



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**August 16, 2016**

**Ordinance 18327**

**Proposed No. 2016-0257.2**

**Sponsors Upthegrove**

1 AN ORDINANCE authorizing the execution of a new  
2 sublease to support the operation of the King County  
3 department of executive services E-911 program.

4 **STATEMENT OF FACTS:**

- 5 1. The facilities management division received a request for space in  
6 December 2012 from the department of executive services.
- 7 2. The department of executive services needed space for the purpose of  
8 the E-911 program in King County.
- 9 3. The facilities management division determined in December 2012 that  
10 there was not an appropriate county-owned option.
- 11 4. The facilities management division determined, through consultation  
12 with the department of executive services, that leasing was the most cost-  
13 effective option for the county.
- 14 5. The facilities management division successfully negotiated to sublease  
15 space from Kent Regional Fire Authority, located at 20811 84th Avenue  
16 South, within council district five.

17 **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

18 **SECTION 1.** The executive is authorized to execute the sublease for the property  
19 located at 20811 84th Avenue South with Kent Regional Fire Authority, substantially in

20 the form of Attachment A to this ordinance, and to take all actions necessary to  
21 implement the terms of the sublease.  
22

Ordinance 18327 was introduced on 5/31/2016 and passed by the Metropolitan King County Council on 8/15/2016, by the following vote:

Yes: 8 - Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles and Ms. Balducci  
No: 0  
Excused: 1 - Mr. Gossett

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Anne Noris, Clerk of the Council

RECEIVED  
2016 AUG 26 PM 3:56  
CLERK  
KING COUNTY COUNCIL

APPROVED this 24 day of AUGUST, 2016.



Dow Constantine, County Executive

**Attachments:** A. Sub-Lease Agreement, Dated June 1, 2016

## SUB-LEASE AGREEMENT

THIS SUB-LEASE AGREEMENT, dated June 1, 2016 (for reference purposes only), is made by and between **Kent Fire Department Regional Fire Authority** ("KRFA"), a municipal corporation (hereinafter called Sub-Lessor) and **King County**, a political subdivision of the State of Washington (hereinafter called Sub-Lessee) (collectively, the "Parties").

### RECITALS

1. Sub-Lessor entered into a lease ("Master Lease") with H-P Properties/Kent Office LLC "Landlord" dated June 3, 2014, leasing the premises legally described in the attached **Exhibit B** ("Master Premises").
2. Sub-Lessor has a right of first refusal to lease 11,640 rentable square feet in the northwest corner of the building ("Sub-Lease Premises") in which the Master Premises are located on the same terms and conditions of the Master Lease.
3. Sub-Lessor has determined that the Sub-Lease Premises are temporarily surplus to the needs of the Sub-Lessor.
4. King County operates the E911 program that directly supports the operations of the Sub-Lessor.
5. Sub-Lessor has determined that Sub-Lessee's use of the Sub-Lease Premises is compatible with and will provide a benefit to the Sub-Lessor.

### AGREEMENT

In consideration of the mutual promises contained in this Sub-Lease Agreement, Sub-Lessor hereby subleases the Sub-Lease Premises to Sub-Lessee and Sub-Lessee leases the Sub-Lease Premises from Sub-Lessor. The terms, conditions and respective obligations of Sub-Lessor and Sub-Lessee to each other under this Sub-Lease shall be the applicable terms and conditions of the Master Lease except for those provisions of the Master Lease which are directly contradicted by this Sub-Lease in which event the terms of this Sub-Lease shall control over the Master Lease.

1. **Premises.** Sub-Lessor does hereby agree to lease to Sub-Lessee the following space (the "Sub-Lease Premises") consisting of a portion of the Northwest Corporate Park, located at 20811 84<sup>th</sup> Avenue South, Kent WA 98032 as depicted in the attached **Exhibit A** with a legal description of the building attached hereto as **Exhibit B** (the "Master Premises"). The Sub-Lease Premises shall include the following: Approximately 11,640 RSF of space, designated as shown on the attached **Exhibit A**, based on the Building Owners and Managers Association ("BOMA") standard (ANSI/BOMA Z65.1-1996).
  - 1.1 Four (4) signed and dedicated parking stalls located immediately north of the east entrance to the building excluding the two ADA parking spaces, as shown on the attached **Exhibit D**. One of the four dedicated spaces may be equipped with a charging station for an electric vehicle (installed at Sub-Lessee's sole cost). The nonexclusive right to use 62 unreserved parking stalls together with reasonable access thereto.

- 1.2 Sub-Lessor shall negotiate with the Landlord to obtain the space necessary to accommodate a secure generator pad for a generator and diesel tank to serve the Sub-Lease Premises, proximate to the Premises as shown on the attached **Exhibit D**. Sub-Lessor shall work in good faith with Sub-Lessee to obtain the necessary rights to establish the generator location. Provision of the generator, tank, and pad shall be included in the amendment to the Master Lease referenced in Section 3.
- 1.3 **Tenant Improvements.** Sub-Lessor shall be solely responsible for the design and construction of Sub-Lessee's tenant improvements (the "Tenant Improvements") as set forth in the Workletter Agreement attached as **Exhibit C**. Sub-Lessee shall be responsible for the costs of design and permitting, as provided in that certain Design and Permitting Agreement Between King County and Kent Regional Fire Authority, attached as **Exhibit E**. Sub-Lessee shall reimburse Sub-Lessor for the actual costs of construction, as provided in **Exhibit C**.
- 1.4 **Tenant Improvement Allowance.** Provided that Sub-Lessee is not in default of this Sub-Lease, Sub-Lessee shall receive the Tenant Improvement Allowance associated with the Sub-Lease Premises paid by the Landlord to the Sub-Lessor under the Master Lease from Sub-Lessor. The Tenant Improvement Allowance shall be applied to the costs of construction of the Tenant Improvements, as set forth in **Exhibit C**. Within 30 days of receipt of the Tenant Improvement Allowance from Landlord, Sub-Lessor shall reimburse Sub-Lessee an amount equal to the Tenant Improvement Allowance, or use the funds as an offset against the reimbursement obligation of Sub-Lessee, as agreed in writing by the Parties.
- 1.5 **Space Planning Allowance.** Provided that Sub-Lessee is not in default of this Sub-Lease, Sub-Lessee shall receive the space planning allowance associated with the Sub-Lease Premises paid by the Landlord to the Sub-Lessor under the Master Lease from the Sub-Lessor. Within 30 days of receipt of the space planning allowance from Landlord, Sub-Lessor shall reimburse Sub-Lessee an amount equal to the space planning allowance.
2. **Permitted Use.** Sub-Lessee shall use the Sub-Lease Premises for standard office uses and all other legally permitted uses under the Master Lease.
3. **Term.** The Term of this Sub-Lease shall commence on the date upon which the last of all four of the following conditions have occurred: (a) approval by the King County Council of this Sub-Lease, (b) mutual execution of this Sub-Lease Agreement, (c) execution of an amendment to the Master Lease by Sub-Lessor and Landlord satisfactory to both Sub-Lessor and Sub-Lessee and (d) Execution of the Landlord Consent by the Landlord (the "Commencement Date"). This Sub-Lease shall expire on August 31, 2024 unless earlier terminated in accordance with Section 3.2 (the "Expiration Date").
  - 3.1 Provided this Sub-Lease is in full force and effect, that Sub-Lessor exercises its option to renew the Master Lease and Sub-Lessee is not in default of this Sub-Lease, Sub-Lessee shall have two (2) options to extend the Term of this Sub-Lease for an additional five (5) years each, subject to Sub-Lessee providing Sub-Lessor with written notice no earlier than the date which is three hundred and sixty (360) days prior to the expiration of then current Term of this Sub-Lease but no later than the date which is two hundred and seventy (270) days prior to the expiration of the then current Term of this Sub-Lease. If Sub-Lessee fails

to provide such notice, Sub-Lessee shall have no further or additional right to extend or renew the Term of this Sub-Lease. Sub-Lessee's options to extend the Term of this Sub-Lease shall in all instances terminate commensurate with the expiration or earlier termination of this Sub-Lease.

3.1.1. Renewals shall be on the same terms and conditions set forth in this Sub-Lease subject to a 2.5% increase in the Base Rent applied each year of the renewal period(s).

3.2. **Early Termination.** In the event that Sub-Lessee determines that it no longer needs the Sub-Lease Premises for E-911, Sub-Lessee shall provide Sub-Lessor with a minimum of one (1) years advance written notice of Sub-Lessee's intent to vacate E-911 from the Sub-Lease Premises. Sub-Lessor may, within 90 days of receiving such notice, have the option of terminating this Sub-Lease and releasing Sub-Lessee from its obligations under this Sub-Lease. If Sub-Lessor exercises its option to terminate the Sub-Lease, the Sub-Lease shall terminate on the date that is 365 days after the day on which Sub-Lessor received Sub-Lessee's written notice of its intent to vacate E-911 from the Sub-Lease Premises and the Parties hereto shall have no further rights or obligations as respects the other.

4. **Contingency and Delivery of Possession.** This Sub-Lease is contingent on Sub-Lessor exercising its right of first refusal on the Sub-Lease Premises under the Master Lease, Sub-Lessor leasing a generator space consistent with Section 1.2 under the same terms and conditions under the Master Lease, and execution of an amendment to the Master Lease in form and substance agreed to by both Sub-Lessor and Sub-Lessee. Provided that the right of first refusal is still available to Sub-Lessor, Sub-Lessor shall exercise its right of first refusal immediately upon final approval of this Sub-Lease by the King County Council and within 30 days of the exercise of the right of first refusal, Sub-Lessor shall commence the process for construction of the Tenant Improvements in accordance with the attached Work Letter. Sub-Lessor shall Substantially Complete ("Substantial Completion" as defined in Exhibit C) the Tenant Improvements no later than 180 days following the Sub-Lessor's execution of the Construction Contract as defined and provided in the Workletter Agreement, Exhibit C, or the Commencement Date, whichever is later.

