King County

KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

Signature Report

June 1, 2010

Ordinance 16850

	Proposed No. 2010-0280.1 Sponsors Patterson		
1	AN ORDINANCE approving leases executed by the King		
2	County executive in order to move various King County		
3	services from the Green River Valley flood plain.		
4	BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:		
5	SECTION 1. Findings:		
6	A. Part of King County's flood mitigation strategy, funded by King County		
7	Ordinance 16680, included funding for leases as necessary to accommodate essential		
8	county services that may be temporarily displaced by threatened or actual flooding within		
9	the Green River valley.		
10	B The King County executive has negotiated and executed leases for the		
11	temporary relocation of King County superior court services from the Norm Maleng		
12	Regional Justice Center and district court services from Aukeen District Court and the		
13	Norm Maleng Regional Justice Center. These leases are:		
14	1. Park Place (Superior Court); and		
15	2. Renton Technical College (District Court).		
16	C. In addition, the King County executive has negotiated and executed leases for		
17	the permanent relocation of certain essential county services also within the Green River		
18	Valley floodplain, where temporary relocation was not deemed to be practically or		
19	economically advisable. These leases are:		

20	1. Des Moines Logistics Center (Health);
21	2. Cedars Building (Superior Court); and
22	3. Seattle Logistics Center (OIRM).
23	D. In accordance with K.C.C. 4.04.040 the King County council may adopt an
24	ordinance permitting the county to enter into contracts requiring the payment of funds
25	from the appropriation of subsequent fiscal years. These leases are subject to K.C.C.
26	4.04.040.
27	SECTION 2. The appropriate county officials, agents and employees are hereby
28	authorized to take all actions necessary to implement these leases and all actions up to
29	now taken by county officials, agent and employees consistent with the terms and
30	purposes of the lease agreement are hereby ratified, confirmed and approved.
31	SECTION 3. If any one or more of the covenants or agreements provided in this
32	ordinance to be performed on the part of the county is declared by any court of competent
33	jurisdiction to be contrary to law, then such covenant or covenants, agreement or
34	agreements are null and void and shall be deemed separable from the remaining
35	covenants and agreements of this ordinance and in no way affect the validity of the other
36	provisions of this ordinance or of the lease.
37	SECTION 4. The leases at the following locations, executed by the King County
38	executive, are hereby approved:
39	A. Park Place (Superior Court);
40	B. Renton Technical College (District Court);
11	C. Des Moines Logistics Center (Health);

- D. Cedars Building (Superior Court); and
- E. Seattle Logistics Center (OIRM).

44

Ordinance 16850 was introduced on 5/17/2010 and passed by the Metropolitan King County Council on 6/1/2010, by the following vote:

Yes: 8 - Ms. Drago, Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague, Ms. Lambert, Mr. Ferguson and Mr. Dunn

No: 0

Excused: 1 - Ms. Patterson

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Robert W. Ferguson, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this 310 day of June, 2010.

Dow Constantine, County Executive

Attachments: A. Lease Agreement, B. Lease, C. Park Place Lease Agreement, D. AMB Des Moines Logistics Center, E. Seattle Logistics Center 1

Lease #1918

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated January 1, 2010 (for reference purposes only) ("Lease"), is made by and between Institute For Family Development, A Washington Non-Profit Corporation, (hereinafter called Landlord) and King County, a political subdivision of the State of Washington (hereinafter called Tenant):

WITNESSETH:

1. <u>Premises:</u> Landlord does hereby agree to lease to Tenant for use as Juvenile Court Services Office those certain Premises known as 34004 16th Avenue South, Federal Way, Washington, Suites D & E, comprising approximately 3,222 square feet, shown outlined in red on **Exhibit A** attached hereto, situated in Federal Way, King County, Washington and legally described on **Exhibit A.1:**

2. Term:

- 2.1 The Term of this Lease shall be for 70 months, commencing on March 1, 2010 or substantial completion of Tenant Improvements as depicted on Exhibit A and described on Exhibit B whichever is later ("Commencement Date"), and shall terminate on the last day of the 70th month following commencement of the Lease ("Expiration Date").
- 2.2 If Landlord cannot deliver possession of the Premises to Tenant on the Commencement Date, provided that delivery of Premises can be made within a reasonable and mutually agreed timeframe, this Lease shall not be void or voidable; but, in that event, there shall be a proportionate reduction of rent covering the period between the Commencement Date and the time when Landlord can deliver possession.
- 3. Use: Tenant shall use the Premises for general office purposes' and shall not use or permit the Premises to be used for any other purposes without prior written consent of Landlord. Tenant shall not do or permit anything to be done in or about the Premises nor bring to keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Building or any of its contents, or cause cancellation of any insurance policy covering said Building or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose, nor shall tenant cause, maintain, or permit any nuisance, in, on, or about the Premises. Tenant shall not commit or suffer to commit any waste in or upon the Premises.

- 4. Cancellation Policy: Tenant's obligations to Landlord, if any, that extend beyond a current year are contingent upon approval of the Lease by the King County Council or appropriation by the King County Council of sufficient funds to pay such obligations. Should such approval or appropriation not occur, or if grant funding is cancelled or not renewed Tenant shall immediately so advise Landlord and this Lease and all obligations hereunder will terminate at the end of the calendar year in which such approval or appropriations fails to occur, except that Tenant shall reimburse Landlord the unamortized Tenant Improvement costs, architectural fees and commission/advisory fees on a straight line basis.
- 5. <u>Preparation of Premises and Delivery of Possession:</u> Prior to the commencement of the term hereof, Landlord shall arrange for Tenant Improvements to the Premises, pursuant to the provisions of Exhibit B attached hereto. The Premises shall be deemed completed, save regular puchlist items, as reasonably determined by Tenant and Premises delivered on the date these Tenant Improvements are substantially complete or on the date specified in paragraph 2 as the commencement of the term, whichever is later.
- 6. Rent: Tenant covenants and agrees to pay Landlord, at Landlord's address, without deduction or offset, monthly rent as shown on Exhibit C attached hereto, and payable in U.S. Dollars, in advance, without prior notice or demand, on the first day of each month of the Term. Rent for any fractional calendar month, at the beginning of the calendar term, shall be prorated.
- 7. <u>Utilities and Service:</u> The Landlord shall provide for, at its sole expense, electricity, water, sewer, garbage removal, ground and Building maintenance more specifically described in Exhibit "C", commensurate with good Building management practices, as defined by the guidelines of the Building Owners and Managers Association.

8. <u>Alterations and Maintenance:</u>

- 8.1 Tenant shall not make any alterations or additions to the Premises without the prior written permission of the Landlord, which consent shall not be unreasonably withheld. Any alterations shall become the property of Landlord upon termination of the Lease.
- 8.2 The Landlord agrees to keep the Building and the Premises in good repair, including foundations and exterior walls of the Premises, utility systems outside the Premises, roof and common areas, suitable for use as the purpose so defined in paragraph 1 of this Lease. During the term of this Lease, the Landlord shall repair malfunctioning fixtures, and repair and maintain the structural portions of the Building and the basic plumbing, air conditioning, heating and electrical systems, unless such repairs are required as a result, in whole or in part, of the act or neglect of any duty by Tenant, its agents, servants, employees, or invitees, in which event Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant.

- 9. <u>Signs:</u> Tenant may, at its sole expense, place external signage on the Premises provided that such signs have been approved in advance by Landlord and do not violate any statute, regulations, or permitting requirements existing during the term of this Lease. Tenant shall be responsible for all maintenance of its signage and for the costs of removal of such signs and of restoring the Building to the condition existing prior to its installation and satisfactory to Landlord.
- 10, <u>Fixtures:</u> All fixtures attached to the Premises solely by the Tenant may be removed by the Tenant at any time provided (a) that the Tenant shall restore the premise to their condition prior to the installation of the fixtures, normal wear and tear excepted; (b) the Tenant shall not then be in default of any material provisions of this Lease; and (c) that the removal will be made on or before the expiration of the term or any extension thereof.
- 11. <u>Indemnity and Hold Harmless:</u> Landlord and Tenant mutually agree that in any and all causes of action and/or claims, or third party claims, arising under the terms, activities, use and /or operations of this Lease, including the Premises, each party shall be responsible to the other only to the extent of each other's comparative fault in causing alleged damages or injuries. Each party agrees to indemnify the other to the extent of the indemnitor and indemnitee's proportional share.

As to any and all causes of actions and/or claims, or third-party claims, arising under the sole fault of a party to this Lease, said party shall have a duty to defend, save, and hold the other party harmless, and upon failure to do so, said party shall pay reasonable attorney's fees, costs and expenses incurred by the other party to this Lease in defense of said claims and/or actions.

- Insurance: The Landlord acknowledges, accepts, and agrees that Tenant, a charter county government under the constitution of the State of Washington, hereinafter referred to as "Tenant," maintains a fully funded self-insurance program as defined in King County Code 4.12 for the protection and handling of the Tenant's liabilities including injuries to persons and damage to property. Landlord acknowledges, agrees and understands that Tenant is self-funded for all of its liability exposures. Tenant agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Lease. Tenant agrees to provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and will provide Landlord with a certificate of self-insurance as adequate proof of coverage. Landlord further acknowledges, agrees and understands that Tenant does not purchase Commercial General Liability insurance and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured. Should Tenant elect cease self-insuring its liability exposures and purchase Commercial General Liability insurance, Tenant agrees to add Landlord as an additional insured.
 - 13. Arbitration: Intentionally Deleted
- 14. <u>Subletting and Assignment:</u> Tenant shall not sublet the whole or any part of the Premises, nor assign this Lease or any interest thereof, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.
 - 15. <u>Damage or Destruction:</u> In the event The Premises are damaged to such an extent

as to render them untenantable in whole or in part and Landlord elects to repair or rebuild, the work shall be prosecuted without unnecessary delay. Rent shall be abated while such work is in progress, in the same ratio that the portion of the Premises that is unfit for occupancy shall bear to the whole of the Premises. If after 60 days the Landlord shall fail to proceed to repair or rebuild, Tenant shall have the right to declare this Lease terminated by written notice served on the Landlord. In the event the Building, in which the Premises are located, shall be destroyed or damaged to such extent that in the opinion of the Landlord it shall not be practical to repair or rebuild, it shall be optional with Landlord to terminate this Lease by written notice to Tenant within one hundred twenty days after such damage or destruction.

- 16. <u>Liens:</u> Landlord and Tenant shall keep the Premises and the Building in which the Premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord.
- 17. Right of Entry: Landlord reserves and shall at any and all reasonable times have the right to enter the Premises, inspect the same, supply janitorial service and any other service to be provided by the Landlord to Tenant hereunder, to show the Premises to prospective purchasers, mortgagees, or tenants, and to repair the Premises and any portion of the Building and may for the purpose erect scaffolding and other necessary structures when reasonably required by the character of the work performed, all as providing that the entrance to the Premises shall not be blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably. Except for emergencies, Landlord shall give reasonable notice before entry to repair the Premises.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors, in, upon, and about the Premises, excluding Tenant's vaults, safes, and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by Landlord by any of said means or otherwise shall not under any circumstances be construed or deemed to be forceful or unlawful entry into, or a detainer of the Premises, or an eviction of Tenant for the Premises or any portion thereof provided said entry relates to emergency purposes as aforesaid. Tenant agrees to allow "to" signs of reasonable size to be placed in and remain upon the exterior or interior of the Premises during the last ninety days of the Term.

18. <u>Hazardous Substances</u>: 18.1 Landlord acknowledges and fully discloses that The Premises contain no Hazardous Substances as defined by applicable law. Upon the execution of this Lease, if Landlord or Tenant subsequently discovers the existence of Hazardous Substances on the Premises, Landlord and Tenant shall disclose to each other this material fact and act within full compliance of all applicable laws, regulations and safety practices governing Hazardous Substances. Landlord and Tenant further mutually agree that in any and all causes of action and/or claims, or third-party claims, arising under the terms, activities, use and/or operations of this Lease, each party shall be responsible, to the extent of each other's comparative fault in causing the alleged damages or injuries. Notwithstanding paragraph 11 (above), each party agrees to indemnify, defend and hold harmless Landlord or Tenant, its appointed and elected officials, employees, from and against any and all claims, liabilities, damages, and expenses, including reasonable attorney's

fees, asserted against Landlord or Tenant by a third party, including without limitation, any agency or instrumentality of the federal government, state or local government, for bodily injury, including death of a person, physical damage to or loss of use of property, or clean-up activities (including but not limited to investigation, study, response, remedial action, or removal), fines or penalties arising out of or relating to the presence, release, or threat of release of a Hazardous Substance existing or emanating from the Premises, except that which existed or emanated from the Premises prior to Tenant's possession of the Premises or to the extent caused by the act or omission of Landlord. Landlord's and Tenant's obligations under this paragraph 18.1 shall survive the expiration or other termination of this Lease.

- 18.2 <u>Definition of Hazardous Substances</u>: "Hazardous Substances" as defined in this Lease shall mean:
 - a. Any toxic substances or waste, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances; or
 - b. Any dangerous waste, hazardous waste, or hazardous substance as defined in:
 - i. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereinafter amended (42 U.S.C. § 9610 et seq.);
 - ii. Resource Conservation and Recovery Act, as now or hereafter amended (42 U.S.C. § 6901 et seq.);
 - iii. Washington Model Toxics Control Act, as now or hereinafter amended (R.C.W. Chs. 70.105, 70.105A and 70.105D); or
 - c. Any pollutant, contaminants, substances, as defined above, posing a danger or threat to public health or welfare, or to the environment, which are regulated or controlled by any federal, state and local laws, and regulation, as now or hereafter amended.
- 19. Waiver of Subrogation: Landlord and Tenant agree that they shall not make a claim against or seek recovery from the other for any loss or damage to their property, or the property of others, resulting from fire or other hazards covered by fire and extended coverage insurance and each hereby releases the other from any such claim or liability regardless of the cause of such loss or damage so covered by insurance. In the event of any increased cost or impairment of ability to obtain such insurance, the party suffering such increased cost or impairment may terminate such waiver and release upon written notice to the other party hereto. Such waiver is conditioned upon the parties having had their respective insurance companies issue a policy or endorsement providing that the waiver or release of subrogation rights shall not adversely affect or impair such policies or recovery by the insured thereunder.
- 20 <u>Eminent Domain:</u> Should the Premises or any portion thereof be taken by right of eminent domain with or without litigation, any award for compensation and/or damages, whether obtained by agreement prior to or during the time of trial, or by judgment or verdict after the trial, applying to the leasehold estate created hereby other than that portion of said award, if any, based

upon a taking of the Tenant's Improvements or affixtures, shall belong and be paid to Landlord, and Tenant hereby assigns, transfers, and sets over to Landlord all of the right, title, and interest which it might otherwise have therein. In the event that the portion of the Premises so taken shall be more than twenty-five percent (25%) of the Premises, Tenant shall have the option, to be exercised by written notice given to Landlord within thirty (30) days after the date of notice of taking, to terminate this Lease or relocate, at Landlord's expense. If either less or more than twenty-five percent (25%) of the Premises is taken and the Tenant does not elect to terminate as herein provided, the rental thereafter to be paid shall be reduced in the same proportion as the amount of leased floor space is reduced by such taking, and Landlord shall make such reconstruction of the Premises as may be required.

- 21. <u>Holding-Over:</u> If, with Landlord's written consent, which such consent shall not be unreasonably withheld, Tenant holds possession of the Premises after the term of this Lease or any extension thereof, Tenant shall become a tenant from month-to-month upon the terms herein specified, but at a monthly rent equivalent to 125% of the then prevailing rent payable by Tenant at the expiration of the term of this Lease or any extension thereof and subject to the continued application of all of the provisions of paragraph 4 and 5 herein, shall be payable in advance on the first day of each month.
- 22. <u>Surrender of Premises:</u> At the end of the term of this Lease or any extension thereof or other sooner termination of this Lease, Tenant will peaceably deliver up to Landlord possession of the Premises in the same condition as received, except for ordinary wear and tear and damage by fire, earthquake, act of God or the elements alone, and Tenant will deliver all keys to the Premises to the Landlord. In addition, Tenant at Tenant's expense will remove Tenant's goods and effects and trade fixtures, and those of all persons claiming under Tenant, and Tenant will repair any damage resulting from such removal.
- 23. <u>Costs and Attorney's Fees:</u> If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted in King County superior court, the non-prevailing party agrees to pay all reasonable costs and attorney's fees of the substantially prevailing party in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease will be King County.
- 24. <u>Subordination:</u> If a lender requires that this Lease be subordinated to any encumbrance now of record or any encumbrance recorded after the date of this Lease, this Lease shall be subordinated to that encumbrance, if Landlord first obtains from the lender a written agreement that provides substantially the following:
- 24.1 As long as Tenant is not in default under this Lease, no foreclosure of, deed given in lieu of foreclosure of, or sale under the encumbrance, and no steps or procedures taken under the encumbrance, shall affect Tenant's rights under this Lease.
- 24.2 The provisions in this Lease concerning the disposition of insurance proceeds on destruction of the Premises, and the provisions in this Lease concerning the disposition of any condemnation award shall prevail over any conflicting provisions in the encumbrance.

- 24.3 Tenant shall attorn to any purchaser at any foreclosure sale, or to any grantee or transferee designated in any deed given in lieu of foreclosure.
- 24.4 Tenant shall execute the written agreement and any other documents required by the lender to accomplish the purposes of this paragraph 24.
- 25. <u>Successors and Assigns:</u> All of the agreements, conditions and provisions of this Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Landlord and Tenant.
 - 26. Anti-Discrimination: Intentionally deleted
- 27. <u>Rules and Regulations</u>: Tenant shall faithfully observe and comply with the rules and regulations which shall apply to and be for the mutual benefit of all tenants in the Building and all reasonable modifications of and additions thereto from time-to-time put in effect by Landlord. Such rules and regulations are specified in **Exhibit D** attached hereto and incorporated herein.
- Quiet Enjoyment: Landlord covenants and agrees that Tenant, upon performance of all Tenant's obligations under this Lease, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Lease without disturbance by Landlord or by any person having title paramount to Landlord's title or by any person claiming under Landlord, subject to the other terms and provision of this Lease and subject to all mortgages, underlying leases and other underlying matters of record to which this Lease is or may become subject to and subordinate. Landlord shall not be responsible for interruption of utilities or other adverse effects on Tenant's quiet enjoyment which arise through no fault of Landlord.
- 29. <u>Notices:</u> All notices by either party to the other shall be in writing and may be delivered personally or by certified or registered mail to the following addresses:

To Tenant:

King County Real Estate Services Section 500 Fourth Avenue, Suite 500 Seattle, WA 98104-3279

To Landlord: Institute For Family Development 34004 16th Ave S., Suite 200 Federal Way, WA. 98003

or at such other address as either party may designate to the other in writing from time-to-time.

