



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**April 23, 2007**

**Ordinance 15730**

**Proposed No.** 2007-0254.1

**Sponsors** Constantine

1 AN ORDINANCE authorizing the King County executive  
2 to enter into a lease for the relocation of the work training  
3 program.

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6 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

7 SECTION 1. Findings:

8 A. In accordance with K.C.C. 4.04.040, the King County council may adopt an  
9 ordinance permitting the county to enter into contracts requiring the payment of funds  
10 from the appropriation of subsequent fiscal years.

11 B. A new lease is necessitated by the relocation of the work training program  
12 from the current location in Renton, which the county will then lease/purchase for the  
13 elections section. The metropolitan King County council authorized the lease/purchase  
14 option for the elections facility on March 12, 2007, via Ordinance 15702.

15 C. The term of the lease will be for ten years, commencing on June 1, 2007, and  
16 continuing to May 31, 2017.

17 D. The landlord will provide turnkey tenant improvements and capital  
18 improvements for the space.

19 SECTION 2. The King County executive is hereby authorized to enter into a  
20 lease, substantially in the form attached to this ordinance, for the relocation of the work  
21 training program.

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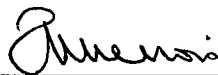
Ordinance 15730 was introduced on 4/16/2007 and passed by the Metropolitan King  
County Council on 4/23/2007, by the following vote:

Yes: 7 - Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr. von Reichbauer, Mr.  
Ferguson, Mr. Phillips and Mr. Constantine  
No: 0  
Excused: 2 - Mr. Dunn and Ms. Hague

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Larry Gossett, Chair

ATTEST:

  
\_\_\_\_\_

Anne Noris, Clerk of the Council

APPROVED this 26 day of April, 2007.

  
Ron Sims, County Executive

RECEIVED  
2007 APR 27 PM 12:45  
CLERK  
KING COUNTY COUNCIL

Attachments A. 500 Building--Office Building Lease

COPY  
ORIGINAL

500 BUILDING

OFFICE BUILDING LEASE

1. PARTIES. This Lease dated March 29, 2007 for reference purposes only, is made by and between RADOVICH PROPERTIES LLC (herein called "Landlord") and KING COUNTY, WASHINGTON (herein called "Tenant").

2. PREMISES Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord that certain office space (herein call "Premises") indicated in Exhibit "A" attached hereto and hereby reference thereto made a part hereof, said Premises being agreed, for the purpose of this Lease, to have an area of approximately 33,148 rentable square feet known as "The 500 Building" located at 500 SW 7<sup>th</sup> Street, Suite "A-100" & Suite "A-200", Renton, Washington 98055, and legally described in Exhibit "B". All measurements shall be calculated in accordance with the measurement method promulgated by the Building Owners and Managers Association (BOMA) American National Standard Z65-1-1996 as a guideline

Said Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of this Lease.

3. TERM. The term of this Lease shall be for Ten (10) Years, commencing upon the substantial completion of tenant improvements, subject only to minor punch list items, scheduled to be June 1, 2007 and the Council Approval Contingency contained in Article 7.

4. POSSESSION.

4.a. If the Landlord, for any reason whatever, cannot deliver possession of the said Premises to the Tenant at the commencement of the term hereof, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, nor shall the expiration date of the above term be in any way extended, but in that event, all rent shall be abated during the period between the commencement of said term and the time when Landlord delivers possession.

4.b. In the event that Landlord shall permit Tenant to occupy the Premises prior to the commencement date of the term, such occupancy shall be subject to all the provisions of this Lease.

5. RENT. Tenant agrees to pay to Landlord as rental, without prior notice or demand, for the sum of: See Article 36, on or before the first day of the first full calendar month of the term hereof and a like sum on or before the first day of each and every successive calendar month thereafter during the term hereof, except that the first months rent shall be paid upon the execution hereof. Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein, based upon a thirty (30) day month. Said rental shall be paid to Landlord, without deduction or offset in lawful money of the United States of America, which shall be legal tender at the time of payment at the John C. Radovich Development Company, 2835 82<sup>nd</sup> Avenue SE, Suite 300, Mercer Island, WA 98040 or to such other person or at such other place as Landlord may from time to time designate in writing.

6. DESIGN WORK DEPOSIT. Tenant shall deposit with Landlord the sum of Sixty-five Thousand dollars (\$ 65,000) as security for Landlord's expenditures for design, permitting and predevelopment of Tenant Improvements to the Premises pending approval of the Lease by the King County Council.. Should the King County Council fail to approve this Lease, as required by Section 7, Landlord may retain a portion of the deposit equal to expenditures actually paid by Landlord for tenant improvement design work, permitting and predevelopment. Retention of a portion of the Design Work Deposit shall be Landlord's exclusive remedy for termination of this Lease based on the failure of the King County Council to approve said Lease. In the event the King County Council fails to approve this Lease and satisfy the Council Approval Contingency as provided in Section 7, and Landlord elects to retain a portion of the Design Work Deposit equal to the amount of actual expenditure by Landlord for design work, permitting or pre-

development, Landlord shall present to Tenant within 30 days of the failure to satisfy the Council Approval Contingency an itemized statement of actual expenditures and the remaining balance of the Design Work Deposit. In the event the King County Council approves this Lease, Landlord shall, within thirty (30) days, fully refund the amount of the Design Work Deposit back to Tenant.

7. **COUNCIL APPROVAL CONTINGENCY.** Notwithstanding Tenant's execution and delivery of this Lease, and except for the Design Work Deposit provisions of Section 6, this Lease and each of Landlord's and Tenant's rights and obligations hereunder are subject to and contingent upon approval of this lease by the King County Council on or prior to April 27, 2007 (the "Council Approval Contingency"). Tenant agrees to use its best efforts to obtain such approval as soon as possible. In the event the Council Approval Contingency is not satisfied on or prior to April 27, 2007, and except as to the provisions of Section 6, this Lease shall be null and void and of no further force and effect and Tenant shall have no right to use or otherwise occupy the Premises. The Landlord's and Tenants rights and obligations under Section 6 shall continue and survive a failure to satisfy the Council Approval Contingency by April 27, 2007. In the event the Contingency is satisfied on or prior to April 27, 2007, this Lease shall be fully effective and enforceable in accordance with its terms, and this Contingency shall be of no further force and effect.

