Ordinance 19372

# ATTACHMENT A:

# LEASE AGREEMENT

West Commodore Way

Lease Agreement

between

**Commodore Way Owner, LLC, a Delaware limited liability company** 

as Landlord

and

King County, a political subdivision of the State of Washington

as Tenant

\_\_\_\_\_, 2021

# **TABLE OF CONTENTS**

		Page
1.	Demise; Premises	1
2.	Rent	
3.	Additional Rent	4
4.	Payment of Additional Rent	7
5.	Use	8
6.	Condition of Premises; Maintenance and Repair	13
7.	Alterations	14
8.	Liability and Insurance	16
9.	Tenant's Property	17
10.	Holding Over	
11.	Utilities and Services	
12.	Climate Control	
13.	Signs; Auctions	
14.	Access and Control of Premises	19
15.	Damage or Destruction	
16.	Eminent Domain	
17.	Self-Help Rights; Liability and Indemnification	
18.	Defaults and Remedies	
19.	Transfers by Tenant	26
20.	Subordination; Attornment	27
21.	Financial Statements	
22.	Disputes	
23.	Tenant's Liability and Performance	
24.	Definition of Landlord; Limitation of Liability	
25.	Waiver	
26.	Miscellaneous Provisions	30

Exhibits:	Exhibit A	Premises
	Exhibit A-1	Legal Description of the Land
	Exhibit A-2	Initial Office/Parking Base Rent
	Exhibit A-3	Conceptual Parking Plan
	Exhibit B	Work Letter
	Exhibit C	Rules and Regulations

# LEASE

# West Commodore Way

# **BASIC LEASE TERMS**

The following is a summary of certain basic terms of this Lease and contains binding contractual provisions. These Basic Lease Terms are a part of this Lease.

Date:	, 2021 (for reference purposes only)
Landlord:	Commodore Way Owner, LLC, a Delaware limited liability company
Address of Landlord:	ScanlanKemperBard Companies, LLC 222 SW Columbia Street, Suite 700 Portland, OR 97201 Attn: Asset Manager, Commodore Way Email: jpaul@skbcos.com
Tenant:	King County, a political subdivision of the State of Washington
<b>Tenant Parties:</b>	Tenant and all of its owners, agents, contractors, licensees and invitees, and all employees of the foregoing, are collectively the "Tenant Parties."
Address of Tenant:	King County Facilities Management Division 500 Fourth Avenue, Suite 800 Seattle, WA 98104 Attn: Lease Administrator Email: <u>res-leaseadmin@kingcounty.gov</u>
Permitted Use:	Office, storage, maintenance/machine shop and parking, all in compliance with this Lease and all legal requirements.
City, County and State:	City of Seattle, King County, and Washington, respectively.
Premises:	Approximately 68,972 rentable square feet of space as shown on <u>Exhibit A</u> . The Premises consists of approximately 35,980 rentable square feet of office or improved areas (the "Office Area"), 16,660 rentable square feet of garage area (the "Parking Area"), and approximately 16,332 rentable square feet of industrial maintenance shop and warehouse storage area (the "Maintenance Shop and Storage Area") (each an "Area").

Buildings:	The building located at 2501 W. Commodore Way, Seattle, Washington and the building located at 2421 W. Commodore Way, Seattle, Washington, or, as appropriate, one of such buildings.
Project:	The Project consists of (a) the Buildings, (b) so long as owned by Landlord, the other building located at 2500 W. Jameson Street, (c) the appurtenant parking and other outdoor areas owned and/or operated by Landlord, including the yard area located at 2331 W. Commodore Way and any buildings constructed by Landlord thereon, (d) the parcels of land owned and/or operated by Landlord on which the foregoing is or are located (the "Land") which are legally described on <u>Exhibit A-1</u> attached hereto and incorporated herein, and (e) any adjacent land later acquired by Landlord and incorporated into the Project, together with any and all buildings constructed thereon.
Lease Term:	240 full calendar months plus any first partial calendar month.
<b>Renewal Terms:</b>	Option to renew for two (2) additional terms of sixty (60) full calendar months each.
Effective Date:	The date on which this Lease has been executed and delivered by both Landlord and Tenant.
Plan Date:	August 1, 2022
Commencement Date:	The date on which possession of the Premises is delivered to Tenant, but if such date is not the first day of a calendar month, then the first day of the first calendar month following such date, subject to adjustment pursuant to Section 1.3. The Estimated Commencement Date is March 1, 2023. During the 30 day period of possession prior to the Commencement Date, Tenant may install its furniture, fixtures and equipment. All terms of this Lease apply to such period other than the obligation to pay Base Rent and Operating Expenses. Prior to entry during this period, Tenant shall deliver to Landlord proof of all insurance required hereunder.
Expiration Date:	The final day of the 240 <sup>th</sup> full calendar month following the Commencement Date.
Base Rent:	Base Rent will be the sum of Office/Parking Base Rent plus Storage Base Rent. Office/Parking Base Rent for the first full calendar year of the Term (the "Initial Office/Parking Base

	Rent") will be determined pursuant to Exhibit A-2. Storage Base Rent for the first full calendar year of the Term will be \$24,498.00 per month. Base Rent will then be escalated 2.5% on the first day of the thirteenth (13 <sup>th</sup> ) full calendar month after the Commencement Date and on the same day of each calendar year thereafter. The parties will execute and deliver amendments to this Lease setting forth, when known, the rentable square footage of each Area, the Initial Office/Parking Base Rent, the dates of the annual Base Rent periods, and the amount of prepaid Base Rent, Tenant's Share, and Allowance. Until such amendment is executed, (a) the amount to be prepaid upon execution to be applied to first month's Base Rent and the amount payable monthly as Base Rent will be \$153,904.67 consisting of estimated Office/Parking Base Rent of \$129,406.67 per month and agreed Storage Base Rent of \$24,498.00 per month, and (b) Tenant's Share and the amount of the Allowance will be calculated based on the approximate rentable square footages set forth above. At the time such an amendment is executed, any necessary adjustment of paid amounts will be made in cash between the parties.
Security Deposit:	None.
Allowance:	\$1,479,320.00 (\$21.45 per rentable square foot of the Premises) calculated by adding \$25.00 per rentable square foot for the Office Area and Parking Area (\$1,316,000.00) plus \$10.00 per rentable square foot for the Maintenance Shop and Storage Area (\$163,320.00), subject to recalculation as set forth above.
Approximate Building Square Footage:	Approximately the following rentable square footages: 2501 W. Commodore: 62,864 2421 W. Commodore: 28,682
Approximate Project Square Footage:	213,066
Tenant's Initial Proportionate Share of Operating Expenses:	64.091% of 2501 W. Commodore Way or 100% of 2421 W. Commodore Way, and 32.371% of the Project, all subject to adjustment pursuant to the Lease.
Parking:	Tenant shall be entitled to sixty-eight (68) reserved, secured parking stalls throughout the Term and any extensions. Landlord acknowledges that the parking stalls will be comprised of fortu eight (48) accure parking stalls loggeted directly ediscent

of forty-eight (48) secure parking stalls located directly adjacent to Tenant's Premises as shown on attached Exhibit A-3 and

	twenty (20) parking stalls within the secured parking lot addressed as 2331 W Commodore Way. Additional parking	
	stalls may be available to the public at the Project or outside of	
	the Project within the public right of way. Landlord agrees to	
	maintain all parking stalls to be free of debris, garbage and any	
	structures or vehicles that unlawfully block the use of said	
	parking stalls for the purposes intended. All parking is subject	
	to Landlord's parking rules and procedures, as established by	
	Landlord from time to time. Landlord is not liable for loss of parking by government action.	
Brokers:	ORION Commercial Partners, LLC (representing Landlord) Kidder Mathews (representing Tenant)	

#### **LEASE AGREEMENT**

1. <u>Demise; Premises; Tenant Improvements</u>.

1.1 <u>Demise</u>. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, upon the terms and subject to the conditions set forth in this Lease, the Premises (as defined in Section 1.2 below).

1.2 <u>Premises and Associated Rights</u>. The premises leased to Tenant consist of the interior space in the Buildings having the square footage and location generally identified in the Basic Lease Terms preceding this Lease, as more particularly identified on the schematic design pricing plans (the "SD Pricing Plans") jointly prepared by Landlord and Tenant attached as <u>Exhibit A</u> (the "Premises") excluding, however, the roof and exterior walls, if any, of such space. The Premises shall be delivered to Tenant in "AS IS" condition subject to and following Landlord's substantial completion of the Work as defined in <u>Exhibit B</u>.

1.3 Commencement and Expiration Dates. The term of this Lease shall be for the period shown in the Basic Lease Terms and shall have the Commencement Date and Expiration Date also designated in the Basic Lease Terms (the "Term"). If the Premises are for any reason not delivered by the Estimated Commencement Date shown in the Basic Lease Terms, this Lease shall not be void or voidable, Landlord shall not be liable for any damages by reason thereof, and the Term of this Lease shall be for the same term of months as set forth in the Basic Lease Terms, but the Commencement Date shall occur only at the time that the Premises are delivered to Tenant. In the event delivery of possession is directly delayed by any act, omission or request of Tenant, then the Premises shall be deemed to have been delivered (and the Commencement Date shall occur) on the earlier of the actual date of delivery or the date delivery would have occurred absent the number of days of such delay attributable to Tenant and the Term shall then be for such number of full calendar months (plus any partial first month). If for any reason possession of the Premises is not delivered within 365 days of the Estimated Commencement Date set forth in the Basic Lease Terms, Tenant may terminate this Lease by written notice given after such 365 day period but prior to delivery of possession; provided, Tenant's right of termination shall not arise until such 365 day period expires, as the same shall automatically be extended by (a) the number of days of delays attributable to Tenant ("Tenant Delays"), plus (b) the number of days of delays caused by events of Force Majeure. Any such termination shall be without liability of Landlord. Any such termination by Tenant shall be Tenant's sole remedy for delay in delivery of possession. Tenant shall, upon Landlord's request, execute an acceptance letter setting forth the exact Commencement Date.

1.4 <u>Cost Reimbursement</u>. If this Lease is terminated prior to the Commencement Date, then Tenant shall reimburse Landlord for 50% of all costs and expenses, to be shown in budgets approved by the parties from time to time, incurred by Landlord prior to and after execution of this Lease in connection with the design of the Premises and permitting (including but not limited to architectural, engineering and consulting fees and costs and the costs of meeting with permitting jurisdictions and permit applications) within thirty (30) days of request for reimbursement accompanied by substantiation of the amount requested; the costs and expenses to be reimbursed will not include those costs, if any, for which Tenant shall have previously reimbursed Landlord a

50% share. If this Lease is not so terminated, then 100% of such costs and expenses incurred by Landlord shall be deemed OP Costs.

Renewal Option. Landlord hereby grants to Tenant the option to renew this Lease 1.5 for two (2) additional terms (each a "Renewal Term") of sixty (60) months each. If this option is exercised, references in the Lease to the Term shall include the applicable Renewal Term. Tenant must exercise the option to renew, if at all, by giving Landlord written notice of such exercise not more than fifteen (15) and no fewer than twelve (12) full calendar months prior to expiration of the then current Term. Upon exercise of the option to renew, the Term shall be extended through the expiration date of the applicable Renewal Term on the same terms and conditions as contained herein, except that (a) there shall be no further right to renew the Term beyond the two (2) Renewal Terms, (b) Base Rent during each Renewal Term shall be fair market rental value determined pursuant to Section 2, but not less than the Base Rent scheduled for the final month of the expiring Term, (c) no allowances, abatements or other financial concessions shall apply, and (d) Landlord may reasonably require a change to the types and/or amounts of insurance coverages to conform to what Landlord or its affiliates then require in connection with new leases. If Tenant exercises the option to renew this Lease, Landlord and Tenant shall execute and deliver an amendment to this Lease setting forth such fact, the amount of Base Rent for the Renewal Term, and all other matters consistent with this Section 1.5. Upon any assignment of this Lease or any sublease or recapture of all or part of the Premises, the right to exercise the option to renew shall terminate. The right to exercise the option to renew shall also terminate upon any Event of Default by Tenant or the termination of this Lease or of Tenant's right of possession; provided, if the option to renew is exercised and this Lease or Tenant's right of possession is terminated due to an Event of Default, Landlord's damages shall include damages with respect to the Renewal Term.

# 1.6 <u>Early Expiration</u>.

1.6.1 <u>Grant of Right</u>. Tenant shall have the one-time right to cause the Term of this Lease to expire as of the final day of the 180<sup>th</sup> full calendar month of the Term (the "Early Expiration Date") by giving an Early Expiration Notice as set out below.

1.6.2 Notice and Payment. In order to effectively exercise this early expiration right, Tenant shall notify Landlord in writing (the "Early Expiration Notice") of its exercise of this right no later than twelve (12) full calendar months prior to the Early Expiration Date and shall pay Landlord at the time the Early Expiration Notice is given an amount equal to the sum of (a) the Base Rent and Operating Expenses scheduled to be due for months 181-183 of the Term, plus (b) the unamortized portion of all OP Costs other than the cost basis of the Land (the "Lease Costs"). Such payment shall be due, in full, when the Early Expiration Notice is delivered to Landlord, and such payment shall be a condition to the effectiveness of such Early Expiration Notice. In calculating amortization of the Lease Costs, (A) all Lease Costs will be deemed incurred and paid on the first day of the Term, (B) interest shall accrue at 8% per annum, and (C) the Lease Costs will be amortized over the 240 months of the Term. Upon the giving of the Early Expiration Notice and the payment of this amount, the Expiration Date of this Lease shall be and become the Early Expiration Date. Within ninety (90) days of request made by Tenant following the Commencement Date, Landlord will provide to Tenant the amortization schedule of the Lease Costs.

1.6.3 <u>Termination of Option</u>. The rights granted in this Section shall terminate and shall cease to be effective: (a) upon any assignment of this Lease or any sublease or recapture of all or part of the Premises as defined in Section 19.1; or (b) upon any Event of Default by Tenant or the termination of this Lease or of Tenant's right of possession.

1.6.4 <u>Additional Documents</u>. Upon request following the giving of an effective Early Expiration Notice, both parties shall execute an amendment to this Lease setting forth the Early Expiration Date, provided, the failure of the parties to execute any such amendment shall not affect their respective rights hereunder. At any time within twenty (20) days of written request, Tenant shall execute and deliver a statement indicating whether or not an Early Expiration Notice has been given and such matters with respect to any Early Expiration Notice which has been given as Landlord may request.

1.6.5 <u>Relationship to Other Provisions</u>. The giving of an Early Expiration Notice by Tenant shall constitute the irrevocable waiver by Tenant of the right to exercise the renewal option pursuant to Section 1.5.

2. Rent. Tenant shall pay rent consisting of (i) Base Rent, and (ii) all other sums that become payable by Tenant under this Lease ("Additional Rent"). Base Rent and Additional Rent are referred to herein as "Rent." All Rent shall be paid in advance on the first day of each month unless otherwise provided herein. Tenant shall pay to Landlord, with all Rent, any rent, transaction, privilege or other tax now or hereafter imposed on any Rent. All Rent shall be paid in lawful money of the United States to Landlord, at such place as Landlord shall designate by written notice to Tenant from time to time. Tenant shall pay all Rent promptly when due without notice or demand therefor and without any abatement, deduction or off set, for any reason whatsoever, except as may be expressly provided in this Lease. Base Rent for any partial month shall be prorated. Base Rent for the first full calendar month of the Term for which Base Rent is payable shall be paid upon execution of this Lease, and Base Rent for any partial month at the beginning of the Term shall be due on the Commencement Date. If Landlord does not receive any Rent within five (5) days of when due, Tenant shall pay to Landlord an additional sum equal to ten percent (10%) of the overdue amount. The late charge is in addition to any and all remedies available to Landlord and the assessment and/or collection of the late charge shall not be deemed a waiver by Landlord of such failure or of any other default under this Lease. Additionally, all such delinquent Rent, plus any late charge, shall bear interest at the rate of nine percent (9%) per annum, or, if lower, the maximum interest rate permitted by law (as applicable, the "Default Rate"), from the date due until paid. If any payment by Tenant is returned due to insufficient funds, Tenant shall pay all related charges and will, if required by Landlord, make all future payments by cashier's check.

2.1 <u>Base Rent</u>. The monthly Base Rent shall be the amount(s) specified in the Basic Lease Terms (the "Base Rent").

2.1.1 <u>Rentable Square Footage Adjustment</u>. Landlord's consultants have estimated the rentable square footage of the Premises, each Area, each Building, and the Project based upon BOMA specifications. The parties agree that the rentable square footage of the Premises will be measured by Landlord using the applicable BOMA standard of measurement (i.e., the 2017 Office Standard and 2019 Industrial Standard as applicable to the respective Areas

comprising the Premises). Landlord shall not have the right to include patio areas, exterior storage areas, exterior generator/equipment storage areas, or rooftop areas in the rentable square footage of the Premises. Such measurement by Landlord is subject to confirmation by Tenant, not to be unreasonably withheld or delayed. The parties shall then amend this Lease and adjust any prior payments hereunder as set forth in the Basic Lease Terms.

2.1.2 Renewal Term Base Rent. Base Rent for any Renewal Term shall be established by agreement of the parties or, if they do not agree by the 120<sup>th</sup> day prior to the commencement date of the Renewal Term, then Base Rent for the Renewal Term shall be the fair market rental value of the Premises established pursuant to the terms of this Section. If the parties are not able to agree upon the then fair market rental value of the Premises on or before the 120th day prior to the commencement of the Renewal Term, then not later than the 90th day prior to the commencement of the Renewal Term, each party shall submit to the other a written final offer setting forth the then fair market rental value of the Premises. The written notice of the fair market rental value shall also be accompanied by a list of three qualified MAI appraisers, experienced in determining fair market rental values of similar commercial properties in the metropolitan area where the Premises are located. Each party shall have the right to strike one candidate from the list submitted by the other party. The resulting names that are timely submitted shall then be placed in a vessel and one MAI appraiser shall be selected at random. The MAI appraiser so selected (the "Appraiser") need not necessarily conduct an appraisal, but rather shall, using whatever means (including an appraisal) the Appraiser deems reasonable, select, as between the two final offers submitted by the parties, that final offer that sets forth a fair market rental value that is closest to the actual fair market rental value as the same may be determined by the Appraiser using whatever means (including an appraisal) the Appraiser deems reasonable. The decision of the Appraiser shall be final and binding on the parties and shall establish the Base Rent for the Renewal Term. However, if the Base Rent so determined is, for any portion of the Renewal Term, less than the Base Rent scheduled for the final month of the expiring Term, then Base Rent for such portion of the Renewal Term shall be the amount scheduled for the final month of the expiring Term. The cost of the Appraiser's fee shall be paid by the party whose final offer was not selected by the Appraiser as the then fair market rental value.

3. <u>Additional Rent</u>. Tenant, throughout the Term, shall be obligated to pay its Proportionate Share (as that term is defined in Section 4) of all Operating Expenses (as that term is defined in Section 3.1) actually paid or incurred by Landlord. Tenant's Proportionate Share of Operating Expenses shall be Additional Rent.