- 30. <u>Time:</u> Time is of the essence of this Lease and of each and all of the agreements, conditions, and provisions herein.
- 31. <u>Entire Agreement:</u> This Lease contains all covenants and agreements between Landlord and Tenant relating in any manner to the leasing, occupancy and use of the Premises and

Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

- 32. <u>Interpretation State Law:</u> The titles to paragraphs of this Lease are for convenience only and shall have no effect upon the construction or interpretation of any part hereof. This Lease shall be governed by the laws of the State of Washington.
- 33. <u>Severability:</u> The unenforceability, invalidity, or illegality of any provision of this Lease shall not render the other provisions unenforceable, invalid or void.
- 34. Addenda: Any addendum attached hereto and either signed or initialed by the Landlord and Tenant shall be deemed a part hereof.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease on the dates specified below,

LANDLORD:	TENANT: King County, Washington
By: Cloot	By: Stephen Salyer, Manager Real Estate Services Section
Date: 1/29/10	Date: 1/2/10
	APPROVED AS TO FORM ONLY:
	By: My Tim Barnes, Senior Deputy Prosecuting Atty.
	Date: /-27-10
	KING COUNTY JUVENILE COURT SERVICES By:
	Date:

	ASTROVED AS TO FORM ONLY:
	Ву:
Atty.	Tim Barnes, Senior Deputy Prosecuting
•	Date:
	KING COUNTY JUVENILE COURT SERVICES By: June Smy h
	Date: 12/10/09
STATE OF WASHINGTON)	
COUNTY OF KING)	
authorized by the King County Executive of King County	signed this instrument, on oath stated that he was we to execute the instrument, and acknowledged it as the ty, Washington to be the free and voluntary act of said
County for the uses and purposes menti	oned in the instrument.
Date:	
	NOTARY PUBLIC in and for the State of Washington residing at
	My appointment expires

STATE OF WASHINGTON	*	
COUNTY OF KING) ss)	
I certify that Standauthorized by the King Count Wars of RES of King for the uses and purposes men	Supply Signed this y Executive to execute County, Washington to attioned in the instrument	s instrument, on oath stated that he was the instrument, and acknowledged it as the be the free and voluntary act of said County at.
Date: 1.27.2010		NOTARY PUBLIC in and for the State of Washington residing at Sea Hiz wh. My appointment expires 10.15.2012
PUBLIC 15 20 THE WASHING	A CHILLIAN CONTRACTOR OF THE C	
STATE OF WASHINGTON COUNTY OF KING)) ss	
On this day personally be the Cx. Director of the acknowledged the said instrum	he Corporation that exe ment to be the free and	Marto He Broth , to me known to ecuted the foregoing instrument, and voluntary act and deed of said corporation for was authorized to execute the said instrument.
GIVEN under my han	d and official seal this	2° , day of 3 an, 20 17.
M. LEACH OF WASHING	Manual Hilling	NOTARY PUBLIC in and for the State of Washington residing at December 119/10.

(Exhibit A follows-next page)

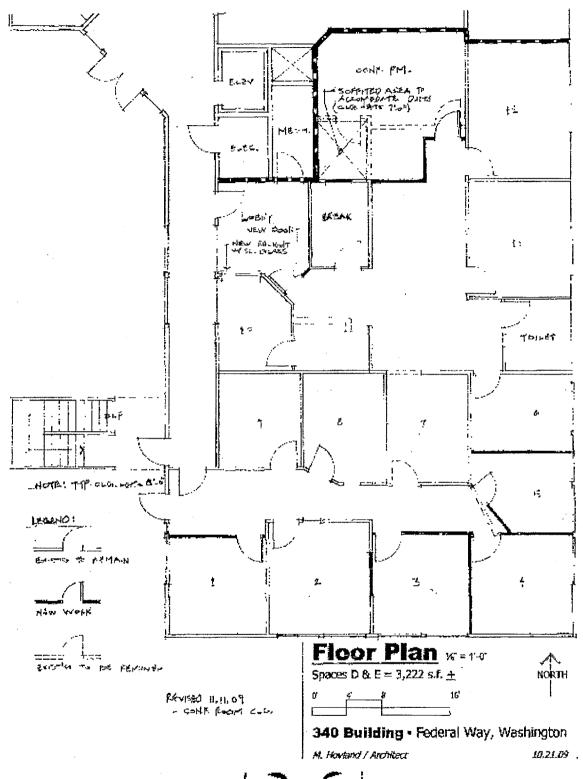




EXHIBIT A.1

Legal Description of Property

The Premises described herein are located in the Cedars Building, located at 34004 16th Avenue South, Federal Way, Washington 98003, and known as Suite 101.

The Building is located on Lot 16, Kit's Corner Business Park, Records of King County, Washington; further identified as assessor's parcel number 390380-160.

EXHIBIT B

Tenant Improvements: Landlord, at Landlord's cost and expense, shall deliver the Premises on a "turnkey" basis. Proposed improvements are referenced on Exhibit A attached hereto. The Landlord shall provide new paint and carpet throughout the space and provide a lock on the new door in the reception area. All Building systems shall be in good working condition.

EXHIBIT C

This addendum is hereby fully incorporated into and made a part of the Lease, dated January 1, 2010 (for reference purposes only), between the Institute for Family Development and King County—Juvenile Court Services. All capitalized terms shall have the meaning set forth in the Lease unless specifically defined otherwise in this addendum.

Rent Schedule:

March 1, 2010 though October 31, 2010: \$none

November 1, 2010 through December 31, 2011: \$,4698.75 per month

January 1, 2012 through December 31, 2012: \$4,833.00 per month

January 1, 2013 through December 31, 2014, \$4,967.25 per month

January 31, 2015 through December 31, 2015: \$5,101.50 per month

Option to Renew: The Tenant shall have the Option to Renew this for Two (2) additional five (5) year terms. The Tenant shall give 180 days written notice of its intent to renew. The Rate for the renewal term shall be at the then fair market rate, as reasonably negotiated by Landlord and Tenant.

Early Access: The Tenant, its agents and contractors, shall be allowed access to the Premises thirty days prior to the Commencement Date, with no obligation to pay rent, for the sole purpose of planning, measuring and installing improvements such as telephone systems, furniture, computer cabling and trade fixtures. Said access shall not interfere with the Landlord's work.

Operating Expenses: Beginning in the year 2011, Tenant shall pay its proportionate share of any increases in Building operating expenses above those paid by the Landlord for the year 2010. Operating expenses shall be prorated on a 100% occupied Building. Tenant shall pay as additional rent its pro rata share (based on Tenant's rentable square footage as a percentage of the whole Building, except those services used exclusively by Tenant, which Tenant shall pay entirely) of real property taxes and assessments, insurance premiums, electricity, natural gas, water, sewer, alarms, telephone lines, maintenance reserves, supplies used by Tenant, garbage removal and ground and Building maintenance and repair, including janitorial services ("Operating Expenses), commensurate with good Building management practices, as defined by the guidelines of the Building Owners and Managers Association, excluding (a) the costs of specialized services rendered to other individual tenants, (b) leasing commissions and expense, (c) costs of capital replacements or additions required to be capitalized in accordance with generally accepted accounting principles, and (d) costs attributable as operating expenses of individual tenants, including Landlord's costs that are not related to operation and maintenance of the Premises. The Operating Expenses will be adjusted annually, based on actual costs. The amount over or short will be credited to Tenant or paid to Landlord.

Parking: The Landlord shall provide fifty one (51) unreserved parking stalls available to the Tenants at the Building on a first come, first served basis. The Landlord shall provide the Tenant one (1) reserved parking stall for the exclusive use of the Tenant. There shall be no parking fees during the initial term or extensions of this Lease.

<u>Representation.</u> Craig L. Michalak, Inc. represented the Landlord and Washington Partners, Inc. represented the Tenant in this transaction. Both parties confirm receipt of "The Law of Real Estate Agency" as required under RCW 18.86.030.

<u>Tenant Advisory Fee.</u> Tenant has contracted with Washington Partners to provide tenant advisory services on its behalf. Landlord shall pay directly to Washington Partners a real estate consulting fee of 5.0% of the total lease consideration attributable only to the initial lease term.

EXHIBIT D

Rules and Regulations

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

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved of by Landlord.

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

- 2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
- 3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises without first obtaining written consent from the landlord.
- 4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.
- 5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
- 6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought in to the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
- 7. Tenant shall not use, keep or permit to be used or kept any foul noxious gas or substance or hazardous material in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or

kept in or about the Premises or the Building.

- 8. No cooking, except microwave type ovens and coffee makers, shall be done or permitted by any tenant on the Premises, nor shall the Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.
- 9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
- 10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
- 11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 7:00 a.m., the following day, access to the Building, or to the halls corridors, elevators or stairways in the Building or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
- 12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
- 13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.
- 14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
- 15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
- 16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
- 17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
- 18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

- 19. The Cedars 340 Building is a No Smoking Building. Smoking outside the Building is permitted only in landlord-designated areas.
- 20. No Pets allowed.

1915

2010-0280 Attachment B 16850

AFTER RECORDING RETURN TO:

Department of General Administration Real Estate Services P. O. Box 41015 Olympia, Washington 98504-1015

> Lease No. SRL 09-0123 (Renton)GAW/ij Project No. 211-09-09 Date: October 26, 2009 Page 1 of 8

LEASE

1. THIS LEASE, is made and entered into by and between the STATE OF WASHINGTON, State Board for Community and Technical Colleges. Renton Technical College, acting through the Department of General Administration in accordance with RCW 43.82.010 whose address is 3000 N.E. Fourth Street. Renton, Washington 98056-4195 for its administrators, successors, and assigns, hereinafter called the Lesser, and King County, a municipal corporation, hereinafter called the Lessee whose address is c/o Real Estate Services Section, 500 King County Administration Building, 500 4th Avenue, Seattle, Washington 98014. This Lease is dated for reference purposes only as of the latest date of execution hereof.

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED AS FOLLOWS:

LEASED PREMISES

2. The Lessor hereby leases to the Lessee the following described Leased Premises:

Tax Parcel Number: 1623059135

Common Street Address: 3407 N.E. 2nd Street, Renton, Washington

Approximately 9.948 BOMA gross building area on approximately 2.04 acres located at 3407 N.E. 2nd Street, Renton. Washington: legally described as Lot 4 of City of Renton Short Plat LUA 01-090 Per REC #20020517900003 SD SP DAF – W ½ of NE ½ of NW ½ LESS POR LYING N OF SLY R/W OF NE 3^{nl} ST TGW SE ½ OF NW ½ TGW SW ½ OF NE ½ LESS POR CONVEYED KC PER REC #9812090986, 9611200290 and 9109130534 TGW NW ½ OF SE ½, King County, State of Washington.

USE

- 3. The Leased Premises shall only be used by the Lessee for the following purpose: office space for public purposes District Court.
- 3.1 No other use shall be permitted without the prior written approval of the Lessor, at its sole discretion. No pets or other animals shall be kept, housed, or brought into the Leased Premises for any purpose with the exception of guide dogs and service animals, as required by employees and visitors, and dogs required for law enforcement or security purposes. Lessee shall comply with ch. 70.160 RCW and Executive Order 88-06, and no smoking shall be permitted in



the building, on the Premises, or within 25 feet of an entrance or opening to the building. Lessee agrees to keep the Leased Premises in as good order, condition, and repair as when the same was entered upon, ordinary wear excepted. Furthermore, in using these Leased Premises, it is expressly agreed that Lessee shall comply with all applicable federal, state, and local laws, ordinances, regulations and environmental requirements.

TERM

4. TO HAVE AND TO HOLD the Leased Premises with their appurtenances for the term <u>starting on</u> the Commencement Date, as provided below, and expiring five (5) years thereafter. This Lease is contingent upon approval by the King County Council of the proposed Supplemental Appropriation Ordinance for Green River Valley flooding contingency measures.

Subject to satisfaction of the aforementioned contingency, Lessee shall have the right of early possession of the Leased Premises for the purpose of Lessee's completion of construction of tenant improvements and installation of furniture, fixtures and equipment, at Lessee's sole cost and expense. Said early possession shall be subject to all of the terms and conditions of this Lease except for the obligation to pay Rent. The Commencement Date of this Lease shall be the date that Lessee completes construction of tenant improvements and installation of furniture, fixtures and equipment so that the Leased Premises are ready for Lessee's occupancy, and provides written notice to the Lessor, but not later than January 1, 2010.

In the event of a flood in the Green River Valley impacting Lessee's existing occupancy therein, or in reasonable anticipation of a flood. Lessee may occupy the Premises prior to completion of the Tenant Improvements and installation of furniture, fixtures and equipment on an emergency basis. In such an event, the Lease Commencement Date and Lessee's obligation to pay Rent shall be the effective date of such emergency occupancy.

RENT

5. The Lessee shall pay Rent to the Lessor for the Leased Premises as follows:

Twelve Thousand Four Hundred Thirty-five Dollars and No Cents

\$12,435,00 per month

Payment shall be made on or before the fifth (5th) of each month.

LATE CHARGE

6. If any payment under this Lease is not received by the due date, Lessor may add interest of one percent (1%) per month, or fraction thereof, per RCW 43.17.240 for all amounts owed (including insufficient fund charges) until paid in full. There may be an additional charge of \$50.00 for any check returned for insufficient funds. Interest shall be compounded monthly and added to all amounts until account is current.

RENEWAL/CANCELLATION

- 7. Lessee shall have the option to extend the Term of this Lease for an additional five (5) years subject to providing Lessor written notice of its desire to exercise said option during the fifth (5) year following the Commencement Date at least sixty (60) days prior to expiration of Lease. The extended Term shall be subject to all of the terms and conditions of this Lease except for Rent which shall be at the then existing fair market rent as reasonably negotiated between the parties.
- 7.1. It is mutually understood and agreed by and between Lessor and Lessee that this Lease may be canceled and terminated by Lessee only during the initial five (5) year Term provided that written notice of such cancellation and termination shall have been given at least sixty (60) days prior to the effective date thereof and the scheduled expiration of the Lease, in which event rent shall be prorated to the date of termination.



7.2 In the event that Lessor desires to renovate redevelop, improve, change the use or demolish the building, of which the Leased Premises are a part, Lessor expressly reserves the right at its sole discretion to terminate this Lease subject to giving the Lessee at least one hundred eighty (180) days written notice prior to the effective date of such termination in which event rent shall be prorated to the date of termination. In addition, in the event of termination or expiration of this Lease, Lessee acknowledges that the signing of this Lease does not entitle Lessee to assistance under the Uniform Relocation and Real Property Acquisition Policy, Ch. 8.26 RCW.

MONTH TO MONTH

8. If Lessee remains in possession of the Leased Premises after the expiration or termination of this Lease, or any extension thereof, such possession by Lessee shall be deemed to be a month-to-month tenancy, terminable as provided by law. During such month-to-month tenancy, Lessee shall pay all Rent provided in this Lease or such other Rent as the parties mutually agree in writing and all provisions of this Lease shall apply to the month-to-month tenancy, except those pertaining to Term and option to extend the Term.

ASSIGNMENT/SUBLEASE

9. The Lessee shall not assign, nor sublet the Leased Premises without first obtaining Lessor's prior written consent in Lessor's sole discretion.

EXPENSES

- During the term of this Lease, Lessor shall pay all real estate taxes, and property assessments, if applicable.
- 10.1 Lessee shall pay for utilities, including water, (including storm water, landscape and irrigation water), sewer, garbage collection, natural gas and electricity; and routine maintenance and repair of the building and site including landscape maintenance and janitorial service.

MAINTENANCE AND REPAIR

The Lessee shall maintain the Premises in good repair and tenantable condition during the continuance of this Lease except in case of damage arising from the negligence of the Lessor's clients, agents or employees. Lessor's maintenance and repair obligations shall include, but not be limited to, the building foundation, bearing walls, roof, parking lot and providing the building in reasonable operating conditions; elevators (including communication 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); parking lot (including restriping as required); wheel bumpers; drainage; and continuous satisfaction of all governmental requirements generally applicable to similar office buildings in the area (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.). For the purposes of maintaining and repairing the Premises, the Lessor reserves the right at reasonable times to enter and inspect the Premises and to make any necessary repairs to the building.

ALTERATIONS

During the Term of this Lease, Lessee shall have the right to make alterations and construct or install improvements, additions and structures in or upon the Leased Premises (the "Alterations") subject to Lessor's prior written approval, which shall not be unreasonably withheld. Lessee shall complete and submit its request in writing to Lessor for approval Lessee shall cause plans and specifications to be developed at its sole cost and expense for Lessor's prior written approval, which shall not be unreasonably withheld. Said alterations shall be

limited by the building's utility systems' capacity and structural capability and shall also be limited to appropriate and prudent uses and occupancy as reasonably determined by Lessor. The Lessor shall have the first right to provide such services. At Lessor's option, Lessee shall remove said alterations upon expiration or earlier termination of this Lease, at Lessee's sole cost and expense.

If required by state law, the Lessee shall pay the prevailing rate of wage to all workers, laborers or mechanics employed to perform such services as well as comply with the rules and regulations of the Department of Labor and Industries. In providing said alterations, Lessee agrees to comply with all applicable local, state, and federal regulations including but not limited to, compliance with building codes, public works requirements and obtaining appropriate permits and inspections. Lessee agrees to provide Lessor with all information regarding the full cost of any such alterations which require the payment of Leasehold Excise Tax under RCW 82.29A.020 (2)(a).

FIXTURES

13. Lessee reserves the right to install in or upon the Leased Premises such equipment as is customarily used in the type of business conducted by Lessee from the Leased Premises subject to Lessor's prior written approval, which shall not be unreasonably withheld, and subject to said equipment, meeting current Washington State Energy Code (Chapter 51-11 WAC) and International Building Code requirements, and complying with the Governor's Executive Orders on facility sustainability and energy usage (e.g. 05-01, Establishing Sustainability and Efficiency Goals for State Operations; 94-01, Implementing the Washington Energy Strategy; 79-02, Energy Conservation; and 74-16, State-Wide Energy Conservation Program). Lessee reserves the right to remove from the Leased Premises all such equipment and all other property of the Lessee, subject to repairing any damage to the Leased Premises occasioned by the removal thereof, at the expiration or earlier termination of this Lease. At Lessor's option, Lessee shall remove said equipment and all other property of the Lessee upon expiration or earlier termination of this Lease, at Lessee's sole cost and expense.

SIGNAGE

14. Lessee hereby agrees that all signs and other advertising desired to be placed by Lessee upon or in front of the Leased Premises, and all interior installations desired to be placed by Lessee, within said Leased Premises, are subject to the prior written approval of Lessor in Lessor's sole discretion. Such signs and other advertising, if approved, shall conform with the ordinances of the City of Renton, if applicable, and all other conditions imposed by Lessor's written approval.

TENANT IMPROVEMENTS

15. The Lessee shall, <u>at Lessee's sole cost and expense</u>, provide tenant improvements constructed in a good and workmanlike manner reasonably acceptable to Lessor.

