 9 hereof or otherwise insured against by Landlord, and if as a result of such occurrence:

(a) If the Premises are rendered untenantable only in part, this Lease shall continue in full force and effect and, provided Tenant shall have been operating in the Premises for the Permitted Use set forth in the Basic Lease Provisions at the time of the casualty and shall covenant in writing to Landlord that Tenant shall reopen the Premises for such permitted use and will comply with the provisions of Paragraph 10.3 below upon completion of Landlord's reconstruction, rebuilding or repair of the Premises, Landlord shall, subject to the provisions of Paragraph 10.4 below, commence diligently to reconstruct, rebuild or repair the Premises (provided that Landlord shall have no obligation to repair or reconstruct any Tenant's Work or Tenant Changes). In such event, Minimum Monthly Rent shall abate proportionately to the portion of the Premises rendered untenantable from the date of the destruction or damage until the date on which Landlord has substantially completed its repair and restoration obligations hereunder.

(b) If the Premises are rendered totally untenantable, provided Tenant shall have been operating in the Premises for the Permitted Use set forth in the Basic Lease Provisions at the time of the casualty and shall covenant in writing to Landlord that Tenant shall reopen the Premises for such use and will comply with the provisions of Paragraph 10.3 below upon completion of Landlord's reconstruction, rebuilding or repair of the Premises, Landlord shall, subject to the provisions of Paragraph 10.4 below, commence diligently to reconstruct, rebuild or repair the Premises (provided that Landlord shall have no obligation to repair or reconstruct any Tenant's Work or Tenant Changes). In such event, Minimum Monthly Rent shall abate proportionately to the portion of the Premises rendered untenantable from the date of the destruction or damage until the date on which Landlord has substantially completed its repair and restoration obligations hereunder.

10.2 Damage or Destruction of Property.

(a) If 25% or more of the Leasable Area of the Property or 25% or more of the Common Area of the Property is at any time destroyed or damaged (including, without limitation, by smoke or water damage) as a result of fire, the elements, accident, or other casualty, whether or not the Premises are affected by such occurrence, Landlord may, at its option, to be exercised by written notice to Tenant within ninety (90) days following any such occurrence, elect to terminate this Lease. In the case of such election, the Term and tenancy created hereby shall expire on the thirtieth (30th) day after such notice is given, without liability or penalty payable or any other recourse by one party to or against the other; and Tenant shall, within such 30-day period, vacate the Premises and surrender them to Landlord. All rent shall be due and payable without reduction or abatement subsequent to the destruction or damage and until the date of termination, unless portions of the Premises shall have been destroyed or damaged, in which event the terms of Paragraph 10.1(a) or (b), as applicable, of this Lease shall apply to determine the extent of any abatement of Minimum Monthly Rent to which Tenant may be entitled as a result thereof.

(b) If Landlord does not elect to terminate this Lease in accordance with the terms of Paragraph 10.2(a), Landlord shall, following such destruction or damage, commence diligently to reconstruct, rebuild, or repair, if necessary, that part of the Property which is necessary, in Landlord's sole judgment, to create an economically viable unit. However, Landlord shall reconstruct, rebuild, or repair the Premises and the Property to the extent only of proceeds received by Landlord from its insurers and as permitted by Landlord's mortgagees or other lenders. Further, if Landlord elects to repair, reconstruct, or rebuild the Property, or any part thereof, Landlord may use plans, specifications, and working drawings other than those used in the original construction of the Property.

10.3 Tenant's Work. If this Lease has not been terminated after damage or destruction as provided above, then all proceeds of Tenant's insurance relating to reconstruction of the remainder thereof following substantial completion of Landlord's repair and restoration work as may be required hereby shall be paid over to and held in trust by Landlord, to be reimbursed to Tenant following completion of Tenant's repair and restoration work as required hereby. Upon receipt by Tenant of written notice that Landlord's Work has been substantially completed, Tenant shall forthwith complete all Tenant's Work as described in Exhibit "C" hereto, and all other work required to fully restore the Premises for business fully fixturized, stocked, and staffed. If the Premises have been closed for business, Tenant shall reopen for business for the permitted use set forth in the Basic Lease Provisions, but no later than thirty (30) days after notice that Landlord's Work is substantially completed.

10.4 Limitation of Obligations. Notwithstanding anything set forth to the contrary herein, in the event the Premises or Property are damaged as a result of any cause in respect of which there are no insurance proceeds available to Landlord, or the proceeds of insurance are insufficient in Landlord's commercially reasonable judgment to pay for the costs of repair or reconstruction, or any mortgagee or other person entitled to the proceeds of insurance does not consent to the payment to

Landlord of such proceeds to fully restore the Premises or Property, or if the Premises or Property cannot be fully restored to its prior condition under land use, zoning, and building codes in force at the time a permit is sought for repair or reconstruction, then Landlord may, without obligation or liability to Tenant, terminate this Lease on thirty (30) days' written notice to Tenant and all rent shall be adjusted as of the effective date of such termination, and Tenant shall vacate and surrender the Premises on the date set forth in Landlord's termination notice.

10.5 Damage or Destruction at End of Term. Notwithstanding anything to the contrary contained herein, Landlord shall not have any obligation to repair, reconstruct, or restore the Premises or Property when the damage or destruction occurs during the last eighteen (18) months of the Term of this Lease.

10.6 Waiver. Tenant hereby waives any statutory and common law rights of termination which may arise by reason of any partial or total destruction of the Premises which Landlord is obligated to restore or may restore under any of the provisions of this Lease.

ARTICLE 11 SECURITY DEPOSIT

Intentionally Deleted

ARTICLE 12 EMINENT DOMAIN

12.1 Definition. If there is any taking or condemnation of or transfer in lieu thereof for a public or quasi-public use of all or any part of the Property or the Premises or any interest therein because of the exercise or settlement due to threatened exercise of the power of eminent domain or inverse condemnation, whether by condemnation proceedings or otherwise (all of the foregoing being hereinafter referred to as "taking") before or during the Term hereof, the rights and obligations of the parties with respect to such taking shall be as provided in this Article 12.

12.2 Total Taking. If there is a taking of all of the Premises, this Lease shall terminate as of the date of such taking. All Minimum Monthly Rent and other amounts due under this Lease shall be paid by Tenant to the date of such termination.

12.3 Partial Taking of Premises. If any part of the Premises shall be taken, and a part thereof remains which is reasonably susceptible of occupation hereunder for the use permitted herein, this Lease shall, as to the part so taken, terminate as of the date title shall vest in the condemnor or transferee, and the Minimum Monthly Rent payable hereunder shall be reduced by the proportion which the floor area taken from the Premises bears to the total Floor Area of the Premises immediately before the taking; but in such event Landlord shall have the option to terminate this Lease as of the date when title to the part so condemned vests in the condemnor or transferee. All Minimum Monthly Rent and other amounts due under this Lease shall be paid by Tenant to the date of any such termination.

12.4 Common Area Taking. If so much of the Common Area is taken that in the commercially reasonable judgment of Landlord the Property will be rendered unsuitable for the continued use thereof for the purposes for which it was intended, Landlord may elect to terminate this Lease by giving Tenant written notice of such election within sixty (60) days after the date that title to the portion so taken vests in the condemnor or transferee. If Landlord fails to give such notice, this Lease shall remain in full force and effect. If any part of the Property is taken, but no part of the Premises is taken, and Landlord does not elect to terminate this Lease, the rent payable hereunder shall not be reduced, nor shall Tenant be entitled to any part of the award made therefor. In the event of termination, all Minimum Monthly Rent and other amounts due under this Lease shall be paid by Tenant to the date of such termination.

12.5 Repair and Restoration. If this Lease is not terminated as provided in this Article 12, Landlord shall, at its sole expense, restore with due diligence the remainder of the improvements occupied by Tenant so far as is practicable to a complete unit of like quality, character, and condition as that which existed immediately prior to the taking, provided that the scope of the work shall not exceed the scope of the work to be done by Landlord originally in construction of the Premises, and further provided that Landlord shall not be obligated to expend an amount greater than that which was awarded to Landlord for such taking. Tenant, at its sole cost and expense, shall restore its furniture, fixtures and other allowed leasehold improvements to their condition immediately preceding such taking.

12.6 Award. In the event of any taking, Landlord shall be entitled to the entire award of compensation or settlement in such proceedings, whether for a total or partial taking or for diminution in the value of the leasehold or for the fee. Any such

amounts shall belong to and be the property of Landlord. Without in any way diminishing the rights of Landlord under the preceding sentence, Tenant shall be entitled to recover from the condemnor such compensation as may be separately awarded by the condemnor to Tenant or recoverable from the condemnor by Tenant in its own right for the taking of trade fixtures and equipment owned by Tenant (meaning personal property, whether or not attached to real property, which may be removed without injury to the Premises) and for the expense of removing and relocating them, and for loss of goodwill, but only to the extent that the compensation awarded to Tenant shall be in addition to and shall not diminish the compensation awarded to Landlord as provided above.

12.7 Waiver. Tenant hereby waives any statutory and common law rights of termination which may arise by reason of any partial taking of the Premises under the power of eminent domain.

ARTICLE 13 INDEMNITY; WAIVER

13.1 Indemnification and Waivers.

(a) Indemnity. To the fullest extent permitted by law, and commencing on the first day Tenant or any of its employees, agents, or contractors first enters onto the Property for any reason relating to this Lease or the Premises, Tenant shall, at Tenant's sole cost and expense, Indemnify Landlord Parties against all Claims arising from (i) any Personal Injury, Bodily Injury or Property Damage whatsoever occurring in or at the Premises; (ii) any Bodily Injury to an employee of a Tenant Party arising out of and in the course of employment of the employee and occurring anywhere in the Property; (iii) the use or occupancy, or manner of use or occupancy, or conduct or management of the Premises or of any business therein; (iv) subject to the waiver of subrogation provisions of this Lease, any act, error, omission or negligence of any of the Tenant Parties in, on or about the Premises or the Property; (v) the conduct of Tenant's business; (vi) any alterations, activities, work or things done, omitted, permitted or allowed by Tenant Parties in, at or about the Premises or Property, including the violation of or failure to comply with, or the alleged violation of or alleged failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, orders, or judgments in existence on the date of the Lease or enacted, promulgated or issued after the date of this Lease including Hazardous Materials Laws (defined below); (vii) any breach or default by Tenant in the full and prompt payment of any amount due under this Lease, any breach, violation or nonperformance of any term, condition, covenant or other obligation of Tenant under this Lease, or any misrepresentation made by Tenant or any guarantor of Tenant's obligations in connection with this Lease; (viii) all damages sustained by Landlord as a result of any holdover by Tenant or any Tenant Party in the Premises including, but not limited to, any claims by another tenant resulting from a delay by Landlord in delivering possession of the Premises to such tenant; (ix) any liens or encumbrances arising out of any work performed or materials furnished by or for Tenant; (x) commissions or other compensation or charges claimed by any real estate broker or agent with respect to this Lease by, through or, under Tenant or, (xi) any matter enumerated in Paragraph 13(b) below.

(b) Waivers. To the fullest extent permitted by law, Tenant, on behalf of all Tenant Parties, Waives all Claims against Landlord Parties arising from the following: (i) any Personal Injury, Bodily Injury, or Property Damage occurring in or at the Premises; (ii) any loss of or damage to property of a Tenant Party located in the Premises or other part of the Property by theft or otherwise; (iii) any Personal Injury, Bodily Injury, or Property Damage to any Tenant Party caused by other tenants of the Property, parties not occupying space in the Property, occupants of property adjacent to the Property, or the public or by the construction of any private, public, or quasi-public work occurring either in the Premises or elsewhere in the Property; (iv) any interruption or stoppage of any utility service or for any damage to persons or property resulting from such stoppage; (v) business interruption or loss of use of the Premises suffered by Tenant; (vi) any latent defect in construction of the Building; (vii) damages or injuries or interference with Tenant's business, loss of occupancy or quiet enjoyment and any other loss resulting from the exercise by Landlord of any right or the performance by Landlord of Landlord's maintenance or other obligations under this Lease, or (viii) any Bodily Injury to an employee of a Tenant Party arising out of and in the course of employment of the employee and occurring anywhere in the Property.