3.1 <u>Operating Expenses</u>. The term "Operating Expenses" shall mean all expenses paid or incurred by Landlord in the operation, maintenance and repair of the Project, including but not limited to the following:

3.1.1 Salaries, wages, medical, insurance, union and general welfare benefits, pension payments, payroll taxes, worker's compensation insurance, uniforms and related expenses and benefits of employees of Landlord or its property manager directly engaged in the repair, operation, maintenance, management, engineering and security of the Project;

3.1.2 All expenses incurred for gas, steam, electricity, heat, ventilation, airconditioning, water, elevator service, trash removal, common area janitorial, and other services or utilities furnished to the Project (but, with respect to utilities for which Tenant pays separately for the Premises, if any, Operating Expenses shall not include the cost of such utilities provided to other lessee spaces), together with any taxes thereon;

3.1.3 All reasonably necessary maintenance costs relating to public and service areas of the Project, including, but not limited to sidewalks, landscaping, service areas, mechanical rooms, loading areas, and the roof and the exterior of the Project;

3.1.4 The cost of all insurance premiums and charges including but not limited to rent loss insurance, casualty, liability, fire with extended coverage endorsement, earthquake, flood and fidelity insurance, and such other insurance with regard to the Project and the maintenance and/or operation thereof as Landlord may elect to maintain;

3.1.5 The cost or rental of all supplies, including without limitation, cleaning supplies, light bulbs, tubes and ballasts, materials and equipment, and all taxes thereon;

3.1.6 The cost or rental of hand tools and other moveable equipment used in the repair, maintenance or operation of the Project;

3.1.7 The cost of all charges for window and other cleaning, and any security services;

3.1.8 Charges of independent contractors performing repairs or services to the Project not otherwise chargeable to a specific tenant;

3.1.9 Repairs, replacement and general maintenance made by Landlord including the cost to repair and restore casualty losses to the extent not covered by insurance proceeds received by Landlord;

3.1.10 All taxes and assessments and governmental charges, whether subsequently created or otherwise, whether foreseen or unforeseen, including annual property taxes, local improvement district assessments, traffic or signalization improvement assessments, gross receipt taxes, business license taxes and fees for permits for the Project, carbon emissions taxes, and any other tax or charge, including income taxes and sales taxes if increased or imposed due to a reduction in property taxes, excepting only state or federal net income taxes, and all costs related to negotiation, contest or appeal of any tax, assessment or charge;

3.1.11 Alterations and improvements to the Project made by reason of the laws and requirements of any public authorities or the requirements of insurance companies or the holders of any real property encumbrances against the Project;

3.1.12 Reasonable management fees paid to a third party, or, if no managing agent is employed by Landlord, a reasonable management fee which is not in excess of the thenprevailing rates for management fees of other first-class buildings devoted to similar uses in the City;

3.1.13 Fair market rental and other reasonable costs with respect to the on-site management office serving the Project, if any;

3.1.14 The costs of any maintenance, improvements (other than those made exclusively to benefit one or more other lessees), replacements or repairs to the Project and/or of any machinery or equipment installed in the Project; any expenditure that is capital will be amortized over the useful life of the same as estimated by Landlord;

3.1.15 Legal, accounting and other professional fees incurred in connection with operation, maintenance and management of the Project;

3.1.16 All other charges properly allocable to the operation, repair and maintenance of the Project;

3.1.17 Reasonable reserves for payment of any of the expenses described in this Section;

3.1.18 The cost of air monitoring in order to detect and monitor the level of any hazardous materials; and

3.1.19 Any and all assessments and other amounts paid to any declarant, owner's association or other entity pursuant to recorded covenants applicable to the Project or to any association of area property owners.

Operating Expense Exclusions. Notwithstanding anything contained in the 3.2 foregoing Section 3.1 the following expenses shall be excluded from Operating Expenses: (a) depreciation or amortization on the initial construction of the Project; (b) debt service; (c) the cost of leasehold improvements made for any tenants of the Project; (d) leasing commissions and other expenses incurred in leasing, renovating, or improving space for other occupants of the Project; (e) repairs and replacements paid for by insurance proceeds; (f) costs separately billed to and paid by specific tenants of the Project; (g) rent under a ground lease or master lease, if any; (h) advertising and promotion expenditures; (i) costs incurred in performing work or furnishing services to or for individual tenants (including Tenant), at such tenant's expense; (j) interest or amortization payments under any mortgage affecting the Project; (k) rental concessions and lease buy-outs; (1) amounts paid to subsidiaries or affiliates of Landlord for services in or to the Project to the extent the costs therefor exceed competitive costs for such services were they not so rendered by a subsidiary or affiliate; (m) Landlord's general overhead and any expenses not directly related to the Project; (n) any legal and other professional fees expended by Landlord in connection with the negotiation or enforcement of any lease in the Project; (o) costs of environmental, cleanup or remediation; or (p) expenses (including attorney's fees and overtime) in curing Landlord's defaults or performing work resulting from violation by Landlord of the terms of any lease for space in the Project or any service contract at the Project.

3.3 <u>Calculation</u>. In determining the amount of Operating Expenses that vary with occupancy level for any Operating Year, if less than 95% of the rentable area in the a multitenant Building or in the Project, as applicable, shall have been occupied by tenants at any time during such Operating Year, Operating Expenses shall be deemed to be increased to an amount equal to the variable Operating Expenses that would be expected to be incurred had such occupancy been 95%.

3.4 <u>Tenant Tax Obligations</u>. Tenant shall pay when due all taxes on any personal property or trade fixtures of Tenant in the Premises. If any such taxes are levied against the Premises or Landlord, or if the assessed value of the Premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures, then Landlord shall have the right to pay the taxes based upon such increased assessments regardless of the validity thereof and Tenant shall, upon demand, reimburse Landlord. Tenant shall pay when due all taxes applicable to Tenant and Tenant's business.

#### 4. <u>Payment of Additional Rent</u>.

4.1 <u>Operating Year</u>. An "Operating Year" is a calendar year of the Lease Term. Operating Expenses will be prorated for any partial Operating Year.

4.2 Tenant's Proportionate Share. Tenant's Proportionate Share of Operating Expenses for a Building shall equal the rentable square footage of the portion of the Premises located in such Building divided by the total rentable square footage of such Building. Tenant's Proportionate Share of Operating Expenses for the Project shall equal the square footage of the Premises divided by the total square footage of the Project. Tenant's initial Proportionate Shares are stated in the Basic Lease Terms; the term "Tenant's Proportionate Share" may be used herein to refer collectively to Tenant's Proportionate Share of Operating Expenses for the Building and Tenant's Proportionate Share of Operating Expenses for the Project. Landlord may, from time to time, recalculate based upon BOMA specifications the rentable square footage of the Premises, any Building(s) and/or the Project and, upon completion thereof, Landlord shall adjust Tenant's Proportionate Share and shall notify Tenant in writing of any such adjustment stating therein the effective date of such adjustment. Unless Landlord otherwise elects pursuant to this Section 4.2, Tenant shall pay each Operating Expense in accordance with Tenant's Proportionate Share. Landlord shall have the right to make allocations ("Allocations") to Tenant of any one or more Operating Expenses on a different basis if Landlord has a reasonable basis to do so (for example, to reflect separate metering, the tax exempt status of a lessee, different types of usage of spaces, or disproportionate use or benefit by one or more tenants) and to allocate certain Operating Expenses among fewer than all tenants of a building or the Project. Accordingly, Landlord may allocate such Operating Expenses among all buildings in the Project, or may allocate certain Operating Expenses between or among a lesser number of buildings to which such Operating Expenses apply. Landlord has the right to allocate some or all Operating Expenses based on the ratio of the rentable square footage of the Premises divided by the rentable square footage of the Project and/or allocate to and include in Operating Expenses for a Building a portion of Operating Expenses common to the Project, provided that such Allocation does not result in duplication of any Operating Expense. Landlord may alter an Allocation or the method of determining an Allocation from time to time.

4.3 <u>Statements</u>. Prior to the commencement of each Operating Year, Landlord shall deliver a statement setting forth Landlord's estimate of Tenant's Proportionate Share of the estimated Operating Expenses for such Operating Year. Failure of Landlord to deliver the statement of estimated Operating Expenses shall not relieve Tenant of its obligation to pay Tenant's Proportionate Share of Operating Expenses. Tenant shall each month pay to Landlord as Additional Rent commencing on the first day of each Operating Year an amount equal to one-twelfth of the amount of Tenant's Proportionate Share of renant's Proportionate Share of the first day of estimated Operating Expenses for that

Operating Year as shown in Landlord's written statement or, if such statement is not yet delivered, then the same monthly amount as was required for the prior Operating Year. Within ninety (90) days after the close of each Operating Year during the Term, or as soon thereafter as available, Landlord shall deliver to Tenant a written statement (the "Operating Statement") setting forth Tenant's actual Proportionate Share of the Operating Expenses for the preceding Operating Year. If Tenant's Proportionate Share of the actual Operating Expenses exceeds the amount billed for the prior Operating Year, Tenant shall pay the excess to Landlord as Additional Rent within thirty (30) days following the date of such Operating Statement. If Tenant's Proportionate Share of actual Operating Expenses is less than the amount billed for the prior Operating Year, then Landlord shall apply the credit to Tenant's next Operating Expense payment(s). In no event shall Landlord be liable for damages to Tenant nor shall Tenant have any right to terminate this Lease by reason of any incorrect or disputed Operating Expense or Allocation. The sole remedy of Tenant regarding any Operating Expense or Allocation dispute shall be refund of any charge which exceeds the amount allowed by this Lease. Tenant may review Landlord's books and records regarding Operating Expenses for an Operating Year at the property manager's office during normal business hours if Tenant requests such review by written notice given within 30 days of receipt of the Operating Statement for such Operating Year. Such books and records shall be kept strictly confidential; Tenant may review the same and may cause the same to be reviewed by the CPA employed by Tenant to prepare its tax returns (who shall first agree in writing to maintain the confidentiality of the books and records, subject to any applicable public disclosure laws) but Tenant shall not otherwise disclose the contents of Landlord's books and records. Any dispute regarding an Operating Expense must be commenced by written notice specifying the disputed item given within sixty (60) days of receipt of the first Operating Statement which includes the disputed amount; otherwise such dispute is waived by Tenant. Any such dispute shall be determined, at the election of Landlord, by an independent CPA or property manager at the expense of Tenant. If an Operating Year ends after the expiration or termination of this Lease, Tenant shall pay the Additional Rent in respect thereof payable under this Section within ten (10) days of Tenant's receipt of the Operating Statement for such Operating Year, but such payment is not a waiver of the dispute provisions set forth above in this Section 4.3.

- 5. <u>Use</u>.
  - 5.1 <u>General</u>.

5.1.1 Tenant shall use and occupy the Premises only for uses permitted in the Basic Lease Terms. If any governmental certificate, license or permit, to include a Certificate of Occupancy, is required for lawful conduct of Tenant's business in the Premises, Tenant, at its expense, shall procure, maintain and comply with the terms and conditions of the same.

5.1.2 Landlord shall obtain all permits required for the Work and perform the Work in compliance with all applicable legal requirements.

5.1.3 Tenant shall comply with all legal requirements which apply to the Premises or the use or occupancy thereof by Tenant. Tenant shall cause the Premises and all parts thereof, structural and otherwise, to comply with all legal requirements, including the Americans with Disabilities Act, provided, Tenant shall only be required to make improvements to the Premises to comply with legal requirements if such improvements are required due to an Alteration or other

act by Tenant, the occupancy level in the Premises or the occupancy calculation applicable to the Premises based on its buildout by or for Tenant, Tenant's specific use of the Premises, or a legal obligation that Tenant has that Landlord does not due to Tenant's status as an employer ("Tenant Causes"). Landlord has the right to perform any improvement outside of the Premises to other portions of the Project required due to a Tenant Cause and Tenant shall reimburse Landlord for all costs of such work within ten (10) days of written request.

5.1.4 Landlord reserves the right to adopt and to modify, from time to time, a plan and/or programs and rules to reduce energy consumption and/or carbon emissions, to obtain and maintain one or more sustainability certifications, to promote indoor air quality, and/or to operate the Project in a sustainable or more sustainable manner. Tenant agrees to comply with any such plan or program.

5.1.5 If any governmental license or permit, to include a Certificate of Occupancy, shall be required for the proper and lawful conduct of Tenant's business in the Premises, Tenant, at its expense, shall procure, maintain and comply with the terms and conditions of each such license or permit. Notwithstanding the preceding sentence or any other provision of this Lease to the contrary, Tenant shall not directly or indirectly submit any application to the City, including, but not limited to, applications for a certificate of occupancy or for Alterations, building permits, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall, at Tenant's expense, comply with all laws and requirements of public authorities relating to Tenant's use and occupancy of the Premises and shall observe the Rules and Regulations as may be adopted pursuant to Section 5.4 hereof of which Landlord notifies Tenant from time to time for the safety and general order of the Premises and the Project.

Landlord Acknowledgement. Landlord understands and acknowledges that the 5.2 Premises are part of a multi-use Project, incorporating office and manufacturing/industrial Landlord further understands and acknowledges that Tenant will use the components. Maintenance Shop and Storage Area of the Premises 24 hours per day for maintaining equipment and facilities for the King County Regional Wastewater Treatment System, including without limitation the rebuilding of equipment and facilities, such as raw sewage pumps, using noisegenerating equipment such as saws, lathes, pressure washing, sandblasting, welding and grinders. Landlord further understands and acknowledges that the existence of such operations will result in odors, noises, vibrations and other issues commonly associated with such uses. It is not possible to eliminate all noise, vibrations and odor from such activities. Landlord agrees that Tenant will not be in default of this Lease nor will Landlord have any right or claim against Tenant resulting from the above conditions acknowledged in this Section 5.2. However, Tenant shall not at any time use or occupy, or suffer or permit anyone to use or occupy the Premises, or permit anything to be done in the Premises, that (a) violates the Certificate of Occupancy for the Premises or for the Building, any law or permit applicable to the Project, or (b) damages the Premises or the Project. Landlord may subject the Premises or the Project to future leases or recorded covenants or restrictions provided no provision of any such agreement shall diminish or otherwise restrict any of Tenant's rights or privileges under this Lease.

#### 5.3 <u>Hazardous Substances</u>.

5.3.1 <u>Uses</u>. Tenant will bring in, keep, store and use certain Hazardous Substances, including without limitation, carbon (at least 40 tons), argon gas, settling agents and cleaning agents used for welding. Tenant shall: (1) use all Hazardous Substance only as is necessary to Tenant's business; (2) handle, use, keep, store, and dispose of such Hazardous Substance using accepted industry standards and in compliance with all applicable Laws and shall not release, spill or dispose of the same at the Project; and (3) maintain at all times with Landlord a copy of the most current MSDS sheet for each such Hazardous Substance. Upon expiration or earlier termination of this Lease, Tenant will, at Tenant's sole cost and expense, cause all Hazardous Substances brought to the Project by a Tenant Party to be removed from the Project in compliance with any and all applicable laws.

5.3.2 <u>Remedial Action</u>. Tenant shall take such remedial action with respect to any Hazardous Substances released by a Tenant Party as may be necessary to entirely remove and clean up all such Hazardous Substances released by Tenant Parties at the Project and in related groundwater. Tenant shall indemnify and hold free and harmless the Landlord and all other Protected Parties for, from, against and regarding any claims, losses, liabilities, expenses or damages to the extent arising from or attributable to action, refusal, negligence or failure on the part of the Tenant to comply or to cause any Tenant Party to comply with Environmental Laws or this Section 5.3. Tenant's covenants set forth in this Section 5.3 shall survive the termination of the Lease or any transfer by Tenant.

5.3.3 <u>Definitions</u>. The term "Hazardous Substance" shall mean any substance which is or may be hazardous to human health or safety or to the environment, including, without limitation, petroleum and petroleum products, asbestos, asbestos containing materials, radon, polychlorinated biphenyls (PCBs) and all substances which are now or become in the future listed, defined or regulated in any manner by any Environmental Law. The term "Environmental Laws" shall mean any and all federal, state or local legislative and regulatory provisions of an environmental nature.

5.3.4 <u>Compliance</u>. Tenant acknowledges that asbestos-containing materials may have been used in the construction of the Buildings and other buildings in the Project and that Landlord may abate those materials in various areas throughout the Project in a manner that complies with all Environmental Laws and all other applicable laws. Tenant further acknowledges that those materials may remain at certain locations in the Project. Tenant will comply with Landlord's requirements regarding precautions and actions to be taken in respect to those materials. Tenant shall give Landlord reasonable advance notice before any above ceiling, wall, and/or structural work is done by Tenant.

5.3.5 <u>Landlord Obligations</u>. To the actual knowledge of Landlord, there are no Hazardous Substances located at the Premises, except as disclosed in the following materials previously delivered to Tenant: Asbestos Survey Report dated August 12, 2021; Phase I Assessment dated October 16, 2020; and Phase II Assessment dated December 15, 2020. If Hazardous Substances exist in or are released into the Premises and the same must be remediated, and to the extent such Hazardous Substances are not brought to or released from the Premises by any Tenant Party, then Landlord shall take or cause to be taken all legally required remediation

steps without charge to Tenant in a manner that complies with all Environmental Laws. If a third party asserts a claim that Tenant is required to remediate (or to pay or contribute to the cost to remediate) Hazardous Substances not brought to, or released from, the Premises by any Tenant Party, then, subject to the other provisions of this Lease, Landlord shall defend and indemnify Tenant against such claim.

5.4 <u>Rules and Regulations</u>. Tenant shall faithfully observe and comply with, and Tenant shall cause all other Tenant Parties to observe and comply with, the rules and regulations attached as <u>Exhibit C</u> and with such changes therein as Landlord may from time to time make and of which Landlord has notified Tenant (the "Rules and Regulations"). However, no change in the Rules or Regulations shall require modification of Tenant's use of the Premises. Landlord shall enforce such rules with respect to other tenants in a commercially reasonable manner. Landlord shall not be liable to Tenant for violation of the Rules and Regulations by any other tenant or such other tenant's employees, agents, invitees or licensees.

# 5.5 [<u>Omitted</u>].

5.6 <u>Parking</u>. Tenant shall be granted parking spaces as set forth in the Basic Lease Terms. Landlord shall neither be liable to Tenant nor shall this Lease be affected if such parking privileges are impaired by reason of any moratorium, initiative, referendum, statute, regulation, or other governmental decrees or action which could in any manner prevent or limit the parking rights of Tenant hereunder. Tenant understands a separate parking contract may be required for persons parking at the Project and that such a contract may include restrictions related to parking.

# 5.7 <u>Rooftop Use</u>.

5.7.1 Tenant shall have the right to install and maintain on the roof of 2421 W. Commodore Way, at no additional Base Rent or Operating Expense costs, (a) a satellite dish and related equipment for its communications and data transmission network, (b) solar panels, and (c) related cabling (collectively, the "Rooftop Equipment"), upon and subject to the terms and conditions set forth in this Lease.

5.7.2 Tenant shall submit to Landlord for its approval complete plans for the installation of the Rooftop Equipment. Landlord shall have the right to limit or require modifications to the amount, location and/or the size of the Rooftop Equipment or any other aspect of such plans, in Landlord's reasonable judgment; without limiting the generality of the foregoing, Landlord may limit or require modification to the proposed plans and specifications by reason of any of the following:

(a) No roof penetration shall occur with installation unless separately approved in writing. If any roof penetration is separately approved (such as for cabling), it must be sealed and/or resealed at the expense of Tenant by a roof company of Landlord's choice to Landlord's sole satisfaction.

(b) Installation of Rooftop Equipment shall not interfere with operation or maintenance of any other roof-mounted equipment.

(c) No Rooftop Equipment shall be installed if such installation will void or diminish any roof warranty or bond.

(d) Landlord may determine that insufficient rooftop space is available taking into consideration current usage and future needs for other lessee spaces.

5.7.3 If Landlord approves installation of the Rooftop Equipment, the following provisions shall apply:

(a) Tenant shall install the Rooftop Equipment only where designated by Landlord and shall install such screening as Landlord requires from time to time. All references to the Rooftop Equipment shall include all such screening.

(b) Tenant shall obtain all necessary permits and approvals for the installation and operation of the Rooftop Equipment. Tenant shall at all times comply with all such permits and approvals, and all other legal requirements applicable to the Rooftop Equipment.

(c) The Rooftop Equipment will be installed and maintained at Tenant's

(d) Tenant shall operate the Rooftop Equipment in such a manner as to avoid interference with the communications or other activities of Landlord or any third party and to avoid causing any health risk.

(e) The Rooftop Equipment shall be used solely for the communication and power needs of Tenant. The Rooftop Equipment shall not be used to supply communications or power to any other lessee or location.