DISASTER

Lessor reserves the right to limit Lessee's access to the Leased Premises during natural disasters, fire, or other emergencies as necessary for Lessee's health and safety. In the event that the Leased Premises are destroyed or injured by fire, earthquake or other casualty so as to render the Leased Premises unfit for occupancy, and the Lessor neglects and/or refuses to restore said Leased Premises to their former condition, then the Lessee may terminate this Lease and shall be reimbursed for any unearned Rent that has been paid. In the event said Leased Premises are partially destroyed by any of the aforesaid means, the Rent herein agreed to be paid shall be abated from the time of occurrence of such destruction or injury until the Leased Premises are again restored to their former condition, and any Rent paid by the Lessee during the period of abatement shall be credited upon the next installment(s) of Rent to be paid. It is understood that the terms "abated" and "abatement" mean a prorata reduction of area unsuitable for occupancy due to casualty loss in relation to the total area of the Leased Premises.



REIMBURSEMENT FOR DAMAGE TO LEASED PREMISES

17. The Lessee hereby agrees to reimburse the Lessor for damages caused by its employees, contractors, licensees, invitees, clients and agents, but in no event shall this paragraph be construed as diminishing the Lessor's duty to make repairs as set forth in the preceding paragraphs of this Lease, or as making Lessee responsible for the repair of normal wear and tear.

ENERGY

18. The Lessor, or authorized representative has conducted an energy audit of this facility, identified energy conservation maintenance and operation procedures, undertaken technical assistance studies and/or subsequent acquisition and installation of energy conservation measures identified as cost effective, and further complied with RCW 43.19.675, RCW 43.19.680, and RCW 43.19.685. The Lessee agrees to comply with reasonable conservation measures to reduce or conserve energy usage in the facility, including compliance with Executive Order 02-03, dated September 18, 2002, and Executive Order 05-01, dated January 5, 2005.

HAZARDOUS SUBSTANCES

19. Lessee shall not keep on or about the Leased Premises, for use, disposal, treatment, generation, storage or sale any substances which are hazardous, toxic, harmful or dangerous, and/or which are subject to regulation as hazardous or toxic, dangerous, or as a pollutant by any federal, state, or local law, regulation, statute, or ordinance (collectively referred to herein as "hazardous substances"). Lessee shall be fully liable to the Lessor, and shall indemnify, defend and save harmless the Lessor and its officials and employees, with respect to any and all damages, costs, fees (including attorneys' fees and costs), civil and criminal penalties, or clean-up costs assessed against or imposed as a result of Lessee's use, disposal, generation, storage, or sale of hazardous substances or that of Lessee's employees, agents, or invitees. Breach of this provision shall entitle Lessor to terminate this Lease. This provision shall not apply to properly stored cleaning supplies such as ammonia-based cleaners nor to office supplies such as copy machine toner.

ADDITIONAL LEASE PROVISIONS

- 20. Acceptance of Premises It is understood and agreed that the Lessee accepts the Leased Premises in its present condition and accepts all risk of injury to persons or damage to property resulting from, or arising out of, the condition of the Leased Premises. This acceptance includes knowledge that the Leased Premises may not meet the requirements set forth in the American's with Disabilities Act (ADA). If at any time during the Term of this Lease, Lessee reasonably determines that barriers to the disabled existing in the Leased Premises must be eliminated. Lessee shall so notify the Lessor in writing. Lessor and Lessee shall endeavor to arrive at a mutually satisfactory agreement for accomplishing necessary alterations within thirty (30) days of said written notice. If Lessor and Lessee cannot arrive at a mutually satisfactory agreement, Lessee shall have the option to terminate this Lease subject to sixty (60) days' prior written notice to Lessor, in which event Rent shall be prorated to the date of termination.
- Vacating the Leased Premises. Upon vacating the Leased Premises, the Lessee hereby agrees to leave the Leased Premises in as good order, condition and repair as same was entered upon, subject to normal wear and tear. The Lessee also agrees to a joint inspection of the Leased Premises by Lessor and Lessee upon vacating the Leased Premises. Lessee shall return all keys, card-keys and other access devices to Lessor upon vacating the Leased Premises. Upon vacating the Leased Premises, the Lessee also agrees to remove all phone and data wiring installed by Lessee during its tenancy, leaving the Leased Premises in as good condition as when entered upon.

- 22. Disputes. In the event that a dispute arises under this Lease, it shall be determined by a three-member dispute board in the following manner: Each party to this Lease shall appoint a member to the dispute board. The members so appointed shall jointly appoint a third member to the dispute board. The dispute board shall evaluate the facts, Lease terms and applicable statutes and rules and make a determination of the dispute. The determination of the dispute board shall be final and binding on the parties hereto.
- 23. Severability If any provisions of this Lease or its application to any person or circumstance are held invalid, such invalidity shall not affect the remainder of the Lease.

HOLD HARMLESS

Lessee, its successors or assigns, will protect, save and hold harmless the Lessor, to the extent provided by law, its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever arising out of or in connection with any acts or activities authorized by this Lease. The Lessee further agrees to defend the Lessor, its agents, or employees, in any litigation, including the payment of any costs or attorneys' fees, for any claims or action commenced thereon arising out of or in connection with acts or activities authorized by this Lease. This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of the Lessor or its authorized agents or employees; Provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Lessor, its agents or employees, and (b) the Lessee, its agents or employees and involves actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Lessee or Lessee's agents or employees.

NO GUARANTEES

25. It is understood that no guarantees, representations, promises or statements, express or implied, have been made by the Lessor unless endorsed herein in writing. The parties further agree that this Lease shall not be valid and binding upon Lessor, unless it has been approved by the <u>President</u> of the <u>State Board for Community and Technical Colleges</u>. Renton Technical College of the State of Washington, or his or her designee, and approved as to form by the Office of the Attorney General. Any amendment or modification of this Lease must be in writing and signed by both parties.

INTERPRETATION

26. Each of the provisions of this Lease has been reviewed and negotiated and represents the combined work product of both parties hereto. No presumption or other rules of construction which would interpret the provisions of this Lease in favor of or against the parties preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Lease.

NOTICES

27. Wherever in this Lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.

LESSOR:

STATE OF WASHINGTON, State Board for Community and Technical Colleges, Renton Technical College

Acting through the Department of General Administration

Post Office Box 41015

Olympia, Washington 98504-1015



LESSEE:

King County
c/o Real Estate Services Section

500 King County Administration Building 500 4th Avenue
Seattle, Washington 98014

CAPTIONS

28. The captions and paragraph headings herein are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

LESSEE	LESSOR
King County	STATE OF WASHINGTON
By Jahr Fahr	Acting through the Department of General Administration
Title: Manager, Real Estate Sevous	State Board for Community and Technical Colleges. Renton Technical College.
Date:	By Dellofun
	Title ACTING LANSING FIRMANA
	Date: 11/19/15
APPROVED AS TO FORM:	RECOMMENDED FOR APPROVAL:
ву:	Guy Winkelman, Senior Facilities Planner, Real Estate Services
Tim Barnes, Senior Deputy Prosecuting Attorney Date://- 4-09	Date: 116/09
	APPROVED AS TO FORM:
	By: Jee C Assistant Attorney General
	Date: 11/19/09



STATE OF WASHING TOW	
County of C(N6) ss.	
free and voluntary act and deed of said corporation, for	, A.D., 20 09 , before me personally to me known to be the MADO PEAR STAR SECURITY to the uses and purposes therein mentioned, and on oath stated that and that the seal affixed thereto is the corporate seal of said
written. In Witness Whereof I have hereunto set my written. NOTARY NOTARY	Notary Public in and for the State of Washington, Residing at SPATTLE, WASHINGTON My commission expires 11-09-2012
STATE OF WASHINGTON) ss. County of Thurston)	
20 17, personally appeared before me 12d Administration, State of Washington, to me known instrument, and acknowledged that she signed and	y certify that on this
In Witness Whereof I have hereunto set my written.	hand and affixed my official seal the day and year first above
In Witness Whereof I have hereunto set my written.	Notary Public in and for the State of Washington, Residing at My commission expires 3-71-13
Ammunt.	

Albehmente

2010-0280 16850

PARK PLACE LEASE AGREEMENT

BETWEEN

WH PARK PLACE LLC,

LANDLORD

AND

KING COUNTY,

TENANT

TABLE OF CONTENTS

		Page
Article 1 Pl	REMISES	2
1.1		
1.2		
1.3		
1.4		
1.5		4
	USINESS RIGHTS AND RESTRICTIONS	
2.1	Use	4
2.2	Restrictions	4
Article 3 TF	ERM [*]	م سد.
3.1	Initial Term	
3.2	Tenant's Early Termination Options	
3.3	Option to Extend	
3.4	Extended Term Minimum Monthly Rent	
•		
	ENT	
4.1	Payment	6
4.2	First Partial Month	7
4.3	Lease Year	7
Article 5 CC	OMMON AREA	
5.1	Definition	·····/
5.2	Use	
5.3	Maintenance and Operation	·····
5.4	Records	νγ
5.5	Tenant's Contribution	8
5.6	Operation and Control	8
5.7	Obstructions	9
5.8	Allocation of Expenses; Gross Up	9
Article 6 TA	VEC	
6.1	XES Personal Property Taxes	
6.2	Real Property Taxes	9
6.3	Real Property TaxesBusiness Taxes	9
6.4	Substitute and Additional Taxes	IU
6.5	Commercial Rent Tax	10
	•	
Article 7 UTI	ILITIES AND SERVICES	10
7.1	Utilities and Services	
7.2	Payment	
7.3	Interruptions	11
7.4	LEED Certification	12
Article & DEE	PAIRS AND ATTED ATTOMS	
8.1	YAIRS AND ALTERATIONS	12
8.2	Landlord's Repairs Tenant's Repairs	12
0.4	1 chair o 10 paris	

		<u>1 ag</u>
8.	.3 Alterations	1.
8.		1:
8.	.5 Americans with Disabilities Act Compliance	1.
		······· 1.
Article 9	INSURANCE	14
9.		
9.	2 Liability Insurance	
9.	Worker's Compensation Insurance	1/
9.	4 Property Insurance/Business Income	1/
9.	f 7	1/
9.	6 General Requirements	1/
9.	7 Blanket Insurance	14
9.	8 Self- Insurance	14
9.5		14
	The state of the s	
Article 10	DAMAGE AND RESTORATION	16
10		
10	Damage or Destruction of Property	16
10	2.3 Tenant's Work	16
10	.4 Limitation of Obligations	16
10		17
10	.6 Waiver	17
	- · · · · · · · · · · · · · · · · · · ·	
Article 11	SECURITY DEPOSIT	
Article 12	EMINENT DOMAIN	17
12.		17
12.		
12.	8	17
12.		17
12.		17
12. 12.		17
12.	7 Waiver	
Article 13 I	INDEMNITY; WAIVER	10
13.	1 Indemnification and Waivers	18
13.	indefinition and waivers	18
Article 14 (OPERATION OF BUSINESS	10
	or beautiful or be	
Article 15 S	SIGNS AND ADVERTISING	20
15.		20
15.3	2 Directory Board	20
15.3	3 Elevator Lobby; Suite Entry Signage	20
Article 16 L	JENS	20
	•	•
Article 17 R	UGHT OF ENTRY	20
	·	
article 18 D	DELAYING CAUSES	21
urticle 19 A	ASSIGNMENT AND SUBLEASE	21

		<u>Pag</u>
19.1	Consent Required	
19.2	Request For Consent	•••••• 4. ••••••••••••••••••••••••••••••
19.3	Recapture	2
19.4	General Conditions	22
19.5	Transfer to a Subsidiary	-22
19.6	Transfer Pursuant to Bankruptcy Code	
Article 20 NOT	TCES	
	RENDER OF POSSESSION	
21.1	Surrender	23
	Surrender Holding Over	23
	ET ENJOYMENT	
Article 23 SUB	ORDINATION	23
Article 24 EST	OPPEL CERTIFICATES	23
Article 25 DEFA	AULT	24
25.1	Default	24
25.2	Remedies	24
25.3	Interest	26
Article 26 INSO	LVENCY	26
26.1	Breach of Lease	26
26.2	Operation of Law	26
26.3	Non-Waiver	27
26.4	Events of Bankruptcy	27
26.5	Landlord's Remedies	27
Article 27 REMI	EDIES CUMULATIVE	28
Article 28 ATTO	RNEY'S FEES	28
	LITY OF MANAGER	
	•	
	ARTNERSHIP	
Article 31 SUBT	ENANCIES	28
Article 32 SUCC	ESSORS	29
Article 33 REMO	VAL OF TENANT'S PERSONAL PROPERTY	29
Article 34 EFFEC	T OF CONVEYANCE	29
35.1 L	LORD'S DEFAULT; NOTICE TO LENDER	29
35.1 L	andlord's Default	29
	otice to Lenderdependent Covenants; Limitation of Remedies and Landlord's Liability	29
XX		70

		Page
Article 36 CC	ONSENT	30
Article 37 IN	VTERPRETATION	30
Article 38 EN	NTIRE INSTRUMENT	30
	ASEMENTS; RECORDING	
	ALE BY LANDLORD	
	ECURITY MEASURES	
	ESERVED	
Article 43 CH	HOICE OF LAW; WAIVER OF TRIAL BY JURY	31
	AZARDOUS SUBSTANCES	
44.1	Indemnity	31
44.2	Covenant	31
44.3	Definitions	21
44.4	Breach of Obligations	22
44.5	Handling; Notices	32
Article 45 AU	THORITY	33
Article 46 BR(OKERS	22

PARK PLACE LEASE AGREEMENT (Base Year)

Landlord hereby leases to Tenant and Tenant hereby leases and accepts from Landlord the premises hereinafter described in the terms and conditions set forth in this Lease Agreement, hereinafter called "this Lease".

BASIC LEASE PROVISIONS

A.	Lease Date:	November 5, 2009
B.	Landlord:	WH Park Place LLC, a Delaware limited liability company
C.	Tenant:	King County, a political subdivision of the State of Washington
D.	Reserved.	
E.	Property:	The project including parking facilities (if any) on property particularly described and depicted on Exhibit "A" (the "Property").
F.	Building; Building Rentable Area:	The building commonly known as Park Place, located at 1200 Sixth Avenue, Seattle, King County, Washington, 98101-5300, containing a total of approximately 314,591 rentable square feet ("RSF") of area.
G.	Premises Rentable Area:	The areas shown on the Space Plans attached hereto as Exhibit "B" , containing approximately 44,325 RSF, comprising the entire rentable area on the Third Floor (15,686 RSF), plus the entire rentable area on the Fourth Floor (15,686 RSF), plus a portion of the rentable area on the Sixth Floor (12,953 RSF) in the Building.
H.	Tenant's Pro Rata Share:	14.1%.
I.	Permitted Use:	Solely for courtroom and general office uses (as modified below) and for no other use or purpose.
		Tenant acknowledges that the Building is a first-class, multi-tenant office building. Tenant shall use reasonable efforts to manage its visitors and clientele consistent with the Permitted Use. Tenant's use of the Premises shall be to house the operations of King County Superior Court with the following clarifications: (i) Tenant shall design its Premises such that it provides adequate facilities to accommodate visitors and clientele within the Premises; (ii) Tenant shall not use Building Common Areas for visitor waiting or breakout purposes; (iii) it is not the intention of Tenant to hold jury trials in the Premises; and (iv) Tenant agrees not to hold jury selection or criminal related trials in the Premises.
J.	Initial Term:	Five (5) years, commencing on the Lease Commencement Date and terminating on the Expiration Date.
K.	Extension Option:	One (1) option of five (5) years (the "Extended Term"). The Initial Term, together with the Extended Term if duly exercised by Tenant, are collectively referred to in this Lease as the "Lease Term" or the "Term."
L.	Possession Date:	The date on which Landlord tenders possession of the Premises to Tenant with Landlord's Work as described in Exhibit "C" substantially completed.
M.	Commencement Date:	December 1, 2009.

N.

Expiration Date:

11:59 p.m. on the last day of the calendar month in which the fifth (5th) anniversary of the Commencement Date occurs; subject to Tenant's Early Termination Option and Tenant's Extension Option described in <u>Article 3</u> below.

O. Rent Commencement Date:

The Lease Commencement Date.

P. Minimum Rent:

Lease Months	Annual Rental Rate Per RSF	Minimum Annual Rent	Minimum Monthly Rent
1-12	\$20.00	\$886,500	\$73,875
13-24	\$20.00	\$886,500	\$73,875
25-36	\$21.50	\$952,987	\$79,416
37-48	\$23.00	\$1,019,475	\$84,956
49-60	\$23.00	\$1,019,475	\$84,956

Q. Tenant Improvement Allowance:

\$15.00 per RSF of the Premises (i.e., for 44,325 RSF, the amount of \$664,875); see Exhibit "C" attached hereto. Any unused portion of the \$15.00 per RSF Tenant Improvement Allowance shall be credited to Tenant in the form of free rent. Landlord shall provide Tenant with documentation, in detail reasonably acceptable to Tenant, of the cost of said Tenant Improvements actually constructed within the Premises and paid for by Landlord. Landlord, subject to Tenant's review and reasonable approval shall establish a construction schedule for Landlord's construction of Tenant Improvements, and Landlord shall identify costs associated with expediting the construction schedule, which costs associated with expediting to construction schedule, which costs associated with expediting construction, once approved in advance by Tenant, shall be at Tenant's sole cost and expense.

R. Adjusted Rent Payment Schedule:

Notwithstanding anything to the contrary elsewhere in this Lease, Tenant shall pay Minimum Rent due during the first six (6) months of the Term as follows: (i) Tenant shall pay Minimum Monthly Rent allocable to Lease Months 1 & 2 on or before the Commencement Date hereof; (ii) Tenant shall pay Minimum Monthly Rent allocable to Lease Months 3 & 4 on or before February 1, 2010; and (iii) Tenant shall pay Minimum Monthly Rent allocable to Lease Months 5 & 6 on or before April 1, 2010.

S. Base Year:

Calendar year 2010

T. Landlord's Address for Notices:

c/o Washington Holdings 600 University Street, Suite 2820 Seattle, Washington 98101 Attention: Park Place Asset Manager

U. Landlord's Address for Rent

Payments:

WH Park Place LLC DEPT #34167 P.O. BOX 39000 SAN FRANCISCO, CA 94139

V. Tenant's Address for Notices:

King County Real Estate Services Section 500 Fourth Avenue, Suite 500

Seattle, WA 98104-3279

Attention: Manager, Real Estate Services

W. Landlord's Broker:

Urbis Partners, LLC

X. Tenant's Broker:

Washington Partners, Inc.

Y. Property Manager:

Wright Runstad & Company 1200 - Sixth Avenue, Suite 1815 Seattle, Washington 98101 Attention: Property Manager

Z. Parking:

Tenant shall have ongoing access to twenty-five (25) parking stalls in the Building garage at the then market rates. The current monthly rate is \$260.00 per stall.

Within sixty (60) days of the Commencement Date, Tenant shall notify Landlord of how many of the twenty-five (25) parking stalls it initially chooses to use. Thereafter, Tenant shall have the right at any time on ninety (90) days prior written notice to relinquish use of up to twenty (20) parking stalls for a minimum period of at least twelve (12) consecutive months. If Tenant so elects to relinquish use of such parking stalls, it shall have the right to resume use of all or part of such relinquished parking stalls after the twelve (12) month period upon ninety (90) days' prior written notice specifying the relinquished stalls which it intends to use. If it elects to resume such use, it must continue such use for at least twelve (12) consecutive months. Tenant shall not be charged for any relinquished parking stalls during the period of such relinquishment.