(c) Definitions. For purposes of this Article 13: (i) the term "Tenant Parties" means Tenant, and Tenant's officers, members, partners, agents, employees, sublessees, licensees, guests, customers, invitees and independent contractors, and all persons and entities claiming through any of these persons or entities; (ii) the term "Landlord Parties" means Landlord and the members, partners, venturers, trustees and ancillary trustees of Landlord and the respective officers, directors, shareholders, members, parents, subsidiaries and any other affiliated entities, personal representatives, executors, heirs, assigns, licensees, invitees, beneficiaries, agents, servants, employees and independent contractors of these persons or entities; (iii) the term "Indemnify" means indemnify, defend (with counsel reasonably acceptable to Landlord) and hold free and harmless for, from and against; (iv) the term "Claims" means all liabilities, claims, damages (including consequential damages), losses, penalties, litigation, demands, causes of action (whether in tort or contract, in law or at equity or otherwise), suits, proceedings, judgments, disbursements, charges, assessments, and expenses (including attorneys' fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding); (v) the term "Waives" means that the Tenant

Parties waive and knowingly and voluntarily assume the risk of; and (vi) the terms "Bodily Injury", "Personal Injury" and "Property Damage" will have the same meanings as in the form of commercial general insurance policy issued by Insurance Services Office, Inc. most recently prior to the date of the injury or loss in question.

(d) Scope of Indemnities and Waivers. Except as provided in the following sentence, the indemnities and waivers contained in this Article 13 shall apply regardless of the active or passive negligence or sole, joint, concurrent, or comparative negligence of any of the Landlord Parties, and regardless of whether liability without fault or strict liability is imposed or sought to be imposed on any of the Landlord Parties. The indemnities and waivers contained in this Article 13 shall not apply to the extent of the percentage of liability that a final judgment of a court of competent jurisdiction establishes under the comparative negligence principles of the state in which the Property is situated, that a Claim against a Landlord Party is proximately caused by the willful misconduct or gross negligence of that Landlord Party, provided, however, that in such event the indemnity or waiver will remain valid for all other Landlord Parties.

(e) Duty to Defend. Tenant's duty to defend Landlord Parties is separate and independent of Tenant's duty to Indemnify Landlord Parties. Tenant's duty to defend includes Claims for which Landlord Parties may be liable without fault or may be strictly liable. Tenant's duty to defend applies regardless of whether issues of negligence, liability, fault, default or other obligation on the part of Tenant Parties have been determined. Tenant's duty to defend applies immediately, regardless of whether Landlord Parties have paid any sums or incurred any detriment arising out of or relating, directly or indirectly, to any Claims. It is the express intention of Landlord and Tenant that Landlord Parties will be entitled to obtain summary adjudication regarding Tenant's duty to defend Landlord Parties at any stage of any Claim within the scope of this Article 13.

(f) Obligations Independent of Insurance. The indemnification provided in this Article 13 shall not be construed or interpreted as in any way restricting, limiting or modifying Tenant's insurance or other obligations under this Lease, and the provisions of this Article 13 are independent of Tenant's insurance and other obligations. Tenant's compliance with the insurance requirements and other obligations under this Lease does not in any way restrict, limit or modify Tenant's indemnification obligations under this Lease.

(g) Waiver of Immunity. EACH OF LANDLORD AND TENANT HEREBY WAIVES ITS IMMUNITY WITH RESPECT TO THE PARTIES INDEMNIFIED UNDER THE PRECEDING PARAGRAPHS UNDER THE APPLICABLE INDUSTRIAL INSURANCE ACTS AND EXPRESSLY AGREES TO ASSUME POTENTIAL LIABILITY FOR ACTIONS BROUGHT AGAINST AN INDEMNIFIED PARTY BY THE INDEMNIFYING PARTY'S EMPLOYEES. THIS WAIVER HAS BEEN SPECIFICALLY NEGOTIATED BY THE PARTIES TO THIS LEASE AND EACH PARTY HAS HAD THE OPPORTUNITY TO, AND HAS BEEN ENCOURAGED TO, CONSULT WITH INDEPENDENT COUNSEL REGARDING THIS WAIVER.

(h) Survival. The provisions of this Article 13 will survive the expiration or earlier termination of this Lease until all Claims against Landlord Parties involving any of the indemnified or waived matters are fully and finally barred by the applicable statutes of limitations.

ARTICLE 14 OPERATION OF BUSINESS

Tenant shall (a) keep the Premises and exterior and interior portions of windows, doors and all other glass or plate glass fixtures in a neat, clean, sanitary and safe condition; (b) refrain from burning any papers or refuse of any kind in the Property; (c) store in the area designated by Landlord all trash and garbage in neat and clean containers so as not to be visible to members of the public and arrange for the regular pick-up and cartage of such trash or garbage at Tenant's expense, or cooperate in the employment of a trash removal contractor designated by Landlord, if Landlord deems it desirable to have all waste materials removed by one contractor; (d) observe and promptly comply with all governmental requirements and insurance requirements affecting the Premises or any part of the Common Area which is under Tenant's exclusive control and promulgated during the Term of this Lease; (e) not use or suffer or permit the Premises or any part thereof to be used for any use other than the Permitted Use set forth in the Basic Lease Provisions or in any manner that will constitute a nuisance or unreasonable annoyance to the public, to other occupants of the Property or to Landlord, or that will injure the reputation of the Property, or for any extra hazardous purpose or in any manner that will impair the structural strength of the Building; (f) not add, remove, or change any locks on any doors to or in the Premises, or add, remove, or change any plumbing or wiring therein; and (g) not cause or permit any waste to be committed on the Premises or the Property.

ARTICLE 15 SIGNS AND ADVERTISING

15.1 General. Tenant may at its own expense erect and maintain upon the interior areas of the Premises all signs and advertising matter customary and appropriate in the conduct of Tenant's business, subject to Landlord's right to remove any signs or advertising matter which violates Article 14 or this Article 15. The Tenant shall not affix or maintain upon the glass panes and supports of windows and doors, or within twelve inches (12") of the show windows and doors, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items except such as shall have first received the written approval of the Landlord as to size, type, color, location, copy, nature and display qualities. All signs, decorations and advertising media shall conform in all respects to the sign criteria established by Landlord for the Property from time to time, and shall be subject to the prior written approval of Landlord as to construction, method of attachment, size, shape, height, lighting, color and general appearance. Without limiting the generality of the foregoing, neon signage shall not be permitted without Landlord's express prior approval. All signs and other advertising media shall comply with all applicable governmental requirements, including without limitation the requirements and policies of any applicable historical preservation authority or entity with jurisdiction over the Building. Except for signs which comply with the terms of this Article, Tenant shall not erect, place, paint, or maintain in or on the Premises, any sign, exterior advertising medium, or any other object of any kind whatsoever, whether an advertising device or not, visible or audible from outside the Premises. Tenant shall not change the color, size, location, composition, wording or design of any sign or advertisement on the Premises that may have been theretofore approved by Landlord, without the prior written approval of Landlord and the applicable governmental authorities. Tenant shall at its own expense maintain and keep in good repair all installations, signs, and advertising devices which it is permitted or required by Landlord to maintain.

15.2 Directory Board. Landlord shall, throughout the Term of this Lease, maintain a directory board in the main lobby of the Building that shall list Tenant. The cost of said designation shall be at Tenant's expense and shall be limited to Tenant's corporate or entity name only, and shall not include additional individual designations.

15.3 Elevator Lobby; Suite Entry Signage. Landlord shall provide Building-standard elevator lobby signage on the floor on which the Premises are located. Tenant shall be required to provide at its sole expense suite entry signage, subject to Landlord's prior review, not to be unreasonably withheld.

ARTICLE 16 LIENS

Tenant will not permit any mechanic's liens or other liens to be placed upon the Premises, the Building, or the Property and nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any person for the performance of any labor or the furnishing of any materials to the Premises, the Building, or the Property or any part thereof, nor as giving Tenant any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to any mechanic's or other liens against the Premises, the Building, or the Property. In the event any such lien is attached to the Premises, the Building, or the Property, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same. Any amount paid by Landlord for any of the aforesaid purposes including, but not limited to, reasonable attorneys' fees, shall be paid by Tenant to Landlord promptly on demand as Additional Rent. Tenant shall within ten (10) days of receiving such notice of lien or claim (a) have such lien or claim released or (b) deliver to Landlord a bond in form, content, amount and issued by surety, satisfactory to Landlord, indemnifying, protecting, defending and holding harmless Landlord and the Property against all costs and liabilities resulting from such lien or claim and the foreclosure or attempted foreclosure thereof.

ARTICLE 17 RIGHT OF ENTRY

Landlord and its authorized agents and representatives shall be entitled to enter the Premises at all reasonable times upon reasonable advance notice to inspect them, to make the repairs which Landlord is obligated to make under this Lease, to show them to prospective tenants, purchasers or lenders, to cure a default of Tenant, to post any notice provided by law that relieves a landlord from responsibility for the acts of a tenant, to comply with any governmental requirements or insurance requirements, to post ordinary signs advertising the Premises for sale or for lease, to install utilities, lines, chases, and conduit serving other portions of the Property through the Premises so long as the RSF of the Premises is not thereby materially reduced, and for any other lawful purpose relating to Landlord's rights and obligations under this Lease. Nothing in the preceding sentence shall imply or impose a duty to make repairs which Tenant has agreed to make hereunder. Landlord may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, provided that the entrance to the Premises shall not be unreasonably blocked. Landlord shall have the right to use any means which Landlord

may deem proper to enter the Premises in an emergency. Landlord's entry to the Premises shall not under any circumstances be construed to be a forcible or unlawful entry into the Premises or an eviction of Tenant from the Premises.

ARTICLE 18 DELAYING CAUSES

If either party is delayed in the performance of any covenant of this Lease because of any of the following causes (referred to elsewhere in this Lease as a "delaying cause"): acts of the other party, action of the elements, war, riot, labor disputes, inability to procure or general shortage of labor or material in the normal channels of trade, delay in transportation, delay in inspections, or any other cause beyond the reasonable control of the party so obligated, whether similar or dissimilar to the foregoing, financial inability excepted, then, such performance shall be excused for the period of the delay; and the period for such performance shall be extended for a period equivalent to the period of such delay, except that the foregoing shall in no way affect Tenant's obligation to pay rent or any other amount payable hereunder, or the length of the Term of this Lease.

ARTICLE 19 ASSIGNMENT AND SUBLEASE

19.1 Consent Required. Notwithstanding anything to the contrary contained in this Lease, Tenant shall not assign this Lease or any interest herein or any right or privilege appurtenant hereto or sublet, license, grant any concessions, hypothecate, encumber, or otherwise grant any security interest in or to the Lease, the Premises, or any alterations, betterments, or improvements therein, or otherwise give permission to anyone other than Tenant to use or occupy all or any part of the Premises (hereinafter sometimes referred to as a "Transfer"), without the prior written consent of Landlord, which consent Landlord shall not unreasonably withhold. Without limiting the generality of the foregoing, it shall be deemed reasonable for Landlord to withhold such consent if (i) the proposed Transferee does not have a tangible net worth and credit standing, calculated in accordance with generally accepted accounting principles consistently applied, that is reasonably acceptable as compared to the financial obligations of the transferred lease, (ii) the number of years of business experience or the business reputation of the proposed Transferee is not comparable to that of tenants then being considered by Landlord for space in the Building, (iii) there is then in existence an Event of Default with respect to any obligation of Tenant under the Lease, (iv) the proposed Transferee or an affiliate thereof is an existing tenant in the Property or is in discussions with Landlord regarding space at the Property, (v) or the proposed Transferee proposes to change the use of the Premises to a use that is inconsistent with the character of the Building and/or will interfere with Landlord's existing or desired tenant mix for the Property. Furthermore, if the then-existing Security Deposit is less than or equal to one (1) month's Minimum Monthly Rent at the then-applicable rate, Landlord may further condition its consent to the Transfer on an increase in the Security Deposit to not less than one (1) month's Minimum Monthly Rent at the then-applicable rate. Any actual or attempted Transfer without the Landlord's prior written consent or otherwise in violation of the terms of this Lease shall, at Landlord's election, be void and shall confer no rights upon any third person, and shall be a non-curable default under this Lease which shall entitle Landlord to terminate this Lease upon ten (10) days' written notice to Tenant at any time after such actual or attempted Transfer without regard to Landlord's prior knowledge thereof. The acceptance of rent by Landlord from any person or entity shall not be deemed to be a waiver by Landlord of any provision of this Lease or a consent to any Transfer. A consent by Landlord to one or more Transfers shall not be deemed to be a consent to any subsequent Transfer. In addition, any option to extend or renew the Term hereof, to terminate this Lease early, or to expand or contract the size of the Premises shall be personal to Tenant, and shall not be Transferred without the prior written consent of Landlord in accordance with the terms of this Article 19.

19.2 Request For Consent. If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice shall include: (a) the proposed effective date (which shall be not less than forty-five (45) days nor more than one hundred eighty (180) days after Tenant's notice); (b) the portion of the Premises subject to the Transfer; (c) all of the terms of the proposed Transfer and the consideration therefor; (d) the name and address of the proposed transferee; (e) a copy of the proposed sublease, instrument of assignment and all other documentation pertaining to the proposed Transfer; (f) current financial statements of the proposed transferee certified by an officer, partner or owner thereof; (g) any information reasonably requested by Landlord to enable Landlord to determine the financial responsibility, character, and reputation of the proposed transferee and the nature of such transferee's business and the proposed use the Premises; and (h) such other information as Landlord may reasonably request, together with the nonrefundable sum of \$750.00 which shall be applied towards Landlord's review and processing expenses. Such amount shall be subject to change without prior notice from Landlord.