5.7.4 Tenant shall remove the Rooftop Equipment upon (a) Tenant ceasing to use the same, (b) the expiration of this Lease or the termination of this Lease or of Tenant's right of possession, or (c) exercise by Landlord of a right to require removal pursuant to the provisions of this Lease. Tenant shall, at that time, remove all of the Rooftop Equipment and make such repair and restoration to the Building as is necessary to return the same to its prior condition and as otherwise may be required by Landlord; provided, Landlord may elect to require that Tenant leave in place and convey to Landlord ownership of all or any of the cabling connecting the roof top location used by Tenant to the Premises.

5.7.5 All access to the roof of the Building shall be only at such times and by such personnel as shall have been approved, in advance, by Landlord, such approval not to be unreasonably withheld. Landlord shall have the right to require that any roof work be conducted by a contractor designated by Landlord; Landlord shall have no liability for such designation. Tenant shall not enter any premises leased to any other lessee nor install or use Rooftop Equipment in a manner which disturbs any lessee. If Landlord undertakes any repair, maintenance, restoration or remodeling activity on the roof or in other areas affected by the Rooftop Equipment, Landlord may require that any Rooftop Equipment be removed and reinstalled, or be relocated, as may be necessary in connection with such Landlord activity; any such relocation shall be preceded by written notice to Tenant so that Tenant may take steps to minimize interference with its communications needs.

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expense.

5.7.6 All work related to the Rooftop Equipment shall be subject to the provisions of this Lease that govern Alterations.

5.7.7 Nothing herein shall be construed as granting to Tenant any exclusive right to install equipment on or to use the roof; Landlord retains exclusive control over other uses and rights relating to any rooftop. All indemnity obligation of Tenant include indemnification for any claim or loss relating to the rooftop use. The rights of Tenant in this Section are personal to Tenant and cannot be used by any third party.

#### 6. <u>Condition of Premises; Maintenance and Repair</u>.

6.1 Tenant's Obligations. By taking possession of the Premises upon substantial completion of the Work, Tenant shall be deemed to have accepted the Premises AS IS and as being in good working order, condition, and repair subject to Landlord's obligations with respect to Punchlist Items and subject to Landlord's obligations under Section 6.2 below. Except as provided in Section 6.2 below, Tenant, at its expense, shall be responsible for maintaining and repairing the Premises. Tenant, at its expense, shall (a) maintain, repair, and replace the HVAC and freeze protection equipment exclusively serving the Premises and shall, if requested, maintain and deliver to Landlord a standard quarterly service contract for the same, (b) maintain and repair the lighting, plumbing, mechanical, and electrical systems or network serving the Premises from the point of entry to the Premises, and (c) promptly replace all damaged or broken doors and glass in and on the Premises and shall be responsible for all repairs, maintenance and replacements in the Premises and shall be responsible for all repairs to damage arising from any overflow of plumbing serving the Premises to the extent not caused by Landlord's negligence or omission or by the acts of other tenants in the Project; if requested, Landlord will cooperate with Tenant to give Tenant the benefit of any third party warranty held by Landlord that covers repair, maintenance or replacement work to be done by Tenant. Tenant shall be responsible for the cost of all repairs, interior and exterior, structural and non-structural, ordinary and extraordinary, in and to the Premises and the Project and the facilities and systems thereof, resulting from (a) Tenant's performance or existence of Alterations, (b) the installation, use or operation of Tenant's Property in the Premises, (c) a Tenant Cause, or (d) the act or omission of Tenant or any of its subtenants or its or their employees, agents, contractors or invitees. Tenant shall provide routine janitorial services to the Premises at its own cost.

6.2 Landlord's Obligations. Landlord shall maintain in good condition and operating order and keep in good repair (a) the structural portions of each Building, including the foundation, floor/ceiling slabs, roof, curtain wall, exterior glass and mullions, columns, beams, shafts (including elevator shafts), base Building stairs and stairwells, Landlord's art work, Building mechanical, electrical and telephone closets (collectively, the "Building Structure"), (b) the base building mechanical, electrical, life safety, plumbing, sprinkler and HVAC systems of each Building excepting any portion thereof located within the Premises which was constructed by or for Tenant and/or which exclusively services the Premises (collectively, the "Building Systems"), and (c) the common areas and Project signage. Notwithstanding the foregoing, Tenant shall be responsible for all costs to repair the Building Structure, Building Systems and/or common areas and Project signage to the extent required because of (i) Tenant's use of the Premises for other than normal and customary use, or (ii) subject to the terms of the waiver of subrogation, as a result of damage caused by Tenant's negligence or willful misconduct. All costs of Landlord in

performing the foregoing obligations will be included in Operating Expenses except to the extent, if any, specifically excluded from Operating Expenses pursuant to this Lease. Landlord shall have no liability to Tenant, nor shall Tenant's covenants and obligations under this Lease be reduced or abated in any manner whatsoever, by reason of any inconvenience, annoyance, interruption of or injury to Tenant's business arising from Landlord's making any repairs that Landlord is required or permitted by this Lease or required by law to make in or to any portion of the Project. Tenant hereby waives all rights under any future law authorizing a tenant to make repairs at the expense of a landlord or to terminate a lease based on repairs not being made.

6.3 <u>End of Term</u>. Upon expiration or termination of this Lease, Tenant will peacefully surrender to Landlord the Premises, together, subject to the provisions of Section 7, with all Alterations, in good order, condition and repair, broom clean with all equipment in good working order, and the Premises restored to their condition as of the Commencement Date, ordinary wear and tear excepted.

# 7. <u>Alterations</u>.

7.1 <u>Consent</u>. Tenant shall make no alterations, additions, or improvements in or to the Premises (herein, "Alterations") without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, and, if such consent is granted, then only contractors or mechanics that are approved by Landlord shall effect such Alterations. However, with prior notice to Landlord and compliance with the other requirements of this Section 7, but without the need to obtain prior written consent, Tenant may make up to \$50,000.00 per year of Alterations that are nonstructural and do not affect any Building Systems. Tenant shall submit to Landlord, for Landlord's prior written approval, a written description of the Alteration together with detailed plans and specifications. All work done by Tenant shall be performed in full compliance with all laws, rules, orders and ordinances. Tenant, at its expense, shall obtain all necessary governmental permits and certificates for the Alterations and for final approval thereof, and shall cause the Alterations work to be performed in compliance with the same. Landlord's consent to any proposed work shall not be deemed a waiver of, or an opinion respecting, the compliance of the proposed work with the requirements of this Section.

7.2 <u>Title</u>. All Alterations shall, unless Landlord elects otherwise in writing, become the property of Landlord, and shall remain upon and be surrendered with the Premises at expiration or earlier termination of this Lease. Landlord may, by written notice at the time of its prior written consent to an Alteration (or at any time if no such consent was issued), require Tenant, at Tenant's cost, to remove such Alteration and to repair all damage resulting from such removal. If Tenant fails to perform the foregoing, Tenant shall pay to Landlord all costs of Landlord's performance of the same, upon Landlord's demand. Notwithstanding any other provision hereof, Tenant and not Landlord shall have the obligation to insure, repair, maintain, replace and restore all Alterations.

7.3 <u>Installation</u>. All Alteration work shall be conducted expeditiously in a good and workmanlike manner and in compliance with the policies and directives of property management for the Project. Landlord shall have the right to enter upon the Premises to inspect the work. Tenant shall not close any work affecting any portion of the life safety, heating, ventilation, and air conditioning, plumbing, or electrical systems in the Premises or Building until the same has

been inspected and approved by Landlord's engineers. No inspection or approval by Landlord's engineers of any such work shall constitute a representation or opinion as to the adequacy thereof or the conformance thereof with any legal requirements. Tenant shall, upon request, reimburse Landlord for its costs incurred related to any work or inspection of work that is conducted after hours, other than when conducted after hours for the convenience of Landlord or its agents. In addition to the insurance requirements set forth in Section 8, during the period of construction of any Alterations, Tenant and Tenant's general contractor shall maintain and provide proof of worker's compensation, builder's all-risk and public liability insurance, and such other insurance as Landlord may reasonably require in amounts and form satisfactory to Landlord.

7.4 Liens; Indemnity. Landlord shall have no liability to any contractors, subcontractors, material suppliers, or any other third party for any work, labor, services, or materials done for or supplied at the request of Tenant or any other person claiming through or under Tenant in or about the Project. Such contractors, subcontractors, material suppliers, and other third parties are not third party beneficiaries of this Lease. Tenant is not Landlord's agent or representative, and has no authority to obligate Landlord with respect to any such work, labor, services, or materials. Tenant shall notify Landlord in writing no less than ten (10) days before the commencement of construction of any Alterations in order to afford Landlord an opportunity to post and record appropriate notices of non-responsibility. Tenant shall defend, indemnify and save harmless Landlord and any mortgagee for, from, against and regarding any and all mechanics and other liens and encumbrances filed in connection with, and any other claims, losses, charges, liabilities, obligations, penalties, causes of action, liens, damages, cost and expense (including attorneys' fees) arising or incurred by or against Landlord and arising in connection with, the Alterations work, or any other work, labor, services or materials done for or supplied to Tenant, or any person claiming through or under Tenant, in or about the Project. Tenant shall pay for all work and materials when and as due and shall not allow any lien to be filed. Tenant, at its expense, shall procure the satisfaction or discharge of record of all such liens within thirty (30) days after the filing thereof or, if earlier, within ten (10) days of request made by Landlord for a bona fide reason such as a pending sale, financing or draw request.

7.5 <u>Investigation</u>. Tenant is hereby notified that the Buildings and other buildings in the Project may contain asbestos containing materials (ACM) and/or materials that are presumed to contain asbestos (PACM). Tenant shall comply with the policies and plan of Landlord regarding ACM and PACM, provided such policies shall not abrogate Tenant's express rights under this Lease.

7.6 <u>Change in Occupancy Classification</u>. Tenant shall not without Landlord's prior written consent, which may be withheld or conditioned in Landlord's sole discretion, apply for any permit, approval, or authorization from any jurisdiction or commence or cause to be commenced any alteration, addition, improvement, or other work that has or could cause the occupancy level in the Premises or the occupancy calculation applicable to the Premises to change. Notwithstanding anything in this Lease to the contrary, Landlord shall have the right to withhold consent to any alteration, addition, modification, improvement, or other work in the Premises that will, in Landlord's sole discretion, cause the occupancy level in the Premises or the occupancy level in the Premises to change.

#### 8. <u>Liability and Insurance</u>.

8.1 <u>Action by Tenant</u>. Tenant shall not do, or permit anything to be done, or keep or permit anything reasonably known to be kept in the Premises that would subject Landlord to any liability or responsibility for personal injury, death or property damage, or that would increase insurance rates in respect of the Project or the property therein over the rates that would otherwise then be in effect or that would result in insurance companies of good standing refusing to insure the Project or the property therein in amounts reasonably satisfactory to Landlord, or that would result in the cancellation of or the assertion of any defense by the insurer in whole or in part to claims under any policy of insurance in respect of the Project or the property therein.

8.2 <u>Waiver of Subrogation</u>. Whether a loss or damage is due to the negligence of the other party or its agents or employees or any other cause, Landlord hereby releases and relieves the Tenant and its agents and employees and Tenant hereby releases and relieves the Protected Parties from responsibility for, and waives its entire claim of recovery for (i) any loss or damage to the real or personal property of the releasing party located anywhere on the Project including a Building itself, arising out of or incident to the occurrence of any perils which are covered by the property insurance (including self-insurance by Tenant) maintained by the waiving party (or which would have been covered had such party maintained the insurance this Lease requires it to carry), and (ii) any loss covered by the business interruption insurance maintained by the waiving party (or which would have been covered had such party maintained the insurance this Lease requires it to carry). Each party shall use its reasonably good faith efforts to cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against the other party. Notwithstanding the foregoing, no such release by a party shall be effective to the extent its insurance policy or policies would be voided by such a release.

8.3 Subject to Section 8.3.1 below, Tenant shall maintain Required Insurance. commercial general liability insurance in respect of the Premises and the conduct or operation of business therein, on an occurrence basis, naming Landlord, its property manager and asset manager, and any other Protected Parties whose name and address shall previously have been furnished to Tenant, as additional insureds, with limits of not less than \$3,000,000 on a combined single limit basis or such higher amount as may be reasonably required by Landlord from time to time. Tenant shall also maintain (a) business interruption insurance, (b) insurance covering all of Tenant's Property and all Alterations and other betterments, in an amount equal to not less than one hundred percent (100%) of the full replacement value thereof and insuring against fire and all risk perils coverage as provided by a standard all risk coverage endorsement (commonly known as "causes of loss - special form"), and (c) workers compensation insurance covering any and all employees at the Premises. The plate glass and all other glass is the responsibility of the Tenant in the event of breakage from any cause. All required policies shall have additional insured and loss-payable clauses satisfactory to Landlord. Evidence of such insurance shall be delivered to Landlord by Tenant prior to Tenant commencing occupancy and thereafter within thirty (30) days prior to each renewal thereof. All policies shall be issued by a company holding a "Best's Rating" of at least A: Class IX, and the proof of insurance shall indicate that the policy is in full force and effect. Tenant shall ensure that such policy shall not be canceled or amended unless thirty (30) days prior written notice by U.S. Certified Mail of the proposed cancellation or amendment has been given to Landlord and the other additional insureds by the insurer or Tenant. All such policies shall be written as primary policies not contributing with and not in excess of coverage which

Landlord may carry, and shall not have a "deductible" in excess of a commercially reasonable amount approved in advance by Landlord.

8.3.1 <u>Self-Insurance Right</u>. If and so long as the Tenant hereunder is King County, the provisions of this Section 8.3.1 will govern the obligation of King County to maintain liability insurance. Landlord acknowledges that Tenant, a home rule charter county government and political subdivision of the State of Washington, maintains a fully-funded self-insurance program for the protection and handling of Tenant's liabilities, including injuries to persons and damage to property. 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-insurance program and shall provide Landlord with a certificate of self-insurance as proof of coverage upon Landlord's request. 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 any 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. If Tenant ceases self-insuring its liability exposures and instead purchases a commercial general liability insurance policy, then Tenant shall add Landlord as an additional insured to such policy.

9. <u>Tenant's Property</u>. All unattached business and trade fixtures, machinery and equipment, communications equipment and office equipment brought to the Premises by Tenant (together, the "Tenant's Property") shall be and remain the property of Tenant. At or before the expiration or termination of this Lease, Tenant, at its expense, shall remove from the Premises all of Tenant's Property and repair any damage to the Premises or the Project resulting from any installation and/or removal of Tenant's Property. Unless otherwise specified by Landlord, Tenant shall remove, at or prior to the expiration or termination of this Lease, at its expense, all wiring and cabling installed at the Premises which shall have been installed by Tenant or which Landlord shall have installed pursuant to this Lease or at the request of Tenant. Any items of Tenant's Property that shall remain in the Premises after the expiration or termination of this Lease may, at Landlord's election, be deemed abandoned, and Landlord may deal with Tenant's Property in such lawful manner as Landlord shall determine, at Tenant's expense and without prior notice to Tenant.

10. Holding Over.

10.1 <u>Grant of Right</u>. Tenant shall have the right to give to Landlord written notice (the "Holdover Notice") at least six (6) full calendar months prior to the scheduled Expiration Date of the Lease that Tenant will holdover in the Premises for a period specified in the Holdover Notice not to exceed four (4) months (the "Permitted Period"). During the Permitted Period, Tenant shall lease the Premises on the terms of the Lease except (a) Base Rent shall be 120% of the final amount scheduled to be due under the Lease, and (b) Tenant shall have no right to again give a Holdover Notice.

10.2 <u>Termination of Right</u>. The rights granted in this Section shall terminate and shall cease to be effective (a) upon any assignment of this Lease or any sublease of all or part of the Premises, or (b) upon any Event of Default by Tenant or the termination of this Lease or of Tenant's right of possession.

10.3 <u>Amendment to Lease</u>. If Tenant exercises the right to give the Holdover Notice, Landlord and Tenant shall execute and deliver an amendment to this Lease setting forth such fact and the amount of Base Rent for the Permitted Period.

10.4 <u>Limitation</u>. No Holdover Notice shall create any Permitted Period following any termination of this Lease or of Tenant's right of possession; a Permitted Period may only follow the originally scheduled expiration of the Term and a Renewal Term. The exercise of this right to a Holdover Period does not alter the date by which notice exercising an option to renew must be given.

10.5 <u>Holding Over</u>. If Tenant holds over after the Expiration Date or earlier termination of the Term other than during a Permitted Period, Tenant shall become a tenant at sufferance only, at a rental rate equal to 150% of the Base Rent in effect upon the date of such expiration or termination (prorated on the basis of a thirty-day month and actual days elapsed), and otherwise subject to the terms, covenants, and conditions herein specified, so far as applicable. Acceptance by Landlord of rental after such expiration or earlier termination shall not result in a renewal or extension of this Lease. The foregoing provisions of this Section 10 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise provided by law. Tenant shall pay to Landlord all losses, and indemnify Landlord from and for all claims (including those made by any succeeding lessee), arising from any holdover by Tenant other than during a Permitted Period.

## 11. <u>Utilities and Services</u>.

11.1 <u>Costs</u>. Tenant shall pay monthly the cost of all utilities and services provided to the Premises either directly to the service provider or by reimbursing Landlord as requested based on Landlord's calculation or estimate of usage; the costs of services and utilities not separately metered to the Premises may, at Landlord's election, be treated as an Operating Expense. If Tenant's use of any utility or service not directly paid by Tenant to the service provider exceeds the use that Landlord reasonably determines to be typical, Landlord may determine the amount of such excess use by any reasonable means (including the installation at Tenant's expense of one or more separate meters, submeters or other measuring devices) and Tenant shall be obligated to pay the cost of such excess usage as additional rent.

11.2 <u>Amount</u>. In the event Tenant wishes to install additional telecommunication lines or equipment, separate from any installations considered under Section 5.7, no such additional lines or equipment shall be installed without first securing the prior written consent of Landlord. All such work will be deemed Alterations. Landlord will not be required to incur any expense regarding additional lines or equipment, nor shall Landlord be required to allow additional service providers to access the Project; if Landlord allows access by an additional provider, Landlord may impose conditions in connection with such access, including but not limited to execution of additional agreements by Tenant and any such provider in form prepared by Landlord. Tenant shall not interfere with the telecommunications connectivity or equipment of Landlord or any third party.

11.3 <u>Liability</u>. Landlord shall not be liable to Tenant in damages or otherwise for the quality, quantity, failure, unavailability or disruption of any utility or service and the same shall

not constitute an actual or constructive eviction of Tenant, or entitle Tenant to any abatement of Rent. Notwithstanding the foregoing, if Landlord causes a utility or service interruption that renders the Premises unusable for more than two (2) consecutive business days, then Base Rent and Operating Expenses will be abated while the Premises are unusable, as Tenant's sole remedy. Tenant hereby waives the provisions of any future law, ordinance or governmental regulation permitting the termination of this Lease due to an interruption, failure or inability to provide any utility or service.

12. <u>Climate Control</u>. Tenant shall pay for all costs of electricity for freeze protection and HVAC equipment serving the Premises in an amount determined by Landlord (either by an engineering estimate or metering). There will be no increased charge for after-hours HVAC use.

13. Signs; Auctions. In any multitenant Building, Tenant shall install Building standard suite entry signage and will be included in any Building directory signage. Subject to the terms of this Lease and Landlord's final approval of all signage and its exact design, size and location, all in Landlord's discretion, Tenant shall have the right to a sign on the exterior of the Building located at 2421 W. Commodore Way. Exterior signage shall be at Tenant's cost for permitting, fabrication, installation, maintenance, and removal (including restoration). All exterior signage is subject to and must comply with all legal requirements. At the expiration or termination of this Lease, Tenant shall remove its signage and restore all affected surfaces to the condition specified by Landlord, all at Tenant's expense. Tenant shall have no right to exterior signage, and shall so remove any exterior signage previously installed, if (i) Tenant assigns this Lease or sublets any portion of the Premises, (ii) Tenant is not occupying all of the Premises, or (iii) any Event of Default occurs. Tenant shall not install exterior signage other than for its own name. Tenant shall not place on the exterior walls or windows of the Premises any other sign, awning, canopy, advertising matter, decoration, or other thing of any kind. Tenant shall not license the use of (a) the name of the Building or the Project, or (b) any actual, digital, augmented or virtual image of all or any part of the interior or exterior of the Building or the Project for any purpose; Landlord reserves the exclusive right to all such usage and to all revenue associated with the same. No auction, fire, bankruptcy, "going out of business" or other distress sales of any nature may be conducted on the Premises.

