

GREGORY BRODERICK SMITH REAL ESTATE  
 810 THIRD AVENUE, SUITE 615  
 SEATTLE, WA 98104  
 TEL 206-262-2880 FAX 206-262-2889

OFFICE LEASE - GROSS  
 CENTRAL BUILDING

*Handwritten signatures and initials: Greg, BAE, CB*

This Lease is made this 5 day of June, 2005, but is effective as of January 1, 2005, by and between 350, L.L.C., a Washington limited liability company, and Central Promoter LLC, a Washington limited liability company ("Landlord"), and The Defender Association, a Washington non-profit corporation ("Tenant"), who agree as follows:

1. **Fundamental Terms.** As used in this Lease, the following capitalized terms shall have the following meanings:

(a) "Land" means the land on which the Building is located, situated in the City of Seattle, County of King, State of Washington, which is described on Exhibit A.

(b) "Building" means the building in which the Premises are located, commonly known as the Central Building, the street address of which is 810 Third Avenue, Seattle, Washington 98104.

(c) "Premises" means that certain space crosshatched on Exhibit B, located on the 7<sup>th</sup> and 8<sup>th</sup> floors and the penthouse level of the Building and designated as Suite 800.

(d) "Agreed Areas" means the agreed amount of rentable square feet of space in the Building and the Premises. Landlord and Tenant stipulate and agree for all purposes under this Lease that the Building contains approximately 168,043 rentable square feet of space (the "Building Area") and that the Premises contain approximately 26,250 rentable square feet of space (the "Premises Area"). Landlord and Tenant further agree that the Building Area may exclude portions of the Building which are used for other than office purposes, such as areas used for retail purposes or for storage purposes.

(e) "Tenant's Share" means the Premises Area divided by the Building Area, expressed as a percentage, which is fifteen and 62/100ths percent (15.62%). Notwithstanding the foregoing, if one or more of the facilities, services and utilities the costs of which are included within the definition of Operating Costs is not furnished to one or more spaces or to particular types of spaces leased to tenants, then in connection with the calculation of Tenant's Share of each of such costs the Building Area shall be reduced by the number of rentable square feet contained in such space and Tenant's Share shall be separately computed as to each of such costs. If the Building shall contain non-office uses during any period, Landlord shall have the right to determine, in accordance with sound accounting and management principles consistent with those utilized in other, comparable buildings in Seattle, Tenant's Share of Real Property Taxes and Operating Costs for only the office portion of the Building; in such event, Tenant's Share shall be based on the ratio of the rentable area of the Premises to the rentable area of such office portion for such period.

If a portion of the Building is damaged or condemned, or any other event occurs which permanently alters the number of rentable square feet of space in the Premises or the Building, then Landlord shall adjust Tenant's Share to equal the number of rentable square feet of space then existing in the Premises (as altered by such event) divided by the number of rentable square feet of space then existing in the Building (as altered by such event).

(f) "Commencement Date" means January 1, 2005.

(g) "Expiration Date" means December 31, 2011.

(h) "Term" means the period of time commencing on the Commencement Date and ending on the Expiration Date, unless sooner terminated pursuant to this Lease.

(i) "Minimum Monthly Rent" means the following amounts as to the following periods during the Term of this Lease:

<u>Period</u>		<u>Monthly Amount</u>
January 1, 2005	to December 31, 2005	\$42,065.63 per month
January 1, 2006	to December 31, 2006	\$46,265.63 per month
January 1, 2007	to December 31, 2007	\$48,387.50 per month
January 1, 2008	to December 31, 2008	\$50,487.50 per month
January 1, 2009	to December 31, 2009	\$52,587.50 per month
January 1, 2010	to December 31, 2010	\$54,687.50 per month
January 1, 2011	to December 31, 2011	\$56,787.50 per month

(j) "Permitted Use" means use for purposes of general offices and related purposes.

(k) "Base Year" means the calendar year 2005.

- (l) "Prepaid Rent" means None.
- (m) Intentionally omitted.
- (n) "Landlord's Address for Notice" means 350 L.L.C. and Central Promoter LLC, c/o Gregory Broderick Smith Real Estate, 810 Third Avenue, Suite 615, Seattle, Washington 98104.
- (o) "Landlord's Address for Payment of Rent" means 350 L.L.C. and Central Promoter LLC, c/o Gregory Broderick Smith Real Estate, 810 Third Avenue, Suite 615, Seattle, Washington 98104.
- (p) "Tenant's Address for Notice" means 810 Third Avenue, Suite 800, Seattle, Washington 98104, Attention: Director of Defender Association.
- (q) "Landlord's Agent" means Gregory Broderick Smith Real Estate or such other agent as Landlord may appoint from time to time.
- (r) "Broker(s)" means Gregory Broderick Smith Real Estate representing the Landlord and CB Richard Ellis representing the Tenant.
- (s) "Exhibits" means the following Exhibits to this Lease:
  - Exhibit A - Legal Description of the Property
  - Exhibit B - Outline Drawing of the Premises
  - Exhibit C - Work Letter
  - Exhibit D - Rules and Regulations
- (t) "Rider" means the Rider of even date herewith attached hereto.
- (u) "Definitions" means the words and phrases defined in Section 41 captioned "Definitions".

2. **Consent and Notices.** Whenever the consent of either Landlord or Tenant is required under this Lease, such consent shall not be effective unless given in writing and shall not be unreasonably withheld or delayed, provided, however, that such consent may be conditioned as provided in this Lease. All notices or requests required or permitted under this Lease shall be in writing as provided in Section 42(g).

3. **Premises and Appurtenances.** Landlord leases to Tenant and Tenant leases from Landlord the Premises for the Term. Tenant, and its authorized representatives, shall have the right to use, in common with others and subject to the Rules and Regulations, the Common Areas of the Building. Landlord shall have the right, in Landlord's reasonable discretion and so long as reasonable access to the Premises remains available at all times and Landlord does not unreasonably interfere with Tenant's use of the Premises in the ordinary course of its business, from time to time to (i) make changes to the Building interior (excluding the Premises) and exterior and Common Areas, including without limitation, changes in the location, size, shape, number and appearance thereof, (ii) to close temporarily any of the Common Areas for maintenance purposes, and (iii) to use the Common Areas while engaged in making additional improvements, repairs or alterations to the Building. All of the windows and exterior walls of the Premises and any space in the Premises used for shafts, stacks, pipes, conduits, ducts, electrical equipment or other utilities or Building facilities are reserved solely to Landlord and Landlord shall have rights of access through the Premises at reasonable times and upon reasonable prior notice for the purpose of operating, maintaining and repairing the same, provided, however, that such changes shall not reduce the square footage of the Premises or materially affect Tenant's access to, or use and occupancy of, the Premises.

4. **Term.** The Term shall commence on the Commencement Date and expire on the Expiration Date, unless sooner terminated pursuant to this Lease. The Commencement Date shall be the date specified in Section 1.

5. **Minimum Monthly Rent; Late Charge.**

(a) **Minimum Monthly Rent.** Tenant shall pay to Landlord the Minimum Monthly Rent without deduction, offset, prior notice or demand, in advance on the first day of each month during the Term. Minimum Monthly Rent for any partial month shall be prorated at the rate of 1/30th of the Minimum Monthly Rent per day. Minimum Monthly Rent is exclusive of any sales, franchise or other tax based on rents (other than Landlord's general income, inheritance, estate, gift, franchise or business and occupation taxes) and should such taxes apply during the Term, the Minimum Monthly Rent shall be increased by the amount of such taxes unless such taxes are imposed by law directly on Landlord. All Rent shall be paid to Landlord at Landlord's Address for Payment of Rent or at such other address as Landlord may specify by notice to Tenant.

(b) **Late Charge.** Tenant acknowledges that the late payment by Tenant of any Rent will cause Landlord to incur administrative, collection, processing and accounting costs and expenses not contemplated under this Lease, the exact amount of which are extremely difficult or impracticable to fix. Therefore, if any Rent is not received by Landlord from Tenant by the fifth (5th) business day after such Rent is due, Tenant shall immediately pay to Landlord a late charge equal to five percent (5%) of the amount of such Rent or Seventy-five and No/100th Dollars (\$75.00), whichever is greater; provided, however, that Landlord hereby waives such late charge with respect to the first late payment by Tenant in any twelve-month period and agrees that such charge shall apply only to the second and any subsequent

late payments in any twelve-month period. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for its loss caused by Tenant's nonpayment. Should Tenant pay said late charge but fail to pay contemporaneously therewith all unpaid amounts of Rent, Landlord's acceptance of this late charge shall not constitute a waiver of Tenant's default with respect to Tenant's nonpayment nor prevent Landlord from exercising all other rights and remedies available to Landlord under this Lease or under law.

6. Intentionally omitted

7. **Real Property Taxes.**

(a) **Payment of Tenant's Share of Increases in Real Property Taxes.** Commencing with calendar year 2006, Tenant shall pay to Landlord, as Additional Rent, monthly, in advance on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of Tenant's Share of all increases in Real Property Taxes that are or will be levied or assessed against the Property during each calendar year during the Term over and above the Real Property Taxes that are levied or assessed against the Property during the Base Year as reasonably estimated by Landlord. Such Additional Rent is exclusive of any sales, franchise or other tax based on rents (other than Landlord's general income, inheritance, estate, gift, franchise or business and occupation taxes) and should such taxes apply during the Term, such Additional Rent shall be increased by the amount of such taxes unless such taxes are imposed by law directly on Landlord. Within one hundred twenty (120) days after the end of each calendar year during the Term or within such longer period of time as may be reasonably necessary (not to exceed one hundred eighty (180) days), Landlord shall furnish to Tenant a statement of the Real Property Taxes for the preceding calendar year, accompanied by copies of the underlying tax bills, and Tenant's Share of the actual increase in Real Property Taxes. If Tenant's Share of the actual increase in such Real Property Taxes for that calendar year over such Real Property Taxes for the Base Year exceeds the monthly payments made by Tenant based on Landlord's estimate, then Tenant shall pay Landlord the deficiency within thirty (30) days after receipt of the statement. If Tenant's payments made during that calendar year exceed Tenant's Share of the actual increase in such Real Property Taxes for that calendar year over such Real Property Taxes for the Base Year, then, at Landlord's option, either Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant, or Tenant shall be entitled to offset the excess against the next installment(s) of Minimum Monthly Rent and Additional Rent, provided, however, that at the end of the Term Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant.

(b) **General and Special Assessments.** With respect to any general or special assessments which may be levied against or upon the Property, or which under the laws then in force may be evidenced by improvement or other bonds or may be paid in annual installments, only the amount of such annual installment, and interest due thereon, shall be included in the computation of Real Property Taxes, regardless of whether Landlord has elected to pay such assessments in installments.

(c) **Proration.** Tenant's Share of Real Property Taxes shall be prorated on the basis of a 360-day year to account for any fractional portion of a tax year included in the Term at its commencement and expiration.

(d) **No Effect on Minimum Monthly Rent.** Notwithstanding anything to the contrary in this Section, the Minimum Monthly Rent payable by Tenant shall in no event be less than the Minimum Monthly Rent specified in Section 1.

8. **Personal Property Taxes.** Tenant shall pay prior to delinquency all personal property taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or elsewhere. If possible, Tenant shall cause such trade fixtures, furnishings, equipment and all other personal property of Tenant to be assessed and billed separately from the Property.

9. **Operating Costs.**

(a) **Payment of Tenant's Share of Increases in Operating Costs.** Commencing with calendar year 2006, Tenant shall pay to Landlord, as Additional Rent, monthly, in advance on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of Tenant's Share of the increase in the Operating Costs of the Property for each calendar year during the Term over the Operating Costs for the Base Year as reasonably estimated by Landlord. With respect to Operating Costs that vary by occupancy, Landlord may, in accordance with sound accounting and management principles customary for comparable buildings in Seattle, both reasonably estimate, and finally determine, subject to Tenant's right to audit and contest such determination, the Operating Costs for the Base Year and for each calendar year during the Term based on the Operating Costs that would have been incurred if the Building had been 95% occupied during the Base Year or each such calendar year, as the case may be, taking into account historical operating costs for the Building; provided, however, that Landlord shall not recover from Tenant and other tenants of the Building Operating Costs in excess of the Operating Costs actually incurred by Landlord. Landlord may, in accordance with sound accounting and management principles customary for comparable buildings in Seattle, make any other appropriate changes to reflect adjustments to Operating Costs for prior years or for the then current calendar year. Such Additional Rent is exclusive of any sales, franchise or other tax based on rents (other than Landlord's general income, inheritance, estate, gift, franchise or business and occupation taxes) and should such taxes apply during the Term, such Additional Rent shall be increased by the amount of such taxes unless such taxes are imposed by law directly on Landlord.

Within one hundred twenty (120) days after the end of each calendar year during the Term or within such longer period of time as may be reasonably necessary (but in no event more than one hundred eighty (180) days), Landlord shall furnish to Tenant a statement of the Operating Costs for the preceding calendar year and Tenant's Share of the increase in the Operating Costs. If Tenant's Share of the increase in the Operating Costs for that calendar year over the Operating Costs for the Base Year exceeds the monthly payments made by Tenant, then Tenant shall pay Landlord the deficiency within thirty (30) days after receipt of the statement. If Tenant's payments made during that calendar year exceed Tenant's Share of the increase in the Operating Costs for that calendar year over the Operating Costs for the Base Year, then, at Landlord's option, either Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant, or Tenant shall be entitled to offset the excess against the next installment(s) of Minimum Monthly Rent and Additional Rent, provided, however, that at the end of the Term Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant.

(b) **Proration.** Tenant's Share of Operating Costs shall be prorated on the basis of a 360-day year to account for any fractional portion of a year included in the Term at its commencement and expiration.

(c) **No Effect on Minimum Monthly Rent.** Notwithstanding anything to the contrary in this Section, the Minimum Monthly Rent payable by Tenant shall in no event be less than the Minimum Monthly Rent specified in Section 1.

(d) **Right to Examine Landlord's Books and Records.** Tenant, or its authorized representative, shall have the right to examine Landlord's books and records relating to Operating Costs of the Property upon reasonable prior notice specifying such records Tenant desires to examine, during normal business hours at the place or places where such records are normally kept by sending such notice no later than six (6) months following the furnishing of the Landlord's statement of the Operating Costs for the preceding calendar year and Tenant's Share of the increase in the Operating Costs. Tenant's authorized representative shall be compensated on an hourly or project basis and not on (i) a contingent basis, (ii) the basis of a percentage of any savings or refund resulting from the audit, or (iii) in any other manner that makes such representative's compensation for such audit in any way dependent on the results of the audit. Tenant shall have a one-time right to examine Operating Costs for the Base Year in connection with Tenant's examination of Operating Costs for any of the first three years of the Term. Tenant may take exception to matters included in Operating Costs, or Landlord's computation of Tenant's Share, by sending notice specifying such exception and the reasons therefor to Landlord no later than ninety (90) days after Landlord makes such records available for examination. Landlord's statement of the Operating Costs for the preceding calendar year and Tenant's Share of the increase in the Operating Costs shall be considered final, except as to matters to which exception is taken after examination of Landlord's books and records relating to Operating Costs of the Property in the foregoing manner and within the foregoing times. Tenant acknowledges that Landlord's ability to budget and incur expenses depends on the finality of such statement, and accordingly agrees that time is of the essence of this Section. If Tenant takes exception to any matter contained in such statement as provided herein, Landlord shall refer the matter to an independent certified public accountant, who has not previously worked for Landlord and who is reasonably acceptable to Tenant, whose certification as to the proper amount shall be final and conclusive as between Landlord and Tenant. Tenant shall promptly pay the cost of such certification unless such certification determines that Landlord's statement of the Operating Costs owing from Tenant overstated such Operating Costs by more than five percent (5%). Pending resolution of any such exceptions in the foregoing manner, Tenant shall continue paying Tenant's Share of Operating Costs in the amounts determined by Landlord, subject to adjustment after any such exceptions are so resolved. If such certification determines that Landlord's statement of the Operating Costs overstated the Operating Costs, then Tenant shall receive a credit for Tenant's Share of the amount of such overstatement against the next installment(s) of Minimum Monthly Rent and Additional Rent, provided, however, that at the end of the Term Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant.

10. **Use.** Tenant shall use the Premises for the Permitted Use and for no other use without Landlord's prior consent. Tenant agrees that it has determined to its satisfaction that the Premises can be used for the Permitted Use. Tenant waives any right to terminate this Lease if the Premises cannot be used for the Permitted Use during the Term unless the prohibition on use is the result of actions taken by Landlord. Tenant's use of the Premises shall be in accordance with the following:

(a) **Insurance.** Tenant shall not do, bring, or keep anything in or about the Premises or the Property that will cause a cancellation of any insurance covering the Property. If the rate of any insurance carried by Landlord on the Property as published by the Washington Survey and Rating Bureau, or any successor rating bureau or agency, is increased as a result of Tenant's use and Tenant fails, within thirty (30) days after written notice from Landlord, to alter its use so as to eliminate the cause of the increase, then Tenant shall pay to Landlord not less than ten (10) days before the date Landlord is obligated to pay the premium on the insurance next coming due, a sum equal to the difference between the original premium and the increased premium.

(b) **Compliance with Laws.** Tenant shall comply with all laws concerning the Premises and Tenant's use of the Premises, provided, however, that in no event shall Tenant be required to make any structural alterations to the Premises. Landlord and Tenant acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq. and regulations and guidelines promulgated thereunder ("ADA")), and any similarly motivated state and local Laws ("Local Barriers Acts"), as the same may be amended and supplemented from time to time (collectively referred to herein as the "Disabilities Acts") establish requirements for business operations, accessibility and barrier removal, and that such requirements may or may not apply to the Premises and Property depending on, among other things: (i)

whether Tenant's business is deemed a "public accommodation" or "commercial facility", (ii) whether such requirements are "readily achievable", and (iii) whether a given alteration affects a "primary function area" or triggers "path of travel" requirements. The parties hereby agree that: (a) Landlord shall design and construct the common areas in compliance with ADA Title III and related Local Barriers Acts and shall perform any required ADA Title III and related Local Barriers Acts compliance in the common areas, except as provided below, and (b) Tenant shall design and construct any tenant improvements that Tenant makes to the Premises in compliance with ADA Title III and related Local Barriers Acts and shall perform any required ADA Title III and related Local Barriers Acts compliance in the Premises. Tenant shall be responsible for ADA Title I and related Local Barriers Acts requirements relating to Tenant's employees, and Landlord shall be responsible for ADA Title I and related Local Barriers Acts requirements relating to Landlord's employees.

