



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 7, 2017

Ordinance 18468

Proposed No. 2016-0410.1

Sponsors Upthegrove

1 AN ORDINANCE authorizing the execution of a new lease
2 to support the operations of superior court.

3 STATEMENT OF FACTS:

4 1. The facilities management division received a request for space on
5 August 15, 2015, from the superior court.

6 2. The superior court needed space for the purpose of counseling and
7 administration of juvenile court. The superior court needed space for the
8 purpose of juvenile probation services.

9 3. The facilities management division determined on August 15, 2015,
10 that there was not an appropriate county-owned option.

11 4. The facilities management division determined, through consultation
12 with the department, that leasing was the most cost-effective option for the
13 county.

14 5. The facilities management division successfully negotiated to lease
15 space from the Institute for Family Development, located at 34004 16th
16 Avenue South, Federal Way, Washington, within council district seven.

17 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

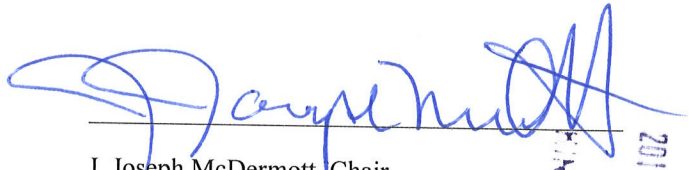
18 SECTION 1. The executive is authorized to execute a lease for the property
19 located at 34004 16th Avenue South, Federal Way, Washington with the Institute for

20 Family Development, substantially in the form of Attachment A to this ordinance, and to
21 take all actions necessary to implement the terms of the lease.
22

Ordinance 18468 was introduced on 9/6/2016 and passed by the Metropolitan King County Council on 3/6/2017, by the following vote:

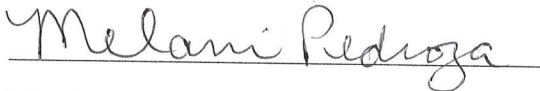
Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Melani Pedroza, Acting Clerk of the Council

RECEIVED
2017 MAR - 8 PM 3:42
KING COUNTY COUNCIL
CLERK

APPROVED this 8th day of March, 2017.



Dow Constantine, County Executive

Attachments: A. Lease Agreement

ATTACHMENT A:
LEASE AGREEMENT

LEASE

THIS LEASE AGREEMENT ("Lease"), is made and entered into between Institute for Family Development, a Washington Non-Profit Corporation ("Landlord"), and KING COUNTY, a political subdivision of the State of Washington ("Tenant").

1. Basic Lease Information

1.1 Lease Date: _____, 2016 (for reference purposes only)

1.2 Landlord: Institute for Family Development

1.3 Tenant: King County, a political subdivision of the State of Washington

1.4 Building: Located at: 34004 16th Avenue South, Federal Way, Washington, Suites D and E, on that certain real property that is legally described on the attached Exhibit A

1.5 Premises: The area depicted on the attached Exhibit B, containing approximately 3,222 rentable square feet

Tenant's Pro Rata Share: 29.49%

Base Year: 2016

1.6 Permitted Use: general office purposes and/or any other legally permissible use

1.7 Initial Term: Five (5) years

1.8 Extended Term(s): Two (2) options to extend for Five (5) years per option term.

1.9 Lease Commencement Date (also referred to as "LCD"): See Section 3

1.10 Rent Commencement Date: Same as LCD

1.11 Expiration Date: The expiration date referenced in Section 3

1.12 Base Rent:

Months	Base Rent per rentable square foot per annum	Base Rent per month
1-24	17.50	\$4,698.75
25-48	\$18.00	\$4,833
49-60	\$18.50	\$4,967.25

1.13 Security Deposit: Not-Applicable

1.14 Landlord's Address for Notices:

Institute for Family Development
34004 16th Ave S, Suite 200
Federal Way, WA 98003

1.15 Tenant's Address for Notices:

King County Real Estate Services Section
830 King County Administration Building
500 4th Avenue
Seattle, WA 98104

2. Premises; Tenant Improvements.

2.1 Premises. Landlord hereby leases the Premises to Tenant for the Term set forth above. Tenant, at its sole option, may elect to remeasure the Premises pursuant to the most recent, applicable measurement methodology published by the Building Owners and Managers Association (BOMA), and if the rentable square footage of the Premises varies from that set forth in Section 1.5 above, the parties hereto shall promptly amend this Lease to modify any variables that are dependent upon the same.

Landlord warrants that the Premises shall be delivered (i) in good operating condition, including but not limited to all mechanical, electrical, plumbing, and other systems serving the Premises; (ii) in compliance with all applicable laws, codes, ordinances and regulations; and (iii) free of any Hazardous Material. To the extent that the Premises fails to comply with the prior sentence as of the Commencement Date (without limiting any other rights or remedies that Tenant may have under this Lease and/or at law), Landlord shall promptly correct the same at its sole cost and expense.

Landlord also grants Tenant a nonexclusive license to use those portions of the Building or Project made available from time to time by Landlord for the common use and enjoyment of Tenant, Landlord, and other tenants of the Building or Project and their guests and invitees (the "Common Areas"). Landlord shall have the right to do and perform all such acts in and to the Common Areas as Landlord shall determine in its reasonable discretion, including without limitation reconfiguring and temporarily closing the same from time to time, so long as Landlord does not adversely affect Tenant's use and enjoyment of the Premises.