Employees shall have 24-hour access to the garage and building. Client parking is available in the garage on an hourly basis during business hours on an as available basis.

ARTICLE 1 PREMISES

- 2.1 Construction; Suitability; Early Entry. The initial improvements to the Premises shall be constructed pursuant to Exhibit "C" attached hereto. Landlord shall have no other obligation to perform any construction or other work to the interior or exterior of the Premises or elsewhere at the Property unless expressly set forth in Exhibit "C". Tenant's taking possession of the Premises or any portion thereof shall be conclusive evidence that the Premises or such portion were then in good order, repair and satisfactory condition. Except as expressly provided herein, Tenant acknowledges that neither Landlord, nor any agent or representative of Landlord, has made any representation or warranty with respect to the suitability of the Premises for the use set forth in the Basic Lease Provisions, and that Tenant has entered into this Lease based solely upon its own investigation and inspection of the Property and the Premises. Landlord does not represent, and Tenant does not rely on the fact that any specific tenant or tenants will occupy space in the Property during the Term of this Lease. Landlord reserves and excepts from the Premises the roof and exterior walls of the Building of which the Premises are a part. Upon mutual execution hereof and provision to Landlord of appropriate insurance certificates, Tenant may enter the Premises for limited purposes of inspecting same and for installation of its desired furniture, fixtures, and equipment, provided that such early entry shall not unreasonably interfere with the prosecution of the Landlord's Work to the Premises. Such early entry by Tenant shall be subject to all the terms and conditions of this Lease except for the obligation to pay Rent.
- Location. The parties acknowledge that Exhibit "A" describes the current perimeter of the Property and sets forth a general layout of the Property, and shall not be deemed a representation by Landlord that the Property shall always be constructed as indicated thereon or that any tenants or occupants designated by name or nature of business thereon shall conduct business in the Property during the Term of this Lease; and, subject to compliance with all applicable laws and governmental requirements and provided that there is reasonable access to the Premises, Landlord may in its sole discretion increase, decrease or change the number, location, and dimensions of the buildings, the premises therein, driving lanes, driveways, walkways, parking places and other improvements shown on Exhibit "A," and Landlord reserves the right to make additions and alterations, including the addition of pay telephones, to all buildings constructed in the Property, and to change the name of the Building, the Property, or any of the other buildings thereon from time to time. References to "this Lease" include all exhibits and matters incorporated by reference as part of this Lease. In the event a portion of the Premises, Building, or Property is damaged or any other event or change occurs which alters the RSF of any or all of the foregoing, Landlord may appropriately adjust the foregoing areas and Tenant's Pro Rata Share thereof. Following completion of any Landlord's Work and/or Tenant Improvements described in Exhibit "C", Landlord reserves the right to remeasure the Premises and the Building in accordance with provisions of the Standard Method for Measuring Floor Area in Office Buildings published by the Building Owners and Managers Association (ANSI/BOMA Z65.1-1996) applicable to multi-tenant office buildings, to establish the RSF thereof, and appropriate adjustments (if any) shall be made to Minimum Monthly Rent, Tenant's Pro Rata Share, and other terms of this Lease dependent

on the RSF of the Premises and/or Building. Tenant shall be deemed to have accepted any such remeasurement and/or adjustment unless Tenant objects to same within thirty (30) days after receipt of notice thereof from Landlord.

- Right of First Offer. Provided that Tenant is not at the time of exercise below in material default under the terms and conditions of this Lease beyond applicable notice and cure periods, Tenant shall have, during the Term hereof, a continuous right of first offer to lease additional space coming available on the Fifth and Sixth Floors of the Building (the "ROFO Space"). Tenant's right of first offer shall be subject and subordinate to the following rights granted as of the date of this lease (x) Gensler's right of first offer as to Suite 550 and extension option as to Suite 500, and (y) Total Resource Management's extension option as to Suite 620. If at any time during the Lease Term, Landlord shall receive a bona fide offer from any third party to lease all or any part of the ROFO Space, which offer Landlord shall desire to accept, or all or any part of the ROFO Space becomes available for lease (after waiver by any of the aforementioned parties with rights superior to the rights granted to Tenant hereunder), then Landlord shall promptly notify Tenant of the existence of such offer, including the fundamental economic terms of the third party offer, or the availability of such portion of the ROFO Space for lease and the fundamental economic terms under which Landlord would accept a lease therefor. Tenant may, within fifteen (15) days thereafter, elect by written notice to Landlord to lease the ROFO Space on the same terms and conditions as those set forth in the third-party offer (or, if Landlord's notice indicates that the space is becoming available to lease and no third-party offer has yet been received, at the terms described in Landlord's notice), except that (i) the Lease Term of Tenant's lease of the ROFO Space shall end contemporaneously with the Term as to the original Premises demised hereby (provided that, if there are fewer than two (2) years remaining on the theneffective Term as to the Premises then being leased by Tenant, then the Lease Term as to the ROFO Space shall be five (5) years from the date the ROFO Space is added to the Premises, and the then-effective Term as to the Premises then being leased by Tenant prior to addition of the ROFO Space shall not be affected), and (ii) terms and conditions contained in any third-party offer that are unique to that third party or are made in connection with a third-party offer to lease other space in the Building in addition to the ROFO Space shall not be included in the terms under which Tenant shall be permitted to lease such ROFO Space. Failure of Tenant to exercise the foregoing right within the prescribed time period above shall constitute a waiver of Tenant's right as to that offer with respect to the ROFO Space mentioned in Landlord's notice, and Landlord shall have the right to lease the ROFO Space in Landlord's sole discretion. If Tenant duly elects to exercise its right of first offer as aforesaid, Landlord shall prepare, and Tenant shall promptly execute, an amendment to this Lease to memorialize such election, provided, however, that failure of Tenant to execute such amendment shall not affect the binding nature of Tenant's election to exercise the right of first offer as aforesaid. Tenant's right of first offer shall continue as to the ROFO Space, and the procedure described in this paragraph shall be followed, if there is a failure to enter into a lease with the third party making the offer within one hundred twenty (120) days of the date of Landlord's initial notice above. All rights of Tenant under the provisions of this right of first offer shall terminate and be of no further force or effect even after Tenant's due and timely exercise of the right of first offer, if after such exercise, but prior to the occupancy of the ROFO Space, Tenant is in material default hereunder beyond applicable notice and cure periods. The rights described in this paragraph are personal to Tenant and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than Tenant, and are not assignable separate and apart from this Lease.
- 1.4 <u>Emergency Space</u>. Prior to Landlord's initial delivery of the Premises as contemplated by this Lease, in the event of a flood (or Tenant's reasonable anticipation of a flood) in the Green River Valley impacting Tenant's existing locations, Landlord shall make diligent efforts to provide the Premises, or alternate premises at the Building subject to availability, for Tenant's use on an emergency short-term basis. Such emergency occupancy shall be subject to not unreasonably interfering with Landlord's completion of the Landlord's Work, and shall be subject to all of the other terms and conditions of this Lease including the obligation to pay Rent.
 - 1.5 Exhibits. The following drawings and special provisions are attached as exhibits and made a part of this Lease:

Exhibit "A" - Legal Description Exhibit "B" - Space Plans Exhibit "C" - Workletter

Exhibit "D" - Rules and Regulations Exhibit "E" - Delivery of Premises

ARTICLE 2 BUSINESS RIGHTS AND RESTRICTIONS

- 2.1 <u>Use</u>. The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions and under the Trade Name set forth in the Basic Lease Provisions and for no other purpose or use whatsoever.
- 2.2 <u>Restrictions</u>. Tenant shall not, without Landlord's prior written consent, which consent Landlord may withhold in its sole discretion: (a) conduct any auction or bankruptcy sales; (b) conduct any fire sale; (c) conduct any close-out sale except

at the expiration of the Lease Term; (d) sell any so-called "surplus", "Army and Navy", or "secondhand" goods, as those terms are generally used at this time and from time to time hereafter; (e) permit anything to be done on the Premises which will in any way obstruct, interfere with or infringe on the rights of other occupants or invitees of the Property; (f) install or erect any satellite dish or other roof- or building-mounted equipment; (g) install any automated teller or cash machines ("ATMs"), appliances, video games, areade games, pinball machines, or pay telephones in or about the Premises; or (h) bring or keep on the Premises any item or thing or permit any act thereon which is prohibited by any law, statute, ordinance or governmental regulation now in force or hereinafter enacted or promulgated, or which is prohibited by any Standard form of fire insurance policy.

ARTICLE 3 TERM

- Provisions and shall terminate on the Expiration Date defined in the Basic Lease Provisions, unless earlier terminated or extended as set forth elsewhere herein. If Landlord encounters delays in delivering possession of the Premises to Tenant, this Lease will not be void or voidable, nor will Landlord be liable to Tenant for any loss or damage resulting from such delay. Tenant agrees to execute a certificate confirming the date of the Lease Commencement Date in the form of the certificate attached hereto as Exhibit "E", which certificate shall be initialed by Landlord and attached to, and incorporated into, this Lease. Tenant may utilize the period between the Possession Date and the Lease Commencement Date to fixturize and otherwise ready the Premises for the commencement of Tenant's business therein. Commencing on the date of mutual execution hereof, Tenant and Landlord shall comply with each and every term, covenant, condition and provision of this Lease, excepting only those provisions pertaining to Tenant's obligation to pay Minimum Monthly Rent, which obligation shall commence on the Rent Commencement Date described in the Basic Lease Provisions. In connection therewith, Tenant acknowledges and agrees that certain obligations under various articles hereof shall commence prior to the Lease Commencement Date (i.e., payment of certain charges, construction obligations, hold harmless, liability insurance, etc.), and Tenant agrees to be bound by these articles prior to the Lease Commencement Date.
- Tenant's Early Termination Options. Notwithstanding anything to the contrary herein, provided Tenant is not, at the time of notice or the time of early termination, in material default of this Lease beyond applicable grace and cure periods, Tenant shall have the right to terminate this Lease early, such early termination to be effective on the applicable date set forth below (each such date, an "Early Termination Date"). In partial consideration for and as a condition to Tenant's right to terminate this Lease early, Tenant shall be required to pay to Landlord on the applicable Early Termination Date a fee (the "Early Termination Fee") equal to the unamortized value, calculated as of the applicable Early Termination Date, of the sum of the utilized portion of the Tenant Improvement Allowance and brokers' fees and commissions paid by Landlord in connection with this Lease (the "Landlord's Fees and Concessions"), amortized over the Initial Term of this Lease with interest on the unamortized balance at nine percent (9%) per annum. The total of Landlord's Fees and Concessions shall be confirmed after completion of the Landlord's Work. To exercise its early termination option, Tenant must provide written notice to Landlord on or before the applicable Notice Dates set forth below, such notice to be accompanied by the applicable Early Termination Fee, paid by wire transfer or other "same day" funds.

Notice Date	Early Termination Date
May 1, 2010	June 30, 2010
November 1, 2010	December 31, 2010
May 1, 2011	June 30, 2011
November 1, 2011	December 31, 2011
May 1, 2012	June 30, 2012
June 1, 2012	November 30, 2012

If Tenant duly and timely elects to terminate this Lease early as provided herein, the Early Termination Date selected by Tenant shall operate as if that date were the time originally fixed for the termination of this Lease and this Lease shall come to an end with the same force and effect as if such Early Termination Date were the date herein provided for the normal expiration hereof. Furthermore, all provisions of this Lease that are to become effective on the termination of this Lease shall become operative or effective on the Early Termination Date. The foregoing options to terminate the Lease early are personal to the originally-named Tenant hereunder and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity other than such Tenant.

- 3.3 Option to Extend. Provided that Tenant is not in default beyond applicable grace and cure periods at the time of Tenant's exercise notice described below, or at the time of commencement of the Extended Term described below, and provided further that Tenant has not been in monetary default hereunder more than twice, Tenant shall have the right to extend the term of this Lease for one (1) period of five (5) years (the "Extended Term"). Tenant may exercise its extension option by delivering to Landlord written notice of Tenant's intention to exercise such option (the "Option Notice") not earlier than September 1, 2013 and not later than October 31, 2013. The Extended Term shall be on all of the terms and conditions contained in this Lease, except that (i) Minimum Monthly Rent shall be adjusted as set forth below; and (ii) there shall be no further extension options. The option to extend the Term of this Lease is exercisable only by the original Tenant named in the Basic Lease Provisions, and an assignee pursuant to a Permitted Transfer, and is not assignable or transferable. Once delivered, an Option Notice cannot be cancelled or revoked.
- 3.4 <u>Extended Term Minimum Monthly Rent.</u> Minimum Monthly Rent during the Extended Term shall be Fair Market Rental Value. The term "Fair Market Rental Value" shall be the rental rate and concessions that comparable office space for the same term of the Extended Term would command on the open market at the time of commencement of the Extended Term, determined in the manner set forth below. For purposes hereof, the term "comparable Premises" shall mean office space similar in size and location to the Premises, in comparable buildings, with comparable views, and with similar improvements and amenities for a renewal term.
- (i) If Landlord and Tenant cannot agree upon the Fair Market Rental Value of the Premises within twenty (20) days after Landlord's receipt of the Option Notice, then Landlord and Tenant shall agree within ten (10) days thereafter on one real estate appraiser (who shall be a Member of the American Institute of Real Estate Appraisers or equivalent) who will determine the Fair Market Rental Value of the Premises. If Landlord and Tenant cannot mutually agree upon an appraiser within said ten (10) day period, then one M.A.I. qualified appraiser shall be appointed by Tenant and one M.A.I. qualified appraiser shall be appointed by Landlord within ten (10) days of notice by one party to the other of such disagreement. The two appraisers shall determine the Fair Market Rental Value of the Premises within twenty (20) days of their appointment; provided, however, if either party fails to appoint an appraiser within such ten (10) day period, then the determination of the appraiser first appointed shall be used. The appraisers appointed shall proceed to determine Fair Market Rental Value within twenty (20) days following such appointment. If said appraisers should fail to agree, but the difference in their conclusions as to Fair Market Rental Value is ten percent (10%) or less of the lower of the two appraisals, the Fair Market Rental Value shall be deemed the average of the two.
- (ii) If the two appraisers should fail to agree on the Fair Market Rental Value, and the difference between the two appraisals exceeds ten percent (10%), then the two appraisers thus appointed shall appoint a third M.A.I. qualified appraiser, and in case of their failure to agree on a third appraiser within ten (10) days after their individual determination of the Fair Market Rental Value, either party may apply to the Presiding Judge of the Superior Court for Pierce County, Washington, requesting said Judge to appoint the third M.A.I. qualified appraiser. The third appraiser so appointed shall promptly determine the Fair Market Rental Value of the Premises and the average of the appraisals of the two closest appraisers shall be used. The fees and expenses of said third appraiser or the one appraiser Landlord and Tenant agree upon, shall be borne equally by Landlord and Tenant. Landlord and Tenant shall pay the fees and expenses of their respective appraiser if the parties fail to agree on a single appraiser. All M.A.I. appraisers appointed or selected pursuant to this subsection shall have at least ten (10) years experience appraising commercial properties in the downtown Seattle central business district.
- (iii) The determination of Fair Market Rental Value pursuant to this paragraph shall be final, conclusive and binding upon both parties.

ARTICLE 4 RENT

- 4.1 Payment. Tenant shall pay to Landlord without prior demand, abatement, deduction, set-off, counter claim or offset, for all periods during the Lease Term, all sums provided in this Paragraph 4.1 and all other additional sums as provided in this Lease, at the address set forth in the Basic Lease Provisions, payable in lawful money of the United States of America on the first day of each month. All sums of money required to be paid pursuant to the terms of this Lease are hereby defined as "rent" or "Rent", including all sums as provided in Paragraphs 4.5, 6.7, 8, and 9 and provided elsewhere in this Lease, whether or not the same are designated as such. All Rent other than Minimum Monthly Rent is sometimes referred to herein as "Additional Rent." Landlord's acceptance of Tenant's bank check or other funds shall not be deemed a waiver of Landlord's right to thereafter demand and receive timely payment in immediately available funds.
- (a) <u>Minimum Monthly Rent</u>. Commencing on the Rent Commencement Date, Tenant shall pay to Landlord Minimum Monthly Rent at the initial monthly rate provided in the Basic Lease Provisions.

- (b) <u>Late Fee.</u> If Tenant shall fail to pay when due any installment of Minimum Monthly Rent or any other sums due under this Lease, a late charge equal to the <u>greater</u> of (i) \$100, or (ii) five percent (5%) of the overdue amount shall be payable by Tenant to reimburse Landlord for costs relating to collecting and accounting for said late payment(s).
- 4.2 <u>First Partial Month.</u> If the first day of the Lease Term occurs on a day other than the first day of a calendar month; Minimum Monthly Rent for such partial month ending on the last day of the calendar month in which the Lease Term commences shall be prorated based on a 30-day month, and as so prorated shall be paid on the date of execution of the Lease.
- 4.3 Lease Year. The term "Lease Year" shall mean each period of twelve (12) or less consecutive months which ends on December 31 of each calendar year during the Lease Term or any Extended Term, and the period from the last December 31 during the Lease Term or any Extended Term to and including the last day of the Lease Term or any Extended Term during the next calendar year. The first and last Lease Years may be less than twelve (12) months.