8. **OPERATING EXPENSE ADJUSTMENTS.** For the purposes of this Article, the following terms are defined as follows:

Base Year: Year 2007

Comparison Year: Each calendar year of the term after the Base Year.

Direct Expenses: All direct costs of operation and maintenance, as determined by standard accounting practices, and shall include the following costs by way of illustration, but not be limited to: real property taxes and assessments; water and sewer charges, insurance premiums; utilities, janitorial services; costs incurred in the management of the Building; air-conditioning and heating; elevator maintenance; supplies; including maintenance and upkeep of all parking and common areas. ("Direct Expenses" shall not include depreciation on the Building of which the Premises are a part or equipment therein, loan payments, executive salaries or real estate brokers' commissions.)

If the Direct Expenses paid or incurred by the Landlord for the Comparison Year on account of the operation and maintenance on the Building of which the premises are a part are in excess of the Direct Expenses paid or incurred for the Base Year, then the Tenant shall pay 51.5% of the increase. This percentage is that portion of the total rentable area (64,399 RSF) of the Building occupied by the Tenant hereunder. Landlord shall endeavor to give to Tenant on or before the first day of March of each year following the respective Comparison Year a statement setting forth the amount, if any, of Tenant's share of Direct Expenses and increase in rent payable, but failure by Landlord to give such statement by said date shall not constitute a waiver by Landlord of its right to require an increase in rent. Upon receipt of the statement for the first Comparison Year, Tenant shall pay in full the total amount of increase due for the first Comparison Year, and in addition for the then current year, the amount of any such increase shall be used as an estimate for said current year and this amount shall be divided into twelve (12) equal monthly installments and Tenant shall pay to Landlord, concurrently with the regular monthly rent payment next due following the receipt of such statement, an amount equal to one (1) monthly installment multiplied by the number of months from January in the calendar year in which said statement is submitted to the month of such payment, both months inclusive. Subsequent installments shall be payable concurrently with the regular monthly rent payments for the balance of that calendar year and shall continue until the next Comparison Year's statement is rendered. If the next or any succeeding Comparison Year results in a greater increase in Direct Expenses, then upon receipt of a statement from the Landlord, Tenant shall pay a lump sum equal to such total increase in Direct Expenses over the Base Year, less the total of the monthly installments of estimated increases paid in the previous calendar year for which comparison is then being made to the Base Year; and the estimated monthly installments to be paid for the next year, following said Comparison year, shall be adjusted to reflect such increase. If an any

Comparison Year the Tenant's share of Direct Expenses be less than the preceding year, then upon receipt of Landlord's statement, any overpayment made by Tenant on the monthly installment basis provided above shall be credited towards the next monthly rent falling due and the estimated monthly installments of Direct Expenses to be paid shall be adjusted to reflect such lower Direct Expenses for the most recent Comparison Year.

Even though the term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's share of Direct Expenses for the year in which this Lease terminates, Tenant shall immediately pay any increase due over the estimated expenses paid and conversely any overpayment made in the event said expenses decrease shall be immediately rebated by Landlord to Tenant.

Notwithstanding anything contained in this Article, the rental payable by Tenant shall in no event be less than the rent specified in Article 5 hereinabove.

9. USE. Tenant shall use the Premises for general office purposes and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Building or any of its contents, or cause cancellation of any insurance policy covering said Building or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure or annoy them or use or allow the Premises to be used for any unlawful purposes, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

10. COMPLIANCE WITH LAW. Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against violated by law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

11. ALTERATIONS AND ADDITIONS. Tenant shall not make or suffer to be made any alterations, additions or improvements to or of the premises or any part thereof without the written consent of Landlord first had and obtained and any alterations, additions or improvements to or of said Premises, including, but not limited to wall covering, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall on the expiration of the term become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense, and any contractor or person selected by Tenant to make the same must first be approved of in writing by the Landlord. Upon the expiration or sooner termination of the term hereof, Tenant shall, upon written demand by Landlord, given at least thirty (30) forthwith and with all due diligence remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence at its sole cost and expense, repair any damage to the Premise caused by such removal.

12. REPAIRS.

12.a. By taking possession of the Premises, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair, damage thereto from causes beyond the reasonable control of

Tenant and ordinary wear and tear excepted. Tenant shall upon the expiration or sooner termination of this Lease hereof surrender the Premises to the Landlord in good condition, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted. Except as specifically provided in an addendum, if any, to this Lease, Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof and the parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises or the Building except as specifically herein set forth.

12.b. Notwithstanding the provisions of Article 11.a. hereinabove, Landlord shall repair, replace and maintain the structural portions of the Premises and the Building including, without limitation, the basic plumbing and plumbing fixtures, air conditioning, heating, elevator and electrical systems, installed or furnished by Landlord, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by the Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs, except, and to the extent that, such costs are covered by insurance carried by Landlord as part of Direct Expenses. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for any unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as provided in Article 22 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

13. LIENS. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. Landlord may require, at Landlord's sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1 1/2) times any and all estimated cost of any improvements, additions, or alterations in the Premises, to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of the work.

14. ASSIGNMENT AND SUBLETTING. Tenant shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under this Lease. Landlord shall have the right, but not the obligation, to cancel the lease and release the premises to a third party in the event Tenant elects to sublease the space.