(c) **Waste, Nuisance and Improper Use.** Tenant shall not use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance to other tenants in the Building, including without limitation, (i) the use of loudspeakers or sound or light apparatus that can be heard or seen outside the Premises, (ii) for cooking or other activities that cause odors that can be detected outside the Premises, or (iii) for lodging or sleeping rooms.

(d) **Damage to Property.** Tenant shall not do anything in, on or about the Premises that will cause damage to the Property.

(e) **Rules and Regulations.** Tenant and its authorized representatives shall comply with the Rules and Regulations set forth on Exhibit D attached hereto. Landlord shall have the right to reasonably amend the Rules and Regulations from time to time on a uniform, nondiscriminatory basis for all tenants of the Building but shall provide Tenant with 30 days' written notice of such amendment. In the event of a conflict between this Lease and the Rules and Regulations, as amended, this Lease shall control. Landlord shall use commercially reasonable efforts to enforce the Rules and Regulations, but Landlord shall have no liability or responsibility whatsoever with respect to the noncompliance by other tenants or their authorized representatives with any of such Rules and Regulations.

(f) **Tenant's Current Occupancy.** Landlord acknowledges that Tenant currently occupies the Premises under the Original Leases (as such term is defined in Section 43 below) and that Tenant's continued use and occupancy of the Premises in substantially the same manner as it has heretofore occupied and used the Premises does not and will not violate Sections 10(a), (b), (c) or (e) above.

11. **Hazardous Substances.** Tenant shall not dispose of or otherwise allow the release by Tenant or Tenant's employees of any Hazardous Substances in, on or under the Premises, or the Property, or in any tenant improvements or alterations placed on the Premises by Tenant. Tenant represents and warrants to Landlord that Tenant's intended use of the Premises does not involve the use, production, disposal or bringing on to the Premises of any Hazardous Substances, except for products normally used in general business offices which constitute Hazardous Substances, provided that such products are used, stored and disposed of in accordance with applicable laws and manufacturer's and supplier's guidelines. Tenant shall promptly comply with all laws and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to Tenant's use, collection, treatment, disposal, storage, control, removal or cleanup of Hazardous Substances, on or under the Premises or the Property, or incorporated in any tenant improvements or alterations, at Tenant's expense.

(a) **Compliance; Notification.** After notice to Tenant and a reasonable opportunity for Tenant to effect such compliance if and as required under the preceding paragraph, Landlord may, but is not obligated to, enter upon the Premises and take such actions and incur such costs and expenses to effect such compliance as it deems advisable to protect its interest in the Premises and the Property, provided, however that Landlord shall not be obligated to give Tenant notice and an opportunity to effect such compliance if (i) such delay might result in material adverse harm to the Premises, or the Property, or (ii) an emergency exists. Tenant shall reimburse Landlord for the full amount of all costs and expenses reasonably incurred by Landlord in connection with such compliance activities, and such obligation shall continue even after expiration or termination of the Term. Tenant shall notify Landlord immediately of any release of any Hazardous Substances on the Premises or, if caused by Tenant, the Property.

(b) **Indemnity by Tenant.** Tenant agrees to hold Landlord harmless from and against any and all damages, charges, cleanup costs, remedial actions, costs and expenses, which may be imposed on, incurred or paid by, or asserted against Landlord, the Premises or the Property by reason of, or in connection with (1) any misrepresentation, breach of warranty or other default by Tenant under this Lease, or (2) the acts or omissions of Tenant, its authorized representatives, or any subtenant or other person for whom Tenant would otherwise be liable, resulting in the release of any Hazardous Substances on the Premises or the Property.

(c) **Indemnity by Landlord.** Landlord agrees to hold Tenant harmless from and against any and all damages, charges, cleanup costs, remedial actions, costs and expenses, which may be imposed on, incurred or paid by, or asserted against Tenant, the Premises or the Property by reason of, or in connection with the acts or omissions of Landlord, or its authorized representatives, resulting in the release of any Hazardous Substances on the Premises or the Property.

(d) **Acknowledgment as to Hazardous Substances.** Landlord represents and warrants to Tenant that to the best of Landlord's knowledge, there are no Hazardous Substances on, in, or under the Premises as of the Commencement Date except as otherwise disclosed to Tenant in writing before the



execution of this Lease. If Landlord is required by any law to take any action to remove or abate any Hazardous Substances, or if Landlord deems it necessary to conduct special maintenance or testing procedures with regard to any Hazardous Substances, or to remove or abate any Hazardous Substances, Landlord may take such action or conduct such procedures at times and in a manner that Landlord deems appropriate under the circumstances, and Tenant shall permit the same. Landlord shall give not less than five (5) business days' prior notice to Tenant before conducting any special maintenance or testing procedures with regard to any Hazardous Substances, or removing or abating any Hazardous Substances, and shall conduct its activities on the Premises as allowed in this Section in a reasonable manner so as to cause minimal inconvenience, annoyance or disturbance to Tenant and its use and occupancy of the Premises.

(e) **Landlord Obligations.** Landlord shall be solely responsible for all Hazardous Substances existing in the Premises as of the Commencement Date, other than those, if any, brought into the Premises by Tenant, Tenant's authorized representatives or any subtenant or other person for whom Tenant would otherwise be liable, and for all Hazardous Substance released in the Premises as a result of the acts or omissions of Landlord, or its authorized representatives. If there are any Hazardous Substances existing in the Premises as of the Commencement Date, other than those, if any, brought into the Premises by Tenant, Tenant's authorized representatives or any subtenant or other person for whom Tenant would otherwise be liable, or if any Hazardous Substance are released in the Premises as a result of the acts or omissions of Landlord, or its authorized representatives, then Landlord shall, promptly, at Landlord's sole cost and expense and in compliance with all applicable laws, remove all such Hazardous Substances from the Premises and restore the Premises to their condition prior to such removal. After notice to Landlord and a reasonable opportunity for Landlord to effect such removal and repair, Tenant may, but is not obligated to, take such actions and incur such costs and expenses to effect such removal and repair as it deems advisable to protect its interest in the Premises. Landlord shall reimburse Tenant for the full amount of all costs and expenses reasonably incurred by Tenant in connection with such removal and repair activities, and such obligation shall continue even after expiration or termination of the Term.

(f) **Survival.** The provisions of this Section shall survive the expiration or sooner termination of the Term. No subsequent modification or termination of this Lease by agreement of the parties or otherwise shall be construed to waive or to modify any provisions of this Section unless the termination or modification agreement or other document expressly so states in writing.

## 12. Landlord's Maintenance; Inclusion in Operating Costs.

(a) **Landlord's Maintenance.** Except as provided in Section 13 captioned "Tenant's Maintenance; Remedies", Section 23 captioned "Destruction" and Section 24 captioned "Condemnation" and except for damage caused by any negligent or intentional act or omission of Tenant or its authorized representatives, Landlord shall maintain in good condition and repair the following: (i) the structural parts of the Building, which structural parts include the foundations, bearing and exterior walls, exterior windows and glass, glass entrance doors (excluding interior glass and interior glass doors), subflooring and roof, (ii) the building standard lighting fixtures, window coverings and ceiling tiles and the unexposed electrical, plumbing and sewage systems, including without limitation, all plumbing fixtures in the restrooms, all plumbing fixtures in the existing kitchen in the Premises, and the sink in the "Felony Area" of the Premises and those portions lying outside the Premises (provided that the lighting, window coverings, ceiling tiles and systems in the Premises on the date hereof shall be deemed to be building standard, regardless of their differences from other parts of the Building), (iii) the heating, ventilating and air-conditioning system servicing the Building, (iv) the lobbies, corridors, elevators, public or common restrooms and other common areas of the Building, and (v) the sidewalks, grounds, landscaping, parking and loading areas, if any, and other common areas of the Property.

(b) **Inclusion in Operating Costs.** The cost of maintaining, repairing, replacing or servicing the portions of the Building that Landlord is required to maintain pursuant to this Section shall be included in Operating Costs to the extent provided in Section 9 captioned "Operating Costs".

## 13. Tenant's Maintenance; Remedies.

(a) **Tenant's Maintenance.** Except as provided in Section 12 captioned "Landlord's Maintenance; Inclusion in Operating Costs", Section 23 captioned "Destruction" and Section 24 captioned "Condemnation" and except for damage caused by any negligent or intentional act or omission of Landlord or its authorized representatives, Tenant, at its cost, shall maintain in good condition and repair, the Premises, including without limitation, all of the Tenant improvements, Tenant's alterations, Tenant's trade fixtures, Tenant's personal property, signs, walls, interior partitions, wall coverings, interior windows, non-building standard window coverings, glass within the Premises, doors, carpeting and resilient flooring, non-building standard ceiling tiles, plumbing fixtures (excluding all plumbing fixtures in the restrooms, all plumbing fixtures in the existing kitchen in the Premises, and the sink in the "Felony Area" of the Premises), and non-building standard lighting fixtures. Subject to Section 21 below, Tenant shall be liable for any damage to the Premises and the Building resulting from the acts or omissions of Tenant or its authorized representatives.

(b) **Landlord's Remedies.** If Tenant fails to maintain the Premises in good condition and repair as required by Subsection 13(a) and if such failure is not cured within thirty (30) days after notice of such failure is given by Landlord to Tenant (or, if such failure cannot be commercially reasonable means be cured within such thirty-day period, if Tenant does not commence the cure of such failure within such

thirty-day period and thereafter diligently pursue same to completion), then Landlord may, at its option, cause the Premises to be maintained in good condition and repair and Tenant shall promptly reimburse Landlord for all reasonable costs incurred by Landlord in performance of Tenant's obligation to maintain the Premises.

#### 14. Tenant Improvements; Alterations and Trade Fixtures.

(a) **Tenant Improvements.** Subject to Section 14(d) below and the Work Letter attached hereto as Exhibit C, Tenant accepts the Premises in their "AS IS" condition without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements or to provide any allowances unless otherwise expressly provided in this Lease or the Work Letter. Tenant shall not make any improvements or alterations to the Premises without Landlord's prior consent, which shall not be unreasonably withheld, conditioned or delayed.

(b) **Alterations.** Any improvements and alterations made by either party shall remain on and be surrendered with the Premises on expiration or termination of the Term, except that Landlord can elect in Landlord's consent to such improvements or alterations, to require Tenant to remove any improvements and alterations that Tenant has made to the Premises. If Landlord so elects, Tenant, at its cost, shall remove such improvements or alterations and repair the damage caused by such removal before the last day of the Term. In no event shall Tenant be obligated to remove any alterations or improvements in the Premises on the date hereof. Any improvements and alterations that remain on the Premises on expiration or termination of the Term shall automatically become the property of Landlord and title to such improvements and alterations shall automatically pass to Landlord at such time without any payment therefor by Landlord to Tenant. If Tenant or its authorized representatives make any improvements or alterations to the Premises as provided in this Section, then such improvements and alterations (i) shall be made in a first class manner in conformity with then building standard improvements, (ii) shall be made utilizing then building standard materials, (iii) shall be made in compliance with the Rules and Regulations and the reasonable directions of Landlord, (iv) shall be made pursuant to a valid building permit to be obtained by Tenant, at its cost, and (v) shall be made in conformity with then applicable laws, including without limitation, building codes.

(c) **Trade Fixtures.** Tenant shall not install any trade fixtures in or on the Premises without Landlord's prior consent, which shall not be unreasonably withheld, conditioned or delayed.

(d) **Tenant Improvement Allowance.** If Tenant from time to time elects to make alterations or improvements to the Premises under this Section 14, Landlord shall pay the cost thereof up to an aggregate maximum amount of One Hundred Fifty Seven Thousand Five Hundred Dollars (\$157,500.00) (the "Tenant Improvement Allowance"). Such alterations or improvements to the Premises shall either (i) be made by Landlord pursuant to Landlord's standard form of landlord performance work letter, or (ii) be made by Tenant pursuant to the Work Letter attached hereto as Exhibit C, modified as Landlord and Tenant may reasonably agree if appropriate to the nature and scope of the alterations and improvements to be made. Upon Tenant's request, and subject to Landlord's agreement to do so and the execution of Landlord's standard form of landlord performance work letter by Landlord and Tenant, Landlord will perform such alterations and improvements to the Premises (including, without limitation, recarpeting and painting) for Tenant. Landlord shall perform such work on the terms set forth in Landlord's standard form of landlord performance work letter, which shall be reasonably satisfactory to Tenant and which shall include a supervisory fee of not more than three percent (3%) of the cost of such improvements or alterations. Tenant shall pay all costs of any such alterations and improvements to the Premises, in excess of the Tenant Improvement Allowance.

15. **Mechanics' Liens.** Tenant shall pay, or cause to be paid, all costs of labor, services and/or materials supplied in connection with any Work. Tenant shall keep the Property free and clear of all mechanics' liens and other liens resulting from any Work. Tenant shall have the right to contest the correctness or validity of any such lien if, within thirty (30) days after demand by Landlord, it procures and records a lien release bond issued by a responsible corporate surety in an amount sufficient to satisfy statutory requirements therefor in the State of Washington. Tenant shall promptly pay or cause to be paid all sums awarded to the claimant on its suit, and, in any event, before any execution is issued with respect to any judgment obtained by the claimant in its suit or before such judgment becomes a lien on the Premises, whichever is earlier. If Tenant shall be in default under this Section, by failing to provide security for or satisfaction of any mechanic's or other liens, then Landlord may (but shall not be obligated to), in addition to any other rights or remedies it may have, discharge said lien by (i) paying the claimant an amount sufficient to settle and discharge the claim, (ii) procuring and recording a lien release bond, or (iii) taking such other action as Landlord shall deem necessary or advisable, and, in any such event, Tenant shall pay as Additional Rent, on Landlord's demand, all reasonable costs (including reasonable attorney fees) incurred by Landlord in settling and discharging such lien together with interest thereon in accordance with Section 39 captioned "Interest on Unpaid Rent" from the date of Landlord's payment of said costs. Landlord's payment of such costs shall not waive any default of Tenant under this Section.

#### 16. Utilities and Services.

(a) **Utilities and Services Furnished by Landlord.** Landlord shall furnish the Premises with:

(i) Electricity for lighting and power suitable for the use of the Premises for ordinary general office purposes; provided, however, that Tenant shall not at any time have a connected electrical load for lighting purposes in excess of the wattage per square foot of Premises Area required for building standard amounts of lighting, or a connected load for all other power requirements in excess of

four (4) watts per square foot of Premises Area as determined by Landlord, and the electricity so provided for lighting and power shall not exceed such limits, subject to any lower limits set by any governmental authority with respect thereto;

(ii) Subject to the reasonable limitations of the existing building systems, heating, ventilating and air-conditioning, if the Building has an air-conditioning system, to maintain a temperature range in the Premises which is customary for similar office space in the Seattle, Washington area (but in compliance with any applicable governmental regulations with respect thereto). Tenant agrees to keep closed, when necessary, blinds, draperies and windows which must be closed to provide for the efficient operation of the heating and air conditioning systems, if any, and Tenant agrees to cooperate with Landlord and to abide by the regulations and requirements which Landlord may prescribe for the proper functioning and protection of the heating, ventilating and air-conditioning system, if any. Landlord agrees to provide heating, ventilating and air conditioning to the Premises during normal business hours from 7:30 A.M. to 6:00 P.M. daily, except Saturdays, Sundays and those legal holidays generally observed in the State of Washington. Notwithstanding the foregoing, Landlord shall continue to provide overrides on HVAC timers which will allow Tenant the benefit of after-hours HVAC at no extra cost.

- (iii) Water for restroom and drinking purposes and access to restroom facilities;
- (iv) Elevator service for general office pedestrian usage twenty four hours per day, seven days per week;
- (v) Relamping of building-standard light fixtures;
- (vi) Washing of interior and exterior surfaces of exterior windows with reasonable frequency;
- (vii) Janitorial service five (5) times per week, except holidays; and
- (viii) Regular collection of glass, plastic, aluminum and paper for recycling using standard receptacles provided by Landlord for such purpose.

Landlord acknowledges and agrees that Tenant's current consumption of electricity is not in excess of the usage permitted under Section 16(a)(i) above.

(b) **Payment for Excess Utilities and Services.** All services and utilities for the Premises not required to be furnished by Landlord pursuant to Section 16(a) shall be paid for by Tenant. If Tenant requires, on a regular basis, water, heat, air conditioning, electric current, elevator or janitorial service in excess of that provided for in Section 16(a), then Tenant shall first obtain the consent of Landlord which consent may be withheld in Landlord's sole discretion. If Landlord consents to such excess use, Landlord may install an electric current or water meter (including, without limitation, any additional wiring, conduit or panel required therefor) to measure the excess electric current or water consumed by Tenant or may cause the excess usage to be measured by other reasonable methods (e.g. by temporary "check" meters or by survey). Tenant shall pay to Landlord upon demand (i) the cost of any and all water, heat, air conditioning, electric current, janitorial, elevator or other services or utilities required to be furnished to Tenant in excess of the services and utilities required to be furnished by Landlord as provided in Section 16(a); (ii) the cost of installation, maintenance and repair of any meter installed in the Premises; (iii) the cost of all electricity and water consumed by Tenant in connection with any dedicated heating, ventilating and/or air conditioning, computer power and/or air conditioning, telecommunications or other special systems of Tenant, including any power usage other than through existing standard 110-volt AC outlets; and (iv) any reasonable cost incurred by Landlord in keeping account of or determining such excess utilities or services furnished to Tenant. Landlord's failure to bill Tenant for any such excess utilities or services shall not waive Landlord's right to bill Tenant for the excess at a later time. Notwithstanding the foregoing, Landlord shall continue to provide overrides on HVAC timers which will allow Tenant the benefit of after-hours HVAC at no extra cost.

(c) **Temperature Balance.** Landlord makes no representation to Tenant regarding the adequacy or fitness of the heating, ventilating and air-conditioning systems in the Building to maintain temperatures that may be required for, or because of, any of Tenant's equipment other than normal office equipment, such as personal computers, laser printers, copiers, dictating machines and other small equipment normally used in business offices, and Landlord shall have no liability for loss or damage suffered by Tenant or others in connection therewith. If the temperature otherwise maintained in any portion of the Premises by the heating, air conditioning or ventilation system is affected as a result of (i) any lights, machines or equipment (including without limitation electronic data processing machines) used by Tenant in the Premises or the use of more than one personal computer per person, (ii) the occupancy of the Premises by more than one person per two hundred (200) square feet of rentable area therein, (iii) an electrical load for lighting or power in excess of the limits per square foot of rentable area of the Premises specified in Section 16(a), or (iv) any rearrangement of partitioning or other improvements, Landlord may install any equipment, or modify any existing equipment (including the standard air conditioning equipment) Landlord deems necessary to restore the temperature balance. The cost of any such equipment, including without limitation, the cost of design and installation thereof, and the cost of operating, metering, maintaining or repairing the same, shall be paid by Tenant to Landlord upon demand. Tenant shall not install or operate window-mounted heating or air-conditioning units. Landlord acknowledges and agrees that Tenant's current use of the Premises does not exceed any of the limits set forth in this Section 16(c).