19.3 Recapture. Upon receipt of Tenant's request for consent to any Transfer, Landlord may elect, by written notice given to Tenant within twenty (20) days after receipt of the information required pursuant to Paragraph 19.2 above, to recapture the affected space by terminating this Lease as to that portion of the Premises covered by the proposed sublease or assignment, effective upon a date specified by Landlord, which date shall be no later than the commencement date of the proposed Transfer with a proportionate reduction of all rights and obligations of Tenant hereunder that are based on the area of the Premises. However, if Landlord exercises its recapture right set forth herein, Tenant may void such recapture election by rescinding its

request for Landlord's consent by written notice of such rescission given to Landlord within fifteen (15) days after receipt of Landlord's notice of recapture.

19.4 General Conditions. If Landlord does not elect to recapture the affected Premises or deny its consent to a Transfer, the granting of such consent shall be subject to the following conditions, which the parties hereby agree are reasonable:

(a) Payment of Fifty Percent (50%) of the Transfer Premium. Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium derived by Tenant from such Transfer. "Transfer Premium" shall mean all rent and any other consideration payable by such transferee in excess of the Minimum Monthly Rent payable by Tenant under this Lease (on a per square foot basis, if less than all of the Premises is Transferred), after deducting therefrom any tenant improvement costs and brokerage commissions (to an unaffiliated broker) in connection with the Transfer actually paid by Tenant. If any part of the consideration for such Transfer shall be payable other than in cash, Landlord's share of such non-cash consideration shall be in such form as is reasonably satisfactory to Landlord. The fifty percent (50%) Transfer Premium payable hereunder shall be due within ten (10) days after Tenant receives such payments.

(b) Continued Liability of Tenant. Tenant shall remain primarily liable on its covenants hereunder unless released in writing by Landlord. In the event of any assignment or sublease which is consented to by Landlord, the transferee shall agree in writing to perform and be bound by all of the covenants of this Lease required to be performed by Tenant.

19.5 Transfer to a Subsidiary. The sale, assignment, transfer or disposition, whether or not for value, by operation of law, gift, will, or intestacy, of (a) twenty-five percent (25%) or more of the issued and outstanding stock of Tenant if Tenant is a corporation, or (b) the whole or a partial interest of any general partner, joint venturer, associate or co-tenant, if Tenant is a partnership, joint venture, association or co-tenancy, shall be deemed a Transfer and shall be subject to the provisions of this Article 19. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's right, without further approval from Landlord but only after written notice to Landlord, to sublease the Premises or assign its interest in this Lease (i) to a corporation that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Tenant; (ii) in the event of the merger or consolidation of Tenant with another corporation; provided that immediately following the events enumerated in clauses (i) to (ii) above, the tangible net worth of Tenant, calculated in accordance with generally accepted accounting principles, consistently applied, and the credit standing of Tenant is not less than the tangible net worth, calculated in accordance with generally accepted accounting principles, consistently applied, and credit standing of Tenant immediately prior to the events described in clauses (i) through (ii) above (collectively, the "Permitted Transfers"). No Permitted Transfer shall relieve Tenant of its liability under this Lease and Tenant shall remain liable to Landlord for the payment of all Minimum Monthly Rent, Operating Expenses and Additional Rent and the performance of all covenants and conditions of this Lease applicable to Tenant.

19.6 Transfer Pursuant to Bankruptcy Code. Anything to the contrary notwithstanding, if this Lease is assigned (or all or a portion of the Premises is sublet) to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. 101 et. seq. (the "Bankruptcy Code"), any and all monies or other consideration payable or otherwise to be delivered in connection with such assignment or subletting shall be paid or delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of its estate within the meaning of the Bankruptcy Code. Any and all monies or other consideration constituting Landlord's property under the preceding sentence not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and be promptly paid or delivered to Landlord. Any assignee pursuant to the Bankruptcy Code shall be deemed to have assumed all of Tenant's obligations under this Lease. Any such assignee shall on demand by Landlord execute and deliver to Landlord a written instrument confirming such assumption.

ARTICLE 20 NOTICES

All notices, requests and demands to be made hereunder shall be in writing at the address set forth in the Basic Lease Provisions, as applicable, by any of the following means: (a) personal service (including service by recognized overnight delivery/courier service, such as DHL or FEDEX); or (b) registered or certified, first class mail, return receipt requested. Such addresses may be changed by notice to the other party given in the same manner provided above. Any notice, request, or demand sent pursuant to clause (a) of this Article 20 shall be deemed received upon such personal delivery or service (or the date of refusal, if personal service or delivery is refused), and if sent pursuant to clause (b), shall be deemed received three (3) days following deposit in the mails.

ARTICLE 21 SURRENDER OF POSSESSION

21.1 Surrender. At the expiration of the tenancy created hereunder, whether by lapse of time or otherwise, Tenant shall surrender the Premises broom clean and in good condition and repair, and shall remove all of its personal property, furniture, fixtures, and equipment, and all cabling and wiring installed by or for Tenant. Landlord shall have the right to elect to require Tenant to remove any or all of Tenant's Work and/or any of Tenant's Changes or other alterations, by written notice at the time approval for such Tenant Work is given. Tenant's obligations shall include the repair of any damage occasioned by the installation, maintenance or removal of Tenant's personal property, furniture, fixtures, equipment, cabling and wiring, as well as any Tenant's Work, Tenant's alterations or Tenant's Changes that Tenant is hereby required to remove, and the removal of any generators or storage tanks installed by or for Tenant (whether or not the installation was consented to by Landlord), and the removal, replacement, or remediation of any soil, material or ground water contaminated by Tenant's Permittees, all as may then be required by applicable Laws.

21.2 Holding Over. If Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises after the termination or expiration shall be that of a tenancy at sufferance. Tenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 150% for the first 90 days of the holdover period and 200% thereafter, in each case, of the greater of: (1) the sum of the Minimum Annual Rent and Additional Rent due for the period immediately preceding the holdover; or (2) the fair market gross rental for the Premises as reasonably determined by Landlord. No holdover by Tenant or payment by Tenant after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Landlord is unable to deliver possession of the Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover, Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages, that Landlord suffers from the holdover. Nothing herein shall be construed as consent to such holding over.

ARTICLE 22 QUIET ENJOYMENT

Subject to the provisions of this Lease and conditioned upon performance of all of the provisions to be performed by Tenant hereunder, Landlord shall secure to Tenant during the Lease Term the quiet and peaceful possession of the Premises and all rights and privileges appertaining thereto, free from hindrance or molestation by Landlord and those claiming by, through or under Landlord.

ARTICLE 23 SUBORDINATION

Unless otherwise required by a lender, this Lease shall be subordinate to any mortgage or deed of trust held by any lender, now or hereafter in force against the Premises or the Property or any part thereof, and to all advances made or to be made upon the security thereof. If any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord, Tenant shall, at the option of the lender or other purchaser at any such foreclosure or sale, attorn to and recognize the purchaser as the Landlord under this Lease. Although the subordination in the immediately preceding sentence shall be self-operating, Tenant agrees, within ten (10) days following the request of Landlord, to execute such documents or instruments as may be requested by Landlord or its lender(s) to confirm such subordination, provided that such mortgagees or beneficiaries agree in writing not to disturb Tenant's possession of the Premises in the event of foreclosure if Tenant is not in default. The failure of Tenant to so timely execute any such instrument or other document shall constitute a default hereunder. If Tenant fails to execute and deliver such instrument or other document within said ten (10) day period, (i) Tenant hereby appoints Landlord as Tenant's attorney-in-fact for the purpose of completing, executing and delivering the same to the person or firm requesting it, and (ii) Tenant shall pay a fee to Landlord of \$50 per day for each day after the expiration of such 10-day period on which the executed subordination agreement is delivered to Landlord, without limiting Landlord's other rights and remedies in connection with such default by Tenant.

ARTICLE 24 ESTOPPEL CERTIFICATES

Tenant shall, at any time and from time to time within ten (10) days after written request therefor by Landlord, without charge, deliver a certificate to Landlord or to any person or entity designated by Landlord, certifying the date the Lease Term

commenced, the date the rent commenced and is paid through, the amount of rent and other charges due under the Lease, the expiration date of the Lease Term, that this Lease is then in full force and effect, setting forth the amount and nature of modifications, defenses, or offsets, if any, claimed by Tenant, and any other factual matter concerning the Lease, the Tenant, or the Premises requested by Landlord or such person or entity. If Tenant fails to deliver such certificate within said ten (10) day period, (i) Tenant hereby appoints Landlord as Tenant's attorney-in-fact for the purpose of completing, executing and delivering the certificate to the person or firm requesting it, and (ii) Tenant shall pay a fee to Landlord of \$50 per day for each day after the expiration of such 10-day period on which the estoppel is delivered to Landlord, without limiting Landlord's other rights and remedies in connection with such default by Tenant.

ARTICLE 25 DEFAULT

25.1 Default. The occurrence of any or more of the following events shall constitute a material breach and default of this Lease (each, an "Event of Default"):

(a) Any failure by Tenant to pay Minimum Monthly Rent, Operating Expenses, Additional Rent or any other charge when due; or

(b) Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant not provided for in subparagraph (a) above and subparagraphs (c), (d) and (h) below where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant, provided that if the nature of such breach is such that although curable, the breach cannot reasonably be cured within a thirty (30) day period, an Event of Default shall not exist if Tenant shall commence to cure such breach and thereafter rectifies and cures such breach with due diligence, but in no event later than sixty (60) days after the written notice; or

(c) Abandonment or vacation of the Premises (which shall include Tenant's failure to take possession of the Premises at the time provided in this Lease) by Tenant, except as otherwise provided in the Basic Lease Provisions, or cessation by Tenant of Tenant's business within the Premises for more than thirty (30) successive days, or for more than a total of sixty (60) days in any 180-day period; or

(d) A general assignment by Tenant for the benefit of creditors, or the filing by or against Tenant of any proceeding under any insolvency or bankruptcy law, or the appointment of a trustee or receiver to take possession of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease; or

(e) Any three (3) or more failures of the type described in Paragraph 25.1(a) in any twelve month period; or

(f) Any failure by Tenant to commence construction of Tenant's work, if any, within thirty (30) days after substantial completion of Landlord's Work and to thereafter diligently prosecute such construction to completion, where such failure continues for five (5) days after written notice thereof by Landlord to Tenant; or

(g) The conducting by Tenant of a going out of business sale, bankruptcy sale or any similar liquidation sale in violation of the provisions of this Lease where such sale does not permanently cease within twenty-four (24) hours after written notice of such violation by Landlord to Tenant; or

(h) The occurrence of an Event of Default as defined in any other provision of this Lease.

25.2 Remedies.

(a) Reentry and Termination. Upon and during the continuance of an Event of Default, Landlord, in addition to any other remedies available to Landlord at law or in equity, at Landlord's option, may without further notice or demand of any kind to Tenant or any other person:

1. Declare the Lease Term ended and reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim to the Premises; or

2. Without declaring this Lease ended, reenter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid Minimum Monthly Rent, rent, Additional Rent, Operating Expenses and other charges, which have become payable, or which may thereafter become payable; or

3. Even though Landlord may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.

(b) Express Termination Required. Should Landlord have reentered the Premises under the provisions of Paragraph 25.2(a)(2) above, Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges thereafter accruing, or to have terminated Tenant's liability for damages under any of the provisions of this Lease, by any such reentry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that Landlord had elected to terminate this Lease. Tenant further covenants that the service by Landlord of any notice pursuant to the unlawful detainer statutes of the State where the Property is situated and the surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary at the time of or at any time subsequent to the serving of such notices and such election is evidenced by a written notice to Tenant) be deemed to be a termination of this Lease.

(c) Damages. Should Landlord elect to terminate this Lease pursuant to the provisions of Paragraphs 25.2(a)(1) or 25.2(a)(3) above, Landlord may recover from Tenant as damages, the following:

1. The worth at the time of award of any unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges which had been earned at the time of such termination; plus

2. The worth at the time of award of the amount by which the unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges which would have been earned after termination until the time of award exceeds the amount of such loss Tenant proves could have been reasonably avoided; plus

3. The worth at the time of award of the amount by which the unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges for the balance of the Lease Term after the time of award exceeds the amount of such loss that Tenant proves could be reasonably avoided; plus

4. any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees, (ii) maintaining or preserving the Premises after the occurrence of an Event of Default, (iii) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (iv) leasing commissions, and (v) any other costs necessary or appropriate to relet the Premises; plus

5. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State where the Property is situated.