ARTICLE 5 COMMON AREA

- 5.1 <u>Definition</u>. The "Common Area" is that area within the Property which is neither occupied by buildings (excluding roof overhangs and canopies, columns supporting roof overhangs and canopies, and subsurface foundations) nor devoted permanently to the exclusive use of a particular tenant, except that areas containing pylon signs and buildings or subsurface utilities which are used with respect to the operation of the Common Area shall be deemed to be a part of the Common Area. The Common Area includes each area designated as a building area on <u>Exhibit "A"</u> until such time as it is improved with a building.
- 5.2 <u>Use.</u> During the Term hereof, Tenant, its subtenants, concessionaires, licensees, invitees, customers, and employees shall have the nonexclusive right to use the Common Area with Landlord, other owners of portions of the Property, other tenants, and their respective subtenants, concessionaires, licensees, invitees, customers, and employees, subject to the provisions of this Lease.
- Maintenance and Operation. "Operating Expenses" shall include, but not be limited to, the costs and expenses of operating, managing, lighting, repairing, replacing (when repairing will be uneconomic), painting, and maintaining the Common Areas and the remainder of the Property in reasonably good and sanitary order, condition, and repair, including without limitation, the costs and expenses of the following: (1) reasonable and customary property management fees; (2) cleaning and removing rubbish and dirt, and recycling expenses; (3) labor costs for personnel performing services in connection with the operation, repair and maintenance of the Common Area or Property and the payroll taxes and fringe and other benefits related thereto; (4) all utility services utilized in connection with the Common Area and Property which are not separately metered to the tenants, including but not limited to heating, ventilation, and air conditioning ("HVAC"), if any; as well as electricity, gas, water charges, sewer charges, hook-up fees, and cost of installing, maintaining and repairing the Property's intrabuilding network cabling, repair and/or installation of any fire protection systems, security alarm systems, lighting systems, electrical systems and any other utility systems; (5) cleaning, maintaining, repairing, replacing, and re-marking paved and unpaved surfaces, curbs, signs, landscaping, lighting and electrical facilities, drainage, elevators, escalators, meters, breakers, security systems, life safety systems, irrigation systems, window, fences and gates, wiring, and repairs, modifications, additions and replacements to the foregoing whether or not necessitated by any present or future law, statute, regulation, or directive of any governmental agency, and other similar items; (6) all premiums on, deductibles, retentions, and claims not covered by, worker's compensation, casualty, public liability, property damage, loss of rent, fire and extended coverage, and other insurance on the Common Area and Property obtained by Landlord pursuant to Article 9, or otherwise; (7) rental of or cost of tools, machinery, and equipment used in connection with managing, repairing, cleaning and maintaining the Common Area; (8) the cost of all janitors, gardeners, security personnel and equipment performing services on the Common Area; (9) any regulatory fee or surcharge or similar imposition imposed by governmental requirements based upon or measured by the number of parking spaces, commuter trips, or the areas devoted to parking in the Common Area; (10) the cost of other capital improvements to the Common Area; (11) all costs and expenses incurred in connection with the management, maintenance, repair, operation, and replacement of all landscaping and parking facilities serving the Property; (12) the Property's portion of the cost of any easements or other agreements maintained for the benefit of the Property or the Property's tenants and occupants; (13) license, permit, and inspection fees associated with the ongoing operation, maintenance, and repair of the Common Area; (14) the Property's portion of accounting (i.e., the salary and associated expenses of Property accounting) and legal services directly attributable to the Property, but excluding all such services in connection with negotiations and disputes with specific tenants unless the matter involved affects all tenants of the Property;. Notwithstanding the foregoing, following shall be excluded from Operating Expenses: depreciation and amortization, except as provided herein and except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation and amortization would otherwise have been included in the charge for such third party's services and when depreciation or amortization is permitted or required, the item shall be amortized with reasonable interest over its

reasonably anticipated useful life. Notwithstanding the foregoing, costs of a capital nature, including, without limitation, capital improvements, capital replacements, capital repairs, capital equipment and/or capital tools, Tenant's share of which costs exceed Five Thousand and No/100 Dollars (\$5,000.00), shall be amortized over the useful live thereof as reasonably determined by Landlord and only included in the cost for which Tenant shall reimburse Landlord for the portion of the useful life falling within the Lease Term but only if and to the extent made subsequent to the initial development of the Property or Building and which are designed with a reasonable probability of enhancing the life safety systems of the Property or improving the operating efficiency of the Property or Building, or are required to comply with laws enacted or interpreted after the Commencement Date hereof.

- 5.4 Records. Landlord shall keep accurate records showing in reasonable detail all expenses incurred for such maintenance. These records shall, upon at least thirty (30) days' request, be made available during business hours at the offices of Landlord for inspection by Tenant. Any such inspection by Tenant shall take place within one (1) year following the date of the annual reconciliation statement (as defined in <u>Paragraph 5.5</u> below) setting forth such expenses, or else any disagreements or claims by Tenant in connection therewith shall be deemed forever waived.
- Tenant's Contribution. From and after the Lease Commencement Date, and during the entire Initial Lease Term and all Extended Terms, Tenant shall pay to Landlord on the first day of each month, Tenant's Pro Rata Share of the amount by which Operating Expenses for a particular Lease Year exceed Operating Expenses for the Base Year, based on, at Landlord's election, either: (a) the amount of such expenses actually incurred during the billing period; or (b) equal periodic installments which have been reasonably estimated in advance by Landlord for a particular period. Landlord may revise such estimates upward or downward at any time with reasonable prior notice to Tenant. If Landlord elects to bill Tenant based upon estimates, Landlord shall, within one hundred twenty (120) days after the end of the calendar year, or as soon thereafter as possible, forward to Tenant a written statement (the "annual reconciliation statement") which adjusts the estimated expenses to reflect the actual expenses incurred for such year. If the annual reconciliation statement shows the actual expenses to have exceeded the estimated expenses, then Tenant's share of such additional amount shall be paid by Tenant to Landlord within ten (10) days of receipt of the annual reconciliation statement; if the annual reconciliation statement shows the actual expenses to have been less than the estimated expenses, Landlord shall at its election pay the amount to Tenant or credit Tenant's share against the sums next due hereunder from Tenant to Landlord (or against any outstanding sums then due). Tenant shall have the right at its own cost and expense to review and/or inspect Landlord's records once in any calendar year with respect to any Operating Costs shown on Landlord's annual reconciliation statement provided to Tenant. Tenant shall give Landlord written notice of its intention to conduct any such review or inspection on or before thirty (30) days after the date of Tenant's receipt of Landlord's annual reconciliation statement. Tenant's review/inspection shall be conducted by a certified public accounting firm at Landlord's main business office, or at such other location as Landlord may keep its relevant business records, and on a date mutually agreed upon by Landlord and Tenant. Landlord agrees that it shall give Tenant said access to review/inspect the business records no later than sixty (60) days after Tenant's notice to Landlord. Tenant must provide written notice to Landlord within one hundred twenty (120) days after Tenant's notice to Landlord, specifying any and all claims it may have determined in good faith. Tenant agrees to diligently pursue its review/inspection of Landlord's records in order to determine if it concurs or disagrees with Landlord's statement. All such inspection(s) shall be at the sole cost and expense of Tenant, provided that in the event Tenant's review reasonably determines there is an overcharge of Operating Expenses which has not been credited to Tenant, said overcharge being more than five percent (5%) of Tenant's share of the Operating Expenses, and Landlord does not contest the Tenant's results, then Landlord shall pay Tenant's reasonable out-of-pocket costs of such inspection, not to exceed Two Thousand Dollars (\$2,000). If Landlord desires to contest the result of Tenant's inspection, Landlord may do so within thirty (30) days of its receipt of the inspection results, by submitting the results of the inspection to binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, to be conducted by a mutually acceptable single arbitrator with not less than ten (10) years experience as a real estate attorney, or a retired judge with experience in commercial real estate litigation and/or leases. Any overcharge or undercharge determined as a result of Tenant's inspection or by the arbitrator shall be paid by the appropriate party to the other within thirty (30) days after the inspection results are provided to Landlord.
- 5.6 Operation and Control. Landlord shall have control and non-exclusive possession of the entire Common Area and may from time to time adopt rules and regulations pertaining to the use thereof. Landlord shall, except as otherwise provided herein, operate and maintain the Common Area during the Lease Term. Landlord reserves the right to use the Common Area for such promotions, exhibitions and similar uses as Landlord reasonably deems in the best interests of the Property and its tenants. Landlord may temporarily close parts of the Common Area for such periods of time as may be necessary for (i) temporary use as a work area in connection with the construction of buildings or other improvements within the Property or contiguous property; (ii) repairs or alterations in or to the Common Area to any utility facilities; (iii) preventing the public from obtaining prescriptive rights in or to the Common Area; (iv) emergency or added safety reasons; (v) temporary use of the Common Area for entertainment, performance or shopping events; or (vi) performing such other acts as in Landlord's reasonable judgment are appropriate for the proper operation or maintenance of the Property. Landlord shall have the sole and exclusive control of the Common Area. Landlord's rights shall include, but not be limited to, the right to (vii) restrain the use of the Common Area by unauthorized persons; (viii) utilize from time to time any portion of the Common Area for promotional, entertainment and related

matters; (ix) place permanent or temporary kiosks, displays, carts and stands in the Common Area and to lease same to tenants; (x) temporarily close any portion of the Common Area for repairs, improvements or alterations, to discourage non-customer use, to prevent dedication or an easement by prescription, or for any other reason deemed sufficient in Landlord's judgment; and (xi) change the shape and size of the Common Area, add, eliminate or change the location of improvements to the Common Area, including, without limitation, buildings, lighting, parking areas, roadways and curb cuts, and construct buildings on the Common Area. Landlord may determine the nature, size and extent of the Common Area and whether portions of the same shall be surface, underground or multiple-deck; as well as make changes to the Common Area from time to time which in Landlord's opinion are deemed desirable for the Property. The manner in which the Common Area shall be operated and maintained and the expenditures therefor shall be in Landlord's sole discretion. Landlord reserves the right to appoint a substitute operator, including but not limited to, any tenant in the Property, to carry out any or all of Landlord's rights and duties with respect to the Common Area as provided in this Lease; and Landlord may enter into a contract either by a separate document or in a Lease agreement with such operator on such terms and conditions and for such period as Landlord shall deem proper.

- 5.7 Obstructions. No fence, wall, structure, division, rail or obstruction shall be placed, kept, permitted or maintained upon the Common Area or any part thereof by Tenant. Tenant shall not conduct any sale, display, advertising, promotion, or storage of merchandise or any business activities of any kind whatsoever in or upon the Common Area without Landlord's prior written consent. Tenant shall not use the Common Area for solicitations, demonstrations or any other activities that would interfere with the conduct of business in the Property, or which might tend to create civil disorder or commotion.
- 5.8 Allocation of Expenses; Gross Up. Those Operating Expenses, Taxes, and insurance costs that Landlord reasonably determines should be allocable to all tenants of the Property shall be considered to be Property Operating Expenses, Taxes, and insurance costs, respectively, and those Operating Expenses, Taxes and insurance costs that Landlord reasonably determines should be allocable only to specific tenants shall be shared among only those tenants. Landlord also reserves the right to create, as appropriate, new categories of Operating Expenses, Taxes, and insurance costs, if certain Operating Expenses, Taxes, and/or insurance costs are reasonably allocable only to Tenant and not to all tenants of the Property or the Building. In such case. Tenant's Pro Rata Share shall be established for such separately-categorized Operating Expenses, Taxes, and/or insurance costs, and Tenant shall be responsible for paying the costs and expenses of installing meters or other devices to determine the actual cost or expense of such separately categorized Operating Expenses, Taxes, or insurance costs on a pro rata basis with those other tenants, if any, that are responsible for paying a portion of such separately-categorized Operating Expenses, Taxes and insurance costs, as applicable. If less than an average of ninety-five percent (95%) of the rentable area of the Property is occupied by tenants during all or any portion of a lease year, Landlord shall make an appropriate adjustment of those Operating Expenses and insurance costs that vary by occupancy, including for purposes of calculating Tenant's estimated payments of increases thereof, employing sound accounting and property management principles, to determine the amount of Operating Expenses and taxes that would have been expended or incurred had ninety-five percent (95%) of the rentable area of the Property been occupied during the entire year.

ARTICLE 6

6.1 <u>Personal Property Taxes</u>. Tenant shall pay before delinquency all license fees, public charges, taxes and assessments on the furniture, fixtures, equipment, inventory and other personal property of or being used by Tenant in the Premises, whether or not owned by Tenant.

6.2 Real Property Taxes.

(a) <u>Definition; Payment</u>. Tenant shall pay to Landlord as Additional Rent, in the manner set forth in <u>Paragraph 5.5</u>, Tenant's Pro Rata Share of the amount by which "Taxes" (as defined below) for a particular Lease Year exceed Taxes for the Base Year. As used herein, Taxes shall mean all real property taxes, excises, license and permit fees, utility levies and charges, business improvement districts, transport fees, trip fees, monorail and other light rail fees or assessments, transportation management program fees, school fees, fees assessed by air quality management districts or any governmental agency regulating air pollution or commercial rental taxes, and other governmental charges and assessments, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, and installments thereof (including any business and occupation tax imposed on Landlord, the Building or the Property, and any tax imposed on the rents collected therefrom or on the income generated thereby, whether or not substituted in whole or in part for real property taxes, as well as assessments and any license fee imposed by a local governmental body on the collection of rent), which shall be levied or assessed against all or any portion of the Premises, or imposed on Landlord for any period during the Term of this Lease. Said Taxes attributable to the years that this Lease commences and terminates shall, if necessary, be prorated and apportioned between Landlord and Tenant to coincide with the commencement and expiration of the Lease Term.

- (b) Separate Tax Bill. If the Premises are separately billed pursuant to a segregation, Tenant shall pay such Taxes as Additional Rent, at Landlord's election, either (i) at least 30 days prior to delinquency, directly to the tax collector, or (ii) together with Tenant's Pro Rata Share of monthly Operating Expenses, to Landlord, or (iii) twice each year within ten (10) days after delivery of Landlord's written statement which shall be accompanied by a copy of the tax bill, to Landlord. Each party shall furnish the other upon written request, evidence of payment of such Taxes.
- (c) <u>Tenant's Use</u>. Notwithstanding any other provisions of this <u>Paragraph 6.2</u>, in the event that Tenant's use of the Premises or any action undertaken by Tenant causes an increase in Taxes assessed against the Property or the Premises as a result of any tax reassessment or reappraisal, Tenant shall be solely liable for, and shall pay, in addition to all other sums payable under this <u>Paragraph 6.2</u> or elsewhere in the Lease, the entire amount of the increase in Taxes over the amount of Taxes for the Property or the Premises had such reassessment or reappraisal not occurred.
- 6.3 <u>Business Taxes</u>. Tenant shall also pay Tenant's Pro Rata Share of: (a) all special taxes and assessments or license fees now or hereafter levied, assessed or imposed by law or ordinance, by reason of Tenant's use of the Premises; (b) all business and occupation tax and any tax, assessment, levy or charge assessed on the Rent paid under this Lease; and (c) metropolitan improvement and other business improvement district fees.
- 6.4 <u>Substitute and Additional Taxes</u>. If, at any time during the Term, the methods of taxation prevailing on the execution date hereof shall be altered so that in lieu of, or as a supplement to or as a substitute for, the whole or any part of the Taxes now levied, assessed or imposed on the Premises or the Property, there shall be levied, assessed or imposed a tax, assessment, levy, imposition or charge, wholly or partially as a capital levy or otherwise, on the rents received therefrom, or a tax, assessment, levy (including but not limited to any municipal, state, or federal levy), imposition or charge measured by or based in whole or in part upon the Premises and imposed upon Landlord, or a license fee measured by the rent payable under this Lease or by expenditures made by Tenant on Landlord's behalf in connection with this Lease, then all such taxes, assessments, levies, impositions, charges of the part thereof so measured or based, shall be deemed to be included within the term "Taxes" as defined in Article 6 hereof, and Tenant shall pay and discharge the same in the manner provided for the payment of Taxes herein, it being the intention of the parties hereto that the rent to be paid hereunder shall be paid to Landlord absolutely net, without deduction of any kind or nature whatsoever.
- 6.5 <u>Commercial Rent Tax.</u> Tenant shall pay to Landlord, in addition to and together with any and all installments of Minimum Monthly Rent, Additional Rent and other charges payable pursuant to this Lease, the excise, transaction, sales, privilege, or other tax (other than net income and/or estate taxes), if any, now or in the future imposed by the city, county, state or any other government or governmental agency upon Landlord and attributable to or measured by the Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges or prorations payable by Tenant pursuant to this Lease.

ARTICLE 7 UTILITIES AND SERVICES

- 7.1 <u>Utilities and Services.</u> Provided that Tenant is not in default under this Lease, Landlord will provide the following services:
- 7.1.1 Maintain normal business hours at the Building, Monday through Friday from 6:00 a.m. to 6:00 p.m.
- 7.1.2 Furnish utilities to provide for lighting, convenience power, and heat and air conditioning capable of maintaining a temperature in accordance with applicable energy code requirements. Landlord shall cause the Premises to be supplied with electricity for standard power usage. As used herein, "standard power usage" means use of electricity for building standard lighting and office standard machines used in quantities and for amounts of time typically used by tenants in the building for ordinary office use. As use herein, "office standard machines" means typewriters, dictaphones, desk top calculators, desk top computer terminals and other analogous office equipment with equal or lesser power requirements, all operating on 110 volt circuits. High power usage equipment includes without limitation servers, as well as machines that operate on 220-volt circuits. Tenant shall not install or operate high power usage equipment on the Premises without Landlord's prior written consent, which may be refused unless Tenant confirms in writing its obligation to pay the additional charges necessitated by such equipment. Electricity used by Tenant in the Premises shall, at Landlord's option, be paid for by Tenant either: (i) through inclusion in Operating Expenses (except as otherwise provided herein for excess usage), (ii) by a separate charge payable by Tenant to Landlord within 30 days after billing by Landlord; or (iii) by separate charge billed by the applicable utility company or reseller and payable directly by Tenant. Electrical service to the Premises may be furnished by one or more companies providing electrical generation, transmission and distribution services, and the cost of electricity may consist of several different components or separate charges for such services, such as generation, distribution and stranded cost charges.

Landlord shall have the exclusive right to select any company providing electrical service to the Premises, to aggregate the electrical service for the Property, any Buildings and the Premises with other Buildings, to purchase electricity through a broker and/or buyers group and to change the providers and manner of purchasing electricity. Landlord shall be entitled to receive a fee (if permitted by law) for the selection of utility companies and the negotiation and administration of contracts for electricity. Whenever heat generating machines or equipment or lighting other than building standard lights in excess of Tenant's requirements described herein are used in the Premises by Tenant which affect the temperature otherwise maintained by the air cooling system, Landlord shall have the right to install supplementary air cooling units in the Premises, and the cost thereof, including the cost of installation and the cost of operation and maintenance thereof, shall be paid by Tenant upon billing. Landlord may impose a reasonable charge for utilities and services, including without limitation, air cooling, electric current and water, required to be provided the Premises by reason of, (a) any substantial recurrent use of the Premises at any time other than the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday, (b) any use beyond what Landlord agrees to furnish as described above, (c) electricity used by equipment designated by Landlord as high power usage equipment, or (d) the installation, maintenance, repair, replacement or operation of supplementary air cooling equipment, additional electrical systems or other equipment required by reason of special electrical, heating, cooling or ventilating requirements of equipment used by Tenant at the Premises. In no event shall Tenant install portable low voltage A/C units anywhere within the Premises. At Landlord's option, separate meters for such utilities and services may be installed for the Premises and Tenant upon demand therefor, shall pay within 30 business days for the actual cost of the installation, maintenance, repair and replacement of such meters. Notwithstanding the foregoing, in the event Tenant installs supplemental air-cooling equipment within the Premises (subject to Landlord's prior approval), it shall do so at its sole cost and expense and shall be required to be connected to the Building' condenser water loop, for which an additional monthly fee shall be paid for the consumption of water and electricity.

Notwithstanding anything to the contrary elsewhere herein, Tenant shall be entitled to one hundred (100) hours per year of additional/after-hours HVAC used on Saturdays for the Premises at no additional charge. Tenant shall request such Saturday HVAC at least 24 hours in advance.

