



**SABEY**  
DATACENTER

ATTACHMENT A.  
**2007-443**

July 16, 2007

Mr. Jim Napolitano, Major Projects Manager [jim.napolitano@metrokc.gov](mailto:jim.napolitano@metrokc.gov)  
King County, Dept of Executive Services  
500 Fourth Avenue, Room 800  
Seattle, WA 98104



**Sabey is a \$500 million company with a 38-year history of solving problems creatively and efficiently. Our wide range of experience and customer-centric culture promotes close relationships and solution-oriented communication.**

**Proposal for King County Data Center  
at  
Sabey Data Center- Building 5**

Dear Mr. Napolitano:

INTERGATE EAST, LLC, ("Landlord") which is a wholly owned subsidiary of SABEY CORPORATION appreciates the opportunity to present to **King County**, ("Tenant") this Letter of Intent for leasing data center and related space at Intergate Seattle. SABEY CORPORATION would be prepared to enter into a lease agreement incorporating the following business terms:

**Space Requirements:**

Tenant's premises shall consist of approximately:

- 7,745 sf data center space (6,684 of raised floor and 1,061 of UPS room space), based on final Tenant design. Tenant will have a Right of First Refusal on the adjacent 3,114sf ("Expansion Space").
- 3,729sf of office space.
- The exact allocation of square footage within Sabey DataCenter SDC5 to be agreed to in the final lease agreement, collectively the "Premises".
- All located in Building 5, 3355 South 120<sup>th</sup> Place, (SDC5), Seattle, WA 98165

**Additional Space and First Right of Refusal:**

Provided the Expansion Space is legally available, during the initial twenty-four (24) months of the Lease Term, Tenant shall have the right to lease the

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Expansion Space at the rate then being paid for the initial Premises. Landlord will construct all necessary Tenant Improvements in the same manner and subject to the same terms, program design criteria and conditions as the Tenant Improvements for the Premises.

In addition, Tenant shall have the ongoing Right of First Refusal on all or a portion of the Expansion Space. Landlord will deliver written notice to Tenant notifying them when, during the Term of the original Lease and any subsequent option periods, another qualified Tenant has delivered written interest in the subject space. Tenant will then have ten (10) calendar days to accept the additional space or release their interest, subject to Metropolitan King County Council approval. If Landlord's notification of the Right of First Refusal is within the initial twenty-four months of the Term, terms and conditions shall be as outlined in the preceding paragraph. If Landlord's notification is after the twenty-fourth month of the Term, Tenant shall accept the Expansion Space on the same terms and conditions as the third party offer.

**Landlord Provided Services:** Landlord will construct at its sole cost and risk per a mutually agreed design, an N+1 type data center to support a server load of 150 watts per square foot, server floor only and will provide office space per mutually agreed design, based on the program design criteria developed by the Sazan Group and titled "KING COUNTY Data Center Design Criteria", document dated February 16, 2007 and attached as Exhibit B to this Letter of Intent. Construction is to be completed and the Premises made available for occupancy by February 1, 2008. Preliminary budget estimates for the Tenant Improvements to the initial Premises and the expansion Premises are in excess of \$7,000,000 and \$4,000,000 respectively and shall be paid for entirely by Landlord.

**Parking:** Ample free, open parking is available. All open parking on site is on a non-reserved, first-come first-serve basis at no charge and Tenant shall have full access to said parking. Sabey maintains the right to reserve parking as required.

**Commencement Date:** Commencement Date is February 7, 2008. Landlord shall deliver to Tenant a reasonable construction schedule confirming this Commencement Date, within five (5) days of Landlord's execution of this Letter of Intent. Tenant shall be permitted access to the Premises forty-five (45) days prior to Lease Commencement for the purpose of installing furniture, fixtures and equipment.

**Term:** The initial term of the lease will be for twelve (12) years, and will include four renewal options for Tenant to extend the term on the same terms and conditions as the initial Lease. The first two renewal options will be for five (5) years each and the next two renewal options will be for four (4) years

each with Tenant providing notice of its intention to renew no less than twelve (12) months in advance.

