Ordinance 19170

ATTACHMENT A:

LEASE AGREEMENT

LEASE

THIS LEASE AGREEMENT ("Lease"), is made and entered into between GATEWAY MUIRLAND, INC., a California corporation ("Landlord"), and KING COUNTY, a political subdivision of the State of Washington ("Tenant").

1. Basic Lease Information

- 1.1 Lease Date: 7-22, 2020 (for reference purposes only)
- 1.2 Landlord: Gateway Muirland, Inc., a California corporation
- 1.3 Tenant: King County, a political subdivision of the State of Washington
- 1.4 Building: Located at: 9725 3rd Ave, NE, Seattle, WA 98115 on that certain real property that is legally described on the attached <u>Exhibit A</u> ("Real Property"). The Building is a part of the following "Project": Northgate Executive Center.
- 1.5 Premises: The area depicted on the attached <u>Exhibit B</u>, containing approximately 8,592 rentable square feet ("RSF").

Tenant's Pro Rata Share of the Project: 4.22%

8,592 RSF in the Premises / 203,603 RSF in the Project)

- 1.6 Permitted Use: General and executive office use
- 1.7 Initial Term: 124 full calendar months
- 1.8 Extended Term(s): One (1) option to extend for five (5) years.
- 1.9 Lease Commencement Date: The term of this Lease shall commence on the date upon which all of the following conditions have occurred: (a) substantial completion of tenant improvements by Landlord, (b) adoption of an ordinance by the Metropolitan King County Council approving this Lease (the "Approval Ordinance"), and (c) mutual execution of the Lease.
- 1.10 Rent Commencement Date: The Lease Commencement Date (subject to Section 1.12 and Article 5 below).
- 1.11 Expiration Date: Will be one hundred twenty-four (124) full calendar months following the Lease Commencement Date.
 - 1.12 Base Rent:

Months	Base Rent per rentable square foot per annum	Base Rent per month
1-12	\$37.50	\$26,850*
13-24	\$38.50	\$27,566
25-36	\$39.50	\$28,282
37-48	\$40.50	\$28,998
49-60	\$41.50	\$29,714
61-72	\$42.50	\$30,430
73-84	\$43.50	\$31,146
85-96	\$44.50	\$31,862
97-108	\$45.50	\$32,578
109-120	\$46.50	\$33,294
121-124	\$47.50	\$34,010

^{*} Monthly installment of Base Rent for the first four (4) full calendar months of the initial Term is subject to abatement pursuant to Article 5 below.

1.13 Base Year: 2021

1.14 Security Deposit: [None]

1.15 Landlord's Address for Notices: Gateway Muirland, Inc.

c/o RREEF Management L.L.C.

DWS

701 Pike Street, Suite 1125 Seattle, Washington 98101 Attention: Asset Manager

1.16 Wire Instructions for

Rent Payment:

Bank of America Southern California

Routing Number: 122000661 (ACH) Account Name: Gateway Muirland Inc., Northgate Executive Center I & II

Account Number: 1459706791

1.17 Tenant's Address for Notices:

King County Real Estate Services 500 Fourth Avenue, Suite 830

Seattle, WA 98104

1.18 Building Business Hours:

8:00 a.m. to 6:00 p.m., Monday through

Friday, excepting holidays

2. Premises; Tenant Improvements.

2.1 <u>Premises</u>. Landlord hereby leases the Premises to Tenant for the Term set forth above.

Landlord warrants that, as of the Lease Commencement Date, all mechanical, electrical, plumbing, and other systems serving the Premises shall be delivered in good operating condition. Except to the extent solely caused by the acts or omissions of Tenant or any of its agents, contractors, employees, licensees or invitees (collectively, the "Tenant Entities") or by any alterations or improvements performed by or on behalf of Tenant, if such systems are not in good working order as of the date possession of the Premises is delivered to Tenant and Tenant provides Landlord with notice of the same within thirty (30) days following the date Landlord delivers possession of the Premises to Tenant, Landlord shall be responsible for promptly repairing or restoring the same at Landlord's sole cost and expense.

By taking possession of the Premises, Tenant accepts them as being in good order, condition and repair and in the condition in which Landlord is obligated to deliver them, except as set forth in the foregoing paragraph and in the punch list to be delivered pursuant to Section 6 of the Work Letter attached to this Lease as Exhibit C. It is hereby understood and agreed that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant, except as specifically set forth in this Lease.

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, as they exist from time to time (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 materially and unreasonably adversely affect Tenant's use and enjoyment of the Premises.

2.2 <u>Tenant Improvements</u>. Landlord shall perform improvements within the Premises prior to the Lease Commencement Date in accordance with <u>Exhibit C</u> attached hereto.

3. Term.

Commencement Date. This Lease shall commence on the date ("Lease Commencement Date" or "Commencement Date") on which the Tenant Improvements are substantially complete (subject only to the punch list to be delivered pursuant to Section 6 of the Work Letter) and Landlord's tender of possession of the Premises to Tenant. Landlord shall provide Tenant with at least seven (7) days advance written notice of the date on which the Commencement Date shall occur. Tenant shall, at Landlord's request, execute and deliver a memorandum agreement provided by Landlord substantially in the form of Exhibit E attached hereto, setting forth the actual Commencement Date, Expiration Date and, if necessary, a revised rent schedule. Should Tenant fail to do so within thirty

- (30) days after Landlord's request, the information set forth in such memorandum provided by Landlord shall be conclusively presumed to be agreed and correct, absent legitimate concerns by Tenant as to the information contained therein. In the event Landlord is delayed in completing Landlord's Work (as defined in Exhibit C) as a result of the acts or omissions of Tenant or any Tenant Entities ("Tenant Delay"), the Commencement Date and the payment of rent under this Lease shall be accelerated by the number of days of such Tenant Delay.
- 3.2 <u>Expiration Date</u>. This Lease shall expire on the date set forth in Section 1.11 above ("Expiration Date").
- 3.3 Early Access. Landlord shall allow Tenant to be present on the Premises up to ninety (90) days prior to the Commencement Date for the purpose of planning, measuring and installing Tenant's personal property, furniture, fixtures and equipment such as telephone systems and computer cabling ("Early Possession"). Any Early Possession by Tenant will be subject to all of the terms and conditions of this Lease applicable to Tenant other than the obligations to pay Base Rent and Additional Rent, including specifically without limitation all provisions relating to insurance, indemnity, and freedom from liens. Tenant shall reasonably coordinate its activities in the Premises during Early Possession with Landlord and Landlord's contractor. Notwithstanding anything to the contrary, if Tenant, or any person acting with Tenant's permission, commences business operations from the Premises during the period of Early Possession, then the Commencement Date shall be deemed advanced to the date on which Tenant or such person commenced business operations from the Premises. Tenant shall not be deemed to have commenced business operations by moving personal property, furniture, fixtures and equipment into the Premises.
- 3.4 Extension Option. Provided (i) this Lease is in full force and effect, (ii) Tenant is not in default under any of the other terms and conditions of this Lease at the time of notification or commencement, (iii) Tenant, at the time of exercise and at the time the term is extended, is conducting regular, active, ongoing business in, and is in occupancy (and occupancy by a subtenant, licensee or other party permitted or suffered by Tenant shall not satisfy such condition) of the entire Premises, and (iv) Tenant has timely paid all rent due under this Lease during the twelve (12) month period immediately preceding the time of exercise or at any time thereafter until the beginning of such extension of the Term, then Tenant shall have the option to extend the initial Term for one (1) successive period of sixty (60) months ("Extended Term"). This option to extend may be exercised by Tenant only by giving Landlord written notice no more than twelve (12) months and no less than nine (9) months prior to the last day of the initial Term. Tenant's extension option 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 under extension leases and amendments of comparable space in a comparable building in the Northgate, Seattle market, considering, size and use type of

Tenant on or about the date on which the Fair Market Rent is being determined hereunder. The determination of Prevailing Market shall take into account any material economic differences between the terms of this Lease and any comparison lease or amendment, such as rent abatements, construction costs and other concessions and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes. The determination of Prevailing Market shall also take into consideration any reasonably anticipated changes in the Prevailing Market rate from the time such Prevailing Market rate is being determined and the time such Prevailing Market rate will become effective under this Lease.

Within thirty (30) days of Tenant notifying Landlord that it intends to exercise an extension option under this Section 3.4, 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 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. If either Landlord or Tenant fails to appoint an appraiser within the ten (10) day period referred to above, the appraiser appointed by the other party shall be the sole appraiser for the purposes hereof. 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 Seattle, 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. Landlord and Tenant shall share equally in the costs of 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 until such time as the Fair Market Rent has been determined. Upon such determination, the Base Rent shall be retroactively adjusted to the

commencement of the Extended Term. This extension option is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid option to extend this Lease shall be "personal" to Tenant as set forth above and that in no event will any assignee or sublessee have any rights to exercise this extension option. If Tenant validly exercises or fails to exercise this extension option, Tenant shall have no further right to extend the Term of this Lease.

- Permitted Use and Restrictions on Use. The Premises may be used by Tenant 4. solely for the uses set forth in Section 1.6 above. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure, annoy, or disturb them, or allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose, or commit any waste. Tenant shall not do, permit or suffer in, on, or about the Premises the sale of any alcoholic liquor without the written consent of Landlord first obtained. Tenant shall comply with all federal, state and city laws, codes. ordinances, rules and regulations (collectively, "Regulations") applicable to the use of the Premises and its occupancy and shall promptly comply with all governmental orders and directions for the correction, prevention and abatement of any violations in the Building, Project or appurtenant land, caused or permitted by, or resulting from the specific use by, Tenant, or in or upon, or in connection with, the Premises, all at Tenant's sole expense. Tenant shall not do or permit anything to be done on or about the Premises or bring or keep anything into the Premises which will in any way increase the rate of, invalidate or prevent the procuring of any insurance protecting against loss or damage to the Building or Project or any of its contents by fire or other casualty or against liability for damage to property or injury to persons in or about the Building or Project or any part thereof. Tenant shall not bring upon the Premises or any portion of the Building or Project or use the Premises or permit the Premises or any portion thereof to be used for the growing, manufacturing, administration, distribution (including without limitation, any retail sales), possession, use or consumption of any cannabis, marijuana or cannabinoid product or compound, regardless of the legality or illegality of the same.
- 5. Base Rent. Tenant covenants and agrees to pay Landlord, pursuant to the wire instructions set forth in Section 1.16 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 and all amounts and sums required to be paid under this Lease in addition to Base Rent may be collectively referred to as "Rent". Rent for any fractional calendar month at the beginning or end of the Term shall be prorated.

Tenant recognizes that late payment of any rent or other sum due under this Lease will result in administrative expense to Landlord, the extent of which additional expense is extremely difficult and economically impractical to ascertain. Tenant therefore agrees that if rent or any other sum is not paid when due and payable pursuant to this Lease, a late charge shall be imposed in an amount equal to the greater of: (a) Fifty Dollars (\$50.00), or (b) three percent (3%) of the unpaid rent or other payment; provided, however, that Tenant shall be entitled to a grace period of five (5) days for the first late payment in a

calendar year. The amount of the late charge to be paid by Tenant shall be reassessed and added to Tenant's obligation for each successive month until paid. The provisions of this Article 5 in no way relieve Tenant of the obligation to pay rent or other payments on or before the date on which they are due, nor do the terms of this Article 5 in any way affect Landlord's remedies pursuant to this Lease in the event said rent or other payment is unpaid after date due.

