ATTACHMENT A:

LEASE AGREEMENT

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THIS LEASE AGREEMENT ("Lease"), is made and entered into between Southcenter Corporate Square, LLC, a Delaware Limited Liability Company ("Landlord"), and KING COUNTY, a political subdivision of the State of Washington ("Tenant").

1. Basic Lease Information.

- 1.1 Lease Date: , 2017 (for reference purposes only)
- 1.2 Landlord: Southcenter Corporate Square, LLC
- 1.3 Tenant: King County, a political subdivision of the State of Washington
- 1.4 Center: Located at: 645 Andover Park W, Tukwila, WA, on that certain real property that is legally described on the attached <u>Exhibit A</u> ("Real Property"). The Building is a part of the following "Center": Southcenter Corporate Square.
- 1.5 Premises: The area depicted on the attached <u>Exhibit B</u>, containing approximately 20,926 rentable square feet, also known as Building 6 ("The Building")

Tenant's Pro Rata Share: 100% of the Building; 9.43% of the Center

Base Year: 2018

- 1.6 Permitted Use: General Office and/or any other legally permissible use
- 1.7 Initial Term: 89 months
- 1.8 Extended Term(s): One (1) option to extend for a period of five (5) years
- 1.9 Lease Commencement Date: See Section 3.1
- 1.10 Rent Commencement Date: See Section 5
- 1.11 Expiration Date: The Lease shall expire on the last day of the month that is eighty-nine (89) months following the Lease Commencement Date.
- 1.12 Base Rent:

Months		Monthly Base Rent	Annual Base Rent	Annual Rate/RSF
Months	1-5	\$0.00	\$0.00	\$0.00
Months	6-12	\$38,364.33	\$268,550.33	\$22.00
Months	13-24	\$39,236.25	\$470,835.00	\$22.50
Months	25-36	\$40,108.17	\$481,298.00	\$23.00
Months	38-48	\$40,980.08	\$491,761.00	\$23.50
Months	49-60	\$41,852.00	\$502,224.00	\$24.00
Months	61-72	\$42,723.92	\$512,687.00	\$24.50
Months	73-84	\$43,595.83	\$523,150.00	\$25,00
Months	85-89	\$44,467.75	\$222,338.75	\$25.50

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1.13 Security Deposit: [None]

1.14 Landlord's Address for Billing, Notices and

Payment of Rent:

Southcenter Corporate Square, LLC

c/o Pinnacle Commercial

635 Andover Park West, Suite 107

Tukwila, WA 98188

Attention: Tamara K. Maloney, CPM

With a copy of Notices to:

Pacific Realty Advisors LLC

411 University Street, Suite 1200

Seattle, WA 98101 Attention: Jack Rader

Or such other place as Landlord may from time to time designate by notice to Tenant

1.15 Tenant's Address for Notices:
King County Real Estate Services
Attn: Lease Administration
500 Fourth Avenue, Suite 830
Seattle, WA 98104

Or such other place as Tenant may from time to time designate by notice to Landlord.

2. Premises; Tenant Improvements.

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

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

Landlord also grants Tenant a nonexclusive license to use those portions of the Center made available from time to time by Landlord for the common use and enjoyment of Tenant and entities who, under agreements with Tenant, use the building to provide services ("service providers"), Landlord, and other tenants of the Center and their guests and invitees (the "Common Areas"). Tenant acknowledges, however, that its license to use the conference room, fitness center, and other amenities in the Common Areas and the atrium between Buildings 5, 6, 7, and 8 of the Center is limited to Tenant's employees and employees of service providers, and not to Tenant's customers, clients, guests or invitees. Landlord shall have the right to do and perform all such acts in and to the Common Areas as Landlord shall determine in its reasonable discretion, including without limitation reconfiguring and temporarily closing the same from time to time, so long as Landlord does not adversely affect Tenant's use and enjoyment of the Premises.

Landlord shall make a reasonable effort to obtain an Energy Star certification for the Building within twenty-four (24) months after mutual execution of the Lease. With Tenant's prior written approval, Landlord may include costs associated with obtaining the Energy Star certification in the Operating Costs, as defined in Section 8.2 of this Lease.

2.2 <u>Tenant Improvements</u>. Landlord shall perform the Tenant Improvements described in Exhibit C attached hereto. Tenant Improvements shall be paid for as set forth in Exhibit C.

3. Term.

- 3.1 Commencement Date. This Lease shall commence on the date ("Lease Commencement Date" or "Commencement Date") on which all of the following have occurred: 1) approval of this Lease by the King County Council, 2) mutual execution by the parties of this Lease; and 3) the Tenant Improvements are Substantially Complete, as defined in Section 6(c) of the Work Letter attached to this Lease as Exhibit C. Within thirty (30) days after the Commencement Date is established, Tenant shall confirm and reiterate said Commencement Date to Landlord in writing, but Tenant's failure to do so will not alter the Commencement Date. If the Landlord has executed the Lease but Tenant has not executed the Lease by August 31, 2017, then Landlord has the option of withdrawing its offer to enter into the Lease by written notice of such to Tenant at the address in Section 1.15, which notice must be received by Tenant prior to Tenant's execution of the Lease.
- 3.2 Expiration Date. This Lease shall expire on the date set forth in Section 1.11 above ("Expiration Date").
- 3.3 Early Access. After approval of this Lease by the King County Council and mutual execution of the Lease by the parties, Landlord shall allow Tenant to be present on the Premises during the period between mutual lease execution and the Lease Commencement Date for the purpose of planning, measuring and installing Tenant's personal property, furniture, fixtures and equipment such as telephone systems and computer cabling ("Early Possession"). Any Early Possession by Tenant will be subject

to all of the terms and conditions of this Lease applicable to Tenant other than the obligations to pay Base Rent and Additional Rent, including specifically without limitation all provisions relating to insurance, indemnity, and freedom from liens. Tenant shall reasonably coordinate its activities in the Premises during Early Possession with Landlord and Landlord's contractor so that Tenant's activities will not interfere with or delay Landlord's Work. Notwithstanding anything to the contrary, if Tenant, or any person acting with Tenant's permission, commences business operations from the Premises during the period of Early Possession, then the Commencement Date shall be deemed advanced to the date on which Tenant or such person commenced business operations from the Premises. Tenant shall not be deemed to have commenced business operations by moving personal property, furniture, fixtures and equipment into the Premises.

3.4 Extension Option. Tenant is hereby granted the option to extend the initial Term for one (1) successive period of sixty (60) months ("Extended Term"). This option to extend may be exercised by Tenant only by giving Landlord written notice no later than six (6) months prior to the expiration of the initial Term. Tenant's extension option shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of this Lease shall continue in full force and effect as written, except that Base Rent for the Extended Term shall be the then-prevailing Fair Market Rent (defined below) and free rent and Tenant Improvement allowance shall be consistent with fair market value for comparable and competing new leases in buildings in the submarket. The term "Fair Market Rent" for the purposes of this Lease shall mean the annual amount per rentable square foot that a willing, comparable, new, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building in the greater Renton and Tukwila submarket would accept under the transaction as further defined above, for new leases of similar space in the same geographic area as the Premises, considering, size, use type, and creditworthiness of tenant on or about the date on which the Fair Market Rent is being determined hereunder.