15. HOLD HARMLESS. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from the Tenant's use of the Premises for the conduct of its business or from any activity, work, or other thing done, permitted or suffered by the Tenant in or about the Building, and shall further indemnify and hold harmless Landlord against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, or guest of Tenant, and from all and against all cost, attorney's fees, expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon, and, if any case, action or proceeding be brought against Landlord by reason of any such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense. Tenant as a material part of the consideration to Landlord hereby assumes all risk to damage to property or injury to persons, in, upon or about the Premises, from any

cause other than Landlord's negligence. Landlord or its agents shall not be liable for any damage to property entrusted to employees of the Building, nor for loss or damage to any property by theft or otherwise, nor for any injury to or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the negligence of Landlord, its agents, servants or employees. Landlord or its agents shall not be liable for interference with the light or other incorporeal hereditaments, loss of business by Tenant, nor shall Landlord be liable for any latent defect in the Premises or in the Building. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment.

16. SUBROGATION. Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss to the Building, the Premises, Landlord's or Tenant's fixtures, personal property, leasehold improvements or business which may occur by reason of fire, acts of God or other casualty, regardless of the cause or origin, including the negligence of Landlord or Tenant and their agents, officers and employees. Each party shall obtain any special endorsements, if required by their insurer to evidence compliance with the aforementioned waiver.

17. INSURANCE. Tenant and Landlord each, shall, at their own expense, obtain and keep in force during the term of this Lease a policy of Commercial General Liability insurance with minimum limits of coverage of \$1,000,000/\$2,000,000 each occurrence and in the aggregate insuring each against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas of appurtenant thereto. The limit of said insurance shall not, however, limit the liability of the insured hereunder. Tenant may self-insure its obligations hereunder. Tenant and Landlord shall deliver to each other prior to occupancy of the Premises copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance or self-insurance. No policy shall be cancellable or subject to reduction of coverage except after ten (10) days' prior written notice to Landlord.

Landlord shall keep the Building insured against loss or damage by fire, with the usual extended coverage endorsements, in the amount of the full replacement value thereof above foundations and so as to prevent application of co-insurance provisions. Such insurance shall cover improvements in the Premises owned by Landlord to the extent that the same are customarily insurable as part of realty, but shall not cover Tenant's moveable trade fixtures, furniture, furnishings, decorative effects or equipment.

18. SERVICES AND UTILITIES. Provided that the Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during building hours of generally recognized business days and subject to the rules and regulations attached, and made a part of this Lease, for the Building of which the Premises are a part, electricity for normal lighting and fractional horsepower office machines, heat and air conditioning required in Landlord's judgment for the comfortable use and occupation of the Premises, and janitorial service. Landlord shall also continuously maintain and keep adequately lighted the common stairs, common entries and toilet rooms in the Building of which the Premises are a part. Landlord shall not be liable for, and Tenant shall not be entitled to, any reduction of rental by reason of Landlord's failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character, or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord. Landlord shall not be liable under any circumstances for a loss of or injury to property, however occurring, through or in connection with or incidental to failure to furnish any of the foregoing. Wherever heat generating machines or equipment are used in the Premises which affect the temperature otherwise maintained by the air conditioning system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, and the cost of operation and maintenance thereof shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant will not, without written consent of Landlord, use any apparatus or device in the Premises, including, but without limitation thereto, electronic data processing

machines, punch card machines, and machines using in excess of 120 volts, which will in any way increase the amount of electricity usually furnished or supplied for the use of the Premises as general office space; nor connect with electric current except through existing electrical outlets in the Premises, any apparatus or device, for the purpose of using electric current. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the premises as general office space, Tenant shall first procure the written consent of Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter or electrical current meter to be installed in the Premises, so as to measure the amount of water and electric current consumed for any such use. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by the Tenant and Tenant agrees to pay to Landlord promptly upon demand therefore by Landlord for all such excess water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or electrical engineer.

19. **PROPERTY TAXES.** Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or addressed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures and personal property located in the Premises; except that which has been paid for by Landlord, and is the standard of the Building. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures and personal property shall be assessed and taxed with the Building, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

20. **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate. Landlord reserves the right from time to time to make all reasonable modifications to said rules. The additions and modifications to those rules shall be binding upon Tenant upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules by any other tenants or occupants. Landlord agrees to enforce such rules and regulations in a nondiscriminatory and uniform manner.

21. **HOLDING OVER.** If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof, with the express written consent of Landlord, such occupancy shall be a tenancy from month to month at a rental of twice the amount of the last monthly rental, plus all other charges payable hereunder, and upon all the terms hereof applicable to a month tenancy.

22. **ENTRY BY LANDLORD.** Landlord reserves and shall at any all times have the right to enter the Premises, inspect the same, supply janitorial service and any other service to be provided by Landlord to Tenant hereunder, to submit said Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve or repair the Premises and any portion of the Building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises or the Building shall not be blocked thereby, and further providing that the business of the Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby, provided that the rights reserved to Landlord therein are exercised in a reasonable and prudent manner, taking due care to preserve Tenant's property from damage and to minimize interference with Tenant's business and use of the Premises. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem property to open said doors in an emergency, in order



to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by Landlord by any of said means, or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

23. RECONSTRUCTION. In the event the Premises or the Building of which the Premises are a part are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance, then Landlord shall forthwith and in no event longer than thirty days or within thirty days of issuance of Building Permit if permit is required, repair the same, provided the extent of the destruction be less than ten (10%) percent of the then full replacement cost of the Premises or the Building of which the Premises are a part. In the event the destruction of the Premises or the Building is to an extent greater than ten (10%) percent of the full replacement cost and is not covered by insurance, or to the extent the damage is fifty (50%) percent or greater of the Building or Tenant's Premises and is covered by fire or other casualty insurance, then Landlord and Tenant shall each have the option; (1) to repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately reduced as hereinabove in this Article provided; or (2) give notice to the other party at any time within thirty (30) days after such damage terminating this Lease as of the date specified in such notice, which date shall be not less than thirty (30) and no more than sixty (60) days after the giving of such notice. In the event of giving such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate on the date so specified in such notice and the rent, reduced by an appropriate amount, based upon the extent, if any, to which such damage materially interfered with the business carried on by the Tenant in the Premises, shall be paid up to date of such termination.

Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any panels, decoration, office fixtures railings, floor coverings, partitions, or any other property installed in the Premises by Tenant except for any such decoration, etc., installed by Landlord, or Tenant as part of the initial build-out.

The Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises, Tenant's personal property or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

24. DEFAULT. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.

24.a. The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof by Landlord to Tenant.

24.b. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than described in Article 23.b. above, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

24.c. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition failed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days.

25. REMEDIES IN DEFAULT. In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

25.a. Terminate Tenant's right to possession of the Premises 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 all damages incurred by Landlord by reason of Tenant's default including but not limited to, the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorney's fees, any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided; that portion of the leasing commission paid by Landlord and applicable to the unexpired term of this Lease. Unpaid installments or rent or other sums shall bear interest from the date due at the rate of ten (10%) percent per annum. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of (a) taking possession of the Premises and recovering from Tenant the amount specified in this paragraph, or (b) proceeding under the provisions of the following Article 23.b.

25.b. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

25.c. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decision of the State in which the Premises are located.

26. EMINENT DOMAIN. If more than twenty-five (25%) per cent of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, at its option, to terminate this Lease, and Landlord shall be entitled to any and all income, rent, award, or any interest therein whatsoever which may be paid or made in connection with such public or quasi-public use or purpose, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease. If any part of the Building other than the Premises may be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease and shall be entitled to the entire award as above provided.

Notwithstanding Article 24, Tenant may, in a separate action, make any claim permitted under applicable law against the condemning authority as long as any award to Tenant shall in no way reduce the award to Landlord; and, if the Lease is not terminated pursuant to Article 24, the rent payable under this Lease during the unexpired portion of the term shall be reduced, effective as of the date of taking of the Premises pursuant to such condemnation, in proportion to the reduction of the area of the Premises which Tenant can reasonably use to conduct its business.

27. OFFSET STATEMENT. Tenant shall at any time and from time to time upon not less than ten days' prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified, is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any incurred defaults on the part of the Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

28. PARKING. Tenant shall have the right to use in common with other tenants or occupants of the Building the parking facilities of the Building, if any, subject to rules and regulations of Landlord for such parking facilities which may be established or altered by Landlord at any time or from time to time during the term hereof. The parking allocation per Tenant is five (5) stalls per 1,000 rentable square feet leased. All parking during the initial lease term shall be free of charge.

29. AUTHORITY OF PARTIES.

29.a. Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the by-laws of said corporation, and that this Lease is binding upon said corporation accordance with its terms.

29.b. Limited Partnerships. If the Landlord maintains the insurance required in Section 15 Insurance and herein is a limited partnership, it is understood and agreed that any claims by Tenant on Landlord shall be limited to the assets of the limited partnership, including the required insurance, and furthermore, Tenant expressly waives any and all rights to proceed against the individual partners or the officers, directors or shareholders of any corporate partner, except to the extent of their interest in said limited partnership.

30. GENERAL PROVISIONS.

(i) Plats and Riders. Clauses, plats and riders, if any, signed by the Landlord and the Tenant and endorsed on or affixed to this Lease are a part hereof.

(ii) Waiver. The waiver by Landlord of any term, covenant or condition shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of the acceptance of such rent.

(iii) Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands by the Landlord to the Tenant shall be sent by United States Mail, postage prepaid, addressed to the Tenant at the Premises, or to such other place as Tenant may from time to time designate in a notice to the Landlord. All notices and demands by the Tenant to the Landlord shall be sent by United States Mail, postage prepaid, addressed to the Landlord at the John C. Radovich Development Company, 2835 82<sup>nd</sup> Avenue SE, Suite 300, Mercer Island, WA, 98040, or to such other person or place as the Landlord may from time to time designate in a notice to the Tenant.

(iv) Joint Obligations. If there be more than one Tenant the obligations hereunder imposed upon Tenants shall be joint and several.

(v) Marginal Headings. The marginal headings and Article titles to the Articles of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(vi) Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

(vii) Successors and Assigns. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

(viii) Recordation. Neither Landlord nor Tenant shall record this Lease or a short form memorandum hereof without the prior written consent of the other party.

(ix) Quiet Possession. Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Lease.

(x) Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or of a sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after said amount is due, then Tenant shall pay to Landlord a late charge equal to ten (10) per cent of such overdue amount. The parties hereby agree that such late charges

represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges by the Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

(xi) Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

(xii) Inability to Perform. This Lease and the obligations of the Landlord and Tenant hereunder shall not be affected or impaired because the Landlord or Tenant is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, acts of God, or any other cause beyond the reasonable control of the Landlord or Tenant.

(xiii) Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Lease the prevailing party shall be entitled to recover all costs and expenses including the fees of its attorneys in such action or proceeding in such amount as the court may adjudge reasonable at attorneys' fees.

(xiv) Sale of Premises by Landlord. In the event of any sale of the Building, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this Lease.

(xv) Subordination, Attornment. Upon request of the Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any first mortgage, or first deed of trust to any bank, insurance company or other lending institution, now or hereafter in force against the land and Building of which the Premises are a part, and upon any buildings hereafter placed upon the land of which the Premises are a part, and to all advances made or hereafter to be made upon the security thereof.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

The provisions of the Article to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term hereof.

(xvi) Name. Tenant shall not use the name of the Building or of the development in which the Building is situated for any purpose other than as an address of the business to be conducted by the Tenant in the Premises.

(xvii) Separability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

(xviii) Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

(xix) Choice of Law. This Lease shall be governed by the laws of the State in which the Premises are located.