Landlord shall provide Tenant and other building tenants with fifty-two (52) unreserved parking stalls, available on a first come, first served basis. Landlord shall provide Tenant with one (1) reserved parking stall for the exclusive use of Tenant. There shall be no parking fees during the Term or any Extension Terms of this Lease.

2.2 Tenant Improvements.

Landlord, at Landlord's sole cost and expense shall perform the Tenant Improvements defined in Exhibit C.

3. Term.

3.1 Commencement Date. This Lease shall commence on the date this Lease is mutually executed by Landlord and Tenant ("Commencement Date"). Within thirty (30) days after the Commencement Date is established, Landlord shall confirm and reiterate said Commencement Date to Tenant in writing.

3.2 Expiration Date. This Lease shall expire on the last day of the calendar month that is 60 months after the Commencement Date ("Expiration Date").

3.3 Extension Option. Tenant is hereby granted the option to extend the initial Term for two (2) successive periods of five (5) years apiece (each one an "Extended Term"). Each Extended Term option may be exercised by Tenant only by giving Landlord written notice of at least three (3) months prior to the last day of the then current Term. Tenant's Extended Term options shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of this Lease shall continue in full force and effect as written, except that Base Rent for the Extended Term shall be the then-prevailing Fair Market Rent (defined below). The term "Fair Market Rent" for the purposes of this Lease shall mean the annual amount per rentable square foot that a willing, comparable, new, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building in the Federal Way, Washington market would accept under the transaction as further defined above, for new leases of similar space in the same geographic area as the Premises, considering, size, use type, and creditworthiness of tenant on or about the date on which the Fair Market Rent is being determined hereunder.

Within thirty (30) days of Tenant notifying Landlord that it intends to exercise an Extended Term option under this Section 3.3, Landlord will advise Tenant in writing of its proposed Fair Market Rent. If Landlord and Tenant are unable to agree on a mutually acceptable Fair Market Rent not later than ninety (90) days prior to the expiration of the then current Term, then Landlord and Tenant, within five (5) days after such date, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Fair Market Rent for the Premises (collectively referred to as the "Estimates"). If the higher of such Estimates is not more than one hundred five percent (105%) of the lower of such Estimates, then the Fair Market Rent shall be the average of the two Estimates. If the Fair Market Rent is not established by the exchange of Estimates, then, within ten (10) days after the exchange of Estimates, Landlord and Tenant shall each select a licensed commercial real estate appraiser to determine which of the two Estimates most closely reflects the Fair Market Rent for the Premises. Each appraiser shall have had at least seven (7) years' experience within the previous ten (10) years of his/her work experience as a commercial real estate appraiser working in Federal Way, Washington with working knowledge of current rental rates and practices. Landlord's and Tenant's

appraisers shall work together in good faith to agree upon which of the two Estimates most closely reflects the Fair Market Rent for the Premises. The Estimates chosen by such appraisers shall be binding on both Landlord and Tenant. If the two appraisers cannot agree upon which of the two Estimates most closely reflects the Fair Market Rent within twenty (20) days after their appointment, then, within ten (10) days after the expiration of such twenty (20) day period, the appraisers shall select a third appraiser meeting the aforementioned criteria. Once the third appraiser (the "Arbitrator") has been selected as provided for above, then, as soon thereafter as practicable but in any case within fourteen (14) days, the Arbitrator shall make his or her determination of which of the two Estimates most closely reflects the Fair Market Rent and such Estimate shall be binding on both Landlord and Tenant as the Fair Market Rent. If the Arbitrator believes that expert advice would materially assist him or her, he or she may retain one or more qualified persons to provide such expert advice. Landlord and Tenant shall share equally in the costs of the Arbitrator and of any experts retained by the Arbitrator. Any fees of any appraiser, counsel or experts engaged directly by Landlord or Tenant, however, shall be borne by the party retaining such appraiser, counsel or expert.

If the Fair Market Rent has not been determined by the commencement date of the Extended Term, Tenant shall pay Rent upon the terms and conditions in effect during the last month of the initial Term (or preceding Extended Term, as applicable) until such time as the Fair Market Rent has been determined. Upon such determination, the Rent shall be retroactively adjusted to the commencement of the Extended Term.

4. Permitted Use. The Premises may be used by Tenant for the uses set forth in Section 1.6 above. Landlord represents and warrants to Tenant that the Premises may lawfully be used for the uses set forth in Section 1.6 above.

5. Rent. Tenant covenants and agrees to pay Landlord, at Landlord's Notice Address set forth in Section 1.14 above, without deduction or offset except as otherwise set forth in this Lease, monthly rent in the amounts set forth in Section 1.12, payable in advance, without prior notice or demand, on or before the first day of each month of the Term (the "Base Rent"). Base Rent for any fractional calendar month at the beginning or end of the Term shall be prorated. In addition to the Base Rent, in the same manner and at the same time as the payment of Base Rent, Tenant shall pay its Pro Rata Share of Operating Costs as further described below in Section 8 ("Additional Rent"). Base Rent and Additional Rent are collectively referred to as the "Rent."