# 14. Access and Control of Premises.

14.1 <u>Access</u>. Upon notice to Tenant, Landlord shall have access to the Premises at reasonable times to: (a) inspect the Premises; (b) show the Premises to prospective purchasers, lenders or tenants; (c) make repairs hereunder or repairs or changes to any other portion of the Project, or (d) exercise any of its rights or perform any of its duties hereunder. In accessing the Premises, Landlord shall comply with Tenant's procedures regarding entry, protection of confidential information, and the escorting of visitors. Tenant shall provide Landlord with access to the Premises in an emergency; otherwise, Landlord shall have the right to use any and all means which Landlord may deem proper in an emergency. Tenant hereby waives any claim against Landlord for damages caused by Landlord's entry on the Premises pursuant to this Section 14.1 resulting in: (i) any injury or inconvenience to or interference with Tenant's business; or (ii) any temporary loss of occupancy or quiet enjoyment of the Premises.

14.2 <u>Changes</u>. Landlord may make such changes, alterations and improvements in or to the Project and the fixtures and equipment thereof as Landlord shall reasonably deem necessary or desirable to the operation of the Project in a manner consistent with similar facilities. Landlord reserves the right to install, erect, use and maintain pipes, ducts and conduits in and through the Premises. None of the foregoing actions shall be grounds for termination of this Lease, constitute an actual or constructive eviction, result in any abatement of rent, or create any liability of Landlord. The Building and Project, as so modified from time to time, are the "Building" and "Project" hereunder.

14.3 <u>Exercise</u>. In exercising its rights under this Section 14, Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use of the Premises.

#### 15. Damage or Destruction.

Restoration. If the Project, or any portion thereof, is damaged, destroyed, or 15.1 rendered untenantable due to fire or other casualty (which is not due to the negligence of Tenant or its agents, employees, or invitees ), and if the damage or destruction does not exceed twentyfive percent (25%) of the insurable value of either Building or twenty-five percent (25%) of the insurable value of the Project, can be fully restored within ninety (90) days, and if Landlord is entitled to insurance proceeds sufficient to pay the costs of restoration and Landlord's lenders allow use of the same for this purpose, then Landlord shall restore the Premises and such common areas of the Project as are essential to Tenant's operation of the Permitted Use at the Premises to a condition reasonably comparable to its condition prior to such casualty. In such event, this Lease shall remain in full force and effect. In the case of a casualty loss not described above, or in the case of any casualty during the final twenty-four (24) months of the Term, then within sixty (60) days after such a casualty Landlord shall have the right to elect by written notice either to terminate this Lease or to restore the Premises and such common areas of the Project as are essential to Tenant's operation of the Permitted Use at the Premises to a condition reasonably comparable to its condition prior to such casualty. Landlord shall make its election by written notice to Tenant within such sixty (60) day period of time. Any termination shall be effective thirty (30) days after receipt of the notice by Tenant. If Landlord undertakes to repair any portion of the Project after an event of casualty, such restoration shall not include Tenant's Property or any Alteration.

15.2 <u>Rent Abatement</u>. If all or part of the Premises shall be damaged or destroyed or rendered untenantable as a result of fire or other casualty, not solely caused by Tenant, its agents, employees or invitees, the Base Rent shall be equitably abated for the period from the date of the damage or destruction to the date the damage to the Premises shall be substantially repaired and the Premises restored to a condition reasonably comparable to its condition prior to such casualty. Tenant shall not be entitled to terminate this Lease and no damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any casualty or the repair or restoration of any portion of the Premises or of the Building pursuant to this Section 15. Tenant waives any rights under future statutes to terminate this Lease or to abate rent due to a casualty.

#### 16. <u>Eminent Domain</u>.

16.1 Condemnation. If the whole of the Project, either Building or the Premises shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose (including a sale under threat of condemnation), this Lease shall terminate as of the earlier of the date of vesting of title on such taking or the date that the applicable governmental authority takes possession (the "Date of Taking"), and the Base Rent and Additional Rent shall be prorated and adjusted as of the Date of Taking. If a part of the Project shall be so taken, this Lease shall be unaffected by such taking, except that: (a) Landlord may, at its option, terminate this Lease by giving Tenant notice to that effect within ninety (90) days after the Date of Taking; and (b) if twenty percent (20%) or more of the Premises shall be so taken and the remaining area of the Premises shall not be reasonably sufficient for Tenant to continue feasible operation of its business, Tenant may terminate this Lease by giving Landlord notice to that effect within ninety (90) days after the Date of Taking. This Lease shall terminate on the date that such notice from the Landlord or Tenant to the other shall be given, and the Base Rent and Additional Rent shall be prorated and adjusted as of such termination date. Upon a partial taking this Lease shall continue in force as to the remaining part of the Premises, and the Base Rent and Additional Rent shall be adjusted according to the rentable area remaining.

16.2 <u>Award</u>. Landlord shall be entitled to receive the entire award or payment in connection with any taking without deduction therefrom for any estate vested in Tenant by this Lease and Tenant shall receive no part of such award. Tenant shall have no claim against Landlord or the condemning authority for the unexpired portion of the Term. Tenant may make a claim against the condemning authority for any relocation benefits and the value of any Tenant's Property included in the taking.

16.3 <u>Temporary Taking</u>. A temporary taking (or transfer in lieu thereof) of any portion of the Premises shall not cause a termination of this Lease, but Tenant shall be entitled to a rent reduction or abatement during the period its possession is interfered with because of any such taking of the Premises. If the taking is for a period of longer than one year, or for an indefinite period that extends beyond one year, either Landlord or Tenant may elect to terminate this Lease by giving written notice to the other given within thirty (30) days after the event giving rise to the right of termination. No temporary taking of any portion of the Project not including the Premises shall give Tenant the right to any rent abatement, reduction, or lease termination.

16.4 <u>Sole Rights</u>. The rights of Tenant arising from a condemnation are limited to those set forth in this Section and Tenant waives any other rights now or hereafter available under applicable law.

# 17. <u>Self-Help Rights; Liability and Indemnification</u>.

17.1 <u>Cure</u>. If Tenant fails to pay or perform any of its obligations under this Lease, Landlord may, without waiving or releasing Tenant from its obligations hereunder, but shall not be required to, pay or perform such obligations on Tenant's behalf upon thirty (30) days notice to Tenant (except where, in Landlord's opinion, an emergency exists, in which event no notice shall be required), and Tenant shall reimburse or pay promptly to Landlord the reasonable cost thereof plus 20% for administration as Additional Rent. 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 Landlord's exercise of its rights under this Section 17.

Indemnity. Landlord shall not be liable for, and Tenant assumes all risk of, injury 17.2 to any person, or for the loss of or damage to any property (including property of Tenant) occurring in or about the Premises or Project from any cause whatsoever. Tenant hereby indemnifies and holds Landlord and the other Protected Parties (as defined in this Lease) harmless, and shall defend Landlord, for, from, against and regarding any and all claims, losses, charges, liabilities, obligations, penalties, causes of action, liens, damages, costs and expenses (including attorneys' fees) arising from or in connection with (a) Tenant's use or occupancy of the Premises, (b) any violation of this Lease by Tenant, or (c) any act or omission of Tenant or any other Tenant Party. Such indemnification obligation shall extend to all costs, attorneys' fees, and liabilities incurred in connection with the defense of any such claim (including appeals and petitions for review) or any action or proceeding brought thereon. The indemnities set forth in this Lease are intended to specifically cover actions brought by the indemnifying party's own employees, and the indemnifying party expressly assumes potential liability for actions brought by its employees. The indemnities in this Lease are specifically and expressly intended to constitute waivers by the indemnifying party of its immunity, if any, under Washington's Industrial Insurance Act (Title 51 RCW, as amended, and under any substitute or replacement statute), to the extent necessary to provide the other party with a full and complete indemnity from claims made by the indemnifying party and its employees, to the extent provided herein. Subject to the provisions of this Lease other than this Section 17.2, Landlord shall defend and indemnify Tenant against, claims by third parties for bodily injury, death or damage to the property of third parties (other than the property of subtenants) that arise due to the negligence of any contractor of Landlord or any Protected Party. Where a claim for which indemnity is promised hereunder results from the concurrent negligence of the parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's negligence. Each of the parties agrees that its obligations under this Section 17 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. Notwithstanding any provisions in this Lease for breach and attorney's fees related thereto, in the event that any of the parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's negligence. Furthermore, the indemnification obligations in this Lease shall not be limited in any way by any applicable limitation on the amount or type of damages, compensation or benefits payable to or for any third party under worker compensation acts, disability benefit acts or other employee benefit acts now or hereafter in effect in the State of Washington. This waiver and agreement was specifically negotiated by Landlord and Tenant. This waiver is solely for the benefit of Landlord and Tenant and their successors and assigns and is not intended as a waiver of the indemnifying party's rights of immunity under said industrial insurance for any other purpose.

17.3 <u>Limitation</u>.

(a) Landlord and the other Protected Parties shall not be liable for (a) any loss or damage to Tenant's Property from a cause covered by a standard causes of loss special form insurance policy, (b) interference with any right to light, air, view, or other incorporeal hereditaments, none of which are granted by this Lease, or (c) any latent defect in or on the Premises or the Project. Landlord and the other Protected Parties shall not be liable, regardless of cause (including negligence or breach) for the loss of or damage to income or business, nor in any event for consequential damages.

(b) In compliance with RCW 4.24.115 (as amended, and under any substitute or replacement statute), to the extent, if at all, that any provisions of this Lease pursuant to which an indemnifying party agrees to indemnify the other against liability for damages arising out of bodily injury to persons or property damage relative to the construction, alteration or repair of, addition to, subtraction from, improvement to, or maintenance of, any building, road, or other structure, project, development or improvement attached to real estate, is found to be within the scope of RCW 4.24.115, or in any way subject to, or conditioned upon consistency with, the provisions of RCW 4.24.115, for its enforceability, then to the extent required to bring the indemnification provisions of this Lease into compliance with RCW 4.24.115, such provision: (a) shall not apply to damages caused by or resulting from the sole negligence of the indemnified party, its agents or employees, and (b) to the extent caused by or resulting from the concurrent negligence of the indemnifying party or its agents or employees, shall apply only to the extent of the indemnifying party's negligence. The limitation set forth in this Section shall apply only if and to the extent required by applicable law.

## 17.4 <u>Tenant's Self-Help</u>.

(a) A default under this Lease by Landlord shall exist if any of the following events shall occur (each is called a "Landlord Event of Default"):

(i) Landlord fails to pay any amount due hereunder to Tenant, as and when due, for a period of twenty (20) days after written notice from Tenant; or

(ii) Landlord fails to observe, keep, perform or cure within thirty (30) days after written notice from Tenant any of the other terms, covenants, agreements or conditions contained in this Lease which Landlord is obligated to observe or perform and such failure continues for thirty (30) days after written notice from Tenant specifying the same; provided, however, that if the nature of Landlord's failure is such that more than twenty (20) days are reasonably required for its cure, then such failure shall be deemed to have been timely cured if Landlord commences such performance within said twenty (20) day period and thereafter diligently prosecutes the same to completion.

(b) If Landlord does not cure within twenty (20) days after written notice from Tenant the failure of Landlord to perform one of its covenants of repair or maintenance contained in this Lease, then Tenant shall have the rights set forth in this paragraph; provided, however, that if the nature of Landlord's failure is such that more than twenty (20) days are reasonably required for its cure, then such failure shall be deemed to have been timely cured if Landlord commences cure within said twenty (20) day period and thereafter diligently prosecutes the same to completion. If such failure is a failure to maintain or repair the Premises, such failure materially impairs or interferes with Tenant's ability to use the Premises, and Landlord shall not cure or commence to cure such failure within five (5) business days after a second written notice given after expiration of such twenty (20) day period (in which written notice Tenant details the Landlord failure and Tenant's proposed cure actions and expressly and conspicuously asserts Tenant's self-help right to cure) ("Tenant's Self-Help Notice"), then Tenant may cure such failure, and Landlord shall, within ten (10) days after receipt of written notice, reimburse Tenant for its reasonable and actual out-of-pocket costs and expenses in doing so. Notwithstanding anything herein to the contrary, (i) Tenant shall not have the right to enter the premises of any other occupant of the Project or any common areas of the Project, and Tenant shall not be authorized to act as the agent of Landlord in taking any actions Tenant elects to take, (ii) in no event shall Tenant be permitted to exercise its self-help cure right in the event Landlord reasonably disputes Tenant's right to exercise its self-help right or any assertions in Tenant's Self-Help Notice within five (5) business days after receipt of Tenant's Self-Help Notice, (iii) Tenant's self-help cure right shall be limited to the repair of nonstructural elements that are physically located within the Premises, and will not include any work to or on the roof or to life safety, elevator, mechanical, electrical or plumbing systems, and (iv) all work by Tenant must be done in strict compliance with all provisions of this Lease applicable to Alterations and all other provisions of this Lease. This is the sole self-help right of Tenant.

#### 18. Defaults and Remedies.

18.1 <u>Events of Default</u>. In addition to events described elsewhere in this Lease as constituting a "default" or an "Event of Default," the occurrence of any one or more of the following events shall constitute an Event of Default hereunder by Tenant:

(a) Tenant's failure to make any payment of Rent that continues for five (5) business days after written notice; provided that, (i) unless otherwise required by applicable law, no such notice shall be required more frequently than once in any consecutive 12-month period and, where no notice is required, an Event of Default shall arise automatically upon the due date for the payment of Rent; and (ii) Landlord may satisfy the five (5) business day notice requirement by delivering any notice under the unlawful detainer statutes;

(b) Tenant's failure to comply with a legal requirement if such failure would subject Landlord to liability or loss and such failure continues for five (5) days following written notice, or Tenant's failure at any time to carry and, upon reasonable request, provide proof of required insurance;

(c) Tenant's failure to perform any of the other provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice; or

(d) If (i) Tenant shall make any general assignment for the benefit of creditors; (ii) a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy shall be filed by or against Tenant; (iii) a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease; or (iv) substantially all of Tenant's assets located at the Premises, or of Tenant's interest in this Lease, is attached, executed upon, or otherwise judicially seized.

The notices of defaults to be given under this Section may be the same as any notice required under State law, and this Lease shall not be construed to require Landlord to give two separate notices to Tenant before proceeding with any remedies.

Once notice of a violation of this Lease has been given, no additional notice shall be required in order for Landlord to exercise remedies under Section 18.2 by reason of a recurrence or continuation of such violation.

18.2 <u>Remedies</u>. Upon the occurrence of an Event of Default, Landlord may exercise any one or more of the remedies set forth in this Section 18, or any other remedy available under applicable law or contained in this Lease.

18.2.1 <u>Re-Entry</u>. Landlord may re-enter the Premises, may repossess the Premises, and may remove any persons or property therefrom. Re-entry or taking possession of the Premises by Landlord shall not terminate this Lease.

18.2.2 <u>Continue the Lease</u>. Landlord may elect to continue this Lease in effect, with the right to recover the Rent as the same may become due hereunder and to recover damages.

18.2.3 <u>Terminate Lease</u>. Landlord may terminate Tenant's right to possession and use of the Premises and/or terminate this Lease, in which case Tenant shall immediately surrender possession of the Premises to Landlord. Tenant waives any right of redemption.

18.2.4 <u>Damages</u>. Tenant shall be liable for and pay all damages arising from any Event of Default. Landlord may sue periodically for damages as they accrue without barring a later action for further damages. If this Lease or Tenant's right of possession is terminated due to an Event of Default, such damages shall specifically include, but not be limited to:

(a) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination of the Lease or possession; plus

(b) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination of the Lease or possession until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; plus

(d) the worth at the time of award of any other amount necessary to compensate Landlord including but not limited to, all legal expenses and other related costs incurred by Landlord; the unamortized portion of any rent abatement, tenant improvement costs and leasing commission paid or incurred by Landlord related to the then current Term of this Lease (amortized evenly over the then current Term with 8% interest); all costs incurred by Landlord in restoring the Premises to good order and condition, and reasonable brokerage commissions and legal fees; and interest and late charges as herein provided.

The "worth at the time of award" referred to in Paragraphs (a), (b), and (d) above will additionally include interest at the Default Rate. The "worth at the time of award" referred to in Paragraph (c) will be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco in effect at the time of award, plus one percent (1%).

Landlord shall not be obligated to relet the Premises to a particular tenant, or, in the event of any such reletting, for refusal or failure to collect any rent due upon such reletting; and no such refusal or failure shall operate to relieve Tenant of any liability under this Lease or otherwise affect any such liability. Landlord shall not be obligated to relet the Premises to Tenant or any person or entity affiliated with Tenant or with any owner of Tenant. Landlord at its option may make such physical changes to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such action or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting Tenant's liability. If there is other unleased space in the Project, Landlord shall have no obligation to attempt to relet the Premises prior to leasing such other space in the Project. Tenant agrees that any action by Landlord consistent with this Section shall not constitute a failure to mitigate its damages.

#### 19. <u>Transfers by Tenant</u>.

19.1 Assignment and Subletting. Tenant shall not assign this Lease or any interest therein, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant, or otherwise transfer or dispose of Tenant's interest in the Premises, either voluntarily or involuntarily, without the prior written consent of Landlord. Without limiting other grounds to withhold consent, Landlord may withhold its consent to any sublease or assignment that is not made on terms that Landlord deems not to be fair market terms. If Tenant is a corporation, partnership or limited liability company, then any merger, consolidation, liquidation, or change in the ownership or power to vote the majority of the issued and outstanding ownership interest of Tenant shall constitute an assignment. However, so long as the Tenant hereunder is King County, occupancy by any agency or subdivision of King County will not be considered an assignment or sublease. Consent to one such assignment or sublease shall not imply any future consent, and all subsequent assignments and subleases shall be made only upon obtaining prior written consent of Landlord. Any attempted transfer in violation of the requirements of this Section 19 shall be void. Tenant shall not list the Premises for lease through a broker, or advertise or publicize in any way the availability of the Premises, without prior written notice to and the written approval of Landlord. Tenant shall not create or allow any lien on or security interest in the lessee's interest in this Lease. Notwithstanding any other provision hereof, Tenant shall not assign this Lease or sublease all or any portion of the Premises to a proposed transferee, or any person or entity that controls, is controlled by, or is under common control with the proposed transferee, if the proposed transferee or such person or entity (a) leases or occupies space in the Project on the date on which Tenant requests consent to the transfer, or (b) is negotiating with Landlord to lease space in the Project, or has negotiated with Landlord to lease space in the Project, during the twelve month period prior to the date on which Tenant requests such consent.

19.2 <u>Obligations of Transferees</u>. Assignees or subtenants shall be directly liable to Landlord for all obligations of Tenant hereunder, and Tenant shall remain liable for the performance of all obligations owed to Landlord under this Lease. Any assignment or sublease

shall expressly provide that the assignee or subtenant will perform and observe all the covenants to be performed by Tenant under this Lease and that Landlord will have the right to enforce such covenants directly against such assignee or subtenant.