(xx) Signs and Auctions. Tenant shall have the outside door entrance of building marked with Tenant's name to identify visitors of Tenant's business. Tenant will also have general lobby and suite signage.

31. BROKERS. Landlord and Tenant each warrant and represent to the other that it has had no dealings with any real estate broker or agents in connection with the negotiation of this Lease except GVA KIDDER MATHEWS and it knows of no other real estate broker or agent who is entitled to a commission with this Lease.

32. AMERICANS WITH DISABILITIES ACT COMPLIANCE. Landlord shall be responsible for any or all changes to the Common Areas of the Building required by the Americans with Disabilities Act (ADA) at the beginning of this lease. Tenant shall be responsible for all alterations or improvements, in their Premises, to be in compliance with the ADA.

33. LANDLORD IMPROVEMENTS. Landlord will construct and provide, at Landlord's sole cost and expense, specifications as outlined in the document dated, December 7, 2006 and attached as Exhibit "C".

34. TENANT IMPROVEMENT ALLOWANCE. Landlord will provide a Tenant Improvement Allowance in the amount of \$35.00 per rentable square foot or \$1,160,180.00. In the event the tenant improvement costs are less than \$35.00 per rentable square, including Washington State Sales Tax, Tenant shall receive credit in the form of additional free rent. Tenant may also choose to use said credit toward the installation of Tenant's name on the existing pylon sign referred to in Article 41 of this Lease. In the event the tenant improvement costs are more than \$35.00 per rentable square foot, including Washington State Sales Tax, Tenant may amortize the additional costs over the initial term of the lease, at 9% interest, with no pre-payment penalty.

35. CONSTRUCTION MANAGEMENT. Landlord agrees to offer its construction management services at no cost to the Tenant and contract directly with General Contractor for all tenant improvements. After tenant improvement specifications have been established and approved by Tenant, Landlord will construct the tenant improvements. Any Change Orders to the original construction contract will be approved by both Tenant and Landlord.

36. ANNUAL BASE RENT SCHEDULE. The following annual base rent schedule will apply:

Months 1-4:	\$0.00 per rentable square foot, free rent period
Months 5-36:	\$18.00 per rentable square foot or \$49,722.00 per month
Months 37-60:	\$19.50 per rentable square foot or \$53,866.00 per month
Months 61-96:	\$21.00 per rentable square foot or \$58,009.00 per month
Months 97-120:	\$22.50 per rentable square foot or \$62,153.00 per month

37. OPTION TO RENEW. Tenant shall have the right to renew the Lease for one (1) additional eight (8) year period. This renewal option shall be fully executed no later than one hundred eighty (180) days prior to the expiration of the initial lease term and shall be based upon the then fair market rent at The 500 Building.

38. AFTER HOURS HVAC. Landlord will provide, at Landlord's sole cost and expense, HVAC for the Premises, Monday through Friday, 7:00 A.M. to 7:00 P.M. The cost to Tenant, for after hours HVAC, will be \$40.00 per hour.

39. JANITORIAL SERVICE. Landlord shall clean the Premises on a five-day per week basis, in a manner consistent with comparable office buildings in the City of Renton.

40. ACCESS TO PREMISES. Tenant shall have access to the Premises seven (7) days per week, twenty-four (24) hours per day, and fifty-two (52) weeks per year.

41. SECURITY. The 500 Building has security cameras strategically placed throughout the building which are on tape twenty-four (24) hours per day.

42. SIGNAGE. Landlord will permit Tenant, at Tenant's sole cost and expense, the opportunity to be on the existing pylon sign located on SW 7<sup>th</sup> Street. Tenant's pylon signage will be granted only after obtaining Landlord's prior written approval. Landlord will provide, at Landlord's sole cost and expense, lobby and suite signage.

The parties hereto have executed this Lease at the place and on the dates specified immediately adjacent to their respective signatures.

If this Lease has been filled in, it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Lease or the transactions relating thereto.

RADOVICH PROPERTIES LLC

By \_\_\_\_\_  
John C. Radovich  
"Landlord"

Address: 2835 82<sup>nd</sup> Avenue SE, Suite 300  
Mercer Island, WA 98040

KING COUNTY, WASHINGTON

By \_\_\_\_\_

By \_\_\_\_\_

*Approved as to form:*

By *[Signature]* KCPAD \_\_\_\_\_

"Tenant"

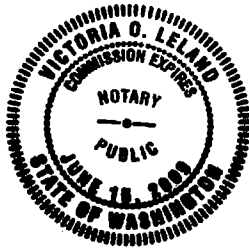


STATE OF WASHINGTON )  
 ) ss,  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Kathy D. Brown is the person who appeared before me, and said person acknowledged that said person signed this instrument on oath stated that said person was authorized to execute the instrument and acknowledged it as the Director of Facilities Mgmt. Division, a corporation, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

Dated this 12<sup>th</sup> day of April, 2007

Victoria O. Leland  
(Signature of Notary)



VICTORIA O. LELAND  
(Legibly Print or stamp Name of Notary)  
Notary public in and for the state of Washington,  
Residing at Seattle, WA  
My appointment expires 6/15/09

STATE OF WASHINGTON )  
 ) ss,  
COUNTY OF KING )

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_  
(Legibly Print or stamp Name of Notary)  
Notary public in and for the state of Washington,  
Residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_



## RULES AND REGULATIONS

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

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

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.

3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises without prior written consent of the Landlord which consent shall not be unreasonably withheld.

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

5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.

6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe. All deliveries to tenants, other than hand-held, are required to access the Building through the rear entrance. Under no circumstances shall hand carts use the front entrance.

7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.

8. The Premises shall not be used for washing clothes, for lodging, or for any improper, objectionable or immoral purposes. Only microwave ovens shall be used for cooking purposes.

9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method heating or air conditioning other than that supplied by Landlord.

10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 7:00 p.m. and 7:00 a.m., access to the Building, or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.

12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.

13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.

14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.