Within thirty (30) days of Tenant notifying Landlord that it intends to exercise an extension option under this Section 3.4, Landlord will advise Tenant in writing of its proposed Fair Market Rent. If Landlord and Tenant are unable to agree on a mutually acceptable Fair Market Rent not later than ninety (90) days prior to the expiration of the Term, then Landlord and Tenant, within five (5) days after such date, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Fair Market Rent for the Premises (collectively referred to as the "Estimates"). If the higher of such Estimates is not more than one hundred five percent (105%) of the lower of such Estimates, then the Fair Market Rent shall be the average of the two Estimates. If the Fair Market Rent is not established by the exchange of Estimates, then, within ten (10) days after the exchange of Estimates, Landlord and Tenant shall each select a licensed commercial real estate appraiser to determine which of the two Estimates most closely reflects the Fair Market Rent for the Premises. Each appraiser shall have had at least seven (7) years' experience within the previous ten (10) years of his/her work experience as a commercial real estate appraiser working in Seattle, Washington with working knowledge of current rental rates and practices. For the purposes of this Section 3.4, either party may select a licensed

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

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

- 4. **Permitted Use.** The Premises may be used by Tenant for the uses set forth in Section 1.6 above. Landlord represents and warrants to Tenant that the Premises may lawfully be used for the uses set forth in Section 1.6 above.
- 5. Rent. Tenant shall not pay Base Rent for the first five (5) months of the Lease Term. The Rent Commencement Date shall be the date that is five (5) months following the Lease Commencement Date. Tenant covenants and agrees to pay Landlord, at Landlord's Notice Address set forth in Section 1.14 above, without deduction or offset except as otherwise set forth in this Lease, monthly rent in the amounts set forth in Section 1.12, payable in advance, without prior notice or demand, on or before the first day of each month of the Term beginning on the Rent Commencement Date (the "Base Rent"). Base Rent for any fractional calendar month at the beginning or end of the Term shall be prorated. In addition to the Base Rent, in the same manner and at the same time as the payment of Base Rent, Tenant shall pay its Pro Rata Share of Operating Costs as further described below in Section 8 ("Additional Rent"). Base Rent and Additional Rent are collectively referred to as the "Rent."
- 6. Security Deposit, None.
- 7. **Utilities and Services.** Landlord shall at all times furnish the Premises with: (i) water at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning as appropriate, at such temperatures and in such

amounts as are required by governmental authority or as are reasonably appropriate for the Building; (iii) janitorial service, compost, recycling and trash removal on weekdays, other than national holidays, and such carpet cleaning and window washing as may from time to time be reasonably required; (iv) elevators for ingress and egress to the floors on which the Premises are located; (v) replacement of Building-standard light bulbs and fluorescent tubes in the Premises; (vi) electrical in an amount reasonably sufficient for Tenant's use; (vii) sewer service; and (viii) ice and snow removal. Tenant shall furnish its own telephone, internet and cable service to the Premises. No interruption or failure of any utilities or services from any cause whatsoever shall be deemed an eviction of Tenant, provided that Landlord shall use commercially reasonable efforts to repair, replace or restore the same as quickly as possible. To the extent any interruption of services occurs due to Landlord's negligence, intentional misconduct or breach of Lease, after a period of five (5) consecutive days of interruption or after seven (7) non-consecutive days within any six-month period, Rent shall be abated for the period of interruption in the proportion of the square footage rendered unusable in addition to, and without limiting, Tenant's other rights and remedies available at law and/or under this Lease. Unless otherwise elected by Tenant, any utilities that are separately metered to the Premises shall be paid directly to the providing utility by Tenant, and upon such payment Tenant shall not be assessed any percentage of the cost of such utilities in Operating Costs (other than reasonable amounts applicable to any Common Areas).

Operating Costs.

Commencing as of the first calendar month following the Base Year, as defined in Section 1.5 above, and thereafter throughout the Term, Tenant shall pay to Landlord the Tenant's Pro Rata Share of increases in the Operating Costs above the amount of Operating Costs for the Base Year of 2018 ("Additional Rent"). There shall be a cap on the increases of the Controllable Operating Costs (defined below in Section 8.6) in the amount of four percent (4.0%) on a non-cumulative basis per year. For purposes of this Section 8, "non-cumulative basis" shall mean Landlord shall not have the ability to recapture unused increases in Controllable Operating Costs from prior years in which the cap was not entirely used. Actual increases to Controllable Operating Costs shall not exceed a four percent (4.0%) increase from the previous year beginning with the first year following the Base Year. Operating Costs for the Base Year shall be determined as if the Building and the Center had been fully occupied during the Base Year. The Operating Costs for the Base Year will be calculated and stated as an annual sum of dollars against which future actual Operating Costs for subsequent calendar years shall be compared for purposes of determining increases or decreases in the Operating Costs payable by Tenant. Landlord shall provide a detailed written statement of how Operating Costs were grossed up for each calendar year at the same time that Landlord provides its statement of actual Operating Costs for such calendar year. For the purpose of computing increases in Operating Costs, no item may be included in the Operating Costs in any year subsequent to the Base Year unless such item was included in Operating Costs in the Base Year, provided, however, at Landlord's election, that any such items not actually incurred in the Base Year may still be included in Operating Costs in any year subsequent to the Base Year when actually incurred if Operating Costs in the Base Year are increased by the amount such item would reasonably have cost if incurred in the Base Year, so long as such items are otherwise payable by Tenant under this Lease.

- 8.2 Costs Included in Operating Costs. The term "Operating Costs" shall include Controllable Operating Costs as defined in Section 8.6, costs of obtaining an Energy Star Certification for the Building with Tenant's prior written approval as described in Section 2.1, and the following operating costs actually and reasonably incurred by Landlord in the management and operation of the Premises and the Center, subject to the exclusion of those items listed in Section 8.3:
- (a) The cost of all reasonable and necessary repairs, maintenance and operation of the Premises, Center, Common Areas, parking areas, sidewalks and grounds associated with the Premises, including the cost of ordinary materials and supplies consumed in connection with any such maintenance, repair and operation that in accordance with generally accepted accounting principles would not be capitalized, except that Landlord shall first look to any existing warranties and/or guaranties or other responsible third parties to pay such costs;
- (b) The reasonable and customary management fee for Landlord or Landlord's managing agent for the Premises and Center (in accordance with the local marketplace for comparable buildings and centers) not to exceed four percent (4.0%) of gross rents, which shall be inclusive of any cost of materials and supplies used in connection with such management, Landlord's general overhead, a rental office for management, and salaries and benefits of Landlord's personnel, officers and executives;
- (c) Salary of Landlord's employees directly engaged in the operation and maintenance of the Premises based on the percentage of time each such employee devotes to the Premises and Center;
- (d) Premiums incurred by Landlord for insurance coverage maintained by Landlord for the Premises and Center that is required by this Lease or that is customarily carried by operators of comparable buildings and centers in the area, which coverage shall include reasonable and customary deductibles (but not to exceed fifty thousand dollars (\$50,000.00));
 - (e) The cost of the utilities and services identified in Section 7 above;
- (f) General real estate taxes levied against the Premises and Real Property that accrue and are payable during the Term, along with any local improvement district assessments ("Real Estate Taxes"). Real Estate Taxes shall exclude, without limitation, any income, franchise, gross receipts, corporation, capital levy, excess profits, revenue, rent, inheritance, gift, estate, payroll or stamp tax or any increase in tax (or any tax protest) arising out of a reassessment on all or part of the Premises or Real Property upon the sale, transfer or assignment of Landlord's title or estate, which at any time may be assessed against or become a lien upon all or any part of the Premises, Center or Real Property. In addition, Real Estate Taxes shall exclude any penalties or interest, and shall

further exclude any liens or taxes that are levied or assessed against the Premises, Center or Real Estate for any time prior to the Term. Landlord represents and warrants that the Real Property is fully assessed as a completed and occupied unit with all improvements contemplated by this Lease as of the Commencement Date.