- 7.1.3 Provide non-attended passenger elevator facilities during all working days (Saturday, Sunday and holidays one elevator subject to call).
- 7.1.4 Provide five day per week janitorial services similar to that furnished in comparable general office space in the vicinity of the Building. Any and all additional janitorial service desired by Tenant shall be contracted for by Tenant directly with Landlord's janitorial agent.
- 7.1.5 Provide water for drinking, lavatory and toilet purposes drawn through fixtures installed by Landlord.
 - 7.1.6 Maintain the roof and all structural portions of the Building.
- 7.1.7 Maintain the Property and Common Area in reasonably good condition and in compliance with all governmental codes, rules and regulations.
- 7.1.8 Replace burned out fluorescent tubes in light fixtures that are standard for the Building. Burned out bulbs, tubes or other light sources in fixtures that are not standard for the Building will be replaced by Landlord, but at Tenant's expense.
- 7.2 <u>Payment</u>. Costs for all services rendered under this paragraph shall be included in Operating Expenses unless specifically excluded above or in <u>Article 5</u> of this Lease.
- 7.3 Interruptions. It is understood that Landlord does not warrant that any of the services referred to above will be free from interruption by virtue of a strike or a labor trouble or any other cause beyond Landlord's reasonable control. Such interruption of service shall never be deemed an eviction or disturbance of Tenant's use or possession of the Premises, or any part thereof, nor shall it redieve Landlord liable to Tenant for damages, by abatement or reduction of rent or otherwise, nor shall it relieve Tenant from performance of Tenant's obligations under this Lease, nor shall Tenant be relieved from the performance of any covenant or agreement in this Lease because of such failure or interruption; provided that Tenant's responsibility for Minimum Monthly Rent shall abate beginning on the fourth business day after the interruption caused by the gross negligence or intentional misconduct of Landlord or its agents or employees which renders all or a portion of its Premises untenantable (in proportion to the amount of Tenant's space rendered untenantable), and continuing until the interrupted service or utility no longer renders a significant portion of the Premises untenantable. Landlord reserves the right to stop service of the elevator, plumbing, HVAC and electrical systems, when necessary, by reason of accident or emergency, or for repairs, alterations or improvements, which are in the reasonable judgment of Landlord desirable or necessary, until said repairs, alterations or

improvements shall have been completed; provided, Landlord shall use its good faith efforts to try to minimize interruption to Tenant's business operations.

- 7.4 <u>LEED Certification</u>. Tenant acknowledges that the Building has received Leadership Energy and Environmental Design ("LEED")-EB Platinum certification from the U.S. Green Building Council. In order to assist Landlord in maintaining this certification for the Building, Tenant agrees to observe the following minimum requirements to the extent reasonably possible and readily achievable:
- 7.4.1 Green Cleaning: The Premises shall be cleaned utilizing LEED criteria for both procedures and products.
- 7.4.2 Occupant Recycling: Landlord shall provide Building-standard recycling containers for the collection of all recycling and composting. Tenant shall make every effort to minimize office-generated landfill waste by purchasing recyclable products whenever practical. All Tenant battery, light bulbs and electronics waste shall be recycled. If completed by Tenant, Tenant shall upon request by the Landlord provide proof of proper disposal.
- 7.4.3 Office Purchasing Ongoing Consumables: Tenant shall whenever practical purchase high recycled content office products. This shall include ongoing consumables (office paper products). Tenant will be requested to supply purchasing data (compliant versus non compliant) data to the Landlord.
- 7.4.4 Office Purchasing Furniture and Electronics: Tenant shall whenever practical purchase office furniture with a high recycled content. Tenant shall maintain copies of invoices for all office furniture purchases and supply them to Landlord. Tenant shall, whenever possible purchase (or lease) electronics and appliance equipment (PC's, laptops, printers, fax, copiers, etc.) that is Energy Star Rated by the U.S. Environmental Protection Agency. Tenant shall maintain copies of invoices and supply them to Landlord when requested.
- 7.4.5 Construction and Maintenance of Tenant Space. Tenant shall comply with all Building rules and regulations to ensure all construction and maintenance of the Premises complies with the LEED criteria for the following areas: construction waste recycling; construction indoor air quality ("IAQ"); sustainable product purchasing; and Occupant Transportation and Comfort Surveys. Tenant shall make every reasonable effort to participate in all LEED surveys to document Building Tenant transportation use and occupant comfort.

ARTICLE 8 REPAIRS AND ALTERATIONS

- 8.1 <u>Landlord's Repairs</u>. Landlord shall keep in good condition and repair the structure, foundation, bearing walls, roof system, and exterior utility lines serving the Building, the costs of which shall be included in Operating Expenses pursuant to <u>Paragraph 5.3</u>, and paid by Tenant in accordance with <u>Paragraph 5.5</u>, but which shall be paid solely by Tenant in the event that the repair or replacement relates solely to the Premises or is necessitated by Tenant's actions, or if not, which shall be pro rated and paid by Tenant in accordance with <u>Paragraph 5.5</u>), provided further that Landlord shall not be required to make any such repairs or replacements occasioned by the act or negligence of Tenant, its agents, employees, invitees, licensees, representatives or contractors. Nothing contained in this <u>Paragraph 8.1</u> shall limit Landlord's right to reimbursement from Tenant for maintenance, repair costs and replacement costs provided elsewhere in this Lease.
- 8.2 Tenant's Repairs. Except as expressly provided in Paragraph 8.1, Tenant shall, at its sole cost, keep in first-class appearance, in a condition at least equal to that which existed when Tenant initially began operating at the Premises, and in good order, condition, cleanliness and repair, the exterior and interior of the Premises and every part thereof, including without limitation, the interior surfaces of the walls and ceilings (including all interior painting thereof), all doors, door frames, door checks, interior relites and other glass, storefronts (if any), all plumbing, HVAC, and sewage facilities serving the Premises, including free flow up to the main sewer line, trade fixtures, floor coverings (including periodic shampooing of all carpets), maintenance, repair and lightbulb replacement for all non-Building standard lighting fixtures, and any mechanical systems or equipment installed for the sole use by Tenant. Tenant agrees to utilize Building-approved lighting and lamps, participate in the Building's recycling program, and provide reasonable documentation as required in connection therewith. All equipment, facilities or fixtures shall, at Tenant's sole expense, be kept, repaired, maintained, replaced or added to by Tenant at all times in accordance with all governmental requirements. Tenant shall cause all grease traps, if any, serving the Premises to be cleaned and serviced as often as may be required by law, ordinance or regulation or in order to keep the grease traps safe, sanitary and in good working order, and shall, within five (5) days of receipt, furnish to Landlord true copies of all receipts or other evidence of service from outside vendors who empty, clean or service the grease traps. In the event that Tenant fails to comply with the obligations set forth in this Paragraph 8.2, Landlord may, but shall not

be obligated to, perform any such obligation on behalf of, and for the account of Tenant, and Tenant shall reimburse Landlord for all costs and expenses paid or incurred on behalf of Tenant in connection with performing the obligations set forth herein. Tenant expressly waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

8.3 Alterations.

- (a) Tenant's Alterations. Tenant shall not make any alterations, decorations, changes, installations or improvements (collectively, "Tenant Changes") in, to, or about the interior or exterior of the Premises without obtaining the prior written consent of Landlord. Tenant's request for Landlord's consent to perform any Tenant Changes which may affect the HVAC system or cause penetration through the roof of the Building, must be accompanied by plans and specifications (to be prepared by Tenant at Tenant's sole cost) for the proposed Tenant Change in detail reasonably satisfactory to Landlord, together with notice of the identity of the licensed contractor which Tenant has or will engage to perform such work, plus a review fee not to exceed \$300.00. Landlord shall grant or withhold its approval of such plans and specifications within ten (10) business days after Tenant makes request therefor in the manner provided herein; provided, however, if Landlord needs to consult with an outside consultant or expert with respect thereto, Landlord's consent shall be granted or denied not later than within a reasonable time after the expiration of such 10-business day period. All such work shall be accomplished at Tenant's sole risk and expense, and Tenant shall indemnify, defend and hold harmless Landlord from and against any and all loss, cost, liability and expense (including consequential damages) relating to or arising from the Tenant Changes. All Tenant Changes shall become a part of the realty upon installation thereof.
- (b) Approval Not Required. Notwithstanding Paragraph 8.3(a), with respect to carpeting and painting of the interior portions of the Premises and other Tenant Changes which (i) are non-structural in nature (i.e., do not involve changes to or penetrations of any portion of the Building or the Property); (ii) do not involve changes to the building's systems, including without limitation, the roof, electrical, plumbing, and HVAC systems (the Tenant Changes described in clauses (i) and (ii) hereof are collectively called "Non-Structural Changes"); and (iii) in the aggregate would not cost in excess of \$3,000.00 when added together with the cost of all other Non-Structural Changes made by or for Tenant during the prior 12 month period, Tenant need not obtain Landlord's prior written consent, but must notify Landlord in writing within ten (10) days prior to the commencement of such Non-Structural Changes. Landlord may elect upon expiration or termination of this Lease to require Tenant, at Tenant's sole cost, to remove all Tenant Changes installed by Tenant pursuant to this paragraph and to restore the Premises to substantially their condition prior to the installation thereof.
- 8.4 <u>General Conditions</u>. Tenant shall at all times comply with the following requirements when performing any work pursuant to <u>Paragraphs 8.2</u> or <u>8.3</u>:
- (a) <u>Contractors.</u> Tenant shall use the contractors and mechanics then appearing on Landlord's approved list if the Tenant Changes involve changes to the Building's systems and/or structural elements. With respect to Non-Structural Changes, Tenant shall use such contractors and mechanics which Landlord approves of in writing prior to their use, which approval shall not be unreasonably withheld. All contractors used by Tenant shall be licensed contractors who are experienced in the type of work to be performed, and shall provide to Landlord certificates of liability insurance evidencing coverage in force from insurance and with liability limits reasonably acceptable to Landlord, and naming Tenant, Landlord and the Property Manager as additional insureds.
- (b) <u>Compliance With Laws</u>. All Tenant Changes shall at all times comply with all laws, rules, orders and regulations of governmental authorities having jurisdiction thereof and all insurance requirements of this Lease, shall comply with the rules and regulations for the Property now or hereafter in existence, and shall comply with the plans and specifications approved by Landlord.
- (c) <u>Tenant's Responsibility</u>. All Tenant Changes shall be made and completed at Tenant's sole cost and expense, and the Property and the Premises shall be kept lien-free at all times by Tenant.
- Americans with Disabilities Act Compliance. Landlord and Tenant acknowledge that, in accordance with the provisions of the Americans with Disabilities Act of 1990, together with its implementing regulations and guidelines (collectively, the "ADA"), responsibility for compliance with the terms and conditions of Title III of the ADA may be allocated as between the parties. Notwithstanding anything to the contrary contained in the Lease, Landlord and Tenant agree that the responsibility for compliance with the ADA (including, without limitation, the removal of architectural and communications barriers and the provision of auxiliary aids and services to the extent required) shall be allocated as follows: (i) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Premises if such construction, renovations, alterations and repairs are made by Tenant at its expense without the assistance of the Landlord; (ii) Tenant shall be responsible for compliance with the provisions of Title III of the ADA for all

construction, renovations, alterations and repairs Landlord makes within the Premises, whether at Landlord's or Tenant's expense; and (iii) Landlord shall be responsible for compliance with the provisions of Title III of the ADA for all Landlord's Work (if any) and for exterior and interior areas of the Building not included within the Premises. Landlord and Tenant each agree that the allocation of responsibility for ADA compliance shall not require either party to supervise, monitor or otherwise review the compliance activities of the other party with respect to its assumed responsibilities for ADA compliance as set forth in this paragraph.

ARTICLE 9 INSURANCE

- 9.1 <u>Use Rate.</u> Tenant shall not carry any stock of goods or do anything in or about the Premises which will cause an increase in insurance rates on the building in which the Premises are located. In no event shall Tenant perform any activities which would invalidate any insurance coverage on the Property or the Premises. Tenant shall pay on demand any increase in premiums that may be charged as a result of Tenant's use or activities or vacating or otherwise failing to occupy the Premises, but this provision shall not be deemed to limit in any respect Tenant's obligations under <u>Article 14</u>. In no event shall the limits of insurance required to be maintained by Tenant pursuant to this Lease be deemed to limit the liability of Tenant hereunder.
- 9.2 <u>Liability Insurance</u>. Tenant shall, during the Lease Term, at its sole expense, maintain in full force a policy or policies of Commercial general liability (CGL) insurance including contractual, on an occurrence basis, with coverage at least as broad as the most commonly available ISO Commercial General Liability policy CG 00 01, at least Two Million Dollars (\$2,000,000) per occurrence limit, Two Million Dollars (\$2,000,000) general aggregate limit, including any necessary and appropriate extensions to comply with the additional requirements of this Lease. Tenant shall also maintain Commercial Automobile coverage, One Million Dollars (\$1,000,000) combined single limit/per accident, covering injury (or death) and property damage arising out of the ownership, maintenance, or use of any private passenger or commercial vehicles and of any other equipment required to be licensed for road use. Such limits may be achieved through the use of umbrella liability insurance otherwise meeting the requirements of this paragraph. Such insurance shall also cover independent contractors liability, products and completed operations liability, and personal injury liability.
- 9.3 Worker's Compensation Insurance. Tenant shall at all times maintain worker's compensation insurance in compliance with federal, state and local law including Employer's Liability coverage (contingent liability/stop gap) in the amount of \$1,000,000 each accident; \$1,000,000 bodily injury by disease policy limit; and \$1,000,000 bodily injury each employee.

9.4 Property Insurance/Business Income.

- (a) <u>Landlord's Insurance</u>. Landlord shall pay for and shall maintain in full force and effect during the Term of this Lease property insurance with respect to the Property as it may require and as may be required by its lender, which coverage may include at Landlord's option special extended coverage, earthquake and sprinkler leakage coverage, boiler and machinery, difference in conditions, business income and extra expense, building ordinance, terrorism, and excess rental value endorsements, along with rent loss insurance. Tenant shall pay Tenant's Pro Rata Share for the costs incurred by Landlord for such insurance in excess of the costs thereof for the Base Year in accordance with the payment provisions set forth in <u>Paragraph 5.5</u> above.
- (b) Tenant's Insurance. Tenant shall pay for and shall maintain in full force and effect during the Term of this Lease property insurance covering its leasehold improvements to the Premises, furniture, fixtures, equipment, inventory and other personal property located on the Premises in an amount of not less than one hundred percent (100%) insurable replacement value with no coinsurance penalty, "Special Form—Causes of Loss", with Flood Insurance and earthquake if Landlord or its lender deems such insurance to be necessary or desirable), with an Ordinance or Law endorsement, and replacement cost coverage to protect against loss of owned or rented equipment and tools brought onto or used at the Property by Tenant. Tenant shall also obtain and maintain Business Income and Extra Expense coverage for a period of not less than twelve (12) months.
- 9.5 <u>Waiver of Subrogation</u>. Except for the waiving party's deductible amount, each party hereby waives, and each party shall cause their respective property insurance policy or policies to include a waiver of such carrier's, entire right of recovery (i.e., subrogation) against the other party, and the officers, directors, agents, representatives, employees, successors and assigns of the other party, for all claims which are covered or would be covered by the property insurance required to be carried hereunder or which is actually carried by the waiving party.
- 9.6 General Requirements. All policies of insurance required to be carried hereunder by Tenant shall be evidenced by an appropriate evidence of insurance (e.g., ACORD Forms), which evidences must contain the following additional clause:

- 1. "It is agreed that this insurance will not be canceled, not renewed, or the limits of coverage in any way reduced without at least thirty (30) days' advance written notice [ten (10) days for nonpayment of premiums] sent by certified mail, return receipt requested, to ______ [Insert Landlord's name and address?"
- (a) <u>Licensed in State</u>. Be written by companies reasonably satisfactory to Landlord and licensed to do business in the state of in which the Property is situated. All policies of insurance required to be maintained by Tenant shall be issued by insurance companies with an A.M. Best's financial strength rating of "A-" or better and an A.M. Best's Financial Size Category of Class "IX" or higher, and shall not contain a deductible greater than \$2,500 or any self-insured retention unless expressly approved in writing by Landlord.
- (b) <u>Primary</u>. Contain a clause that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord, and that any coverage carried by Landlord shall be excess insurance. All insurance coverage must be on an "occurrence basis"; "claims made" forms of insurance are not acceptable, and shall contain a severability of interests endorsement.
- (c) <u>Additional Named Insured</u>. Liability policies shall name Landlord, its Property Manager, Washington Real Estate Holdings, LLC, Washington Holdings Management Company, LLC, and any other party identified by Landlord as additional insureds utilizing ISO Endorsement CG 20-11-01-96 or its equivalent ("certificate holder" status is <u>not</u> acceptable). Landlord shall be listed as a "loss payee" on property policies as its interests may appear.
- (d) Notice of Cancellation. Not be subject to cancellation or reduction in coverage except upon at least thirty (30) days prior written notice to each additional insured. The policies of insurance containing the terms specified herein, or duly executed certificates evidencing them, together with satisfactory evidence of the payment of premiums thereon, shall be deposited with Landlord prior to the Possession Date and thereafter not less than thirty (30) days prior to the expiration of the original or any renewal term of such coverage. If Tenant fails to comply with the insurance requirements set forth in this Lease, Landlord shall have the right, but not the obligation, at any time and from time to time, without notice, to procure such insurance and/or pay the premium for such insurance, in which event Tenant shall repay Landlord, immediately upon demand by Landlord, as Additional Rent, all sums so paid by Landlord together with interest thereon and any costs or expenses incurred by Landlord in connection therewith, without prejudice to any other rights and remedies of the Landlord under this Lease.
- 9.7 <u>Blanket Insurance</u>. Each party shall be entitled to fulfill its insurance obligations hereunder by maintaining a so-called "blanket" policy or policies of insurance. Such policy shall contain an endorsement that names the other party as an additional insured, references the Premises, and guarantees a minimum limit of coverage available for the obligations under this Lease at least equal to the insurance amounts required hereunder. Tenant's right to fulfill its insurance obligations hereunder through a "blanket" policy shall be subject to approval of such policy by Landlord and Landlord's lender(s).
- Self-Insurance. Landlord hereby consents to Tenant's right to comply with and satisfy the obligations contained in this Article 9 as to maintenance of policies of insurance by acting as a self-insurer as to the applicable insurance coverage. Tenant, a charter county government under the constitution of the State of Washington, maintains a fully funded self-insurance program for the protection and handling of Tenant's liabilities including injuries to persons and damage to property. Landlord acknowledges, agrees and understands that the Tenant is self-funded for all of its liability exposures. Tenant agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Lease. Tenant agrees to provide Landlord with at least 30 days' prior written notice of any material change in Tenant's self-funded program and will provide Landlord with a certificate of self-insurance as adequate proof of coverage. Landlord further acknowledges, agrees and understands that Tenant does not purchase commercial general liability insurance and is a self-insured governmental entity; therefore Tenant does not have the ability to add Landlord as an additional insured. However, Tenant's obligations under this Lease with regard to Landlord's right to receive any proceeds from the insurance policies and coverages required in this Article 9 shall apply equally during any period of self-insurance by Tenant, including but not limited to Tenant's indemnity and duty to defend Landlord pursuant to Articles 13 and 44. All amounts which Tenant pays or is required to pay and all loss or damages resulting from risks for which Tenant has elected to self-insure shall be subject to the waiver of subrogation provisions of Paragraph 9.5 above. Should Tenant elect to cease self-insuring its liability exposures and purchase commercial general liability insurance, Tenant agrees to add the Landlord as an additional insured and comply with the remainder of this Article 9 herein.
- 9.9 <u>Failure to Maintain Insurance</u>. If Tenant fails to maintain its self-insurance program described above and fails or refuses to purchase and maintain any insurance required in this <u>Article 9</u>, Landlord may, at its option, procure insurance for Landlord's benefit and/or interests and any and all reasonable premiums paid by Landlord therefore shall be deemed Additional Rent and shall be due on demand. Landlord will not be responsible to procure insurance for Tenant's interests and/or benefit.