(d) **Special Electrical or Water Connections; Electricity Use.** Tenant will not, without the prior consent of Landlord, which Landlord in its reasonable discretion may refuse, connect or use any apparatus or device in the Premises (i) using current in excess of 110 volts or (ii) which will cause the amount of electricity, water, heating, air conditioning or ventilation furnished to the Premises to exceed the amount required for use of the Premises for ordinary general office purposes, as reasonably determined by Landlord, during normal business hours or (iii) which would cause Tenant's connected load to exceed any limits established in Section 16(a). Tenant shall not connect with electric current except through existing outlets in the Premises and shall not connect with water pipes except through existing plumbing fixtures in the Premises. In no event shall Tenant's use of electricity exceed the capacity of existing feeders to the Building or the risers or wiring installation, and Landlord may prohibit the use of any electrical equipment which in Landlord's opinion will overload such wiring or interfere with the use thereof by other tenants in the Building. If Landlord consents to the use of equipment requiring such changes, Tenant shall pay the cost of installing any additional risers, panels or other facilities that may be necessary to furnish energy to the Premises. Landlord agrees that Tenant may use all equipment located in the Premises as of March 24, 2005 at no additional cost to Tenant.

Landlord will not permit additional coring of the floor of the Premises in order to install new electric outlets in the Premises unless Tenant furnishes Landlord with X-ray scans of the floor area where the Tenant wishes to place additional electrical outlets and Landlord, in its absolute discretion, is satisfied, on the basis of such X-ray scans and other information obtained by Landlord, that coring of the floor in order to install such additional outlets will not weaken the structure of the floor.

(e) **Landlord's Duties.** Landlord shall not be in default under this Lease or liable for any damages resulting from, or incidental to, any of the following, nor shall any of the following be an actual or constructive eviction of Tenant, nor shall the Rent be abated by reason of: (i) failure to furnish or delay in furnishing any of the services described in this Section when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord, including the making of necessary repairs or improvements to the Premises or to the Building, (ii) any electrical surges or spikes, or (iii) failure to make any repair or to perform any maintenance, unless such failure shall persist for three (3) business days, or, if such repair cannot be commercially reasonable means be made within such three (3) day period, then within such period of time within which such repair can be commercially reasonable means be made, in each case after notice of the need for such repair or maintenance is given to Landlord by Tenant. Landlord shall use reasonable efforts to remedy any interruption in the furnishing of such services.

(f) **Governmental Regulations.** Any other provisions of this Section notwithstanding, if any governmental authority or utility supplier imposes any laws, controls, conditions, or other restrictions upon Landlord, Tenant, or the Building, relating to the use or conservation of energy or utilities, mandated changes in temperatures to be maintained in the Premises or the Building or the reduction of automobile or other emissions (collectively, the "Controls"), or in the event Landlord is required or elects to make alterations to the Building in order to comply with the Controls, Landlord may, in its sole discretion, comply and may require Tenant to comply with the Controls or make such alterations to the Building in order to comply with the Controls. Such compliance and the making of such alterations shall not constitute an actual or constructive eviction of Tenant, impose on Landlord any liability whatsoever, or entitle Tenant to any abatement of Rent. Landlord shall conduct its activities on the Premises as allowed in this Section in a reasonable manner so as to cause minimal inconvenience, annoyance or disturbance to Tenant and its use and occupancy of the Premises.

#### 17. Indemnity.

(a) **Generally.** Tenant shall hold Landlord harmless from and against any and all damages arising out of any damage to any persons or property occurring in, on or about the Premises or the Property resulting from the acts or omissions of Tenant or its authorized representatives. Landlord shall hold Tenant harmless from and against any and all damages arising out of any damage to any persons or property occurring in, on or about the Premises or the Property resulting from the acts or omissions of Landlord or its authorized representatives. A party's obligation under this Section to indemnify and hold the other party harmless shall be limited to the sum that exceeds the amount of insurance proceeds, if any, received by the party being indemnified.

(b) **Concurrent Negligence of Landlord and Tenant.** Notwithstanding Section 17(a) above, in the event of concurrent negligence of Tenant, or its authorized representatives, on the one hand, and that of Landlord, or its authorized representatives, on the other hand, which concurrent negligence results in damage to any persons or property occurring in, on or about the Premises or the Property, either party's obligation to indemnify the other party as set forth in Section 17(a) shall be limited to the extent of the negligence of the indemnifying party, or its authorized representatives, including the indemnifying party's proportional share of costs and attorneys' fees incurred in connection with any claims, actions or proceedings brought with respect to such damage.

(c) **Waiver of Worker's Compensation Immunity.** The indemnification obligations contained in this Section shall not be limited by any worker's compensation, benefit or disability laws, and each indemnifying party hereby waives (solely for the benefit of the indemnified party) any immunity that said indemnifying party may have under the Industrial Insurance Act, Title 51 RCW and similar worker's compensation, benefit or disability laws.

(d) Provisions Specifically Negotiated. LANDLORD AND TENANT ACKNOWLEDGE BY THEIR EXECUTION OF THIS LEASE THAT EACH OF THE INDEMNIFICATION PROVISIONS OF THIS LEASE (SPECIFICALLY INCLUDING BUT NOT LIMITED TO THOSE RELATING TO WORKER'S COMPENSATION BENEFITS AND LAWS) WERE SPECIFICALLY NEGOTIATED AND AGREED TO BY LANDLORD AND TENANT.

18. **Exemption of Landlord from Liability.** Landlord and Landlord's Agent shall not be liable for injury to Tenant's business or loss of income therefrom or for damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its authorized representatives, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury resulting from conditions arising upon the Premises or upon other portions of the Building or the Property unless such injury or damage is caused by the gross negligence or willful misconduct of Landlord or its authorized representatives.

19. **Commercial General Liability and Property Damage Insurance.** Tenant, at its cost, shall maintain commercial general liability insurance (including contractual liability and products and completed operations liability) with liability limits of not less than \$500,000 per occurrence, and \$1,000,000 annual aggregate, insuring against all liability of Tenant and its authorized representatives arising out of or in connection with Tenant's use and occupancy of the Premises and property damage insurance with liability limits of not less than \$100,000. All such commercial general liability and property damage insurance shall insure performance by Tenant of the indemnity provisions of Section 17 captioned "Indemnity". Landlord and Landlord's Agent shall be additional named insureds on such insurance policy.

20. **Property Insurance.** Landlord shall maintain on the Building a policy of standard Special Form -- Causes of Loss or All Risk property insurance, in such amount and with such deductibles as may then be carried by owners of comparable office buildings in Seattle, provided, however, that if Landlord has a net worth of at least \$100,000,000, determined in accordance with generally accepted accounting principles, Landlord may provide such insurance coverage through a program of self-insurance. Tenant, at its cost, shall maintain on all of Tenant's Alterations, Trade Fixtures and Personal Property in, on or about the Premises, a policy of standard Special Form -- Causes of Loss or All Risk property insurance, in an amount equal to at least their full replacement cost. The proceeds of any such policy shall be used by Tenant for the restoration of Tenant's Alterations and Trade Fixtures and the replacement of its Personal Property. Any portion of such proceeds not used for such restoration shall belong to Tenant.

21. **Waiver of Claims; Waiver of Subrogation** Landlord and Tenant release each other, and their respective authorized representatives, from, and waive their entire claim of recovery for, any claims for damage to the Premises and the Building and to Tenant's alterations, trade fixtures and personal property that are caused by or result from fire, lightning or any other perils normally included in a Special Form -- Causes of Loss or All Risk property insurance policy whether or not such loss or damage is due to the negligence of Landlord, or its authorized representatives, or of Tenant, or its authorized representatives. Landlord and Tenant shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by such insurance policy.

22. **Other Insurance Matters.** All insurance required to be carried by Tenant under this Lease shall: (i) be issued by insurance companies authorized to do business in the State of Washington with a rating of A/VI or better as rated in the most recent edition of Best's Insurance Reports; (ii) be issued as a primary policy, and (iii) contain an endorsement requiring thirty (30) days' prior written notice from the insurance company to both parties, to Landlord's Agent, and, if requested by Landlord, to Landlord's lender, before cancellation or change in the coverage, scope, or amount of any policy. Each policy or a certificate of the policy, together with evidence of payment of premiums, shall be deposited with Landlord on or before the Commencement Date, and on renewal of the policy not less than ten (10) days before expiration of the term of the policy.

23. **Destruction.**

(a) **Insured Damage.** If during the Term the Premises or the Building are partially or totally destroyed by any casualty that is covered by any insurance carried by Landlord covering the Building (or, if Landlord self-insures, would have been covered by the insurance described in Section 20 above), rendering the Premises partially or totally inaccessible or unusable, Landlord shall restore the Premises or the Building to substantially the same condition as they were in immediately before such destruction, if (i) the insurance proceeds available to Landlord (or, if Landlord self-insures, that would have been available to Landlord under the insurance described in Section 20 above), plus the amount of any applicable deductible, equal or exceed the cost of such restoration, (ii) in the opinion of a registered architect or engineer appointed by Landlord such restoration can be completed within one hundred eighty (180) days after the date on which Landlord obtains all permits necessary for such restoration, and (iii) such restoration is permitted under then existing laws to be done in such a manner as to return the Premises, or the Building, as the case may be, to substantially the same condition as they were in immediately before such destruction. To the extent that the insurance proceeds must be paid to a mortgagee under, or must be applied to reduce any debt secured by, a mortgage covering the Property, the insurance proceeds shall be deemed not to be available to Landlord unless such mortgagee permits Landlord to use the insurance proceeds for such restoration. Such destruction shall not terminate this Lease.

(b) **Major or Uninsured Damage.** If during the Term the Premises or the Building are partially or totally destroyed by any casualty and Landlord is not obligated under Section 23(a) captioned "Insured Damage" to restore the Premises or the Building, as the case may be, then Landlord may, at its election, either (i) restore the Premises or the Building to substantially the same condition as they were in immediately before such destruction, or (ii) terminate this Lease effective as of the date of such destruction. If Landlord does not give Tenant notice within sixty (60) days after the date of such destruction of its election to restore the Premises or the Building, as the case may be, Landlord shall be deemed to have elected to terminate this Lease. If Landlord elects to restore the Premises or the Building, as the case may be, Landlord shall use commercially reasonable efforts to complete such restoration within one hundred eighty (180) days after the date on which Landlord obtains all permits necessary for such restoration, provided, however, that such one hundred eighty (180) day period shall be extended by a period equal to any delays caused by Force Majeure, and such destruction shall not terminate this Lease.

(c) **Tenant's Right to Terminate.** If (i) Landlord has not received all permits necessary for such restoration within six (6) months after the date of such damage or destruction; (ii) in the opinion of a registered architect or engineer appointed by Landlord such restoration cannot be completed within one hundred eighty (180) days after the date on which Landlord obtains all permits necessary for such restoration, or (iii) Landlord does not complete such restoration within one (1) year following the date of such destruction, then Tenant may elect to terminate this Lease by giving notice to such effect to Landlord within ten (10) days following the end of such six (6) month, or one (1) year, period, as applicable, or the date of Tenant's receipt of the opinion of a registered architect or engineer appointed by Landlord such restoration cannot be completed within one hundred eighty (180) days after the date on which Landlord obtains all permits necessary for such restoration.

(d) **Extent of Landlord's Obligation to Restore.** If Landlord is required or elects to restore the Premises as provided in this Section, Landlord shall not be required to restore alterations made by Tenant, Tenant's trade fixtures and Tenant's personal property, such excluded items being the sole responsibility of Tenant to restore.

(e) **Abatement or Reduction of Rent.** In case of damage to, or destruction of, the Premises or the Building the Minimum Monthly Rent shall be abated or reduced, between the date of destruction and the date of completion of restoration, (i) by an amount that is in the same ratio to the Minimum Monthly Rent as the total number of square feet of the Premises that are so damaged or destroyed bears to the total number of square feet in the Premises or (ii) if portions of the Building other than the Premises are damaged, in proportion to the degree to which Tenant's use of the Premises in the ordinary course is adversely affected.

24. **Condemnation.** If during the Term there is any taking of part or all of the Premises or the Building by condemnation, then the rights and obligations of the parties shall be as follows:

(a) **Minor Taking.** If there is a taking of less than ten percent (10%) of the Premises, this Lease shall remain in full force and effect.

(b) **Major Taking.** If there is a taking of ten percent (10%) or more of the Premises and if the remaining portion of the Premises is of such size or configuration that Tenant in Tenant's reasonable judgment is unable to conduct its business in the Premises, then the Term shall terminate as of the date of taking.

(c) **Taking of Part of the Building.** If there is a taking of a part of the Building other than the Premises and if in the opinion of Landlord the Building should be restored in such a way as to materially alter the Premises, then Landlord may terminate the Term, provided that Landlord also terminates the leases of all other similarly situated tenants that Landlord has the right to terminate under the terms of such tenants' leases, by giving notice to such effect to Tenant within sixty (60) days after the date of vesting of title in the condemnor and the Term shall terminate as of the date specified in such notice, which date shall not be less than sixty (60) days after the giving of such notice.

(d) **Award.** The entire award for the Premises, the Building and the Property, shall belong to and be paid to Landlord, Tenant hereby assigning to Landlord Tenant's interest therein, if any, provided, however, that Tenant shall have the right to claim and recover from the condemnor compensation for the loss of any alterations made by Tenant, Tenant's trade fixtures, Tenant's personal property, moving expenses and business interruption.

(e) **Abatement of Rent.** If any part of the Premises is taken by condemnation and this Lease remains in full force and effect, on the date of taking the Minimum Monthly Rent shall be reduced by an amount that is in the same ratio to the Minimum Monthly Rent as the total number of square feet in the Premises taken bears to the total number of square feet in the Premises immediately before the date of taking.

## 25. Assignment and Subletting.

(a) **Landlord's Consent; Definitions.** Tenant acknowledges that the Building is a multi-tenant office building, occupied by tenants specifically selected by Landlord, and that Landlord has a legitimate interest in the type and quality of such tenants, the location of tenants in the Building and in controlling the leasing of space in the Building so that Landlord can better meet the particular needs of its tenants and protect and enhance the relative image, position and value of the Building in the office building market.

Tenant further acknowledges that the rental value of the Premises may fluctuate during the Term in accordance with market conditions, and, as a result, the Rent paid by Tenant under the Lease at any particular time may be higher or lower than the then market rental value of the Premises. Landlord and Tenant agree, and the provisions of this Section are intended to so provide, that, if Tenant voluntarily assigns its interest in this Lease or in the Premises or subleases any part or all of the Premises, a portion of the profits from any increase in the market rental value of the Premises shall belong to Landlord. Tenant acknowledges that, if Tenant voluntarily assigns this Lease or subleases any part or all of the Premises, Tenant's investment in the subject portion of the Premises (specifically including, but not limited to, tenant improvements, good will or other assets) may be lost or reduced as a result of such action.

(b) **Consent Required.** Tenant shall not voluntarily assign or encumber its interest in this Lease or in the Premises, or sublease any part or all of the Premises, without Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any assignment, encumbrance or sublease without Landlord's consent shall be voidable and, at Landlord's election, shall constitute a default by Tenant under this Lease. In determining whether to approve a proposed assignment or sublease, Landlord shall place primary emphasis on the proposed transferee's reputation and creditworthiness, the character of the business to be conducted by the proposed transferee at the Premises and the affect of such assignment or subletting on the tenant mix in the Building. In addition, Landlord shall have the right reasonably to approve the specific form of any assignment or sublease agreement. In no event shall Landlord be obligated to consent to any assignment or subletting which materially increases (i) the Operating Costs, (ii) the burden on the Building services, or (iii) the foot traffic, elevator usage or security concerns in the Building, or creates an increased probability of the comfort and/or safety of the Landlord and other tenants in the Building being unreasonably compromised or reduced (for example, but not exclusively, Landlord may deny consent to an assignment or subletting where the space will be used for a school or training facility, an entertainment, sports or recreation facility, retail sales to the public (unless Tenant's permitted use is retail sales), a personnel or employment agency, a medical office, or an embassy or consulate or similar office). Landlord shall not be obligated to approve an assignment or subletting to (x) a current tenant of the Building, provided, that Landlord then has space available in the Building suitable for such subtenant, or (y) a prospective tenant of the Building with whom Landlord is then negotiating. Landlord's foregoing rights and options shall continue throughout the entire term of this Lease. No consent to any assignment, encumbrance or sublease shall constitute a waiver of the provisions of this Section and no other or subsequent assignment, encumbrance or sublease shall be made without Landlord's prior consent. Neither an assignment or subletting nor the collection of Rent by Landlord from any person other than Tenant, nor the application of any such Rent as provided in this Section shall be deemed a waiver of any of the provisions of this Section or release Tenant from its obligation to comply with the terms and provisions of this Lease and Tenant shall remain fully and primarily liable for all of Tenant's obligations under this Lease, including the obligation to pay Rent under this Lease. Any personal guarantee(s) of Tenant's obligations under this Lease shall remain in full force and effect following any such assignment or subletting. In addition to Landlord's other rights under this Section, Landlord may condition approval of an assignment hereunder on the posting of a Security Deposit equal to the Minimum Monthly Rent for the last month of the Term, or an increase in the amount of the Security Deposit, if there is a then existing Security Deposit, or on receipt of personal guarantees of the assignee's obligations under this Lease. If Landlord approves of an assignment or subletting hereunder and this Lease contains any renewal or extension options, expansion options, rights of first refusal, rights of first negotiation or any other rights or options pertaining to additional space in the Building, such rights and/or options shall not run to the assignee or subtenant, it being agreed by the parties hereto that any such rights and options are personal to Tenant named herein and may not be transferred.