6. Security Deposit. None.

7. Utilities and Services. Landlord shall at all times furnish the Premises with: (i) water at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning as appropriate, at such temperatures and in such amounts as are required by governmental authority or as are reasonably appropriate for the Building; (iii) janitorial service, recycling and trash removal on weekdays, other than national holidays, and such carpet cleaning and window washing as may from time to time be reasonably required; (iv) replacement of Building-standard light bulbs and fluorescent tubes in the Premises; (v) electrical current reasonably sufficient for Tenant's

use; and (vi) sewer service. Tenant shall furnish its own telephone, internet and cable service to the Premises. No interruption or failure of any utilities or services from any cause whatsoever shall be deemed an eviction of Tenant, provided that Landlord shall use commercially reasonable efforts to repair, replace or restore the same as quickly as possible. To the extent any interruption of services occurs due to Landlord's negligence, intentional misconduct or breach of Lease, then Rent shall be abated for the period of interruption in the proportion of the square footage rendered unusable in addition to, and without limiting, Tenant's other rights and remedies available at law and/or under this Lease.

8. Operating Costs.

8.1 Commencing as of the first calendar month following the Base Year, as defined in Section 1.5 above, and thereafter throughout the Term, Tenant shall pay to Landlord the Tenant's Pro Rata Share of increases in the Operating Costs above the amount of Operating Costs for the Base Year. Operating Costs for the Base Year shall be determined as if the Building had been fully occupied during the Base Year. The Operating Costs for the Base Year will be calculated and stated as an annual sum of dollars against which future actual Operating Costs for subsequent calendar years shall be compared for purposes of determining increases or decreases in the Operating Costs payable by Tenant. Landlord shall provide a detailed written statement of how Operating Costs were grossed up for each calendar year at the same time that Landlord provides its statement of actual Operating Costs for such calendar year. For the purpose of computing increases in Operating Costs, no item may be included in the Operating Costs in any year subsequent to the Base Year unless such item was included in Operating Costs in the Base Year, provided, however, at Landlord's election, that any such items not actually incurred in the Base Year may still be included in Operating Costs in any year subsequent to the Base Year when actually incurred if Operating Costs in the Base Year are increased by the amount such item would reasonably have cost if incurred in the Base Year, so long as such items are otherwise payable by Tenant under this Lease.

8.2 **Costs Included in Operating Costs.** The term "Operating Costs" means only the following operating costs actually and reasonably incurred by Landlord in the management and operation of the Premises and the Building, subject to the exclusion of those items listed in Section 8.3:

(a) The cost of all reasonable and necessary repairs, maintenance and operation of the Building common areas, parking areas, sidewalks and grounds associated with the Premises or Building of which it is a part, including the cost of ordinary materials and supplies consumed in connection with any such maintenance, repair and operation that in accordance with generally accepted accounting principles would not be capitalized, except that Landlord shall first look to any existing warranties and/or guaranties or other responsible third parties to pay such costs;

(b) Salary of Landlord's employees directly engaged in the operation and maintenance of the Premises allocated to the Building based on the percentage of time each such employee devotes to the Premises or Building;

(c) Premiums incurred by Landlord for insurance coverage maintained by Landlord for the Building that is required by this Lease or that is customarily carried by operators of comparable buildings in the area, which coverage shall include reasonable and customary deductibles (but not to exceed \$10,000);

(d) The cost of the utilities and services identified in Section 7 above;

(e) General real estate taxes levied against the Building and that accrue and are payable during the Term, but not any special assessments or taxes in the nature of improvement or betterment assessments ("Real Estate Taxes"). Real Estate Taxes shall exclude, without limitation, any income, franchise, gross receipts, corporation, capital levy, excess profits, revenue, rent, inheritance, gift, estate, payroll or stamp tax or any increase in tax (or any tax protest) arising out of a reassessment on all or part of the Building or Real Property upon the sale, transfer or assignment of Landlord's title or estate, which at any time may be assessed against or become a lien upon all or any part of the Premises or this leasehold. In addition, Real Estate Taxes shall exclude any liens or taxes, penalties or interest that are levied or assessed against the Premises for any time prior to the Term. Landlord represents and warrants that the tax parcel containing the Premises is fully assessed as a completed and occupied unit with all improvements contemplated by this Lease as of the Commencement Date.

Landlord shall at all times use its best efforts to operate the Building and Project in an economically reasonable manner at costs not disproportionately higher than those experienced by other comparable buildings in the area. Landlord agrees that (i) Landlord will not collect or be entitled to collect Operating Costs from all of its tenants in an amount which is in excess of one hundred percent (100%) of the Operating Costs actually paid by Landlord in connection with the operation of the Building or Project, and (ii) Landlord shall make no profit from Landlord's collection of Operating Costs.