Notwithstanding anything in this Lease to the contrary, so long as Tenant is not in default under this Lease, Tenant shall be entitled to an abatement of monthly rent with respect to the Premises, as originally described in this Lease, in the amount of \$26,850.00 per month for the first four (4) full calendar months of the initial Term. The maximum total amount of Monthly Installment of Base Rent abated with respect to the Premises in accordance with the foregoing shall equal \$107,400.00 (the "Abated Monthly Rent"). If Tenant defaults under this Lease at any time during the Term and fails to cure such default within any applicable cure period under this Lease and this Lease terminates as a result thereof, then all unamortized Abated Monthly Rent (i.e. based upon the amortization of the Abated Monthly Installment of Rent in equal monthly amounts, without interest, during the period commencing on the Commencement Date and ending on the original Termination Date) shall immediately become due and payable. Only monthly rent shall be abated pursuant to this Article, as more particularly described herein, and all other rent and other costs and charges specified in this Lease shall remain as due and payable pursuant to the provisions of this Lease.

6. Security Deposit. None.

7. Utilities and Services. Subject to the other provisions of this lease, Landlord shall furnish the Premises with: (i) water suitable for normal office use 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 reasonably appropriate for the Building as determined by Landlord during Building Business Hours (specified in Section 1.18 above); (iii) janitorial service, recycling and trash removal on weekdays, other than national holidays, and window washing as may from time to time be reasonably required; (iv) elevators for ingress and egress to the floor on which the Premises is located; (v) replacement of Building-standard light bulbs and fluorescent tubes in the Premises; (vi) electrical current reasonably sufficient for normal office use; and (vii) 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 and Tenant shall not be entitled to, any abatement or reduction of rental by reason of Landlord's failure to furnish any of the foregoing, provided that Landlord shall use commercially reasonable efforts to promptly repair, replace or restore the same. However, notwithstanding the foregoing, if the Premises, or a material portion of the Premises, are made untenantable for a period in excess of ten (10) consecutive business days solely as a result of an interruption, diminishment or termination of any essential services that Landlord is obligated to provide pursuant to the terms of this Lease due to Landlord's gross negligence or willful misconduct and such interruption, diminishment or termination of services is otherwise reasonably within the control of

Landlord to correct (a "Service Failure"), then Tenant, as its sole remedy, shall be entitled to receive an abatement of the Base Rent and Tenant's Proportionate Share of Expenses and Taxes payable hereunder during the period beginning on the eleventh (11th) consecutive business day of the Service Failure and ending on the day the interrupted service has been restored. If the entire Premises has not been rendered untenantable by the Service Failure, the amount of abatement shall be equitably prorated. Any utilities that are separately metered to the Premises shall be paid directly to the providing utility by Tenant.

8. Rent Adjustments.

- 8.1 For the purpose of this Article 8, the following terms are defined as follows:
- 8.1.1 **Lease Year**: Each fiscal year (as determined by Landlord from time to time) falling partly or wholly within the Term.
- 8.1.2 Expenses: All costs of operation, maintenance, repair, replacement and management of the Building and Project (including the amount of any credits which Landlord may grant to particular tenants of the Building and Project in lieu of providing any standard services or paying any standard costs described in this Section 8.1.2 for similar tenants), as determined in accordance with generally accepted accounting principles, including the following costs by way of illustration, but not limitation: water and sewer charges; utility costs, including, but not limited to, the cost of heat, light, power, steam, gas and energy for the Building; waste disposal; recycling costs; the cost of janitorial services; the cost of security and alarm services (including any central station signaling system); costs of cleaning, repairing, replacing and maintaining the common areas. including parking and landscaping, window cleaning costs; labor costs; costs and expenses of managing the Building and Project including management and/or administrative fees: air conditioning maintenance costs; elevator maintenance fees and supplies; material costs; equipment costs including the cost of maintenance, repair and service agreements and rental and leasing costs; purchase costs of equipment; current rental and leasing costs of items which would be capital items if purchased; tool costs; licenses, permits and inspection fees; wages and salaries; employee benefits and payroll taxes; accounting and legal fees; any sales, use or service taxes incurred in connection therewith. In addition, Landlord shall be entitled to recover, as additional rent (which, along with any other capital expenditures constituting Expenses, Landlord may either include in Expenses or cause to be billed to Tenant along with Expenses and Taxes but as a separate item), Tenant's Proportionate Share of: (i) an allocable portion of the cost of capital improvement items which are reasonably calculated to reduce operating expenses; (ii) the cost of fire sprinklers and suppression systems and other life safety systems or enhance the environmental sustainability of the Property's operations; and (iii) other capital expenses which are required under any Regulations which were not applicable to the Building or Project at the time it was constructed; but the costs described in this sentence shall be amortized over the reasonable life of such expenditures in accordance with such reasonable life and amortization schedules as shall be determined by Landlord in accordance with generally accepted accounting principles, with interest on the unamortized amount at one percent (1%) in excess of the Wall Street Journal prime lending rate announced from time to time.

Expenses shall not include Taxes, Insurance Costs, depreciation or amortization of the Building or Project or equipment in the Building or Project except as provided herein, loan principal payments, costs of alterations of tenants' premises, leasing commissions, interest expenses on long-term borrowings or advertising costs.

- 8.1.3 Taxes: Real estate taxes and any other taxes, charges and assessments which are levied with respect to the Building and Project or the land appurtenant to the Building and Project, or with respect to any improvements, fixtures and equipment or other property of Landlord, real or personal, located in the Building and used in connection with the operation of the Building or Project and said land, any payments to any ground lessor in reimbursement of tax payments made by such lessor; and all fees, expenses and costs incurred by Landlord in investigating, protesting, contesting or in any way seeking to reduce or avoid increase in any assessments, levies or the tax rate pertaining to any Taxes to be paid by Landlord in any Lease Year. Taxes shall be determined without regard to any "green building" credit and shall not include any corporate franchise, or estate, inheritance or net income tax, or documentary transfer tax imposed upon any transfer by Landlord of its interest in this Lease or any taxes paid by Tenant pursuant to the following provisions of this Section 8.1.3. In addition to rent and other charges to be paid by Tenant under this Lease, Tenant shall reimburse to Landlord, upon demand, any and all taxes payable by Landlord (other than net income taxes) whether or not now customary or within the contemplation of the parties to this Lease: (a) upon, allocable to, or measured by or on the gross or net rent payable under this Lease, including without limitation any gross income tax or excise tax levied by the State, any political subdivision thereof, or the Federal Government with respect to the receipt of such rent; (b) upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy of the Premises or any portion thereof, including any sales, use or service tax imposed as a result thereof; (c) upon or measured by the Tenant's gross receipts or payroll or the value of Tenant's equipment, furniture, fixtures and other personal property of Tenant or leasehold improvements, alterations or additions located in the Premises; or (d) upon this transaction or any document to which Tenant is a party creating or transferring any interest of Tenant in this Lease or the Premises. In addition to the foregoing, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed against Tenant and which become payable during the term hereof upon Tenant's equipment, furniture, fixtures and other personal property of Tenant located in the Premises.
- 8.1.4 **Insurance Costs**: Any and all insurance charges of or relating to all insurance policies and endorsements deemed by Landlord to be reasonably necessary or desirable and relating in any manner to the protection, preservation, or operation of the Building and Project or any part thereof.
- 8.2 If in any Lease Year, (i) Expenses paid or incurred shall exceed Expenses paid or incurred in the Base Year (Expenses) and/or (ii) Taxes paid or incurred by Landlord in any Lease Year shall exceed the amount of such Taxes which became due and payable in the Base Year (Taxes), and/or (iii) Insurance Costs paid or incurred by Landlord in any Lease Year shall exceed the amount of such Insurance Costs which became due and

payable in the Base Year (Insurance), Tenant shall pay as additional rent for such Lease Year Tenant's Proportionate Share of each such excess amount. Expenses for the Base Year shall not include market-wide cost increases (including utility rate increases) due to extraordinary circumstances, including, but not limited to, Force Majeure, strikes, conservation surcharges, or amortized costs of capital items.

- The annual determination of Expenses and Insurance Costs shall be made by Landlord and shall be binding upon Landlord and Tenant, subject to the provisions of this Section 8.3. During the Term, Tenant may review, at Tenant's sole cost and expense, the books and records supporting such determination in an office of Landlord, or Landlord's agent, during normal business hours, upon giving Landlord five (5) days advance written notice within one hundred twenty (120) days after receipt of such determination, but in no event more often than once in any one (1) year period, subject to execution of a confidentiality agreement acceptable to Landlord and subject to Tenant's obligations under the Washington State Public Records Act, RCW 42.56, and provided that if Tenant utilizes an independent accountant to perform such review it shall be one of regional standing which is reasonably acceptable to Landlord, is not compensated on a contingency basis and is also subject to such confidentiality agreement. If Tenant fails to object to Landlord's determination of Expenses and Insurance Costs within one hundred twenty (120) days after receipt, or if any such objection fails to state with specificity the reason for the objection, Tenant shall be deemed to have approved such determination and shall have no further right to object to or contest such determination. In the event that during all or any portion of any Lease Year or Base Year, the Building or Project is not fully rented and occupied Landlord shall make an appropriate adjustment in occupancyrelated Expenses for such year for the purpose of avoiding distortion of the amount of such Expenses to be attributed to Tenant by reason of variation in total occupancy of the Building or Project, by employing consistent and sound accounting and management principles to determine Expenses that would have been paid or incurred by Landlord had the Building or Project been at least ninety-five percent (95%) rented and occupied, and the amount so determined shall be deemed to have been Expenses for such Lease Year.
- 8.4 Prior to the actual determination thereof for a Lease Year, Landlord may from time to time estimate Tenant's liability for Expenses, Insurance Costs and/or Taxes for the Lease Year or portion thereof. Landlord will give Tenant written notification of the amount of such estimate and Tenant agrees that it will pay, by increase of its Monthly Installments of Rent due in such Lease Year, additional rent in the amount of such estimate. Any such increased rate of Monthly Installments of Rent pursuant to this Section 8.4 shall remain in effect until further written notification to Tenant pursuant hereto.
- 8.5 When the above mentioned actual determination of Tenant's liability for Expenses, Insurance Costs and/or Taxes is made for any Lease Year and when Tenant is so notified in writing, then:
- 8.5.1 If the total additional rent Tenant actually paid pursuant to Section 8.3 on account of Expenses, Insurance Costs and/or Taxes for the Lease Year is less than Tenant's liability for Expenses, Insurance Costs and/or Taxes, then Tenant shall pay such

deficiency to Landlord as additional rent in one lump sum within thirty (30) days of receipt of Landlord's bill therefor; and

- 8.5.2 If the total additional rent Tenant actually paid pursuant to Section 8.3 on account of Expenses, Insurance Costs and/or Taxes for the Lease Year is more than Tenant's liability for Expenses, Insurance Costs and/or Taxes, then Landlord shall credit the difference against the then next due payments to be made by Tenant under this Article 8, or, if the Lease has terminated, refund the difference in cash. Tenant shall not be entitled to a credit by reason of actual Expenses and/or Taxes and/or Insurance Costs in any Lease Year being less than Expenses and/or Taxes and/or Insurance Costs in the Base Year (Expenses and/or Taxes and/or Insurance).
- 8.6 If the Commencement Date is other than January 1 or if the Expiration Date is other than December 31, Tenant's liability for Expenses, Insurance Costs and Taxes for the Lease Year in which said Date occurs shall be prorated based upon a three hundred sixty-five (365) day year, and each party shall remain responsible for their respective reconciliation obligations as set forth in Section 8.5 above regardless of whether the Lease terminates on other than December 31. This Article 8 shall survive the expiration or earlier termination of this Lease.
- 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 in good condition and repair, and in compliance with all applicable Regulations, promptly complying with all governmental orders and directives for the correction, prevention and abatement of any violations or nuisances in or upon, or connected with, the Premises, all at Tenant's sole expense. Landlord shall maintain, repair and replace, if necessary, the Building; all Building systems, including but not limited to building standard interior lighting (including replacement of light bulbs, ballasts and starters as required, but excluding any specialty lighting installed by or on behalf of Tenant); plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual) not exclusively serving the Premises (excluding any supplemental heating, ventilating and air-conditioning systems exclusively serving the Premises, and any plumbing facilities, including restroom facilities, exclusively serving the Premises); Common Area floor coverings; elevators (including communications systems); inside and outside Common Area 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; and landscaping. Except as provided in Articles 12 and 13, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or Project or the Premises or to fixtures, appurtenances and equipment in the Building or Project. Except to the extent, if any, prohibited by law, Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