(d) Alternative Damages. Should Landlord elect to bring an action against Tenant in unlawful detainer or for damages or both or otherwise (and Landlord may bring as many actions as Landlord may elect to bring throughout the Lease Term), without terminating this Lease, Landlord may recover from Tenant as damages the following:

1. The worth at the time of award of any unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges which had been earned at the time Landlord recovered possession of the Premises; plus

2. The worth at the time of award of the amount by which the unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges which would have been earned after the date Landlord recovered possession until the time of award exceeds the amount of such loss Tenant proves could have been reasonably avoided; plus

3. Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, including but not limited to, any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees, (ii) maintaining or preserving the Premises after the occurrence of an Event of Default, (iii) preparing the Premises for reletting to a new tenant,

including repairs or alterations to the Premises for such reletting, (iv) leasing commissions, and (v) any other costs necessary or appropriate to relet the Premises; plus

4. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State where the Property is situated.

(e) Definitions. As used in Paragraphs 25.2(c)(1), 25.2(c)(2), and 25.2(d)(1) above, the "worth at the time of award" is computed by allowing interest at the rate of eighteen percent (18%) per annum. As used in Paragraphs 25.2(c)(3) and 25.2(d)(2) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Property at the time of award plus one (1) percentage point.

(f) Computation of Certain Sums. For all purposes of this Article 25, Operating Expenses, Additional Rent and other charges shall be computed on the basis of the average monthly amount thereof accruing during the immediately preceding sixty (60) month period, except that if it becomes necessary to compute such amounts before such a sixty (60) month period has occurred then such amounts shall be computed on the basis of the average monthly amounts accruing during such shorter period.

(g) Use of Fixtures. Upon the occurrence of and during the continuation of any Event of Default, Landlord may, at Landlord's option, permit all of Tenant's fixtures, furniture, equipment, improvements, additions, alterations, and other personal property to remain on the Premises and Landlord shall have the right to take the exclusive possession of same and to use same, rent or charge free, until the Event of Default is cured or, at Landlord's option, at any time during the Lease Term, require Tenant to forthwith remove same. In the event of any entry or taking possession of the Premises, Landlord shall have the right, but not the obligation to remove all or any part of the fixtures, furniture, equipment and other personal property located in the Premises and may place the same in storage at a public warehouse at the expense and risk of the owner or owners thereof.

(h) Cumulative Remedies. The remedies given to Landlord in this Paragraph 25 shall be in addition and supplemental to all other rights or remedies which Landlord may have at law, in equity or by statute and the exercise of any one remedy shall not preclude the subsequent or concurrent exercise of further or additional remedies.

(i) No Waiver. The waiver by Landlord of any breach of any term, covenant or condition herein contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach of the same or any other term, covenant or condition of this Lease. The subsequent acceptance of Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges due hereunder shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular amount so accepted regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No covenant, term, or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver shall be in writing and signed by Landlord.

25.3 Interest. Any sum accruing to Landlord under the terms and provisions of this Lease which shall not be paid when due shall bear interest at the interest rate provided herein from the date the same becomes due and payable by the terms and provisions of this Lease until paid, unless otherwise specifically provided in this Lease. The interest rate which shall apply shall be the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate allowed by applicable law.

ARTICLE 26 INSOLVENCY

26.1 Breach of Lease. Subject to the applicable United States Bankruptcy Code and other laws, the filing of any petition by or against Tenant under any chapter of the Bankruptcy Act, or any successor statute thereto, or the adjudication of Tenant as a bankrupt or insolvent, or the appointment of a receiver or trustee to take possession of all or substantially all of the assets of Tenant, or a general assignment by Tenant for the benefit of creditors, or any other action taken or suffered by Tenant under any state or federal insolvency or bankruptcy act, shall constitute a default under and breach of this Lease by Tenant, regardless of Tenant's compliance with the other provisions of this Lease; and Landlord at its option by written notice to Tenant may exercise all rights and remedies provided for in Article 25, including the termination of this Lease, effective of such notice, without the necessity of further notice under Article 25.

26.2 Operation of Law. Neither this Lease, nor any interest herein, nor any estate created hereby, shall pass by operation of law under any state or federal insolvency or bankruptcy act to any trustee, receiver, assignee for the benefit of creditors or any other person whatsoever without the prior written consent of Landlord, which shall not be unreasonably withheld. Any purported transfer in violation of the provisions of this Paragraph 26.2 shall constitute a default under and breach

of this Lease, regardless of Tenant's compliance with the other provisions of this Lease; and Landlord at its option by written notice to Tenant may exercise all rights and remedies provided for in **Article 25**, including the termination of this Lease, effective on service of such notice without the necessity of further notice under **Article 25**.

26.3 Non-Waiver. The acceptance of rent at any time and from time to time by Landlord from Tenant as debtor in possession or from a transferee of the type mentioned in **Paragraph 26.2**, shall not preclude Landlord from exercising its rights under this **Article 26** at any time hereafter.

26.4 Events of Bankruptcy

(a) Tenant's becoming insolvent, as that term is defined in Title 11 of the United States Code, entitled Bankruptcy, U.S.C. Sec. 101 et. seq. (the "**Bankruptcy Code**"), or under the insolvency laws of the State in which the Property is situated ("**Insolvency Laws**");

(b) The appointment of a receiver or custodian for any or all of Tenant's property or assets, or the institution of a foreclosure action upon any of Tenant's real or personal property;

(c) The filing of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws;

(d) The filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or Insolvency Laws, which is either not dismissed within sixty (60) days of filing, or results in the issuance of an order for relief against the debtor, whichever is later; or

(e) Tenant's making or consenting to an assignment for the benefit of creditors or a common law composition of creditors.

26.5 Landlord's Remedies.

(a) **Termination of Lease.** Upon occurrence of an Event of Bankruptcy, Landlord shall have the right to terminate this Lease by giving written notice to Tenant; provided, however, that this **Paragraph 26.5(a)** shall have no effect while a case in which Tenant is the subject debtor under the Bankruptcy Code is pending, unless Tenant or its Trustee is unable to comply with the provisions of **Paragraph 26.5(d)** and **(e)** below. At all other times this Lease shall automatically cease and terminate, and Tenant shall be immediately obligated to quit the Premises upon the giving of notice pursuant to this **Paragraph 26.5(a)**. Any other notice to quit, or notice of Landlord's intention to re-enter is hereby expressly waived. If Landlord elects to terminate this Lease, everything contained in this Lease on the part of Landlord to be done and performed shall cease without prejudice; subject, however, to the rights of Landlord to recover from Tenant all rent and any other sums accrued up to the time of termination or recovery of possession by Landlord, whichever is later, and any other monetary damages or loss of reserved rent sustained by Landlord.

(b) **Suit for Possession.** Upon termination of this Lease pursuant to **Paragraph 26.5(a)**, Landlord may proceed to recover possession under and by virtue of the provisions of laws of any applicable jurisdiction, or by such other proceedings, including re-entry and possession, as may be applicable.

(c) **Non-Exclusive Remedies.** Without regard to any action by Landlord as authorized by **Paragraph 26.5(a)** and **(b)** above, Landlord may at its discretion exercise all the additional provisions set forth in **Article 25**.

(d) **Assumption or Assignment by Trustee.** In the event Tenant becomes the subject debtor in a case pending under the Bankruptcy Code, Landlord's right to terminate this Lease pursuant to **Paragraph 26.5(a)** shall be subject to the rights of the Trustee in Bankruptcy to assume or assign this Lease. The Trustee shall not have the right to assume or assign this Lease unless the Trustee (i) promptly cures all defaults under this Lease, (ii) promptly compensates Landlord for monetary damages incurred as a result of such default, and (iii) provides adequate assurance of future performance on the part of Tenant as debtor in possession or on the part of the assignee Tenant.

(e) **Adequate Assurance of Future Performance.** Landlord and Tenant hereby agree in advance that adequate assurance of future performance, as used in **Paragraph 26.5(d)** above, shall mean that all of the following minimum criteria must be met: (i) Tenant must pay its estimated pro rata share of the cost of all services provided by Landlord (whether directly or through agents or contractors and whether or not previously included as part of the Minimum Monthly Rent), in advance of the performance or provision of such services; (ii) the Trustee must agree that Tenant's business shall be conducted in a first class manner, and that no liquidating sales, auctions, or other non-first class business operations shall be conducted on the

Premises (iii) the Trustee must agree that the use of the Premises as stated in this Lease will remain unchanged and that no prohibited use shall be permitted; and (iv) the Trustee must agree that the assumption or assignment of this Lease will not violate or affect the rights of other tenants in the Property.

(f) Failure to Provide Adequate Assurance. In the event Tenant is unable to (i) cure its defaults, (ii) reimburse the Landlord for its monetary damages, (iii) pay the rent due under this Lease and all other payments required of Tenant under this Lease on time (or within three (3) days), or (iv) meet the criteria and obligations imposed by Paragraph 26.5(d) above, Tenant agrees in advance that it has not met its burden to provide adequate assurance of future performance, and this Lease may be terminated by Landlord in accordance with Paragraph 26.5(a) above.

ARTICLE 27 REMEDIES CUMULATIVE

The various rights, elections, and remedies of Landlord contained in this Lease shall be cumulative, and no one of them shall be construed as exclusive of any other, or any right, priority, or remedy allowed or provided for by law.

ARTICLE 28 ATTORNEY'S FEES

If either party hereto shall file any action or bring any proceeding against the other party arising out of this Lease or for the declaration of any rights hereunder, the prevailing party therein shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party as determined by the court. If either party ("secondary party") without its fault is made a party to litigation instituted by or against the other party, the primary party shall pay to the secondary party all costs and expenses, including reasonable attorneys' fees, incurred by the secondary party in connection therewith.

ARTICLE 29 LIABILITY OF MANAGER

Landlord's Property Manager is Landlord's manager and rental agent in all matters concerning this Lease and the Premises, and Tenant, until notified in writing to the contrary by either the Landlord or Property Manager or the Assignee of Landlord's interest under this Lease, shall recognize such agency and pay all rental, furnish all statements, and give any notice which Tenant may be under the duty of giving hereunder, or may elect to give hereunder, to Property Manager at its offices set forth in the Basic Lease Provisions, instead of to the Landlord. As long as such agency shall exist, the rights and options extended to Landlord shall be deemed extended to Property Manager, and each and every other term and provision of this Lease which is in any way beneficial to the Landlord, including especially every stipulation against liability, or limiting liability, shall inure to the benefit of Property Manager and its agents and shall be applicable to Property Manager and its agents in the same manner and as fully and with the same effect as to Landlord. Whenever Landlord's consent is required, Tenant shall request such consent from Property Manager. The consent of Property Manager shall be deemed the consent of Property Manager and Landlord.

ARTICLE 30 NO PARTNERSHIP

Landlord shall not in any way for any purpose be deemed a partner, joint venturer or member of any joint enterprise with Tenant.

ARTICLE 31 SUBTENANCIES

The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this Lease shall not effect a merger and shall, at Landlord's option, terminate all existing subtenancies or operate as an assignment to Landlord of any or all of such subtenancies.

ARTICLE 32 SUCCESSORS

This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns. The term "successors" is used herein in its broadest possible meaning and includes, but is not limited to, every person succeeding to any interest in this Lease or the premises of Landlord or Tenant herein whether such succession results from the act or omission of such party. Every covenant and condition of this Lease shall be binding upon all assignees, subtenants, licensees, and concessionaires of Tenant.

ARTICLE 33 REMOVAL OF TENANT'S PERSONAL PROPERTY

Upon the expiration of the Term of this Lease or upon any earlier termination thereof, Tenant shall remove at its own expense all trade fixtures, equipment, and personal property (collectively called "Tenant's Personal Property") in this Lease which were installed by Tenant or any subtenant, concessionaire or licensee in or upon the Premises; but if Tenant is in default, Tenant shall not remove Tenant's Personal Property unless notified by Landlord to do so. In case of any injury or damage to the Building or any portion of the Premises resulting from the removal of Tenant's Personal Property, Tenant shall promptly pay to Landlord the cost of repairing such injury or damage. If Tenant fails to so remove Tenant's Personal Property, Landlord may, at Landlord's option, retain any or all thereof, and title thereto shall thereupon vest in Landlord without the execution of documents or sale or conveyance by Tenant; or Landlord may remove any or all items thereof from the Premises and dispose of them in any manner Landlord sees fit, and Tenant shall pay upon demand to Landlord the actual expense of such removal and disposition together with interest from the date of payment by Landlord until repayment by Tenant.

ARTICLE 34 EFFECT OF CONVEYANCE

If, during the Term of this Lease, Landlord conveys its interest in the Property, the Premises or this Lease, then, from and after the effective date of such conveyance, Landlord shall be released and discharged from any and all further obligations and responsibilities under this Lease, and the transferee shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such transferee, to have assumed and agreed to carry out any and all of the subsequent covenants and obligations of the Landlord under this Lease. Any security given by Tenant to secure performance of its obligations hereunder may be transferred and assigned by Landlord to such transferee.