8.3 Exclusions from Operating Costs. Notwithstanding the generality of Section 8.2, the following items shall be excluded or deducted, as the case may be, from the calculation of Tenant's Pro Rata Share of Operating Costs:

(a) Any costs borne directly by Tenant under this Lease;

(b) Any ground lease rental;

(c) Costs of capital repairs, replacements, improvements and equipment ("Capital Items"), except for: (A) the annual amortization (amortized over the useful life as reasonably determined by Landlord without interest) of costs incurred by Landlord after the Commencement Date for any capital improvements installed or paid for by Landlord and required by any new (or change in) laws, rules or regulations of any governmental or quasi-governmental authority which are enacted after the Commencement Date; (B) the annual amortization (amortized over the useful life as reasonably determined by Landlord without interest) of costs of any equipment, device or capital improvement purchased or incurred as a labor-saving measure or to affect other

economics in the operation or maintenance of the Building, provided the annual amortized cost does not exceed the actual annual cost savings realized and such savings do not redound primarily to the benefit of any particular tenant other than Tenant); or (C) minor capital improvements, tools or expenditures to the extent each such improvement or acquisition costs less than Five Thousand Dollars (\$5,000.00);

(d) Rentals and other related expenses incurred in leasing HVAC systems, elevators or other equipment ordinarily considered to be Capital Items, except for: (A) expenses in connection with making repairs on or keeping buildings systems in operation while repairs are being made, and (B) costs of equipment not affixed to the Building which is used in providing janitorial or similar services;

(e) Costs incurred by Landlord for the repair of damage to the Building, to the extent that Landlord is entitled to be reimbursed by insurance proceeds (or would have been so entitled had it purchased the insurance required by this Lease) and cost of earthquake repairs in excess of Ten Thousand Dollars (\$10,000.00) per earthquake (which for this purpose, an earthquake is defined collectively as the initial earthquake and the aftershocks that relate to such initial earthquake);

(f) Costs, including permit, license and inspection costs, incurred with respect to the installation of tenants' or other occupants' improvements in the Building or Project or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building or Project;

(g) Depreciation, amortization and interest payments;

(h) Marketing costs, including without limitation, leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, advertising and promotional expenditures, the cost of signs in or on the Building or Project identifying the owner, management or other tenants, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building or Project;

(i) Expenses in connection with services or other benefits that are not offered to Tenant or for which Tenant is charged for directly but which are provided to another tenant or occupant;

(j) Overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis for comparable buildings;

(k) Landlord's general corporate overhead and general and administrative expenses;

(l) Any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord and/or all fees paid to any parking facility operator (on or off site);

(m) The cost of any electricity, water, gas, sewer, or similar utility services ("Utilities") used by any other tenant in the Building, including without limitation the cost of any Utilities for which any tenant directly contracts with the local public service company or of which any tenant is separately metered or sub metered and pays Landlord directly;

(n) Costs incurred in connection with upgrading the Building to comply with the current interpretation of disability, life, fire and safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including, without limitation, the Americans With Disabilities Act, including penalties or damages incurred due to such non-compliance;

(o) Tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments and/or to file any tax or informational returns when due;

(p) Costs for which Landlord has been compensated by a management fee, and any management fees in excess of those management fees which are normally and customarily charged by comparable landlords of comparable buildings;

(q) Costs arising from the negligence or fault of other tenants or Landlord, its employees or agents;

(r) Notwithstanding any contrary provision of this Lease, any and all costs arising from the release of Hazardous Material in or about the Premises, the Building or the Project, including without limitation, hazardous substances in the ground water or soil, not placed in the Premises or Building by Tenant;

(s) Costs arising from Landlord's charitable or political contributions;

(t) Costs related to the initial construction of the Building;

(u) Costs arising from any voluntary special assessment on the Building or the Property by any transit district authority or any other governmental or quasi-governmental entity having the authority to impose such assessment in connection with the initial construction of the Building;

(v) Costs for sculpture, paintings or other objects of art;

(w) Costs (including in connection therewith all attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to Landlord and/or the Building;

(x) Costs associated with the operation of the business of the partnership or entity which constitutes Landlord as the same are distinguished from the costs of operation of the Building, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, costs of any disputes between Landlord and its employees (if any), disputes of Landlord with Building management, or costs incurred in connection with disputes with other tenants;

(y) Any increases of, or reassessment in, real property taxes resulting from a change in ownership of Landlord or from major alterations, improvements, modifications or renovations to the Building or the Property (except to the extent caused by alterations, improvements, modifications or renovations performed by Tenant);

(z) Costs of any "tap fees" or any sewer or water connection fees for the benefit of any particular tenant in the Building;

(aa) Any expenses incurred by Landlord for use of any portions of the Building to accommodate events including, but not limited to shows, promotions, kiosks, displays, filming, photography, private events or parties, ceremonies and advertising beyond the normal expenses otherwise attributable to providing Building services, such as lighting and HVAC to such public portions of the Building during normal operations;

(bb) Any entertainment, dining or travel expenses of Landlord for any purpose;

(cc) Any flowers, gifts, balloons, etc. provided to any entity whatsoever, including, but not limited to, Tenant, other tenants, employees, vendors, contractors, prospective tenants and agents;

(dd) Costs for parking facilities (unless parking is provided free of charge), and any "validated" parking for any entity;

(ee) Any "finder's fees," brokerage commissions, job placement costs or job advertising cost;

(ff) Any "above standard" cleaning, including, but not limited to construction cleanup or special cleanings associated with parties/events and specific tenant requirements in excess of standard services, including related trash collection, removal, hauling and dumping;

(gg) The cost of any tenant relations parties, events or promotions;

(hh) Legal fees;

(ii) Accounting fees not directly related to the management of the Building; and

(jj) Any other expenses which, in accordance with generally accepted accounting principles, consistently applied, would not normally be treated as Operating Costs by comparable landlords of comparable buildings.