10. Sublease and Assignment.

- 10.1 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. Notwithstanding any assignment or subletting, permitted or otherwise, Tenant shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent specified in this Lease and for compliance with all of its other obligations under the terms, provisions and covenants of this Lease. Upon the occurrence of an Event of Default, if the Premises or any part of them are then assigned or sublet, Landlord, in addition to any other remedies provided in this Lease or provided by law, may, at its option, collect directly from such assignee or subtenant all rents due and becoming due to Tenant under such assignment or sublease and apply such rent against any sums due to Landlord from Tenant under this Lease, and no such collection shall be construed to constitute a novation or release of Tenant from the further performance of Tenant's obligations under this Lease.
- In addition to Landlord's right to approve of any subtenant or assignee. Landlord shall have the option, in its sole discretion, in the event of any proposed subletting or assignment, to terminate this Lease, or in the case of a proposed subletting of less than the entire Premises, to recapture the portion of the Premises to be sublet, as of the date the subletting or assignment is to be effective. The option shall be exercised, if at all, by Landlord giving Tenant written notice given by Landlord to Tenant within thirty (30) days following Landlord's receipt of Tenant's written notice as required above. However, if Tenant notifies Landlord, within five (5) days after receipt of Landlord's termination notice, that Tenant is rescinding its proposed assignment or sublease, the termination notice shall be void and the Lease shall continue in full force and effect. If this Lease shall be terminated with respect to the entire Premises pursuant to this Section, the Term of this Lease shall end on the date stated in Tenant's notice as the effective date of the sublease or assignment as if that date had been originally fixed in this Lease for the expiration of the Term. If Landlord recaptures under this Section only a portion of the Premises, the rent to be paid from time to time during the unexpired Term shall abate proportionately based on the proportion by which the approximate square footage of the remaining portion of the Premises shall be less than that of the Premises as of the date immediately prior to such Tenant shall, at Tenant's own cost and expense, discharge in full any outstanding commission obligation which may be due and owing as a result of any proposed assignment or subletting, whether or not the Premises are recaptured pursuant to this Article 10 and rented by Landlord to the proposed tenant or any other tenant.
- 10.3 In the event that Tenant sells, sublets, assigns or transfers this Lease, Tenant shall pay to Landlord as additional rent an amount equal to one hundred percent (100%) of any Increased Rent (as defined below), less the Costs Component (as defined below), when and as such Increased Rent is received by Tenant. As used in this Section, "Increased Rent" shall mean the excess of (i) all rent and other consideration which Tenant is entitled to receive by reason of any sale, sublease, assignment or other transfer of this Lease, over (ii) the rent otherwise payable by Tenant under this Lease at such time. For purposes of the foregoing, any consideration received by Tenant in form other than cash shall be valued

at its fair market value as determined by Landlord in good faith. The "Costs Component" is that amount which, if paid monthly, would fully amortize on a straight-line basis, over the entire period for which Tenant is to receive Increased Rent, the reasonable costs incurred by Tenant for leasing commissions and tenant improvements in connection with such sublease, assignment or other transfer.

- 10.4 Notwithstanding any other provision hereof, it shall be considered reasonable for Landlord to withhold its consent to any assignment of this Lease or sublease of any portion of the Premises if at the time of either Tenant's notice of the proposed assignment or sublease or the proposed commencement date thereof, there shall exist any uncured default of Tenant or matter which will become a default of Tenant with passage of time unless cured, or if the proposed assignee or sublessee is an entity: (a) with which Landlord is already in negotiation; (b) is already an occupant of the Building or Project unless Landlord is unable to provide the amount of space required by such occupant; (c) is a governmental agency other than Tenant; (d) is incompatible with the character of occupancy of the Building or Project; (e) with which the payment for the sublease or assignment is determined in whole or in part based upon its net income or profits; or (f) would subject the Premises to a use which would: (i) involve increased personnel or wear upon the Building; (ii) violate any exclusive right granted to another tenant of the Building or Project; (iii) require any addition to or modification of the Premises or the Building or Project in order to comply with building code or other governmental requirements; or, (iv) involve a violation of Article 24. Tenant expressly agrees that for the purposes of any statutory or other requirement of reasonableness on the part of Landlord, Landlord's refusal to consent to any assignment or sublease for any of the reasons described in this Section 10.4, shall be conclusively deemed to be reasonable.
- 10.5 Upon any request to assign or sublet, Tenant will pay to Landlord the assignment/subletting fee in the amount of \$2,000.00 plus, on demand, a sum equal to all of Landlord's costs, including reasonable attorney's fees, incurred in investigating and considering any proposed or purported assignment or pledge of this Lease or sublease of any of the Premises, regardless of whether Landlord shall consent to, refuse consent, or determine that Landlord's consent is not required for, such assignment, pledge or sublease. Any purported sale, assignment, mortgage, transfer of this Lease or subletting which does not comply with the provisions of this Article 10 shall be void.

11. Alterations and Improvements.

11.1 Tenant shall not make or suffer to be made any alterations, additions, or improvements, including, but not limited to, the attachment of any fixtures or equipment in, on, or to the Premises or any part without the prior written consent of Landlord. 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 with respect to alterations which (i) are not structural in nature, (ii) are not visible from the exterior of the Building, (iii) do not affect or require modification of the Building's electrical, mechanical, plumbing, HVAC or other systems, and (iv) in aggregate do not cost more than \$5.00 per

rentable square foot of that portion of the Premises affected by the alterations in question. In the event Landlord consents to the making of any such alteration, addition or improvement by Tenant, the same shall be made by using either Landlord's contractor or a contractor reasonably approved by Landlord, in either event at Tenant's sole cost and expense. If Tenant shall employ any contractor other than Landlord's contractor and such other contractor or any subcontractor of such other contractor shall employ any non-union labor or supplier, Tenant shall be responsible for and hold Landlord harmless from any and all delays, damages and extra costs suffered by Landlord as a result of any dispute with any labor unions concerning the wage, hours, terms or conditions of the employment of any such labor. In any event Landlord may charge Tenant a construction management fee not to exceed four percent (4%) of the cost of such work to cover its overhead as it relates to such proposed work ("CM Fee"), plus third-party costs actually incurred by Landlord in connection with the proposed work and the design thereof, with all such amounts being due five (5) days after Landlord's demand. All alterations, additions or improvements proposed by Tenant shall be constructed in accordance with all Regulations and with Landlord's Building construction standards (if any) from time to time to the extent applicable (which standards shall be made available to Tenant by Landlord's Building manager upon request. Tenant shall use Building standard materials where applicable, and Tenant shall, prior to construction, provide the additional insurance required below in this Section in such case, and also all such assurances to Landlord as Landlord shall reasonably require to assure payment of the costs thereof, including but not limited to, notices of nonresponsibility, waivers of lien, surety company performance bonds and funded construction escrows and to protect Landlord and the Building and appurtenant land against any loss from any mechanic's, materialmen's or other liens. Whenever Tenant shall undertake any alterations, additions or improvements in, to or about the Premises, Tenant shall cause its contractor to provide insurance against injuries to persons and damage to property arising in connection with such work, without limitation including liability under any applicable structural work act, and such other insurance as Landlord shall require; and the policies of or certificates evidencing such insurance must be delivered to Landlord prior to the commencement of any such work. Upon Tenant's request, Landlord agrees to perform such alterations or improvements on Tenant's behalf. In such event, Tenant shall be responsible for all costs of such alterations, including the CM Fee, which Tenant shall pay to Landlord prior to Landlord's commencement of such alterations based on Landlord's estimate of the cost thereof, which estimate shall be subject to Tenant's advance written approval. If the actual costs of such alterations exceed the estimated amount paid to Landlord, Tenant shall pay such excess costs to Landlord promptly upon demand, and Landlord shall be entitled to stop work until such excess costs are received. Landlord shall return any balance remaining after completion of such alterations to Tenant. 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 and to restore the affected area to its condition as existed prior to the installation of such fixtures, alterations or improvements. For purposes of clarity, the provisions of this Section 11.1 apply only to alterations Tenant requests to be performed in the Premises subsequent to Landlord's completion of Landlord's Work under Exhibit C hereto.

- 11.2 Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises, with prior written notice but without obtaining Landlord's prior consent, so long as such alterations and/or improvements: (i) do not exceed \$25,000 per project or in the aggregate during any twelve (12) month period, (ii) are not visible from the exterior of the Premises, (iii) do not affect any Building system or the structure of the Building, (iv) do not require penetrations into the roof of the Building, and (v) do not require work to be performed inside the walls or above the ceiling of the Premises. However, even though consent is not required, the performance of Cosmetic Alterations shall be subject to all of the other provisions of this Article 11.
- 11.3 Notwithstanding anything to the contrary contained herein, so long as Tenant's written request for consent for a proposed alteration or improvements substantially contains the following language "PURSUANT TO ARTICLE 11 OF THE LEASE, IF LANDLORD CONSENTS TO THE SUBJECT ALTERATION. LANDLORD SHALL NOTIFY TENANT IN WRITING WHETHER OR NOT LANDLORD WILL REQUIRE SUCH ALTERATION TO BE REMOVED AT THE EXPIRATION OR EARLIER TERMINATION OF THE LEASE.", at the time Landlord gives its consent for any alterations or improvements, if it so does, Tenant shall also be notified whether or not Landlord will require that such alterations or improvements be removed upon the expiration or earlier termination of this Lease. Notwithstanding anything to the contrary contained in this Lease, at the expiration or earlier termination of this Lease and otherwise in accordance with Article 31 hereof, Tenant shall be required to remove all alterations or improvements made to the Premises except for any such alterations or improvements which Landlord expressly indicates shall not be required to be removed from the Premises by Tenant. If Tenant's written notice strictly complies with the foregoing and if Landlord fails to notify Tenant within twenty (20) days whether Tenant shall be required to remove the subject alterations or improvements at the expiration or earlier termination of this Lease, it shall be assumed that, with respect to Tenant's obligation to remove the subject alterations or improvements, Landlord shall require the removal of the subject alterations or improvements.
- 12. Damage and Destruction. In the event the Premises, Building or Project are destroyed or damaged by fire, earthquake or other casualty so as to render the Premises. Building or Project, in Tenant's sole judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises substantially to its former condition within two hundred seventy (270) of such damage or destruction, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord; provided, however, that if construction is delayed because of changes, deletions or additions in construction requested by Tenant, strikes, lockouts, casualties, Acts of God, war, pandemic, material or labor shortages, government regulation or control or other causes beyond the reasonable control of Landlord, the period for restoration, repair or rebuilding shall be extended for the amount of time Landlord is so delayed. 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 untenantable 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 such repairs cannot, in Landlord's reasonable estimation, be made within one hundred eighty (180) days following the commencement of restoration, Landlord and Tenant shall each have the option of giving the other, at any time within thirty (30) days after Landlord's notice of estimated restoration time, notice terminating this Lease as of the date of such damage. Landlord shall not be required to repair or replace any damage or loss by or from fire or other cause to any decorations, partitions, office fixtures or any other property or improvements installed on the Premises by, or belonging to, Tenant. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or Premises shall be for the sole benefit of the party carrying such insurance and under its sole control.