15. Tenant shall not disturb, solicit, or canvass any occupant of the Building.

16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business or Tenant except as Tenant's address.

17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it reasonably deems best for the benefit of the tenants generally.

18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises. After hours access is available to the Tenant by use of a Controlled Access Entry Device System located at the rear building entrance. Access cards will be issued to Tenant and its employees for Tenant's use. If at any time during the lease term an access card should be lost or stolen, Tenant must notify Landlord in writing within 24 hours so that the special access code for the lost card can be removed from the system. Failure to report a lost card will result in a \$50.00 fine.

19. No smoking is allowed in the Building or within twenty-five feet of the Building entrances.

20. Landlord agrees to furnish to the Premises during generally recognized business days, during the hours of 7:00 a.m. - 7:00 p.m. Monday through Friday, subject to the Rules and Regulations of the Building, electricity for normal desk top office equipment and normal copying equipment, elevator service, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Tenant will be billed for override hours at an average cost of \$40.00 per hour. Tenant agrees to pay Landlord's charges therefore on demand.

21. Each Tenant is allowed up to five (5) parking stalls per 1000 square feet of rentable office space leased. Any continued or flagrant violations of this rule may result in an additional rent charge or removal of automobile(s) by Landlord at Tenant's sole cost and liability.

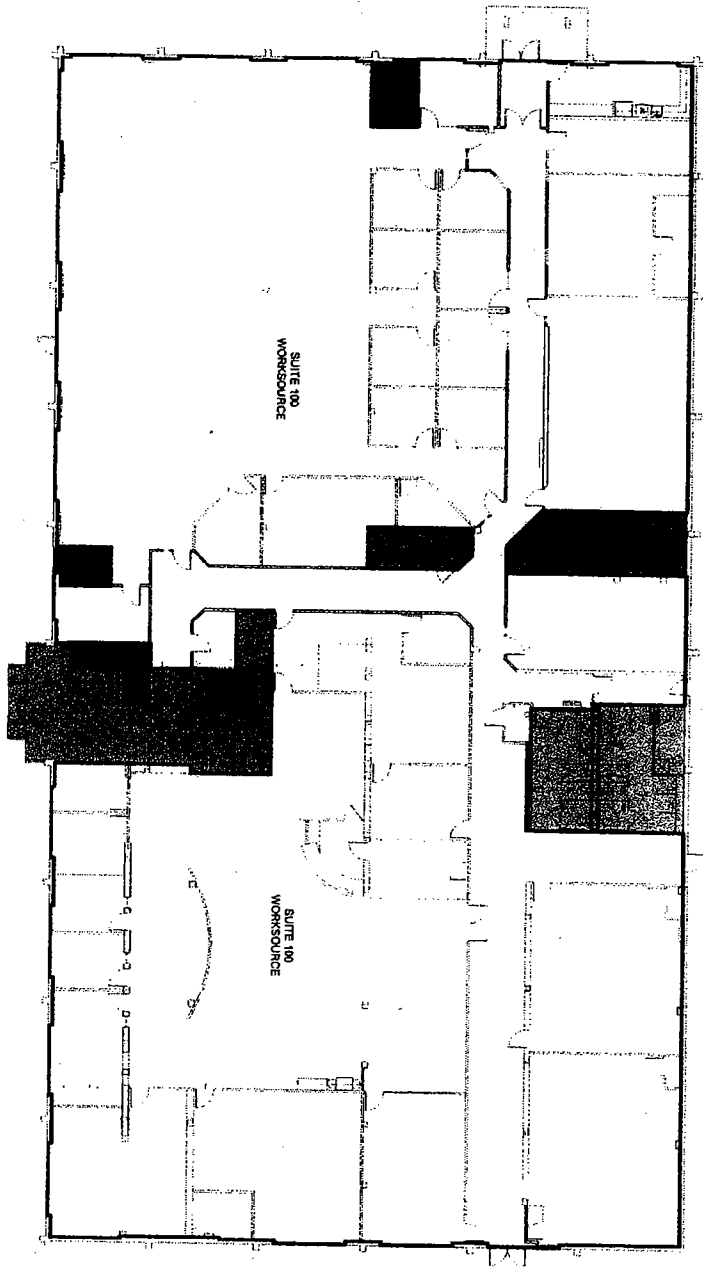
22. The exit doors are monitored by a security company for door-held-open alarms between the hours of 7:00 PM and 7:00 am weekdays and 24 hours on weekends and holidays. If any external entry door is held open for more than three (3) minutes, a security patrol will be dispatched to the site. Any tenant who breaches the security system will be charged \$25.00 for each offense.

23. Upon termination of tenancy, Tenant may, at Landlord's sole discretion, be fully responsible for demolition of any abandoned voice data cabling or electrical wiring/cabling to the electrical distribution panel.

EXHIBIT "A"  
(1 of 2)

FLOOR PLAN - PARTIAL FIRST FLOOR

Level #	Tenant	Useable Area	BOMA Rentable Area	10% Managed Rentable Area
100	WorkSource	19186.64	20282.82	21108.30
		19186.64	20282.82	21108.30



LEGEND:

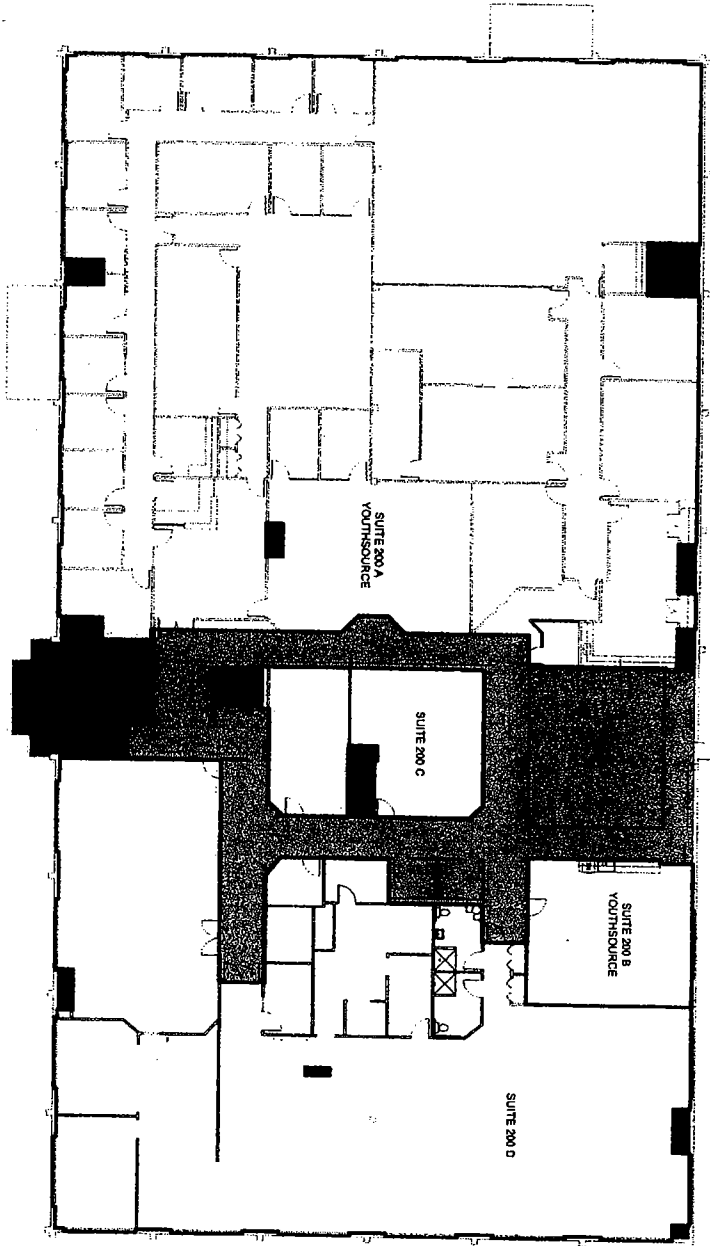
- FLOOR VERTICAL PENETRATION
- FLOOR COMMON AREA
- BUILDING COMMON AREA

MARCH 21, 2007



<b>01</b>	<b>BURGESS DESIGN</b> 1001 5TH AVENUE, SUITE 100 SEATTLE, WASHINGTON 98101 TEL: 206.467.7200 FAX: 206.467.7202	<b>500 Building</b> <hr/> 500 SW 7th Street, Renton WA	
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EXHIBIT "A"  
(2 of 2)



Level	Suite #	Tenant	Useable Area	BOMA Rentable Area	10% Managed Rentable Area
Level 2	200A	YouthSource	17811.07	21143.68	16792.18
	200B	YouthSource	10288.02	12120.57	11294.82
	200C	YouthSource	878.88	1002.20	747.85
	200D	YouthSource	852.82	1009.80	638.21
			6110.52	7213.01	6721.80

FLOOR PLAN - PARTIAL SECOND FLOOR

MARCH 19, 2007



**LEGEND:**

- MAJOR VERTICAL PENETRATION
- FLOOR COMMON AREA
- BUILDING COMMON AREA

02	BURGESS DESIGN 1000 PLYMOUTH AVENUE, SUITE 100 SEATTLE, WASHINGTON 98104 206.467.7200 fax 206.467.7400 phone	500 Building		<table border="1"> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </table>																
500 SW 7th Street, Renton WA																				

EXHIBIT "B"

500 Building  
500 SW 7<sup>th</sup> Street  
Renton, WA 98055

Legal Description

Parcel G: That portion of the Southeast Quarter of the Southwest Quarter, being a portion of Government Lots 13 and 14 in Section 18, Township 23 North, Range 5 East, W.M., and of Tracts 8 and 9, 2<sup>nd</sup> Supplemental Map of Renton Shorelands, as shown on the official maps thereof on file in the office of the commissioner of public lands at Olympia, Washington in King County, Washington, described as follows;

Commencing at the Southwest Corner of said Section 18; thence South 89°10'25" East 1,092.32 feet; thence North 01°40'53" East 40.00 feet to the TRUE POINT OF BEGINNING; thence North 01°40'53" East 347.49 feet; thence Southeasterly 472.81 feet on a curve to the right having a radius of 301.00 feet, the center of said curve being on the last described line; thence South 01°40'53" West 42.00 feet; thence North 89°10'25" West 301.03 feet to the TRUE POINT OF BEGINNING.

Parcel H: That portion of the Southeast Quarter of the Southwest Quarter, being a portion of Government Lots 13 and 14 in Section 18, Township 23 North, Range 5 East, W.M., and of Tracts 8 and 9, 2<sup>nd</sup> Supplemental Map of Renton Shorelands, as shown on the official maps thereof on file in the office of the commissioner of public lands at Olympia, Washington in King County, Washington, described as follows:

Commencing at the South quarter corner of said Section 18; thence Westerly along the south line of said Section 18, a distance of 970.00 feet; thence North 01°40'53" East 108.24 feet to the intersection of a curve whose radial point bears South 87°03'33" West 331.00 feet, said point being the TRUE POINT OF BEGINNING; thence along said curve to the left a distance of 347 feet, more or less, to the intersection with the southerly line of the Pacific Coast Railroad Company right-of-way; thence Easterly along said right-of-way line from the West line of said Government Lot 14; thence South 01°40'53" West parallel with the West line of Government Lot 14, a distance of 130.9 feet to the southerly line of said Tract 9 of 2<sup>nd</sup> Supplemental Map of Renton Shorelands; thence North 66' East along said Southerly line 49.59 feet to a point which bears North 01°40'53" East 167.47 from the TRUE POINT OF BEGINNING; thence South 01°40'53" West 167.47 feet to the TRUE POINT OF BEGINNING.