ARTICLE 35 LANDLORD'S DEFAULT; NOTICE TO LENDER

35.1 Landlord's Default. In the case of a default by Landlord, Landlord shall commence promptly to cure such default immediately after receipt of written notice from Tenant specifying the nature of such default and shall complete such cure within thirty (30) days thereafter, provided that if the nature of such default is such that it cannot be cured within said thirty (30) day period, Landlord shall have such additional time as may be reasonably necessary to complete its performance, so long as Landlord has proceeded with diligence after receipt of Tenant's notice and is then proceeding with diligence to cure such default.

35.2 Notice to Lender. Whenever Tenant serves notice on Landlord of Landlord's default, written notice shall also be served at the same time upon the mortgagee under any first mortgage or beneficiary under any first deed of trust, so long as Landlord has provided Tenant with written notice of such mortgagee. Such mortgagee or beneficiary shall have the periods of time within which to cure Landlord's defaults as are provided in Paragraph 35.1, which periods shall commence to run ten (10) days after the commencement of the periods within which Landlord must cure its defaults under Paragraph 35.1. In this connection, any representative of the mortgagee or beneficiary shall have the right to enter upon the Premises for the purpose of curing the Landlord's default. Such mortgagee or beneficiary shall notify Landlord and Tenant in the manner provided by Article 20 of the address of such mortgagee or beneficiary to which such notice shall be sent, and the agreements of Tenant hereunder are subject to prior receipt of such notice.

35.3 Independent Covenants; Limitation of Remedies and Landlord's Liability. The obligations of Landlord and Tenant, respectively, under this Lease are expressly agreed by the parties to be independent covenants. If Landlord fails to perform any obligation under this Lease required to be performed by Landlord, Tenant shall have no right to: (i) terminate this Lease; (ii) avail itself of self-help or to perform any obligation of Landlord except as expressly permitted elsewhere in this Lease; (iii) abate or withhold any rent or any other charges or sums payable by Tenant under this Lease; or (iv) any right of setoff. If Landlord is in default hereunder, and as a consequence Tenant recovers a money judgment against Landlord, such judgment shall

be satisfied only out of the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Premises, and out of rent or other income from the Premises receivable by Landlord or out of the consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Premises. Neither Landlord, nor any agent, officer, director, partner or employee of Landlord shall be personally liable for any portion of such a judgment. If at any time the holder of Landlord's interest hereunder is a partnership, limited liability company or joint venture, a deficit in the capital account of any partner, member or joint venturer shall not be considered an asset of such partnership, limited liability company or joint venture.

ARTICLE 36 CONSENT

In consideration of each covenant made elsewhere under this Lease wherein one of the parties agrees not to unreasonably withhold its consent or approval, the requesting party hereby releases the other and waives all claims for any damages arising out of or connected with any alleged or claimed unreasonable withholding or consent or approval, and the requesting party's sole remedy shall be to have the consent granted.

ARTICLE 37 INTERPRETATION

The captions by which the articles and paragraphs of this Lease are identified are for convenience only, and shall not affect the interpretation of this Lease. Wherever the context so requires, the singular number shall include the plural, the plural shall refer to the singular and the neuter gender shall include the masculine and feminine genders. If there is more than one signatory hereto as Tenant, the liability of such signatories shall be joint and several. If any provision of this Lease shall be held to be invalid by a court, the remaining provisions shall remain in effect and shall in no way be impaired thereby.

ARTICLE 38 ENTIRE INSTRUMENT

It is understood that there are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This is the final and complete expression of the parties' agreement, all of the agreements heretofore and contemporaneously made by the parties are contained in this Lease, and this Lease cannot be modified in any respect except by a writing executed by Landlord and Tenant. All terms and conditions hereof shall apply on the date of mutual execution hereof except as otherwise expressly set forth herein. Time is of the essence hereof.

ARTICLE 39 EASEMENTS; RECORDING

This Lease is made expressly subject to:

- (a) any conditions, covenants, restrictions, easements, and other matters now or hereafter of record against the Premises or the Property; and
- (b) any easements for utilities or ingress and egress which now or hereafter may be placed of record by Landlord for purposes of the common benefit of the occupants of the Property. Tenant agrees, subject to the provisions of Article 23, to execute such documents necessary to subordinate its interest hereunder to such easements.

Neither Landlord nor Tenant shall record this Lease or any "short-form" or other memorandum thereof.

ARTICLE 40 SALE BY LANDLORD

The Premises and/or Landlord's interest under this Lease may be freely sold or assigned by Landlord, and in the event of any such sale or assignment, the covenants and obligations of Landlord herein shall be binding on each successive "landlord," and its successors and assigns, only during their respective periods of ownership.

ARTICLE 41 SECURITY MEASURES

Tenant acknowledges (1) that neither Landlord nor Property Manager shall have any obligation to provide any such security measures, (2) that neither Landlord nor Property Manager has made any representation to Tenant regarding the safety or security of the Property, and (3) that Tenant will be solely responsible for providing any security it deems necessary to protect itself, its property, and Tenant's invitees in, on, or about the Building and the Property. If Landlord or Property Manager provides any security measures at any time, then neither Landlord nor Property Manager shall be obligated to continue providing such security measures and Landlord and Property Manager shall not be obligated to provide such security measures with any particular standard of care. Tenant assumes all responsibility for the security and safety of Tenant and Tenant's property. Except as otherwise provided to the contrary in this Lease, Tenant releases Landlord and Property Manager from all claims for damage, loss, or injury to Tenant, Tenant's Invitees, and/or to the personal property of Tenant and/or of Tenant's Invitees, even if such damage, loss, or injury is caused by or results from the criminal or negligent acts of third parties. Landlord and Property Manager shall have no duty to warn Tenant of any criminal acts or dangerous conduct that has occurred in or near the Property, regardless of their knowledge of such crimes or conduct, and Tenant is hereby instructed to conduct its own investigation through local police agencies regarding any criminal acts or dangerous conduct that has occurred in or near the Property.

ARTICLE 42 RESERVED

ARTICLE 43 CHOICE OF LAW; WAIVER OF TRIAL BY JURY

The laws of the state in which the Property is situated shall govern this Lease. Tenant hereby waives trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto on any matters whatsoever arising out of or in any way connected with this Lease, including without limitation, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation.

ARTICLE 44 HAZARDOUS SUBSTANCES

44.1 Indemnity. Tenant shall be solely responsible and liable for, and shall indemnify, defend and hold harmless Landlord for, from and against any and all Hazardous Substances existing on the Premises or the Property or any other property, or present in or on the air, ground water, soil, buildings or other improvements or otherwise in, on, under or about the Premises or the Property or any other property, resulting from the Handling by Tenant's Permittees of any Hazardous Substance during the period of Tenant's occupancy or use of the Premises. Without limiting the generality of the foregoing, Tenant shall, at any time during the Term of the Lease and at the end of the Term of the Lease, perform all work necessary to render the Premises or any other property "clean" and free of all Hazardous Substances, in accordance with all present and then-applicable Laws.

44.2 Covenant. Tenant shall not cause or permit any Hazardous Substance to be Handled in, upon, under or about the Premises (or any part thereof) or any part of the Property by Tenant's Permittees without the prior written consent of Landlord. Notwithstanding the foregoing, Tenant shall promptly deliver to Landlord true copies of all governmental permits and approvals relating to the Handling of Hazardous Substances and all correspondence sent or received by Tenant's Permittees regarding any Handling of Hazardous Substances in or about the Premises, including, without limitation, inspection reports and citations.

44.3 Definitions. As used in this Article 44, the following terms shall have the following definitions:

(a) **"Hazardous Substance"** means any chemical, compound, material, substance or other matter that: (i) is a flammable explosive, asbestos, radioactive material, nuclear medicine material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, petroleum product, or related injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other Substance; (ii) is controlled, designated in or governed by any Hazardous Substance Law; (iii) gives rise to any reporting, notice or publication requirements under any Hazardous Substance Law; or (iv) gives rise to any liability, responsibility or duty on the part of Tenant or Landlord with respect to any third person under any Hazardous Substance Law.

(b) **"Handle"** or **"Handled"** or **"Handling"** means generated, produced, brought upon, used, handled, stored, treated or disposed of.

(c) "Tenant's Permittees" means and includes Tenant, Tenant's employees, licensees, contractors, subcontractors, representatives, agents, officers, partners, directors, subtenants, sub-subtenants and invitees.

(d) "Laws" means all applicable present and future laws, ordinances, rules, regulations, statutes, requirements, actions, policies, and common law of any local, state, Federal or quasi-governmental agency, body, board or commission.

44.4 Breach of Obligations. If Tenant breaches the obligations set forth in Paragraphs 44.1 and 44.2 of this Lease, or if the presence of Hazardous Substances in, upon, under or about the Premises caused or permitted by Tenant's Permittees results in contamination of the Premises or any other property, or if contamination of the Premises or any other property by Hazardous Substances otherwise occurs or exists at any time during or after the Term of this Lease, resulting from Tenant's Permittee's use of the Premises, then Tenant shall indemnify, defend and hold Landlord harmless from and against any and all liabilities, costs, expenses, claims, judgments, damages, penalties, fines or losses (including without limitation, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, claims by any government agency or other third parties, and sums paid in settlement of claims, attorneys' fees, consultants' fees, experts' fees and the like) which arise at any time during the Term of this Lease or after the Term of this Lease as a direct result therefrom. This obligation of Tenant to indemnify, defend and hold Landlord harmless shall survive and extend beyond the expiration or earlier termination of this Lease and includes, without limitation, indemnification against all costs incurred in connection with any investigation of site conditions or any studies, testing, reports, monitoring, clean-up, detoxification, decontamination, repairs, replacements, restoration and remedial work required by any federal, state or local governmental agency, authority or political subdivision because of any Hazardous Substance present in soil, ground water, air, buildings or other improvements or otherwise in, upon, under or about the Premises or the adjacent Property or any other property, air or water. Without limiting the foregoing, if the presence of any Hazardous Substance in, on, under or about the Premises or the Property due to the Handling of Hazardous Substances by Tenant's Permittees results in contamination of the Premises or the Property or any other property, air or water, Tenant shall immediately take all actions at its sole cost and expense as are necessary or appropriate to return the Premises and the Property to the condition existing prior to the Handling, provided that Tenant obtains Landlord's prior written approval of such actions and of the contractors and other persons performing such actions, which approval shall not be unreasonably withheld, so long as such actions would not potentially have any materially adverse long-term or short-term effect on the Premises or the Property. In any event, any and all actions by Tenant to return the Premises and the Property to the condition existing prior to the Handling of any such Hazardous Substance shall be done in compliance with all Laws, and in such a manner and at such times as to avoid interference with and/or inconvenience to any or all other tenants, occupants, contractors and invitees of any adjacent property to the maximum extent possible. It is the intent of Landlord and Tenant (and Landlord and Tenant hereby agree) that Landlord shall have no liability whatsoever for the existence or presence of Hazardous Substances in, upon, under or about the Premises resulting from the Handling of any Hazardous Substances in connection with Tenant's occupancy or use of the Premises, and that Tenant shall have sole and absolute responsibility for the existence or presence of Hazardous Substances in, upon, under or about the Premises and shall fully indemnify and hold Landlord harmless from and against any liabilities, costs, expenses (including attorneys' fees), claims, judgments, damages, demand, penalties, fines and losses arising from or in connection with the existence or presence of Hazardous Substances in, upon, under or about the Premises or the migration thereof from or to the Premises resulting from the Handling of any Hazardous Substances in connection with Tenant's occupancy or use of the Premises. Tenant's obligations under this Article shall survive the termination of this Lease.

44.5 Handling; Notices. Without in any way diminishing or waiving the limitations on and obligations of Tenant set forth in this Article 44, if Tenant's Permittees Handle Hazardous Substances in, upon, under or about the Premises, such Handling shall be done in full compliance with all Laws. In that connection, Landlord and its agents and representatives shall have the right, but not the obligation, at Tenant's cost, to enter onto and to inspect the Premises and conduct investigations, studies, tests, reports, monitoring and analysis of the Premises and any and all Hazardous Substances at any and all reasonable times to determine whether Tenant is complying with its obligations under this Lease; provided, however, that before Landlord enters the Premises to conduct any such tests or investigations, Landlord shall provide Tenant with at least five (5) working days' prior notice. Furthermore, Tenant shall immediately upon receipt thereof, provide to Landlord written notice of the following:

(a) Any enforcement, clean-up or other regulatory action taken or threatened by any governmental authority with respect to the presence of any Hazardous Substances in, upon under or about the Premises or the migration thereof from or to other property;

(b) All demands or claims made or threatened by any third party against Tenant or the Premises relating to any loss or injury resulting from any Hazardous Substances;

(c) Any spill, release, discharge or disposal of Hazardous Substances in, upon, under or about the Premises;

(d) All matters with respect to which Tenant is required to give notice pursuant to any applicable health and safety regulations.