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 reasonable 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 untenantable by eminent domain or conveyed under a threat of condemnation, this Lease shall terminate by written notice delivered by either Landlord or Tenant within thirty (30) days after 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 reasonable judgment, untenantable, 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 reasonable judgment, determines that the condemnation so substantial as to materially interfere with Tenant's use and occupancy of the Premises, 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 award.

14. Indemnity and Hold Harmless.

14.1 Tenant shall defend, indemnify and hold the Landlord harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (including court costs and reasonable attorneys' fees) (collectively, "Claims") to the extent caused by or arising from any actual or alleged negligent act or omission by or of Tenant or any of its agents, contractors, employees, licensees or invitees (collectively, the "Tenant Entities") in or about the Premises or the Project; (b) Tenant's actual or asserted failure to comply with any and all Regulations applicable to the condition

or use of the Premises or its occupancy; or (c) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of the Tenant to be performed pursuant to this Lease. Landlord shall protect, indemnify and hold Tenant harmless from and against any and all Claims occurring in, on or about the the Building to the extent that such injury or damage shall be caused by or arise solely from the gross negligence or willful misconduct of Landlord or any of Landlord's agents or employees. 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 Article 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.

14.2 None of the Landlord Entities shall be liable and Tenant hereby waives all claims against them for any damage to any property or any injury to any person in or about the Premises or the Building by or from any cause whatsoever (including without limiting the foregoing, rain or water leakage of any character from the roof, windows, walls, basement, pipes, plumbing works or appliances, the Building not being in good condition or repair, gas, fire, oil, electricity or theft). In no event shall Landlord be liable to Tenant for any special, indirect or consequential damages. Tenant shall not be liable to Landlord for any special, indirect or consequential damages except for any damages recoverable pursuant to Article 19 (Holding Over) and Article 24 (Hazardous Materials). The provisions of this Article 14 shall survive expiration or earlier termination of this Lease.

15. Insurance.

Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a fully funded self-insurance program as defined in King County Code 2.21 for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate or letter 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. This Section 15.1 is personal to the Tenant named in this Lease and shall not apply to any other assignee of said Tenant's interest in this Lease nor to any subtenant.

- 15.2 Landlord shall maintain throughout the Term commercially reasonable policies of Commercial General Liability insurance and property insurance covering loss of or damage to the Building and Project (excluding tenant improvements and subsequent alterations), in such amounts and with such deductibles as Landlord determines from time to time in accordance with sound and reasonable risk management principles. The cost of all such insurance is included in Expenses.
- 15.3 Landlord and Tenant each hereby waives and releases any right of recovery (including by way of subrogation) against the other and its officers, employees and agents, for any loss or damage sustained by the waiving party with respect to the Building, Project, or Premises or any portion thereof or the contents of the same or any operation therein, to the extent such loss or damage is actually insured against, is required hereunder to be insured against, or with respect to Tenant would be insured against, under fire, extended coverage, All Risks or other property insurance.

16. Intentionally Deleted.

- 17. **Liens.** 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 and shall indemnify and hold harmless Landlord from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within fifteen (15) days after the filing of such lien or encumbrance, Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.
- 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, while paying the rental and performing its other covenants and agreements contained in this Lease, shall have and quietly enjoy the Premises for the Lease Term without any interference or disturbance from Landlord subject to the terms and provisions of this Lease. Landlord shall not be liable for any interference or disturbance by other tenants or third persons, nor shall Tenant be released from any of the obligations of this Lease because of such interference or disturbance. Notwithstanding the foregoing, Landlord shall use commercially reasonable efforts to end or minimize unreasonable interference or disturbance by other tenants or third persons after Tenant has requested Landlord to do so in writing. "Commercially reasonable efforts" of Landlord shall not include payment of money, commencing or participating in any litigation or other similar proceeding or incurring liability.
- 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 Base Rent during Tenant's holding over shall be one hundred fifty percent (150%) of the Base Rent payable in the last full month prior to the termination hereof. Furthermore, if

such holding over continues for more than six (6) months after the expiration or termination of this Lease, or for more than thirty (30) days after Landlord notifies Tenant that Landlord has entered into a lease for the Premises or has received a bona fide offer to lease the Premises and as a result of Tenant's holding over Landlord will be unable to deliver possession, or perform improvements, Tenant shall also pay all damages, including without limitation consequential damages, sustained by Landlord by reason of such retention. 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 that continues for more than thirty (30) days after written notice thereof to Landlord shall be considered a default of this Lease. 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 Article 20.

21. Default.

- 21.1 The following occurrences shall each constitute a default by Tenant (an "Event of Default" or "Default"):
- A. <u>Failure To Pay</u>. Failure by Tenant to pay any sum, including Rent, due under this Lease when due, following three (3) business days' notice from Landlord of the failure to pay.
- B. Parking. Tenant's failure to comply with the requirements of Article 31 below, following three (3) business days' notice from Landlord of such failure to comply, but if any such notice shall be given two (2) times during the twenty-four (24) month period commencing with the date of the first (1st) such notice, the third (3rd) failure to comply with such requirements during such twenty-four (24) month period shall be an Event of Default, without notice.
- C. 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).

- D. Tenant shall fail to vacate the Premises immediately upon termination of this Lease, by lapse of time or otherwise, or upon termination of Tenant's right to possession only.
- 21.2 Landlord Default; Remedies. Landlord shall not be in default unless (i) Landlord fails to perform obligations required of Landlord within thirty (30) days after notice by Tenant to Landlord (provided, if the nature of Landlord's failure is such that more time is reasonably required in order to cure, Landlord shall not be in Default if Landlord commences to cure promptly and thereafter diligently prosecutes such cure to completion), and (ii) each mortgagee of whose identity Tenant has been notified in writing shall have failed to cure such default within thirty (30) days (or such longer period of time as may be specified in any written agreement between Tenant and mortgagee regarding such matter) after receipt of written notice from Tenant of Landlord's failure to cure within the time periods provided above. Tenant shall have all remedies available at law or in equity provided, however, in no event shall Tenant claim a constructive or actual eviction. Nothing herein contained shall relieve Landlord from its duty to perform 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. Landlord shall further be entitled to recover from Tenant the estimated expenses described in Section 22.2 relating to recovery of the Premises, preparation for reletting and for reletting itself; and the cost of performing any other covenants which would have otherwise been performed by Tenant.
- 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 this Lease has not been terminated, 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.

- Waivers. LANDLORD AND TENANT EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY. Tenant hereby waives and agrees not to pursue or claim any excuse or offset to Tenant's obligations under this Lease based on the doctrines of impossibility, impracticality, frustration of contract, frustration of purpose, or other similar legal principals. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Lease or any other remedies provided by law (all such remedies being cumulative), nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any rent due to Landlord under this Lease or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants contained in this Lease. No act or thing done by Landlord or its agents during the Term shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of said Premises shall be valid, unless in writing signed by Landlord. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants contained in this Lease shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants contained in this Lease. acceptance of the payment of rental or other payments after the occurrence of an Event of Default shall not be construed as a waiver of such Event of Default, unless Landlord so notifies Tenant in writing. Forbearance by Landlord in enforcing one or more of the remedies provided in this Lease upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default or of Landlord's right to enforce any such remedies with respect to such Event of Default or any subsequent Event of Default.
- 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. The hourly rates for any award of attorneys' fees will be calculated based on the rate that would be

charged for the services provided by an attorney who is in private practice, of the same expertise and experience as the prevailing party's attorney(s).

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.
- As of the date hereof, Landlord has not received written notice from any governmental agencies that the Building is in violation of any Environmental Laws and, to Landlord's actual knowledge, there are no Hazardous Materials in the Building in violation of any applicable Environmental Law. For purposes of this Section, "Landlord's actual knowledge" shall be deemed to mean and limited to the current actual knowledge of Jim Lovsted, Property Manager for the Building, which individual Landlord represents and warrants to be an individual in a position to have information with respect to Hazardous Materials at the Building, at the time of execution of this Lease and not any implied, imputed, or constructive knowledge of said individual or of Landlord or any parties related to or comprising Landlord and without any independent investigation or inquiry having been made or any implied duty to investigate or make any inquiries; it being understood and agreed that such individual shall have no personal liability in any manner whatsoever hereunder or otherwise related to the transactions contemplated hereby. Expenses shall exclude the cost of remediation and removal of Hazardous Materials in the Building or on the Project as required by Environmental Law; provided, however, that the provisions of this Section 24.2 shall not preclude the inclusion of costs with respect to Hazardous Materials (whether existing at the Property as of the date of this Lease or subsequently introduced to the Property) which are not as of the date of this Lease (or as of the date of introduction) deemed to be Hazardous Materials under Environmental Law but which are subsequently deemed to be Hazardous Materials under Environmental Law.
- 24.3 Tenant shall not be liable for any cost or expense related to removal, cleaning, abatement or remediation of Hazardous Materials existing in the Premises prior to the date Landlord tenders possession of the Premises to Tenant, including, without limitation, Hazardous Materials in the ground water or soil, except to the extent that any of the foregoing results directly or indirectly from any act or omission by Tenant or any

Tenant Entity or any Hazardous Materials disturbed, distributed or exacerbated by Tenant or any Tenant Entity.

- 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. Notwithstanding the foregoing, Tenant shall not handle, store, use or dispose of any Hazardous Materials in the Premises, Building or Project except for products containing small quantities of Hazardous Materials (such as aerosol cans containing insecticides, toner for copiers, paints, paint remover and the like) to the extent customary and necessary for the use of the Premises for general office purposes; provided that Tenant shall always handle, store, use, and dispose of any such Hazardous Materials in a safe and lawful manner and never allow such Hazardous Materials to contaminate the Premises, Building and appurtenant land or the environment. 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 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.
- 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.
- 24.6 Each of the parties agrees that its obligations under this Section 24 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.

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

25. General.

- 25.1 <u>Heirs and Assigns</u>. This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.
- 25.2 <u>Brokers' Fees.</u> Jim Lovsted of Kidder Mathews and Ric Brandt and John Bauer of CBRE ("Landlord's Agent") represents the Landlord in connection with this Lease. Landlord shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord in connection with this Lease or any future extension term. Landlord acknowledges it has previously received and reviewed the pamphlet entitled "The Law of Real Estate Agency". Hughes McLaughlin of Cushman Wakefield ("Tenant's Agent") represents the Tenant in connection with this Lease. Tenant shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Tenant acknowledges it has previously received and reviewed the pamphlet entitled "The Law of Real Estate Agency".
- 25.3 <u>Entire Agreement</u>. 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 <u>Severability</u>. 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 is of the essence of this Lease and all of its provisions. Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent and any other financial obligation of Tenant under this Lease) 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, pandemic, public enemy, war or other strife.
- 25.6 <u>Governing Law</u>. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.
- 25.7 <u>Reentry by Landlord</u>. Landlord reserves and shall at all times have the right to re-enter the Premises to inspect the same, to supply janitor service and any other service

to be provided by Landlord to Tenant under this Lease, to show said Premises to prospective purchasers, mortgagees or tenants, and to alter, improve or repair the Premises and any portion of the Building, without abatement of rent, and may for that purpose erect, use and maintain scaffolding, pipes, conduits and other necessary structures and open any wall, ceiling or floor in and through the Building and Premises where reasonably required by the character of the work to be performed, provided entrance to the Premises shall not be blocked thereby, and further provided that Landlord shall make commercially reasonable efforts to minimize any interference with the business of Tenant in the Premises. Notwithstanding the foregoing, except (i) to the extent requested by Tenant, (ii) in connection with scheduled maintenance programs, and/or (iii) in the event of an emergency, Landlord shall provide to Tenant at least twenty-four (24) hours advance notice (either written or oral) before Landlord enters the Premises to perform any repairs therein or to show the Premises. Landlord shall have the right at any time to change the arrangement and/or locations of entrances, or passageways, doors and doorways, and corridors, windows, elevators, stairs, toilets or other public parts of the Building and to change the name, number or designation by which the Building is commonly known. In the event that Landlord damages any portion of any wall or wall covering, ceiling, or floor or floor covering within the Premises, Landlord shall repair or replace the damaged portion to match the original as nearly as commercially reasonable but shall not be required to repair or replace more than the portion actually damaged. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by any action of Landlord authorized by this Section 25.7. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in the Premises, excluding Tenant's vaults and safes or special security areas (designated in advance), and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency to obtain entry to any portion of the Premises. As to any portion to which access cannot be had by means of a key or keys in Landlord's possession, Landlord is authorized to gain access by such means as Landlord shall elect and the cost of repairing any damage occurring in doing so shall be borne by Tenant and paid to Landlord within five (5) days of Landlord's demand.