## 5. Rent.

5.1. **Base Rent:** Sub-Lessee covenants and agrees to pay Sub-Lessor, at Sub-Lessor's address, without deduction or offset, monthly Base Rent as follows:

September 1, 2015- August 31, 2016:	\$5.11/RSF /YR	(\$4,956.70 per month)
September 1, 2016- August 31, 2017:	\$5.24/RSF /YR	(\$5,082.80 per month)
September 1, 2017- August 31, 2018:	\$5.37/RSF /YR	(\$5,208.90 per month)
September 1, 2018- August 31, 2019:	\$5.50/RSF /YR	(\$5,335.00 per month)
September 1, 2019- August 31, 2020:	\$5.64/RSF /YR	(\$5,470.80 per month)
September 1, 2020- August 31, 2021:	\$5.78/RSF /YR	(\$5,606.60 per month)
September 1, 2021- August 31, 2022:	\$5.93/RSF /YR	(\$5,752.10 per month)
September 1, 2022- August 31, 2023:	\$6.07/RSF /YR	(\$5,887.90 per month)

September 1, 2023- August 31, 2024: \$6.23/RSF /YR (\$6,043.10 per month)

- 5.2. **Payment of Rent.** Sub-Lessee shall pay Sub-Lessor in lawful money of the United States, the monthly Base Rent stated above in advance on or before the first day of each month during the Sub-Lease Term beginning on the Sub-Lease Commencement Date and any other additional payments due to Sub-Lessor ("Additional Rent") (collectively the "Rent") when required under this Sub-Lease. Payments for any partial month at the beginning or end of the Sub-Lease term shall be prorated. All payments due to Sub-Lessor under this Sub-Lease, including late fees and interest, shall also constitute Additional Rent, and upon failure of Sub-Lessee to pay any such costs, charges or expenses shall constitute a default under this Sub-Lease and be subject to the remedies provided in Section 23 herein.
- 5.3. **Late Charges.** If any sums payable by Sub-Lessee to Sub-Lessor under this Sub-Lease are not received within five (5) days of their due date, Sub-Lessee shall pay Sub-Lessor an amount equal to the sum which would be payable by Sub-Lessor to the Landlord for an equivalent default under the Master Lease or, alternatively, one and a half percent (1.5%) of the delinquent amount for the cost of collecting and handling such late payment in addition to the amount due and as Additional Rent, whichever is greater. All delinquent sums not paid by Sub-Lessee within five (5) business days of the due date shall, at Sub-Lessor's option, bear interest at the rate the Sub-Lessor would pay the Landlord under the Master Lease for an equivalent default or the highest rate of interest allowable by law, whichever is less. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.
- 5.4. **Less Than Full Payment.** Sub-Lessor's acceptance of less than the full amount of any payment due from Sub-Lessee shall not be deemed an accord and satisfaction or compromise of such payment unless Sub-Lessor specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Sub-Lessor claims. Any portion that remains to be paid to Sub-Lessor shall be subject to the late charges and default interest provisions of this Section 5.
- 6. Operating Costs.**
- 6.1. **Operating Costs.** This is a triple net (NNN) lease. The Building's estimated operating expenses, defined in the Master Lease as "Project Operating Costs," which are comprised of all operating expenses associated with this Sub-Lease and are estimated to total \$5.25 per RSF for 2016. Sub-Lessee shall pay 100% of the Project Operating Costs of the Sub-Lease Premises as Additional Rent, in addition to the Base Rent obligations. Sub-Lessee shall be responsible for Sub-Lessee's pro rata share of Project Operating Costs beginning on the Commencement Date regardless of whether Sub-Lessee is occupying the Sub-Lease Premises. Project Operating Costs shall be prorated based on a 100% occupied building regardless of the actual occupancy rate. Sub-Lessee shall have the right to audit Sub-Lessor's books and records pertaining to Project Operating Costs. Project Operating Costs shall not include any capital expenditures (as

defined by Generally Accepted Accounting Principles ["GAAP"]), except those capital expenditures which are mandated by a governmental authority after the Sub-Lease has commenced, or undertaken with the reasonable expectation by the Sub-Lessor of reducing Project Operating Costs. All capital expenditures that so qualify would be amortized according to GAAP over the expected useful life of the improvement.

- 6.2. **Sub-Lessor's Administrative Costs.** Sub-Lessee shall pay Sub-Lessor an administrative fee of 1% of Sub-Lessee's combined Base Rent and Project Operating Costs. Payment shall be calculated as 1/12th of 1% of the Sub-Lessee's total costs and paid monthly.
- 6.3. **Payment of Additional Rent for Estimated Project Operating Costs.** Within thirty (30) days following the Commencement Date and the close of each Calendar Year, as applicable, or as soon thereafter as is practicable, Sub-Lessor shall provide Sub-Lessee with a written statement of Sub-Lessee's share of estimated Project Operating Costs for the subsequent year. Sub-Lessee shall pay 1/12 of the amount of Sub-Lessee's share of Project Operating Costs as Additional Rent as provided in Section 5 each month during such year and until such time as Sub-Lessor provides Sub-Lessee with a statement of estimated Project Operating Costs for the subsequent year. If at any time or times during such year, it appears to Sub-Lessor that Sub-Lessee's Project Operating Costs will vary from the estimated Project Operating Costs by more than five percent (5%) on an annual basis, Sub-Lessor may, by written notice to Sub-Lessee, revise its estimate for such year and Additional Rent payable by Sub-Lessee under this Section 6 for such year shall be increased or decreased based on Sub-Lessor's revised estimate. If any such rent or sums shall be due to excessive use by Sub-Lessee of utilities or services provided to the Sub-Lease Premises, as reasonably determined by Sub-Lessor and mutually agreed to by the Sub-Lessee, such excess shall be paid in its entirety by Sub-Lessee.
- 6.4. **Reconciliation.** Sub-Lessor shall within ninety (90) days after the close of each calendar year during the Term hereof, deliver to Sub-Lessee a written statement (the "Reconciliation Statement") setting forth Sub-Lessee's actual Project Operating Costs paid or incurred by Sub-Lessor during the preceding year (or such prorated portion of such year if this Sub-Lease commences or terminates on a day other than the first or last day of a year, based on a 365-day year). If the actual Project Operating Costs shown on the Reconciliation Statement for any year exceed estimated Project Operating Costs paid by Sub-Lessee to Sub-Lessor pursuant to Section 6.3, Sub-Lessee shall pay the excess to Sub-Lessor as Additional Rent within thirty (30) days after receipt of the Reconciliation Statement. If the Reconciliation Statement shows that actual Project Operating Costs are less than the estimated Project Operating Costs paid by Sub-Lessee to Sub-Lessor pursuant to Section 6.3, then the amount of such overpayment shall be credited by Sub-Lessor to the next Additional Rent payable by Sub-Lessee (or refunded to Sub-Lessee in the event of the termination or expiration of this Sub-Lease).
- 6.5. **Determinations.** The determination of actual and estimated Project Operating Costs shall be made by Sub-Lessor in good faith and in conformance with GAAP. Sub-Lessor or its agent shall keep records in reasonable detail showing all expenditures made for Project Operating Costs. Sub-Lessee shall have the right at its own cost and expense to

review and/or inspect Sub-Lessor's records with respect to any Project Operating Costs shown on Sub-Lessor's annual reconciliation statement provided to Sub-Lessee. Sub-Lessee's review/inspection shall be conducted at Sub-Lessor's main business office, or at such other location as Sub-Lessor may keep its relevant business records, and on a date reasonably agreed upon by Sub-Lessor and Sub-Lessee. Sub-Lessee must provide written notice to Sub-Lessor specifying any and all claims it may have determined in good faith. Sub-Lessee agrees to diligently pursue its review/inspection of Sub-Lessor's records in order to determine if it concurs or disagrees with Sub-Lessor's statement.

- 6.6. **Operating Cost Dispute Resolution.** Except as required by the Washington Public Records Act, Chapter 42.56 RCW, and other applicable law, the information and results of any inspection conducted by or on behalf of Sub-Lessee shall be kept confidential by Sub-Lessee. All such inspection(s) shall be at the sole cost and expense of Sub-Lessee, provided that in the event Sub-Lessee's review reasonably determines there is an overcharge of Project Operating Costs which has not been credited to Sub-Lessee, said overcharge being more than five percent (5%) of Sub-Lessee's share of the Project Operating Costs, and Sub-Lessor does not contest the Sub-Lessee's results, then Sub-Lessor shall pay Sub-Lessee's reasonable out-of-pocket costs of such inspection, not to exceed Two Thousand Dollars (\$2,000). If Sub-Lessor desires to contest the result of Sub-Lessee's inspection, Sub-Lessor may do so within ten (10) business 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 of 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 Sub-Lessee'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 Sub-Lessor or the arbitrator's decision, as applicable. In the case of arbitration, the non-prevailing party shall pay to the prevailing party all attorneys' fees and costs as provided in this Sub-Lease. Nothing in this Section 6 shall relieve Sub-Lessee of its obligation under Section 6.3 to pay Additional Rent without notice, demand, offset or deduction.
7. **Utilities and Services.** Subject to the provisions of the Master Lease, the Sub-Lessor shall provide electricity, water, sewer, and garbage removal which are included in the Project Operating Costs and allocated under Section 6.1 (unless separately metered) to Sub-Lessor. Sub-Lessor may also provide janitorial service for the Sub-Lease Premises on the same janitorial schedule Sub-Lessor uses for its own premises, the actual cost of which, if provided, shall be billed monthly as an Additional Rent.
8. **Parking.** Sub-Lessor shall provide, at Sub-Lessor's sole cost and expense, reserved and unreserved parking for Sub-Lessee's use consistent with Section 1.1 of this Sub-lease and as shown on **Exhibit D**.