8.4 Payment of Operating Costs. Landlord shall reasonably estimate the Operating Costs for each calendar year wholly or partially included within the Term and shall send notice of the estimate to Tenant at least thirty (30) days before the Commencement Date or the first day of each subsequent year, as applicable. If Tenant requests, Landlord will give Tenant reasonably detailed documentation supporting Landlord's estimate and Tenant shall not be required to pay any portion of such estimate until Landlord has provided documentation supporting such estimate that is reasonably acceptable to Tenant. During each calendar year included in the Term for which Tenant is to pay Operating Costs, Tenant shall pay one twelfth (1/12th) of the applicable estimate of the increase in Operating Costs above the Base Year Operating costs each month to Landlord together with the monthly Base Rent. If Landlord does not give Tenant an estimate within the time period stated above, then Tenant shall continue to make estimated payments based upon the preceding year's estimate and within thirty (30) days after receipt of the new estimate for the current year (subject to Landlord's obligation to provide supporting documentation, as set forth above in this paragraph), Tenant shall commence payment of the new estimated monthly amount and shall pay in a lump sum any retroactive amounts due from the beginning of the new year. The monthly charge for estimated Operating Costs shall be prorated for any partial month by dividing the Operating Cost charge by three hundred sixty-five (365) and multiplying the result by the number of days in the partial month for which Operating Costs are owed.

8.5 Reconciliation and Audit Rights. Not later than ninety (90) days after the expiration of each calendar year included in the Term, Landlord shall submit to Tenant a written, certified statement containing the amount of actual Operating Costs for such year broken down by component expenses, the Operating Cost increase for the year, the amount of Tenant's Pro Rata Share of the Operating Cost increase, the amount paid by Tenant towards the Operating Costs increase, and the amount if any Tenant owes Landlord or the amount Landlord owes Tenant as a refund for such year. Landlord's statement shall also include the Base Year Operating Costs broken down by component expenses. If Landlord does not furnish Tenant with a certified statement of Operating Costs within ninety (90) days after the end of the year, then Landlord shall be deemed to have waived forever any and all claims for reimbursement from Tenant for underpayment of Operating Costs for the year, in addition to any other rights and remedies to which Tenant may be entitled under this Lease. Tenant or its audit representatives shall have the right to inspect and audit Landlord's books and records with respect to this Lease once each year to verify actual Operating Costs. Landlord's books and records shall be kept in accordance with generally accepted accounting principles. If Tenant's audit of the Operating Costs reveals an overcharge of more than five percent (5%), Landlord promptly shall reimburse Tenant for the cost of the audit. Any overcharge or underpayment of Operating Costs shall be due from one party to the other within thirty (30) days.

9. **Maintenance and Repairs.** Subject to Landlord's obligations under this Lease, Tenant shall be responsible for the maintenance and non-structural repairs to the interior

of the Premises, which shall be maintained and repaired in a commercially reasonable manner. Landlord shall maintain, repair and replace, if necessary, the Building; all Building systems, including but not limited to interior lighting (including replacement of ballasts and starters as required with the exception of light bulb replacement which shall be the responsibility of the Tenant); plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

10. Sublease and Assignment. Tenant may assign this Lease in whole or in part, or sublet all or any portion of the Premises, with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

11. Alterations and Improvements. Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs) subject to Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed. Upon Tenant's request, Landlord agrees to perform such alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Tenant may from time to time remove any fixtures, alterations or improvements installed by Tenant in or to the Premises; provided that Tenant agrees to repair any damage caused by such removal.

Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed \$25,000 per project, (ii) are not visible from the exterior of the Premises, (iii) do not adversely affect any Building system or the structural strength of the Building, and (iv) do not require penetrations into the roof of the Building.

12. Damage and Destruction. In the event the Premises or the Building are destroyed or damaged by fire, earthquake or other casualty so as to render the Premises or the Building, in Tenant's sole judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises to its former condition within ninety (90) days of such damage or destruction, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event the Premises are damaged by any of the aforesaid events, the Rent shall be abated in proportion to the percentage of untenable space in the Premises as relates to the total square footage of the Premises until such time that Landlord restores the Premises to its pre-casualty condition. If, in the sole discretion of Tenant, the untenable portion of the Premises or the Building renders the Premises unusable for

the Permitted Use, Tenant may unilaterally terminate this Lease upon thirty (30) days written notice to Landlord.

13. Condemnation. If any portion of the Premises, Building or real property upon which the same are situated (including, without limitation, any parking areas associated with the Premises and/or Building) which is necessary, in Tenant's sole judgment, for Tenant's occupancy or intended use of the Premises, or fifty percent (50%) or more of the rentable area of the Building, is made untenable by eminent domain or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the underlying real property taken by the condemning authority. All Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises or of the Building or the underlying real property necessary for Tenant's occupancy or intended use that does not render them, in Tenant's sole judgment, untenable, then this Lease shall continue in full force and effect and the Rent shall be proportionately reduced based on the percentage by which the floor area of the Premises is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. If the Tenant, in its sole judgment, determines that the condemnation has rendered the Premises unsuitable for the Permitted Use, Tenant shall be entitled to terminate this Lease upon thirty (30) days advance written notice to Landlord. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses if Tenant terminates the Lease under this section, provided that in no event shall Tenant's claim reduce Landlord's reward.