(c) **Conditions to Assignment or Sublease.** Tenant agrees that any instrument by which Tenant assigns or sublets all or any portion of the Premises shall expressly provide that the assignee or subtenant may not further assign or sublet the assigned or sublet space without Landlord's prior consent (which consent shall not, subject to Landlord's rights under this Section, be unreasonably withheld, conditioned or delayed), and that the assignee or subtenant will comply with all of the provisions of this Lease and that Landlord may enforce the Lease provisions directly against such assignee or subtenant. If this Lease is assigned, whether or not in violation of the terms and provisions of this Lease, Landlord may collect Rent from the assignee. If the Premises, or any part thereof, is sublet, Landlord may, upon a default under this Lease, collect rent from the subtenant. In either event, Landlord may apply the amount collected from the assignee or subtenant to Tenant's obligation to pay Rent under this Lease.

(d) **Events Constituting an Assignment or Sublease.** For purposes of this Section, the following events shall be deemed an assignment or sublease, as appropriate: (i) the issuance of equity interests (whether stock, partnership interests or otherwise) in Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, to any person or group of related persons, in a single transaction or a series of related or unrelated transactions, such that, following such issuance, such person or group shall have Control (as defined below) of Tenant, or any assignee or subtenant, if applicable; or (ii) a transfer of Control of Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, in a single transaction or a series of related or unrelated transactions (including, without limitation, by consolidation, merger, acquisition or reorganization), except that the transfer of outstanding capital stock or other listed equity interests by persons or parties other than "insiders" within the meaning of the Securities Exchange Act of 1934, as amended, through the "over-the-counter" market or any recognized national or international securities exchange, shall not be included in determining whether Control has been transferred. "Control" shall mean direct or indirect ownership of fifty percent (50%) or more of all the legal and equitable interest in any business entity.



(e) **Processing Expenses.** Tenant shall pay to Landlord the amount of Landlord's reasonable cost of processing each proposed assignment or subletting, including without limitation, reasonable attorneys' and other professional fees, and the cost of Landlord's administrative, accounting and clerical time (collectively, "Processing Costs"), not to exceed \$1,500 in the aggregate, and the amount of all reasonable direct and indirect expense incurred by Landlord arising from the assignee or sublessee taking occupancy of the subject space, including without limitation, reasonable costs of freight elevator operation for moving of furnishings and trade fixtures, security service, janitorial and cleaning service, rubbish removal service, costs of changing signage, and costs of changing locks and making new keys (collectively, "Occupancy Costs").

(f) **Consideration to Landlord.** In the event of any assignment or sublease, whether or not requiring Landlord's consent, Landlord shall be entitled to receive, as Additional Rent, one-half (1/2) of any consideration, including without limitation, payment for leasehold improvements paid for by Landlord, paid by the assignee or subtenant for the assignment or sublease, and, in the case of sublease, the excess of the amount of rent paid for the sublet space by the subtenant over the total amount of Minimum Monthly Rent under Section 5 and Additional Rent under Sections 7 and 9. Upon Landlord's request, Tenant shall assign to Landlord all amounts to be paid to Tenant by the assignee or subtenant and shall direct such assignee or subtenant to pay the same directly to Landlord. If there is more than one sublease under this Lease, the amounts (if any) to be paid by Tenant to Landlord pursuant to the preceding sentence shall be separately calculated for each sublease and amounts due Landlord with regard to any one sublease may not be offset against rental and other consideration due under any other sublease.

(g) **Procedures.** If Tenant desires to assign this Lease or any interest therein or sublet all or part of the Premises, Tenant shall give Landlord written notice thereof designating the space proposed to be sublet and the terms proposed. If the proposed sublease covers the entire Premises and if the term of the proposed sublease (including any renewal terms) will expire during the final six (6) months of the Term (or if Tenant has exercised a renewal option, if any, then during the final six (6) months of the subject renewal period), then Landlord shall have the prior right and option (to be exercised by written notice to Tenant given within fifteen (15) days after receipt of Tenant's notice) (i) to terminate this Lease, or (ii) to approve Tenant's proposal to sublet conditional upon Landlord's subsequent written approval of the specific sublease obtained by Tenant and the specific subtenant named therein. If Landlord exercises its option described in (ii) above, Tenant shall submit to Landlord for Landlord's written approval Tenant's proposed sublease agreement (in which the proposed subtenant shall be named) together with a current financial statement prepared by a certified public accountant for such proposed subtenant and a credit report on such proposed subtenant prepared by a recognized credit reporting agency. If Landlord fails to exercise its option to terminate this Lease, this shall not be construed as or constitute a waiver of any of the provisions of this Section. If Landlord exercises its option to terminate this Lease, Landlord shall not have any liability for any real estate brokerage commission(s) or with respect to any of the costs and expenses that Tenant may have incurred in connection with its proposed subletting, and Tenant agrees to hold Landlord harmless from and against any and all claims (including, without limitation, claims for commissions) arising from such proposed subletting. Landlord's foregoing rights and options shall continue throughout the Term. For purposes of this Section, a proposed assignment of this Lease in whole or in part shall be deemed a proposed subletting of such space.

(h) **Documentation.** No permitted subletting by Tenant shall be effective until there has been delivered to Landlord a counterpart of the sublease in which the subtenant agrees to be and remain jointly and severally liable with Tenant for the payment of Rent pertaining to the sublet space and for the performance of all of the terms and provisions of this Lease; provided, however, that the subtenant shall be liable to Landlord for rent only in the amount set forth in the sublease. No permitted assignment shall be effective unless and until there has been delivered to Landlord a counterpart of the assignment in which the assignee assumes all of Tenant's obligations under this Lease arising on or after the date of the assignment. The failure or refusal of a subtenant or assignee to execute any such instrument shall not release or discharge the subtenant or assignee from its liability as set forth above.

(i) **No Merger.** Without limiting any of the provisions of this Section, if Tenant has entered into any subleases of any portion of the Premises, the voluntary or other surrender of this Lease by Tenant, or a mutual cancellation by Landlord and Tenant, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies or, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases or subtenancies.

(j) **Permitted Sublettings.** Anything in this Section 26 to the contrary notwithstanding, Tenant shall have the right to sublet portions of the Premises to public defender organizations affiliated with or similar to Tenant, such as, by way of illustration and not limitation, Team Child or the Washington Defender Association. Tenant shall give Landlord prior written notice of any such subletting, but Landlord's consent shall not be required therefore and Sections 26(c), (e), (f), (g) and (h) above shall not apply thereto.

26. **Default.** The occurrence of any of the following shall constitute a default by Tenant under this Lease:

(a) **Failure to Pay Rent.** Failure to pay Rent when due, if the failure continues for a period of three (3) business days after notice of such default has been given by Landlord to Tenant.

(b) **Failure to Comply with Rules and Regulations.** Failure to comply with the Rules and Regulations, if the failure continues for a period of twenty-four (24) hours after notice of such default is given by Landlord to Tenant. If the failure to comply cannot reasonably be cured within twenty-four (24)



hours, then Tenant shall not be in default under this Lease if Tenant commences to cure the failure to comply within twenty-four (24) hours and diligently and in good faith continues to cure the failure to comply.

(c) **Other Defaults.** Failure to perform any other provision of this Lease, if the failure to perform is not cured within thirty (30) days after notice of such default has been given by Landlord to Tenant. If the default cannot reasonably be cured within thirty (30) days, then Tenant shall not be in default under this Lease if Tenant commences to cure the default within thirty (30) days and diligently and in good faith continues to cure the default.

(d) **Appointment of Trustee or Receiver.** The appointment of a trustee or receiver to take possession of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days.

27. **Remedies.** If Tenant commits a default, Landlord shall have the following alternative remedies, which are in addition to any remedies now or later allowed by law:

(a) **Maintain Lease in Force.** Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Tenant's right to possession, irrespective of whether Tenant shall have abandoned the Premises. If Landlord elects to not terminate the Lease, Landlord shall have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such re-letting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord at any time during the term of this Lease may elect to terminate this Lease by virtue of such previous default of Tenant.

(b) **Terminate Lease.** Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant, without duplication, all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) 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 rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including without limitation, any costs or expenses incurred by Landlord in (A) retaking possession of the Premises, including reasonable attorney fees therefor, (B) maintaining or preserving the Premises after such default, (C) preparing the Premises for reletting to a new tenant, including repairs or necessary alterations to the Premises for such reletting, (D) leasing commissions incident to reletting to a new tenant, and (E) any other costs necessary or appropriate to relet the Premises; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law. The amounts described in clauses (C) and (D) shall be amortized over the term of the new tenant's lease, and Tenant shall only be liable to Landlord for the portion of such amounts attributable to the period prior to the Expiration Date of this Lease set forth in Section 1. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in Subsection 27(b)(i) the "worth at the time of award" is computed by allowing interest at the rate of twelve percent (12%) per year from the date of default. As used in Subsections 27(b)(ii) and 27(b)(iii) the "worth at the time of award" is computed by discounting such amounts at the discount rate of twelve percent (12%) per year.

## 28. Bankruptcy.

(a) **Assumption of Lease.** If Tenant becomes a Debtor under Chapter 7 of the Bankruptcy Code ("Code") or a petition for reorganization or adjustment of debts is filed concerning Tenant under Chapters 11 or 13 of the Code, or a proceeding is filed under Chapter 7 of the Code and is transferred to Chapters 11 or 13 of the Code, the Trustee or Tenant, as Debtor and as Debtor-In-Possession, may not elect to assume this Lease unless, at the time of such assumption, the Trustee or Tenant has:

(i) Cured all defaults under the Lease and paid all sums due and owing under the Lease or provided Landlord with "Adequate Assurance" (as defined below) that: (i) within ten (10) days from the date of such assumption, the Trustee or Tenant will completely pay all sums due and owing under this Lease and compensate Landlord for any actual pecuniary loss resulting from any existing default or breach of this Lease, including without limitation, Landlord's reasonable costs, expenses, accrued interest, and attorneys' fees incurred as a result of the default or breach; (ii) within twenty (20) days from the date of such assumption, the Trustee or Tenant will cure all non-monetary defaults and breaches under this Lease, or, if the nature of such non-monetary defaults is such that more than twenty (20) days are reasonably required for such cure, that the Trustee or Tenant will commence to cure such

non-monetary defaults within twenty (20) days and thereafter diligently prosecute such cure to completion; and (iii) the assumption will be subject to all of the provisions of this Lease.

(ii) For purposes of this Section, Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding involving Tenant, at a minimum, "Adequate Assurance" shall mean: (i) the Trustee or Tenant has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the Trustee or Tenant will have sufficient funds to fulfill the obligations of Tenant under this Lease; (ii) the Bankruptcy Court shall have entered an Order segregating sufficient cash payable to Landlord and/or the Trustee or Tenant shall have granted a valid and perfected first lien and security interest and/or mortgage in or on property of Trustee or Tenant acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the Trustee or Tenant to cure the monetary and/or non-monetary defaults and breaches under this Lease within the time periods set forth above; and (iii) the Trustee or Tenant, at the very minimum, shall deposit a sum equal to two (2) month's Minimum Monthly Rent to be held by Landlord (without any allowance for interest thereon) to secure Tenant's future performance under the Lease.

(b) **Assignment of Lease.** If the Trustee or Tenant has assumed the Lease pursuant to the provisions of this Section for the purpose of assigning Tenant's interest hereunder to any other person or entity, such interest may be assigned only after the Trustee, Tenant or the proposed assignee have complied with all of the terms, covenants and conditions of this Lease, including, without limitation, those with respect to Additional Rent. Landlord and Tenant acknowledge that such terms, covenants and conditions are commercially reasonable in the context of a bankruptcy proceeding of Tenant. Any person or entity to which this Lease is assigned pursuant to the provisions of the Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Any such assignee shall upon request execute and deliver to Landlord an instrument confirming such assignment.

(c) **Adequate Protection.** Upon the filing of a petition by or against Tenant under the Code, Tenant, as Debtor and as Debtor-In-Possession, and any Trustee who may be appointed agree to adequately protect Landlord as follows: (i) to perform each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by Order of the Bankruptcy Court; (ii) to pay all monetary obligations required under this Lease, including without limitation, the payment of Minimum Monthly Rent, Tenant's Share of Real Property Taxes, Tenant's Share of Operating Costs and any other sums payable by Tenant to Landlord under this Lease which is considered reasonable compensation for the use and occupancy of the Premises; (iii) provide Landlord a minimum of thirty (30) days prior written notice, unless a shorter period is agreed to in writing by the parties, of any proceeding relating to any assumption of this Lease or any intent to abandon the Premises, which abandonment shall be deemed a rejection of this Lease; and (iv) to perform to the benefit of Landlord as otherwise required under the Code. The failure of Tenant to comply with the above shall result in an automatic rejection of this Lease.

29. **Limitation of Actions.** Any claim, demand, right or defense of any kind by either Landlord or Tenant which is based upon or arises in connection with this Lease or the negotiations prior to its execution, shall be barred unless Landlord or Tenant, as the case may be, commences an action thereon, or interposes in a legal proceeding a defense by reason thereof, within two (2) years after the date Landlord or Tenant, as the case may be, actually becomes aware of the act or omission on which such claim, demand, right or defense is based.

30. **Limitation on Landlord's Liability.** Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements or for the purpose of binding Landlord personally or the assets of Landlord except Landlord's interest in the Property (which shall include all rents and income of the Property and all sale proceeds, insurance proceeds and condemnation awards in respect of the Property), but are made and intended for the purpose of binding only the Landlord's interest in the Property. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against Landlord or its members, managers, or partners, and/or their respective heirs, legal representatives, successors and assigns on account of this Lease or on account of any covenant, undertaking or agreement of Landlord contained in this Lease.

31. **Signs.** Tenant shall not have the right to place, construct or maintain any sign, advertisement, awning, banner or other exterior decoration without Landlord's consent. Any sign that Tenant has Landlord's consent to place, construct and maintain shall comply with all laws, and Tenant shall obtain any approval required by such laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval. Landlord hereby approves all of Tenant's existing signage in the Building. Landlord shall continue to provide Tenant with building directory signage comparable to that heretofore provided to Tenant under the Original Leases.

32. **Landlord's Right to Enter the Premises.** Landlord and its authorized representatives shall have the right to enter the Premises at reasonable times and upon forty-eight (48) hours' prior notice (except in an emergency when no such notice shall be required) for any of the following purposes: (i) to determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease, (ii) to do any maintenance; to make any restoration to the Premises or the Building that Landlord has the right or the obligation to perform, and to make any improvements to the Premises or the Building that Landlord deems necessary, (iii) to serve, post or keep posted any notices required or allowed under the provisions of this Lease, (iv) to post any ordinary "For Sale" signs at any time during the Term,

and (v) to show the Premises to prospective brokers, agents, purchasers, or lenders, at any time during the Term, and to show the Premises to prospective tenants at any time during the last year of the Term. Landlord recognizes the need to honor the attorney-client privilege between Tenant and Tenant's clients and that such privilege must be respected whenever Landlord enters the Premises to inspect, to make repairs or to show the Premises to prospective tenants under this or any other provision of this Lease.

Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Section, except damage resulting from the grossly negligent or willful acts of Landlord or its authorized representatives. Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any right reserved in this Section. Landlord shall conduct its activities on the Premises as allowed in this Section in a reasonable manner so as to cause minimal inconvenience, annoyance or disturbance to Tenant.

**33. Subordination.** This Lease is and shall be prior to any mortgage recorded after the date of this Lease affecting the Property. If, however, a lender requires that this Lease be subordinate to any mortgage, this Lease shall be subordinate to that mortgage if Landlord first obtains from the lender a written agreement that provides substantially the following:

"As long as Tenant performs its obligations under this Lease, no foreclosure of, deed given in lieu of foreclosure of, or sale under the mortgage, and no steps or procedures taken under the mortgage, shall affect Tenant's rights under this Lease."

Tenant shall attorn to any purchaser at any foreclosure sale, or to any grantee or transferee designated in any deed given in lieu of foreclosure. Tenant shall execute the written agreement and any other documents required by the lender to accomplish the purposes of this Section. Landlord will use diligent, commercially reasonable efforts to obtain a subordination, non-disturbance and attornment agreement from Landlord's existing lender

**34. Right to Estoppel Certificates.** Tenant, within fifteen (15) business days after notice from Landlord, shall execute and deliver to Landlord, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified and stating the modifications. The certificate shall also state the amount of Minimum Monthly Rent, the dates to which Rent has been paid in advance, and the amount of any Prepaid Rent or Security Deposit and such other matters as Landlord may reasonably request. Failure to deliver the certificate within such fifteen (15) business day period shall be conclusive upon Tenant for the benefit of Landlord and any successor to Landlord, that this Lease is in full force and effect and has not been modified except as may be represented by Landlord requesting the certificate.

**35. Transfer of Landlord's Interest.** If Landlord sells or transfers the Property, Landlord, on consummation of the sale or transfer, shall be released from any liability thereafter accruing under this Lease if Landlord's successor has assumed in writing, for the benefit of Tenant, Landlord's obligations under this Lease. If any Security Deposit or Prepaid Rent has been paid by Tenant, Landlord shall transfer such Security Deposit or Prepaid Rent to Landlord's successor and on such transfer Landlord shall be discharged from any further liability with respect to such Security Deposit or Prepaid Rent.

**36. Attorneys' Fees.** If either party shall bring any action for relief against the other party, declaratory or otherwise, arising out of this Lease, including any action by Landlord for the recovery of Rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorneys' fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

### **37. Surrender; Holding Over.**

(a) **Surrender.** On expiration or ten (10) days after termination of the Term, Tenant shall surrender the Premises and all Tenant's improvements and alterations to Landlord broom clean and in good condition. Tenant shall remove all of its trade fixtures and personal property, which personal property specifically includes all cabling installed in the Premises by Tenant (unless Tenant has received consent from Landlord that such cabling may be surrendered with and remain in the Premises), within the time period stated in this Section. Tenant, at its cost, shall perform all restoration made necessary by, and repair any damage to the Premises caused by, the removal of its trade fixtures, personal property and signs to Landlord's reasonable satisfaction within the time period stated in this Section. Landlord may, at its election, retain or dispose of in any manner any of Tenant's trade fixtures or personal property that Tenant does not remove from the Premises on expiration or within ten (10) days after termination of the Term as allowed or required by the provisions of this Lease by giving ten (10) days notice to Tenant. Title to any such trade fixtures and personal property that Landlord elects to retain or dispose of on expiration of such ten (10) day period shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such trade fixtures and personal property. Tenant shall be liable to Landlord for Landlord's reasonable costs for storing, removing and disposing of Tenant's trade fixtures and personal property. If Tenant fails to surrender the Premises to Landlord on expiration or ten (10) days after termination of the Term as required by this Section, Tenant shall pay Landlord Rent in an amount equal to 125% of the Minimum Monthly Rent applicable for the month immediately prior to the expiration or termination of the Term, or the amount provided by law, whichever is greater, for the entire time Tenant thus remains in possession and Tenant shall be liable for, shall indemnify Landlord against and shall hold Landlord harmless from all damages resulting from Tenant's failure to timely surrender the Premises, including without limitation, (i) any Rent payable by, or

any damages claimed by, any prospective tenant of any part or all of the Premises, and (ii) Landlord's damages resulting from such prospective tenant rescinding or refusing to enter into the prospective lease of part or all of the Premises by reason of Tenant's failure to timely surrender the Premises. If Tenant, without Landlord's prior consent, remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this Lease, such possession by Tenant shall be deemed to be a tenancy at sufferance terminable at any time by either party.