- 25.8 <u>Sale by Landlord</u>. In event of a sale or conveyance by Landlord of the Building, the same shall operate to release Landlord from any future liability upon any of the covenants or conditions, expressed or implied, contained in this Lease in favor of Tenant, and in such event Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this Lease. Except as set forth in this Section 25.8, this Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee. If any security has been given by Tenant to secure the faithful performance of any of the covenants of this Lease, Landlord may transfer or deliver said security, as such, to Landlord's successor in interest and thereupon Landlord shall be discharged from any further liability with regard to said security.
- 25.9 <u>Notices</u>. Any notice or document required or permitted to be delivered under this Lease shall be addressed to the intended recipient, by fully prepaid registered or certified United States Mail return receipt requested, or by reputable independent contract

delivery service furnishing a written record of attempted or actual delivery, and shall be deemed to be delivered when tendered for delivery to the addressee at its address set forth on the Reference Pages, or at such other address as it has then last specified by written notice delivered in accordance with this Section 25.9. Any such notice or document may also be personally delivered if a receipt is signed by and received from, the individual, if any, named in Tenant's Notice Address.

- 25.10 Relocation of Tenant. Landlord, at its sole expense, on at least sixty (60) days prior written notice, may require Tenant to move from the Premises hereunder to other space of comparable size and decor in order to permit Landlord to consolidate the space leased to Tenant with other adjoining space leased or to be leased to another tenant. In the event of any such relocation, Landlord will pay all expenses of preparing and decorating the new premises so that they will be substantially similar to the Premises from which Tenant is moving, and Landlord will also pay the expense of moving Tenant's furniture and equipment to the relocated premises. In such event this Lease and each and all of the terms and covenants and conditions hereof shall remain in full force and effect and thereupon be deemed applicable to such new space except that revised Basic Lease Information and a revised Exhibit A shall become part of this Lease and shall reflect the location of the new premises. Notwithstanding the foregoing, for so long as Tenant is leasing and is in occupancy of the entire original Premises hereunder, Landlord shall not have the right to relocate Tenant from such original Premises. Landlord shall have the right to relocate Tenant from the Premises if the Premises area is reduced subsequent to the Commencement Date, and from any non-contiguous expansion of the Premises, as provided in this Section.
- 25.11 <u>Recordation</u>. Tenant shall not record or register this Lease or a short form memorandum hereof without the prior written consent of Landlord, and then shall pay all charges and taxes incident such recording or registration.
- 25.12 <u>Financial Statements</u>. At Landlord's request, Tenant shall deliver to Landlord a copy of Tenant's most recent financial statement. With respect to the originally named Tenant under this Lease, Landlord hereby recognizes and agrees that to the extent Tenant's financial information is publicly available, Landlord agrees to look to such public financial statements of Tenant (the "Public Financials"); provided, however, that upon Landlord's request, Tenant shall reasonably cooperate in good faith with Landlord to evaluate and interpret Tenant's Public Financials.
- 25.13 <u>Addenda/Exhibits</u>. 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: Work Letter

Exhibit D: Rules and Regulations

Exhibit E: Commencement Date Memorandum

- 25.14 Counterparts. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original. In order to expedite the transaction contemplated herein, telecopied signatures or signatures transmitted by electronic mail in so-called "pdf" format may be used in place of original signatures on this Lease. Landlord and Tenant intend to be bound by the signatures on the telecopied or e-mailed document, are aware that the other party will rely on the telecopied or e-mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Lease based on such telecopied or e-mailed signatures. Promptly following transmission of the telecopied or e-mailed signatures, Tenant shall promptly deliver to Landlord's property manager the original signatures of this Lease. Notwithstanding the proceeding, any required acknowledgment must comply with RCW 42.45.
- 25.15 Defined Terms and Headings. The article and section headings shown in this Lease are for convenience of reference and shall in no way define, increase, limit or describe the scope or intent of any provision of this Lease. Any indemnification or insurance of Landlord shall apply to and inure to the benefit of all the following "Landlord Entities", being Landlord, Landlord's investment manager, and the trustees, boards of directors, officers, general partners, beneficiaries, stockholders, employees and agents of each of them. Any option granted to Landlord shall also include or be exercisable by Landlord's trustee, beneficiary, agents and employees, as the case may be. In any case where this Lease is signed by more than one person, the obligations under this Lease shall be joint and several. The terms "Tenant" and "Landlord" or any pronoun used in place thereof shall indicate and include the masculine or feminine, the singular or plural number. individuals, firms or corporations, and their and each of their respective successors, executors, administrators and permitted assigns, according to the context hereof. The term "rentable area" shall mean the rentable area of the Premises or the Building as calculated by the Landlord on the basis of the plans and specifications of the Building including a proportionate share of any common areas. Tenant hereby accepts and agrees to be bound by the figures for the rentable square footage of the Premises and Tenant's Proportionate Share shown on the Basic Lease Information; however, Landlord may adjust either or both figures if there is manifest error, addition or subtraction to the Building or any business park or complex of which the Building is a part, remeasurement or other circumstance reasonably justifying adjustment. The term "Building" refers to the structure in which the Premises are located and the common areas (parking lots, sidewalks, landscaping, etc.) appurtenant thereto. The term "Building" may include the entire Project, where appropriate (such as shared Expenses, Insurance Costs or Taxes) and subject to Landlord's reasonable discretion.
- 26. 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 entry door to the Premises. Tenant shall have no right to install any building signage or other exterior signage without Landlord's advance written approval, which may be withheld in Landlord's sole and absolute discretion. Tenant shall install any approved signage at Tenant's sole cost and expense and in compliance with all applicable Regulations.

- 27. Subordination, Nondisturbance and Attornment. This Lease shall be subordinate to all existing and future mortgages and/or deeds of trust on the Premises, or 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, so long as Tenant is paying the rent due under this Lease and is not otherwise in default under this Lease beyond any applicable cure period, 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. Such instrument may include other commercially reasonable provisions in favor of Landlord's Successor, including, without limitation, additional time on behalf of Landlord's Successor to cure defaults of the Landlord and provide that (a) neither Landlord's Successor shall be bound by (i) any payment of Rent or other sum due under this Lease for more than one (1) month in advance or (ii) any amendment or modification of this Lease made without the express written consent of Landlord's Successor; (b) Landlord's Successor will not be liable for (i) any act or omission or warranties of any prior landlord (including Landlord), (ii) the breach of any warranties or obligations relating to construction of improvements on the property or any tenant finish work performed or to have been performed by any prior landlord (including Landlord), or (iii) the return of any Security Deposit, except to the extent such deposits have been received by Landlord's Successor; and (c) Landlord's Successor shall not be subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord). 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. Notwithstanding the foregoing, Tenant covenants and agrees to execute and deliver within fifteen (15) business days of Landlord's request such further instruments evidencing such subordination or superiority of this Lease as may be required by Landlord. Notwithstanding the foregoing, upon written request by Tenant, Landlord will use reasonable efforts to obtain a non-disturbance, subordination and attornment agreement from Landlord's then current mortgagee on such mortgagee's then current standard form of agreement. "Reasonable efforts" of Landlord shall not require Landlord to incur any cost, expense or liability to obtain such agreement, it being agreed that Tenant shall be responsible for any fee or review costs charged by such mortgagee. Landlord's failure to obtain a non-disturbance, subordination and attornment agreement for Tenant shall have no effect on the rights, obligations and liabilities of Landlord and Tenant or be considered to be a default by Landlord hereunder.
- 28. Estoppel Certificates. Tenant will execute, acknowledge and deliver to Landlord a written statement in form satisfactory to Landlord certifying: (a) that this Lease is unmodified and in full force and effect (or, if there have been any modifications, that the Lease is in full force and effect, as modified, and stating the modifications); (b) that this Lease has not been canceled or terminated; (c) the last date of payment of Rent and the time period covered by such payment; (d) whether there are then existing any breaches or defaults by Landlord under this Lease known to Tenant, and, if so, specifying the same; and (e) such other factual statements as Landlord, any lender, prospective lender, investor

or purchaser may reasonably request. Nothing herein shall, be construed to create or impose a duty upon Tenant to conduct an investigation or incur any out of pocket costs in responding to Landlord's request for an estoppel certificate. For purposes of clause (d) of the preceding sentence, Tenant's knowledge may be limited to the actual knowledge of an authorized representative of Tenant with responsibility for the administration of this Lease. Tenant will deliver the statement to Landlord within fifteen (15) business days after Landlord's request. Landlord may give any such statement by Tenant to any lender, prospective lender, investor or purchaser of all or any part of the Premises, Building or Project and any such party may conclusively rely upon such statement as true and correct. Tenant irrevocably agrees that if Tenant fails to execute and deliver such certificate within such fifteen (15) business day period Landlord or Landlord's beneficiary or agent may execute and deliver such certificate on Tenant's behalf, and that such certificate shall be fully binding on Tenant.

- **29.** 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 written notice to Tenant thereof (collectively, the "Rules").
- 30. Surrender of Premises. At the end of the term of this Lease or any extension thereof or other sooner termination, Tenant will peaceably deliver to Landlord possession of the Premises, in the same condition as received, except for ordinary wear and tear, and Tenant will deliver all keys to the Premises to Landlord. Subject to Article 11 above, if Landlord elects by notice given to Tenant at least ten (10) days prior to expiration of the Term, Tenant shall, at Tenant's sole cost, remove any alterations to the Premises installed by or on behalf of Tenant subsequent to the Commencement Date, including carpeting, so designated by Landlord's notice, and repair any damage caused by such removal. Tenant shall also remove all equipment, trade fixtures, and personal property from the Premises, as well as all data/telecommunications cabling and wiring installed by or on behalf of Tenant, whether inside walls, under any raised floor or above any ceiling (collectively, "Personalty"). Personalty not so removed shall be deemed abandoned by the Tenant and title to the same shall thereupon pass to Landlord under this Lease as by a bill of sale, but Tenant shall remain responsible for the cost of removal and disposal of such Personalty, as well as any damage caused by such removal. In lieu of requiring Tenant to remove alterations and Personalty and repair the Premises as aforesaid, Landlord may, by written notice to Tenant delivered at least thirty (30) days before the Expiration Date, require Tenant to pay to Landlord, as additional rent hereunder, the cost of such removal and repair in an amount reasonably estimated by Landlord. Notwithstanding the foregoing to the contrary, Tenant shall not be required to remove or restore any of improvements specifically identified on the Space Plan attached as Exhibit C-1. All obligations of Tenant under this Lease not fully performed as of the expiration or earlier termination of the Term shall survive the expiration or earlier termination of the Term.