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

- 8.3 Exclusions from Operating Costs. Notwithstanding the generality of Section 8.2, the following items shall be excluded or deducted, as the case may be, from the calculation of Tenant's Pro Rata Share of Operating Costs:
 - (a) Any costs borne directly by Tenant under this Lease;
 - (b) Any ground lease or master lease rental;
- (c) Costs of capital repairs, replacements, improvements and equipment ("Capital Items"), except for: (A) the annual amortization (amortized over the useful life as reasonably determined by Landlord without interest) of costs incurred by Landlord after the Commencement Date for any capital improvements installed or paid for by Landlord and required by any new (or change in) laws, rules or regulations of any governmental or quasi-governmental authority which are enacted after the Commencement Date; (B) the annual amortization (amortized over the useful life as reasonably determined by Landlord without interest) of costs of any equipment, device or capital improvement purchased or incurred as a labor-saving measure or to affect other economics in the operation or maintenance of the Premises or Center, provided the annual amortized cost does not exceed the actual annual cost savings realized and such savings do not redound primarily to the benefit of any particular tenant other than Tenant); or (C) minor capital improvements, tools or expenditures to the extent each such improvement or acquisition costs less than five thousand dollars (\$5,000.00);
- (d) Costs incurred by Landlord for the repair of damage to the Premises or Center, to the extent that Landlord is entitled to be reimbursed by insurance proceeds (or would have been so entitled had it purchased the insurance required by this Lease) and cost of earthquake repairs in excess of ten thousand dollars (\$10,000.00) per earthquake (which for this purpose, an earthquake is defined collectively as the initial earthquake and the aftershocks that relate to such initial earthquake);
- (e) Costs, including permit, license and inspection costs, incurred with respect to the installation of tenants' or other occupants' improvements in the Center or

incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Center;

- (f) Depreciation, amortization and interest payments;
- (g) Marketing costs, including without limitation, leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, advertising and promotional expenditures, the cost of signs in or on the Premises or Center identifying the owner, management or other tenants, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Center;
- (h) Expenses in connection with services or other benefits that are not offered to Tenant or for which Tenant is charged for directly but which are provided to another tenant or occupant;
- (i) Overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis for comparables;
- (j) Costs incurred in connection with upgrading the Premises or Center to comply with the current interpretation of disability, life, fire and safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including, without limitation, the Americans With Disabilities Act, including penalties or damages incurred due to such non-compliance;
- (k) Costs for which Landlord has been compensated by a management fee, and any management fees in excess of those management fees which are normally and customarily charged by comparable landlords of comparable centers;
- Costs arising from the negligence or fault of other tenants or Landlord, its employees or agents;
- (m) Costs (including in connection therewith all attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to Landlord and/or the Premises and/or the Center;
- (n) Any entertainment, dining or travel expenses of Landlord for any purpose;
- (o) Any flowers, gifts, balloons, etc. provided to any entity whatsoever, including, but not limited to, Tenant, other tenants, employees, vendors, contractors, prospective tenants and agents, and any tenant relations parties, events or promotions;

- (p) Costs for parking facilities (unless parking is provided free of charge), and any "validated" parking for any entity;
 - (q) Legal fees;
- (r) Any expenses incurred by Landlord for use of any portions of the Premises or Center to accommodate special events including, but not limited to shows, promotions, kiosks, private events or parties beyond the normal expenses attributable to providing services to the Premises, and any "above standard" services, including, but not limited to, those carried out to meet specific requirements of other tenants.
- (s) Any other expenses which, in accordance with generally accepted accounting principles, consistently applied, would not normally be treated as Operating Costs by comparable landlords of comparable buildings.
- 8.4 Payment of Operating Costs. Landlord shall reasonably estimate the Operating Costs for each calendar year wholly or partially included within the Term and shall send notice of the estimate to Tenant at least thirty (30) days before the Commencement Date or the first day of each subsequent year, as applicable. If Tenant requests, Landlord will give Tenant reasonably detailed documentation supporting Landlord's estimate and Tenant shall not be required to pay any portion of Additional Rent based on such estimate until Landlord has provided documentation reasonably acceptable to Tenant supporting such estimate. During each calendar year included in the Term for which Tenant is to pay Additional Rent, Tenant shall pay one twelfth (1/12th) of the applicable Additional Rent each month to Landlord together with the monthly Base Rent. If Landlord does not give Tenant an estimate within the time period stated above, then Tenant shall continue to make estimated payments based upon the preceding year's estimate and within thirty (30) days after receipt of the new estimate for the current year (subject to Landlord's obligation to provide supporting documentation, as set forth above in this paragraph), Tenant shall commence payment of the new estimated monthly amount and shall pay in a lump sum any retroactive amounts due from the beginning of the new year. The monthly charge for estimated Operating Costs shall be prorated for any partial month by dividing the Operating Cost charge by three hundred sixty-five (365) and multiplying the result by the number of days in the partial month for which Operating Costs are owed.
- 8.5 Reconciliation and Audit Rights. Within one hundred twenty (120) days after the expiration of each calendar year included in the Term, Landlord shall submit to Tenant a written, certified statement containing the amount of actual Operating Costs for such year broken down by component expenses, the Operating Cost increase for the year, the amount of Tenant's Pro Rata Share of the Operating Cost increase (capped, if applicable), the amount paid by Tenant towards the Operating Costs increase, and the amount if any Tenant owes Landlord or the amount Landlord owes Tenant as a refund for such year. Landlord's statement shall also include the Base Year Operating Costs broken down by component expenses. If Landlord does not furnish Tenant with a certified statement of Operating Costs within one hundred twenty (120) days after the end of the year, then Landlord shall be deemed to have waived forever any and all claims for

reimbursement from Tenant for underpayment of Operating Costs for the year, in addition to any other rights and remedies to which Tenant may be entitled under this Lease. Provided that Tenant notifies Landlord in writing within one hundred twenty (120) days of Tenant's receipt of Landlord's statement of Operating Costs, Tenant or its audit representatives shall have the right to inspect and audit Landlord's books and records with respect to this Lease once each year to verify actual Operating Costs. Landlord's books and records shall be kept in accordance with generally accepted accounting principles. If Tenant's audit of the Operating Costs reveals an overcharge of more than five percent (5%), Landlord shall promptly reimburse Tenant for the cost of the audit. Any overcharge or underpayment of Operating Costs shall be due from one party to the other within thirty (30) days.