**9. Alterations and Maintenance.**

- 9.1. Sub-Lessee shall not make any alterations or additions to the Premises without the prior written permission of the Sub-Lessor, which consent may be subject to Landlord consent but otherwise shall not be unreasonably withheld, conditioned or delayed. Any alterations shall become the property of Sub-Lessor upon termination of the Sub-Lease.
- 9.2. The Sub-Lessor agrees to keep the Building in good repair, suitable for use as the purpose so defined in Section 2 of this Sub-Lease, commensurate with good building management practices for similar buildings. During the Term of this Sub-Lease, and subject to Landlord's responsibilities under the Master Lease, the Sub-Lessor shall repair malfunctioning fixtures, and repair and maintain the structural portions of the Building, including mechanical systems, roofing, as well as landscaping, sidewalks and exterior improvements, parking areas including, without limitation, the basic Building plumbing, heating, ventilation, air conditioning and electrical systems, unless such repairs are a result of a covered peril under property insurance and subject to Section 20. Sub-Lessee shall pay to Sub-Lessor as Additional Rent the reasonable and actual cost of such maintenance and repairs as provided herein as Project Operating Costs. Sub-Lessor shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for thirty (30) calendar days after written notice of the need of such repairs or maintenance is given to Sub-Lessor by Sub-Lessee and unless the failure is related to a critical building system required for the purpose of life, health or safety of the Sub-Lessee. After thirty (30) calendar days the Sub-Lessee may provide an additional thirty (30) day written notice to Sub-Lessor that Sub-Lessee intends to make or cause to be made such repairs as reasonably necessary at Sub-Lessor's cost and expense.
- 9.3. Upon mutual agreement Sub-Lessee may request work to be completed by Sub-Lessor to be billed as Additional Rent. Such work may be assessed a 5% Project Management fee and interest at 4% per year on any unpaid balance, except, that the cost of such work in the aggregate shall not exceed \$50,000 in the Term or \$50,000 in each of the two extension terms as provided in Section 3.1.
- 10. Signs.** Sub-Lessee, at its sole cost, shall be allowed to install an exterior sign up to the maximum size allowed by law and subject to the requirements and restrictions of the Master Lease on façade of the Building. Sub-Lessee's signage shall be subject to reasonable Landlord, Sub-Lessor and municipal approval.
- 11. Fixtures.** Subject to consent of the Landlord, all fixtures attached to the Sub-Lease Premises solely by the Sub-Lessee may be removed by the Sub-Lessee at any time provided (a) that the Sub-Lessee shall restore the Sub-Lease Premises to their condition prior to the installation of the fixtures, normal wear and tear excepted; (b) the Sub-Lessee shall not then be in default; and (c) that the removal will be made on or before the expiration of the Term or any extension thereof.

## 12. Indemnity and Hold Harmless.

- 12.1 Sub-Lessee agrees to indemnify and hold Sub-Lessor harmless as provided herein to the maximum extent possible under law. Accordingly, Sub-Lessee agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless Sub-Lessor, its appointed and elected officials, volunteers and employees from and against liability for all claims, demands, suits, causes of action and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Sub-Lessee's exercise of rights and privileges granted by this Sub-Lease, except to the extent of Sub-Lessor's negligence.
- 12.2 Sub-Lessor agrees to indemnify and hold Sub-Lessee harmless as provided herein to the maximum extent possible under law. Accordingly, Sub-Lessor agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless Sub-Lessee, its appointed and elected officials, volunteers and employees from and against liability for all claims, demands, suits, causes of action and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Sub-Lessor's exercise of rights and privileges granted by this Sub-Lease, except to the extent of Sub-Lessee's negligence.
- 12.3 Where such claims, demands, suits, and judgments result from the concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's negligence. Each of the Parties agrees that its obligations under this Section 12 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to each of the other Parties only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the Parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible Party to the extent of that Party's negligence.

## 13. Insurance.

- 13.1 Sub-Lessor acknowledges, accepts, and agrees that Sub-Lessee is a self-insured government entity for its liability exposures. Sub-Lessee shall provide Sub-Lessor with notice of any change in self-insured status within 30 days of electing to cease self-insurance. Upon any change in such self-insured status, Sub-Lessee shall provide Sub-Lessor with proof of liability insurance reasonably acceptable to the other party.
- 13.2 Sub-Lessee acknowledges, accepts, and agrees that Sub-Lessor is insured through a governmental risk pool for its liability exposures. Sub-Lessor shall provide Sub-Lessee with notice of any change in its status as a member of a governmental risk pool within 30 days of the change in status. Upon any change in such status, Sub-Lessor shall provide Sub-Lessee with proof of liability insurance reasonably acceptable to the other party.

- 13.3. Sub-Lessor shall have no obligation to carry insurance of any kind for the protection of Sub-Lessee's exclusive alterations or improvements paid for by Sub-Lessee, Sub-Lessee's furniture, or on any fixtures, equipment, improvements or appurtenances of Sub-Lessee under this Sub-Lease, and Sub-Lessor shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by or arises out of Sub-Lessor's negligence or failure to perform the duties and obligations under this Sub-Lease.
- 13.4. Sub-Lessor shall carry insurance as required by the Master Lease and shall not be obligated to carry fire or other insurance if Landlord is obligated to carry it under the Master Lease. Sub-Lessor shall be obligated to provide "All Risk" Property insurance on all shared improvements.
- 13.5. Sub-Lessee shall maintain "All Risk" property insurance in an amount equal to the full replacement value of all its exclusive tenant improvements and personal property located in the Sub-Lease Premises.
- 13.6. In consideration of the duration of this Sub-Lease, the Parties agree that the insurance requirements herein, as reasonably required by Sub-Lessor, may be reviewed and adjusted periodically throughout the Term and any extension. Any adjustments made as determined by Sub-Lessor, shall be in accordance with reasonably prudent risk management practices and insurance industry standards and shall be effective upon 90 days written notice by Sub-Lessor.
- 14. Mediation.** Sub-Lessor and Sub-Lessee agree that should any dispute arise concerning this Sub-Lease both Parties shall submit to mediation as a condition precedent to initiating any legal action. Sub-Lessor and Sub-Lessee shall each bear their respective costs of mediation.
- 15. Subletting and Assignment.** Subject to the early termination provision in Section 3.2, Sub-Lessee shall not sublet the whole or any part of the Sub-Lease Premises, nor assign this Sub-Lease or any interest thereof ("Transfer") without the prior written consent of the Sub-Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. Sub-Lessor may condition its consent on (a) obtaining any required consent from Landlord; (b) Sub-Lessee satisfying any conditions on the Transfer imposed by Landlord; and (c) such other reasonable conditions that Sub-Lessor may impose. No Transfer shall relieve Sub-Lessee of any of its rights or obligations under this Sub-Lease notwithstanding Sub-Lessor consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Sub-Lessor's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Sub-Lessee shall pay the reasonable cost of processing same, including attorneys' fees and any cost charged by Landlord for granting its consent under the Master Lease, upon demand of Sub-Lessor. As a condition to the Landlord's and Sub-Lessor's approval, if given, any potential assignee or sub lessee otherwise approved shall assume all obligations of Sub-Lessee under this Sub-Lease and shall be jointly and severally liable with Sub-Lessee and any guarantor, if required, for the payment of Base Rent, Additional Rent and other charges due hereunder and performance of all terms of this Sub-Lease. In connection with any Transfer, Sub-Lessee shall provide Landlord and Tenant with copies of all assignments, subleases, assumption agreements and documents.

## 16. Damage or Destruction.

- 16.1. **Damage and Repair.** If Landlord or Sub-Lessor terminate the Master Lease based on casualty to the property in accordance with the Master Lease, this Sub-Lease shall terminate on the same date. If the Sub-Lease Premises or the portion of the property necessary for Sub-Lessee's occupancy are damaged, destroyed or rendered untenable, by fire or other casualty, Sub-Lessor may, at its option: (a) terminate this Sub-Lease, or (b) restore the Master Premises at Sub-Lessor's cost and the Tenant Improvements in the Sub-Lease Premises at the cost of Sub-Lessee. Provided, however, if such casualty event occurs during the last six (6) months of the Sub-Lease Term (after considering any option to extend the term timely exercised by Sub-Lessee) then either Sub-Lessee or Sub-Lessor may elect to terminate this Sub-Lease. If, within sixty (60) days after receipt by Sub-Lessor from Sub-Lessee of written notice that Sub-Lessee deems the Sub-Lease Premises or the portion of the Building or property on which the Building is located necessary for Sub-Lessor's occupancy untenable, Sub-Lessor fails to notify Sub-Lessee of its election to restore those areas, or if Sub-Lessor is unable to restore those areas within six (6) months of the date of the casualty event, then Sub-Lessee may elect to terminate this Sub-Lease.
- 16.2. **Restoration.** If Sub-Lessor restores the Sub-Lease Premises or the Building or property on which the Building is located under this Section 16.2, Sub-Lessor shall proceed with reasonable diligence to complete the work, and the Base Rent shall be abated in the same proportion as the untenable portion of the Sub-Lease Premises bears to the whole Sub-Lease Premises, provided that there shall be a rent abatement only if the damage or destruction of the Sub-Lease Premises or the property did not result solely from, directly or indirectly, the act, fault or neglect of Sub-Lessee, or Sub-Lessee's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. In the event Sub-Lessee its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees contributed to the untenable state of the Sub-Lease Premises, the rent abatement will bill be further apportioned based on the percentage of fault the Sub-Lessor, in its reasonable discretion, attributes to the Sub-Lessee. Provided, if Sub-Lessor complies with its obligations under this Section 16.2, no damages, compensation or claim shall be payable by Sub-Lessor for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Sub-Lease Premises or the Building or property on which the Building is located. Should Sub-Lessor fail to restore the Sub-Lease Premises within 180 days of the casualty, Sub-Lessee may elect to terminate this Sub-Lease upon written notice to Sub-Lessor, and the Parties shall have no further rights or obligations to one another except for those that expressly survive termination.
17. **Liens.** Sub-Lessor and Sub-Lessee shall keep the Sub-Lease Premises and the Building in which the Sub-Lease Premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Sub-Lessee or Sub-Lessor and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien.

**18. Right of Entry.**

- 18.1. Sub-Lessor reserves and shall at any and all reasonable times have the right to enter the Sub-Lease Premises, inspect the same, supply janitorial service and any other service to be provided by the Sub-Lessor to Sub-Lessee hereunder, to show the Sub-Lease Premises to prospective purchasers or Sub-Lessees, and to repair the Sub-Lease Premises and any portion of the Building of which the Sub-Lease Premises are a part and may for the purpose erect scaffolding and other necessary structures when reasonably required by the character of the work performed, all as providing that the entrance to the Sub-Lease Premises shall not be blocked thereby, and further providing that the business of Sub-Lessee shall not be interfered with unreasonably. Except for emergencies, Sub-Lessor shall give reasonable notice before entry to repair the Sub-Lease Premises at an agreed upon time with the Sub-Lessee, which shall not be unreasonably withheld.
- 18.2. For each of the aforesaid purposes, Sub-Lessor shall at all times have and retain a key with which to unlock all of the doors, in, upon, and about the Sub-Lease Premises, excluding Sub-Lessee's vaults, safes, and files, and Sub-Lessor shall have the right to use any and all means which Sub-Lessor may deem proper to open said doors in an emergency, in order to obtain entry to the Sub-Lease Premises without liability to Sub-Lessee except for any failure to exercise due care for Sub-Lessee's property. Any entry to the Sub-Lease Premises obtained by Sub-Lessor by any of said means or otherwise shall not under any circumstances be construed or deemed to be forceful or unlawful entry into, or a detainer of the Sub-Lease Premises, or an eviction of Sub-Lessee for the Sub-Premises or any portion thereof provided said entry relates to emergency purposes as aforesaid.