PARKING.

- 31.1 During the initial Term of this Lease, Tenant shall have the right to use parking stalls in the Building's parking facilities (the "Parking Facility") at a ratio of 3.3/1,000, which use shall be on an unreserved, nonexclusive, first come, first served basis, for passenger-size automobiles and is subject to the following terms and conditions:
- 31.1.1 Tenant shall pay to Landlord, or Landlord's designated parking operator, the Building's prevailing monthly parking charges, without deduction or offset, on the first day of each month during the Term of this Lease. Landlord will notify Tenant upon not less than thirty (30) days' notice of any increases in the monthly parking charges prior to billing Tenant any increases. No deductions from the monthly charge shall be made for days on which the Parking Facility is not used by Tenant. Notwithstanding the foregoing, Tenant's use of the Parking Facility shall be without charge for the initial Term of this Lease, subject to the following terms and conditions.
- 31.1,2 Tenant shall at all times abide by and shall cause each of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees and subtenants (collectively, "Tenant's Parties") to abide by any rules and regulations ("Rules") for use of the Parking Facility that Landlord or Landlord's garage operator reasonably establishes from time to time, and otherwise agrees to use the Parking Facility in a safe and lawful manner. Tenant shall provide Landlord with not less than 24 hours advance written notice of any scheduled large gatherings or trainings in Tenant's training or conference room. Landlord reserves the right to adopt, modify and enforce the Rules governing the use of the Parking Facility from time to time including any key-card, sticker or other identification or entrance system and hours of operation, upon prior written notice to Tenant. Landlord may refuse to permit any person who violates such Rules to park in the Parking Facility, and any violation of the Rules shall subject the car to removal from the Parking Facility.
- 31.1.3 Unless specified to the contrary above, the parking spaces hereunder shall be provided on a non-designated "first-come, first-served" basis. Landlord reserves the right to assign specific spaces, and to reserve spaces for visitors, small cars, disabled persons or for other tenants or guests, and Tenant shall not park and shall not allow Tenant's Parties to park in any such assigned or reserved spaces. Tenant may validate visitor parking by such method as Landlord may approve, at the validation rate from time to time generally applicable to visitor parking. Tenant acknowledges that the Parking Facility may be closed entirely or in part in order to make repairs or perform maintenance services, or to alter, modify, re-stripe or renovate the Parking Facility, or if required by casualty, strike, condemnation, act of God, governmental law or requirement or other reason beyond the operator's reasonable control.
- 31.1.4 Tenant acknowledges that to the fullest extent permitted by law, Landlord shall have no liability for any damage to property or other items located in the parking areas of the Building (including without limitation, any loss or damage to tenant's automobile or the contents thereof due to theft, vandalism or accident), nor for any personal injuries or death arising out of the use of the Parking Facility by Tenant or any Tenant's Parties, whether or not such loss or damage results from Landlord's active negligence or

negligent omission. Notwithstanding any provision in this Lease to the contrary, the limitation on Landlord's liability under this Section 31.1.4 shall not apply however to loss or damage arising directly from Landlord's gross negligence or willful misconduct. Without limiting the foregoing, if Landlord arranges for the parking areas to be operated by an independent contractor not affiliated with Landlord. Tenant acknowledges that Landlord shall have no liability for claims arising through acts or omissions of such independent contractor. Tenant and Tenant's Parties each hereby voluntarily releases, discharges, waives and relinquishes any and all actions or causes of action for personal injury or property damage occurring to Tenant or any of Tenant's Parties arising as a result of parking in the Parking Facility, or any activities incidental thereto, wherever or however the same may occur, and further agrees that Tenant will not prosecute any claim for personal injury or property damage against Landlord or any of its officers, agents, servants or employees for any said causes of action and Tenant agrees to look first to its insurance carrier and to require that Tenant's Parties look first to their respective insurance carriers for payment of any losses sustained in connection with any use of the Parking Facility. Tenant hereby waives on behalf of its insurance carriers all rights of subrogation against Landlord or any Landlord Entities.

- 31.1.5 In the event any surcharge or regulatory fee is at any time imposed by any governmental authority with reference to parking, Tenant shall (commencing after two (2) weeks' notice to Tenant) pay, per parking pass, such surcharge or regulatory fee to Landlord in advance on the first day of each calendar month concurrently with the month installment of rent due under this Lease. Landlord will enforce any surcharge or fee in an equitable manner amongst the Building tenants.
- 31.2 If Tenant violates any of the terms and conditions of this Article, the operator of the Parking Facility shall have the right to remove from the Parking Facility any vehicles hereunder which shall have been involved or shall have been owned or driven by parties involved in causing such violation, without liability therefor whatsoever. If Landlord shall have given Tenant written notice of violation of the terms and conditions of this Article, then commencing with Tenant's second violation of the same, Tenant shall pay to Landlord immediately upon demand as liquidated damages the sum of \$200.00 per violating vehicle per day for each day of any such violation by Tenant, and Tenant shall be responsible for all costs incurred by Landlord in monitoring and enforcing Tenant's compliance with this Article. In addition, following the third notice of violation delivered hereunder by Landlord, Landlord shall have the right to cancel Tenant's right to use the Parking Facility pursuant to this Article. Such cancellation right shall be cumulative and in addition to any other rights or remedies available to Landlord at law or equity, or provided under this Lease.
- 32. Approval Ordinance. In the event that the Approval Ordinance (as defined in Section 1.9 of the Basic Lease Information) has not been enacted on or before the date that is one hundred twenty (120) days after the date Landlord executes this Lease, Landlord shall have the right to terminate this Lease at any time thereafter upon written notice to Tenant until such time as Tenant notifies Landlord that the Approval Ordinance has been enacted.

33. Limitation of Landlord's Liability. Redress for any claim against Landlord under this Lease shall be limited to and enforceable only against and to the extent of Landlord's interest in the Building. The obligations of Landlord under this Lease are not intended to be and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its or its investment manager's trustees, directors, officers, partners, beneficiaries, members, stockholders, employees, or agents, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damages.

[SIGNATURES ON FOLLOWING PAGE]

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

LANDLORD:

		WAY MUIRLAND, INC.,
	a Calif	Fornia corporation
	Ву:	2000 Citi
	Name:	Michael Benoit
	Title:	Vice President
	Date	7-22-2020
	By:	a sta
	Name:	And Martin
	Title:	Vice President
	Date	7/27/2020
	Dute	
	TENA	NT:
	1 1111	
	KING	COUNTY, a political subdivision of the State of Washington
	By:	
	Name:	
	Title:	
	Date	
	APPR	OVED AS TO FORM:
	By:	
		Deputy Prosecuting Attorney
ADDE	OVER	DV CUCTODIAL
APPR		BY CUSTODIAL
	AGEN	CY:
Ву:		
Date:		

LANDLORD ACKNOWLEDGMENTS

STATE OF WASHINGTON	1)	
COUNTY OF KING) ss.)	
person acknowledged that he authorized to execute the ins	e signed this instrument, on of trument and acknowledged in the of Gateway Muirland voluntary act of such party astrument. Y HAND AND OFFICIAL S	eared before me, and said bath stated that he was t as the and, Inc., a California of for the uses and
Notary Public	con	
Print Name Packer Johns My commission expires 6	6/2015	*************
(Use this space for notarial s	820	Motary Public State of Washington Commission # 179464 My Comm. Expires Aug 6, 20
STATE OF WASHINGTON		RACHEL JOHNSON
COUNTY OF KING) ss.)	
person acknowledged that he authorized to execute the ins	trument and acknowledged i of Gateway Muirla d voluntary act of such party strument.	eared before me, and said bath stated that he was t as the and, Inc., a California of for the uses and
GIVEN UNDER MY	' HAND AND OFFICIAL S 0.	EAL this 27th day of
Notary Public Print Name Packet John	nson	Commission # 179464 My Comm. Expires Aug 6, 2023
My commission expires	6/2023	notanington State of Washington
(Use this space for notarial s	tamp/seal)	ВАСНЕГ ЛОНИЗОИ
RACHEL JOHNSO Notary Public State of Washing Commission # 17 My Comm. Expires Au	ton 9464	

TENANT ACKNOWLEDGMENT

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 us and purposes mentioned in the instrument.
GIVEN UNDER MY HAND AND OFFICIAL SEAL this day of, 2020
Notary Public
Print Name
My commission expires
(Use this space for notarial stamp/seal)

EXHIBIT A Legal Description

The Premises is located on a portion of the real property described below.

Lot 2 of Executive Park as per plat recorded in Volume 104 of Plats, page 85 of King County, State of Washington, subject to easements and restrictions of record.

EXHIBIT B Diagram of Premises

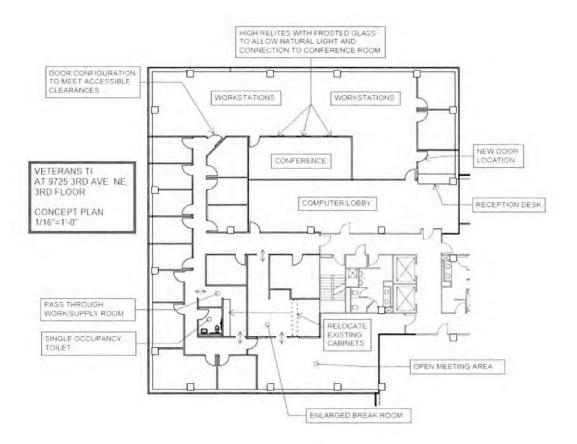


EXHIBIT C Work Letter

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT D Rules and Regulations

Tenant shall faithfully observe and comply with the following Rules and Regulations.

- 1. Tenant shall not alter any locks or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. If card keys are used to gain access to the Project, Landlord may (a) charge Tenant for the cost of any card keys issued to Tenant and charge Tenant for the cost of replacing lost or stolen card keys, (b) collect deposits for card keys issued to Tenant (and retain a deposit applicable to a card key if the card key is not returned) and (c) require Tenant to immediately return card keys that are no longer in use. Tenant shall only provide card keys or other keys to its Premises to its employees, and Tenant shall at all times keep an accurate list of the name of each employee to whom it has provided a card key or regular key. Tenant shall immediately notify Landlord of any lost or stolen card keys or regular keys, and on the day that the employment of an employee ends, Tenant shall obtain all card keys and regular keys from the employee. Tenant shall return all card keys and regular keys upon the termination of the Lease.
- 2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
- 3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Project except during the Project's normal hours of business. Tenant, its employees and agents must be sure that the doors to the Project are securely closed and locked when leaving the Premises if it is after the normal hours of business of the Project. Tenant, its employees, agents or any other persons entering or leaving the Project at any time when it is so locked, or any time when it is considered to be after normal business hours for the Project, may be required to sign the Project register. Access to the Project may be refused unless the person seeking access has proper identification or has a previously received authorization for access to the Project. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Project of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.
- 4. Landlord reserves the right, in Landlord's sole and absolute discretion, to close or limit access to the Project and/or the Premises, from time to time, due to the failure of utilities, due to damage to the Project and/or the Premises, to ensure the safety of persons or property or due to government order or directive, and Tenant agrees to immediately comply with any such decision by Landlord. If Landlord closes or limits access to the Project and/or the Premises for the reasons described above, Landlord's actions shall not constitute a breach of the Lease.
- 5. No furniture, freight or equipment of any kind shall be brought into the Project without Landlord's prior authorization. Tenant shall only move in and out of the Premises

at times designated by Landlord, in Landlord's sole discretion (e.g., Landlord could require that all moves in and out of the Premises only occur on weekends or on weekdays between 5:00 p.m. and 11:00 p.m.). All moves in and out of the Premises shall be scheduled with Landlord in advance, on a first come, first served basis. All property shall be moved in and out of the Premises using the freight elevator. Landlord shall have the right, in its sole discretion, to permit only one tenant to move in or out of the Project at a time. When moving equipment, furniture and other items into and out of the Premises, Tenant shall take whatever reasonable precautions Landlord designates to protect the Project from damage (e.g., placing plastic or other protective material on carpets in the common areas and the Premises). Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Project and also the times and manner of moving the same in and out of the Project. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight, and Tenant shall be solely responsible for the cost of installing all supports. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Project, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