Procedure for Consent. At least thirty (30) days prior to the date when Tenant 19.3 desires any transfer to be effective, Tenant shall give Landlord a notice (the "Assignment Notice"), which shall set forth the name, address and business of the proposed assignees or subtenant, current and signed financial statements, credit information as required by Landlord, the Assignment Date, any ownership or commercial relationship between Tenant and the proposed assignee or subtenant, and the consideration and all other material terms and conditions of the proposed assignment or sublease, all in such detail as Landlord shall reasonably require. If Landlord requests additional detail, the Assignment Notice shall not be deemed to have been received until Landlord receives such additional detail, and Landlord may withhold action on the request to any assignment or sublease until such information is provided. Landlord may, following receipt of all such information, withhold or grant its consent under this Section 19; any consent may be granted subject to conditions including but not limited to execution of a Consent and Assumption Agreement in form prepared by Landlord. Tenant agrees to pay to Landlord at the time consent is requested, \$1,000.00 to be applied to all attorneys' fees and other expenses incurred by Landlord related to a request for consent regardless of whether such consent is granted and regardless of whether the transfer is consummated; if the total of such fees and expenses exceeds this payment, Tenant shall pay the excess upon request. In addition, Landlord shall have the following recapture right. Landlord shall have the right following a request for consent to an assignment to elect to terminate this Lease, or, in the event of a request for consent to sublease all or a portion of the Premises, the right to terminate this Lease as to the Premises or, at Landlord's election, only as to the subject portion; if Landlord elects to terminate this Lease only as to the portion of the Premises, then (a) Base Rent and Tenant's Proportionate Share shall each be proportionately reduced, and (b) Tenant shall reimburse Landlord within ten (10) days of request for the costs of demising such portion of the Premises and all related work.

19.4 <u>Sublease Income</u>. If Tenant shall assign this Lease or sublet all or any portion of the Premises, then one-half of any consideration paid by the assignee, and one-half of the consideration paid by the subtenant for the portion of the Premises being sublet, that exceeds the Base Rent and Additional Rent provided by this Lease (in the case of a sublease, for such portion of the Premises being sublet) shall be paid by Tenant to Landlord when paid or owing by the assignee or subtenant. In calculating the excess amount to be shared, Tenant may deduct (a) in the case of an assignment, its out-of-pocket transaction costs for legal, marketing, commissions, and leasehold improvements ("Transfer Costs"), and (b) in the case of a sublease, monthly equal amortization of the Transfer Costs over the term of the Sublease.

## 20. <u>Subordination; Attornment</u>.

20.1 <u>Subordination; Attornment; Nondisturbance</u>. This Lease, and all rights of Tenant hereunder, are and shall be, upon the election of the holder thereof, subject and subordinate to all mortgages, trust deeds, other financing and security instruments, and master leases or ground leases ("Mortgages"), that may now or hereafter affect the Premises, and to all renewals, modifications, replacements and extensions of any such Mortgages. This Section shall be self-operative, and no further instrument of subordination shall be required to effect a subordination

hereunder; provided, however, that in confirmation of such subordination Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord or any such mortgagee may reasonably request to evidence such subordination (each a "Subordination Agreement"). Tenant acknowledges receipt at the time of execution hereof of a Subordination Agreement, if any, desired by Tenant. If Tenant requests any future Subordination Agreement, Landlord will request the same from the holders of its then current Mortgages; all costs related to such request will be paid by Tenant. Any mortgagee under the Mortgages has the right, at any time, to prepare and file a notice of subordination with the County Recorder. If there occurs any default on the part of Landlord, Tenant will give notice by registered or certified mail to any beneficiary of a deed of trust or mortgage covering the Premises, and shall offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including time to obtain possession of the Premises if necessary to effect a cure. If the interest of Landlord under this Lease is transferred, then at the request of such party so succeeding to Landlord's rights, Tenant shall attorn to and recognize such successor landlord as Landlord under this Lease and shall promptly execute and deliver any commercially reasonable instrument that such successor landlord may reasonably request to evidence such attornment.

20.2 <u>Estoppel Certificates</u>. Within ten (10) days following any written request that Landlord may make from time to time, Tenant shall execute and deliver to Landlord and/or any prospective mortgagee or purchaser designated by Landlord, a statement certifying: (a) the date of commencement of this Lease; (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, and stating the date and nature of such modifications); (c) the date to which the rental and other sums payable under this Lease have been paid; (d) that there are no current defaults under this Lease by Landlord except as specified in such statement; and (e) such other matters as may be reasonably requested. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in the Landlord's performance, and (iii) that no more than one month's rental has been paid in advance.

21. <u>Financial Statements</u>. At such time, if any, as the Tenant hereunder is no longer King County, Tenant shall furnish to Landlord, on or before the 90<sup>th</sup> day following the end of each fiscal year, the financial statements of Tenant for the preceding fiscal year prepared by a CPA in accordance with generally accepted accounting principles (or other method approved by Landlord).

22. <u>Disputes</u>. In the event of any arbitration or litigation between the parties with respect to this Lease, then all costs incurred by the prevailing party shall be paid by the other party; such costs include but are not limited to reasonable attorneys' fees incurred by the prevailing party at and in preparation for arbitration or trial (including but not limited to depositions and other discovery), any appeal and petition for review, and any litigation or other proceeding before a U.S. Bankruptcy Court.

23. <u>Tenant's Liability and Performance</u>. If more than one person or entity executes this Lease as Tenant, (a) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant, and (b) the term "Tenant" as used in this Lease shall mean and

include each of them jointly and severally. The act or notice from, or notice or refund to, or the signature of any one or more of them, shall be binding upon each and all of them.

# 24. <u>Definition of Landlord; Limitation of Liability</u>.

24.1 <u>Definition</u>. The term "Landlord" shall be limited to mean and include only the owner or owners, at the time in question, of the lessor's interest in this Lease. In the event of any transfer, assignment, or other conveyance or transfers of any such interest, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically released from all liability for the performance of any obligations contained in this Lease thereafter to be performed.

24.2 <u>Nonrecourse Lease</u>. Tenant and all successors and assigns acknowledge that, in the event of any actual or alleged failure, breach or default hereunder by Landlord: (a) the sole and exclusive remedy shall be a claim against the Landlord, with any judgment against Landlord being satisfied only out of its interest in the Project (no other assets of Landlord shall be subject to levy, execution or other procedure to satisfy such a judgment); (b) no Protected Party other than Landlord shall be sued, named as a party in any suit or action, served with process or subjected to any judgment, and any such judgment taken against any Protected Party other than Landlord may be vacated and set aside at any time nunc pro tunc; and (c) no writ of execution will ever by levied against the assets of any Protected Party other than Landlord.

24.3 <u>Force Majeure</u>. This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder, or is delayed in doing so, if such inability or delay is caused by reason of strike, labor trouble, inclement weather, war, riot, acts of God, acts or orders of government, delays in obtaining permits or inspections, shortages of or delays in obtaining materials, delays due to the scheduling of contractors or suppliers, supply chain delays, the effect of any epidemic or pandemic including COVID-19, or any other cause beyond the reasonable control of Landlord (these are events of "Force Majeure"). Landlord shall be excused from performing any obligation hereunder while such obligation cannot reasonably be performed due to an event of Force Majeure.

24.4 <u>Assets</u>. All rights, remedies and protections afforded to Landlord by this Lease regarding the Premises or the Buildings shall also apply to the balance of the Project.

24.5 <u>Parties</u>. Whether or not expressly stated in the applicable portion of this Lease, (a) all acts and omissions of any Tenant Party shall be deemed the acts and omissions of Tenant, and (b) all release, indemnity, defense and limitation of liability provisions in favor of Landlord shall also cover and be for the benefit of all Protected Parties. The term "Protected Parties" shall mean and include (i) Landlord, (ii) all members, managers, partners, shareholders, officers, directors, principals, trustees and beneficiaries of Landlord, (iii) all property managers, asset managers, lenders, master lessors, and ground lessors of Landlord, (iv) all agents of any of the foregoing, and (v) all employees of any of the foregoing (each of the foregoing, a "Protected Party").

24.6 <u>Counterclaims</u>. Tenant hereby waives, in connection with any eviction action initiated by Landlord, the right to plead any non-compulsory counterclaims or offsets. However,

Tenant reserves the right to assert its claims against Landlord in any other proper forum in a separate action pursuant to the forum and jurisdiction provisions of Section 26.4.

25. Waiver. Landlord's waiver of any breach of any term or covenant herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other covenant or condition herein contained, nor shall any custom or practice that may evolve between the parties in the administration of the terms hereof be deemed a waiver of or in any way affect the right of Landlord to insist upon the performance by Tenant in strict accordance with this Lease. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant, of any term, covenant, or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of such acceptance of such Rent. The consent or approval of Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar acts by the acting party. Acceptance of one or more rental or other payments after the dates when the same first became due or after the applicable grace period shall not prevent Landlord from insisting upon prompt payment of all amounts due hereunder. Without limiting the generality of the foregoing, no payment by Tenant or receipt by Landlord of a lesser amount than the full Rent then due shall be deemed to be other than on account of the earliest stipulated Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check, or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided for in this Lease or available at law or in equity.

#### 26. <u>Miscellaneous Provisions</u>.

26.1 <u>Successors or Assigns</u>. Except as otherwise provided herein, all the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and their respective heirs, administrators, executors, successors, subtenants, concessionaires, assigns and marital communities, if any, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.

26.2 <u>Broker's Commission</u>. Landlord shall be responsible for the payment of brokerage commissions to the Brokers named in this Lease. If Tenant has dealt with any other person or real estate broker with respect to leasing or renting space at the Project, Tenant shall be solely responsible for the payment of any fee due said person or firm and Tenant shall indemnify and hold Landlord harmless for, from, against and regarding any liability in respect thereto, including attorneys' fees and costs.

26.3 <u>Interpretation</u>. This Lease shall be governed by and construed pursuant to the laws of the State shown in the Basic Lease Terms. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. Words used in any gender include other genders. The Section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof. Time is of the essence with respect to this Lease. This Lease is the entire agreement and understanding of the parties hereto as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Lease and such documents supersede all prior agreements and understandings between the parties with respect to the subject matter hereof. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. If any term, covenant, or condition of this Lease or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such terms, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

26.4 <u>Forum</u>. Should either party institute legal action to interpret this Lease or enforce any obligation contained herein, it is agreed that the exclusive venue of such suit or venue shall be in King County, Washington. Tenant expressly consents to Landlord designating the exclusive venue of any suit or action in King County, Washington.

26.5 Examination of Lease; Delivery. This Lease and all later documents, such as amendments, (a) may be executed by electronic signature (provided, however, that if this Lease or any future amendment is electronically signed, it must also be notarized in accordance with the requirements of Chapter 42.45 RCW applicable to electronic records), (b) may be executed and delivered in counterpart, and (c) may be delivered electronically. Electronic records, remote notarization, and electronic signatures (including, without limitation, electronic signatures notarized in accordance with the requirements of Chapter 42.45 RCW applicable to electronic records) may be used in connection with the execution of this Lease and such later documents, and the same shall be legal and binding and have the same full force and effect as if a paper original of this Lease or such document had been signed using a handwritten signature or notarized in person, as applicable. Landlord and Tenant (i) intend to be bound by electronic signatures (including, without limitation, electronic signatures notarized in accordance with the requirements of Chapter 42.45 RCW applicable to electronic records) and by documents and notices sent or delivered by electronic mail or other electronic means, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Lease or any later documents or notices based on the foregoing forms of signature, notarization, or delivery. Tenant shall deliver a manually executed original of any document previously electronically executed upon request by Landlord. The foregoing does not prohibit the use of handwritten signatures, in person notarization or physical delivery. Notices under the Lease may be given as provided in the Lease or electronically as follows.

To Tenant:	Email: See signature space below
To Landlord:	Email: jpaul@skbcos.com

If Landlord or Tenant disputes delivery or receipt of notice by email then that party shall bear the evidentiary burden to prove, by a preponderance of the evidence, that such notice was not delivered or received or both.

26.6 <u>Recording</u>. Tenant shall not record or file this Lease. However, upon the request of Landlord, both parties shall execute a memorandum or "short form" of this Lease for the purposes of recordation in a form customarily used for such purposes.

26.7 <u>Notices</u>. All notices that either party shall be required or may desire to deliver hereunder shall be given in writing and shall be either delivered by courier such as an overnight air courier or shall be sent by electronically, in all cases to the corresponding address(es) set forth in the Basic Lease Terms. Notices shall be deemed received upon the earlier of the date of actual receipt or, if applicable, upon refusal of physical delivery or failure due to the inoperability of the electronic address specified in this Lease. Any party may change its address for notice by giving notice in the manner set forth above. Notice to Tenant hereunder may be given by Landlord's attorney.

26.8 <u>Survival of Obligations</u>. The covenants, duties, and obligations of Tenant (including, without limitation, all indemnity obligations) shall survive the expiration or earlier termination of this Lease.

26.9 <u>Quiet Possession</u>. Landlord covenants that as of the Commencement Date, Landlord will have good right to lease the Premises for the purpose and uses stated herein and Tenant shall have possession of the Premises for the Lease Term subject to the terms of this Lease and acts of government.

26.10 <u>Non-Discrimination</u>. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Landlord shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 26.10.

26.11 <u>Representations and Warranties</u>. Landlord has made no representations or warranties except as contained herein. No agent or broker of Landlord has authority to make nor has made any promise, warranty or representation to Tenant. Any offering materials, renderings, or advertisements are specifically disclaimed and are superseded by this Lease; Tenant has not relied upon any of the same. Tenant hereby represents and warrants that financial statements and other information furnished by Tenant to Landlord are true, accurate and complete; any false, misleading or inaccurate statement made by Tenant therein shall constitute a material breach and an Event of Default hereunder.

26.12 <u>Tenant Acknowledgments</u>. Tenant understands and acknowledges that the Premises are part of a multi-use Building, incorporating office and manufacturing/industrial components. Tenant further understands and acknowledges that the existence of such business may result in odors, noises, vibrations and other issues commonly associated with such uses. It is not possible to eliminate all noise and/or voice transmission between or within spaces in the Buildings, including noise and voice transmission between the Premises and other spaces in the

Buildings and within the Premises. Moreover, the Buildings and other buildings in the Project may be unsafe in the event of a major earthquake. Tenant agrees that Landlord will not be in default of this Lease nor will Tenant have any right or claim against Landlord resulting from the conditions acknowledged in this Section 26.12.

26.13 <u>USA Patriot Act Compliance</u>. Tenant represents to Landlord that Tenant is not (and is not engaged in this transaction on behalf of) a person or entity with which Landlord is prohibited from doing business pursuant to any law, regulation or executive order pertaining to national security ("Anti-Terrorism Laws"). "Anti-Terrorism Laws", as referenced above, shall specifically include, but shall not be limited to, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and obstruct Terrorism Act of 2001, Pub. L. No. 107-56 (aka, the USA Patriot Act); Executive Order 13224; the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq.; the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq.; the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq.; sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control ("OFAC"), as well as laws related to the prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

26.14 Consents. The grant of any consent or approval required from Landlord under this Lease shall be only by a written document signed and delivered by Landlord expressly setting forth such consent or approval. Unless otherwise specified herein, any such consent or approval shall not be unreasonably withheld or delayed but may be issued subject to reasonable conditions. The consent or approval of Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar acts by Tenant. Notwithstanding any other provision of this Lease, the sole and exclusive remedy of Tenant for any alleged or actual improper withholding, delaying or conditioning of any consent or approval by Landlord shall be the right to specifically enforce any right of Tenant to require issuance of such consent or approval on conditions not prohibited by this Lease; in no event shall Tenant have the right to terminate this Lease, to collect monetary damages, or to pursue any other remedy for any actual or alleged improper withholding, delaying or conditioning of any consent or approval, regardless of whether this Lease requires that such consent or approval not be unreasonably withheld, conditioned or delayed. If there is a dispute regarding any Landlord's consent or approval or failure to issue a consent or approval, then, at the election of Tenant, the parties will immediately enter into binding arbitration under the AAA Commercial Arbitration Rules and Mediation Procedures for "Expedited Procedures."

26.15 <u>Confidentiality</u>. Tenant shall not disclose to any third party the terms or provisions of this Lease, nor any communications or information sent to Tenant from Landlord under or pursuant to this Lease, except only as may be required by law.

26.16 <u>Security</u>. Landlord has no duty to provide security for any portion of the Project. To the extent Landlord elects to provide any security, Landlord is not warranting the effectiveness of any security personnel, services, procedures or equipment and Tenant shall not rely on any such personnel, services, procedures or equipment. Landlord shall not be liable for failure of any such security personnel, services, procedures or equipment to prevent or control, or to apprehend anyone suspected of, personal injury or property damage in, on or around the Project.

## [signatures follow]

IN WITNESS WHEREOF, the parties have executed this Lease on the Effective Date.

#### LANDLORD:

Commodore Way Owner, LLC, a Delaware limited liability company

By: ScanlanKemperBard Companies, LLC, an Oregon limited liability company, its operating manager

	21/10	
By: Name:	James Paw	
Title:	EVP	_

## **TENANT:**

King County, a political subdivision of the State of Washington

By:	
Name:	
Title:	
Email:	

#### **APPROVED AS TO FORM:**

By: \_\_\_\_\_ Name: \_\_\_\_\_ Title: Senior Deputy Prosecuting Attorney

#### **APPROVED BY CUSTODIAL AGENCY:**

By:	U X	
Name:		and the second state of th
Title:		an a

STATE OF <u>Oregn</u>) ): ss. County of MUHNOMAL

This record was acknowledged before me on <u>September 10</u>, 2021 by <u>Ames PAW</u> as <u>EVP</u> of ScanlanKemperBard Companies, LLC, an Oregon limited liability company, the operating manager of Commodore Way Owner, LLC, a

Delaware limited liability company.

<i>person</i>	ちいいいいいいい
2 Parts	OFFICIAL STAMP
	JESSICA THORP
	NOTARY PUBLIC - OREGON
0 000	COMMISSION NO. 984801
MY COMMIS	SSION EXPIRES MARCH 03, 2023
<i>Receed</i>	PPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPP

Notary Public

Printed Name: Jessich Thor My Appointment Expires: May

STATE OF \_\_\_\_\_) ): ss. County of \_\_\_\_\_)

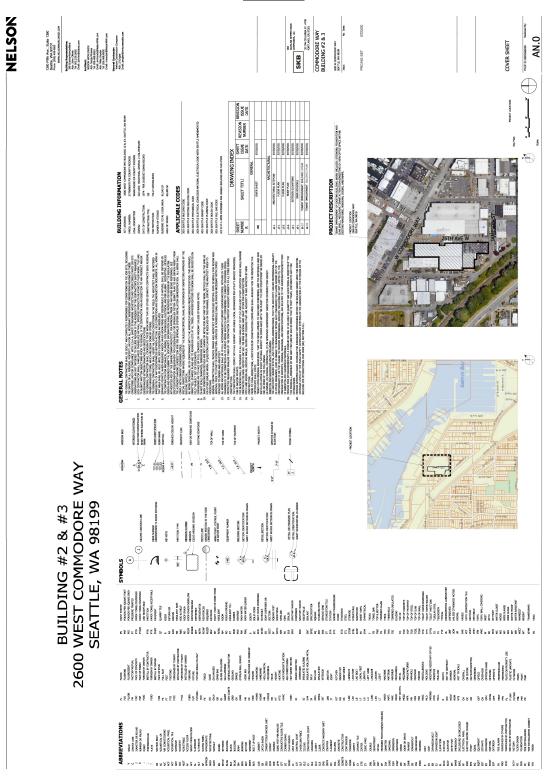
This record was acknowledged before me on \_\_\_\_\_, 2021 by \_\_\_\_\_\_ as \_\_\_\_\_ of King County, a political subdivision of

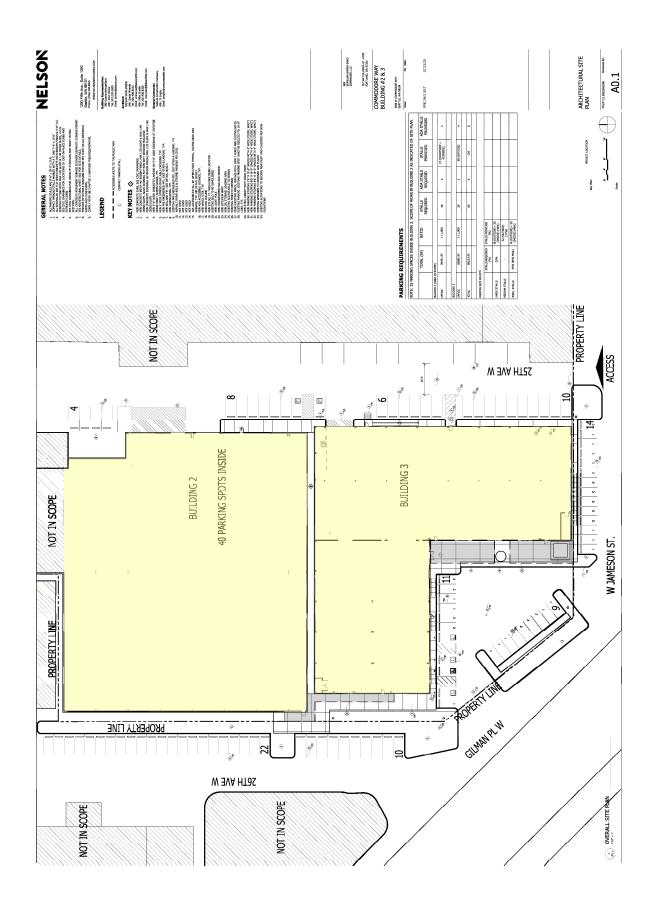
the State of Washington.