(b) **Holding Over with Landlord's Consent.** If Tenant, with Landlord's prior consent, remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this Lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable by Landlord by a notice given to Tenant at least twenty (20) days prior to the end of any such monthly period or by Tenant by a notice given to Landlord at least thirty (30) days prior to the end of any such monthly period. During such month-to-month tenancy, Tenant shall pay Rent in the amount then agreed to in writing by Landlord and Tenant. All provisions of this Lease, except those pertaining to term, shall apply to the month-to-month tenancy.

**38. Agency Disclosure; Agent/Broker Disclosure; Broker.**

(a) **Agency Disclosure.** Gregory Broderick Smith Real Estate hereby discloses that it represents the Landlord in this transaction and CB Richard Ellis hereby discloses that it represents the Tenant in this transaction.

(b) **Agent/Broker Disclosure.** 350 L.L.C. and Central Promoter LLC are Washington limited liability companies composed of Frederick W. Hines, Jr., and Gregory B. Smith, respectively, as the managing members and other individuals as members. The managing members and several of the members are licensed real estate brokers and/or real estate agents in the State of Washington.

(c) **Broker.** Landlord and Tenant each represent to the other that neither is represented by any broker, agent or finder with respect to this Lease in any manner, except the Broker(s). The commission due to the Broker(s) shall be paid by Landlord pursuant to a separate agreement. Each party agrees to indemnify and hold the other party harmless from and against any and all liability, costs, damages, causes of action or other proceedings instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in any manner whatsoever in connection with this Lease. If Tenant engages a broker, agent or finder to represent Tenant in connection with any renewal of this Lease, then the commission or any fee of such broker, agent or finder shall be paid by Tenant.

**39. Interest on Unpaid Rent.** In addition to the Late Charge as provided in Section 5(b), Rent not paid within fifteen (15) days after the date due shall bear interest from the date due until paid at the rate of fifteen percent (15%) per year, or the maximum legal rate of interest, whichever is less.

**40. Intentionally Omitted.**

**41. Definitions.** As used in this Lease, the following words and phrases, whether or not capitalized, shall have the following meanings:

(a) "Additional Rent" means pass-throughs of increases in Operating Costs and Taxes, as defined in this Lease, and other monetary sums to be paid by Tenant to Landlord under the provisions of this Lease.

(b) "Alteration" means any addition or change to, or modification of, the Premises made by Tenant, including without limitation, fixtures, but excluding trade fixtures as defined in this Section.

(c) "Authorized representatives" means any officer, agent, employee, independent contractor or invitee of either party.

(d) "Award" means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation.

(e) "Common Areas" means all areas outside the Premises and within the Building or on the Land that are provided and designated by Landlord from time to time for the general, non-exclusive use of Landlord, Tenant and other tenants of the Building and their authorized representatives, including without limitation, common entrances, lobbies, corridors, stairways and stairwells, elevators, escalators, public restrooms and other public portions of the Building.

(f) "Condemnation" means the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and a voluntary sale or transfer by Landlord to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(g) "Condemnor" means any public or quasi-public authority or entity having the power of condemnation.

(h) "Damage" means any injury, deterioration, or loss to a person, property, the Premises or the Building caused by another person's acts or omissions or by Acts of God. Damage includes death.

- (i) "Damages" means a monetary compensation or indemnity that can be recovered in the courts by any person who has suffered damage to his person, property or rights through another's acts or omissions.
- (j) "Date of taking" means the date the condemner has the right to possession of the property being condemned.
- (k) "Encumbrance" means any mortgage, deed of trust or other written security device or agreement affecting the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.
- (l) "Expiration" means the coming to an end of the time specified in the Lease as its duration, including any extension of the Term.
- (m) "Force majeure" means strikes, lockouts, labor disputes, shortages of labor or materials, fire or other casualty, Acts of God or any other cause beyond the reasonable control of a party.
- (n) "Good condition" means the good physical condition of the Premises and each portion of the Premises, including without limitation, all of the Tenant Improvements, Tenant's alterations, Tenant's trade fixtures, Tenant's Personal Property, all as defined in this Section, signs, walls, interior partitions, windows, window coverings, glass, doors, carpeting and resilient flooring, ceiling tiles, plumbing fixtures and lighting fixtures, ordinary wear and tear, damage by fire or other casualty and taking by condemnation excepted.
- (o) "Hazardous substances" means any industrial waste, toxic waste, chemical contaminant or other substance considered hazardous, toxic or lethal to persons or property or designated as hazardous, toxic or lethal to persons or property under any laws, including without limitation, asbestos material or materials containing asbestos.
- (p) "Hold harmless" means to defend and indemnify from all liability, losses, penalties, damages as defined in this Section, costs, expenses (including without limitation, attorneys' fees), causes of action, claims or judgments arising out of or related to any damage, as defined in this Section, to any person or property.
- (q) "Law" means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of any federal, state, county, municipal or other governmental agency or authority having jurisdiction over the parties or the Property, or both, in effect either at the time of execution of this Lease or at any time during the Term, including without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities) and any legally effective conditions, covenants or restrictions affecting the Property.
- (r) "Lender" means the mortgagee, beneficiary, secured party or other holder of an encumbrance, as defined in this Section.
- (s) "Lien" means a charge imposed on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act.
- (t) "Maintenance" means repairs, replacement, repainting and cleaning.
- (u) "Mortgage" means any deed of trust, mortgage or other written security device or agreement affecting the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.
- (v) "Mortgagee" means the beneficiary under a deed of trust or mortgagee under a mortgage.
- (w) "Mortgagor" means the grantor or trustor under a deed of trust or mortgagor under a mortgage.
- (x) "Operating Costs" means, except as otherwise provided below, all costs of any kind incurred by Landlord in operating, cleaning, equipping, protecting, lighting, repairing, replacing, heating, air-conditioning, maintaining and insuring the Property. Operating Costs shall include, without limitation, the following costs: (i) salaries, wages, reasonable, market-rate bonuses and other compensation (including hospitalization, medical, surgical, retirement plan, pension plan, union dues, life insurance, including group life insurance, welfare and other fringe benefits, and vacation, holidays and other paid absence benefits) relating to employees of Landlord at or below the level of property manager to the extent directly engaged in the operation, repair, or maintenance of the Property; (ii) payroll, social security, workers' compensation, unemployment and similar taxes with respect to such employees of Landlord, or Landlord's Agent, and the cost of providing disability or other benefits imposed by law or otherwise, with respect to such employees; (iii) uniforms (including the cleaning, replacement and pressing thereof) provided to such employees; (iv) premiums and other charges incurred by Landlord with respect to fire, earthquake, other casualty, all risk, rent loss and liability insurance, any other insurance as is deemed necessary or advisable in the reasonable judgment of Landlord, provided such policies are customarily obtained by prudent owners of comparable properties in Seattle, and, after the Base Year, costs of repairing an insured casualty to the extent of the deductible amount under the applicable insurance policy (not to exceed Fifty Thousand Dollars (\$50,000)); (v) water charges and sewer rents or fees; (vi) license, permit and inspection fees other than in connection with alterations or improvements to tenant spaces; (vii) sales, use and excise taxes on



goods and services purchased by Landlord in connection with the operation, maintenance or repair of the Property and Building systems and equipment; (viii) telephone, facsimile, messenger, express delivery service, postage, stationery supplies and other expenses directly incurred in connection with the operation, management, maintenance, or repair of the Property; (ix) property management fees and expenses, not to exceed five percent (5%) of gross receipts; (x) repairs to and physical maintenance of the Property, including building systems and appurtenances thereto and normal repair and replacement of worn-out equipment, facilities and installations, but excluding the replacement of major building systems and other costs and expenses that would be capitalized under sound, consistently-applied building management practices customary for comparable office buildings in Seattle (except to the extent provided in (xvi) and (xvii) below); (xi) janitorial, window cleaning, security, extermination, water treatment, rubbish removal, plumbing and other services and inspection or service contracts for elevator, electrical, HVAC, mechanical and other building equipment and systems or as may otherwise be necessary or proper for the operation or maintenance of the Property; (xii) supplies, tools, materials, and equipment used in connection with the operation, maintenance or repair of the Property; (xiii) accounting, legal and other professional fees and expenses; (xiv) painting the exterior or the public or common areas of the Building and the cost of maintaining the sidewalks and other common areas of the Property; (xv) all costs and expenses for electricity, chilled water, air conditioning, water for heating, gas, fuel, steam, heat, lights, power and other energy related utilities required in connection with the operation, maintenance and repair of the Property; (xvi) the cost of any improvements made by Landlord to the Property during the Term in order to comply with the requirements of any laws or regulation or insurance requirement with which the Property was not required to comply during the Base Year and which would be capitalized under sound, consistently-applied building management practices customary for comparable office buildings in Seattle, as reasonably amortized by Landlord over the useful lives of such improvements, with interest on the unamortized balance at the rate of ten percent (10%) per year, or the maximum legal rate of interest, whichever is less; (xvii) the cost of any improvements made by Landlord to the Property during the term of this Lease that are intended to reduce other Operating Costs and which would be capitalized under sound, consistently-applied building management practices customary for comparable office buildings in Seattle, as reasonably amortized by Landlord over the useful lives of such improvements, with interest on the unamortized balance at the rate of ten percent (10%) per year, or the maximum legal rate of interest, whichever is less; (xviii) the cost of furniture, draperies, carpeting, and other customary and ordinary items of personal property (excluding paintings, sculptures and other works of art) provided by Landlord for use in common areas of the Building or in the Building office (to the extent that such Building office is dedicated to the operation and management of the Property), such costs to be amortized over the useful life thereof; (xx) Building office rent or rental value; and (xxi) all other costs which, in accordance with generally sound accounting and management principles used by Landlord, as applied to the maintenance and operation of comparable office and/or retail buildings in Seattle, are properly chargeable to the operation and maintenance of the Property.

Operating Costs shall not include the following: (i) depreciation on the Building; (ii) debt service; (iii) capital improvements, alterations, replacements or repairs, except as otherwise provided in clauses (xvi) and (xvii) above; (iv) rental under any ground or underlying leases; (v) Real Property Taxes, (vi) attorneys' fees and other costs and expenses incurred in connection with lease negotiations with prospective tenants (including rental concessions or allowances granted to specific tenants and expenses incurred in renovating or otherwise improving or decorating, painting, or redecorating space for specific tenants), or disputes or default or enforcement proceedings with respect to Landlord, the Building or defaulting tenants (including all attorneys' fees and costs of settlement, judgments and payments in lieu thereof); (vii) legal and auditing fees which are for the benefit of Landlord only, including, without limitation, collecting delinquent rents, preparing corporate or partnership returns and other corporate or partnership financial statements, and audits other than those incurred in connection with the preparation of statements pursuant to additional rent provisions; (viii) the cost of tenant improvements; (ix) advertising and promotional expenses; (x) real estate broker's or other leasing commissions. (xi) costs incurred to correct any breach of any covenant, agreement, representation, warranty or indemnity made by Landlord to Tenant in this Lease and costs, fines or penalties incurred due to violations by Landlord of any law, order, rule or regulations of any governmental authority; (xii) costs of any items to the extent that Landlord is entitled to receive reimbursement by insurance (including any program of self-insurance) or from any other third party; (xiii) the cost of providing any service directly to and paid directly by any tenant and costs of services that are not available to Tenant under this Lease or for which Tenant reimburses Landlord as a separate charge; (xiv) "in-house" legal and/or accounting fees; (xv) interest or penalties due as a result of Landlord's late payment of any of the costs included within Operating Costs; (xvi) fees paid to any affiliates of Landlord for services not customarily provided to similar buildings in Seattle or to the extent such fees exceed the fair market cost for such service provided by independent third parties; (xvii) reserve accounts, including, without limitation, payments to reserves pursuant to any Mortgages; (xviii) the cost of any hazardous materials reporting, response, cleanup, detoxification, or similar action undertaken by Landlord, whether or not required by any governmental or quasi-governmental agency; (xix) rentals for items (except when needed in connection with normal repairs and maintenance of permanent systems) which if purchased, rather than rented, would constitute a capital expense which is specifically excluded under subsection (iii) above; (xx) Landlord's general corporate overhead and general and administrative expenses, including, without limitation, salaries above the level of property managers; (xxi) income, franchise, gross receipts, corporation, capital levy, excess profits, revenue, inheritance, devolution, gift, estate or payroll tax by whatsoever authority imposed or howsoever designated and any tax upon the sale, transfer and/or assignment of Landlord's title or estate which at any time may be assessed against or become a lien upon all or any part of the Building or this leasehold; (xxii) tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments and/or to file any tax or informational returns when due; (xxiii) costs arising from the negligence or willful misconduct of Landlord or Landlord's employees or agents; (xxiv) costs arising from Landlord's charitable or political contributions; (xxv) costs for sculpture,

decorations, paintings or other objects of art; (xxvi) any expenses incurred by Landlord for use of any portions of the Building to accommodate events including, but not limited to shows, promotions, kiosks, displays, filming, photography, private events or parties, ceremonies, and advertising beyond the normal expenses otherwise attributable to providing ordinary services, including, without limitation, lighting and security; (xxvii) any flowers, gifts, balloons, etc. provided to any person or entity, including but not limited to Tenant, other tenants, employees, vendors, contractors, prospective tenants or agents; (xxviii) any entertainment, dining or travel expenses of Landlord or Landlord's employees or agents for any purpose; (xxix) any "finders fees", brokerage commissions, job placement costs or job advertising cost with respect to Landlord's employees; (xxx) construction cleanup or special cleanings associated with events and specific tenant requirements in excess of service provided to Tenant, including related trash collection, removal, hauling and dumping; or (xxxi) costs incurred in connection with the sale, financing, refinancing, mortgaging or sale of the Building or Property, including brokerage commissions, attorneys' and accountants' fees, closing costs, title insurance premiums, transfer taxes and interest charges.

(y) "Parties" means Landlord and Tenant.

(z) "Party" means Landlord or Tenant.

(aa) "Person" means one or more human beings, or legal entities or other artificial persons, including without limitation, partnerships, corporations, trusts, estates, associations and any combination of human beings and legal entities.

(bb) "Property" means the Premises, Building and Land.

(cc) "Provision" means any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the Lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

(dd) "Real Property Taxes" means any form of tax, assessment, general assessment, special assessment, lien, levy, bond obligation, license fee, license tax, tax or excise on rent, or any other levy, charge or expense, together with any statutory interest thereon, excluding, however, interest and penalties for late payment (individually and collectively, the "Impositions"), now or hereafter imposed or required by any authority having the direct or indirect power to tax, including any federal, state, county or city government or any school, agricultural, lighting, drainage or other improvement or special assessment district thereof, (individually and collectively, the "Governmental Agencies") on any interest of Landlord or Tenant or both (including any legal or equitable interest of Landlord or its mortgagee, if any) in the Premises or the Property, including without limitation:

(i) any Impositions upon, allocable to or measured by the area of the Premises or the Property, or the rental payable hereunder, including without limitation, any sales tax or excise tax levied by any Governmental Agencies with respect to the receipt of such rental; or

(ii) any Impositions upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair or use or occupancy by Tenant of the Premises or any portion thereof; or

(iii) any Impositions upon or with respect to the building equipment and personal property used in connection with the operation and maintenance of the Property or upon or with respect to the furniture, fixtures and decorations in the common areas of the Property.

(iv) any Impositions upon this Lease or this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises; or

(v) any Impositions by Governmental Agencies (whether or not such Impositions constitute tax receipts) in substitution, partially or totally, of any impositions now or previously included within the definition of real property taxes, including those calculated to increase tax increments to Governmental Agencies and to pay for such services as fire protection, water drainage, street, sidewalk and road maintenance, refuse removal or other governmental services formerly provided without charge to property owners or occupants; or

(vi) any and all costs, including without limitation, the fees of attorneys, tax consultants and experts, incurred by Landlord should Landlord elect to negotiate or contest the amount of such real property taxes in formal or informal proceedings before the Governmental Agency imposing such real property taxes; provided, however, that Real Property Taxes shall in no event include Landlord's general income, inheritance, estate, gift, franchise or business and occupation taxes.

(ee) "Rent" means Minimum Monthly Rent, as adjusted from time to time under this Lease, Additional Rent as defined in this Section, payments of Tenant's Share of increases in Real Property Taxes and Operating Costs, insurance, utilities and other charges payable by Tenant to Landlord.

(ff) "Rentable square feet of space" as to the Premises or the Building, as the case may be, means the number of usable square feet of space times the applicable R/U Ratio(s) as defined in this Section.

(gg) "Restoration" means the reconstruction, rebuilding, rehabilitation and repairs that are necessary to return damaged portions of the Premises and the Building to substantially the same physical condition as they were in immediately before the damage.

(hh) "R/U Ratio" means the rentable area of a floor of the Building divided by the usable area of such floor, both of which shall be computed in accordance with American National Standard Z65.1-1996 Method of Measuring Floor Space in Office Buildings as published by the Building Owners and Managers Association, as amended from time to time.

(ii) "Substantially complete" or "substantially completed" or "substantial completion" means the completion of Landlord's construction obligation, subject to completion or correction of "punch list" items, that is, minor items of incomplete or defective work or materials or mechanical maladjustments that are of such a nature that they do not materially interfere with or impair Tenant's use of the Premises for the Permitted Use.

(jj) "Successor" means assignee, transferee, personal representative, heir, or other person or entity succeeding lawfully, and pursuant to the provisions of this Lease, to the rights or obligations of either party.