Parcel I: A parcel of land 80 feet wide, being 40 feet on either side of the East line of the Southwest of the Southwest Quarter of the Southwest Quarter of Section 18, Township 23 North, Range 5 East, W.M., in King County, Washington, between the north line of SW Seventh Street and a line drawn 50 feet Southerly of and parallel to the center line of Grantor's (Pacific Coast Railroad Company) railway tract as originally surveyed and constructed.

Parcel M: That portion of the Southeast Quarter of the Southwest Quarter, being a portion of Government Lots 13 and 14 in Section 18, Township 23 North, Range 5 East, W.M., and of Tracts 8 and 9, 2<sup>nd</sup> Supplemental Map of Renton Shorelands, as shown on the official maps thereof on file in the office of the commissioner of public lands at Olympia, Washington in King County, Washington, described as follows:

Commencing at the South quarter corner of said Section 18, thence North 89°11'12" West along the South line of said Section 18, a distance of 970.00 feet; thence North 10°40'53" East 40.00 feet to the North margin of Southwest Seventh Street and the TRUE POINT OF BEGINNING; then North 89°11'12" West along the North margin 28.30 feet; thence North 01°40'53" East 42.00 feet to the beginning of a curve to the left, the radius point of which bears North 88°19'55" West a distance of 301.00 feet; thence Northwesterly along the arc of said curve through a central angle of 89°59'09" for an arc length of 472.73 feet to the southerly margin of Pacific Coast Railroad Company right-of-way and the beginning of a curve to the left, the radius point of which bears North 05°25'43" East a distance of 1835.00 feet; thence Easterly along said Southerly margin and along the arc of said curve through a central angle 4°32'00" for an arc length of 145.19 feet to the beginning of a curve to the right, the radius point of which bears South 27°48'15" West, a distance of 331.00 feet; thence southeasterly along the arc of said curve through a central angle of 59°15'18" for an arc length of 342.32 feet; thence South 01°40'53" West 68.24 feet to the TRUE POINT OF BEGINNING; EXCEPT any portion thereof lying South of Southwest Seventh Street.

EXHIBIT "C"

**500 BUILDING  
RENTON, WA**

December 7, 2006

**LANDLORD DEFINED WARM SHELL CONDITION**

**Structural Work:**

- Landlord will provide removal of existing bearing walls and structural revisions as required for Tenant Improvement wall layout. If existing bearing walls will be concealed in new Tenant Improvement plan, Landlord will leave these walls in place
- Landlord will provide all required structural modifications to accommodate new ADA restrooms at 1<sup>st</sup> floor

**Floors:**

- Existing concrete slab on grade floor at 1<sup>st</sup> floor
- 2<sup>nd</sup> floor structures are composite wood/metal joist with plywood decking and concrete or Gypcrete topping

**Perimeter Walls:**

- Exposed aggregate and smooth finish concrete
- Interior of perimeter walls are furred and insulated with GWB installed to assumed ceiling height
- Perimeter walls shall be fully insulated to provide the building envelope enclosure required by the current Washington Energy Code.

**Ceilings at Tenant Space:**

- Excluded

**Glass and Glazing:**

- Perimeter windows are dark bronze anodized frames with tinted glass

**Interior Columns:**

- Interior columns are unfinished

**Telephone Closet:**

- First floor telephone closet has ample space for tenant equipment and phone boards

**Restrooms and Corridors:**

- Landlord will provide ADA accessible restrooms and corridors at 1<sup>st</sup> and 2<sup>nd</sup> floor per LPN Architecture and Planning plans; fixtures and finishes are yet to be determined

**Stairwells and exit corridors:**

- Finished 1st floor entry and elevator lobby

**Elevator:**

- Existing elevator will be utilized with existing finishes to remain

**Fire Sprinklers:**

- Existing main, lateral and branch lines with installed upright sprinkler protection at exposed ceilings and pendant sprinkler head protection at installed ceilings

**Plumbing:**

- Existing cold water supply lines to tenant space are accessible for future use
- Underslab waste line is existing and can be utilized for connection to support future tenant build outs

**HVAC:**

- Landlord will provide functional HVAC system for typical Office build out to include existing roof top units, air handling units and ductwork drops into Tenant Space. Distribution, fans, etc. downstream of duct drops are excluded
- Access to exhaust shaft through roof is excluded

**Electrical:**

- Basic "house" electrical is provided ready for Tenant Area improvements
- Existing services will be utilized to provide electrical service for HVAC loads, lighting, and tenant plug loads. Tenant plug loads assumed to be standard Office loads of 3.5-4 watts per SF
- Tenant provided transformers, panel boards and other electrical equipment may be located in "house" electrical to the extent of room available.
- Emergency Power is excluded
- Pathway lighting, exit signs, fire alarm and other building life safety systems shall be provided with individual integral battery backup.
- The building is provided with a single utility meter
- Tenant improvement scope shall include manual and automatic controls per applicable energy code requirements.
- Shell and core lighting includes entry lobby, restrooms, exit stairwells and corridors lighting via recessed compact fluorescent down lights, 2x4 fluorescent troffers, wall sconces and fluorescent strip fixtures.. Exit signs and exit pathway lighting in house areas with battery back ups.
- Excludes lighting within tenant areas.

**Fire Alarm System:**

- Utilize existing building Fire Alarm system

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**ADA Accessibility:**

- Landlord shall provide code-approved ramps at all required entrances and exits for the building

**Window Blinds**

- Landlord shall provide new blinds for any perimeter window of the Tenant space currently without covering

**SPECIFIC EXCLUSIONS:**

- Tenant or Directional Signage
- Tenant Data Cabling
- Intercom System
- Monitoring services
- Acoustical ceilings within tenant areas
- Tenant improvements
- Structural support for tenant specific loads
- Tenant dedicated 24 and 7 HVAC loads

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