Landlord shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions affecting the Premises initiated in connection with any Hazardous Substances or related laws.

ARTICLE 45 AUTHORITY

If Tenant is other than a natural person, each person executing this Lease on behalf of Tenant hereby covenants and warrants to Landlord that: such person is duly authorized to execute this Lease on behalf of Tenant; Tenant is duly qualified in all respects; all steps have been taken prior to the date hereof to qualify Tenant to do business in the state in which the Property is situated; all franchise and other taxes have been paid to date; and all forms, reports, fees and other documents necessary to comply with applicable laws will be filed when due. Tenant will furnish to Landlord promptly upon demand, a corporate resolution, proof of due authorization of partners, or other appropriate documentation reasonably requested by Landlord evidencing the due authorization of Tenant to enter into this Lease.

ARTICLE 46 BROKERS

Landlord and Tenant hereby represent and warrant to each other that, other than Landlord's Broker and Tenant's Broker, neither has employed any broker with regard to this Lease nor has any knowledge of any other broker being instrumental in bringing about this Lease transaction. The parties shall indemnify each other against any expense incurred by the other party as a result of any claim for brokerage or other commissions made by any other broker, finder, or agent, whether or not meritorious, employed by the indemnifying party or claiming by, through or under such party. Tenant acknowledges that Landlord shall not be liable for any representations of Landlord's leasing agent or other agents of Landlord regarding this Lease transaction except for the representations and covenants of Landlord expressly set forth in this Lease. Landlord acknowledges that Tenant shall not be liable for any representations of Tenant's Broker, agent or other agents of Tenant regarding this Lease transaction except for the representations and covenants of Tenant expressly set forth in this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year first above written.

[SIGNATURES ON NEXT PAGE]

LANDLORD:

WH PARK PLACE LLC, a Delaware limited liability company

By: WH PARK PLACE MEZZ LLC, a Delaware limited liability company, its sole member

By: WASHINGTON HOLDINGS STRUCTURED FINANCE, LLC, a Washington limited liability company, its manager

By: Tim Holt
Name: Tim Holt
Its: Vice President
Date: 11-13-09

TENANT:

KING COUNTY, a political subdivision of the State of Washington

By: Kurt Triplett
Name: Kurt Triplett
Its: County Executive
Date: 11/6/09

APPROVED AS TO FORM ONLY:

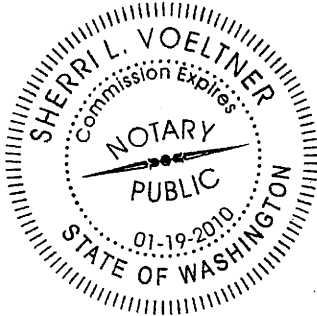
By: Tim Barnes
Tim Barnes, Senior Deputy Prosecuting Attorney
Date: 11-5-09

STATE OF WASHINGTON
COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that Tim Holt is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the VP of WASHINGTON HOLDINGS STRUCTURED FINANCE, LLC, a Washington limited liability company, the manager of WH PARK PLACE MEZZ LLC, a Delaware limited liability company, the sole member of WH PARK PLACE LLC, a Delaware limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument.

Dated this 13th day of November, 2009.



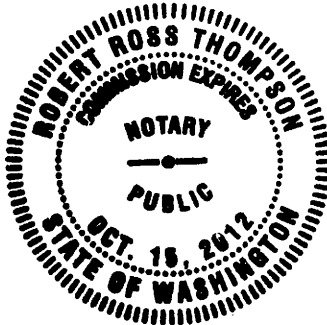
[Signature]
(Signature of Notary)
Sherril L. Voeltner
(Legibly Print or Stamp Name of Notary)
Notary public in and for the state of Washington,
residing at Kenston
My appointment expires 01/19/10

STATE OF WASHINGTON
COUNTY OF KING

ss.

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

Dated this 6th day of November, 2009.



[Signature]
(Signature of Notary)
Robert Ross Thompson
(Legibly Print or Stamp Name of Notary)
Notary public in and for the state of Washington,
residing at Seattle, WA
My appointment expires 10.15.2012

EXHIBIT "A"

LEGAL DESCRIPTION

That certain real property located in the City of Seattle, King County, Washington described as follows:

PARCEL A:

LOTS 1, 2, 3 AND 4, BLOCK 62, ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S 5TH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR PRIMARY STATE HIGHWAY NO. 1 (I-5) BY DEEDS RECORDED UNDER RECORDING NUMBERS 5199593, 5236666 AND 5244296;

TOGETHER WITH THAT PORTION OF VACATED ALLEY IN SAID BLOCK 62 ADJOINING SAID LOTS AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 98361 AND RECORDED UNDER RECORDING NUMBER 6589971, WHICH, UPON VACATION, ATTACHED TO SAID PROPERTY BY OPERATION OF LAW.

PARCEL C:

LOT 5, BLOCK 62, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION LYING NORTHEASTERLY OF A LINE DRAWN PARALLEL WITH AND 130 FEET DISTANT SOUTHWESTERLY, WHEN MEASURED RADIALY FROM THE BASE LINE, "CENTERLINE SOUTH BOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS DEEDED TO THE STATE OF WASHINGTON, BY DEED RECORDED UNDER RECORDING NUMBER 5217276;

AND LOT 8, BLOCK 62, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION LYING EASTERLY OF A LINE DRAWN PARALLEL WITH AND 130 FEET DISTANT WESTERLY WHEN MEASURED RADIALY FROM THE BASE LINE, "CENTERLINE SOUTH BOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302.

A LEASEHOLD INTEREST AS TO THE FOLLOWING PARCELS B-1, B-2 and B-3:

PARCEL B-1:

BEGINNING AT THE MOST SOUTHERLY CORNER OF BLOCK 62 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

THENCE NORTH 30°37'42" WEST, ALONG THE WESTERLY LINE OF SAID BLOCK 62, A DISTANCE OF 118.67 FEET;

THENCE NORTH 59°22'18" EAST, PERPENDICULAR TO THE AFORESAID COURSE, 109.85 FEET TO A POINT ON A 2,039.86 FOOT RADIUS CURVE, CONCAVE TO THE EAST, WHICH LIES PARALLEL WITH AND 130 FEET WESTERLY, WHEN MEASURED RADIALY FROM THE BASE LINE, "CENTERLINE SOUTHBOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302, A RADIAL AT SAID POINT BEARING NORTH 80°30'57" EAST, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE NORTHERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00°02'24", AN ARC DISTANCE OF 1.42 FEET TO THE EAST LINE OF LOT 4 OF SAID BLOCK 62;

THENCE NORTH 59°22'16" EAST, ALONG SAID EAST LINE, 32.21 FEET TO A POINT ON A 2,009.86 FOOT RADIUS CURVE, CONCAVE TO THE EAST, WHICH LIES PARALLEL WITH AND 100 FEET WESTERLY, WHEN MEASURED RADially FROM THE BASE LINE, "CENTERLINE SOUTHBOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302, A RADIAL AT SAID POINT BEARING NORTH 80°53'15" EAST;

THENCE NORTHERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 01°59'27", AN ARC DISTANCE OF 69.83 FEET TO A POINT WHICH LIES 169.31 FEET EASTERLY OF, WHEN MEASURED AT RIGHT ANGLES FROM, THE WESTERLY LINE OF SAID BLOCK 62;

THENCE SOUTH 30°37'42" EAST, PARALLEL WITH THE WESTERLY LINE OF SAID BLOCK 62 AND 169.31 FEET EASTERLY OF, WHEN MEASURED PERPENDICULAR THEREFROM, 65.84 FEET TO A POINT THAT LIES NORTH 59°22'18" EAST, PERPENDICULAR TO SAID WESTERLY LINE OF BLOCK 62, FROM THE TRUE POINT OF BEGINNING;

THENCE SOUTH 59°22'18" WEST 59.46 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL B-2:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF THE WESTERLY 169.31 FEET OF BLOCK 62, ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON, AS MEASURED PERPENDICULAR FROM THE WESTERLY LINE OF SAID BLOCK 62, WITH A LINE WHICH LIES 40.00 FEET SOUTHERLY, WHEN MEASURED PERPENDICULAR FROM THE CENTERLINE OF THE UNIVERSITY "N" RAMP OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY AS CONDEMNED UNDER KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302;

THENCE NORTH 30°37'42" WEST, PARALLEL WITH AND 169.31 FEET EASTERLY OF, WHEN MEASURED PERPENDICULAR FROM THE WESTERLY LINE OF SAID BLOCK 62, A DISTANCE OF 18.00 FEET;

THENCE SOUTH 59°22'18" WEST, PERPENDICULAR TO THE WESTERLY LINE OF SAID BLOCK 62, A DISTANCE OF 110.60 FEET TO THE INTERSECTION WITH THE SOUTHERLY BOUNDARY OF THE PROPERTY DEEDED TO THE STATE OF WASHINGTON AS DESCRIBED IN DOCUMENT FILED UNDER KING COUNTY RECORDING NUMBER 5244296;

THENCE NORTH 66°50'01" EAST, ALONG SAID SOUTHERLY LINE, 61.57 FEET TO A POINT ON THE WESTERLY MARGIN OF THE VACATED ALLEY IN SAID BLOCK 62;

THENCE SOUTH 88°36'57" EAST 18.87 FEET TO THE INTERSECTION OF THE EASTERLY MARGIN OF SAID ALLEY WITH A LINE THAT LIES 40.00 FEET SOUTHERLY, WHEN MEASURED PERPENDICULAR FROM SAID CENTERLINE OF THE UNIVERSITY "N" RAMP;

THENCE NORTH 59°22'32" EAST, PARALLEL WITH THE 40.00 FEET SOUTHERLY OF, WHEN MEASURED PERPENDICULAR FROM SAID CENTERLINE OF THE UNIVERSITY "N" RAMP, 33.53 FEET TO THE POINT OF BEGINNING.

PARCEL B-3:

THE AIR RIGHTS LYING ABOVE ELEVATION 138.07, SEATTLE DATUM, AND BELOW ELEVATION 199.36, SEATTLE DATUM AS TO THE TRACT DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF BLOCK 62 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

THENCE NORTH 30°37'42" WEST, ALONG THE WESTERLY LINE OF SAID BLOCK 62, A DISTANCE OF 118.67 FEET;

THENCE NORTH 59°22'18" EAST, PERPENDICULAR TO THE AFORESAID COURSE, 109.85 FEET TO A POINT ON A 2039.86 FOOT RADIUS CURVE, CONCAVE TO THE EAST; AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 59°22'18" EAST 32.16 FEET;

THENCE SOUTH 07°47'52" EAST 128.75 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 62 WHICH LIES 23.94 FEET EASTERLY FROM ITS INTERSECTION WITH A 2039.86 FOOT RADIUS CURVE, CONCAVE TO THE EAST, WHICH LIES PARALLEL WITH AND 130 FEET WESTERLY, WHEN MEASURED RADially FROM THE BASE LINE, "CENTERLINE SOUTHBOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302; THENCE SOUTH 59°22'00" WEST, ALONG SAID SOUTHERLY LINE, 23.94 FEET TO A POINT ON SAID 2,039.86 FOOT RADIUS CURVE, A RADIAL AT SAID POINT BEARING NORTH 76°58'55" EAST;

THENCE NORTHERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03°32'01", AN ARC LENGTH OF 125.81 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "B"