**19. Hazardous Material.**

- 19.1 For purposes of this Sub-Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70.105D ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Sub-Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.
- 19.2 Sub-Lessor makes no representation or warranty to Sub-Lessee regarding Hazardous Material on, in, or under the Premises or the property upon which the Premises are located as of the Commencement Date, except for the Hazardous Material identified in the "Limited Hazardous Materials Survey Report—Leased Office Space Tenant Improvements," dated April 3, 2014 and in the "Limited Asbestos Containing Materials

Survey—Insulation Inside CMU Block Wall,” dated August 25, 2014, prepared by RGA Environmental for Sub-Lessor. If the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the property upon which the Premises are located by Sub-Lessor, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results or has previously resulted in any release of any Hazardous Material on the Premises or the property upon which the Premises are located, then Sub-Lessor (i) shall promptly disclose the presence or release to Sub-Lessee, (ii) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (iii) shall indemnify, defend and hold Sub-Lessee harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys’ fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Sub-Lease term as the result of such release. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Sub-Lessee or other Parties, nothing in this Sub-Lease shall prevent Sub-Lessor from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Sub-Lessee or other Parties.

- 19.3 If the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the property upon which the Premises are located by Sub-Lessee after the Commencement Date, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the property upon which the Premises are located, then Sub-Lessee (i) shall promptly disclose the release to Sub-Lessor (ii) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (iii) shall indemnify, defend and hold Sub-Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys’ fees, consultant fees and expert fees, incurred or suffered by Sub-Lessor either during or after the Sub-Lease term as the result of such release. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Sub-Lessor or other Parties, nothing in this Sub-Lease shall prevent Sub-Lessee from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Sub-Lessor or other Parties.
- 19.4 Notwithstanding the foregoing Sections 19.2 and 19.3, and with regard only to the Tenant Improvements carried out under the Workletter Agreement set forth in **Exhibit C**, Sub-Lessor shall be responsible for managing the remediation of any Hazardous Material that is necessary for the construction of the Tenant Improvements, and such remediation work shall be included in the Construction Documents, Construction Cost estimate, construction Budget, Work Schedule and other appropriate documentation called for by the Workletter Agreement. Sub-Lessee shall reimburse Sub-Lessor for the actual costs of all remediation that is necessary for the Construction of the Tenant Improvements, which costs shall be part of the Cost of Work governed by the Workletter Agreement.

- 19.5 The provisions of this Article 19 shall survive expiration or earlier termination of this Sub-Lease.
- 20. Waiver of Subrogation.** Sub-Lessor and Sub-Lessee agree that they shall not make a claim against or seek recovery from the other for any loss or damage to their property, or the property of others, resulting from fire or other hazards covered by fire insurance and each hereby releases the other from any such claim or liability regardless of the cause of such loss or damage so covered by insurance. In the event of any increased cost or impairment of ability to obtain such insurance, the party suffering such increased cost or impairment may terminate such waiver and release upon written notice to the other party hereto. Such waiver is conditioned upon the Parties having had their respective insurance companies issue a policy or endorsement providing that the waiver or release of subrogation rights shall not adversely affect or impair such policies or recovery by the insured thereunder.
- 21. Eminent Domain.** Should the Sub-Lease Premises or any portion thereof be taken for public use by right of eminent domain with or without litigation, any award for compensation and/or damages, whether obtained by agreement prior to or during the time of trial, or by judgment or verdict after the trial, applying to the leasehold estate created hereby other than that portion of said award, if any, based upon a taking of the Sub-Lessee's leasehold improvements or fixtures, shall belong and be paid to Sub-Lessor, and Sub-Lessee hereby assigns, transfers, and sets over to Sub-Lessor all of the right, title, and interest which it might otherwise have therein. In the event that the portion of the Sub-Lease Premises so taken shall be more than twenty-five percent (25%) of the entire area leased by Sub-Lessee, Sub-Lessee shall have the option, to be exercised by written notice given to Sub-Lessor within thirty (30) days after the date of notice of taking, to terminate this Sub-Lease or relocate. If either less or more than twenty-five percent (25%) of the Sub-Lease Premises is taken and the Sub-Lessee does not elect to terminate as herein provided, the Base Rent and Sub-Lessee's pro rata share of Operating Expenses thereafter to be paid shall be reduced in the same proportion as the amount of leased floor space is reduced by such taking, and Sub-Lessor shall make such reconstruction of the Sub-Lease Premises as may be required.
- 22. Default.** Following the Commencement Date, the occurrence of any one or more of the following events shall constitute a "Default" by Sub-Lessee and shall give rise to Sub-Lessor's remedies set forth in Section 23 (below): (i) failure to pay when due all or any portion of Base Rent or Additional Rent, if the failure continues for three (3) business days after written notice to Tenant; (ii) failure to observe or perform any term or condition of this Sub-Lease other than the payment of Base Rent or Additional Rent, unless such failure is cured within a reasonable period of time following notice thereof, but in no event more than thirty (30) days following notice from Sub-Lessor (provided, if the nature of Sub-Lessee's failure is such that more time is reasonably required in order to cure, Sub-Lessee shall not be in Default if Sub-Lessee commences to cure promptly and thereafter diligently prosecutes such cure to completion); (iii) failure to cure immediately upon notice thereof any condition which is hazardous or interferes with the operation or leasing of the Property, or may cause the imposition of a fine, penalty or other remedy on Sub-Lessor or its agents or affiliates; (iv) abandonment and vacation of the Sub-Lease Premises (failure to occupy and operate the Sub-Lease Premises for ten (10) consecutive days ); (v) any action or non-action that results in Sub-Lessor being in default under the Master Lease. The occurrence of any of the aforementioned events of Default shall not under any circumstance excuse or relieve Sub-Lessee from any of its obligations

under this Sub-Lease, including payment of Base Rent and Additional Rent pursuant to Sections 5 and 6.

### **23. Default Remedies.**

- 23.1. If Sub-Lessee defaults on its obligations as provided in Section 22, Sub-Lessor shall have the right without notice or demand (except as provided in Section 22) to pursue any of its rights or remedies at law or in equity which shall be cumulative with and in addition to any other right or remedy allowed under this Sub-Lease. Sub-Lessor may elect to terminate this Sub-Lease and Sub-Lessee's right to possession, at any time following a Default and upon sixty (60) days written notice to Sub-Lessee.
- 23.2. In the event of any such reentry by Sub-Lessor, Sub-Lessor may, at Sub-Lessor's option, require Sub-Lessee to remove from the Sub-Lease Premises any of Sub-Lessee's property located thereon. If Sub-Lessee fails to do so, Sub-Lessor shall not be responsible for the care or safekeeping thereof and may remove any of the same from the Sub-Lease Premises and place the same elsewhere in the Building or in storage in a public warehouse at the cost, expense and risk of Sub-Lessee with authority to the warehouseman to sell the same in the event that Sub-Lessee shall fail to pay the cost of transportation and storage. In any and all such cases of reentry Sub-Lessor may make any repairs in, to or upon the Sub-Lease Premises which may be necessary, desirable or convenient, and Sub-Lessee hereby waives any and all claims for damages which may be caused or occasioned by such reentry or to any property in or about the Sub-Lease Premises or any part thereof.
- 23.3. Forbearance by Sub-Lessor to enforce one or more remedies shall not constitute a waiver of any Default.

### **24. Default by Sub-Lessor and Sub-Lessee's Remedies.**

- 24.1. Sub-Lessor's failure to perform or observe any of its obligations under this Sub-Lease or to correct a breach of any warranty or representation made in this Sub-Lease within thirty (30) days after receipt of written notice from Sub-Lessee setting forth in reasonable detail the nature and extent of the failure referencing pertinent Sub-Lease provisions or if more than thirty (30) days is required to cure the breach, Sub-Lessor's failure to begin curing within the thirty (30) day period and diligently prosecute the cure to completion, shall constitute a default.
- 24.2. If Sub-Lessor commits a default that materially affects Sub-Lessee's use of the Sub-Lease Premises, and Sub-Lessor has failed to commence to cure such default within thirty (30) days (or such shorter time as is commercially reasonable in the case of an emergency threatening imminent harm to persons or property), Sub-Lessee may, with written notice to Sub-Lessor and without waiving any claim for damages for breach of agreement, thereafter cure the default for the account of the Sub-Lessor. Such notice shall include notice of Sub-Lessee's plans to undertake the cure if Sub-Lessor does not do so within thirty (30) days (or less as provided above). The reasonable cost of such cure shall be deemed paid or incurred for the account of Sub-Lessor, and Sub-Lessor

shall reimburse Sub-Lessee for these costs. Sub-Lessor shall reimburse Sub-Lessee within thirty (30) days after completion of the cure and invoice to Sub-Lessor itemizing the costs of cure. If Sub-Lessor disputes either the necessity of the cure or the cost thereof, the matter shall be settled by arbitration administered by the American Arbitration Association in accordance with its Rules for the Real Estate Industry before a single neutral arbitrator of the American Arbitration Association sitting in Seattle, Washington. The arbitrator shall be a person having at least ten (10) years' experience and knowledge about commercial leasing and property management. The arbitration shall be held within sixty (60) days of Sub-Lessor notifying Sub-Lessee it disputes Sub-Lessee's cure. The costs of the arbitrator shall be shared equally by the Parties. The prevailing party shall be entitled to an award of reasonable attorney's fees. The arbitrator's award shall be final and binding on the Parties.