**Office Space Rental Rate:** Upon the Commencement Date, Tenant shall pay rent for the Office Space at \$1.67/sf/month Fully Serviced Gross with increases of three (3%) percent per year commencing upon the first anniversary of the Lease. There shall be no operating expense or tax pass-throughs beyond this rental rate.

**Data Center Floor Rental Rate:** Rates are based on a fully built out Tier 3 Type, 150 watts/sf, N+1 facility. Upon the Commencement Date, Tenant shall pay Base Rent for the Data Center Space at \$3.60/sf/month NNN with increases of three (3%) percent per year commencing upon the first anniversary of the Lease ("Base Rent"). In addition to the Base Rent, Tenant shall pay, as additional rent, reasonable expenses allocated to the Premises, and Tenant's share of applicable taxes and other expenses not directly billed to Tenant on a NNN basis as further defined below and in the lease:

- Real Estate Taxes
- Property Insurance
- Site, building and parking lot maintenance
- Standard water usage
- Standard sewer usage
- Common area Janitorial, five days a week
- Building and Fire monitoring
- Trash removal
- Interior and Exterior landscaping
- Property Management
- Facility and Common area power
- Roving security (24 X 7)
- Building engineers
- Misc. repair and maintenance
- Elevator service and maintenance

**Tenant Capital Contribution:** Tenant shall make a Capital Contribution of up to Seven Million Dollars (\$7,000,000) for the first 7,745sf of data center space within the 1<sup>st</sup> six months of Tenancy. If Tenant expands into the adjacent 3,114square feet, Tenant shall make a Capital Contribution of up to Four Million Dollars (\$4,000,000) within six (6) months of occupancy of the expansion Premises.

**Operations Costs:** Operations costs on the Data Center space will be on a pass through basis not to exceed \$2.15/sf/month in the initial year of the Lease and subject to actual increases thereafter.

**CAM Charges:** Current CAM charges on the Data Center space will be on a NNN pass through basis not to exceed \$0.87/sf/month in the initial year of the Lease and subject to actual increases thereafter.

- Move Costs:** Based on King County estimates, physical move costs are projected at One Million Dollars (\$1,000,000.00). If desired by Tenant, Landlord will provide reasonable financing for this amount.
- Tenant's Electrical Charges:** Tenant's power consumption will be separately metered and passed through on a consumable basis with no mark up from the utility provider. Power will be metered from the electrical and mechanical systems designed to support the data center floor space leased by Tenant.
- Security Deposit:** No security deposit required.
- Fiber:** The current list of available fiber providers terminated in the building are AT&T, Qwest and Abovenet. ELI/Integra currently provides service to the building and XO Communications has a non-terminated fiber into the building. Other carriers with facilities in the Intergate.Seattle Campus fiber loop system include; OnFiber/Qwest, Level 3, McLeodUSA and TimeWarner Telecom. Tenant shall have the right to connect with any and/or all fiber and other telecommunication providers free of Landlord charge. Landlord will not unreasonably limit utility, telecommunications or fiber service. Tenant will be responsible for any connection fees including NRC & MRC.
- Antenna/Satellite Dishes:** The lease will allow Tenant to install and maintain rooftop antennas/satellite dishes, and to run necessary conduit and cabling from antenna back to the Premises during the term of the lease. The exact square footage and lease cost to be agreed to in the final lease agreement.
- Building Operating Hours:** Tenant's employees will have 24 x 7 access to the facility.
- Permits and Approvals:** Landlord shall be responsible for obtaining all permits, licenses and approvals necessary to construct the Project and shall pay all associated fees and costs.
- Design for Tenant Improvements:** Landlord shall be responsible for completion of design and for engaging such architects, consultants, engineers and the like as may be required to design the Project. Landlord and Tenant shall agree to the conceptual design prior to entering into a Lease agreement. Modifications and refinements to this plan may be made, provided the key elements and assumptions of the plan are carried forward into final design. Tenant shall have the right to review, inspect and approve the work related to the design of the Project on an ongoing basis provided that any approval does not delay construction or if delayed, parties agree to extend delivery date. Landlord shall construct the Project in accordance with the approved design at its sole expense.
- Construction:** Landlord shall oversee and manage construction of the Project and engage an experienced, qualified general contractor to perform Landlord's work. All