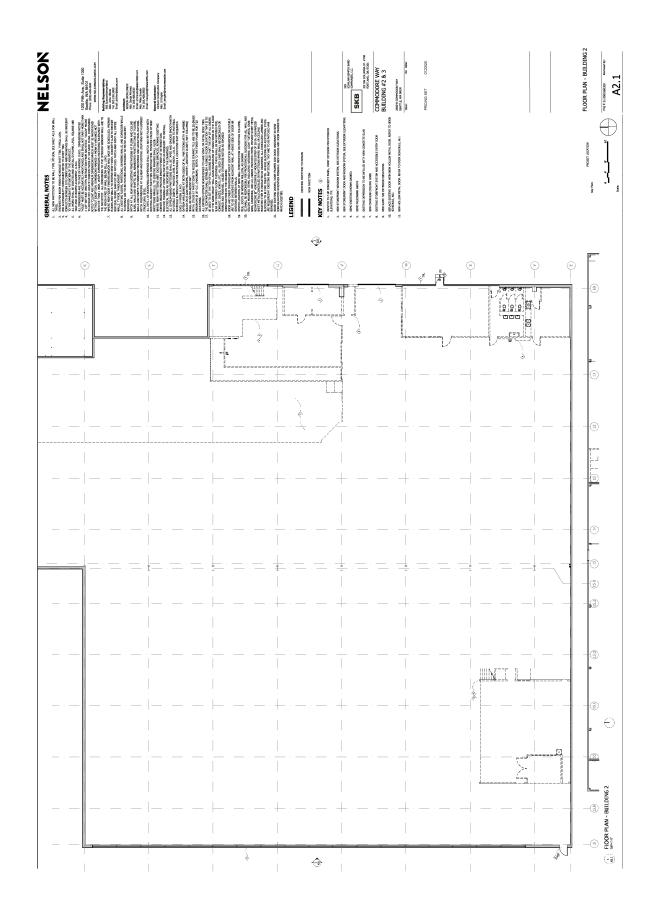
Notary Public	
Printed Name:	
My Appointment Expires:	

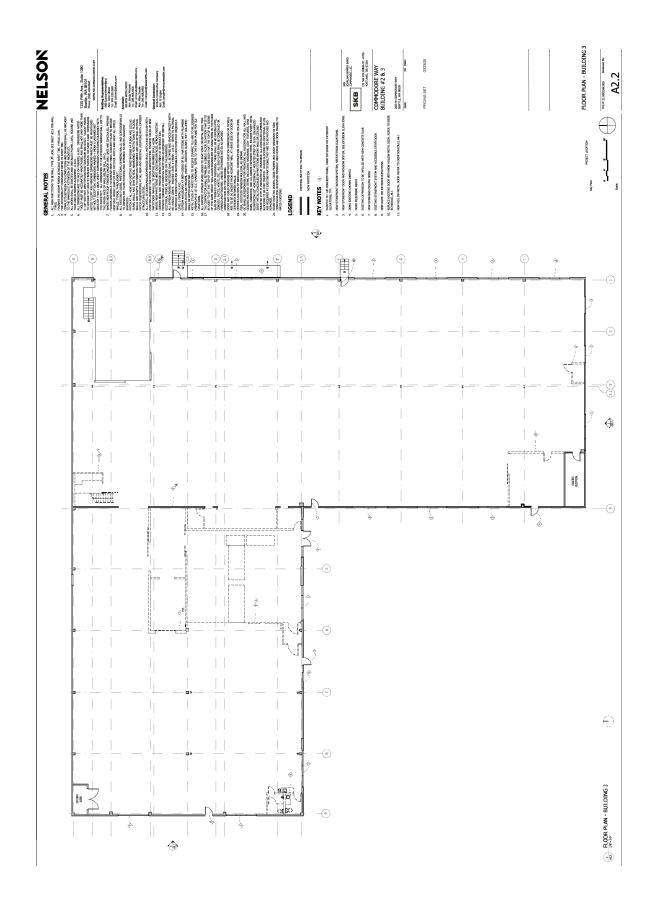
# EXHIBIT A

#### **Premises**

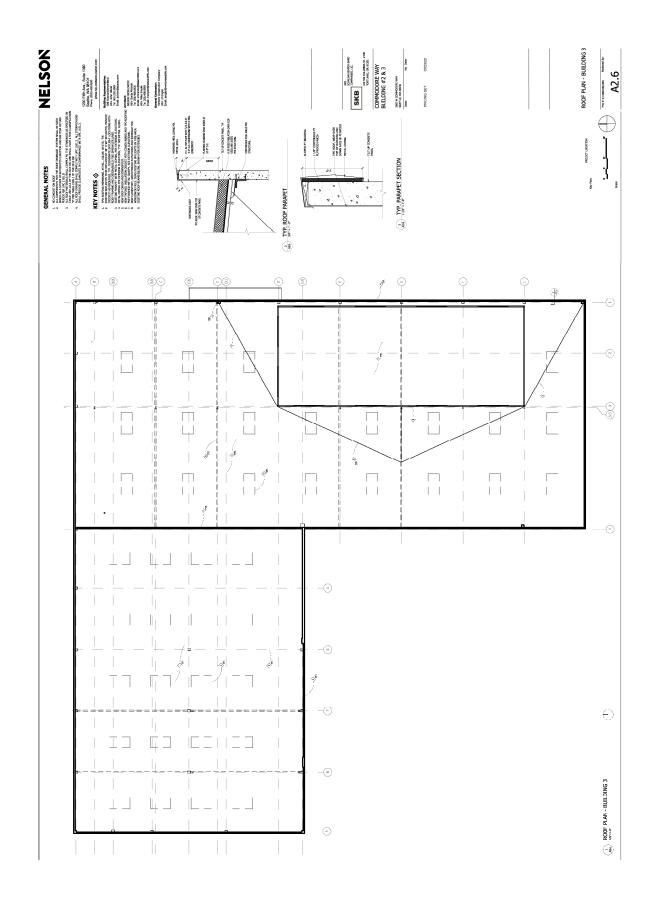




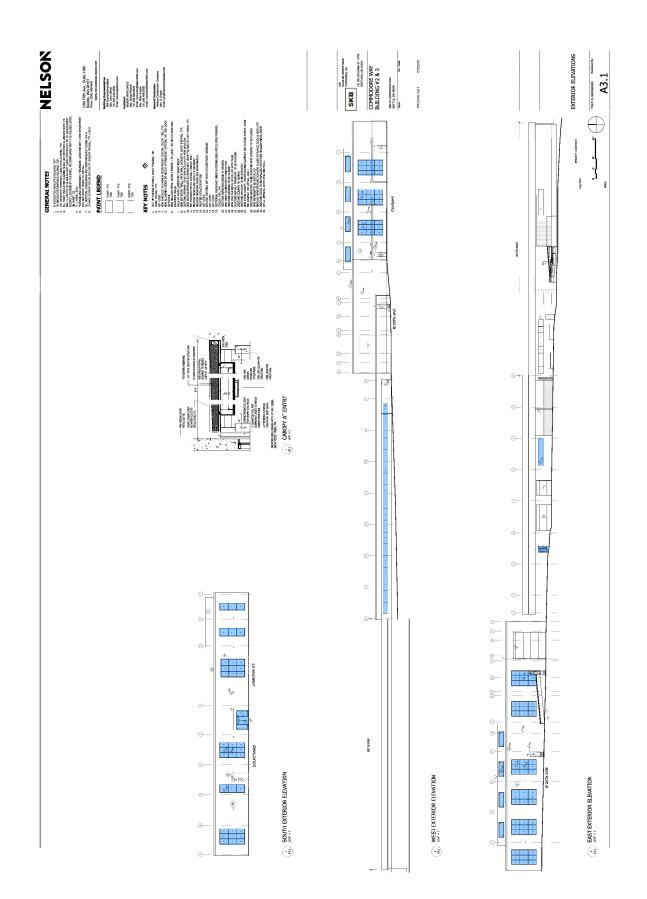


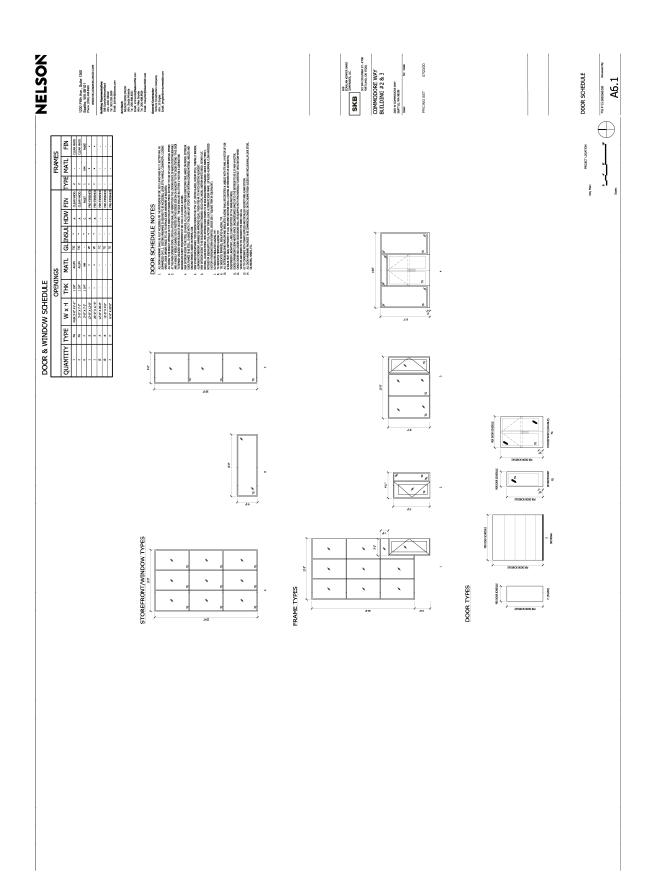


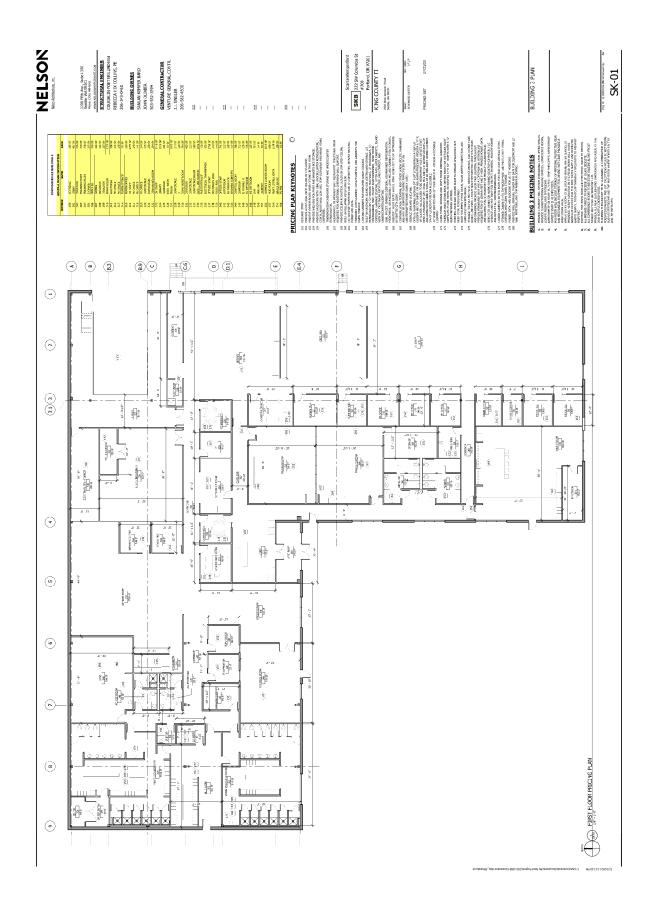
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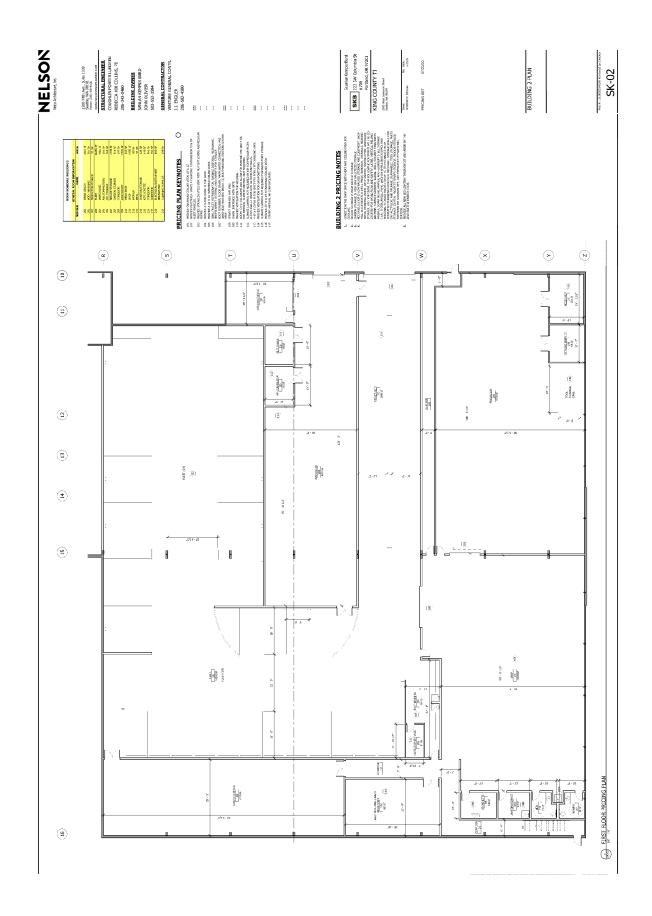


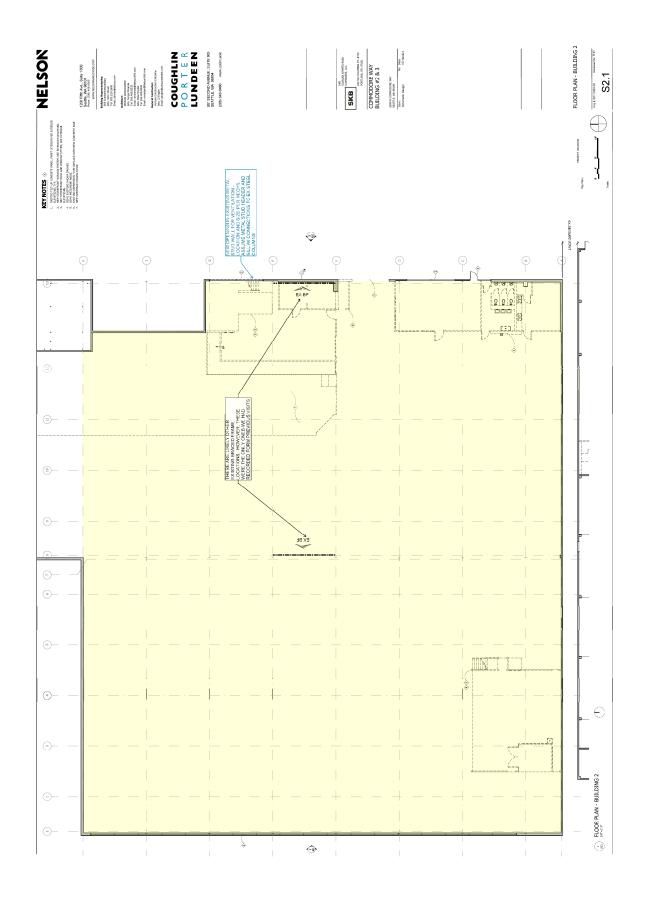
5 - Exhibit A: Premises PDX\116631\261861\JDG\31271272.13



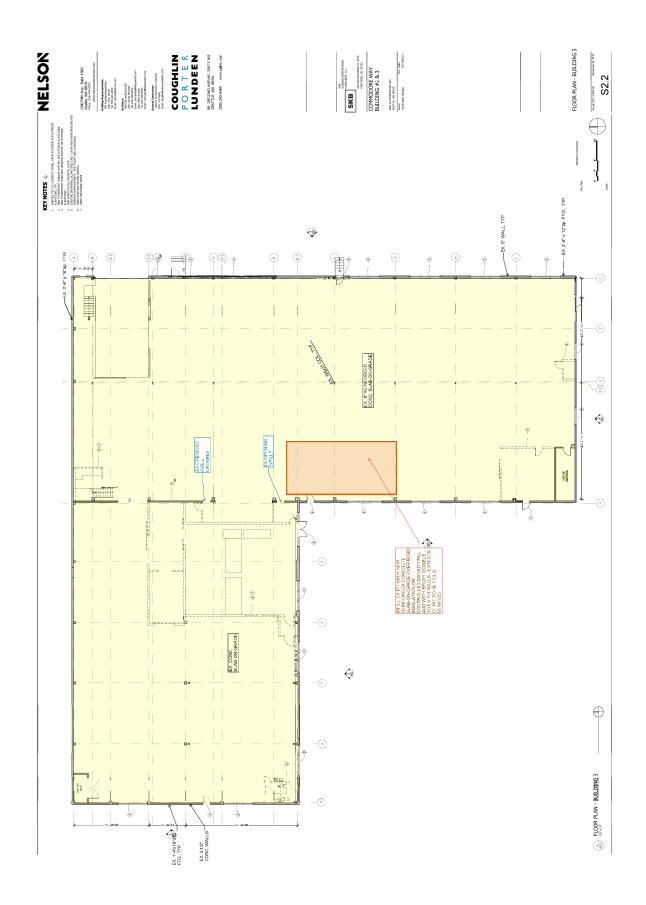




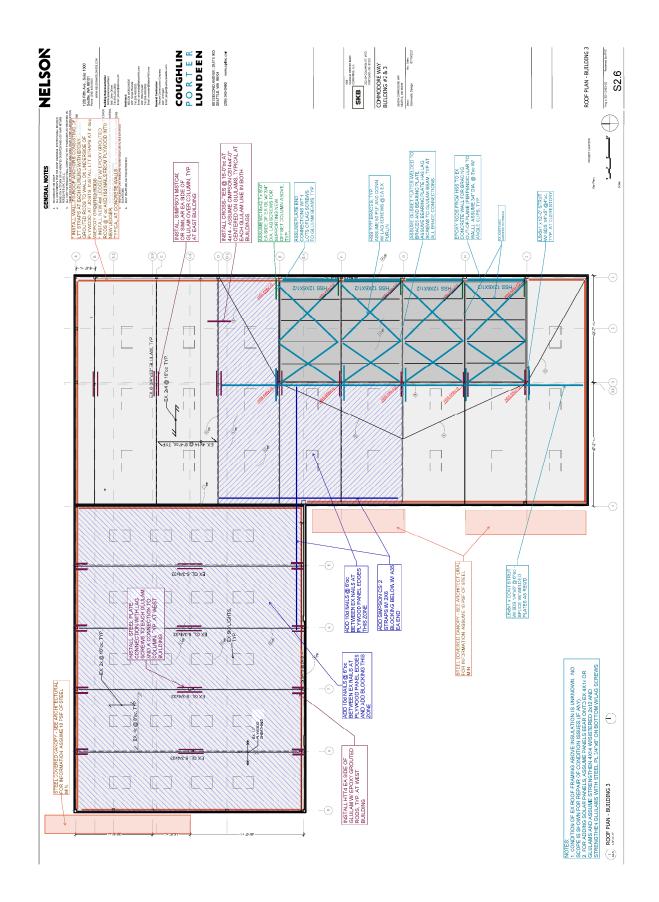




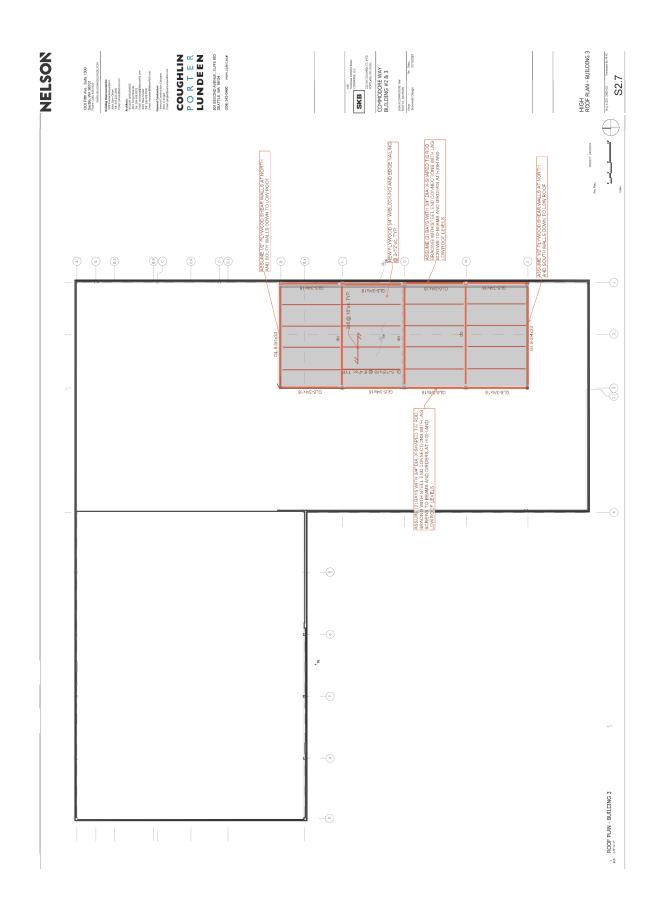
10 - Exhibit A: Premises PDX\116631\261861\JDG\31271272.13