- 25. Holding-Over.** If, with Sub-Lessor's written consent, which such consent may be subject to Landlord consent but otherwise shall not be unreasonably withheld, Sub-Lessee holds possession of the Sub-Lease Premises after the Term of this Sub-Lease or any extension thereof, Sub-Lessee shall become a Sub-Lessee from month-to-month upon the terms herein specified, but at a monthly base rent equivalent to 125% of the then prevailing rent payable by Sub-Lessee at the expiration of the term of this Sub-Lease or any extension thereof and subject to the continued application of all of the provisions of the Sub-Lease, payable in advance on the first day of each month.
- 26. Surrender of Sub-Lease Premises.** At the end of the term of this Sub-Lease or any extension thereof or other sooner termination of this Sub-Lease, Sub-Lessee will peaceably deliver up to Sub-Lessor possession of the Sub-Lease Premises in the same condition as received on the Commencement Date, except for ordinary wear and tear and damage by fire, earthquake, or force majeure, and Sub-Lessee will deliver all keys to the Sub-Lease Premises to the Sub-Lessor. In addition, Sub-Lessee at Sub-Lessee's expense will remove Sub-Lessee's goods and effects and trade fixtures, and those of all persons claiming under Sub-Lessee, and Sub-Lessee will repair any damage resulting from such removal.
- 27. Costs and Attorney's Fees.** If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Sub-Lease, a legal action is instituted, the losing party agrees to pay all reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Sub-Lease will be in Superior Court of King County, Washington
- 28. Successors and Assigns.** All of the agreements, conditions and provisions of this Sub-Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Sub-Lessor and Sub-Lessee.
- 29. Quiet Enjoyment.** Sub-Lessor covenants and agrees that Sub-Lessee, upon performance of all Sub-Lessee's obligations under this Sub-Lease, shall lawfully and quietly hold, occupy and enjoy the Sub-Lease Premises during the term of this Sub-Lease without disturbance by Sub-Lessor or by any person having title paramount to Sub-Lessor's title or by any person claiming under Sub-Lessor, subject to the other terms and provision of this Sub-Lease and subject to all underlying leases and other underlying matters of record to which this Sub-Lease is or may become subject.

**30. Notices.** All notices by either party to the other shall be in writing and may be delivered personally or by certified or registered mail to the following addresses:

To Sub-Lessee: King County Facilities Management Division  
Attn: Lease Administration  
500 Fourth Avenue, Suite 830  
Seattle, WA 98104-3279

And to: Office of the King County Prosecuting Attorney  
Civil Division  
Attn: Timothy Barnes  
W400 King County Courthouse  
516 Third Ave  
Seattle, WA 98104  
Fax: 206-296-1091

To Sub-Lessor: Kent Fire Department Regional Fire Authority  
Attn: Facilities and Property Management Division Chief  
24611 116th Ave. S  
Kent, WA 98030  
Fax: 253-856-6300

or at such other address as either party may designate to the other in writing from time-to-time.

- 31. Time.** Time is of the essence of this Sub-Lease and of each and all of the agreements, conditions, and provisions herein.
- 32. Entire Agreement.** This Sub-Lease contains all covenants and agreements between Sub-Lessor and Sub-Lessee relating in any manner to the leasing, occupancy and use of the Sub-Lease Premises and Sub-Lessee's use of the Building and other matters set forth in this Sub-Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Sub-Lease shall not be altered, modified or added to except in writing signed by Sub-Lessor and Sub-Lessee.
- 33. Interpretation - State Law.** The titles to Sections of this Sub-Lease are for convenience only and shall have no effect upon the construction or interpretation of any part hereof. This Sub-Lease shall be governed by the laws of the State of Washington. Any action at law between Sub-Lessor and Sub-Lessee shall be filed in the superior court of King County, Washington.
- 34. Severability.** The unenforceability, invalidity, or illegality of any provision of this Sub-Lease shall not render the other provisions unenforceable, invalid or void.
- 35. Exhibits.** Exhibits A through E attached to this Sub-Lease are fully incorporated into this Sub-Lease and shall be deemed a part hereof.
- 36. Anti-Discrimination.** Sub-Lessor shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona

vide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code 12.16.125. Sub-Lessor shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, Chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Sub-Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Sub-Lease Lease and may result in ineligibility for further agreements with King County.

### **37. Master Lease.**

- 37.1. **Receipt and Acknowledgment.** Sub-Lessor represents to Sub-Lessee: (a) that Sub-Lessor has delivered to Sub-Lessee a full and complete copy of the Master Lease and all other agreements between Landlord and Sub-Lessor relating to the leasing, use, and occupancy of the Sub-Lease Premises (which may contain redacted business terms) and (b) that Sub-Lessor has received no uncured default notice from Landlord under the Master Lease. Sub-Lessor shall not agree to an amendment to the Master Lease which would have an adverse effect on Sub-Lessee's occupancy of the Sub-Lease Premises or its use of the Sub-Lease Premises for their intended purpose, without obtaining Sub-Lessee's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed. Sub-Lessee represents that it has read and is familiar with the terms of the Master Lease.
- 37.2. **Master Lease Priority.** This Sub-Lease is subject and subordinate to the Master Lease except for those provisions of the Master Lease which are directly contradicted by this Sub-Lease in which event the Master Lease is subject and subordinate to the Sub-Lease. If the Master Lease terminates, this Sub-Lease shall terminate. Sub-Lessor and Sub-Lessee shall not, by their omission or act, do or permit anything to be done which would cause a default under the Master Lease. If the Master Lease terminates or is forfeited as a result of a default or breach by Sub-Lessor or Sub-Lessee under this Sub-Lease and/or the Master Lease, then the defaulting party shall be liable to the non-defaulting party for the damage suffered as a result of such termination or forfeiture. Sub-Lessor shall exercise due diligence in attempting to cause Landlord to perform its obligations under the Master Lease for the benefit of the Sub-Lessee.
- 37.3. **Landlord Consent Costs.** Sub-Lessee shall reimburse Sub-Lessor for 100% of for Landlord's reasonable and customary administrative fees and attorney costs associated with Landlord's review and consent to this Sub-Lease under Section 16(e) of the Master Lease.

### **38. Brokers.**

Sub-Lessor was represented in this transaction by Meriwether Advisors. Sub-Lessee warrants to Sub-Lessor that Sub-Lessee has not dealt with any broker, agent or finder in connection with the negotiation or execution of this Sub-Lease. Sub-Lessee shall not be responsible for any compensation owing to Sub-Lessor's broker in connection with this Sub-Lease.

IN WITNESS WHEREOF, the Sub-Lessor and Sub-Lessee have executed this Sub-Lease on the dates specified below.

**SUB-LESSOR:**

Kent Fire Department Regional Fire Authority

By: Jim Schneider  
Jim Schneider  
Fire Chief

Date: 07.06.2016

**SUB-LESSEE:**

King County

By: \_\_\_\_\_  
Anthony Wright, Director  
King County Facilities Management  
Division

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

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Tim Barnes, Senior Deputy  
Prosecuting Attorney

**APPROVED BY CUSTODIAL AGENCY:**

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

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

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that \_\_\_\_\_ signed this instrument, on oath stated that he was authorized by the King County Executive to execute the instrument, and acknowledged it as the of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this \_\_\_\_\_, day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington residing at \_\_\_\_\_  
My appointment expires \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

On this day personally appeared before me Jim Schneider, to me known to be the Chief of the Kent Fire Department Regional Fire Authority that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 6<sup>th</sup>, day of July, 2016.

Jane C. Ogren



NOTARY PUBLIC in and for the State of Washington residing at Kent  
My appointment expires 12/19/16.



**EXHIBIT B**

Master Premises

**PARCEL NUMBER:** 1222049073

**NAME:** Northwest Corporate Park

**SITE ADDRESS:** 20811 84<sup>th</sup> Avenue South, Kent WA 98032

**LEGAL DESCRIPTION:**

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 22 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

**PARCEL A:**

COMMENCING AT THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER;  
THENCE SOUTH 88°14'25" EAST ALONG THE NORTH LINE THEREOF A DISTANCE OF 40 FEET;  
THENCE SOUTH 00°55'22" WEST A DISTANCE OF 140 FEET;  
THENCE SOUTH 89°04'38" EAST A DISTANCE OF 933.63 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE NORTH 00°55'22" EAST A DISTANCE OF 60.0 FEET;  
THENCE SOUTH 89°04'38" EAST A DISTANCE OF 321.29 FEET TO THE WEST MARGIN OF 84<sup>TH</sup> AVENUE SOUTH AS ESTABLISHED BY DEED RECORDED UNDER RECORDING NUMBER 7906130667;  
THENCE SOUTH 01°13'42" WEST ALONG SAID MARGIN A DISTANCE OF 60 FEET;  
THENCE NORTH 89°04'38" WEST A DISTANCE OF 321.29 FEET TO THE POINT OF BEGINNING.

**PARCEL B:**

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 22 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER;  
THENCE NORTH 88°14'25" WEST ALONG THE NORTH LINE THEREOF A DISTANCE OF 30 FEET TO THE FORMER WEST MARGIN OF 84<sup>TH</sup> AVENUE SOUTH;  
THENCE SOUTH 01°13'42" WEST ALONG THE SAID FORMER WEST MARGIN A DISTANCE OF 121.56 FEET;  
THENCE NORTH 89°04'38" WEST A DISTANCE OF 4.00 FEET TO THE WEST MARGIN OF 84<sup>TH</sup> AVENUE SOUTH AS ESTABLISHED BY DEED RECORDED UNDER RECORDING NUMBER 7906130914 AND THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING NORTH 89°04'38" WEST A DISTANCE OF 365.03 FEET;  
THENCE SOUTH 03°27'21" EAST A DISTANCE OF 127.58 FEET;  
THENCE SOUTH 00°55'22" WEST A DISTANCE OF 561.58 FEET;  
THENCE SOUTH 89°04'38" EAST A DISTANCE OF 18.61 FEET;  
THENCE SOUTH 00°55'22" WEST A DISTANCE OF 60.64 FEET;  
THENCE SOUTH 89°04'38" EAST A DISTANCE OF 321.71 FEET TO THE WESTERLY MARGIN OF 84<sup>TH</sup> AVENUE SOUTH AS ESTABLISHED BY DEED RECORDED UNDER RECORDING NUMBER 8003120368  
THENCE NORTHERLY ALONG SAID WEST MARGIN OF 84<sup>TH</sup> AVENUE SOUTH TO THE POINT OF BEGINNING.