(kk) "Tenant Improvements" means (i) the improvements and alterations set forth in Exhibit C, (ii) window coverings, lighting fixtures, plumbing fixtures, cabinetry and other fixtures installed by either Landlord or Tenant at any time during the Term, and (iii) any improvements and alterations of the Premises made for Tenant by Landlord at any time during the Term.

(ll) "Tenant's personal property" means Tenant's equipment, furniture, and movable property (including cabling) placed in the Premises by Tenant.

(mm) "Tenant's trade fixtures" means any property attached to the Premises by Tenant.

(nn) "Termination" means the ending of the Term for any reason before expiration, as defined in this Section.

(oo) "Work" means the construction of any improvements or alterations or the performance of any repairs done by Tenant or caused to be done by Tenant on the Premises as permitted by this Lease.

#### 42. Miscellaneous Provisions.

(a) **Entire Agreement.** This Lease sets forth the entire agreement of the parties as to the subject matter hereof and supersedes all prior discussions and understandings between them. This Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized officer or representative of each party hereto.

(b) **Governing Law.** This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Washington.

(c) **Severability.** Should any of the provisions of this Lease be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the parties.

(d) **Jurisdiction.** In the event any action is brought to enforce any of the provisions of this Lease, the parties agree to be subject to exclusive *in personam* jurisdiction in the Superior Court of the State of Washington in and for the County of King or in the United States District Court for the Western District of Washington and agree that in any such action venue shall lie exclusively at Seattle, Washington.

(e) **Waiver.** No waiver of any right under this Lease shall be effective unless contained in a writing signed by a duly authorized officer or representative of the party sought to be charged with the waiver and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

(f) **Captions.** Section captions contained in this Lease are included for convenience only and form no part of the agreement between the parties.

(g) **Notices.** All notices or requests required or permitted under this Lease shall be in writing. Such notices or requests may be personally delivered, delivered by a reputable express delivery service such as Federal Express or DHL, or sent by certified mail, return receipt requested, postage prepaid. Such notices or requests shall be deemed given upon receipt or refusal. All notices or requests to Landlord shall be sent to Landlord at Landlord's Address for Notice and all notices or requests to Tenant shall be sent to Tenant at Tenant's Address for Notice. Either party may change the address to which notices shall be sent by notice to the other party.

(h) **Binding Effect.** Subject to the provisions of Section 25 captioned "Assignment and Subletting", this Lease shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. No permitted assignment of this Lease or Tenant's rights hereunder shall be effective against Landlord unless and until an executed counterpart of the instrument of

assignment shall have been delivered to Landlord and Landlord shall have been furnished with the name and address of the assignee. The term "Tenant" shall be deemed to include the assignee under any such permitted assignment.

(i) **Effectiveness.** This Lease shall not be binding or effective until properly executed and delivered by Landlord and Tenant.

(j) **Gender and Number.** As used in this Lease, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, the neuter shall include the masculine and feminine, the singular shall include the plural and the plural shall include the singular, as the context may require.

(k) **Time of the Essence.** Time is of the essence in the performance of all covenants and conditions in this Lease for which time is a factor.

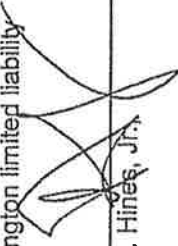
**43. Restatement of Original Lease.** This Lease amends and restates in their entirety those certain Leases dated as of January 31, 1986 and October 8, 1990, in each case as amended prior to the date hereof (the "Original Leases"), pursuant to which Tenant has heretofore occupied the Premises. Within ten (10) days after the date of this Lease, Landlord shall pay to Tenant the amount by which Tenant's payments of base or minimum monthly rent under the Original Leases for the period from January 1, 2005 through the date hereof exceed the Minimum Monthly Rent due under this Lease for such period.

**44. Confidentiality.** Landlord acknowledges that Tenant's use of the Premises involves sensitive and confidential information, and agrees to take necessary steps to protect the confidentiality of Tenant and Tenant's clients, including, respecting the confidentiality of Tenant's documents or other communications in the Premises, and limiting access to the Premises when Tenant is meeting or communicating with clients.

Dated the date first above written.

**Landlord:**

350, L.L.C., a Washington limited liability company



By:   
Frederick W. Hines, Jr.  
Manager

Central Promoter LLC, a Washington limited liability company

By:   
Gregory B. Smith  
Managing Member

**Tenant:**

The Defender Association, a Washington non-profit corporation

By:   
Its: 

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

Its: \_\_\_\_\_

This Lease has been prepared for submission to you and your attorney. Gregory Broderick Smith Real Estate is not authorized to give legal or tax advice. Neither Landlord nor Gregory Broderick Smith Real Estate makes any representations or recommendations as to the legal sufficiency, legal effect or tax consequences of this document or any transaction relating thereto. These are questions for your attorney with whom you should consult before signing the document to determine whether your legal rights are adequately protected.

[Notary attached]

STATE OF Washington ) ss.  
COUNTY OF King )

TENANT

I certify that I know or have satisfactory evidence that Bruce D. Erickson is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the (title) Vice-President of (entity) Direct of DISCALIA DONOR a NON-PROFIT CORPORATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Witness my hand and official seal this 8th day of July 2005.



Cynthia L. Donion  
(Print Name) Cynthia L. Donion Notary Public  
Residing at 264 Hill Washington  
My Commission Expires: February 14, 2007

STATE OF \_\_\_\_\_ ) ss.  
COUNTY OF \_\_\_\_\_ )

TENANT

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the (title) \_\_\_\_\_ of (entity) \_\_\_\_\_ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Witness my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
(Print Name) \_\_\_\_\_ Notary Public  
Residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF WASHINGTON ) ss.  
COUNTY OF KING )

LANDLORD

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the Manager of 350, L.L.C., a Washington limited liability company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Witness my hand and official seal this 8th day of July 2005.  
  
Hannah Lund  
(Print Name) HANNAH LUND Notary Public  
Residing at Seattle  
My Commission Expires: 5/2/07

STATE OF Washington ) ss.  
COUNTY OF King )

LANDLORD

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the Managing Member of Central Promoter LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Witness my hand and official seal this 8th day of July 2005.



Melaney Scott  
(Print Name) Melaney Scott Notary Public  
Residing at Lynnwood  
My Commission Expires: 5/19/08



## RIDER

This Rider is part of that certain Lease dated the 5th day of September, 2005, by and between 350, L.L.C., a Washington limited liability company, and Central Promoter LLC, a Washington limited liability company ("Landlord"), and The Defender Association, a Washington non-profit corporation ("Tenant"), who further agree as follows:

45. **Option to Extend.** So long as Tenant is not then in default under this Lease beyond applicable notice and cure periods, Tenant shall have the option to extend the term of this Lease for one (1) additional five (5) year period (the "Extended Term"). To exercise its option to extend this Lease for the Extended Term, Tenant must deliver to Landlord and Landlord must actually receive a written notice (the "Option Notice") exercising its option to extend not less than twelve (12) months, but not more than fifteen (15) months before the Expiration Date set forth in Section 1 of this Lease. The option to extend granted to Tenant pursuant to this Section is personal to Tenant and may not be exercised by or for the benefit of any assignee or sublessee of Tenant. All of the terms and conditions of this Lease shall apply during the Extended Term except (i) the Minimum Monthly Rent shall be an amount mutually agreed to by Landlord and Tenant or determined by arbitration as set forth below; (ii) there shall be no further options to extend or renew after the commencement of the Extended Term; and (iii) there shall be no Landlord-provided Tenant improvements or other Landlord concessions during the Extended Term. When the rental rate for the Extended Term is determined, whether by agreement of the parties or pursuant to arbitration as provided below, Landlord and Tenant shall enter into a lease extension agreement setting forth the new Minimum Monthly Rent for the Premises and such other terms as may be applicable. If at the time Tenant delivers the Option Notice to Landlord, or at any time between such date and the commencement date of the Extended Term, Tenant defaults under this Lease and fails to cure its default within the applicable cure period, if any, Landlord may declare the Option Notice null and void by written notice to Tenant. The Minimum Monthly Rent for the Extended Term shall be one-twelfth (1/12th) of the then "fair market rent" (defined below) multiplied by the number of rentable square feet in the Premises. The term "fair market rent" means the rate per rentable square foot per year (including increases therein over the Extended Term) that a new, willing, non-equity tenant would pay in an arms-length transaction for the Premises, or for comparable space in the Building, if any, or for comparable space in comparable buildings in the central business district of Seattle, Washington, for leases having a five (5) year term. Landlord and Tenant agree the fair market rent for the Extended Term shall be determined as follows:

(a) Promptly after Landlord receives the Option Notice, the parties (or their designated representatives) shall meet and attempt to agree on the fair market rent for the Extended Term. If the parties have not agreed on the fair market rent for the Extended Term within one hundred twenty (120) days after Landlord receives the Option Notice, then unless otherwise agreed in writing by the parties, the matter shall be submitted to arbitration in accordance with the terms of the following paragraphs. The last day of such one hundred twenty (120) day period (as the same may be extended by the written agreement of the parties) is referred to in this Lease as the "Arbitration Commencement Date".

(b) Within fifteen (15) days after the Arbitration Commencement Date, each party shall provide the other party with written notice (a "Rent Notice") of its determination of fair market rent. The matter shall then be submitted for decision to an arbitrator. The arbitrator shall be a licensed real estate broker who has been active over the five (5) year period ending on the Arbitration Commencement Date in the leasing of office properties in the central business district of Seattle, Washington. If Landlord and Tenant are unable to agree on the arbitrator within thirty (30) days after the Arbitration Commencement Date, each shall select a broker who shall be qualified under the same criteria set forth above, and so notify the other party in writing within ten (10) days after the end of such thirty (30) day period. The two brokers so chosen by the parties shall then appoint the arbitrator within ten (10) days after the date of the appointment of the last appointed broker. If the two brokers so chosen by the parties are unable to agree on the arbitrator within such ten (10) day period, the arbitrator will be appointed by the director (or the equivalent) of the Seattle office of the American Arbitration Association upon the application of either party. If either party fails to timely select its broker and so notify the other party in writing within the foregoing ten (10) day period, and the other party timely selects its broker, then the broker selected by the other party shall be the arbitrator for determining fair market rent.

(c) Within thirty (30) days after the selection of the arbitrator pursuant to (b) above, the arbitrator shall determine fair market rent by selecting either the fair market rent stated in Landlord's Rent Notice or the fair market rent stated in Tenant's Rent Notice. The determination of the arbitrator shall be limited to the sole issue of whether the fair market rent specified in Landlord's Rent Notice or Tenant's Rent Notice is closest to the actual fair market rent as determined by the arbitrator. The arbitrator shall have no power to average such amounts or to designate a fair market rent other than that specified in either Landlord's Rent Notice or Tenant's Rent Notice.

(d) Both parties may submit any information to the arbitrator for his or her consideration, with copies to the other party. The arbitrator shall have the right to consult experts and competent authorities for factual information or evidence pertaining to the determination of fair market rent. The arbitrator shall render his or her decision by written notice to each party. The determination of the arbitrator will be final and binding upon Landlord and Tenant. The cost of the arbitration (including the charges of the broker selected by the other party) will be paid by Landlord if the fair market rent determined by arbitration is the fair market rent specified in Tenant's Rent Notice, and by Tenant if the fair market rent determined by arbitration is the fair market rent specified in Landlord's Rent Notice.

46. **Right of First Offer.** Landlord hereby grants to Tenant a continuing right of first offer with respect to any space on the 7<sup>th</sup> floor of the Building (the "RFO Space") that becomes vacant and legally available for lease during the Term. If RFO Space becomes vacant and legally available for lease during the Term, then Landlord shall give Tenant written notice of the availability of the RFO Space (the "Offer Notice"). To exercise the right of first offer, Tenant must within ten (10) days after receipt of the Offer Notice give Landlord notice of its acceptance of Landlord's offer to lease the RFO Space (the "Acceptance Notice"). If Tenant gives the Acceptance Notice within such ten (10) day period, then Landlord shall lease the RFO Space to Tenant as of the last day of such ten (10) day period, or on such earlier date on which Tenant gives the Acceptance Notice to Landlord (the "RFO Space Commencement Date"). As of the RFO Space Commencement Date, Landlord shall deliver vacant possession of the RFO Space to Tenant in its "AS IS" condition, the RFO Space shall be added to the Premises, the Minimum Monthly Rent shall be increased by an amount equal to the rental rate per rentable square foot of space per month then applicable under the Lease times the number of rentable square feet of space in the RFO Space and Tenant's Share shall be appropriately adjusted. If Tenant fails to give the Acceptance Notice within such ten (10) day period, then the right of first offer shall immediately terminate as to the RFO Space, and Landlord shall be free to lease the RFO Space, or portions thereof, to third parties. Upon Landlord's request, Tenant shall execute an amendment to this Lease revising Exhibit B and setting forth the new Minimum Monthly Rent and Tenant's Share.

47. **Right to Reduce Size of Premises.** Tenant shall have the right to reduce the size of the Premises by terminating this Lease as to part or all of the space located on the 7<sup>th</sup> floor of the Premises. Tenant shall not have the right to terminate this Lease as to any space located on the 8<sup>th</sup> floor of the Premises. If Tenant desires to terminate this Lease as to any space located on the 7<sup>th</sup> floor of the Premises, then Tenant shall give Landlord notice to such effect describing such space (the "Termination Notice") not less than ninety (90) days prior to the termination date set forth in the Termination Notice (the "Termination Date"). On the Termination Date the space on the 7<sup>th</sup> floor of the Premises described in the Termination Notice shall be deleted from the Premises, this Lease shall be terminated solely as to such space, Exhibit B shall be deemed appropriately revised, the Minimum Monthly Rent shall be decreased by an amount equal to the rental rate per rentable square foot of space per month then applicable under the Lease times the number of rentable square feet of space in such space and Tenant's Share shall be appropriately adjusted. Upon Landlord's request, Tenant shall execute an amendment to this Lease revising Exhibit B and setting forth the new Minimum Monthly Rent and Tenant's Share. Notwithstanding anything in this Lease to the contrary, Tenant shall have the right to terminate the Lease as to the space on the penthouse level, under the following conditions: (1) if Tenant's attorney staffing level at the Premises falls below sixty (60) full-time equivalent employees; (2) if any government authority or legal requirement requires Tenant to discontinue or materially restrict its use of the penthouse level; or (3) if Tenant is obligated by any government authority or legal requirement to make improvements or alterations to the penthouse level or any other portion of the Premises in order to continue using the penthouse level substantially as it is currently used and, in Tenant's sole discretion, the cost of such improvements or alterations is unreasonably expensive. If Tenant so terminates the Lease as to the space on the penthouse level, the Premises shall, from and after the date of termination, no longer include the penthouse level, the Agreed Area of the Premises shall be reduced from 26,250 rentable square feet to 25,850 rentable square feet, and all terms of the Lease that are dependent upon the rentable square footage of the Premises, including, without limitation, the definitions of the terms "Tenant's Share" and "Minimum Monthly Rent," shall be deemed amended to reflect the removal of the penthouse level from the Premises

48. **Landlord Default.** Landlord shall be in default under this Lease if Landlord fails to perform or observe any provision of this Lease by it to be performed or observed if the failure is not cured within thirty (30) days after notice has been given by Tenant to Landlord, except as otherwise provided herein. If the default cannot be reasonably be cured within thirty (30) days, Landlord shall not be in default if Landlord commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default within a reasonable period of time. In the event that Landlord is in default under this Lease, Tenant may cure Landlord's default and by independent action recover from Landlord the cost of such cure. If Tenant recovers a judgment against Landlord in such independent action, then Tenant may offset the amount of such judgment against Rent, with interest at the rate set forth in Section 39 from the date that is thirty (30) days after Tenant completed its cure of Landlord's default and gave notice to Landlord requesting payment of the costs of cure to the date of payment.

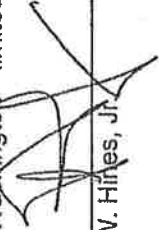
49. **Landlord's Option to Terminate for Major Renovation.** If Landlord desires undertake a Major Renovation of the Building, then Landlord shall have the right, at its option, to terminate this Lease by giving Tenant notice (the "Termination Notice") to such effect not less than fifteen (15) months prior to the termination date set forth in the Termination Notice (the "Termination Date"), provided, however, that in no event shall the Termination Date be prior to July 31, 2012. If Landlord gives the Termination Notice to Tenant on or after the date on which Tenant gives the Option Notice to Landlord pursuant to Section 45 of this Lease, then the Minimum Monthly Rent for the last month of the Extended Term shall be abated. On the Termination Date the Term of this Lease shall end and both parties shall be relieved and released of and from any and all further liability or responsibility under this Lease. The term "Major Renovation" means a renovation of the Building that involves renovations or modifications of substantially all of the non-retail space in the Building, either at one time or in one or more phases, as Landlord may in good faith elect, that would substantially interfere with Tenant's use and occupancy of the Premises in Landlord's reasonable judgment.

Dated the date first above written.