costs associated with construction of the Project shall be borne by the Landlord. No cost of construction shall ever become an obligation of Tenant. Tenant shall receive notice of all change orders with sufficient notice to give it time to provide comments and approval or disapproval prior to implementation, provided that any approval does not delay construction or if delayed, parties agree to extend delivery date. In addition, Tenant may only make recommendations that affect the space directly rentable by Tenant. All costs in excess of the final, not to exceed, budget shall be borne by the Landlord, except net costs for design changes requested by Tenant after approval of the 100% design. Costs in excess of the final, not to exceed, budget that are associated with such change may be charged to King County only as additional rent. King County shall have the right to engage its own consultants and attend periodic inspections of the Project at Tenant expense. Landlord shall be solely responsible for maintenance and repair of all tenant improvements except as otherwise set out in the final lease, normal wear and tear excepted. At no time during this Lease shall Tenant be in privity of contract with, or financially responsible to, any of Landlord's contractors. Upon substantial completion of the Project, Landlord, shall warrant, among other things, that the Project has been completed in substantial accordance with all contract documents, and at all times for the period equal to the later of the warranty period from the contractor or one year following the date of substantial completion is free from defects in workmanship and materials in connection with the construction thereof.

**Prevailing Wage:**

Landlord shall ensure that prevailing wage is paid for all labor associated with construction of the Project.

**Liquidated Damages:**

Landlord shall agree to pay liquidated damages, in the form of cash or rent credits, calculated in thirty (30) day increments, should the Tenant Improvements not be substantially complete by February 28, 2008. If the Tenant Improvements are not substantially complete by April 1, 2008, Tenant shall have the right to terminate the Lease without further obligation or responsibility.

**Security:**

The Lease shall include security provisions as mutually agreed, ensuring that King County shall have sufficient control of access and protection of the Premises as are required to carry out its purpose and function. Any costs associated with providing security provisions over and above building standard, will be the responsibility of the Tenant.

**Insurance:**

Landlord and King County shall each maintain appropriate insurance or self-insurance, as the case may be, for their respective liability associated with the Property.

**Liens:**

The Lease shall include commercially reasonable terms concerning liens on the Project and Premises.

**Duty to Cooperate:**

Both parties commit to working together in good faith so that Landlord can commence construction of the Project and deliver the Premises to King County as soon as possible. To that end, Landlord and Tenant shall establish mutually acceptable review and approval dates to facilitate a timely delivery. It is recognized that Tenant is in need of the described space in a very short time and that these type of facilities are complicated to build. Tenant and Landlord agree to work cooperatively and expeditiously to meet the requested timeline.

**Legal Authority:**

King County represents and warrants to Landlord that upon the King County Council's approval of this Letter of Intent, King County shall have the legal authority to negotiate, execute and deliver the Lease without further Council or other approval, and such Lease shall be binding against King County.

**Brokerage:**

A fee will be paid to Washington Partners, Inc., based on a separate agreement at \$7.50 per square foot. The fee shall be paid within thirty (30) days of Lease execution. Landlord and Tenant confirm receipt of "The Law of Real Estate Agency" as required under RCW 18.86.030.

This Letter of Intent does not create any legal rights or obligations to either party, but rather summarizes the key business terms of our offer. All of the legal rights and obligations of the parties will be set forth in the lease agreement. Please confirm that this Letter of Intent accurately sets forth your understanding of the key business terms by signing the enclosed copy of this Letter and returning it before July 20 2007.

Should you have any questions, please do not hesitate to call. We look forward to working with you.

Sincerely,

SABEY CORPORATION, as agent for  
International Gateway East LLC

*Enclosure*

ACCEPTED AND APPROVED:

Jim Napolitano  
King County

John Ford  
SABEY CORPORATION, as agent for  
International Gateway East LLC

By: *Matthew Stone*

By: *[Signature]*

Its (Title): *FUND Director*

*DIRECTOR*  
Its (Title): *TECHNOLOGY REAL ESTATE*

Date: *7/27/07*

Date: *7/16/07*

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