ARTICLE 10 DAMAGE AND RESTORATION

- 10.1 <u>Damage and Destruction of the Premises</u>. If the Premises are at any time destroyed or damaged by a casualty insured against by Landlord pursuant to <u>Article 9</u> hereof or otherwise insured against by Landlord, and if as a result of such occurrence:
- (a) If the Premises are rendered untenantable only in part, this Lease shall continue in full force and effect and, provided Tenant shall have been operating in the Premises for the Permitted Use set forth in the Basic Lease Provisions at the time of the casualty and shall covenant in writing to Landlord that Tenant shall reopen the Premises for such permitted use and will comply with the provisions of <u>Paragraph 10.3</u> below upon completion of Landlord's reconstruction, rebuilding or repair of the Premises, Landlord shall, subject to the provisions of <u>Paragraph 10.4</u> below, commence diligently to reconstruct, rebuild or repair the Premises (provided that Landlord shall have no obligation to repair or reconstruct any Tenant's Work or Tenant Changes). In such event, Minimum Monthly Rent shall abate proportionately to the portion of the Premises rendered untenantable from the date of the destruction or damage until the date on which Landlord has substantially completed its repair and restoration obligations hereunder.
- (b) If the Premises are rendered totally untenantable, provided Tenant shall have been operating in the Premises for the Permitted Use set forth in the Basic Lease Provisions at the time of the casualty and shall covenant in writing to Landlord that Tenant shall reopen the Premises for such use and will comply with the provisions of Paragraph 10.3 below upon completion of Landlord's reconstruction, rebuilding or repair of the Premises, Landlord shall, subject to the provisions of Paragraph 10.4 below, commence diligently to reconstruct, rebuild or repair the Premises (provided that Landlord shall have no obligation to repair or reconstruct any Tenant's Work or Tenant Changes). In such event, Minimum Monthly Rent shall abate proportionately to the portion of the Premises rendered untenantable from the date of the destruction or damage until the date on which Landlord has substantially completed its repair and restoration obligations hereunder.

10.2 <u>Damage or Destruction of Property.</u>

- (a) If 25% or more of the Leasable Area of the Property or 25% or more of the Common Area of the Property is at any time destroyed or damaged (including, without limitation, by smoke or water damage) as a result of fire, the elements, accident, or other casualty, whether or not the Premises are affected by such occurrence, Landlord may, at its option, to be exercised by written notice to Tenant within ninety (90) days following any such occurrence, elect to terminate this Lease. In the case of such election, the Term and tenancy created hereby shall expire on the thirtieth (30th) day after such notice is given, without liability or penalty payable or any other recourse by one party to or against the other; and Tenant shall, within such 30-day period, vacate the Premises and surrender them to Landlord. All rent shall be due and payable without reduction or abatement subsequent to the destruction or damage and until the date of termination, unless portions of the Premises shall have been destroyed or damaged, in which event the terms of Paragraph 10.1(a) or (b), as applicable, of this Lease shall apply to determine the extent of any abatement of Minimum Monthly Rent to which Tenant may be entitled as a result thereof.
- (b) If Landlord does not elect to terminate this Lease in accordance with the terms of Paragraph 10.2(a), Landlord shall, following such destruction or damage, commence diligently to reconstruct, rebuild, or repair, if necessary, that part of the Property which is necessary, in Landlord's sole judgment, to create an economically viable unit. However, Landlord shall reconstruct, rebuild, or repair the Premises and the Property to the extent only of proceeds received by Landlord from its insurers and as permitted by Landlord's mortgagees or other lenders. Further, if Landlord elects to repair, reconstruct, or rebuild the Property, or any part thereof, Landlord may use plans, specifications, and working drawings other than those used in the original construction of the Property.
- 10.3 Tenant's Work. If this Lease has not been terminated after damage or destruction as provided above, then all proceeds of Tenant's insurance relating to reconstruction of the remainder thereof following substantial completion of Landlord's repair and restoration work as may be required hereby shall be paid over to and held in trust by Landlord, to be reimbursed to Tenant following completion of Tenant's repair and restoration work as required hereby. Upon receipt by Tenant of written notice that Landlord's Work has been substantially completed, Tenant shall forthwith complete all Tenant's Work as described in Exhibit "C" hereto, and all other work required to fully restore the Premises for business fully fixturized, stocked, and staffed. If the Premises have been closed for business, Tenant shall reopen for business for the permitted use set forth in the Basic Lease Provisions, but no later than thirty (30) days after notice that Landlord's Work is substantially completed.
- 10.4 <u>Limitation of Obligations</u>. Notwithstanding anything set forth to the contrary herein, in the event the Premises or Property are damaged as a result of any cause in respect of which there are no insurance proceeds available to Landlord, or the proceeds of insurance are insufficient in Landlord's commercially reasonable judgment to pay for the costs of repair or reconstruction, or any mortgagee or other person entitled to the proceeds of insurance does not consent to the payment to

Landlord of such proceeds to fully restore the Premises or Property, or if the Premises or Property cannot be fully restored to its prior condition under land use, zoning, and building codes in force at the time a permit is sought for repair or reconstruction, then Landlord may, without obligation or liability to Tenant, terminate this Lease on thirty (30) days' written notice to Tenant and all rent shall be adjusted as of the effective date of such termination, and Tenant shall vacate and surrender the Premises on the date set forth in Landlord's termination notice.

- 10.5 <u>Damage or Destruction at End of Term.</u> Notwithstanding anything to the contrary contained herein, Landlord shall not have any obligation to repair, reconstruct, or restore the Premises or Property when the damage or destruction occurs during the last eighteen (18) months of the Term of this Lease.
- 10.6 <u>Waiver</u>. Tenant hereby waives any statutory and common law rights of termination which may arise by reason of any partial or total destruction of the Premises which Landlord is obligated to restore or may restore under any of the provisions of this Lease.

ARTICLE 11 SECURITY DEPOSIT

Intentionally Deleted

ARTICLE 12 EMINENT DOMAIN

- 12.1 <u>Definition</u>. If there is any taking or condemnation of or transfer in lieu thereof for a public or quasi-public use of all or any part of the Property or the Premises or any interest therein because of the exercise or settlement due to threatened exercise of the power of eminent domain or inverse condemnation, whether by condemnation proceedings or otherwise (all of the foregoing being hereinafter referred to as "taking") before or during the Term hereof, the rights and obligations of the parties with respect to such taking shall be as provided in this <u>Article 12</u>.
- 12.2 <u>Total Taking</u>. If there is a taking of all of the Premises, this Lease shall terminate as of the date of such taking. All Minimum Monthly Rent and other amounts due under this Lease shall be paid by Tenant to the date of such termination.
- 12.3 Partial Taking of Premises. If any part of the Premises shall be taken, and a part thereof remains which is reasonably susceptible of occupation hereunder for the use permitted herein, this Lease shall, as to the part so taken, terminate as of the date title shall vest in the condemnor or transferee, and the Minimum Monthly Rent payable hereunder shall be reduced by the proportion which the floor area taken from the Premises bears to the total Floor Area of the Premises immediately before the taking; but in such event Landlord shall have the option to terminate this Lease as of the date when title to the part so condemned vests in the condemnor or transferee. All Minimum Monthly Rent and other amounts due under this Lease shall be paid by Tenant to the date of any such termination.
- 12.4 Common Area Taking. If so much of the Common Area is taken that in the commercially reasonable judgment of Landlord the Property will be rendered unsuitable for the continued use thereof for the purposes for which it was intended, Landlord may elect to terminate this Lease by giving Tenant written notice of such election within sixty (60) days after the date that title to the portion so taken vests in the condemner or transferee. If Landlord fails to give such notice, this Lease shall remain in full force and effect. If any part of the Property is taken, but no part of the Premises is taken, and Landlord does not elect to terminate this Lease, the rent payable hereunder shall not be reduced, nor shall Tenant be entitled to any part of the award made therefor. In the event of termination, all Minimum Monthly Rent and other amounts due under this Lease shall be paid by Tenant to the date of such termination.
- 12.5 Repair and Restoration. If this Lease is not terminated as provided in this Article 12, Landlord shall, at its sole expense, restore with due diligence the remainder of the improvements occupied by Tenant so far as is practicable to a complete unit of like quality, character, and condition as that which existed immediately prior to the taking, provided that the scope of the work shall not exceed the scope of the work to be done by Landlord originally in construction of the Premises, and further provided that Landlord shall not be obligated to expend an amount greater than that which was awarded to Landlord for such taking. Tenant, at its sole cost and expense, shall restore its furniture, fixtures and other allowed leasehold improvements to their condition immediately preceding such taking.
- 12.6 Award. In the event of any taking, Landlord shall be entitled to the entire award of compensation or settlement in such proceedings, whether for a total or partial taking or for diminution in the value of the leasehold or for the fee. Any such

amounts shall belong to and be the property of Landlord. Without in any way diminishing the rights of Landlord under the preceding sentence, Tenant shall be entitled to recover from the condemnor such compensation as may be separately awarded by the condemnor to Tenant or recoverable from the condemnor by Tenant in its own right for the taking of trade fixtures and equipment owned by Tenant (meaning personal property, whether or not attached to real property, which may be removed without injury to the Premises) and for the expense of removing and relocating them, and for loss of goodwill, but only to the extent that the compensation awarded to Tenant shall be in addition to and shall not diminish the compensation awarded to Landlord as provided above.

12.7 <u>Waiver</u>. Tenant hereby waives any statutory and common law rights of termination which may arise by reason of any partial taking of the Premises under the power of eminent domain.

ARTICLE 13 INDEMNITY; WAIVER

13.1 Indemnification and Waivers.

- Indemnity. To the fullest extent permitted by law, and commencing on the first day Tenant or any of its (a) employees, agents, or contractors first enters onto the Property for any reason relating to this Lease or the Premises, Tenant shall, at Tenant's sole cost and expense, Indemnify Landlord Parties against all Claims arising from (i) any Personal Injury, Bodily Injury or Property Damage whatsoever occurring in or at the Premises; (ii) any Bodily Injury to an employee of a Tenant Party arising out of and in the course of employment of the employee and occurring anywhere in the Property; (iii) the use or occupancy, or manner of use or occupancy, or conduct or management of the Premises or of any business therein; (iv) subject to the waiver of subrogation provisions of this Lease, any act, error, omission or negligence of any of the Tenant Parties in, on or about the Premises or the Property; (v) the conduct of Tenant's business; (vi) any alterations, activities, work or things done, omitted, permitted or allowed by Tenant Parties in, at or about the Premises or Property, including the violation of or failure to comply with, or the alleged violation of or alleged failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, orders, or judgments in existence on the date of the Lease or enacted, promulgated or issued after the date of this Lease including Hazardous Materials Laws (defined below); (vii) any breach or default by Tenant in the full and prompt payment of any amount due under this Lease, any breach, violation or nonperformance of any term, condition, covenant or other obligation of Tenant under this Lease, or any misrepresentation made by Tenant or any guarantor of Tenant's obligations in connection with this Lease; (viii) all damages sustained by Landlord as a result of any holdover by Tenant or any Tenant Party in the Premises including, but not limited to, any claims by another tenant resulting from a delay by Landlord in delivering possession of the Premises to such tenant; (ix) any liens or encumbrances arising out of any work performed or materials furnished by or for Tenant; (x) commissions or other compensation or charges claimed by any real estate broker or agent with respect to this Lease by, through or, under Tenant or, (xi) any matter enumerated in Paragraph 13(b) below.
- (b) Waivers. To the fullest extent permitted by law, Tenant, on behalf of all Tenant Parties, Waives all Claims against Landlord Parties arising from the following: (i) any Personal Injury, Bodily Injury, or Property Damage occurring in or at the Premises; (ii) any loss of or damage to property of a Tenant Party located in the Premises or other part of the Property by theft or otherwise; (iii) any Personal Injury, Bodily Injury, or Property Damage to any Tenant Party caused by other tenants of the Property, parties not occupying space in the Property, occupants of property adjacent to the Property, or the public or by the construction of any private, public, or quasi-public work occurring either in the Premises or elsewhere in the Property; (iv) any interruption or stoppage of any utility service or for any damage to persons or property resulting from such stoppage; (v) business interruption or loss of use of the Premises suffered by Tenant; (vi) any latent defect in construction of the Building; (vii) damages or injuries or interference with Tenant's business, loss of occupancy or quiet enjoyment and any other loss resulting from the exercise by Landlord of any right or the performance by Landlord of Landlord's maintenance or other obligations under this Lease, or (viii) any Bodily Injury to an employee of a Tenant Party arising out of and in the course of employment of the employee and occurring anywhere in the Property.
- (c) <u>Definitions.</u> For purposes of this <u>Article 13</u>: (i) the term "Tenant Parties" means Tenant, and Tenant's officers, members, partners, agents, employees, sublessees, licensees, guests, customers, invitees and independent contractors, and all persons and entities claiming through any of these persons or entities; (ii) the term "Landlord Parties" means Landlord and the members, partners, venturers, trustees and ancillary trustees of Landlord and the respective officers, directors, shareholders, members, parents, subsidiaries and any other affiliated entities, personal representatives, executors, heirs, assigns, licensees, invitees, beneficiaries, agents, servants, employees and independent contractors of these persons or entities; (iii) the term "Indemnify" means indemnify, defend (with counsel reasonably acceptable to Landlord) and hold free and harmless for, from and against; (iv) the term "Claims" means all liabilities, claims, damages (including consequential damages), losses, penalties, litigation, demands, causes of action (whether in tort or contract, in law or at equity or otherwise), suits, proceedings, judgments, disbursements, charges, assessments, and expenses (including attorneys' and experts' fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding); (v) the term "Waives" means that the Tenant

Parties waive and knowingly and voluntarily assume the risk of; and (vi) the terms "Bodily Injury", "Personal Injury" and "Property Damage" will have the same meanings as in the form of commercial general insurance policy issued by Insurance Services Office, Inc. most recently prior to the date of the injury or loss in question.

- (d) Scope of Indemnities and Waivers. Except as provided in the following sentence, the indemnities and waivers contained in this Article 13 shall apply regardless of the active or passive negligence or sole, joint, concurrent, or comparative negligence of any of the Landlord Parties, and regardless of whether liability without fault or strict liability is imposed or sought to be imposed on any of the Landlord Parties. The indemnities and waivers contained in this Article 13 shall not apply to the extent of the percentage of liability that a final judgment of a court of competent jurisdiction establishes under the comparative negligence principles of the state in which the Property is situated, that a Claim against a Landlord Party was proximately caused by the willful misconduct or gross negligence of that Landlord Party, provided, however, that in such event the indemnity or waiver will remain valid for all other Landlord Parties.
- (e) <u>Duty to Defend</u>. Tenant's duty to defend Landlord Parties is separate and independent of Tenant's duty to Indemnify Landlord Parties. Tenant's duty to defend includes Claims for which Landlord Parties may be liable without fault or may be strictly liable. Tenant's duty to defend applies regardless of whether issues of negligence, liability, fault, default or other obligation on the part of Tenant Parties have been determined. Tenant's duty to defend applies immediately, regardless of whether Landlord Parties have paid any sums or incurred any detriment arising out of or relating, directly or indirectly, to any Claims. It is the express intention of Landlord and Tenant that Landlord Parties will be entitled to obtain summary adjudication regarding Tenant's duty to defend Landlord Parties at any stage of any Claim within the scope of this <u>Article 13</u>.
- (f) Obligations Independent of Insurance. The indemnification provided in this Article 13 shall not be construed or interpreted as in any way restricting, limiting or modifying Tenant's insurance or other obligations under this Lease, and the provisions of this Article 13 are independent of Tenant's insurance and other obligations. Tenant's compliance with the insurance requirements and other obligations under this Lease does not in any way restrict, limit or modify Tenant's indemnification obligations under this Lease.
- (g) <u>Waiver of Immunity</u>. EACH OF LANDLORD AND TENANT HEREBY WAIVES ITS IMMUNITY WITH RESPECT TO THE PARTIES INDEMNIFIED UNDER THE PRECEDING PARAGRAPHS UNDER THE APPLICABLE INDUSTRIAL INSURANCE ACTS AND EXPRESSLY AGREES TO ASSUME POTENTIAL LIABILITY FOR ACTIONS BROUGHT AGAINST AN INDEMNIFIED PARTY BY THE INDEMNIFYING PARTY'S EMPLOYEES. THIS WAIVER HAS BEEN SPECIFICALLY NEGOTIATED BY THE PARTIES TO THIS LEASE AND EACH PARTY HAS HAD THE OPPORTUNITY TO, AND HAS BEEN ENCOURAGED TO, CONSULT WITH INDEPENDENT COUNSEL REGARDING THIS WAIVER.
- (h) <u>Survival</u>. The provisions of this <u>Article 13</u> will survive the expiration or earlier termination of this Lease until all Claims against Landlord Parties involving any of the indemnified or waived matters are fully and finally barred by the applicable statutes of limitations.

ARTICLE 14 OPERATION OF BUSINESS

Tenant shall (a) keep the Premises and exterior and interior portions of windows, doors and all other glass or plate glass fixtures in a neat, clean, sanitary and safe condition; (b) refrain from burning any papers or refuse of any kind in the Property; (c) store in the area designated by Landlord all trash and garbage in neat and clean containers so as not to be visible to members of the public and arrange for the regular pick-up and cartage of such trash or garbage at Tenant's expense, or cooperate in the employment of a trash removal contractor designated by Landlord, if Landlord deems it desirable to have all waste materials removed by one contractor; (d) observe and promptly comply with all governmental requirements and insurance requirements affecting the Premises or any part of the Common Area which is under Tenant's exclusive control and promulgated during the Term of this Lease; (e) not use or suffer or permit the Premises or any part thereof to be used for any use other than the Permitted Use set forth in the Basic Lease Provisions or in any manner that will constitute a nuisance or unreasonable annoyance to the public, to other occupants of the Property or to Landlord, or that will injure the reputation of the Property, or for any extra hazardous purpose or in any manner that will impair the structural strength of the Building; (f) not add, remove, or change any locks on any doors to or in the Premises, or add, remove, or change any plumbing or wiring therein; and (g) not cause or permit any waste to be committed on the Premises or the Property.