## PARCEL C:

AN EASEMENT FOR INGRESS AND EGRESS, AS ESTABLISHED BY EASEMENT AGREEMENT RECORDED UNDER RECORDING NUMBER 20001003001428, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1 AND OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 12, ALL IN TOWNSHIP 22 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 12;  
 THENCE SOUTH 88°14'29" EAST 40.00 FEET ALONG THE NORTH LINE THEREOF;  
 THENCE SOUTH 00°55'22" WEST 140.00 FEET;  
 THENCE SOUTH 89°04'38" EAST 933.63 FEET;  
 THENCE NORTH 00°55'22" EAST 60.00 FEET;  
 THENCE SOUTH 89°04'38" EAST 209.53 FEET TO THE TRUE POINT OF BEGINNING;  
 THENCE NORTH 00°55'22" EAST 14.78 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 100.00 FEET (A RADIAL LINE TO SAID BEGINNING BEARS NORTH 70°41'07" WEST);  
 THENCE NORTHERLY, NORTHEASTERLY AND EASTERLY 106.58 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 61°03'54";  
 THENCE NORTH 80°22'47" EAST 24.72 FEET;  
 THENCE SOUTH 89°34'37" EAST 11.43 FEET TO THE WEST MARGIN OF 84<sup>TH</sup> AVENUE SOUTH (EAST VALLEY HIGHWAY);  
 THENCE SOUTH 00°55'22" WEST 24.93 FEET ALONG SAID WEST MARGIN TO AN ANGLE POINT THEREIN;  
 THENCE SOUTH 01°13'41" WEST 27.32 FEET ALONG SAID WEST MARGIN;  
 THENCE NORTH 85°28'08" WEST 11.27 FEET;  
 THENCE SOUTH 80°37'00" WEST 10.33 FEET;  
 THENCE SOUTH 59°37'41" WEST 22.82 FEET;  
 THENCE SOUTH 03°57'20" WEST 20.963 FEET TO A POINT WHICH BEARS SOUTH 89°04'38" EAST FROM THE TRUE POINT OF BEGINNING;  
 THENCE NORTH 89°04'38" WEST 70.16 FEET TO THE TRUE POINT OF BEGINNING.

## EXHIBIT C

### Workletter Agreement

This WORKLETTER AGREEMENT (the "Workletter") is attached to and made a part of that certain Sub-Lease Agreement (the "Sub-Lease") between The Kent Fire Department Regional Fire Authority (hereinafter called Sub-Lessor), and King County, a political subdivision of the State of Washington (hereinafter called Sub-Lessee):

The purpose of this Workletter is to set forth how the Tenant Improvements to the Sub-Lease Premises are to be constructed and designed, who will be responsible for constructing and designing the Tenant Improvements, and who will pay for the construction and design of the Tenant Improvements. Sub-Lessor and Sub-Lessee agree as follows:

**1. Defined Terms.** Unless the context otherwise requires, terms used in this Workletter shall have the same meaning as such terms in the Sub-Lease. Notwithstanding the foregoing, the following capitalized terms shall have the meanings set forth below.

"**Architect**" means Sub-Lessor's contract architect as approved by Sub-Lessee.

"**Budget**" has the meaning set forth in Section 2 of this Workletter.

"**Building Standard**" means the standard materials, finishes and workmanship to be used in the design, construction and installation of Tenant improvements in the Building.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which United States national banks in Seattle, Washington are authorized or required by law to be closed for business.

"**Construction Contract**" means the contract between Sub-Lessor and Contractor for the construction and installation of the Tenant Improvements.

"**Construction Costs**" means the construction and other construction related costs associated with the Tenant Improvements.

"**Construction Documents**" means all plans, specifications and drawings necessary to obtain the proper permits and construct the Tenant Improvements to the Sub-Lease Premises, which Construction Documents shall be prepared, subject to Sub-Lessee's approval, in accordance with Section 2 of this Workletter.

"**Contractor**" means the general contractor selected by Sub-Lessor and approved by Sub-Lessee for purposes of completing the Tenant Improvements.

"**Cost of the Work**" means all costs of completing the Work, including the Contractor's fees, sales taxes, utilities, permits and all other reasonable costs incurred by Sub-Lessor in connection with the construction of the Tenant Improvements as provided in this Workletter.

"**Design Agreement**" means that certain agreement entitled "Design and Permitting Agreement Between King County and Kent Regional Fire Authority" dated November 13, 2015 providing for

Sub-Lessor to commence the design of the Tenant Improvements subject to Sub-Lessee's reimbursement of Sub-Lessor's costs as provided therein, which Design Agreement is attached to the Sub-Lease as **Exhibit E**.

**"Preliminary Budget"** means the preliminary budget for the Work attached hereto as **Exhibit C-1** which shall be the basis for the preparation of the Budget, which shall exclude all costs provided for in the Design Agreement.

**"Project Management Fee"** means a fee of \$27,000 payable by Sub-Lessee to Sub-Lessor for managing the projects identified in this Workletter Agreement.

**"Sub-Lessee Delay"** means any delay that Sub-Lessor may encounter in the performance of the Work as a result of (i) delays resulting from changes in or additions to the Construction Documents which are requested by Sub-Lessee after the Construction Documents have been approved pursuant to Section 2 below, or any changes to the Budget or the Work Schedule after the Budget and the Work Schedule have been approved pursuant to Sections 2 and 4 below; (ii) delays by Sub-Lessee in the timely submission of information (including its approval of the Construction Documents, the Budget or the Work Schedule) within the time periods provided for in this Workletter, or the giving of authorizations or approvals within any time limits set forth in this Workletter or the Work Schedule; (iii) delays due to the postponement of any of the Work at the request of Sub-Lessee including change orders pursuant to Section 8; or (iv) delays otherwise attributable to the acts or omissions of Sub-Lessee or its employees, agents or contractors.

**"Sub-Lessee's Representative"** means the individual designated by Sub-Lessee as its Tenant Improvement representative pursuant to Section 10 of this Workletter.

**"Substantially Complete"** and **"Substantial Completion"** mean the Work is complete to the extent that Sub-Lessee may reasonably use and occupy the Sub-Lease Premises for the purpose for which the same were intended, subject to minor details of construction and mechanical adjustments that remain to be completed by Sub-Lessor ("punchlist items"), as evidenced by issuance of a Certificate of Substantial Completion executed by the Architect and issuance of a certificate of occupancy (or other governmental approval permitting the occupancy of the Sub-Lease Premises by Sub-Lessee) by the local governmental authority.

**"Tenant Improvements"** means those certain improvements to the Sub-Lease Premises described in the Construction Documents, which may be modified pursuant to Section 8 below, including all items of Work, labor and materials, that are utilized directly or indirectly in altering, repairing, improving, adding to, modifying or otherwise changing the Sub-Lease Premises.

**"Tenant Improvement Options and Alternatives"** means those certain additional Tenant Improvements to the Sub-Lease Premises requested by the Sub-Lessee to be included in the approved Construction Documents and the approved Budget, subject to reimbursement by Sub-Lessee to Sub-Lessor as provided in the Sub-Lease.

**"Work"** means the design, permitting and construction of the Tenant Improvements in accordance with the Construction Documents.

**"Work Schedule"** has the meaning set forth in Section 4 of this Workletter.

**2. Preparation and Approval of Construction Documents:** Sub-Lessor and Sub-Lessor's Architect have previously contracted to commence the design of Tenant Improvements subject to the Design Agreement.

Promptly after the mutual acceptance of the Design Agreement, Sub-Lessor and Sub-Lessee will meet with Architect to prepare the Construction Documents. Sub-Lessee agrees to provide Architect with such information as Architect may request so that Architect can prepare the Construction Documents. The Construction Documents and Construction Cost estimate shall be prepared by Architect and submitted to Sub-Lessee and Sub-Lessor for their review and approval. Sub-Lessee shall have ten (10) Business Days after receiving the Construction Documents to approve the Construction Documents and Construction Cost estimate, or disapprove them and provide Sub-Lessor and Architect with its comments. Upon receipt of Sub-Lessee's comments, Sub-Lessor will cause Architect to revise the Construction Documents and Construction Cost estimate, and resubmit the Construction Documents and Construction Cost estimate to Sub-Lessee and Sub-Lessor. Sub-Lessee shall have five (5) Business Days after receiving the revised Construction Documents and Construction Cost estimate to either approve the revised Construction Documents, or disapprove the revised Construction Documents and Construction Cost estimate and provide Sub-Lessor with its comments. The process outlined in the preceding two sentences shall be repeated until Sub-Lessor and Sub-Lessee have mutually agreed on the Construction Documents and the project's construction Budget. The Parties are mutually committed to completing the Construction Documents and construction Budget on or before the ninetieth (90<sup>th</sup>) day following execution of the Sub-Lease. Sub-Lessee agrees that Sub-Lessee's failure to meet the Sub-Lessee time frames outlined above shall constitute a Sub-Lessee Delay.

**3. Tenant Improvements:** Tenant Improvements shall include, but not be limited to the following:

- a. Demolition and construction of non-bearing partition walls and associated work to accommodate the need of the E911 Program Office such as conference, training, storage, and data equipment rooms. Associated work includes, but is not limited to carpentry, electrical, mechanical, plumbing, and finish work.
- b. Generator, diesel tank, and generator pad installation; generator connection to the Sub-Lease Premises.
- c. Mounting, installation, and connection of roof antennas.

**4. Sub-Lessor's Contractor Bids:** Sub-Lessor is subject to public bidding and public works requirements under Washington State law. Sub-Lessor shall comply with such laws in procuring and selecting the General Contractor. Promptly after approval of Construction Documents, Sub-Lessor will provide Sub-Lessee with Sub-Lessor's bid package which shall be based on the approved Construction Documents and shall include a Work Schedule. Sub-Lessee shall have five (5) Business Days to approve or request changes to the bid package and Work Schedule. Once Sub-Lessee has approved the bid package and Work Schedule, Sub-Lessor will proceed with a public bidding process.