- 8.6 <u>Controllable Operating Costs.</u> "Controllable Operating Costs" is defined as all Operating Costs, except: (i) Real Estate Taxes as defined in Section 8.2(f); (ii) insurance carried by Landlord with respect to the Premises or Center; and (iii) costs of utilities and services described in Section 8.2(e) and Section 7.
- Maintenance and Repairs. Subject to Landlord's obligations under this Lease, Tenant shall be responsible for the maintenance and non-structural repairs to the interior of the Premises, including floor coverings; and interior glass, which shall be maintained and repaired in a commercially reasonable manner. Landlord shall maintain, repair and replace, if necessary, the Building; all Building systems, including but not limited to interior lighting (including replacement of light bulbs, ballasts and starters as required); plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual and quarterly maintenance of HVAC systems); window coverings, exterior glass; elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); porches; stairways; sidewalks; exterior lighting; parking lot (including snow removal, and restriping as required); wheel bumpers; drainage; landscaping; and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.). Landlord shall also be responsible for all maintenance and repairs of the Common Areas.
- 10. Sublease and Assignment. Tenant may assign this Lease in whole or in part, or sublet all or any portion of the Premises, with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall have the right during the Lease Term to sublease or assign any portion of the Premises to a related entity or affiliate upon notification to Landlord, provided however, that (a) the use of the Premises by said related entity or affiliate must be similar to Tenant's use, and (b) the subtenant or assignee must not use the Premises in any way that will create a nuisance to other tenants of the Center.
- 11. Alterations and Improvements. Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs) subject to Landlord's consent, which shall not be unreasonably

withheld, conditioned or delayed. Upon Tenant's request and agreement of Landlord, Landlord shall perform such alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Provided however, if the costs of such alterations and/or improvements are estimated to exceed fifty thousand dollars (\$50,000.00), prior approval by ordinance of the King County Council is required before the work may be authorized by the Tenant. Tenant Improvements described in Exhibit C related to initial Landlord's Work are not subject to this Section 11. Tenant may from time to time remove any fixtures, alterations or improvements installed by Tenant in or to the Premises, provided that Tenant agrees to repair any damage caused by such removal.

Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed twenty-five thousand dollars (\$25,000.00) per project, (ii) are not visible from the exterior of the Premises, (iii) do not adversely affect any Building system or the structural strength of the Building, and (iv) do not require penetrations into the roof of the Building.

- 12. Damage and Destruction. In the event the Premises or Center are destroyed or damaged by fire, earthquake or other casualty so as to render the Premises or Center, in Tenant's reasonable judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises to its former condition within one hundred twenty (120) days of such damage or destruction, Tenant may unilaterally terminate this Lease upon thirty (30) days written notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event of a casualty which renders the Premises in whole or in part untenantable or inaccessible, in Tenant's sole judgment, Tenant shall be entitled to abatement of the Rent for the entire Premises from the date of the casualty until such time that Landlord restores the Premises to its pre-casualty condition.
- 13. If any portion of the Premises, Center or real property upon Condemnation. which the same are situated (including, without limitation, any parking areas associated with the Premises and/or Center) which is necessary, in Tenant's reasonable judgment, for Tenant's occupancy or intended use of the Premises, or fifty percent (50%) or more of the rentable area of the Premises, is made untenantable by eminent domain or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the underlying real property taken by the condemning authority. All Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises or of the Building or the underlying real property necessary for Tenant's occupancy or intended use that does not render them, in Tenant's sole judgment, untenantable, then this Lease shall continue in full force and effect and the Rent shall be proportionately reduced based on the percentage by which the floor area of the Premises is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such

portion or title vests in the condemning authority. If the Tenant, in its sole judgment, determines that the condemnation has rendered the Premises unsuitable for the Permitted Use, Tenant shall be entitled to terminate this Lease upon thirty (30) days advance written notice to Landlord. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses if Tenant terminates the Lease under this section, provided that in no event shall Tenant's claim reduce Landlord's award.

14. Indemnity and Hold Harmless. Each party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees, arising out of or incidental to the exercise of rights and obligations under this Lease. Where such Claims result from the concurrent negligence of the parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's negligence. Each of the parties agrees that its obligations under this Section 14 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the parties, by mutual negotiation, hereby waives, with respect to each of the other party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's negligence.

15. Insurance.

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

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

- 16. Mediation. Landlord and Tenant agree that should any dispute arise concerning this Lease both parties may jointly elect to submit the dispute to mediation. Notwithstanding the foregoing, nothing herein shall be construed as a condition precedent for either party to seek legal or equitable relief by initiating a legal action. Landlord and Tenant shall each bear their respective costs of mediation.
- 17. Liens. Landlord and Tenant shall keep the Premises and the Center free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. Landlord or Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Landlord or Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.
- 18. Quiet Possession. Landlord covenants that as of the Commencement Date, Landlord will have good right to lease the Premises for the purpose and uses stated herein and Tenant shall have and quietly enjoy the Premises for the Lease Term.
- 19. Holding Over. If Tenant remains in possession of the Premises after the expiration or termination of this Lease, Tenant's continued possession shall be on the basis of a tenancy at the sufferance of Landlord. In such event, Tenant shall continue to comply with or perform all the terms and obligations of Tenant under this Lease, except that the monthly Rent during Tenant's holding over shall be one hundred fifty percent (150%) of the Base Rent payable in the last full month prior to the termination hereof. Acceptance by Landlord of rent after such termination shall not constitute a renewal or extension of this Lease; and nothing contained in this provision shall be deemed to waive Landlord's right of re-entry or any other right hereunder or at law.
- 20. Non-Discrimination. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Landlord shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles

VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 20.

21. Default.

- 21.1 The following occurrences shall each constitute a default by Tenant (an "Event of Default" or "Default"):
- A. <u>Failure To Pay</u>. Failure by Tenant to pay any sum, including Rent, due under this Lease following seven (7) business days' notice from Landlord of the failure to pay.
- B. Other Non-Monetary Defaults. The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after written notice by Landlord to Tenant of the breach (provided, if the nature of Tenant's failure is such that more time is reasonably required in order to cure, Tenant shall not be in Default if Tenant commences to cure promptly and thereafter diligently prosecutes such cure to completion).
- 21.2 <u>Landlord Default; Remedies</u>. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within thirty (30) days after notice by Tenant to Landlord (provided, if the nature of Landlord's failure is such that more time is reasonably required in order to cure, Landlord shall not be in Default if Landlord commences to cure promptly and thereafter diligently prosecutes such cure to completion). If Landlord fails to cure any such default within the allotted time, Tenant may, in its sole discretion and without limiting Tenant's other rights or remedies under this Lease and/or at law, terminate this Lease upon thirty (30) days advance written notice to Landlord. Tenant shall have all remedies available at law or in equity. Nothing herein contained shall relieve Landlord from its duty to perform any of its obligations to the standard prescribed in this Lease.
- 22. Remedies. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.
- 22.1 <u>Termination of Lease</u>. Landlord may terminate Tenant's interest under the Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less (i) the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's

reasonable, actual reletting expenses or (ii) such amounts as Tenant proves may reasonably be avoided.

- Re-Entry and Reletting. Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord its reasonable, actual reletting expenses; second, to pay any indebtedness of Tenant to Landlord other than Rent; third, to the Rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.
- 23. Costs and Attorneys' Fees. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding. The hourly rates for any award of attorneys' fees will be calculated based on the rate that would be charged for the services provided by an attorney who is in private practice, of the same expertise and experience as the prevailing party's attorney(s).