14. Indemnity and Hold Harmless. Each party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees acting in the scope of their employment. Where such Claims 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 14 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 party's 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.

15. Insurance.

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

15.2 Landlord shall maintain throughout the Term commercially reasonable policies of property insurance covering loss of or damage to the Building (including tenant improvements and subsequent alterations) in the full amount of its replacement cost with endorsement to cover code changes. Landlord hereby waives and releases any right of recovery (including by way of subrogation) against Tenant, its officers, employees and agents, for any loss or damage sustained by Landlord with respect to the Building or Premises or any portion thereof or the contents of the same or any operation therein, to the extent such loss or damage is actually insured against or is required hereunder to be insured against.

16. Not-Applicable

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

18. **Quiet Possession.** Landlord covenants that as of the Commencement Date, Landlord will have good right to lease the Premises for the purpose and uses stated herein and Tenant shall have and quietly enjoy the Premises for the Lease Term.

19. **Holding Over.** If Tenant remains in possession of the Premises after the expiration or termination of this Lease, Tenant's continued possession shall be on the

basis of a tenancy at the sufferance of Landlord. In such event, Tenant shall continue to comply with or perform all the terms and obligations of Tenant under this Lease, except that the monthly Rent during Tenant's holding over shall be one hundred twenty-five percent (125%) of the Base Rent payable in the last full month prior to the termination hereof. Acceptance by Landlord of rent after such termination shall not constitute a renewal or extension of this Lease; and nothing contained in this provision shall be deemed to waive Landlord's right of re-entry or any other right hereunder or at law.

20. Non-Discrimination. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Landlord shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 20.

21. Default.

21.1 The following occurrences shall each constitute a default by Tenant (an "Event of Default" or "Default"):

A. **Failure To Pay.** Failure by Tenant to pay any sum, including Rent, due under this Lease following ten (10) business days' notice from Landlord of the failure to pay.

B. **Other Non-Monetary Defaults.** The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after written notice by Landlord to Tenant of the breach (provided, if the nature of Tenant's failure is such that more time is reasonably required in order to cure, Tenant shall not be in Default if Tenant commences to cure promptly and thereafter diligently prosecutes such cure to completion).

21.2 **Landlord Default; Remedies.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant may, at its sole discretion and without limiting Tenant's other rights or remedies under this Lease and/or at law, terminate this Lease upon thirty (30) days advance written notice to Landlord. Tenant shall have all remedies available at law or in equity. Nothing herein contained shall

relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

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

22.1 Termination of Lease. Landlord may terminate Tenant's interest under the Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less (i) the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's reasonable, actual reletting expenses or (ii) such amounts as Tenant proves may reasonably be avoided.

22.2 Re-Entry and Reletting. Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord its reasonable, actual reletting expenses; second, to pay any indebtedness of Tenant to Landlord other than Rent; third, to the Rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

23. Costs and Attorney's Fees. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding.

24. Hazardous Material.

24.1 For purposes of this 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 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.

24.2 Landlord represents and warrants to Tenant that there is no Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released through no fault of Tenant, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such release.

24.3 Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Landlord either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises or the Real Property.

24.4 Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for

promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other parties, nothing in this Lease shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other parties.

24.5 The provisions of this Article 24 shall survive expiration or earlier termination of this Lease.

25. General.

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

25.2 Brokers' Fees. Tenant has appointed Washington Partners as its agent for this transaction. Landlord shall pay to Washington Partners a fee equal to four percent (4%) of the total Lease consideration in association with a fully executed Lease. Jones Lang LaSalle Brokerage (JLL), shall pay to Craig L. Michalak, Inc. one percent (1%) of the total Lease consideration. Tenant warrants to Landlord that Tenant has not dealt with any other broker, agent, or finder in connection with the negotiation or execution of this Lease.

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

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

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

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

25.7 Addenda/Exhibits. The following exhibits are made a part of this Lease. The terms of any Addendum to Lease and the Exhibits shall control over any inconsistent provision in the sections of this Lease:

- Exhibit A: Legal Description
- Exhibit B: Diagram of the Premises
- Exhibit C: Tenant Improvement Addendum
- Exhibit D: Building Rules

25.8 Counterparts. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original.

26. Not-Applicable.

27. **Signage**. Tenant shall obtain Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed, as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole cost and expense and in compliance with all applicable laws.

28. **Self Help**. Notwithstanding anything to the contrary, if Landlord fails to make and complete any maintenance or repair obligation of Landlord within twenty-four (24) hours of notice from Tenant with respect to any item of maintenance or repair that is deemed necessary by Tenant for its use of the Premises, or within thirty (30) days of notice from Tenant with respect to any other Landlord maintenance or repair obligation, then Tenant shall be entitled to take such actions and make such repairs to the Premises, Building or property associated with the same, as Tenant may deem necessary to correct such interruption, and Landlord shall reimburse Tenant for the cost of the same within thirty (30) days of invoice.