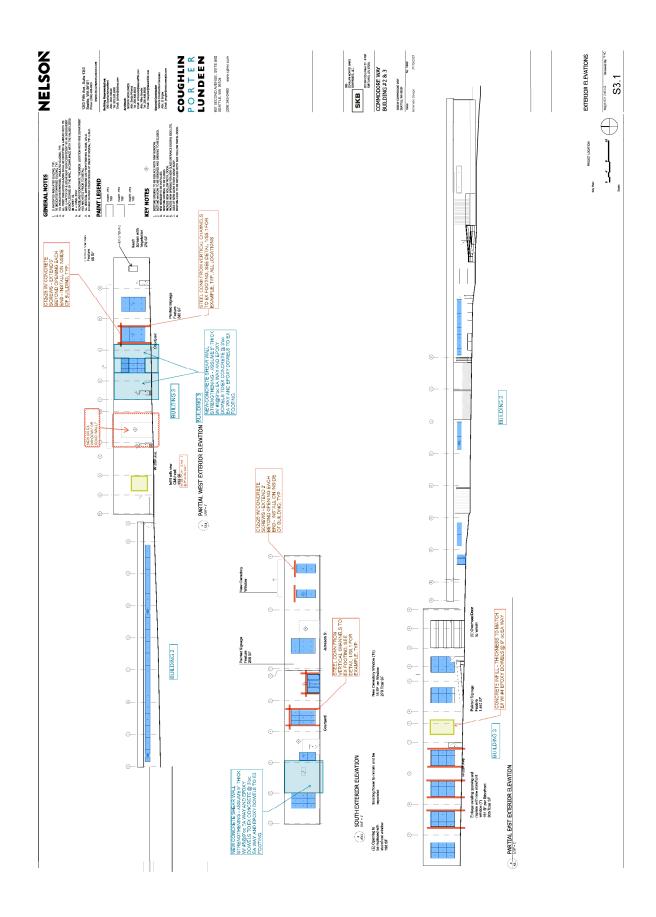
11 - Exhibit A: Premises PDX\116631\261861\JDG\31271272.13

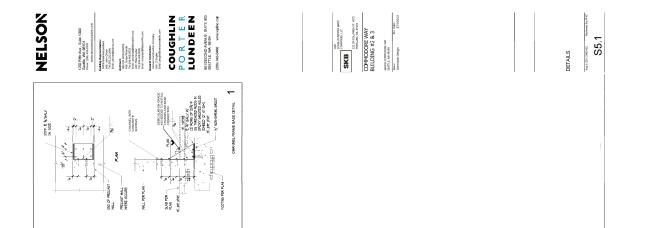


12 - Exhibit A: Premises PDX\116631\261861\JDG\31271272.13



13 - Exhibit A: Premises PDX\116631\261861\JDG\31271272.13





#### **EXHIBIT A-1**

#### Legal Description of the Land

The Land referred to herein below is situated in the County of King, State of Washington, and is described as follows:

PARCEL A:

LOTS 1 THROUGH 40 INCLUSIVE IN BLOCK 79 AND LOTS 1 THROUGH 16 INCLUSIVE IN BLOCK 80; THE NORTH 9.00 FEET OF LOT 17 IN BLOCK 80 AND LOTS 20 THROUGH 40 INCLUSIVE IN BLOCK 80 ALL OF GILMAN'S ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT RECORDED IN <u>VOLUME 5, PAGE 93</u>, IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

TOGETHER WITH THAT PORTION OF 25TH AVENUE WEST ADJOINING SAID LOTS AS VACATED BY ORDINANCE NO. 112661, RECORDED APRIL 3, 1986 AS RECORDING NO. <u>8604031038</u>.

ALSO TOGETHER WITH THAT PORTION OF THE ALLEY IN SAID BLOCK 79, AS VACATED BY ORDINANCE NO. <u>93949</u>, THAT WOULD PASS WITH A CONVEYANCE OF SAID LAND.

ALSO TOGETHER WITH THAT PORTION OF THE ALLEY IN SAID BLOCK 80, AS VACATED BY ORDINANCE NO. <u>115482</u>, RECORDED JANUARY 22, 1991 AS RECORDING NO. <u>9101221560</u>, THAT WOULD PASS WITH A CONVEYANCE OF SAID LAND.

EXCEPT THAT PORTION OF GILMAN PLACE WEST ADJACENT TO LOTS 25, 26, 27 AND 28 IN BLOCK 79 PURSUANT TO CITY OF SEATTLE ORDINANCE NO. 42064.

PARCEL B:

LOTS 18, 19, 20, 21, 22, 23, 24 AND 25, BLOCK 81, GILMAN'S ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 5 OF PLATS, PAGE 93, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION OF LOT 17 IN SAID BLOCK 81, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 17; THENCE NORTH ALONG THE WEST LINE THEREOF 16 FEET TO THE POINT OF BEGINNING OF SAID LINE; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID LOT, 100 FEET; THENCE NORTHEASTERLY TO A POINT ON THE NORTH LINE OF SAID LOT, A DISTANCE OF 14 FEET WESTERLY FROM THE NORTHEAST CORNER OF SAID LOT AND THE TERMINUS OF SAID LINE.

TOGETHER WITH THE ENTIRE ALLEY ADJOINING AS VACATED BY CITY OF SEATTLE ORDINANCE NO. 108636, RECORDED SEPTEMBER 19, 1980 UNDER RECORDING NO. 8009190882;

EXCEPT THAT PORTION OF LOTS 22, 23 AND 24, BLOCK 81 OF SAID SUBDIVISION, CONVEYED TO KING COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON BY DEED RECORDED FEBRUARY 2, 2009 UNDER RECORDING NO. 20090202001478.

 $\sim$ 

#### **EXHIBIT A-2**

#### **Initial Office/Parking Base Rent**

The monthly Initial Office/Parking Base Rent will be equal to 1/12 of 7.85% of total OP Costs (as defined below).

Initial Office/Parking Base Rent will be determined in accordance with this Exhibit promptly following the last to occur of (i) substantial completion of the Work, (ii) completion of a third-party post construction audit of the Costs of Landlord's Work performed by an independent auditor mutually agreed upon by Landlord and Tenant (the "Audit"), the cost of which will be paid by Landlord and included in OP Costs, and (iii) close-out of the general contractor contract including the release of any remaining contractor-controlled contingency and/or Landlordcontrolled contingency. The calculation of Initial Office/Parking Base Rent shall be determined based on the final total of OP Costs. Landlord will provide Tenant with its calculation of final total OP Costs and sufficient back-up documentation for Tenant to confirm the same (the "Cost Documentation"). Any comments from Tenant regarding the Cost Documentation or any requests for further information must be made by written notice given within ten (10) days of receipt of the Cost Documentation; the Cost Documentation will be deemed approved except only for such comments or requests. Any comments or requests will be resolved by the parties within ten (10) days of Landlord's receipt of the same. If the parties have not approved the final total of OP Costs through this process, then the components of OP Costs upon which the parties have not agreed will be determined by an independent CPA selected by Landlord to whom Tenant has no reasonable objection; the cost of this determination will be an OP Cost. Except for its financial, legal and other advisors, and except as required by law, Tenant shall maintain as strictly confidential all information concerning OP Costs and shall not disclose the same to any third party.

"OP Costs" are all costs of Landlord related to the Premises and the land on which the Premises are situated including but not limited to an agreed \$8,138,696.00 land cost, all hard and soft Costs of the Work, leasing commissions, costs of financing related to construction of the Premises (including but not limited to loan costs, interest and reserves), jurisdictional permits and approvals, carry costs, insurance, legal, development and/or construction management fees, tenant improvement allowances and all other costs of Landlord associated with the Premises. All OP Costs will be managed by Landlord and will be done on an open book basis with Tenant. The parties will use commercially reasonable efforts to limit OP Costs to budgeted amounts. At Tenant's request, Landlord shall be promptly available once per quarter to discuss with Tenant the accounting of OP Costs to date.

A preliminary estimate of OP Costs and of the resulting amount to be paid monthly as Initial Office/Parking Base Rent is attached as <u>Schedule 1</u>. Initial Office/Parking Base Rent will be calculated using the methodology set forth in <u>Schedule 1</u>.

Notwithstanding the foregoing, if OP Costs exceed the estimated amount of \$23,805,440.00, then Tenant may elect by written notice, given no later than ten (10) days after written notice given by Landlord from time to time of such excess amount, to pay all or part of such excess in cash in order to reduce or eliminate the increase in Initial Office/Parking Base Rent that would otherwise occur; Tenant shall pay such elected amount no later than twenty (20) days

after the giving of its notice electing to do so. If Tenant does not so elect to pay, or does not so pay, any excess OP Costs, then such excess OP Costs will be included in the calculation of Initial Office/Parking Base Rent.

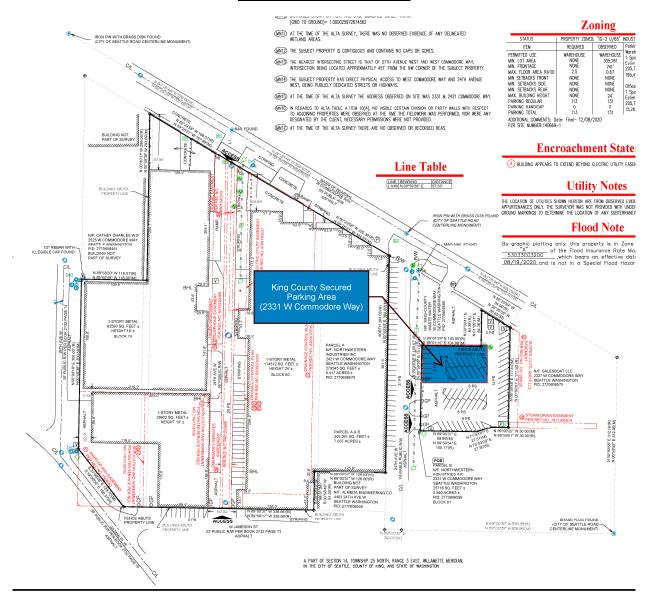
# **SCHEDULE 1**

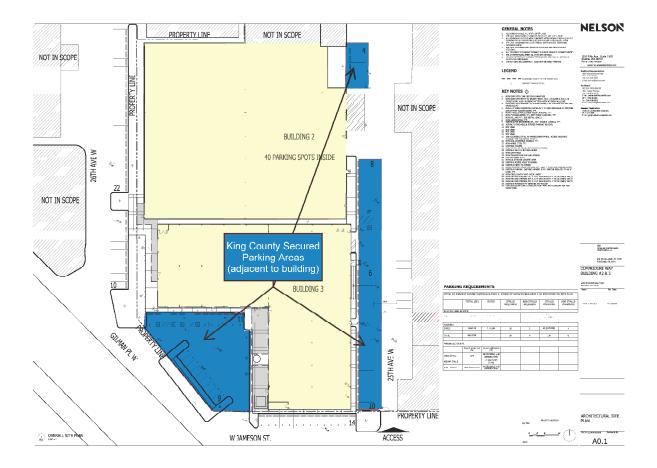
# **Calculation Methodology**

Development Costs	Total	PSF
Land Basis	8,138,696	\$118.00
Hard Costs	9,500,340	\$137.74
Soft Costs	1,452,864	\$21.06
Tenant Improvement Costs	8,900,229	\$129.04
Estimated Leasing Commission	1,230,337	\$17.84
Leasing Legal	35,000	\$0.51
Financing Costs	1,274,014	\$18.47
Development/CMFees	694,870	\$10.07
Total Costs	31,226,349	\$452.74
Landlord & Tenant Allocation		
Total Tenant Improvement Costs	8,900,229	\$129.04
Less TI Allowance under Lease	(1,479,320)	(\$21.45)
Tenant Portion of TIs	7,420,909	\$107.59
Total Project Costs	31,226,349	\$452.74
Less Tenant Portion (Tis)	(7,420,909)	(\$107.59)
Adjusted Project Costs	23,805,440	\$345.15
(Basis for Rent Calc Below)		
Rent Calculation	Total	PSF
Gross Potential Rent	1,993,291	<b>\$28.90</b> ▲
OpEx Reimbursement	517,290	\$7.50
General Vacancy (5.0%)	(125,529)	(\$1.82)
Effective Gross Rent	2,385,052	\$34.58
Less OpEx	(517,290)	(\$7.50)
NOI	1,867,762	\$27.08
Return on Cost	7.85%	
		<b>*</b> \$25.00
Estimated Rent PSF		<b>♦</b> \$28.90

# **EXHIBIT A-3**

#### **Conceptual Parking Plan**





# EXHIBIT B

# Work Letter

This Exhibit B (this "Work Letter") is a part of that certain Lease Agreement (the "Lease") by and between Commodore Way Owner, LLC, a Delaware limited liability company ("Landlord"), and King County, a political subdivision of the state of Washington ("Tenant"), pursuant to which Tenant leased certain premises (the "Premises") as more particularly described in the Lease. Capitalized terms not defined in this Work Letter shall have the meaning given to them in the Lease. A failure of a party to perform an obligation in this Work Letter will be deemed a failure to perform an obligation in the Lease.

# 1. WORK CONDITION; COMPLETION SCHEDULE.

Within forty-five (45) days following the execution of the Lease, Landlord shall deliver to Tenant a schedule setting forth a timetable for the planning, design and completion of the installation of the Work (as defined below) which schedule is subject to Tenant's review and approval. The 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 the Work. The parties will approve a schedule and the approved schedule (the "Work Schedule") will be incorporated into the Lease by an Amendment in the form of <u>Schedule 1</u>. If the parties have not approved the Work Schedule and executed such amendment by the Plan Date, then each party shall have the right to terminate this Lease by written notice given after the Plan Date but prior to such amendment being executed. Landlord will deliver to Tenant updates and revisions to the Schedule from time to time promptly after becoming aware of the need for the same. If a party's approval or consent is needed with respect to any element of the design or construction of the Work, then such party agrees to provide the same, unless another time frame is set forth in the Work Schedule.

# 2. THE WORK.

Plans. Landlord will improve the Premises base building as generally described on 2.1 Schedule 2 hereto and will install tenant improvements as generally described on Schedule 3 hereto. Landlord and Tenant (through Tenant's project manager) shall jointly participate in design meetings with Landlord's architect to prepare final plans and specifications (the "Plans") to improve the Premises as set forth below. The Plans shall be completed in accordance with the Work Schedule. Upon completion of the Plans, Tenant shall approve the same within five (5) business days of request if they are consistent with the SD Pricing Plans, Schedule 2 and Schedule 3 and direction given by Tenant. Tenant shall approve the Plans notwithstanding revisions made by Landlord based on previous deliveries to Tenant or based on a determination that any item on such Schedules (a) is likely to adversely affect Building systems, the structure of the Building or the safety of the Project or its occupants, or (b) would violate any applicable governmental, administrative body's or agency's laws, rules, regulations, ordinances, codes or similar requirements (or interpretations thereof). The base building work shown on the Plans is the "Base Building Work" and the tenant improvements shown on the Plans are the "Tenant Improvements". The approved the Plans will be incorporated into the Lease by an Amendment in the form of Schedule 1. If the parties have not approved the Plans and executed such amendment by the Plan Date, then each party shall have the right to terminate this Lease by written notice given after the Plan Date but prior to such amendment being executed. The performance of the work shown on the Plans is herein referred to as the "Work." Landlord shall conduct the Work incorporating building standard materials and finishes or other materials selected by Landlord unless otherwise specified in the Plans. Tenant shall provide any information, approval or comments regarding the design of the Work within five (5) business days of request.

2.2 <u>Changes in Plans</u>. Tenant may request reasonable changes in the Plans after the same are approved pursuant to Section 2.1. Landlord may disapprove such request on any reasonable grounds, which grounds may include but are not limited to potential delays in substantial completion of the Work. Any additional expenses required to evaluate or design any requested change and, if the change is implemented, the cost to implement such change, including, without limitation, architecture fees, increase in construction costs and other charges payable hereunder caused by delay, shall be included in the Costs of the Work. Such requests shall constitute an agreement by Tenant to any delay in substantial completion caused by reviewing, processing and implementing such change and any such delay will be a Tenant Delay.

2.3 <u>Adequacy of the Plans</u>. Neither the approval by Landlord of the Plans, as the same may be changed, or any other plans, specifications, drawings or other items associated with the Work nor Landlord's performance, supervision or monitoring of the Work shall constitute any warranty or covenant by Landlord to Tenant of the adequacy of the design for Tenant's intended use of the Premises. Tenant agrees to, and does hereby, assume full and complete responsibility to ensure that the scope of the Work and the Plans are adequate to fully meet the needs and requirements of Tenant's intended operations within the Premises.

Construction. Landlord shall perform the Work substantially in accordance with the Plans. 2.4 Landlord shall commence the performance of the Work promptly following the receipt of permits therefor and diligently pursue completion of the Work. Landlord shall supervise the completion of the Work and shall use commercially reasonable efforts to secure completion of such work in accordance with the Work Schedule, as the same may be revised and updated. Landlord shall engage Venture General Contracting, LLC as its general contractor; Landlord may engage a different general contractor to whom Tenant has no reasonable, substantial objections. Any general contractor shall pay prevailing wages for the Work or portions of the Work to the extent required by law. The general contract will be what is commonly referred to as a "GMP Contract." Substantial completion may be demonstrated by a temporary or permanent certificate of occupancy or other final inspection (with or without conditions) if applicable; substantial completion of elements of the Work outside of the Premises may be demonstrated by a certificate of substantial completion issued by Landlord's architect. The Work shall be deemed substantially complete on the earlier of (i) the date that Landlord has substantially completed construction in accordance with the Plans, or (ii) the date that Landlord could have achieved such substantial completion absent Tenant Delays.