Landlord:

Tenant:

350, L.L.C., a Washington limited liability company

By:  \_\_\_\_\_  
Frederick W. Hines, Jr.  
Manager

Central Promoter, LLC, a Washington limited liability company

By:  \_\_\_\_\_  
Gregory B. Smith  
Managing Member

The Defender Association, a Washington non-profit corporation

By:  \_\_\_\_\_  
Its:  \_\_\_\_\_  
Vice President Bd of Directors

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

## EXHIBIT A LEGAL DESCRIPTION

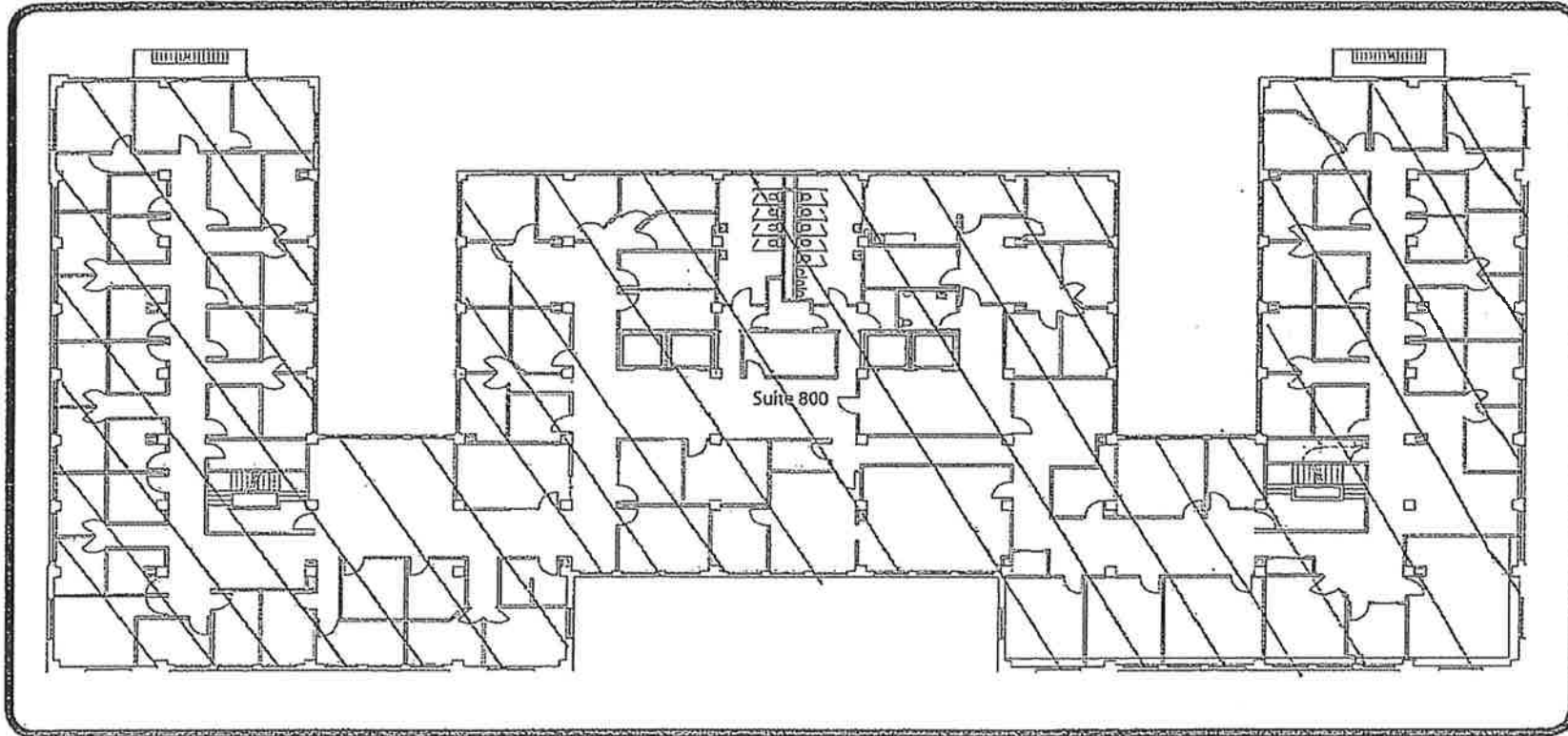
### The Central Building

That certain real property commonly known as The Central Building, 810 Third Avenue, Seattle, Washington 98104, County of King, State of Washington, and legally described as follows:

Lots 1, 4, 5, and 8, in Block 26 of Addition to the Town of Seattle, as laid out on the Claims of C. D. Boren and A. A. Denny and H. L. Yesler (COMMONLY KNOWN AS C. D. BOREN'S ADDITION TO THE CITY OF SEATTLE), as per plat recorded in Volume 1 of Plats, on page 25, records of King County, Washington; EXCEPT the Southwesterly 9 feet condemned for 3rd Avenue.

Situate in the County of King, State of Washington.

EXHIBIT B  
OUTLINE DRAWING OF THE PREMISES



EIGHTH  
FLOOR

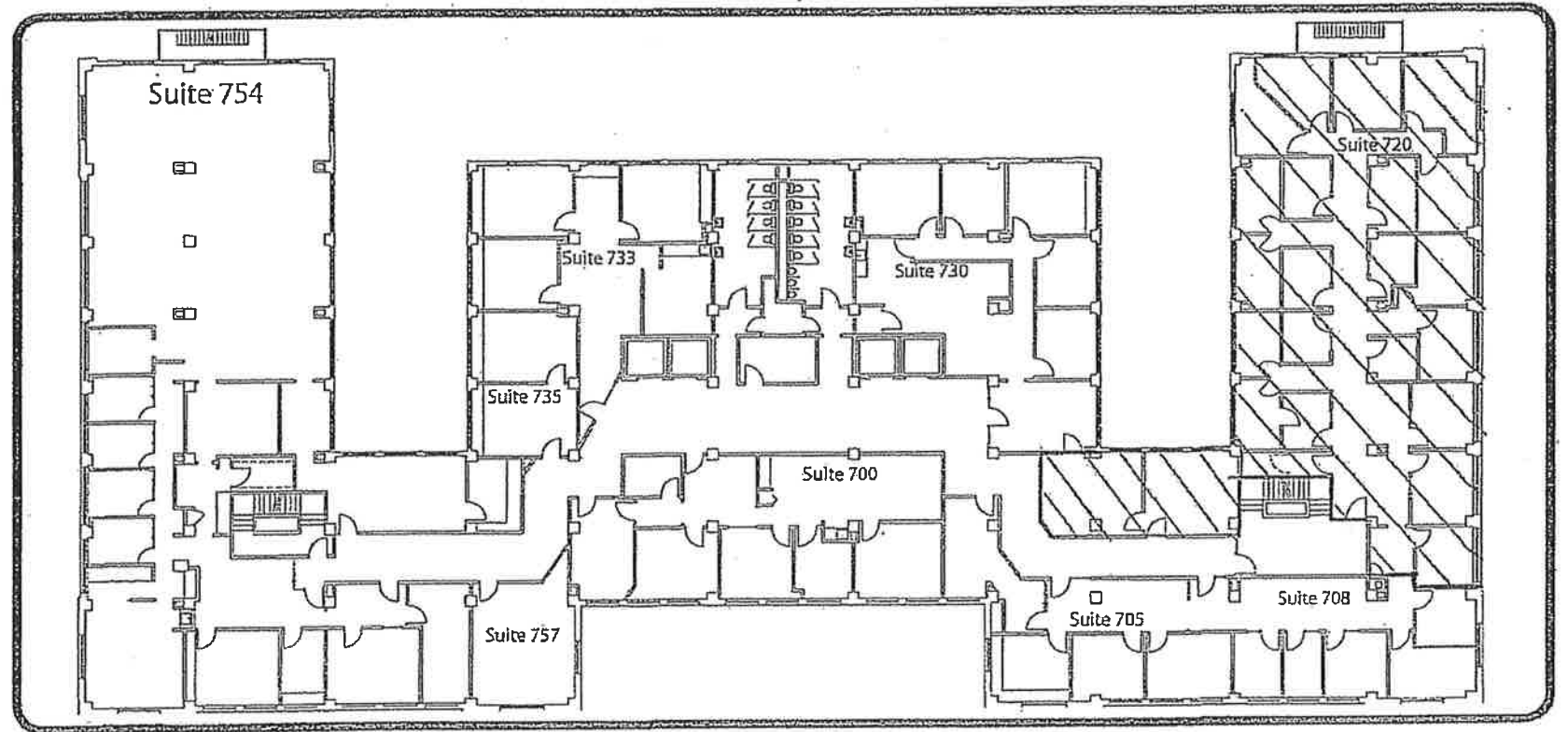


MARTIN SMITH INC

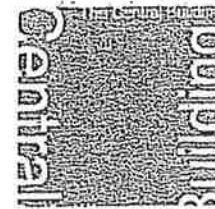
Established in 1974



EXHIBIT B  
OUTLINE DRAWING OF THE PREMISES



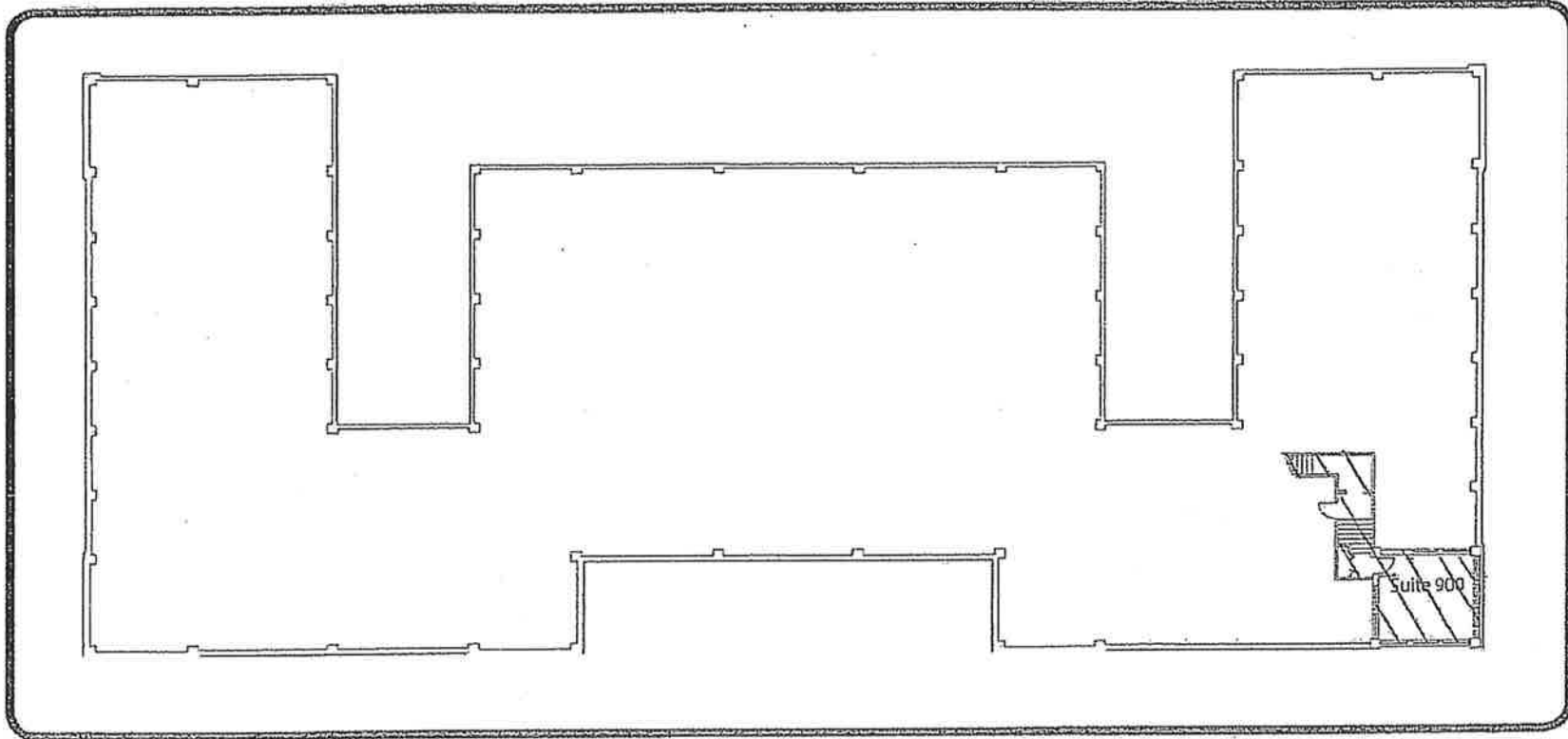
SEVENTH  
FLOOR



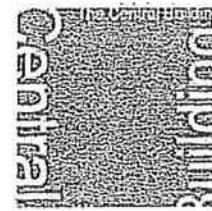
MARTIN SMITH INC

Established in 1974

EXHIBIT B  
OUTLINE DRAWING OF THE PREMISES



PENTHOUSE



MARTIN SMITH INC

Established in 1974

**EXHIBIT C**  
**FORM OF TENANT PERFORMANCE WORK LETTER**

This Work Letter is made this 5th day of July, 2005, by and between 350, L.L.C., a Washington limited liability company, and Central Promoter LLC, a Washington limited liability company ("Landlord"), and The Defender Association, a Washington non-profit corporation ("Tenant"), who agree as follows:

**RECITALS:** Landlord and Tenant have entered into a Lease dated of even date herewith (the "Lease") covering certain premises located in the Central Building located in Seattle, Washington (the "Premises"). The Lease contemplates that Tenant may construct certain improvements to the premises. Landlord and Tenant desire to set forth their agreement as to construction of such tenant improvements in writing. The capitalized terms that are used in this Work Letter that are defined in the Lease shall have the same meanings given to them in the Lease.

1. **The Work.** Under the Lease, Tenant has agreed to accept the Premises "AS IS," without any obligations for the performance of improvements or other work by Landlord, and Tenant desires to perform certain improvements thereto (the "Work"). Such Work shall be in accordance with the provisions of this Work Letter, and to the extent not expressly inconsistent herewith, in accordance with the provisions of the Lease. Performance of the Work shall not serve to abate or extend the time for the commencement of Rent under the Lease, except to the extent Landlord delays approvals beyond the times permitted below.

2. **Cost of the Work.** Except as provided hereinafter, Tenant shall pay all costs (the "Costs of the Work") associated with the Work whatsoever, including without limitation, all permits, inspection fees, fees of space planners, architects, engineers, and contractors, utility connections, the cost of all labor and materials, bonds, insurance, and any structural or mechanical work, additional HVAC equipment or sprinkler heads, or modifications to any building mechanical, electrical, plumbing or other systems and equipment or relocation of any existing sprinkler heads, either within or outside the Premises required as a result of the layout, design, or construction of the Work.

Of the Costs of the Work, Landlord shall reimburse Tenant the amount of Six and No/100ths Dollars (\$6.00) per square foot of rentable area of the Premises, for a total allowance of One Hundred Fifty-seven Thousand Five Hundred and No/100ths Dollars (the "Improvement Allowance"). The Improvement Allowance shall be funded by Landlord from time to time within thirty (30) days after relevant portions of the Work has been completed in accordance with the relevant "Space Plan" and "Working Drawings" approved by Landlord in writing in accordance with the provisions hereof, and Tenant may submit all invoices, lien waivers, affidavits of payment, and such other evidence as Landlord may reasonably require to substantiate that the cost of the Work has been paid for and that no mechanics, materialmen's or other such liens have been or may be filed against the Property or the Premises arising out of the design or performance of the Work. In the alternative, at Landlord's sole option, Landlord may elect to fund the Improvement Allowance in installments, not more frequently than monthly, based on applications for payment and releases of lien rights, submitted by Tenant on Landlord's standard form for use by contractors requesting progress payments, together with such lien releases and affidavits of payments by Tenant's general contractor and subcontractors contemplated therein, and such other documentation as Landlord may reasonably require. Landlord may issue checks to fund the Improvement Allowance jointly to Tenant, its general contractor, and, at Landlord's option, to any subcontractors or suppliers.

3. **Space Plan and Specifications.**

A. Not less than sixty (60) days prior to the date on which Tenant desires to commence any portion of the Work, Tenant shall submit two (2) sets of a "Space Plan" (as described in Section 16) to Landlord for approval.

B. Landlord shall, within ten (10) days after receipt thereof, either approve said Space Plan, or disapprove the same advising Tenant of the reasons for such disapproval. In the event Landlord disapproves said Space Plan, Tenant shall modify the same, taking into account the reasons given by Landlord for said disapproval, and shall submit two sets of the revised Space Plan to Landlord within five (5) days after receipt of Landlord's initial disapproval.

4. **Working Drawings and Engineering Report.**

A. No later than ten (10) days after receipt of Landlord's approval of the Space Plan, Tenant shall submit to Landlord for approval two (2) sets of "Working Drawings" (as defined in Section 16), and a report (the "Engineering Report") from Tenant's mechanical, structural and electrical engineers indicating any special heating, cooling, ventilation, electrical, heavy load or other special or unusual requirements of Tenant.

B. Landlord shall, within ten (10) working days after receipt thereof, either approve the Working Drawings and Engineering Report, or disapprove the same advising Tenant of the reasons for disapproval. If Landlord disapproves of the Working Drawings or Engineering Report, Tenant shall modify and submit revised Working Drawings, and a revised Engineering Report, taking into account the

reasons given by Landlord for disapproval, within five (5) days after receipt of Landlord's initial disapproval.

5. **Landlord's Approval.** Landlord shall not unreasonably withhold approval of any Space Plans, Working Drawings, or Engineering Report submitted hereunder if they provide for a customary office layout, with finishes and materials generally conforming to building standard finishes and materials currently being used by Landlord at the Property, are compatible with the Property's shell and core construction, and if no modifications will be required for the Property electrical, heating, air-conditioning, ventilation, plumbing, fire protection, life safety, or other systems or equipment, and will not require any structural modifications to the Property, whether required by heavy loads or otherwise.

6. **Space Planners, Architects, Engineers, and Contractors.** The Space Plan, Working Drawings, Engineering Report and the Work, shall be prepared and performed by such space planners, architects, engineers and contractors as Landlord customarily engages or recommends for use at the Property; provided, Tenant may substitute another licensed, bonded, reputable and qualified space planner, architect, engineer or contractor, who will work in harmony with each other and those of Landlord so as to ensure proper maintenance of good labor relationships, and in compliance with all applicable labor agreements existing between trade unions and the relevant chapter of the Association of General Contractors of America. Such substitutions may be made only with Landlord's prior written approval. Such approval shall be granted or denied within fifteen (15) days after Landlord receives from Tenant a written request for such substitution, containing a reasonable designation of the proposed party's background, references and qualifications. Any such substitution shall not serve to delay the times for submission of the Space Plan, Working Drawings and Engineering Report required herein, except to the extent that Landlord delays granting or denying approval beyond the aforementioned fifteen (15) day period.

7. **Change Orders.** No material changes, modifications, alterations or additions to the approved Space Plan or Working Drawings may be made without the prior written consent of the Landlord after written request therefor by Tenant. If Tenant desires to make a material change, Landlord shall respond to Tenant's written request within five (5) business days, and Landlord's failure to respond in such period shall be deemed to constitute Landlord's approval of such change.

8. **Compliance.** Tenant's Work shall comply in all respects with the following: (a) the Building Code of the City and State in which the Building is located and State, County, City or other laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other such person, (b) applicable standards of the National Board of Fire Underwriters and National Electrical Code, and (c) building material manufacturer's specifications.

9. **Guarantees.** Each contractor, subcontractor and supplier participating in Tenant's Work shall guarantee that the portion thereof for which he is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Every such contractor, subcontractor, and supplier shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract which shall become defective within one (1) year after completion thereof. The correction of such work shall include, without additional charge, all additional expenses and damages in connection with such removal or replacement of all or any part of Tenant's Work, and/or the Property and/or common areas, or work which may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to Tenant's Work shall be contained in the contract or subcontract which shall be written such that said warranties or guarantees shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give Landlord any assignment or other assurances necessary to effect such right of direct enforcement. Copies of all contracts and subcontracts shall be furnished to Landlord promptly after the same are entered.