29. **Subordination, Nondisturbance and Attornment**. This Lease shall be subordinate to all existing and future mortgages and/or deeds of trust on the Premises, the Building or the Project, and Tenant agrees to subordinate this Lease to any future mortgage or deed of trust and to attorn to Landlord's successor following any foreclosure, sale or transfer in lieu thereof, provided that the mortgagee, transferee, purchaser, lessor or beneficiary ("Landlord's Successor") agrees in a written instrument in form and substance satisfactory to Tenant that Tenant's use or possession of the Premises shall not be disturbed, nor shall its obligations be enlarged or its rights be abridged hereunder by reason of any such transaction. Notwithstanding any foreclosure or sale under any mortgage or deed of trust (or transfer by deed in lieu thereof), this Lease shall remain in full force and effect.

30. Rules and Regulations. Tenant shall be bound by and shall comply with the rules and regulations attached as Exhibit D to the extent those rules and regulations are not in conflict with the terms of this Lease, as well as any reasonable rules and regulations hereafter adopted by Landlord for all tenants of the Building, upon notice to Tenant thereof (collectively, the "Building Rules").

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date and year set forth below.

LANDLORD:

By: CL Booth
Name: Charlotte Booth
Title: Executive Director
Date 7/6/16

TENANT:

KING COUNTY, a political subdivision of the State of Washington

By: _____
Name: _____
Title: _____
Date _____

APPROVED AS TO FORM:

By: _____
Chris Leopold
Senior Deputy Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: _____
Date: _____

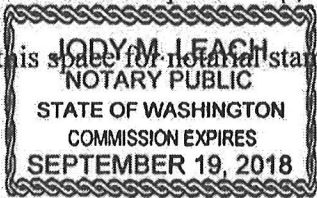
STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Charlotte Booth is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of IFD, a non-profit, its _____, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 6 day of July, 2016.

Notary Public Jody M. Leach
Print Name Jody M. Leach
My commission expires 9/19/18

(Use this space for notarial stamp/seal)



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2016

Notary Public
Print Name
My commission expires

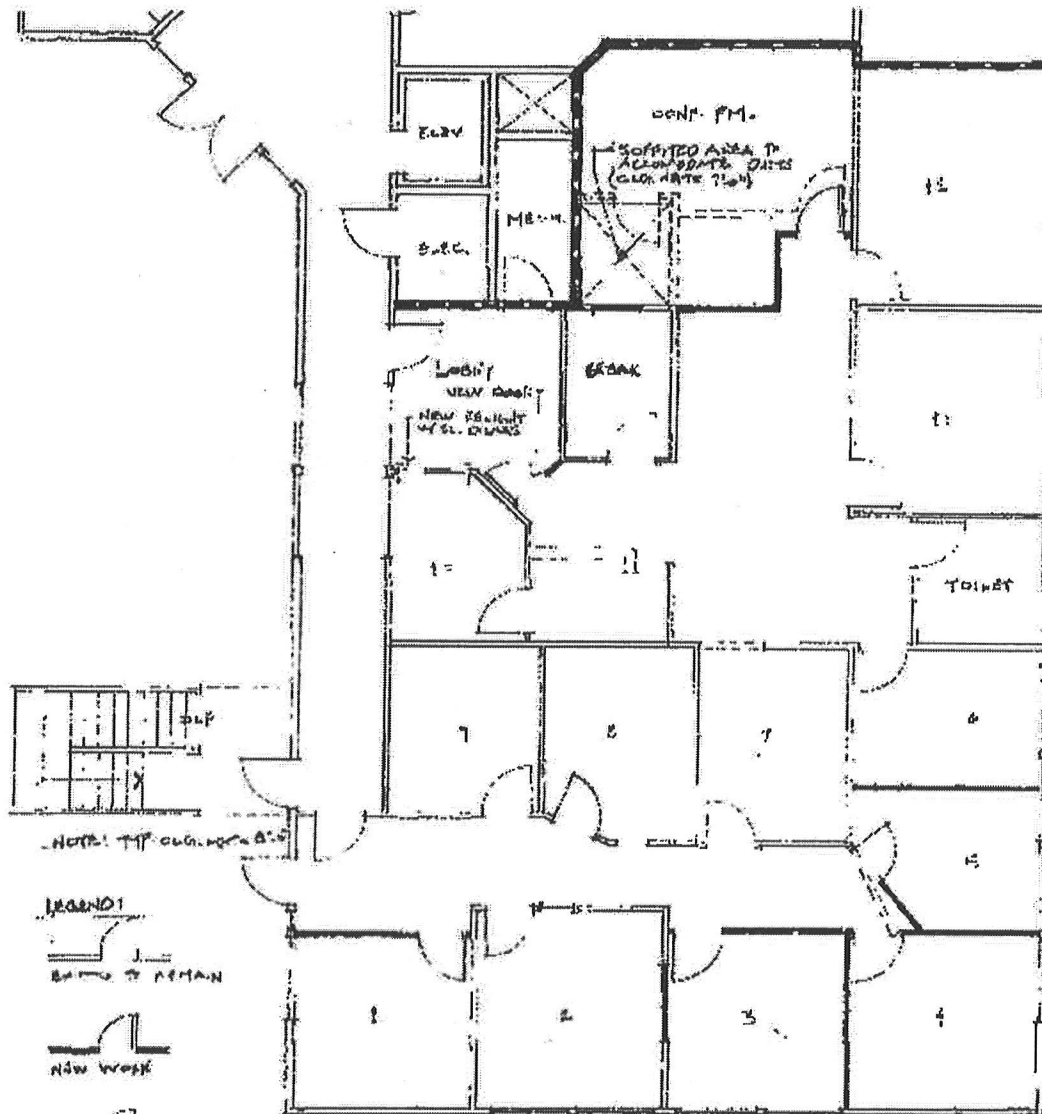
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EXHIBIT A
Legal Description