**5. Construction of Tenant Improvements:** Sub-Lessor shall provide Sub-Lessee with copies

of all bids received and shall identify the lowest responsible bid. Sub-Lessee shall have five (5) Business days in which to comment or raise any objections to the bids for consideration by the Sub-Lessor and approve or reject the lowest responsible bid. In the event the Sub-Lessee rejects the lowest responsible bid identified by Sub-Lessor, Sub-Lessee shall document the basis for its rejection in writing and provide such documentation to Sub-Lessor. Sub-Lessor shall award the contract to the lowest responsible bidder that is approved by Sub-Lessee and Sub-Lessor will enter into the Construction Contract with Contractor and will cause the Tenant Improvements to be constructed in accordance with the Construction Documents, as the same may be revised in accordance with Section 8 below.

**6. Amounts Payable by Sub-Lessee:**

- a. Sub-Lessor and Sub-Lessor's Architect have previously contracted to commence the design of Sub-Lessee Improvements subject to Sub-Lessee's reimbursement of Sub-Lessor's costs pursuant to the Design Agreement.
- b. Sub-Lessee shall pay Sub-Lessor the entire Project Management Fee within 30 days of approval of this Sub-Lease by the King County Council. Sub-Lessee agrees that the Project Management Fee may be reasonably increased if the costs of the Work increases based on the procedures set forth in Section 8 below.
- c. Sub-Lessee shall pay Sub-Lessor for all approved Tenant Improvement Costs and the full amount of the Project Management Fee. Sub-Lessor shall forward Sub-Lessor's invoices for approved Tenant Improvement costs including, without limitation, copies of invoices and other documentation reasonably requested by Sub-Lessee, for payment by Sub-Lessee on a monthly basis as bills are presented by vendors and in advance of the Commencement Date. Sub-Lessee shall pay all invoiced amounts within thirty (30) days of receipt of the invoice. If Sub-Lessee fails to pay when due any invoiced amounts which Sub-Lessee is obligated to pay under the terms of this Workletter, the unpaid amounts shall bear interest at the annual rate of twelve percent (12%). In no event shall the Budget for costs of Tenant Improvements exceed the mutually agreed upon Tenant Improvement Costs unless the cost overruns are attributable to Sub-Lessee Delays or Sub-Lessee change orders and Sub-Lessee shall be informed prior to such delay and prior to awarding a requested change order that such delays and change orders will result in a cost overrun, and in what magnitude.
- d. Sub-Lessee shall pay the full amounts invoiced and shall not offset or adjust any invoiced amounts.

**7. Acceptance of the Sub-Lease Premises; Effect of Sub-Lessee Delays:**

- a. Sub-Lessor will notify Sub-Lessee when the Tenant Improvements are Substantially Complete. Within three (3) Business Days after receiving such notice, and prior to move-in of any furniture, fixtures or equipment, Sub-Lessee shall inspect the Sub-Lease Premises for any deficiencies in the Work. A punchlist of all the deficiencies in the Work shall be prepared and agreed upon by both Sub-Lessor and Sub-Lessee. Sub-Lessor will correct defective items stated in the punchlist which are the responsibility of Sub-Lessor or the Contractor. If Sub-Lessee does not so provide Sub-Lessor with a punchlist prior to occupying the Sub-

Lease Premises, Sub-Lessee shall be deemed to have accepted the Sub-Lease Premises and the Tenant Improvements in their then present condition, except for latent defects not reasonably discoverable upon an inspection of the Sub-Lease Premises. The existence of minor punchlist items shall not result in a delay or abatement of Sub-Lessee's obligation to pay Base Rent and Additional Rent or give rise to a damage claim against Sub-Lessor. Sub-Lessor agrees to complete all punchlist items which are Sub-Lessor's or the Contractor's responsibility within thirty (30) calendar days after receiving the final punchlist (or longer if reasonably necessary subject to Sub-Lessor's prompt initiation of the completion of said punchlist items and continuing good faith efforts to expeditiously and continuously complete said punchlist items). Sub-Lessor shall provide for a one (1) year parts and labor warranty for all work covered by Sub-Lessee's consideration. Failure of any such work shall be promptly repaired at no cost to Sub-Lessee.

**8. Changes in Work:** Sub-Lessee shall have the right to request, in writing, changes to the Construction Documents and to the Work, subject to Sub-Lessor's reasonable prior approval. Sub-Lessor shall notify Sub-Lessee in writing of any additional costs and any construction delays attributable to such change and whether or not Sub-Lessor approves or disapproves of the requested change. Sub-Lessor may condition its approval of any change on receipt of written confirmation from Sub-Lessee within five (5) Business Days after receiving Sub-Lessor's notice that Sub-Lessee will pay the additional cost of making the change and any costs Sub-Lessor will incur as a result of any delays, which payment shall be made in the manner prescribed in Section 6 herein. If Sub-Lessee fails to deliver Sub-Lessor written notice that it still desires the requested change within such five (5) Business Day period, Sub-Lessee shall be deemed to have withdrawn its request for the change. Any construction delays attributable to Sub-Lessee changes shall constitute Sub-Lessee Delays.

**9. Early Entry:** With Sub-Lessor's prior written approval, Sub-Lessee and Sub-Lessee's contractors shall have the privilege of entering into the Sub-Lease Premises prior to the Substantial Completion of the Tenant Improvements provided that such entry or work does not interfere with the construction of the Tenant Improvements by Contractor. All of the terms and provisions of the Sub-Lease shall be applicable upon such early entry. Sub-Lessee shall be responsible for any damages to the Building or the Sub-Lease Premises caused by Sub-Lessee or Sub-Lessee's Contractor as a result of such early entry.

**10. Tenant Improvement Representative:** Prior to the commencement of the Work, Sub-Lessee shall designate in writing one individual who shall be the Sub-Lessee's Representative during the Work. Except as provided herein, Sub-Lessor and Contractor shall be entitled to rely on the decisions of such person regarding the Work (and the decisions of such person shall be binding upon Sub-Lessee) until Sub-Lessor and Contractor have received written notice from Sub-Lessee that such person's authority has been revoked. Sub-Lessee's approval of the final construction Budget, Construction Documents, the Work Schedule and change orders, as provided herein, shall be provided in writing by Sub-Lessee's Leasing Manager.

**11. Disputes:** Sub-Lessor and Sub-Lessee shall act in good faith and deal fairly in performing their respective duties under this Workletter. If a dispute arises with respect to design or construction

of the Tenant Improvements, or any obligation of the Parties under this Workletter, including the calculation or allocation of costs, the Parties agree to work diligently to resolve the dispute. In the event the Parties cannot resolve the dispute, they may jointly elect to submit the dispute to mediation with a mutually-agreeable mediation firm located in Seattle, Washington. The decision of the mediator shall be non-binding and shall not constitute a condition precedent to having such dispute decided in a court.

**12. Additional Provisions:** This Workletter sets forth the entire agreement of Sub-Lessor and Sub-Lessee with respect to the completion of the Work. Neither this Workletter nor any of the provisions contained in this Workletter may be changed or waived, except by a written instrument signed by both Parties. To the extent any of the terms or conditions of this Workletter conflict with any of the terms or conditions of the Sub-Lease, this Workletter shall control.

Accepted and agreed to:

KING COUNTY

KENT FIRE DEPARTMENT  
REGIONAL FIRE AUTHORITY

By \_\_\_\_\_

By Jim Saward

Title: Division Director

Title: Fire Chief

Date \_\_\_\_\_

Date 07.06.2016

## Exhibit C-1

### Preliminary Budget

#### E911 TENANT IMPROVEMENT COST ESTIMATE SUMMARY

<b>Project Name:</b>	E-911 Program Office Relocation	<b>Project No:</b>	1127706	<b>Date:</b>	6/30/2016
<b>Requesting Agency:</b>	DES/OEM/E911	<b>Estimator:</b>	Denise Thompson		
<b>Implementing Agency:</b>	FMD	<b>Checked by:</b>	Jim Burt		

**Project Scope:** Tenant improvements of 11,640 rentable square feet of sub-leased space for the relocation of the E911 Program Office. Space is leased by Kent Fire Department Regional Fire Authority (KRFA) with E911 as sub-lessee. Sub-lessor to provide 01 Consultant Design and 03.0 Construction as Tenant Improvements per the Lease Agreement. This space will serve as a backup emergency operating center (EOC) in the event the primary EOC (RCECC) is not operational. This includes the installation of an emergency generator, radio antenna, and additional telecom networks necessary to run critical equipment and continue operations.

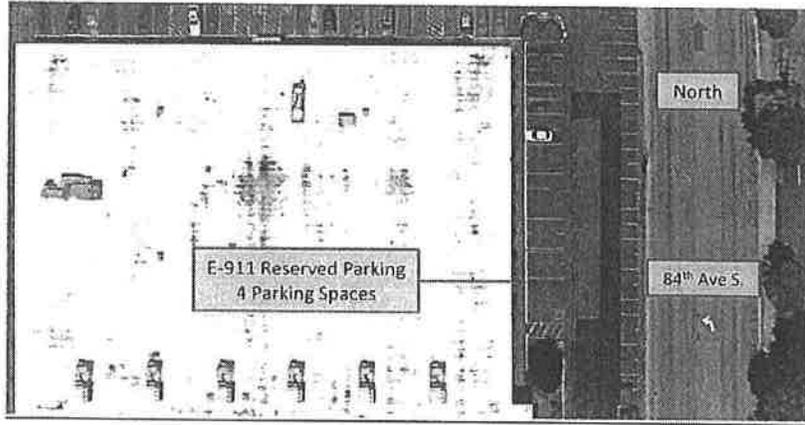
ELEMENT - DESCRIPTION	TOTAL PROJECT COST
<b>01 - CONSULTANT DESIGN</b>	
Basic A/E Fee excluding scope within "Design Agreement"	\$33,411
Additional services - Hazardous Materials Survey	\$1,860
<b>Total 01 - Consultant Design Cost</b>	<b>\$35,271</b>
<b>03.0 - CONSTRUCTION - LESSOR</b>	
Generator tenant improvements	\$260,659
Interior tenant improvements	\$403,983
Sales Tax	9.50% of MACC (Check site area) \$63,141
Building Permit Fees	1.50% of MACC \$9,970
Commissioning	0.50% of MACC \$50
Project Management - Kent Fire	\$27,000
<b>Total 03.0 - Construction Cost</b>	<b>\$764,803</b>
<b>TENANT IMPROVEMENT COST SUBTOTAL</b>	<b>\$800,074</b>
<b>Less Landlord allowance (\$0.15/RSF design + (\$0.07/RSF x 96 mo. lease term*) construction)</b>	<b>\$79,967</b>
<b>TOTAL TENANT IMPROVEMENT COST</b>	<b>\$720,107</b>

\*Lease term based on projected lease commencement in August 2016 with fixed end date of lease August 2024.