2.5 <u>Costs</u>. The "Costs of the Work" are all costs detailed in the Budget (as defined below) actually incurred in the performance of or otherwise allocated to the Work including but not limited to architectural plans, permits, construction costs, sales and other applicable taxes, and Landlord's construction management fee of 3.5% of all other Costs of the Work. The Costs of the Work will be paid and accounted for as provided in Section 3 below.

2.6 <u>Tenant Delays</u>. Any delay in substantial completion of the Work attributable to Tenant is a "Tenant Delay". Without limiting the definition of Tenant Delay, any delay to the Work caused by the following will be Tenant Delays:

a. any failure to provide information, comments or approval within the time stated in this Work Letter or the Plans; or

b. any request by Tenant for a change to the Plans as provided in Section 2.2 above.

2.7. <u>Communication</u>. During the performance of the Work, Landlord shall arrange for weekly meetings to include Landlord and Tenant's project manager (who is subject to Landlord's reasonable approval), for the purpose of reviewing the progress of the Work. Landlord shall arrange for such meetings at a mutually convenient time and location. Before the commencement of the Work, Landlord agrees to meet with Tenant's project manager if requested to review Landlord's safety and security plans for performance of the Work and to discuss any reasonable Tenant concerns related to the same. Tenant's project manager will be the primary point of contact for Tenant and will be responsible for keeping Tenant informed of all matters related to the Work. Landlord has the right to rely upon any act or approval of or any communication with the project manager as the act or approval of or communication with Tenant, and Tenant hereby authorizes such authority and reliance.

# 3. COSTS OF THE WORK.

3.1 <u>Budget</u>. Following approval of the Plans, Landlord will prepare for mutual approval a proposed budget for all Costs of the Work. The budget will be an estimated baseline project and will include contingency amounts and may include allowance amounts. The budget will separately state the allocation of Costs between the Base Building Work and the Tenant Improvements. The approved budget (the "Budget") will be incorporated into the Lease by an amendment in the form of <u>Schedule 1</u>. If the parties have not approved the Budget and executed such amendment by the Plan Date, then each party shall have the right to terminate this Lease by written notice given after the Plan Date but prior to such amendment being executed. Landlord will deliver to Tenant updates and revisions to the Budget from time to time promptly after becoming aware of the need for the same, but no more often than monthly.

3.2 <u>Allocations</u>. Landlord shall allocate the Costs of the Work between the Base Building Work and the Tenant Improvements in a manner consistent with the Budget. Landlord will pay the costs allocated to the Base Building Work. The Costs allocated to the Tenant Improvements will be paid by Landlord up to the amount of the Allowance; Tenant shall pay all Costs allocated to the Tenant Improvements in excess of the Allowance (the "Excess TI Costs").

3.3 <u>Escrow</u>. Upon approval of the Budget and unless the parties agree to a different method for Tenant to pre-fund the Excess TI Costs, Tenant shall fund an escrow maintained by a mutually approved escrow holder with an amount equal to the Excess TI Costs (the "Escrow Amount"). Tenant shall execute and deliver documents requested by Landlord or the escrow holder with respect to the escrow account including but not limited to an Escrow Agreement in the form of <u>Schedule 4</u> with such additions and modifications as the escrow holder may require. Each time the expected Costs of the Tenant Improvements exceed the sum of the remaining Allowance plus the then Escrow Amount, as reasonably estimated by Landlord, Tenant shall increase the Escrow

Amount by a sum equal to the excess. The Escrow Amount shall be used by Landlord to pay the Excess TI Costs remaining after the Allowance has been fully utilized.

3.4. <u>Audit</u>. Tenant or its accountants shall have the right to inspect and audit Landlord's books and records with respect to the Costs of the Work to verify the actual costs thereof. Tenant shall exercise this right by giving written notice to Landlord of its intent to audit, which notice shall be given by Tenant during the course of the Work. Upon giving such notice, Tenant or its accountants, at Tenant's sole cost (except as otherwise provided below), shall have the right to inspect and audit Landlord's books and records with respect to the Costs of the Work to verify the actual costs thereof. Any such inspection or audit must be completed, and any objections made by written notice to Landlord, no later than the 30<sup>th</sup> day following substantial completion of the Work. Tenant shall not pay any person or entity conducting such an audit on a contingency basis. Any overcharge or underpayment that is mutually agreed upon or established by a court of competent jurisdiction will result in modification of the Base Rent and any adjustment of prior payments will be made in cash from Tenant or by credit from Landlord, as the case may be.

## 4. PERMITS AND APPROVALS

Landlord shall obtain all permits and approvals necessary to perform the Work. Copies of all such permits and approvals shall be delivered to Tenant as obtained.

## 5. PUNCHLIST; DEFICIENCIES IN THE WORK

Prior to the date which Landlord anticipates to be the date of substantial completion of the Work, Landlord shall deliver to Tenant written notice of the expected date of such substantial completion. Prior to the date of substantial completion, if Tenant desires, representatives of Landlord and Tenant shall make a joint inspection of the Premises to create an agreed upon list of items yet to be substantially completed. The items included in such list are herein referred to as "Punchlist Items." Certain of the Punchlist Items may be completed by Landlord prior to substantial completion and Landlord shall complete the remaining Punchlist Items with due diligence and speed, and within thirty (30) days after the Punchlist is delivered to Landlord.

If the parties are unable to agree whether any particular item is to be included as a Punchlist Item or whether the same has been satisfactorily completed, then the decision of Landlord's architect shall be binding. Landlord shall continue to have complete access to the Premises for the purpose of taking any and all steps related to any then remaining Punchlist Items. Landlord's obligation to complete the Punchlist Items shall not alter the date of substantial completion. The obligation of Landlord to perform Punchlist Items work shall be to perform the same to an industry standard level, not to perfection.

If Tenant is obligated to repair or replace any portion of the Work pursuant to the repair provisions of the Lease and if such repair or replacement is covered by a warranty received by Landlord related to the Work, Landlord will cooperate with Tenant to enforce such warranty.

## **SCHEDULE 1**

## Form of Lease Amendment

### \_\_\_\_ AMENDMENT TO LEASE

THIS \_\_\_\_\_\_ AMENDMENT TO LEASE is executed effective \_\_\_\_\_, 2021 by and between the undersigned Landlord and Tenant.

#### RECITALS

A. Landlord and Tenant are parties to that certain Lease dated \_\_\_\_\_\_, 2021 (the "Lease"). Pursuant to the Lease, Tenant is leasing Premises in the Buildings located at 2421 and 2501 W. Commodore Way in Seattle, Washington. The defined, capitalized terms used in the Lease shall have the same meanings when used herein.

B. Landlord and Tenant desire to amend the Lease as set forth in this Amendment.

NOW, THEREFORE, it is agreed as follows.

 1.
 <u>Approval</u>. The parties hereby approve the \_\_\_\_\_\_ [Work

 Schedule, Plans or Budget] attached as or described on <u>Attachment 1</u> to this Amendment. Such \_\_\_\_\_\_ is/are incorporated into the Lease.

2. <u>Status of Lease</u>. Except as expressly amended hereby, the Lease remains in full force and effect and is hereby ratified and confirmed.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first above written.

### LANDLORD:

Commodore Way Owner, LLC, a Delaware limited liability company

By: ScanlanKemperBard Companies, LLC, an Oregon limited liability company, its operating manager

By:	
Name:	
Title:	

## **TENANT:**

King County, a political subdivision of the State of Washington

By:	
Name:	
Title:	
Email:	

## **APPROVED AS TO FORM:**

By:	
Name:	
Title: So	enior Deputy Prosecuting Attorney

## **APPROVED BY CUSTODIAL AGENCY:**

By:	
Name:	
Title:	

# Attachment 1

# **SCHEDULE 2**

## **Base Building Work**

#### Exterior finishes

- All utilities plumbed
- Exterior paving/striping complete
- Landscaping as necessary
- Exterior security lighting & exit lighting per code

#### Shell improvements

- New roof including elevated roof structure section with clerestory windows.
- Significant additional openings along the elevations for windows
- New storefront with entry canopy (also exterior finished with and all new paint on the exterior walls).
- Demo any existing, unwanted walls, conduit, phone/data, etc.
- Perform any necessary haz/mat abatement work within building.
- Exterior skin/masonry will be restored with tuck pointing as needed.
- All exterior walls to be furred and insulated with vapor barrier installed.
- New glazing throughout, including skylights. All glazing will satisfy compliance for both energy code and landmark status.
- Complete roof replacement to conform with current Seattle Energy Code
- Structural reinforcement (i.e. seismic bracing) & restoration will adhere to all applicable city codes.
- Update and/or relocate electrical panels to a closet with secure access. Shell & core electrical service will be established to include a tenant-specific electrical sub-panel and ready for distribution per tenant's specifications. Tenant's sub-panel will be sized to accommodate additional tenant panels if necessary.
- All perimeter doors will be replaced as needed with new, commercial grade doors and lock sets to meet all modern security standards.
- Tenant side of all core elements will be dry-walled with one coat of tape for future finish at time of TI.
- At least one tenant double-hung glass suite entry door will be included in shell.

#### Tenant Areas

- HVAC service installed (including thermostat) within tenant space with HVAC duct drop and shaft into tenant space and ready for distribution per tenant's specifications and details included in Letter of Intent).
- Fir-out and insulate floors, non- perimeter walls (as appropriate) and roof to code.
- Floor within tenant space will be delivered in a re-finished condition with holes/cracks filled as necessary.

# Life Safety

- Tenant space will be complete with all fire and life safety equipment including an oversized standpipe to tenant space with sprinklers installed throughout.
- Access to be building and path to and from Tenant space will be ADA compliant

# **SCHEDULE 3**

# **Tenant Improvements**

The improvements contemplated by the SD Pricing Plans, other than the Base Building Work.

## **SCHEDULE 4**

#### **Escrow Agreement**

THIS ESCROW AGREEMENT is executed effective this \_\_\_\_ day of \_\_\_\_\_, 2021 by and among the undersigned Landlord, Tenant, and Escrow Holder.

Pursuant to a Lease dated \_\_\_\_\_\_ (the "Lease"), Landlord and Tenant have agreed that Escrow Holder shall receive \$\_\_\_\_\_\_ from Tenant and may receive additional amounts. All amounts received by Escrow Holder are the "Deposit". Escrow Holder shall hold and disburse the Deposit as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is agreed as follows.

1. <u>Deposit</u>. Tenant shall pay the Deposit to Escrow Holder. Escrow Holder agrees to hold and disburse the Deposit in accordance with this Agreement. Escrow Holder shall hold the Deposit in an escrow account at a federally insured banking institution. In no event is Escrow Holder expected to or charged with establishing accounts at more than one federally insured banking institution. Escrow Holder shall have no responsibility for the safekeeping of funds while on deposit at the depository bank, it being understood that the funds on deposit shall only have the protection of insurance usual to the depository bank. Landlord and Tenant may request that said funds be placed in an interest bearing account at such an institution. For tax reporting purposes, Escrow Holder shall furnish to the banking institution the Taxpayer Identification Number of Tenant, which is \_\_\_\_\_\_.

2. <u>Disbursement</u>. Escrow Holder shall disburse the Deposit as directed by Landlord, in accordance with the following procedure. Landlord shall deliver a Certificate to Escrow Holder stating (a) the amount to be disbursed and the party to receive the disbursement, (b) that Landlord is properly entitled to direct such disbursement under the provisions of the Lease, and (c) that Landlord is contemporaneously delivering a copy of the Certificate to Tenant. If Tenant does not deliver to Escrow Holder written objection to disbursement within five (5) days of receipt by Escrow Holder of the Certificate, then on the sixth (6<sup>th</sup>) day following receipt of such Certificate, Escrow Holder shall disburse the Deposit as directed in the Certificate. Escrow Holder shall have no independent obligation to otherwise verify the right of Landlord to direct the disbursement. As between Landlord and Tenant, if any objection is not correct and accurate, then Tenant shall pay to Landlord (in addition to amounts described in Section 5 below), all damages, losses and expenses caused by Tenant's wrongful objection.

3. <u>Further Assurances</u>. The parties shall execute all other and further documents (such as interest bearing account instructions) as are necessary to implement the provisions of this Escrow Agreement.

# 4. <u>Protection of Escrow Holder</u>.

4.1 Escrow Holder shall charge a one-time setup fee of \$\_\_\_\_\_. This fee shall be separately paid by Tenant at the time Tenant makes the Deposit. Tenant shall pay any monthly or per check fee of Escrow Holder.

4.2 Landlord and Tenant each agree not to make any claim against Escrow Holder regarding performance or nonperformance under this Agreement except only any Material Claims. Except for such Material Claims, each of Landlord and Tenant agrees to defend and indemnify the Escrow Holder from any other claim made by the other party against Escrow Holder regarding the performance or nonperformance of this Agreement. The term "Material Claim" means a claim based upon (a) the intentional misconduct of the Escrow Holder, (b) a failure of the Escrow Holder to follow joint written instructions, or (c) the disbursement or nondisbursement by the Escrow Holder of the Deposit or any portion of the Deposit contrary to the provisions of this Agreement.

4.3 Escrow Holder shall have the absolute right to interplead the then balance of the Deposit with the \_\_\_\_\_ Court in \_\_\_\_\_ in the event (a) conflicting claims to the Deposit held pursuant to this Agreement are made, (b) Landlord or Tenant commences litigation disputing entitlement to the Deposit, or (c) Landlord has not delivered written instructions regarding final disbursement of the Deposit by \_\_\_\_\_, 20\_\_\_. Escrow Holder shall give ten (10) days' prior written notice to each of Landlord and Tenant before commencing any such interpleader.

4.4 The duties and obligations of Escrow Holder in connection with this Agreement are confined to those specifically enumerated in these instructions. Escrow Holder shall not be in any manner liable or responsible for (i) the sufficiency, correctness, genuineness, validity of any instrument delivered to it, (ii) the form of execution thereof, or (iii) the identity, authority or rights of any person executing or delivering the same. Escrow Holder shall not be liable for any loss by reason of forgeries or false representations, or for any other reason, except escrow's own negligence or misconduct.

4.5 Landlord and Tenant affirmatively confirm that all 1099 reporting required under any and all IRS regulations for any payments made through this escrow will be handled by, and be the sole responsibility of, Landlord and Tenant. Escrow Holder shall not be held liable for any IRS reporting requirements, and the undersigned hereby agree to indemnify and forever hold Escrow Holder harmless.

5. <u>Attorney Fees</u>. In the event of litigation with respect to this Escrow Agreement, the prevailing party shall be entitled to recover, in addition to all other sums and relief, its reasonable costs and attorney fees incurred at and in preparation for arbitration, trial, appeal, and review, such amount to be set by the court (s) before which the matter is heard. This provision shall cover any litigation or other proceedings in bankruptcy court, including litigation or other proceedings involving issues unique to bankruptcy.

6. <u>Execution</u>. This Agreement may be executed and delivered in counterparts. Delivery by facsimile or pdf is sufficient for all purposes.

IN WITNESS WHEREOF, this Agreement is executed as of the date and year first above written.

### LANDLORD:

Commodore Way Owner, LLC, a Delaware limited liability company

By: ScanlanKemperBard Companies, LLC, an Oregon limited liability company, its operating manager

By:	
Name:	
Title:	

## **TENANT:**

King County, a political subdivision of the State of Washington

By:	
Name:	
Title:	
Email:	

## **APPROVED AS TO FORM:**

By:	
Name:	
Title: So	enior Deputy Prosecuting Attorney

## **APPROVED BY CUSTODIAL AGENCY:**

By:	
Name:	
Title:	

#### **ESCROW HOLDER:**

By:	
Name	
Title:	

# EXHIBIT C

# **Rules and Regulations**

1. If Landlord objects in writing to any curtains, blinds, shades or screens attached to or hung in or used in connection with any window or door of the Premises, Tenant shall immediately discontinue such use. Tenant shall not place anything or allow anything to be placed against or near any glass partitions or doors or windows which may appear unsightly, in the opinion of Landlord, from outside the Premises. This Rule applies only to the Office Area.

2. Tenant shall not place a load upon any floor of its Premises, including mezzanine area, if any, which exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Heavy objects shall stand on such platforms as necessary to properly distribute the weight. All damage done to the Project by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

3. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Building except to the extent stated in the Lease.

4. Tenant shall not paint or seal any floors in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

5. No cooking shall be done or permitted on the Premises, except in kitchen areas used in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations.

6. Outside of shop and warehouse areas, Tenant shall use only hand trucks and forklifts equipped with the rubber tires and side guards, and may use such other material-handling equipment as Landlord may approve.

7. Tenant shall not use the name of the Building or Project or any photograph or other likeness of the Building or Project in connection with or in promoting or advertising Tenant's business without Landlord's prior written consent. Landlord shall have the right to change the name and address of the Building or Project.

8. All cardboard items shall be broken down before being placed in the Building recycling container. Tenant shall not place in the trash receptacles any personal trash or material that cannot be disposed of in the ordinary and customary manner of removing such trash without violation of any law or ordinance governing such disposal. Tenant's trash and refuse containers shall be stored inside the Premises.

9. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governing authority.

10. Tenant assumes all responsibility for securing and protecting its Premises and its contents including keeping doors locked and other means of entry to the Premises closed.

11. No person shall go on the roof except as stated in the Lease.

12. Tenant shall not permit any birds or animals, other than trained, certified assistance dogs for those with disabilities to be brought or kept in or about the Premises or any common area of the Project.

13. Any toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown into them. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.

14. Smoking is prohibited in all indoor portions of the Project and within twenty-five (25) feet of any point of entry. Smoking is limited to outdoor areas designated by Landlord.

15. Sidewalks, halls, passages, exits, entrances and stairways shall not be obstructed by tenants or used by tenants for any purpose other than for ingress to and egress from their respective premises. Access areas are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Project or its tenants provided Landlord shall not have any right to restrict such access of Tenant or its agents, invitees, permittees, licensees, or contractors.

16. During periods of loading and unloading, Tenant shall not unreasonably interfere with loading and unloading by other tenants. All products, materials or goods must be stored within the Tenant's Premises and not in any exterior areas.

17. All doors opening onto the public corridors shall be kept closed, except when in use for ingress and egress.

18. Landlord will not be responsible for lost or stolen personal property, equipment, money or any articles taken from the Premises or Project.

19. The following parking rules apply:

19.1 Tenant shall not use more parking than stated in the Lease. Excess vehicles and vehicles improperly parked shall be subject to a fine and shall be subject to towing at the vehicle owner's expense.

19.2 Tenant will not park or permit parking in any areas designated by Landlord for parking by visitors to the Project or for the exclusive use of other occupants of the Project.

19.3 Parking is prohibited (a) in areas not striped for parking; (b) in aisles; (c) where "No Parking" signs are posted; (d) on ramps; (e) in cross-hatched areas (if any); (f) in loading areas; and (g) in such other areas as may be reasonably designated by Landlord from time to time.

19.4 All responsibility for damage, loss or theft to vehicles and the contents thereof is assumed by the person parking their vehicle.

19.5 Landlord reserves the right to refuse parking identification devices and parking rights to Tenant or any other person who fails to comply with the rules applicable to the parking areas. Any violation of such rules shall subject the vehicle to removal, at such person's expense.

20. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Project.

21. Landlord reserves the right to adopt other reasonable Rules and Regulations from time to time with written notice to Tenant prior to enforcing the same against Tenant. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any such additional Rules and Regulations adopted by Landlord provided such additional Rules and Regulations (i) do not materially interfere with Tenant's rights and privileges under the Lease, and (ii) do not cause or otherwise result in any reduction or limitation on Tenant's use and operation of the Premises as set forth in the Lease.

21. Tenant shall be responsible for the observance of all of the foregoing Rules and Regulations by Tenant and all other Tenant Parties.