24. Hazardous Material.

24.1 For purposes of this Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70.105D

("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

- 24.2 Landlord represents and warrants to Tenant that there is no Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term as the result of such release.
- 24.3 Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises or the Real Property.
- Without limiting the foregoing, if the presence of any Hazardous Material 24.4 brought upon, kept or used in or about the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other parties, nothing in this Lease shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other parties.

- 24.5 Landlord shall remediate any Hazardous Material discovered in the course of carrying out Landlord's Work at Landlord's sole cost and expense.
- 24.6 Each of the parties agrees that its obligations under this Section 24 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the parties, by mutual negotiation, hereby waives, with respect to each of the other party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW.
- 24.7 The provisions of this Section 24 shall survive expiration or earlier termination of this Lease.
- 24.8 All claims, judgments, damages, penalties, fines, costs, liabilities and losses involving the release or presence of Hazardous Material shall be subject to this Section 24, and not the indemnity and liability provisions of Section 14.

25. General.

- 25.1 <u>Heirs and Assigns</u>. This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.
- 25.2 <u>Brokers' Fees</u>. Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease other than NAI Puget Sound Properties as Landlord's Broker, and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.
- 25.3 Entire Agreement. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.
- 25.4 Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.

- 25.5 <u>Force Majeure</u>. Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.
- 25.6 <u>Governing Law</u>. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.
- 25.7 <u>Addenda/Exhibits</u>. The following Exhibits are made a part of this Lease. The terms of the following Addendum to Lease and Exhibits shall control over any inconsistent provision in the sections of this Lease:

Exhibit A: Legal Description Exhibit B: Diagram of the Premises

Exhibit C: Landlord's Work Letter Addendum

- 25.8 <u>Counterparts</u>. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original.
- 26. Signage. Landlord will provide interior, directory and directional monument signage at Landlord's sole cost and expense per Landlord's building standard. Landlord shall allow Tenant to install one building exterior sign on the upper façade of the building facing Andover Park West to the maximum size allowed by applicable laws. Said exterior sign shall be at Tenant's sole cost and expense and subject to Landlord's reasonable approval of the size, style and location of the exterior upper façade sign. Tenant shall obtain Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed, as to size, location, materials, method of attachment, and appearance, before installing any additional signs upon the Premises. Tenant shall install any additional approved signage at Tenant's sole cost and expense and in compliance with all applicable laws.
- 27. Self Help. If Landlord fails to perform any obligation under the Lease with respect to the Premises within a reasonable period of time but in any event not to exceed thirty (30) days following receipt of written notice from Tenant, Tenant shall be permitted to perform such obligations in the Premises on Landlord's behalf, provided Tenant first delivers to Landlord an additional seven (7) business days' prior written notice indicating that Tenant will be performing such obligations and provided Landlord fails to commence to perform its obligation(s) within such additional seven (7) business day period or thereafter fails to diligently complete performance of such obligations having commenced performance within such seven (7) business day period. To be valid, any notice given under this Section 27 must specifically refer to this Section and must include the words "DEMAND TO CURE DEFAULT SELF HELP NOTICE" in capital, bold letters at the top of the notice. If the obligations to be performed by Tenant will affect the Building's life safety, electrical, plumbing, or sprinkler systems, Tenant shall endeavor to use only those contractors used by Landlord in the Building for work on such systems. Tenant shall have

no right to perform any work on the Building's heating, ventilating and air conditioning system. Landlord shall reimburse Tenant within thirty (30) days following receipt from Tenant of a written statement of all reasonable and actual costs incurred by Tenant in performing such obligations on behalf of Landlord.

- 28. Subordination, Nondisturbance and Attornment. Landlord agrees that, within ten (10) business days following the date of mutual Lease execution, it will provide, without cost to or charge of, Tenant with non-disturbance, subordination and attornment agreements ("Non-Disturbance Agreement") in favor of Tenant from any ground lessors, mortgage holders or lien holders (each, a "Superior Mortgagee") then in existence. In the event Landlord fails to provide such commercially reasonable Non-Disturbance Agreements within the time frame set forth in this Section, Tenant shall have the right, exercisable at any time thereafter, to give ten (10) business days' written notice to Landlord terminating the Lease. In the event Landlord does not provide Tenant with the applicable Non-Disturbance Agreements within such ten (10) business day period, the Lease shall terminate and Landlord shall reimburse Tenant all of Tenant's out-of-pocket costs incurred in connection with the design and construction of the Tenant Improvements and Tenant's legal fees incurred in connection with the review and negotiation of the Lease and this provision shall survive the termination of the Lease.
- 29. Rules and Regulations. Tenant shall be bound by and shall comply with the rules and regulations attached as Exhibit D to the extent those rules and regulations are not in conflict with the terms of this Lease, as well as any reasonable rules and regulations hereafter adopted by Landlord for all tenants of the Center, upon notice to Tenant thereof (collectively, the "Building Rules").
- 30. Surrender of Premises. At the end of the term of this Lease or any extension thereof or other sooner termination, Tenant will peaceably deliver to Landlord possession of the Premises, in the same condition as received, except for ordinary wear and tear, and Tenant will deliver all keys to the Premises to Landlord. Tenant shall also remove all equipment, trade fixtures, and personal property from the Premises. Tenant shall not be required to restore the Premises upon expiration of the Lease, or be required to remove any Landlord approved improvements or alterations including but not limited to initial Landlord's Work as provided in Exhibit C.

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

LANDLORD:

SOUTHCENTER CORPORATE SQUARE, LLC,

a Delaware limited liability company

By: PCCP CS Southcenter Corporate Square, LLC, a Delaware limited liability company, its Managing Member Page 21 of 34

By:		PacificCal II, LLC, a Delaware imited liability company, its Sole Member			
	By:		LLC, a Delaware limited pany, its Sole Member		
		a Del	P CS Holdings, LLC, laware limited liability bany, its Managing Member		
1-		By:	Mon		
		Name:	Authorized Signatory	A	
TENANT:			Aaron A. Giovara	Aaron A. Giovara Authorized Signatory	
KING COUN	VTY, a	political subdiv	vision of the State of Washing	gton	
Ву:					
Name:					
Tital					
Date					
APPROVED	AS T	O FORM:			
Ву:					
Senio	r Deput	y Prosecuting	Attorney		
APPROVED AGE		USTODIAL			
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☐ See Statement Below (Lines 1–6 to be complete	d only by document signer[s], not inotary)
Signature of Document Signer No. 1	Signature of Document Signer No. 2 (if any)
A notary public or other officer completing this certificate document to which this certificate is attached, and not the	te verifies only the identity of the individual who signed the e truthfulness, accuracy, or validity of that document.
State of California	Subscribed and sworn to (or affirmed) before me
County of San Francisco	1,th line line
	on this day of Wift, 20 17, Date Month Year
	by
	(1). Aaron A. Hiovara
WHITNEY ANN ALLEN	(and (2)),
Notary Public - California	Name(s) of Signer(s)
San Francisco County Commission # 2150586	
My Comm. Expires Apr 26, 2020	proved to me on the basis of satisfactory evidence
	to be the person(s) who appeared before me.
	1. 10/1 /
	Signature Chithup Chi
	Signature of Notary Public
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) ss.	
DUNTY OF KING)	
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peared before me, and said person acknowledged	that signed this instrument, on oath stated that v
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OUNTY, a political subdivision of the State of Wa	ashington, to be the free and voluntary act of such party t
uses and purposes mentioned in the instrument.	
VEN LINDER MY HAND AND OFFICIAL SEA	AL this day of, 2017
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tary Public	
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commission expires	
Commission expires	
(Use this space for notarial stamp/seal)	

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EXHIBIT A Legal Description

PARCEL ONE (FEE):

LOTS 3 AND 4, CITY OF TUKWILA SHORT PLAT NUMBER L97-0049 (SOUTHCENTER CORPORATE SQUARE), ACCORDING TO THE SHORT PLAT RECORDED UNDER RECORDING NUMBER 9711069009, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT RAILROAD TRACKAGE AND APPURTENANCES AS RESERVED BY UNION PACIFIC RAILROAD COMPANY, AS DISCLOSED BY DEED RECORDED UNDER RECORDING NO. 7607070502.