SPACE PLANS

THIRD FLOOR PREMISES SPACE PLAN

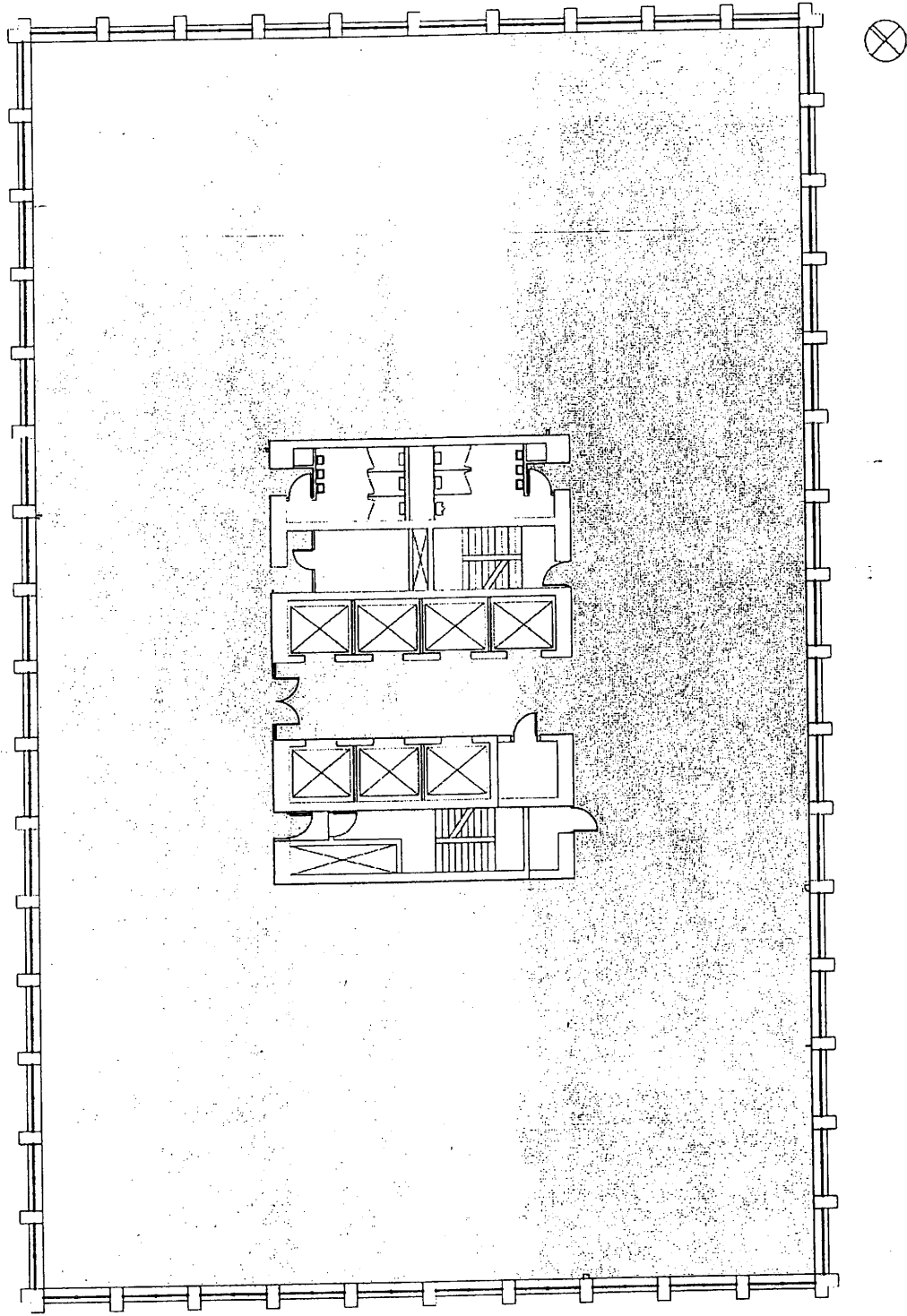


Exhibit B - 1

FOURTH FLOOR PREMISES SPACE PLAN

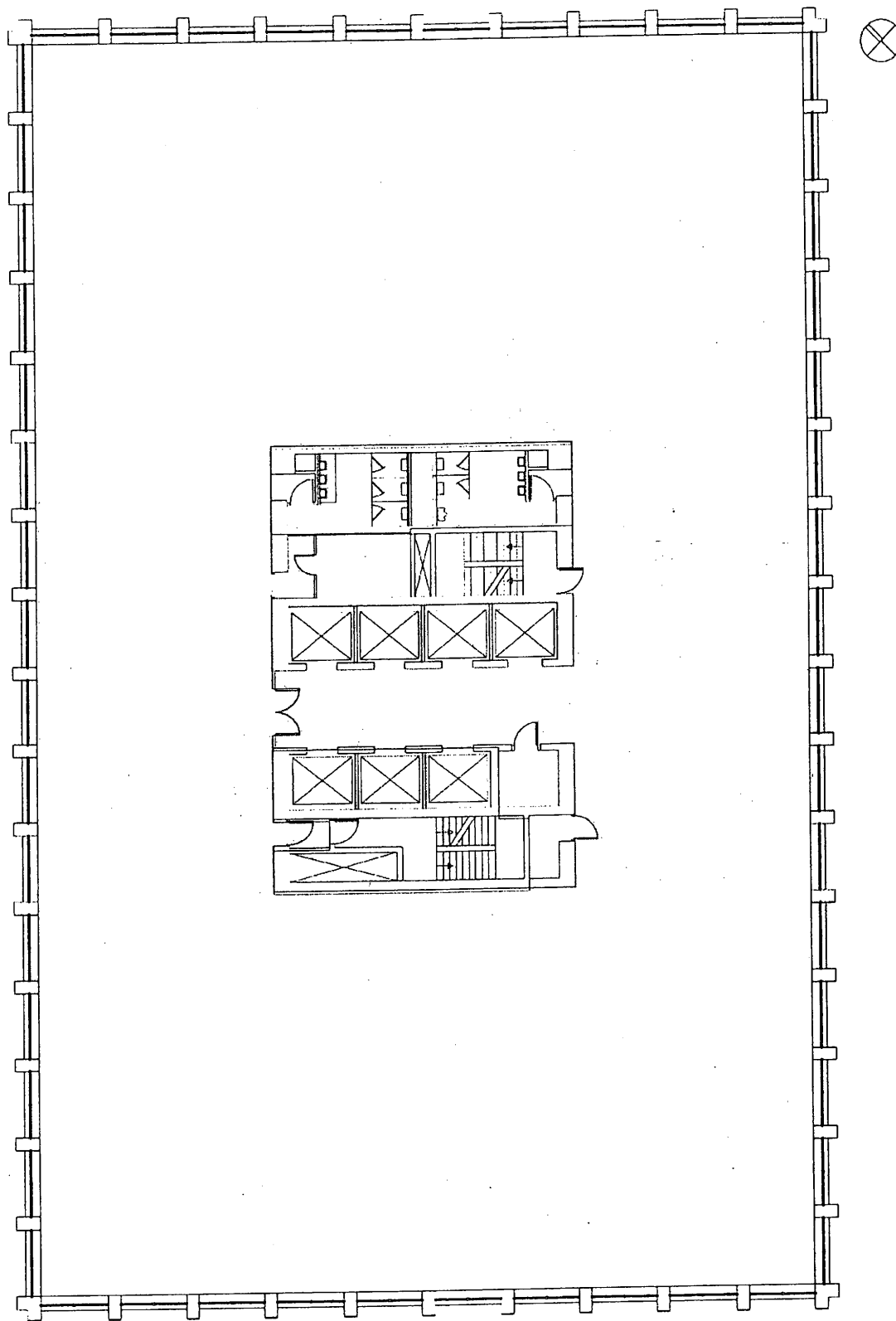


Exhibit B - 2

SIXTH FLOOR PREMISES SPACE PLAN

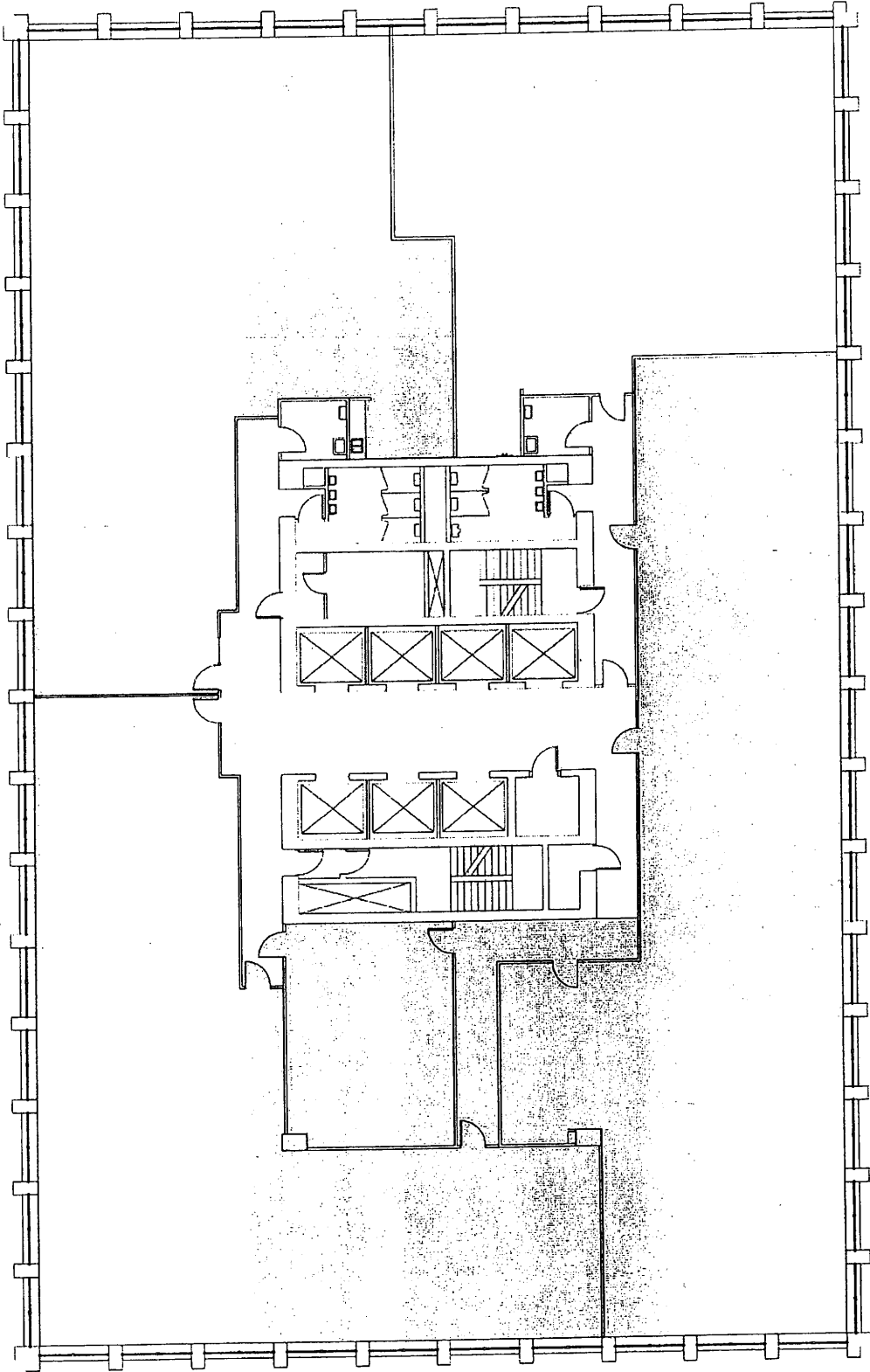


Exhibit B - 3

EXHIBIT "C"

WORKLETTER

LANDLORD: WH PARK PLACE LLC
TENANT: KING COUNTY
PREMISES: PARK PLACE

The purpose of this Workletter is to set forth how, by whom and at whose cost the Landlord's Work in the Premises are to be constructed. The "Landlord's Work" means the completion of improvements to the Premises which need to be performed before Tenant can occupy the Premises for the normal conduct of its business.

1. Changes to Shell and Core of the Building.

If Tenant, with Landlord's consent, changes surface finishes from those specified for the Building, requires changes to the heating and cooling and electrical systems which are standard for the Building, or makes any other departure from the specifications or standards for the Building with respect to any of the foregoing items, the additional cost of such change or other departure shall be at the Tenant's expense. Throughout the Exhibit, items which are not Building Standard items are sometimes referred to as special items or special improvements.

2. Additional Improvements (Tenant Work).

Improvements to the Premises which are in addition to those provided for in Section 1 of this Exhibit are herein sometimes described as Tenant Work. Tenant Work shall be at Tenant's expense but shall be paid for by Landlord to the extent of the Tenant Improvement Allowance described below. The same procedure shall pertain to any matters referred to in this Exhibit as being at Tenant's expense or a charge to Tenant Work. If the costs for Tenant Work and expenses or charges to Tenant Work exceed said allowance, Landlord shall utilize such funds for the payment of progress billings by the contractor. In addition, a portion of the Tenant Improvement Allowance shall be utilized to balance the existing HVAC system within the Premises. Tenant Work and costs charged to Tenant Work shall include without limitation:

- (a) All partitioning (solid, glazed or otherwise), including one-half of walls separating the Premises from the space to be occupied by other tenants in the building, all partitioning within the Premises, and the walls separating the Premises from the public corridor.
- (b) Paint or other wall coverings approved by Landlord. Painted walls shall receive at least one prime coat and one semi-gloss finish coat. Tenant shall use a brand of paint specified by Landlord as standard for the Building or an equivalent brand approved in advance by Landlord.
- (c) Doors and door hardware.
- (d) Finish ceiling, including suspension system and hangers.
- (e) Cabinetry, millwork or other built-ins.
- (f) Carpeting or other floor covering.
- (g) Blinds for exterior windows as designated by Landlord.
- (h) Lighting fixtures, including building standard fixtures and all other fixtures, and all switching, all in accordance with applicable Seattle codes.
- (i) Electrical receptacles, wiring from junction boxes located above suspended ceiling to light fixtures and any other electrical items which are in addition to those furnished by Landlord pursuant to Section 1 of this Exhibit.
- (j) Telephone and data outlets and any other communication equipment not furnished by Landlord pursuant to Section 1. Tenant shall be responsible for contracting with its IT/Data/Telecom vendor in the provision of services relating to the installation of cabling and any infrastructure relating to such work and shall coordinate such with Landlord's construction manager.