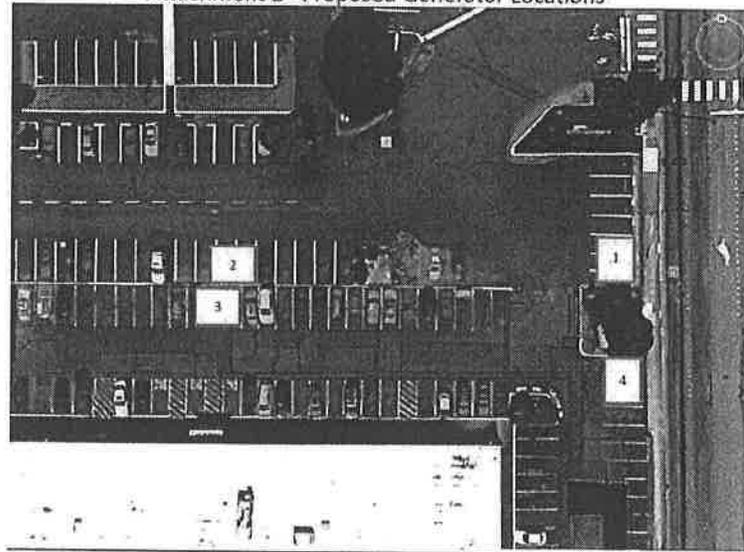
Exclusions: Structural/seismic upgrades; building's code conformance improvements including, but not limited to, accessibility, life/safety, energy; building envelope improvements; backflow preventers; building's plumbing/drainage improvements

### Exhibit D

### Parking



Attachment 1 - Proposed Generator Locations



## Exhibit E

### Design and Permitting Agreement

#### Design and Permitting Agreement Between King County and Kent Regional Fire Authority

This Agreement is made and entered into between King County, a political subdivision of the State of Washington ("County"), and Kent Fire Department Regional Fire Authority, a Washington State municipal corporation ("KRFA"), collectively, "Parties", as of the date it is fully executed.

#### A. Introduction and Purpose of Agreement

1. The County is working with KRFA, through its representative, Mariwether Advisors LLC, to sub-lease space held by KRFA for a County E911 Program Office to be located at Kent Northwest Corporate Park, with a physical site address of 20811 44<sup>th</sup> Avenue South, Kent, WA 98032 and a depiction of the area proposed to be sub-leased attached hereto and incorporated herein as Exhibit A ("E911 Sub-Lease").
2. In anticipation of entering into the proposed E911 Sub-Lease, the Parties would like to proceed in advance with the design of the tenant improvements through to construction documents and specifications, and with the submittal of an application for and the obtaining of permits for the tenant improvements ("Design and Permitting Work"). This Agreement is intended to allow the Parties to participate jointly and in cooperation with one another to obtain the Design and Permitting Work and to successfully negotiate, execute and implement the proposed E911 Sub-Lease.
3. This Agreement provides for the Parties to use for their mutual benefit the services of an architectural firm to complete the Design and Permitting Work for the proposed County E911 Program Office. This work will allow the Parties to make decisions about the scope and cost of tenant improvements and the terms of the proposed E911 Sub-Lease regarding tenant improvements.

#### B. Agreement

1. KRFA will contract for and manage the Design and Permitting Work for the necessary tenant improvements for the County E911 Program Office.
2. Subject to review and approval, the County agrees to reimburse KRFA for Design and Permitting Work. The reimbursement shall be on a monthly basis due and payable within 30 days of receipt of an invoice on KRFA letterhead signed by KRFA together with copies of all invoices for Design and Permitting Work, provided such invoices set forth in reasonable detail the work for which the invoices seek payment. The maximum amount the County will reimburse KRFA for under this Agreement is \$40,000 unless the County agrees in writing for this cap to be exceeded.
3. In accordance with chapter 39.80 RCW, KRFA has selected and will contract with Broderick Architects to carry out the Design and Permitting Work.
4. KRFA will regularly consult with the County and allow the County to participate in all meetings, phone calls and other communications regarding the Design and Permitting Work. Further, KRFA will obtain the County's written approval before making final decisions on: (1) the selection of the architectural firm should it desire to select a firm other than Broderick Architects; (2) the scope of work for the architectural firm or any changes to

that scope of work; and (3) plans, designs, permit submittals and any other related documents for the tenant improvements. Ownership of any plans, drawings, designs, specifications and other work submitted or which are specified to be delivered by the architectural firm, whether or not complete, shall be vested in both KRFA and the County.

5. The Parties acknowledge and agree that while they intend to negotiate and execute the proposed E911 Sub-Lease, it is possible that the Parties will not achieve this goal. In such case, this Agreement will not be affected by the failure to reach agreement on E911 Sub-Lease. Further, the Parties acknowledge and agree that no construction shall be commenced pursuant to this Agreement, but rather that such construction work would be carried out under the terms of an executed E911 Sub-Lease that has been approved by ordinance by the King County Council.
6. This Agreement shall terminate upon the earlier of the completion of the Design and Permitting Work or thirty (30) days after either Party provides written notice to the other that it no longer desires to carry out the proposed E911 Sub-Lease. If this Agreement is terminated by the County prior to execution of the E911 Sub-Lease, any expenses incurred and not yet reimbursed by the County for Design and Permitting work prior to the notice of termination shall be reimbursed by the County. If this Agreement is terminated by KRFA prior to execution of the E911 Sub-Lease, any expenses incurred and not yet reimbursed by the County for Design and Permitting work prior to the notice of termination shall not be reimbursed by the County.
7. In furtherance of the Parties' intent to participate jointly and in cooperation with one another to successfully negotiate, execute and implement the proposed E911 Sub-Lease, and until such time as the proposed E911 Sub-Lease is fully executed or either Party provides written notice to the other that it no longer desires to carry out the proposed E911 Sub-Lease, KRFA grants to the County the first right to the space being considered for the E911 Sub-Lease, agrees not to market the property to other potential sub-lessors, and agrees to negotiate the terms of the anticipated E911 Sub-Lease in good faith.

#### C. Indemnification and Insurance

1. To the maximum extent permitted by law, each Party shall defend, indemnify and hold harmless the other Party, and all of its officers, employees, and agents, from any and all claims, demands, suits, actions, fines, penalties, and liability of any kind, including injuries to persons or damages to property, which arise out of or are related to any negligent acts, errors, omissions of the indemnifying Party and its officers, employees, agents, contractors, and consultants in performing obligations under this Agreement. Provided, that if any such damages and injuries to persons or property are caused by or result from the concurrent negligence of KRFA or its officers, employees, agents, contractors, and consultants and the County or its officers, employees, agents, contractors, and consultants, each Party's obligation hereunder applies only to the extent of the negligence of such Party or its officers, employees, agents, contractors and consultants.
2. The foregoing indemnity is specifically and expressly intended to constitute a waiver of each Party's immunity under Industrial Insurance, Title 51 RCW, as respects the other Party only, and only to the extent necessary to provide the indemnified Party with a full and complete indemnity of claims made by the indemnitor's employees. This waiver has been mutually negotiated.
3. KRFA shall require that any contractor maintain minimum insurance as specified below, and other insurance as may be required with prudent limits of liability as established by KRFA risk assessment. Contractor's general and automobile liability insurance and other liability insurance as may be required shall include King County and its officers, officials, agents and employees as an additional insured.

- General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$2,000,000 aggregate limit.
  - Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
  - Professional Liability, Errors and Omissions: \$1,000,000 Per Claim and in the Aggregate.
  - Workers' Compensation: Statutory requirements of the State of residency, and
  - Employers' Liability or "Stop Gap" coverage: \$1,000,000.
4. The provisions of this Section shall survive any termination of this Agreement.

#### D. Contacts

For County:  
 Denise Thompson, Project Manager  
 Facilities Management Division  
 Capital Planning & Development  
 500 Fourth Avenue, Room B20  
 Seattle, WA 98104  
 206-477-9394

For KRFA:  
 Pat Pawlak, Division Chief  
 Kent Fire Department RFA  
 24611 116<sup>th</sup> Avenue SE  
 Kent, WA 98030  
 253-856-4405

Stephanie Goffin, Leasing Agent  
 Facilities Management Division  
 Real Estate Services  
 500 Fourth Avenue, Room B00  
 Seattle, WA 98104  
 206-477-9490

#### E. General Terms

1. This writing (including the exhibit attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by the Parties.
2. This Agreement is solely for the benefit of the Parties hereto and gives no right to any other person or entity. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of one Party or its contractors or subcontractors shall be deemed, or represent themselves to be, employees, agents, contractors, or subcontractors of the other Party.
3. Each Party shall comply, and shall ensure that its contractors and subcontractors, if any, comply with all federal, state and local laws, regulations, and ordinances, including without limitation chapter 39.80 RCW, applicable to the work and services to be performed under this Agreement.
4. This Agreement shall be interpreted in accordance with the laws of the State of Washington, without reference to its conflicts of law rules or choice of law provisions. The Superior Court of King County, Washington, located in Seattle, Washington, shall be the venue for any legal action arising out of or related to this Agreement.

In Witness whereof, the parties hereto have caused this agreement to be executed by their respective representatives.

King County  
By: *Jody Nellis* 11/13/2015  
Date  
Walt Hubbard, Director, Office of Emergency Management

By: *[Signature]* 11/13/15  
Date  
Anthony Wright, Director, Facilities Management Division

Kent Fire Department RFA  
By: *Jim Schneider* 11.09.2015  
Date  
Jim Schneider, Fire Chief, Kent Fire Department RFA

Approved as to Form  
By: *Pete Rantels* 11/13/15  
Date  
Pete Rantels, Senior Deputy Prosecuting Attorney