PARCEL TWO:

PRIVATE UTILITY EASEMENTS FOR THE BENEFIT OF PARCEL ONE ABOVE, OVER LOT 2 OF CITY OF TUKWILA SHORT PLAT NUMBER L97-0049 (SOUTHCENTER CORPORATE SQUARE), ACCORDING TO THE SHORT PLAT RECORDED UNDER RECORDING NUMBER 971 1069009, RECORDS OF KING COUNTY, WASHINGTON;

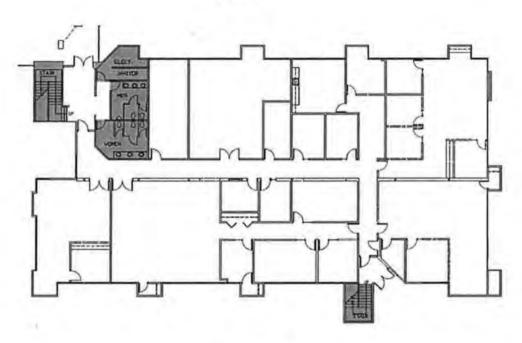
PARCEL THREE:

INGRESS, EGRESS, PARKING AND ACCESS EASEMENTS FOR THE BENEFIT OF PARCEL ONE ABOVE, OVER LOT 2 OF CITY OF TUKWILA SHORT PLAT NUMBER L97-0049 (SOUTHCENTER CORPORATE SQUARE), ACCORDING TO THE SHORT PLAT RECORDED UNDER RECORDING NUMBER 9711069009, RECORDS OF KING COUNTY, WASHINGTON.

EXHIBIT B Diagram of Premises

The Premises is depicted in the below two diagrams in the amount of 20,926 RSF. Final construction plans subject to Landlord's Work shall be further described in Exhibit C.

Floor 1



Floor 2

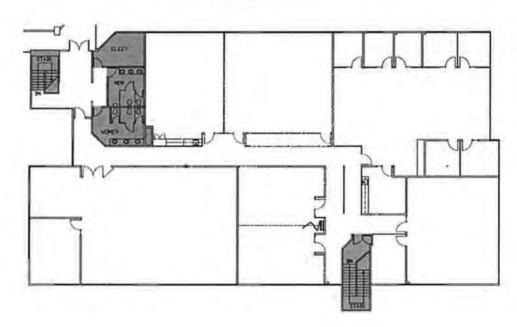


EXHIBIT C Landlord's Work Letter Addendum

This Exhibit C ("Work Letter") is part of that certain Lease Agreement ("Lease") dated _______, 2017, by and between Southcenter Corporate Square, LLC, a Washington limited liability company ("Landlord"), and King County, a political subdivision of the State of Washington ("Tenant"), under which Tenant has leased certain space ("Premises") from Landlord, as more particularly described in the Lease. Capitalized terms not defined herein shall have the meaning assigned to them in the Lease.

1. COMPLETION SCHEDULE OVERVIEW.

Within five (5) business days following Tenant's delivery to Landlord of Construction Plans (which includes the time period for comments by Landlord as set forth in Section 3 of Exhibit C), Landlord and Tenant shall confirm in writing mutual approval of Landlord's Work Plans (as defined below) and the name of the General Contractor (as defined below) and confirm the schedule setting forth the timetable for Landlord's Work to be constructed in the Premises (the "Work Schedule"), which Work Schedule is subject to Tenant's review and approval which approval shall not be unreasonably withheld conditioned or delayed. Once Landlord and Tenant have agreed in writing to the Work Schedule, Landlord shall authorize the General Contractor to proceed with construction of Tenant Improvements as provided herein.

The Work Schedule shall set forth each of the various items of work to be done by or approval to be given by Landlord and Tenant in connection with the completion of Landlord's Work. Landlord will use commercially reasonable efforts to complete Landlord's Work in accordance with the Work Schedule and shall inform Tenant within two (2) business days of Landlord becoming aware of any changes to the same, which changes are subject to Tenant's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. If Landlord's approval or consent is needed with respect to any element of the design or construction of Landlord's Work, then Landlord agrees to provide the same within three (3) business days of request, unless the scope of such design or construction element cannot be reasonably evaluated in such time frame. In such case, Landlord shall proceed with reasonable diligence to promptly approve or disapprove such element. If Tenant's approval or consent is needed with respect to any element of the design or construction of Landlord's Work, then Tenant agrees to provide the same within three (3) business days of request, unless the scope of such design or construction element cannot be reasonably evaluated in such time frame. In such case, Tenant shall proceed with reasonable diligence to promptly approve or disapprove such element

2. LANDLORD'S WORK.

Reference herein to "Landlord's Work" shall include all work to be done in the Premises pursuant to Landlord's Work Plans described in Section 3 below. Reference in the Lease and this Work Letter to "Tenant Improvements" shall mean the "Landlord's Work" as described herein.

3. LANDLORD'S WORK PLANS.

The elements of Landlord's Work will be depicted in the construction documents to be prepared by the Tenant's architect (the "Construction Plan"), which will be approved by Landlord and Tenant which approval shall not be unreasonably withheld, conditioned or delayed. Once approved by Landlord and Tenant, such drawings and specifications shall be referred to herein as "Landlord's Work Plans." Landlord's Work Plans, prepared by a licensed architect, shall be submitted to the appropriate governmental body by Tenant for plan checking and the issuance of a building permit. Landlord agrees not to unreasonably withhold, condition or delay its approval of the Landlord's Work Plans or any changes to the same requested by Tenant.

4. CONSTRUCTION OF LANDLORD'S WORK.

- a. Landlord shall obtain 3 bids from qualified, licensed and bonded commercial general contractors with the experience and capacity to manage, oversee and cause the prompt and efficient construction of Landlord's Work (the "General Contractor"). Tenant shall review all bids and approve the Landlord's selection of its General Contractor for the performance of Landlord's Work. Landlord shall require its General Contractor to procure and maintain Commercial General Liability (CGL) insurance in an amount adequate to address the liability exposures inherent in performance of Landlord's Work. Landlord shall require its General Contractor to name King County, its officers, officials, employees, and agents as additional insureds under such CGL policy. Landlord shall not charge a construction management fee.
- b. Prior to commencement of Landlord's Work, Landlord and Tenant shall mutually agree in writing on the total not to exceed cost to construct Landlord's Work (the "Guaranteed Maximum Price" or "GMP"). The GMP is to include the cost of all permits, easements and variances required to construct Landlord's Work with the exception of the City of Tukwila building permit that will be obtained and paid for by the Tenant, and the cost of remediating any Hazardous Material located in, under or about the Premises that will be paid for by the Landlord. No changes to the approved GMP may be made without Tenant's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the above, unforeseen costs incurred as the result of errors or omissions in the Construction Plans prepared by Tenant's architect, shall not be limited by the GMP provisions of this Work Letter, provided that Landlord must seek Tenant's approval of the aforementioned unforeseen costs, which approval shall not be unreasonably withheld, conditioned or delayed.
- c. Landlord shall supervise the completion of Landlord's Work and shall secure completion of such work in accordance with the Work Schedule. Landlord shall ensure that the construction of Landlord's Work is performed in compliance with all applicable laws, codes, ordinances and regulations. During the performance of Landlord's Work, Landlord shall arrange for weekly meetings to include Landlord's Construction Manager, the General Contractor, Tenant's project manager or Tenant's representative and Tenant's architect, for

the purpose of reviewing the progress of Landlord's Work. Landlord shall arrange for such meetings at a mutually convenient time and location.