- (k) Air terminal units in excess of the standard number for the Premises. All related ducting, round low pressure run out ducting, flexible ducting, diffusers, and any other items for heating or air cooling.
- (l) Interfloor stairs within the Premises.
- (m) Vertical lifts for books, files, mail distribution, etc.
- (n) Plumbing and fixtures including private toilets, showers, lavatories, sinks and lunchroom or kitchen equipment.
- (o) Emergency power equipment for Tenant's equipment.
- (p) All demolition and removal of debris for any item of work installed pursuant to Section 1 or Section 2 of this Exhibit which Tenant with Landlord's consent, subsequently requests Landlord to remove.
- (q) Any structural modification to the Building.
- (r) The fees, as approved by Landlord, for architects, engineers, consultants and contractors, including Landlord's contractor, for services with respect to the Premises.
- (s) All applicable Washington State sales tax.
- (t) Fees and expenses for all permits, including building, special energy and structural modification permits and other governmental fees.
- (u) Any other costs referred to in this Exhibit as being at Tenant's expense or a charge to Tenant Work.

Whether, and the extent to which, any of Tenant's requirements exceed the improvements to be provided by Landlord pursuant to Section 1 shall be determined by Landlord's Construction Manager, which determination shall be conclusive.

3. Tenant Improvement Allowance.

Landlord shall provide an allowance for Tenant Work in the initial Premises equal to \$15.00 per RSF of the Premises. (the "Tenant Improvement Allowance"). The Tenant Improvement Allowance shall be used to pay costs for Tenant Work, by crediting or paying the amount of the allowance against amounts due for the Tenant Work, all in accordance with Section 5.2 of this Exhibit. Any unused allowance may be applied by Tenant toward Rent due under the Lease.

4. Design of Tenant Improvements.

4.1 Landlord's Construction Manager. Landlord has engaged the services of BloomProjects, a construction manager, ("Landlord's Construction Manager") to provide certain professional services required for the improvement of the Premises and other portions of the Building. The fees and expenses of Landlord's Construction Manager for services regarding the Premises shall be a charge to Tenant Work and shall not exceed five percent (5%) on the first \$50,000, plus three and one-half percent (3.5%) on the remainder, of the hard costs of the Tenant Work. Landlord shall not charge any other fees for its involvement in the review, supervision and approval of the Tenant Work.

4.2 Landlord's Architect. As a charge to the Tenant Work, Landlord may retain the services of a qualified architect/office planner, Burgess Design, Inc. ("Landlord's Architect"), licensed to practice architecture in the State of Washington, and which is hereby approved by Tenant, to provide architectural services related to the tenant improvements, except for those services which by express provisions of this Exhibit are to be provided by Landlord's Construction Manager. As a charge to the Tenant Work, if required, Landlord may also retain the services of a qualified electrical and mechanical engineer to provide services / drawings related to the tenant improvements.

4.3 Plans for Tenant Work. Tenant and Landlord's Architect have prepared, and Landlord and Landlord's Construction Manager have approved, the Schematic Plans for the Tenant Work. Landlord's Architect is currently preparing Final Contract documents for the Tenant Work. Upon completion of the Final Contract Documents, Landlord's Architect shall provide Landlord with a record set in a format as designated by Landlord. Such plans shall be compatible with the basic plans and specifications for the Building and when submitted to Landlord for its approval shall clearly show any proposed modifications to the plans and specifications for the Building. Tenant shall (a) provide timely and adequate information, direction and approval of plans and specifications to Landlord's Construction Manager and (b) obtain from Landlord's tenant construction coordinator and/or Landlord's Construction Manager any required information concerning the basic Building for the design of tenant improvements.

The Final Contract Documents shall be prepared in accordance with the standards adopted by Landlord including scale, common symbols, legends and abbreviations together with information required to obtain permits. The drawings shall be prepared using the "pin bar" system for compatibility with other building drawings. The Final Contract Documents shall be approved and signed by the Tenant and Landlord's Construction Manager prior to submittal to Landlord and approved and signed by Landlord prior to submittal to Landlord's contractor for pricing, and shall include (to the extent appropriate, based on the construction work contemplated by the Tenant Work):

- (1) Architectural Floor Plan(s): A plan, fully dimensioned, showing partition layout and type, identifying each room with a number and each door with a number, and the location, nature and extent of floor finishes, casework, relights, etc. Plumbing locations and requirements shall be shown on this plan.
- (2) Reflected Ceiling Plan: A plan showing all building standard and/or special ceiling conditions and materials. This plan shall also include the location and type of all building standard and special light fixtures including switching together with a legend indicating fixture type, quantity of fixtures, connected wattage of each fixture as necessary for compliance with the lighting power budget of Seattle's codes and any other applicable laws and regulations.
- (3) Electrical and Telephone Outlet Plan(s): A plan locating all power and telephone requirements dimensioned to give exact location of outlet and height above concrete slabs if locations are critical. This plan shall identify all dedicated circuits and identify all power outlets greater than 120 volts. For equipment used in outlets which require dedicated circuits and/or which require greater than 120 volts, identify the type of equipment, the manufacturer's name and manufacturer's model number and provide power requirements and other technical specifications. The plan shall also show modifications to basic system, circuit identification, conduit size, the number and size of wires, all in compliance with applicable Seattle codes or other applicable laws and regulations.
- (4) Furniture Layout: Basic layout showing furniture locations.
- (5) Millwork Details: Complete elevations and details of all special millwork including but not limited to cabinets, paneling, trim, bookcases and special doors and jambs.
- (6) Hardware and Keying Schedules: Complete specifications for all special hardware shall be provided. (Note: Key ways in special locks must be compatible with building master key system.) The keying schedule must indicate which doors are locked and which keys open each lock, together with a symbol indicating which side of the door is to be locked to prohibit entry.
- (7) Room Finish and Color Schedule: Provide on the drawings complete information showing location and specification for all finishes including wall, floor covering, base, ceiling and special conditions.
- (8) Construction Notes and Specifications: Provide all required special notes and complete specifications, including instruction to bidders, special conditions incorporating the AIA standard form of general conditions or such modifications thereof as are designated or approved by Landlord and technical specifications for all special improvements.
- (9) Structural Modifications: If Tenant's tenant improvements include interfloor stairways, increased floor loading or any other items which require structural modifications, Landlord's structural engineer for the Building shall be engaged to perform all required structural engineering services. The cost of such services shall be a charge to Tenant Work. A drawing shall be prepared showing the extent of structural modification necessary and a separate building permit shall be obtained for this phase of work.

4.4 Contract Administration. Landlord's Construction Manager shall provide construction administration during the execution of Tenant Work on the Premises and will observe progress of such work, attend necessary contractor coordination meetings, advise Tenant and Landlord on status and progress payments, prepare a punchlist for any construction deficiencies at completion and certify the Premises ready for occupancy.

4.5 Delays. Tenant shall be responsible for delays and additional costs in completion of the Tenant Work and any damages or other costs incurred by Landlord which are caused by (a) Tenant's failure to provide adequate information and direction to Landlord's Architect or failure to timely perform its obligations under this Exhibit, (b) Tenant's failure to timely authorize Landlord to proceed with the Tenant Work, (c) changes to the Final Contract Documents requested by Tenant after mutual approval by the parties, (d) delays in delivery of special materials or (e) delays requested by Tenant. The costs of any such delay or damage shall be a charge to Tenant. Tenant shall further be responsible for such delays as provided in Section 5.6 of this Exhibit.

4.6 Additional Services by Landlord's Construction Manager. Certain services with respect to the Tenant Work shall be provided by Landlord's Construction Manager at Tenant's expense. Landlord's Construction Manager shall:

(a) Provide Landlord's Architect with information about the Building and background drawings for execution of the Tenant Work as reasonably requested by Landlord's Architect.

(b) Review all plans and specifications required under Section 4.3 and assist Landlord's Architect regarding compliance with the requirements of building systems and codes related to Tenant Work. Notwithstanding such review and assistance, Landlord's Architect is responsible for compliance with such requirements and codes.

(c) Provide coordination with the Landlord, Tenant and Landlord's contractor, as applicable, throughout the design, pricing and construction of the Tenant Work. Transmit shop drawings and submittals pertaining to special items to Landlord's contractor as requested, and provide contract administration as provided in Section 4.4, such administration to be coordinated by Landlord's Construction Manager.

(d) Obtain the blanket building permit for tenant improvement construction in the office portions of the Building and transmit the Final Contract Documents to the Department of Planning and Development ("DPD") for review and approval. Landlord's Construction Manager shall be responsible for all changes required as a result of such review by DPD. All other permits, including without limitation electrical, mechanical, and plumbing, energy code and structural permits shall be obtained by subcontractors or Landlord's Construction Manager.

5. Construction of Tenant Improvements.

5.1 Authorization to Proceed. Landlord's contractor will be a general contractor providing contract management and administration services with respect to the Premises. The Tenant Work shall be managed and administered by Landlord's Contractor to the extent required by Landlord. Subcontract work will be competitively bid, except for the sprinkler system, fire alarm system and Building Services control system. Subcontract work which is to be competitively bid shall be submitted to subcontractors selected and approved by Landlord, Tenant and Landlord's contractor and may be bid independently or together with similar work for other tenants in the Building. Such subcontractors shall only employ and use union labor in and about the Building and Land. After they have been completed, the Final Contract Documents shall be promptly submitted to such subcontractors for bids. Bids will be reviewed by Landlord, Tenant, and Landlord's contractor and subcontracts awarded as they mutually agree. Notwithstanding the foregoing, at Landlord's election some or all of the Tenant Work may be (a) priced and subcontracts with respect thereto awarded on the basis of unit price arrangements or similar arrangements negotiated by Landlord's contractor with respect to such work in the Building, or (b) performed by Landlord or an affiliate or agent of Landlord at a price which is subject to Tenant's reasonable approval. If the price of Tenant Work exceeds the allowance in Section 3 of this Exhibit, Tenant may in such authorization delete any or all items of extra cost; provided however, if Landlord, acting reasonably, deems these changes to be extensive, Landlord may refuse to accept the authorization to proceed until all changes have been incorporated in revised Final Contract Documents signed by Tenant, approved and signed by Landlord, priced by Landlord, and written acceptance of the revised price has been received by Landlord from Tenant. In the absence of written authorization to proceed, Landlord shall not be obligated to commence work on the Premises.

5.2 Payments. Landlord's contractor shall complete the Tenant Work in accordance with the approved Final Contract Documents. Landlord shall be responsible for the cost of Tenant Work up to the amount of the allowance described in Section 3. Landlord shall submit monthly progress billings to Tenant for costs which exceed or are not included in said allowance, which shall be payable within ten (10) days after receipt. Final billing shall be rendered and payable within ten (10) days after acceptance of the Premises by Tenant in accordance with the terms of the Lease.

5.3 Final Plans and Modifications. If Tenant shall request any change from the approved Final Contract Documents, Tenant shall request such change in writing to Landlord and such request shall be accompanied by all plans and specifications necessary to show and explain changes from the approved Final Contract Documents. After receiving this information, Landlord shall give Tenant a written price for the cost to incorporate the changes in the Final Contract Documents. If Tenant approves such price in writing, Landlord shall have such changes made to the Final Contract Documents and the cost thereof shall be a charge to Tenant Work. Within a reasonable time after completion of such changes in the Final Contract Documents, Landlord shall obtain and notify Tenant in writing of the construction cost, if any, which shall be charged to Tenant as a result of such change. The cost for such change shall include a Landlord coordination fee equal to fifteen percent (15%) of the amount of such change. Tenant shall within five (5) days notify Landlord in writing to proceed with such change. In the absence of such notice, Landlord shall proceed in accordance with the previously approved Final Contract Documents before such change was requested. Tenant shall also be responsible for the costs of any demolition work required as a result of the change.

5.4 Tenant's Entry to Leased Premises. Tenant's entry to the Premises for any purpose prior to the Commencement Date of the Lease Term shall be scheduled in advance with Landlord and shall be subject to all the terms and conditions of the Lease except the payment of rent. Tenant's entry shall mean entry by Tenant its officers, contractors, office planner, licensees, agents, servants, employees, guests, invitees or visitors.