- 6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Tenant shall not ask employees of Landlord to do anything outside their regular duties without special authorization from Landlord.
- 7. Tenant shall not disturb, solicit, or canvass any occupant of the Project and shall cooperate with Landlord and its agents to prevent the same. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, halls, stairways, elevators, or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises. Smoking shall not be permitted in the Common Areas.
- 8. The toilet rooms, urinals and wash bowls 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. 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 agents, shall have caused it.
- 9. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines and equipment used in a physical therapy practice (such as, refrigerators, freezers and laundry equipment) shall be installed, maintained or operated upon the Premises without the written consent of Landlord. All vendors or other persons visiting the Premises shall be subject to the reasonable control of Landlord. Tenant shall not permit its vendors or other persons visiting the Premises to solicit other tenants of the Project.
- 10. Tenant shall not use or keep in or on the Premises or the Project any kerosene, gasoline or other inflammable or combustible fluid or material. Tenant shall not bring into or keep within the Premises or the Project any animals, birds, bicycles or other vehicles. Notwithstanding the foregoing, Landlord acknowledges that Tenant works with athletes and patients who utilize their personal bicycles from time to time in the Premises.

- 11. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or to otherwise interfere in any way with the use of the Project by other tenants.
- 12. No cooking shall be done or permitted on the Premises, nor shall the Premises be used for the storage of merchandise, for loading or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' Laboratory approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors of Tenant, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations; and provided further that such cooking does not result in odors escaping from the Premises.
- 13. Landlord shall have the right to approve where and how telephone wires are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the consent of Landlord. The location of telephone call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Project. Tenant shall not interfere with broadcasting or reception from or in the Project or elsewhere.
- 14. Landlord reserves the right to exclude or expel from the Project 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 these Rules and Regulations.
- 15. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Project's heating and air conditioning system, and shall refrain from attempting to adjust any controls. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord. Tenant shall not use electric fans or space heaters in the Premises.
- 16. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash in the vicinity of the Project without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.
- 17. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
- 18. No awnings or other projection shall be attached to the outside walls or windows of the Project by Tenant. No curtains, blinds, shades or screens shall be attached to or hung in any window or door of the Premises without the prior written consent of Landlord. Landlord shall have the right to require Tenant to use Landlord's standard curtains or window coverings. Tenant shall not place any signs in the windows of the Premises or the Project. All electrical ceiling fixtures hung in the Premises must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord. Tenant shall abide by

Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises. The skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Project shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

- 19. Tenant shall not employ any person or persons other than the janitor of Landlord for the purpose of cleaning the Premises unless otherwise agreed to in writing by Landlord. Except with the prior written consent of Landlord, no person or persons other than those approved by Landlord shall be permitted to enter the Project for the purpose of cleaning same. Landlord shall in no way be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant or any of its employees or other persons by the janitor of Landlord. Landlord shall not be obligated to notify Tenant of the times at which the janitorial staff will enter the Premises if such entry is after Business Hours, and Tenant hereby authorizes the janitorial staff to enter the Premises at such times, without notice. Janitor service shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture and other special services. Window cleaning shall be done only by Landlord at reasonable intervals and as Landlord deems necessary.
- 20. Tenant acknowledges that the local fire department has previously required Landlord to participate in a fire and emergency preparedness program or may require Landlord and/or Tenant to participate in such a program in the future. Tenant agrees to take all actions necessary to comply with the requirements of such a program including, but not limited to, designating certain employees as "fire wardens" and requiring them to attend any necessary classes and meetings and to perform any required functions.
- 21. Tenant and its employees shall comply with all federal, state and local recycling and/or resource conversation laws and shall take all actions requested by Landlord in order to comply with such laws. Tenant and its employees shall participate in any recycling or resource conservation program implemented by Landlord, at Tenants sole expense.

PARKING RULES

- 1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles, minivans and SUVs. Tenant and its employees shall park automobiles within the lines of the parking spaces. Landlord may designate the areas in the parking facilities that will be available for unreserved or reserved parking, in Landlord's sole discretion.
- 2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.
- 3. Landlord may require Tenant and Tenant's employees to use parking cards, parking stickers or other identification devices. Parking stickers, parking cards and other identification devices shall be the property of Landlord and shall be returned to Landlord by the holder thereof upon termination of the holder's parking privileges. Landlord may require Tenant and each of its employees to give Landlord a deposit when a parking card

or other parking device is issued. Landlord shall not be obligated to return the deposit unless and until the parking card or other device is returned to Landlord. Tenant will pay such replacement charges as is reasonably established by Landlord for the loss of such devices. Loss or theft of parking identification stickers or devices from automobiles must be reported to the parking operator immediately. Any parking identification stickers or devices reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution.

- 4. Landlord reserves the right to relocate all or a part of parking spaces within the parking area, and to allocate them between compact and standard size and tandem spaces, as long as the same complies with applicable laws, ordinances and regulations. doesn't apply to reserved spaces If access to the parking areas are not now controlled with gates or similar devices, Landlord shall have the right, but not the obligation, to install gates or other devices to control access to the parking areas, and Tenant shall comply with all of Landlord's rules and regulations relating to access to the parking areas.
- 5. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Landlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.
- 6. Validation of visitor parking, if established, will be permissible only by such method or methods as Landlord may establish at rates determined by Landlord, in Landlord's sole discretion. Only persons visiting Tenant at the Premises shall be permitted by Tenant to use the Project's visitor parking facilities.
- 7. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.
- 8. Tenant shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements. Parking area managers or attendants, if any, are not authorized to make or allow any exceptions to these Parking Rules and Regulations. Landlord reserves the right to terminate parking rights for any person or entity that willfully refuses to comply with these rules and regulations.
- 9. Every driver is required to park his own car. Where there are tandem spaces, the first car shall pull all the way to the front of the space leaving room for a second car to park behind the first car. The driver parking behind the first car must leave his key with the parking attendant. Failure to do so shall subject the driver of the second car to a \$50.00 fine. Refusal of the driver to leave his key when parking in a tandem space shall be cause for termination of the right to park in the parking facilities. The parking operator, or his employees or agents, shall be authorized to move cars that are parked in tandem should it be necessary for the operation of the parking facilities. Tenant agrees that all responsibility for damage to cars or the theft of or from cars is assumed by the driver, and further agrees that Tenant will hold Landlord harmless for any such damages or theft.
- 10. No vehicles shall be parked in the parking areas overnight. The parking areas shall only be used for daily parking and no vehicle or other property shall be stored in a parking space.
- Any vehicle parked by Tenant, its employees, contractors or visitors in a reserved parking space or in any area of the parking area that is not designated for the parking of such a vehicle may, at Landlord's option, and without notice or demand, be towed away by

any towing company selected by Landlord, and the cost of such towing shall be paid for by Tenant and/or the driver of said vehicle.

12. At Landlord's request, Tenant shall provide Landlord with a list which includes the name of each person using the

parking facilities based on Tenant's parking rights under this Lease and the license plate number of the vehicle being used by that person. Tenant shall provide Landlord with an updated list within twenty (20) days following Landlord's request.

CONFERENCE ROOM RULES

- 1. Tenant shall obtain pre-authorization from the Building's manager prior to using the Conference Room.
- 2. Landlord shall have the right to implement scheduling policies that must be followed in order for Tenant to use the Conference Room. Such policies may include, but are not limited to, a reservation system. Landlord may limit the hours during which the Conference Room may be used, in Landlord's sole discretion.
- 3. Tenant shall be solely responsible for any damages caused to the Conference Room by its use. Following Tenant's use of the Conference Room, Tenant shall remove all of its refuse and personal property, and shall leave the Conference Room in the same condition it was in when Tenant first entered the Conference Room.
- 4. Tenant shall only use the Conference Room for business meetings that are consistent with a first class office building. No parties or similar gatherings are permitted in the Conference Room.
- 5. Tenant shall not permit noise or odors to emanate from the conference room. Landlord reserves the right to limit or prohibit the consumption of food and beverages in the Conference Room.
- 6. If Tenant violates these rules Landlord shall have the right to immediately and permanently prohibit the use of the Conference Room by Tenant.

GENERALLY

Landlord reserves the right at any time, upon written notice thereof to Tenant, to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein so long as such rules and regulations will not unreasonably interfere with Tenant's permitted use of the Premises. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT E Commencement Date Memorandum

COMMENCEMENT DATE MEMORANDUM

THIS MEMORANDUM, made as of, 20, by INC., a California corporation ("Landlord") and KING COU of Washington ("Tenant"). Recitals:	y and between GATEWAY MUIRLAND, JNTY, a political subdivision of the State
Landlord and Tenant are parties to that certain Lease, dated for for certain premises (the "Premises") consisting of approximation commonly known as	mately square feet at the building
Tenant is in possession of the Premises and the Term of the Lea	se has commenced.
Landlord and Tenant desire to enter into this Memorandum Expiration Date and other matters under the Lease.	confirming the Commencement Date, the
NOW, THEREFORE, Landlord and Tenant agree as for	bllows:
19.1.1.1 The actual Commenc	ement Date is
19.1.1.2 The actual Expiration	n Date is
3. The schedule of the Base Rent set forth on the and the following is substituted therefor:	ne Reference Pages is deleted in its entirety,
[insert rent schedule	
1. Capitalized terms not defined herein shall have the same me	eaning as set forth in the Lease.
IN WITNESS WHEREOF, the parties hereto have cau date and year first above written.	ised this Agreement to be executed as of the
LANDLORD:	TENANT:
GATEWAY MUIRLAND, INC.,	PANC COUNTY
a California corporation	KING COUNTY, a political subdivision of the State of Washington
By: <u>DO NOT SIGN</u>	By: <u>DO NOT SIGN</u>
Name:	Name:
Title:	Title:
Dated:	Dated:



EXHIBIT C Work Letter

This Exhibit C ("Work Letter") is part of that certain Lease Agreement ("Lease") dated 1-22, 2020, by and between Gateway Muirland, Inc., a California 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 three (3) business days following finalization of Landlord's Work Plans and satisfaction of the Landlord's Work Condition as provided herein below, Landlord shall initiate a kick-off meeting for Landlord's Work and Landlord shall proceed with commercially reasonable diligence to complete Landlord's Work. Landlord shall deliver to Tenant a schedule ("Work Schedule") setting forth a timetable for the completion of Landlord's Work to be constructed in the Premises, which Work Schedule shall be subject to Tenant's review and reasonable approval. The Work Schedule shall set forth each of the various items of work to be done by or approval to be given by Landlord and Tenant in connection with the completion of Landlord's Work. Landlord shall use commercially reasonable efforts to complete Landlord's Work in accordance with the Work Schedule and shall inform Tenant within two (2) business days of Landlord becoming aware of any changes to the same. If a party's approval or consent is needed with respect to any element of the design or construction of Landlord's Work, then such party shall respond to the same within three (3) business days of request, unless another time frame is set forth in the Work Schedule, which response may indicate that additional time is required for review of the subject of the request for approval or consent.

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 in Paragraph 3 below. Reference in the Lease to "Tenant Improvements" shall mean the "Landlord's Work" as described herein.