- d. The cost of Landlord's Work shall be paid as provided in Section 5 below. Landlord shall be solely responsible for, and shall indemnify and defend Tenant from and against, any costs, claims, losses, damages, suits or expenses arising out of (i) remedying any errors or defects in Landlord's Work and/or for any failure of Landlord's Work to comply with Landlord's Work Plans; (ii) the acts or omissions of Landlord, the General Contractor, and/or any subcontractors pertaining to this agreement; and/or (iii) subject to Section 4(b) of this Exhibit C, any cost to construct Landlord's Work that is in excess of the GMP approved in advance of expenditure in writing by Tenant. In addition, Landlord shall be solely responsible for performing and paying for any additional work that must be performed to the Premises or the Center due to: (i) any substandard condition of the Premises or Center that may be discovered during the course of designing or constructing Landlord's Work such as, the presence of asbestos or other Hazardous Material, mechanical or electrical deficiencies, building envelope or structural issues, mold, etc.; and/or (ii) the acts or omissions of Landlord. the General Contractor, or any subcontractor. Landlord hereby warrants to Tenant that Landlord is not aware of any condition or deficiency in the Premises or Center that is likely to increase the cost of Landlord's Work (such as any code violation). Landlord agrees to defend, indemnify, and hold harmless the Tenant for claims by Landlord, the General Contractor's employees, or any subcontractor except for claims caused by the gross negligence or willful misconduct of Tenant, and agrees to waive its immunity under Title 51 RCW, which waiver has been mutually negotiated by the parties.
- e. If Substantial Completion has not occurred by the day that is three (3) months following the date that Landlord and Tenant confirm in writing mutual approval of Landlord's Work Plans under Section 1 of Exhibit C, the ("Substantial Completion Deadline"), then Tenant may, in its sole discretion and without limiting Tenant's other rights or remedies under the Lease and/or at law, terminate the Lease upon thirty (30) days advance written notice to Landlord except if Substantial Completion occurs within the thirty (30) days notice period, then the notice is void and the Lease will remain in effect. In the event that Landlord's Work is unreasonably delayed solely by acts or omissions of Tenant, Landlord must promptly notify Tenant in writing of Tenant's unreasonable delay. If Tenant's architect confirms such delay, each day delayed shall be added to the Substantial Completion Deadline.

5. PAYMENT OF COST OF LANDLORD'S WORK.

- a. Landlord hereby grants to Tenant a tenant improvement allowance ("TIA") up to and not to exceed Forty-Five Dollars (\$45.00) per rentable square foot of the Premises. The TIA may be used by Tenant for:
 - (1) Construction of Landlord's Work, including, without limitation, the following:
 - (a) Partitions, doors, floor coverings, ceilings, casework, wall coverings and painting, millwork and similar items.

- (b) Electrical wiring, voice and data cabling, lighting fixtures, outlets and switches, low voltage and other electrical work to be installed within the Premises.
- (c) Duct work, terminal boxes, diffusers and accessories required for the completion of the heating, ventilating and air conditioning systems within the Premises, including the cost of meter and key control for after-hour air conditioning.
- (d) Any additional Tenant requirements including, but not limited to, odor control, special heating, ventilating and air conditioning, noise or vibration control or other special systems.
- (e) Fire and life safety control systems such as fire walls, halon, fire alarms, including piping, wiring and accessories installed within the Premises.
- (f) Plumbing fixtures, pipes and accessories to be installed within the Premises.
- (g) Testing and inspection costs.
- (h) Contractors' fees, including but not limited to any fees based on general conditions.
- (2) All other costs to be properly expended by, or owing to, Tenant or Landlord in the design, permitting and construction of Landlord's Work, including without limitation, those costs incurred by Tenant for design, permitting, construction and related expenses and of elements of Landlord's Work.
- (3) Tenant may utilize up to \$10.00/rentable square foot of the TIA to offset costs associated with moving expenses, furniture and or rent credit.
- (4) Landlord shall not be entitled to charge for or deduct from the TIA any supervision or construction management fees.
- b. The cost of constructing Landlord's Work shall be charged against the TIA. Invoices for Landlord's Work shall be supplied to Tenant at the weekly meeting for project tracking purposes. If the cost of Landlord's Work (according to the GMPs approved by Tenant) exceeds the TIA, Tenant shall pay any such overage within fifteen (15) days of Landlord's billing. Landlord shall submit with each billing written back-up documentation for the costs reflected in such billing for the review and approval of Tenant, which approval shall not be unreasonably withheld, conditioned or delayed.
- c. In the event that, after Landlord's Work Plans have been prepared and a GMP has been approved by Tenant, Tenant shall require any changes or substitutions to Landlord's

Work Plans in writing (each one a "Tenant Change Proposal"), any additional costs thereof shall be paid by Tenant to Landlord within fifteen (15) days of Landlord's completion of such Tenant Change Proposal and Tenant's receipt from Landlord of written back-up documentation for such costs; provided, however, that Landlord shall first apply towards such increase any remaining balance in the TIA, not previously committed pursuant to the GMP.

d. Except as set forth in Section 4(b) above, Landlord shall be solely responsible for all costs of constructing Landlord's Work that exceed the GMP that are not attributable to a Tenant Change Proposal.

6. PUNCHLIST; DEFICIENCIES IN LANDLORD'S WORK

- a. Landlord and Tenant will, within five (5) business days from the date that Landlord's Work is Substantially Complete ("Inspection Period"), inspect the Premises and prepare a list of any outstanding work or items to be completed by Landlord ("Punch List"). Landlord agrees to complete (or repair) the Punch List work or item(s) with commercially reasonable diligence and speed, and within twenty (20) days after the Punch List is delivered to Landlord.
- b. Landlord shall be solely responsible, throughout the Term of the Lease, for promptly remedying any defects in Landlord's Work, at Landlord's sole cost (excluding normal wear and tear as the result of Tenant's use and Tenant's maintenance obligations pursuant to Section 9 of this Lease).
- c. "Substantial Completion" or "Substantially Complete" shall mean that the Tenant Improvements are complete to the extent that Tenant may reasonably use and occupy the Premises for the Permitted Use, subject to minor details typically listed in a punch list that remain to be completed by Landlord, as evidenced by (i) issuance of a certificate of substantial completion executed by Tenant's architect or (ii) issuance of a certificate of temporary or permanent occupancy by the City of Tukwila. Substantial Completion of Landlord's work shall not be delayed by the installation of Tenant's furniture.