10. **Performance.**

A. Tenant's Work shall be commenced within fifteen (15) days after Landlord approves the Working Drawings (or as soon thereafter as is commercially practicable), and shall thereafter be diligently prosecuted to completion, subject to delays for reasons beyond Tenant's control (except financial matters). All Work shall substantially conform with the Working Drawings approved by Landlord in writing, and Landlord may periodically inspect the Work for such compliance. Tenant's Work shall be coordinated under Landlord's direction with the work being done or to be performed for or by other tenants in the Property so that Tenant's Work will not interfere with or delay the completion of any other construction work in the Property.

B. Tenant's Work shall be performed in a thoroughly safe, first-class and workmanlike manner in substantial conformity with the approved Space Plan and Working Drawings, and shall be in good and usable condition at the date of completion.

C. Tenant shall be required to obtain and pay for all necessary permits and/or fees with respect to Tenant's Work, and the same shall be shown to Landlord prior to commencement of the Work.

D. Each contractor and subcontractor shall be required to obtain prior written approval from Landlord for any space outside the Premises within the Property, which such contractor or

subcontractor desires to use for storage, handling, and moving of his materials and equipment, as well as for the location of any facilities for his personnel.

E. The contractors and subcontractors shall be required to remove from the Premises and dispose of, at least once a week and more frequently as Landlord may direct, all debris and rubbish caused by or resulting from the construction. Upon completion of Tenant's Work, the contractors and subcontractors shall remove all surplus materials, debris and rubbish of whatever kind remaining within the Property which has been brought in or created by the contractors and subcontractors in the performance of Tenant's Work. If any contractor or subcontractor shall neglect, refuse or fail to remove any such debris, rubbish, surplus material or temporary structures within two (2) days after notice to Tenant from Landlord with respect thereto, Landlord may cause the same to be removed by contract or otherwise as Landlord may determine expedient, and charge the cost thereof to Tenant as Additional Rent under the Lease.

F. Tenant shall obtain and furnish Landlord all approvals with respect to electrical, water and telephone work as may be required by the respective company supplying the service. Tenant shall obtain utility service, including meter, from the utility company supplying service, unless Landlord elects to supply service and/or meters.

G. Landlord shall have the right to require Tenant to furnish bonds or other security in form and amount reasonably satisfactory to Landlord for the prompt and faithful performance and payment for Tenant's Work.

H. Landlord's acceptance of Tenant's Work as being complete in accordance with the approved Space Plan and Working Drawings shall be subject to Landlord's inspection and written approval. Tenant shall give Landlord 5 days prior written notification of the anticipated completion date of Tenant's Work.

I. If contemplated or permitted under the statutes of the State in which the Property is located, within ten (10) days after completion of construction of Tenant's Work, Tenant shall execute and file a Notice of Completion with respect thereto and furnish a copy thereof to Landlord upon recordation, failing which, Landlord may itself execute and file the same on behalf of Tenant as Tenant's agent for such purpose.

J. Tenant shall, at its cost and expense construct, purchase, install and perform any and all items of Tenant's Work, stock its merchandise, and employ its personnel so as to obtain any governmentally required certificate of occupancy and to occupy the Premises as soon as possible, and in all cases on or before the date required therefor hereunder or under the Lease.

K. If an expansion joint occurs within the Premises, Tenant shall install finish floor covering to or covering such joint in a workmanlike manner, and Landlord shall not accept responsibility for any finish floor covering applied to or installed over the expansion joint.

L. Copies of "as built" drawings shall be provided to Landlord no later than thirty (30) days after completion of the Work.

M. Landlord's approval of Tenant's plans and specifications, and Landlord's recommendations or approvals concerning contractors, subcontractors, space planners, engineers or architects, shall not be deemed a warranty as to the quality or adequacy of the Work, or the design thereof, or of its compliance with Laws, codes and other legal requirements.

N. Tenant shall conduct its labor relations and relations with employees so as to avoid strikes, picketing, and boycotts of, on or about the Premises or Property. If any employees strike, or if picket lines or boycotts or other visible activities objectionable to Landlord are established, conducted or carried out against Tenant, its employees, agents, contractors, subcontractors or suppliers, in or about the Premises or Property, Tenant shall immediately close the Premises and remove or cause to be removed all such employees, agents, contractors, subcontractors and suppliers until the dispute has been settled.

O. Landlord shall not be responsible for any disturbance or deficiency created in the air conditioning or other mechanical, electrical or structural facilities within the Property or Premises as a result of the Work. If such disturbances or deficiencies result, Tenant shall correct the same and restore the services to Landlord's reasonable satisfaction, within a reasonable time.

P. If performance of the Work shall require that additional services or facilities (including without limitation, extra or after-hours elevator usage or cleaning services) be provided, Tenant shall pay Landlord's reasonable charges therefor.

Q. Tenant's contractors shall comply with the rules of the Property and Landlord's requirements respecting the hours of availability of elevators and manner of handling materials, equipment and debris. Demolition must be performed after 6:00 p.m. on weekends. Delivery of materials, equipment and removal of debris must be arranged to avoid any inconvenience or annoyance to other occupants. The Work and all cleaning in the Premises must be controlled to prevent dirt, dust or other matter from infiltrating into adjacent tenant or mechanical areas.



R. Landlord may impose reasonable additional requirements from time to time in order to ensure that the Work, and the construction thereof does not unreasonably disturb or interfere with any other tenants of the Property, or their visitors, contractors or agents, nor interfere with the efficient, safe and secure operation of the Property.

11. **Insurance.** All contractors and sub-contractors shall carry Worker's Compensation Insurance covering all of their respective employees in the statutory amounts, Employer's Liability Insurance in the amount of at least \$500,000 per occurrence, and comprehensive general liability insurance of at least \$3,000,000 combined single limit for bodily injury, death, or property damage, and the policies therefor shall cover Landlord and Tenant, as additional insureds, as well as the contractor or subcontractor. Tenant shall carry builder's risk insurance coverage respecting the construction and improvements to be made by Tenant, in the amount of the anticipated cost of construction of the Work (or any guaranteed maximum price). All insurance carriers hereunder shall be rated at least A and X in Best's Insurance Guide. Certificates for all such insurance shall be delivered to Landlord before the construction is commenced or contractor's equipment is moved onto the Property. All policies of insurance must require that the carrier give Landlord twenty (20) days' advance written notice of any cancellation or reduction in the amounts of insurance. In the event that during the course of Tenant's Work any damage shall occur to the construction and improvements being made by Tenant, then Tenant shall repair the same at Tenant's cost.

12. **Signage.** Landlord has caused signage of building standard material and design to be placed on or near the door of the Premises. No other signage may be installed or placed outside the Premises by Tenant.

13. **Asbestos.** If the Property was constructed at a time when asbestos was commonly used in construction, Tenant acknowledges that asbestos-containing materials ("ACM") may be present at the Property, and that airborne asbestos fibers may involve a potential health hazard unless proper procedures are followed. In such case, before commencing the Work, Tenant and its contractor shall consult with Landlord and Landlord's asbestos consultant concerning appropriate procedures to be followed. Landlord shall, at Landlord's expense, undertake any necessary initial asbestos-related work, before Tenant commences the Work. During performance of the Work, Tenant shall require that its contractor comply with all laws, rules, regulations and other governmental requirements, as well as all directives of Landlord's asbestos consultant, respecting ACM. Tenant hereby irrevocably appoints Landlord and Landlord's asbestos consultant as Tenant's attorney-in-fact for purposes of supervising and directing any asbestos-related aspects of the Work (but such appointment shall not relieve Tenant from its obligations hereunder, nor impose any affirmative requirement on Landlord to provide such supervision or direction). Nothing in this Section 13 shall limit or modify Landlord's obligations under Section 11(e) of the Lease.

14. **Liens.** Tenant shall pay, or cause to be paid, all costs of labor, services and/or materials supplied in connection with any Work. Tenant shall keep the Property free and clear of all mechanics' liens and other liens resulting from any Work. Tenant shall have the right to contest the correctness or validity of any such lien if, within thirty (30) days after demand by Landlord, it procures and records a lien release bond issued by a responsible corporate surety in an amount sufficient to satisfy statutory requirements therefore in the State of Washington or furnishes other security for payment of such lien satisfactory to Landlord. Tenant shall promptly pay or cause to be paid all sums awarded to the claimant on its suit, and, in any event, before any execution is issued with respect to any judgment obtained by the claimant in its suit or before such judgment becomes a lien on the Property, whichever is earlier. If Tenant shall be in default under this Section, by failing to provide security for or satisfaction of any mechanic's or other liens, then Landlord may (but shall not be obligated to), in addition to any other rights or remedies it may have, discharge said lien by (i) paying the claimant an amount sufficient to settle and discharge the claim, (ii) procuring and recording a lien release bond, or (iii) taking such other action as Landlord shall deem necessary or advisable, and, in any such event, Tenant shall pay as Additional Rent, on Landlord's demand, all reasonable costs (including reasonable attorney fees) incurred by Landlord in settling and discharging such lien together with interest thereon in accordance with Section 39 of the Lease, from the date of Landlord's payment of said costs. Landlord's payment of such costs shall not waive any default of Tenant under this Section. Nothing contained herein shall authorize Tenant to do any act which shall subject Landlord's title to the Property or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Property or Premises arising in connection with the Work shall be null and void, or, at Landlord's option, shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Property and Premises.

15. **Indemnity.** Tenant shall indemnify, defend and hold harmless Landlord (and Landlord's principals, partners, agents, trustees, beneficiaries, officers, employees and affiliates) from and against any claims, demands, losses, damages, injuries, liabilities, expenses, judgments, liens, encumbrances, orders, and awards, together with attorneys' fees and litigation expenses arising out of or in connection with the Work, or Tenant's failure to comply with the provisions hereof, or any failure by Tenant's contractors, subcontractors or their employees to comply with the provisions hereof, except to the extent caused by Landlord's intentional or negligent acts.

16. **Certain Definitions.**

A. "Space Plan" herein means a floor plan, drawn to scale, showing: (1) demising walls, corridor doors, interior partition walls and interior doors, including any special walls, glass partitions

or special corridor doors, (2) any restrooms, kitchens, computer rooms, file rooms and other special purpose rooms, and any sinks or other plumbing facilities, or other special facilities or equipment, (3) any communications system, indicating telephone and computer outlet locations, and (4) any other details or features required to reasonably delineate the Work to be performed.

B. "Working Drawings" herein means fully dimensioned architectural construction drawings and specifications, and any required engineering drawings (including mechanical, electrical, plumbing, air-conditioning, ventilation and heating), and shall include any applicable items described above for the Space Plan, and if applicable: (1) electrical outlet locations, circuits and anticipated usage therefor, (2) reflected ceiling plan, including lighting, switching, and any special ceiling specifications, (3) duct locations for heating, ventilating and air-conditioning equipment, (4) details of all millwork, (5) dimensions of all equipment and cabinets to be built in, (6) furniture plan showing details of space occupancy, (7) keying schedule, (8) lighting arrangement, (9) location of print machines, equipment in lunch rooms, concentrated file and library loadings and any other equipment or systems (with brand names wherever possible) which require special consideration relative to air-conditioning, ventilation, electrical, plumbing, structural, fire protection, life-fire-safety system, or mechanical systems, (10) special heating, ventilating and air conditioning equipment and requirements, (11) weight and location of heavy equipment, and anticipated loads for special usage rooms, (12) demolition plan, (13) partition construction plan, (14) type and color of floor and wall-coverings, wall paint and any other finishes, and any other details or features required to completely delineate the Work to be performed.

17. **Taxes.** Tenant shall pay prior to delinquency all taxes, charges or other governmental impositions (including without limitation, any real estate taxes or assessments, sales tax or value added tax) assessed against or levied upon Tenant's fixtures, furnishings, equipment and personal property located in the Premises and the Work to the Premises under this Agreement. Whenever possible, Tenant shall cause all such items to be assessed and billed separately from the property of Landlord. In the event any such items shall be assessed and billed with the property of Landlord, Tenant shall pay its share of such taxes, charges or other governmental impositions to Landlord within thirty (30) days after Landlord delivers a statement and a copy of the assessment or other documentation showing the amount of such impositions applicable to Tenant.

18. **INCORPORATED INTO LEASE; DEFAULT.** THE PARTIES AGREE THAT THE PROVISIONS OF THIS WORK LETTER ARE HEREBY INCORPORATED BY THIS REFERENCE INTO THE LEASE FULLY AS THOUGH SET FORTH THEREIN. In the event of any express inconsistencies between the Lease and this Work Letter, the latter shall govern and control.

DATED the date first above-written.

Landlord:

350, L.L.C., a Washington limited liability company

By:  Frederick W. Hines, Jr.  
Manager

Central Promoter LLC, a Washington limited liability company

By:  Gregory B. Smith  
Managing Member

Tenant:

The Defender Association, a Washington non-profit corporation

By:  Its: Board of Directors

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

Its: \_\_\_\_\_

## EXHIBIT D RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the exterior or in any area visible from the exterior of the Building without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant.
2. The directory of the Building will be provided exclusively for the display of the name and location of each tenants' business only, and Landlord reserves the right to exclude any other names therefrom.
3. Tenant shall not install any curtains, blinds, shades, screens or other similar objects attached to or used in connection with any window or door of the Premises except building-standard drapes approved by Landlord. No awning shall be permitted on any part of the Premises. Tenant shall not place anything against or near glass partitions or doors or windows that may appear unsightly from outside the Premises.
4. Tenant shall not obstruct any sidewalks, lobbies, halls, passages, exits, entrances, elevators, or stairways of the Building. The halls, passages, exits, entrances, lobbies, elevators, and stairways are not open to the general public. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its Tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any Tenant normally deals in the ordinary course of its business. No Tenant and no employee or invitee of any tenant shall go upon the roof of the Building without Landlord's prior written consent.
5. All cleaning and janitorial services for the Building and the Premises, unless otherwise provided in the Lease, shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises.
6. Landlord shall furnish Tenant with appropriate number of keys to each door lock in the Premises and to the main entrance door of the Building. Landlord may make a reasonable charge for any additional keys. Tenant shall not make or have made additional keys, and Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Tenant, upon termination of its tenancy, shall deliver to Landlord all keys to all doors which have been furnished to Tenant, and in the event of loss of any keys so furnished, shall reimburse Landlord for the cost of any new lock(s) required due to such loss.
7. Freight elevator(s), if any, shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the passenger elevators except between such hours and in such elevators as may be designated by Landlord.
8. Tenant shall not place a load upon any floor of the Premises, which exceeds the load per square foot that such floor was designed to carry and which is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight of such objects. Business machines and mechanical equipment belonging to Tenant which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein or to any tenants in the Building shall be placed and maintained by Tenant, at Tenant's sole cost and expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.
9. Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, nor shall Tenant bring into or keep in or about the Premises any animals, including dogs (except seeing-eye dogs).
10. Tenant shall not use any method of heating or air conditioning other than that supplied by Landlord.
11. Tenant shall not waste electricity, water or air conditioning, and Tenant agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air-conditioning system and to comply with any governmental energy-saving rules, laws or regulations, of which Tenant has actual notice, and shall refrain from attempting to adjust controls. Tenant shall keep corridor and exterior doors closed and shall close window coverings at the end of each business day, as is reasonable.

12. The name of the Building is the Central Building. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the name of the Building.
13. Landlord reserves the right to exclude from the Building between the hours of 6:00 p.m. and 7:00 a.m. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays and legal holidays any person, unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.
14. Tenant shall use reasonable efforts to close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, electricity, copiers and other office equipment, including coffee pots, etc., before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for noncompliance with this rule.
15. The 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 therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant, or employees or invitees of the tenant, who shall have caused it.
16. Tenant shall not make any room-to-room solicitation of business from other tenants in the Building. Tenant shall not use the Premises for any business or activity other than that specifically provided for in Tenant's Lease.
17. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.
18. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building except as permitted in the Lease. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.
19. Landlord reserves the right to direct electricians as to where and how telephone, computer or other wiring or cabling will be introduced to the Premises. Tenant shall not cut nor bore holes for wiring or cabling without Landlord's prior written consent, said consent shall not be unreasonably withheld. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.
20. Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of alcohol or drugs or who is in violation of any of the Rules and Regulations of the Building.
21. Tenant shall store all its trash and garbage within its Premises. Tenant shall not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord. All garbage over and above normal (i.e., major-delivery wrappings, etc.) shall be at Tenant's sole cost and expense. Tenant agrees to cooperate with Landlord in recycling programs as may be established from time to time by Landlord.
22. The Premises shall not be used for lodging nor for manufacturing of any kind, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted by Tenant on the Premises, except that use by Tenant of Underwriters Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages. Use of microwave ovens and preparation of food using Landlord-approved restaurant kitchen or deli equipment shall be permitted; provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations and does not cause objectionable odors. Odors reasonably associated with Tenant's Permitted Use shall not be deemed offensive or objectionable under this Lease.
23. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
24. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
25. Tenant shall use its best efforts to protect the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
26. The requirements of Tenant will be attended to only upon appropriate application to the office of the Building by an authorized individual. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any office of the Building without specific instructions from Landlord.

27. Tenant and Tenant's employees shall not park vehicles in any parking areas designated by Landlord as reserved parking areas or as visitor parking areas. Tenant shall not park any vehicles in the Building parking areas other than automobiles, motorcycles, motor-driven or nonmotor-driven bicycles or four-wheeled trucks.
28. Tenant and Tenant's delivery personnel shall utilize loading zones and delivery entrances for all deliveries. Any damage to the Building or Premises resulting from Tenant's deliveries shall be repaired at the sole cost and expense of the Tenant.
29. Tenant and Tenant's delivery personnel shall not use in any space or in the common areas of the Building any hand truck except those equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring vehicles of any other kind into the Building.
30. All moving of furniture or other equipment shall be done so as to have minimal impact on other tenants' and visitors' use of elevators, common areas, and parking facilities.
31. The Building is a nonsmoking building.
32. These Rules and Regulations are in addition to and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Building.
33. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein with thirty (30) days' prior written notice to Tenant. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional reasonable Rules and Regulations which are adopted.
34. Tenant shall be responsible for the observance of all of the foregoing Rules and Regulations by Tenant's employees, agents, clients, customers, invitees and guests.

Initials:

Handwritten initials "CB" and a signature above them.