3. LANDLORD'S WORK PLANS.

The elements of Landlord's Work are depicted in the space plan prepared by Studio Meng Strazzara attached hereto as Exhibit C-1 ("Space Plan"), and which has been approved by Landlord and Tenant. Based upon the Space Plan, Tenant's architect (Studio Meng Strazzara or such other architect as may be selected by Tenant and reasonably approved by Landlord) shall prepare working drawings and specifications for Landlord's Work. Landlord and Tenant agree to cooperate with Tenant's architect in order to facilitate the prompt and efficient completion of such drawings and specifications and submission of the same for permit. Tenant shall be solely responsible for the timely preparation and submission to Landlord of the final architectural, electrical and mechanical construction drawings, plans and specifications by Tenant's architect, necessary to construct the Landlord's Work, which shall be subject to approval by Landlord and Landlord's architect and engineers and shall comply with their requirements to avoid aesthetic or other conflicts with the design and function of the balance of the Building. Tenant shall be responsible for all elements of

the design of Landlord's Work (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval thereof shall in no event relieve Tenant of the responsibility for such design. Tenant has assured itself by direct communication with its architect that the final approved working drawings and specifications can be delivered to Landlord on or before the date that is fifteen (15) business days after Landlord's execution of the Lease (the "Plans Due Date"), provided that Tenant promptly furnishes complete information concerning its requirements to said architect and engineers as and when requested by them. Tenant covenants and agrees to cause said final, approved plans to be delivered to Landlord on or before said Plans Due Date and to devote such time as may be necessary in consultation with its architect to enable it to complete and submit the working drawings and specifications within the required time limit. Time is of the essence in respect of preparation and submission of working drawings and specifications by Tenant. If final working drawings and specifications are not fully completed and submitted to Landlord by the Plans Due Date, Tenant shall be responsible for one day of Tenant Delay (as defined in the Lease to which this Work Letter is attached) for each day during the period beginning on the day following the Plans Due Date and ending on the date final working drawings and specifications are submitted to Landlord. Once approved by Landlord and Tenant, such final working drawings and specifications may be referred to herein as "Landlord's Work Plans." Landlord's Work Plans shall be submitted to the appropriate governmental body by Tenant's architect for plan checking and the issuance of a building permit, and written confirmation of such submittal shall be delivered to Landlord, within three (3) business days following the parties' final approval of the Landlord's Work Plans. Tenant's architect shall cause to be made any changes in Landlord's Work Plans necessary to obtain the building permit, subject to Landlord's and Tenant's approval of such changes. Landlord agrees not to unreasonably withhold, condition or delay its approval of the Landlord's Work Plans or any changes to the same requested by Tenant. If issuance of a building permit is delayed as a result of delays within Tenant's or its architect's reasonable control, including without limitation failure to submit Landlord's Work Plans to the appropriate governmental body and notify Landlord of such submittal within the above-described 3-business day period, Tenant shall be responsible for one day of Tenant Delay for each day of such delay.

4. CONSTRUCTION OF LANDLORD'S WORK.

- a. The parties acknowledge and agree that Landlord shall not commence construction of Landlord's Work unless and until the Approval Ordinance is enacted and the Lease has been duly executed, acknowledged and delivered by Landlord and Tenant (the "Landlord's Work Condition").
- b. Within fifteen (15) business days of Landlord and Tenant's final approval of Landlord's Work Plans, Landlord will obtain three (3) bids from qualified, licensed and bonded commercial general contractors with the experience and capacity to manage, oversee and cause the prompt and efficient construction of Landlord's Work. Both Parties must mutually agree upon the general contractor selected. Landlord shall enter into a guaranteed maximum price contract ("GMP Contract") with the selected general contractor for the installation of Landlord's Work in accordance with Landlord's Work Plans, which contract must be approved of by Tenant in writing, not to be unreasonably withheld. No changes to the approved GMP Contract with the selected general contractor may be made without Tenant's prior written approval, not to be unreasonably withheld. To the extent that Landlord is to receive any fee, profit or other payment or reimbursement for its selection of a particular

general contractor, all such amounts must be fully disclosed in writing and in advance to Tenant and must be approved of by Tenant.

- c. Landlord agrees to cause, and to require all general contractors and subcontractors performing Landlord's Work to cause, all laborers, workers and mechanics (as such terms are defined in Chapter 39.12 of the Revised Code of Washington) performing the work to be paid the prevailing rate of wages (as defined in Chapter 39.12 of the Revised Code of Washington).
- d. Landlord shall supervise the completion of Landlord's Work and shall use commercially reasonable efforts to secure completion of such work in accordance with the Work Schedule. Landlord shall ensure that the construction of Landlord's Work is performed substantially in accordance with Landlord's Work Plans. During the performance of Landlord's Work, Landlord shall arrange for weekly meetings to include Landlord, Tenant and (if desired by Tenant) Tenant's architect, for the purpose of reviewing the progress of Landlord's Work. Landlord shall arrange for such meetings at a mutually convenient time and location. Before the commencement of Landlord's Work, Landlord agrees to meet with Tenant to review Landlord's safety and security plans for performance of Landlord's Work and to discuss any reasonable Tenant concerns related to the same.
- e. The cost of Landlord's Work shall be paid for as provided in Paragraph 5 below. Landlord shall reasonably cooperate to enforce warranties provided by the general contractor, subcontractor and suppliers with respect to any defects in the Landlord's Work. Hazardous Materials existing in the Premises prior to the date Landlord tenders possession of the Premises to Tenant with Landlord's Work substantially complete are subject to Section 24.3 of the Lease.

5. PAYMENT OF COST OF LANDLORD'S WORK.

- a. Landlord hereby grants to Tenant a "Tenant Allowance" up to and not to exceed Three Hundred Forty-Three Thousand Six Hundred Eighty Dollars (\$343,680.00). The Tenant Allowance may be used by Tenant for:
 - (1) Payment of the cost of preparing the Space Plan and the final working drawings and specifications, including without limitation mechanical, electrical, plumbing and structural drawings and of all other aspects of Landlord's Work Plans.
 - (2) The payment of plan check, permit and license fees relating to construction of Landlord's Work.
 - (3) Construction of Landlord's Work, including, without limitation, the following:
 - (a) Installation within the Premises of all partitioning, doors, floor coverings, ceilings, wall coverings and painting, millwork and similar items.
 - (b) All electrical wiring, lighting fixtures, outlets and switches, and other electrical work to be installed within the Premises.

- (c) The furnishing and installation of all duct work, terminal boxes, diffusers and accessories required for the completion of the heating, ventilation and air conditioning systems within the Premises, including the cost of meter and key control for after-hour air conditioning.
- (d) Any additional Tenant requirements including, but not limited to, odor control, special heating, ventilation and air conditioning, noise or vibration control or other special systems.
- (e) All fire and life safety control systems such as fire walls, sprinklers, halon, fire alarms, including piping, wiring and accessories installed within the Premises.
- (f) All plumbing, fixtures, pipes and accessories to be installed within the Premises.
- (g) Testing and inspection costs.
- (h) Subcontractors' fees, including but not limited to any fees based on general conditions.
- (4) All other costs to be properly expended by, or owing to, Tenant or Landlord in the design, permitting and construction of Landlord's Work, including without limitation, those costs incurred by Tenant for design and construction of elements of Landlord's Work.
- b. After deduction of a construction management fee in the amount of three percent (3%) of the amount of the Tenant Allowance (and any Additional Allowance, as defined in Section 5.e below), the Tenant Allowance shall be disbursed to Tenant (or, at Tenant's election, to Tenant's architect) and/or to Landlord's general contractor only upon Tenant's written approval of such disbursement (provided that such approval shall not be evidence that Tenant has inspected or approved any particular aspect of Landlord's Work, as Landlord is responsible for overseeing and managing the same). Landlord shall make disbursements that are made other than to the general contractor under the GMP Contract (which payments shall be made pursuant to the GMP Contract) within thirty (30) days after written demand therefor accompanied by all required documentation.
- c. The cost of designing and constructing Landlord's Work shall be charged against the Tenant Allowance. If the cost of Landlord's Work exceeds the Tenant Allowance, and Additional Allowance if applicable, Tenant shall pay any such overage within thirty (30) days of Landlord's demand.
- d. In the event that, after Landlord's Work Plans have been prepared and a GMP Contract has been approved by Tenant, Tenant shall require any changes or substitutions to Landlord's Work Plans, any additional costs thereof shall be paid by Tenant to Landlord within thirty (30) days of Landlord's demand; provided, however, that Landlord shall first apply towards such increase any remaining balance in the Tenant Allowance, and Additional Allowance if applicable.

- e. Any increase for any reason whatsoever to the cost of Landlord's Work (above the GMP approved by Tenant), including without limitation the requirements of any governmental agency, shall require Tenant's prior written approval.
- f. Notwithstanding the proceeding, if Tenant has used the entire Tenant Allowance as provided herein, then, provided Tenant is not in default under the Lease, Tenant shall be entitled to request an additional allowance of up to \$171,840.00 (i.e., \$20.00 per rentable square foot of the Premises) (the "Additional Allowance") from Landlord in order to finance any costs of Landlord's Work in excess of the Tenant Allowance during the Term. Provided Tenant is not in default beyond any applicable cure periods under the Lease, Landlord shall apply the Additional Allowance, or applicable portion thereof, to the cost of Landlord's Work. In no event shall Tenant be entitled to use any of the Additional Allowance after the Lease Commencement Date. Any Additional Allowance applied to the cost of Landlord's Work hereunder shall be repaid to Landlord as additional rent in equal monthly installments throughout the first sixty (60) full calendar months of the initial Term, commencing on the first day of the first full calendar month of the initial Term, at an interest rate equal to eight percent (8%) per annum. If Tenant is in default under the Lease after the expiration of applicable cure periods, the entire unpaid balance of the Additional Allowance shall become immediately due and payable and, except to the extent required by applicable law, shall not be subject to mitigation or reduction in connection with a reletting of the Premises by Landlord. Upon request of Landlord, Tenant shall execute an amendment to the Lease or other appropriate agreement, prepared by Landlord, evidencing the amount of the Additional Allowance requested by Tenant and the repayment schedule relating to Tenant's repayment of the Additional Allowance, as described herein.
- g. Any portion of the Tenant Allowance which exceeds the cost of Landlord's Work or is otherwise remaining after the Lease Commencement Date, shall accrue to the sole benefit of Landlord, it being agreed that Tenant shall not be entitled to any credit, offset, abatement or payment with respect thereto.

6. PUNCHLIST; DEFICIENCIES IN LANDLORD'S WORK

- a. Landlord and Tenant will, within five (5) business days from the date that Landlord's Work is completed ("Inspection Period"), inspect the Premises and prepare a list of any outstanding work or items to be completed by Landlord ("Punch List items"). Landlord agrees to complete (or repair) the Punch List item(s) with commercially reasonable diligence and speed, and within thirty (30) days after the Punch List is delivered to Landlord, or with reasonable diligence thereafter if more than thirty (30) days is reasonably required for such work.
- b. Landlord shall reasonably cooperate with Tenant to enforce the general contractor's warranty for any defects or deficiencies in Landlord's Work.

7. REPRESENTATIVES

Tenant has designated Manuel Flores as its sole representative with respect to the matters set forth in this Work Letter, who, until further written notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter. Landlord has

designated Jim Lovsted as its sole representative with respect to the matters set forth in this Work Letter, who, until further written notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.

8. MISCELLANEOUS

A default or the failure to perform under this Work Letter shall be a default under the Lease, subject to notice and cure periods set forth in 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. This Work Letter shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

EXHIBIT C Space Plan