The Premises described herein are located in the Cedars Building, located at 34004 16 Avenue South, Federal Way, Washington 98003, and known as Suite 101.

The Building is located on Lot 16, Kit's Corner Business Park, Records of King County, Washington; further identified as assessor's parcel number 390380-160

EXHIBIT B Diagram of Premises



NOTE: TYP. COUNTER 30" x 30"

REVISED 11.11.09
- CONF ROOM CLOV

Floor Plan 1/8" = 1'-0"
 Spaces D & E = 3,222 s.f. ±

0 5 10 16'

NORTH

340 Building - Federal Way, Washington
 M. Hayward / Architect 10.21.09

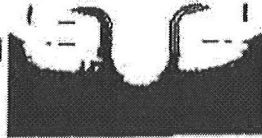


EXHIBIT C
Tenant Improvement Addendum

This Exhibit C ("Work Letter") is part of that certain Lease Agreement ("Lease") dated _____, 201_, by and between Institute for Family Development, a Washington Non-Profit Corporation ("Landlord"), and KING COUNTY, a political subdivision of the State of Washington ("Tenant"), under which Tenant has leased certain space ("Premises") from Landlord, as more particularly described in the Lease. Capitalized terms not defined herein shall have the meaning assigned to them in the Lease.

1. COMPLETION SCHEDULE.

Within thirty (30) business days following the mutual execution of the Lease, Landlord shall complete the Landlord's Work described below in Paragraph 2 ("Work Schedule"). Landlord shall be responsible for completing Landlord's Work in accordance with the Work Schedule and shall promptly inform Tenant of any changes to the same, which changes are subject to Tenant's review and approval.

2. LANDLORD'S WORK.

Reference herein to "Landlord's Work" shall include all work to be done in the Premises pursuant to Landlord's Work Plans described below. Reference in the Lease to "Tenant Improvements" shall mean the "Landlord's Work" as described herein.

The elements of Landlord's Work include the following items:

1. Replacement of damaged ceiling tiles throughout the Premises
2. Repairing the carpet seams throughout the Premises
3. Installation of a bathroom ventilation fan
4. Repainting the foyer
5. Cleaning the carpeting throughout the Premises

4. CHANGES.

No further changes to Landlord's Work may be made by either Landlord or Tenant without the prior written approval from the other party, which shall not be unreasonably withheld, conditioned or delayed, and then only after agreement from the requesting party to pay any excess costs resulting from the design and/or construction of such changes. Landlord and Tenant hereby acknowledge that any such changes shall be subject to the terms of Paragraph 6 below.

5. CONSTRUCTION OF LANDLORD'S WORK.

Landlord shall perform the Landlord's Work, or enter into a construction contract with a qualified contractor and supervise the completion of the Landlord's Work and shall secure completion of the work in accordance with the Work Schedule. The cost of such work shall be paid as provided in Paragraph 6 below. Landlord shall be responsible for remedying any defects in Landlord's Work and shall be responsible for any costs related to the negligence or intentional misconduct of the architect or contractor(s). Landlord's obligation to perform or cause completion of the Landlord's Work shall not be fulfilled until Tenant provides written confirmation to Landlord that Tenant is satisfied and considers the Landlord's Work complete and satisfactory.

All of Landlord's Work shall be performed in a manner and at times such that the work does not unreasonably interfere with Tenant's continuing occupancy and quiet enjoyment of the Premises.

6. PAYMENT OF COST OF LANDLORD'S WORK.

Subject to the terms and conditions of this Work Letter, Landlord agrees to pay for the cost of Landlord's Work.

7. MISCELLANEOUS

A default or the failure to perform under this Work Letter shall be a default under the Lease, and without limiting the non-defaulting party's other rights, the non-defaulting party shall be entitled to all of its remedies under the Lease with respect to such default.

[End of Work Letter.]

Exhibit D Rules and Regulations

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved of by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises; provided, however, that Landlord may furnish and install a Building standard window covering at all exterior windows. Tenant shall not without prior written consent of Landlord cause or otherwise sun screen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises without first obtaining written consent from the landlord.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought in to the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul noxious gas or substance or hazardous material in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building.
8. No cooking, except microwave type ovens and coffee makers, shall be done or permitted by any tenant on the premises, nor shall the Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 7:00 a.m., the following day, access to the Building, or to the halls corridors, elevators or stairways in the Building or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.
14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.
19. The Cedars 340 Building is a No Smoking Building. Smoking outside the Building is permitted only in landlord-designated areas.
20. No Pets allowed.