7. REPRESENTATIVES

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

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8. MISCELLANEOUS

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

9. RESTORATION

Tenant shall not be required to restore the Premises upon expiration of the Lease, or required to remove any improvements or alterations provided those improvements or alterations are approved in writing in advance by Landlord, including but not limited to Landlord's Work contemplated herein.

EXHIBIT D SOUTHCENTER CORPORATE SQUARE BUILDING RULES AND REGULATIONS

- 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 a tenant's lease of its Premises in the Building or Center.
- 2. Landlord may waive one or more of these Rules and Regulations for the benefit of any tenant, but no such waiver by Landlord shall be construed as a waiver of the future application of such Rules and Regulations in favor of that tenant, nor prevent Landlord from thereafter enforcing such Rules and Regulations against any or all of the tenants of the Building.
- Tenants shall be responsible for the observance of these Rules and Regulations by their employees, agents, clients, customers and invitees, and shall promptly comply with any modifications or additions thereto as may be made by Landlord from time-to-time.
- 4. The Common Areas are for use by Center tenants, their employees, agents, clients, customers and invitees. Landlord may control or prevent access by all other persons whose presence in the sole judgment of Landlord may be prejudicial to the safety, character, reputation or interest of the Center or the Building, or any tenants thereof.
- Canvassing, soliciting, distributing handbills or other written materials and peddling are prohibited in the Building and Center, and each tenant shall assist Landlord in enforcement.
- The sidewalks, entrances, corridors, elevators and stairways of the Building and Common Areas shall not be obstructed or used for any purpose other than ingress and egress.
- 7. No awning or other projection shall be attached by any tenant to the exterior walls of the Building without the prior written consent of Landlord.
- 8. No boring, cutting, wiring, cabling or installation of floor or wall covering shall be performed without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Landlord shall direct the location, introduction and installation of all wires, cables, control panels, call boxes and any other equipment serving the Premises or the Center.
- 9. No hanging planters or other objects shall be suspended from any ceiling in the Building or Common Areas without the prior written consent of Landlord.
- 10. All lighting fixtures at the perimeter of the Building shall be of a quality, type, design and color approved by Landlord.

- 11. All washroom partitions, mirrors, basins, toilets and other fixtures shall be used for their intended purpose. Any maintenance or repair required from misuse shall be at the sole expense of the responsible tenant.
- 12. No fence, wall, partition, rail or other structure shall be placed, kept, permitted or maintained upon the Common Areas by any tenant, nor shall any tenant or other person use the Common Areas for advertising, solicitation, promotion, demonstration, storage, sale or any other activity that, in Landlord's sole judgment, might be prejudicial to the safety, character, reputation or interest of the Center or the tenants thereof or interfere with the conduct of business by other tenants.
- 13. Landlord may prohibit advertising by any tenant which in the sole judgment of Landlord may be prejudicial to the character, reputation or desirability of the Center.
- 14. No signs, symbols, graphics, decorations, draperies, blinds, coverings or other materials shall be placed upon or installed in any windows, doors or other openings of the Building or Common Areas without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion.
- 15. No additional locks or bolts shall be placed upon any doors or windows by any tenant, nor shall any change be made to the existing locks, keying of existing locks or security system without the prior written consent of Landlord. All keys and security system cards furnished to or procured by a tenant shall be returned to Landlord upon the expiration or earlier termination of its lease and, if lost, the tenant shall reimburse Landlord for the total cost of replacement and changing or rekeying the lock or locks opened by the lost keys and cards.
- 16. No food, soft drink or other vending machines shall be brought into the Premises or kept about the Common Areas, except for those installed in a tenant's premises for the convenience of its employees, agents, clients, customers and invitees in designated coffee or lunchrooms and except for vending machines located in other areas of the premises approved by Landlord; nor shall any cooking be permitted (except as a permitted use) except for the preparation of coffee, tea, hot chocolate and similar beverages or use of microwave ovens without the prior written consent of Landlord.
- No bicycles shall be brought into the Premises or kept about the Common Areas except in locations designated by Landlord.
- 18. The use of hand trucks shall be prohibited in the Premises and Common Areas unless equipped with rubber tires and side guards.
- 19. The moving of office furniture, equipment, supplies and other materials (other than normal deliveries of equipment, supplies and other materials as part of a tenant's regular business) shall be on weekends, weekday evenings after 4:00 p.m. or during other hours designated by Landlord. Any damage to the Center or Premises resulting from the moving of such items shall be repaired at the sole expense of the responsible tenant. Landlord may prohibit or impose conditions upon the installation or placement of heavy objects in a tenant's premises that might overload Building floors.

- 20. No tenant shall obstruct, alter or in any way impair the efficient operation of Landlord's heating, ventilating and air conditioning system.
- 21. No auxiliary heating ventilating or air conditioning equipment shall be installed or used by any tenant without the prior written consent of Landlord.
- 22. No tenant shall purchase or engage any utility or service in the Premises or the Center without the prior written consent of Landlord. Landlord may, as a condition to its consent, establish such requirements, regulations and hours as it deems necessary or desirable in its sole judgment.
- 23. Tenant shall not waste electricity, water or other utilities and agrees to cooperate fully with Landlord to achieve the most efficient operation of the Premises and the Center and to an Energy Star Certification. Tenant shall keep corridor doors closed to ensure the proper operation of the Building's mechanical system.
- 24. Tenant shall close and lock the doors to its Premises and shut off water faucets, lights, reasonable electronic devices, and water-using appliances at the end of each business day.
- 25. All refuse shall be placed in the receptacles provided for collection. No separate receptacle shall be placed, kept or permitted by a tenant without the prior written consent of Landlord. Tenant shall not place in any receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and refuse disposal.
- Tenant shall comply with all requirements necessary for the efficient operation and management of the Building security system.
- 27. Landlord reserves the right to exclude any person from the Premises and the Center after Tenant's regular business hours, and on weekends and legal holidays, unless that person is known to the person or employee in charge of the Premises or the Center or has other proper identification. Tenant shall be responsible for all persons for whom it requests a card key or other means of access to the Premises, and shall be liable to Landlord for the acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Premises or the Center of any person.
- 28. Tenant assumes any and all responsibility for protecting its premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry closed.
- 29. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency. Tenant shall provide assigned floor wardens and encourage their participation in training.
- 30. No recreational vehicles, boats, trailers, trucks or automobiles shall be stored in the Common Areas or elsewhere in the Center. Any vehicle, boat or trailer stored in the Center may be removed by Landlord at the owner's sole risk and expense.

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- 31. (Intentionally deleted).
- 32. No tenant shall use the Center or Premises in any manner that constitutes waste, nuisance or unreasonable annoyance to other tenants.
- No tenant shall use the Center or Premises for lodging or sleeping or for any illegal purpose.
- All animals are prohibited in the Premises and the Center, except for service animals.
- 35. No furniture, planter or other furnishing shall be placed or kept by any tenant in the Common Areas without the prior written consent of Landlord.
- 36. No tenant shall host a function where alcoholic beverages are served, unless the Landlord has been notified in advance and the tenant has secured all necessary permits and licenses. Tenant shall indemnify and hold harmless the Landlord and property manager for any and all actions to the extent directly caused by such tenant activities.