ARTICLE 15 SIGNS AND ADVERTISING

- General. Tenant may at its own expense erect and maintain upon the interior areas of the Premises all signs and 15.1 advertising matter customary and appropriate in the conduct of Tenant's business, subject to Landlord's right to remove any signs or advertising matter which violates Article 14 or this Article 15. The Tenant shall not affix or maintain upon the glass panes and supports of windows and doors, or within twelve inches (12") of the show windows and doors, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items except such as shall have first received the written approval of the Landlord as to size, type, color, location, copy, nature and display qualities. All signs, decorations and advertising media shall conform in all respects to the sign criteria established by Landlord for the Property from time to time, and shall be subject to the prior written approval of Landlord as to construction, method of attachment, size, shape, height, lighting, color and general appearance. Without limiting the generality of the foregoing, neon signage shall not be permitted without Landlord's express prior approval. All signs and other advertising media shall comply with all applicable governmental requirements, including without limitation the requirements and policies of any applicable historical preservation authority or entity with jurisdiction over the Building. Except for signs which comply with the terms of this Article, Tenant shall not erect, place, paint, or maintain in or on the Premises, any sign, exterior advertising medium, or any other object of any kind whatsoever, whether an advertising device or not, visible or audible from outside the Premises. Tenant shall not change the color, size, location, composition, wording or design of any sign or advertisement on the Premises that may have been theretofore approved by Landlord, without the prior written approval of Landlord and the applicable governmental authorities. Tenant shall at its own expense maintain and keep in good repair all installations, signs, and advertising devices which it is permitted or required by Landlord to maintain.
- 15.2 <u>Directory Board</u>. Landlord shall, throughout the Term of this Lease, maintain a directory board in the main lobby of the Building that shall list Tenant. The cost of said designation shall be at Tenant's expense and shall be limited to Tenant's corporate or entity name only, and shall not include additional individual designations.
- 15.3 <u>Elevator Lobby: Suite Entry Signage</u>. Landlord shall provide Building-standard elevator lobby signage on the floor on which the Premises are located. Tenant shall be required to provide at its sole expense suite entry signage, subject to Landlord's prior review, not to be unreasonably withheld.

ARTICLE 16 LIENS

Tenant will not permit any mechanic's liens or other liens to be placed upon the Premises, the Building, or the Property and nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any person for the performance of any labor or the furnishing of any materials to the Premises, the Building, or the Property or any part thereof, nor as giving Tenant any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to any mechanic's or other liens against the Premises, the Building, or the Property. In the event any such lien is attached to the Premises, the Building, or the Property, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same. Any amount paid by Landlord for any of the aforesaid purposes including, but not limited to, reasonable attorneys' fees, shall be paid by Tenant to Landlord promptly on demand as Additional Rent. Tenant shall within ten (10) days of receiving such notice of lien or claim (a) have such lien or claim released or (b) deliver to Landlord a bond in form, content, amount and issued by surety, satisfactory to Landlord, indemnifying, protecting, defending and holding harmless Landlord and the Property against all costs and liabilities resulting from such lien or claim and the foreclosure or attempted foreclosure thereof.

ARTICLE 17 RIGHT OF ENTRY

Landlord and its authorized agents and representatives shall be entitled to enter the Premises at all reasonable times upon reasonable advance notice to inspect them, to make the repairs which Landlord is obligated to make under this Lease, to show them to prospective tenants, purchasers or lenders, to cure a default of Tenant, to post any notice provided by law that relieves a landlord from responsibility for the acts of a tenant, to comply with any governmental requirements or insurance requirements, to post ordinary signs advertising the Premises for sale or for lease, to install utilities, lines, chases, and conduit serving other portions of the Property through the Premises so long as the RSF of the Premises is not thereby materially reduced, and for any other lawful purpose relating to Landlord's rights and obligations under this Lease. Nothing in the preceding sentence shall imply or impose a duty to make repairs which Tenant has agreed to make hereunder. Landlord may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, provided that the entrance to the Premises shall not be unreasonably blocked. Landlord shall have the right to use any means which Landlord

may deem proper to enter the Premises in an emergency. Landlord's entry to the Premises shall not under any circumstances be construed to be a forcible or unlawful entry into the Premises or an eviction of Tenant from the Premises.

ARTICLE 18 DELAYING CAUSES

If either party is delayed in the performance of any covenant of this Lease because of any of the following causes (referred to elsewhere in this Lease as a "delaying cause"): acts of the other party, action of the elements, war, riot, labor disputes, inability to procure or general shortage of labor or material in the normal channels of trade, delay in transportation, delay in inspections, or any other cause beyond the reasonable control of the party so obligated, whether similar or dissimilar to the foregoing, financial inability excepted, then, such performance shall be excused for the period of the delay; and the period for such performance shall be extended for a period equivalent to the period of such delay, except that the foregoing shall in no way affect Tenant's obligation to pay rent or any other amount payable hereunder, or the length of the Term of this Lease.

ARTICLE 19 ASSIGNMENT AND SUBLEASE

- Consent Required. Notwithstanding anything to the contrary contained in this Lease, Tenant shall not assign this Lease or any interest herein or any right or privilege appurtenant hereto or sublet, license, grant any concessions, hypothecate, encumber, or otherwise grant any security interest in or to the Lease, the Premises, or any alterations, betterments, or improvements therein, or otherwise give permission to anyone other than Tenant to use or occupy all or any part of the Premises (hereinafter sometimes referred to as a "Transfer"), without the prior written consent of Landlord, which consent Landlord shall not unreasonably withhold. Without limiting the generality of the foregoing, it shall be deemed reasonable for Landlord to withhold such consent if (i) the proposed Transferee does not have a tangible net worth and credit standing, calculated in accordance with generally accepted accounting principles consistently applied, that is reasonably acceptable as compared to the financial obligations of the transferred lease, (ii) the number of years of business experience or the business reputation of the proposed Transferee is not comparable to that of tenants then being considered by Landlord for space in the Building, (iii) there is then in existence an Event of Default with respect to any obligation of Tenant under the Lease, (iv) the proposed Transferee or an affiliate thereof is an existing tenant in the Property or is in discussions with Landlord regarding space at the Property, (v) or the proposed Transferee proposes to change the use of the Premises to a use that is inconsistent with the character of the Building and/or will interfere with Landlord's existing or desired tenant mix for the Property. Furthermore, if the then-existing Security Deposit is less than or equal to one (1) month's Minimum Monthly Rent at the then-applicable rate, Landlord may further condition its consent to the Transfer on an increase in the Security Deposit to not less than one (1) month's Minimum Monthly Rent at the then-applicable rate. Any actual or attempted Transfer without the Landlord's prior written consent or otherwise in violation of the terms of this Lease shall, at Landlord's election, be void and shall confer no rights upon any third person, and shall be a non-curable default under this Lease which shall entitle Landlord to terminate this Lease upon ten (10) days' written notice to Tenant at any time after such actual or attempted Transfer without regard to Landlord's prior knowledge thereof. The acceptance of rent by Landlord from any person or entity shall not be deemed to be a waiver by Landlord of any provision of this Lease or a consent to any Transfer. A consent by Landlord to one or more Transfers shall not be deemed to be a consent to any subsequent Transfer. In addition, any option to extend or renew the Term hereof, to terminate this Lease early, or to expand or contract the size of the Premises shall be personal to Tenant, and shall not be Transferred without the prior written consent of Landlord in accordance with the terms of this Article 19.
- Request For Consent. If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice shall include: (a) the proposed effective date (which shall be not less than forty-five (45) days nor more than one hundred eighty (180) days after Tenant's notice); (b) the portion of the Premises subject to the Transfer; (c) all of the terms of the proposed Transfer and the consideration therefor; (d) the name and address of the proposed transferee; (e) a copy of the proposed sublease, instrument of assignment and all other documentation pertaining to the proposed Transfer; (f) current financial statements of the proposed transferee certified by an officer, partner or owner thereof; (g) any information reasonably requested by Landlord to enable Landlord to determine the financial responsibility, character, and reputation of the proposed transferee and the nature of such transferee's business and the proposed use the Premises; and (h) such other information as Landlord may reasonably request, together with the nonrefundable sum of \$750.00 which shall be applied towards Landlord's review and processing expenses. Such amount shall be subject to change without prior notice from Landlord.
- 19.3 Recapture. Upon receipt of Tenant's request for consent to any Transfer, Landlord may elect, by written notice given to Tenant within twenty (20) days after receipt of the information required pursuant to <u>Paragraph 19.2</u> above, to recapture the affected space by terminating this Lease as to that portion of the Premises covered by the proposed sublease or assignment, effective upon a date specified by Landlord, which date shall be no later than the commencement date of the proposed Transfer with a proportionate reduction of all rights and obligations of Tenant hereunder that are based on the area of the Premises. However, if Landlord exercises its recapture right set forth herein, Tenant may void such recapture election by rescinding its

request for Landlord's consent by written notice of such rescission given to Landlord within fifteen (15) days after receipt of Landlord's notice of recapture.

- 19.4 <u>General Conditions</u>. If Landlord does not elect to recapture the affected Premises or deny its consent to a Transfer, the granting of such consent shall be subject to the following conditions, which the parties hereby agree are reasonable:
- (a) Payment of Fifty Percent (50%) of the Transfer Premium. Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium derived by Tenant from such Transfer. "Transfer Premium" shall mean all rent and any other consideration payable by such transferee in excess of the Minimum Monthly Rent payable by Tenant under this Lease (on a per square foot basis, if less than all of the Premises is Transferred), after deducting therefrom any tenant improvement costs and brokerage commissions (to an unaffiliated broker) in connection with the Transfer actually paid by Tenant. If any part of the consideration for such Transfer shall be payable other than in cash, Landlord's share of such non-cash consideration shall be in such form as is reasonably satisfactory to Landlord. The fifty percent (50%) Transfer Premium payable hereunder shall be due within ten (10) days after Tenant receives such payments.
- (b) <u>Continued Liability of Tenant.</u> Tenant shall remain primarily liable on its covenants hereunder unless released in writing by Landlord. In the event of any assignment or sublease which is consented to by Landlord, the transferee shall agree in writing to perform and be bound by all of the covenants of this Lease required to be performed by Tenant.
- 19.5 Transfer to a Subsidiary. The sale, assignment, transfer or disposition, whether or not for value, by operation of law, gift, will, or intestacy, of (a) twenty-five percent (25%) or more of the issued and outstanding stock of Tenant if Tenant is a corporation, or (b) the whole or a partial interest of any general partner, joint venturer, associate or co-tenant, if Tenant is a partnership, joint venture, association or co-tenancy, shall be deemed a Transfer and shall be subject to the provisions of this Article 19. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's right, without further approval from Landlord but only after written notice to Landlord, to sublease the Premises or assign its interest in this Lease (i) to a corporation that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Tenant; (ii) in the event of the merger or consolidation of Tenant with another corporation; provided that immediately following the events enumerated in clauses (i) to (ii) above, the tangible net worth of Tenant, calculated in accordance with generally accepted accounting principles, consistently applied, and the credit standing of Tenant is not less than the tangible net worth, calculated in accordance with generally accepted accounting principles, consistently applied, and credit standing of Tenant immediately prior to the events described in clauses (i) through (ii) above (collectively, the "Permitted Transfers"). No Permitted Transfer shall relieve Tenant of its liability under this Lease and Tenant shall remain liable to Landlord for the payment of all Minimum Monthly Rent, Operating Expenses and Additional Rent and the performance of all covenants and conditions of this Lease applicable to Tenant.
- 19.6 Transfer Pursuant to Bankruptcy Code. Anything to the contrary notwithstanding, if this Lease is assigned (or all or a portion of the Premises is sublet) to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. 101 et. seq. (the "Bankruptcy Code"), any and all monies or other consideration payable or otherwise to be delivered in connection with such assignment or subletting shall be paid or delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of its estate within the meaning of the Bankruptcy Code. Any and all monies or other consideration constituting Landlord's property under the preceding sentence not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and be promptly paid or delivered to Landlord. Any assignee pursuant to the Bankruptcy Code shall be deemed to have assumed all of Tenant's obligations under this Lease. Any such assignee shall on demand by Landlord execute and deliver to Landlord a written instrument confirming such assumption.

ARTICLE 20 NOTICES

All notices, requests and demands to be made hereunder shall be in writing at the address set forth in the Basic Lease Provisions, as applicable, by any of the following means: (a) personal service (including service by recognized overnight delivery/courier service, such as DHL or FEDEX); or (b) registered or certified, first class mail, return receipt requested. Such addresses may be changed by notice to the other party given in the same manner provided above. Any notice, request, or demand sent pursuant to clause (a) of this <u>Article 20</u> shall be deemed received upon such personal delivery or service (or the date of refusal, if personal service or delivery is refused), and if sent pursuant to clause (b), shall be deemed received three (3) days following deposit in the mails.

ARTICLE 21 SURRENDER OF POSSESSION

- 21.1 <u>Surrender</u>. At the expiration of the tenancy created hereunder, whether by lapse of time or otherwise, Tenant shall surrender the Premises broom clean and in good condition and repair, and shall remove all of its personal property, furniture, fixtures, and equipment, and all cabling and wiring installed by or for Tenant. Landlord shall have the right to elect to require Tenant to remove any or all of Tenant's Work and/or any of Tenant's Changes or other alterations, by written notice at the time approval for such Tenant Work is given. Tenant's obligations shall include the repair of any damage occasioned by the installation, maintenance or removal of Tenant's personal property, furniture, fixtures, equipment, cabling and wiring, as well as any Tenant's Work, Tenant's alterations or Tenant's Changes that Tenant is hereby required to remove, and the removal of any generators or storage tanks installed by or for Tenant (whether or not the installation was consented to by Landlord), and the removal, replacement, or remediation of any soil, material or ground water contaminated by Tenant's Permittees, all as may then be required by applicable Laws.
- 21.2 <u>Holding Over.</u> If Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises after the termination or expiration shall be that of a tenancy at sufferance. Tenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 150% for the first 90 days of the holdover period and 200% thereafter, in each case, of the greater of: (1) the sum of the Minimum Annual Rent and Additional Rent due for the period immediately preceding the holdover; or (2) the fair market gross rental for the Premises as reasonably determined by Landlord. No holdover by Tenant or payment by Tenant after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Landlord is unable to deliver possession of the Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover, Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages, that Landlord suffers from the holdover. Nothing herein shall be construed as consent to such holding over.

ARTICLE 22 QUIET ENJOYMENT

Subject to the provisions of this Lease and conditioned upon performance of all of the provisions to be performed by Tenant hereunder, Landlord shall secure to Tenant during the Lease Term the quiet and peaceful possession of the Premises and all rights and privileges appertaining thereto, free from hindrance or molestation by Landlord and those claiming by, through or under Landlord.

ARTICLE 23 SUBORDINATION

Unless otherwise required by a lender, this Lease shall be subordinate to any mortgage or deed of trust held by any lender, now or hereafter in force against the Premises or the Property or any part thereof, and to all advances make or to be made upon the security thereof. If any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord, Tenant shall, at the option of the lender or other purchaser at any such foreclosure or sale, attorn to and recognize the purchaser as the Landlord under this Lease. Although the subordination in the immediately preceding sentence shall be self-operating, Tenant agrees, within ten (10) days following the request of Landlord, to execute such documents or instruments as may be requested by Landlord or its lender(s) to confirm such subordination, provided that such mortgagees or beneficiaries agree in writing not to disturb Tenant's possession of the Premises in the event of foreclosure if Tenant is not in default. The failure of Tenant to so timely execute any such instrument or other document shall constitute a default hereunder. If Tenant fails to execute and deliver such instrument or other document within said ten (10) day period, (i) Tenant hereby appoints Landlord as Tenant's attorney-in-fact for the purpose of completing, executing and delivering the same to the person or firm requesting it, and (ii) Tenant shall pay a fee to Landlord of \$50 per day for each day after the expiration of such 10-day period on which the executed subordination agreement is delivered to Landlord, without limiting Landlord's other rights and remedies in connection with such default by Tenant.

ARTICLE 24 ESTOPPEL CERTIFICATES

Tenant shall, at any time and from time to time within ten (10) days after written request therefor by Landlord, without charge, deliver a certificate to Landlord or to any person or entity designated by Landlord, certifying the date the Lease Term

commenced, the date the rent commenced and is paid through, the amount of rent and other charges due under the Lease, the expiration date of the Lease Term, that this Lease is then in full force and effect, setting forth the amount and nature of modifications, defenses, or offsets, if any, claimed by Tenant, and any other factual matter concerning the Lease, the Tenant, or the Premises requested by Landlord or such person or entity. If Tenant fails to deliver such certificate within said ten (10) day period, (i) Tenant hereby appoints Landlord as Tenant's attorney-in-fact for the purpose of completing, executing and delivering the certificate to the person or firm requesting it, and (ii) Tenant shall pay a fee to Landlord of \$50 per day for each day after the expiration of such 10-day period on which the estoppel is delivered to Landlord, without limiting Landlord's other rights and remedies in connection with such default by Tenant.

ARTICLE 25 DEFAULT

- 25.1 <u>Default</u>. The occurrence of any or more of the following events shall constitute a material breach and default of this Lease (each, an "Event of Default"):
- (a) Any failure by Tenant to pay Minimum Monthly Rent, Operating Expenses, Additional Rent or any other charge when due; or
- (b) Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant not provided for in <u>subparagraph (a)</u> above and <u>subparagraphs (c), (d)</u> and (h) below where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant, provided that if the nature of such breach is such that although curable, the breach cannot reasonably be cured within a thirty (30) day period, an Event of Default shall not exist if Tenant shall commence to cure such breach and thereafter rectifies and cures such breach with due diligence, but in no event later than sixty (60) days after the written notice; or
- (c) Abandonment or vacation of the Premises (which shall include Tenant's failure to take possession of the Premises at the time provided in this Lease) by Tenant, except as otherwise provided in the Basic Lease Provisions, or cessation by Tenant of Tenant's business within the Premises for more than thirty (30) successive days, or for more than a total of sixty (60) days in any 180-day period; or
- (d) A general assignment by Tenant for the benefit of creditors, or the filing by or against Tenant of any proceeding under any insolvency or bankruptcy law, or the appointment of a trustee or receiver to take possession of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease; or
- (e) Any three (3) or more failures of the type described in <u>Paragraph 25.1(a)</u> in any twelve month period; or
- (f) Any failure by Tenant to commence construction of Tenant's work, if any, within thirty (30) days after substantial completion of Landlord's Work and to thereafter diligently prosecute such construction to completion, where such failure continues for five (5) days after written notice thereof by Landlord to Tenant; or
- (g) The conducting by Tenant of a going out of business sale, bankruptcy sale or any similar liquidation sale in violation of the provisions of this Lease where such sale does not permanently cease within twenty-four (24) hours after written notice of such violation by Landlord to Tenant; or
 - (h) The occurrence of an Event of Default as defined in any other provision of this Lease.

25.2 Remedies.

- (a) Reentry and Termination. Upon and during the continuance of an Event of Default, Landlord, in addition to any other remedies available to Landlord at law or in equity, at Landlord's option, may without further notice or demand of any kind to Tenant or any other person:
- 1. Declare the Lease Term ended and reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim to the Premises; or

- 2. Without declaring this Lease ended, reenter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid Minimum Monthly Rent, rent, Additional Rent, Operating Expenses and other charges, which have become payable, or which may thereafter become payable; or
- 3. Even though Landlord may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.
 - (b) Express Termination Required. Should Landlord have reentered the Premises under the provisions of Paragraph 25.2(a)(2) above, Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges thereafter accruing, or to have terminated Tenant's liability for damages under any of the provisions of this Lease, by any such reentry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that Landlord had elected to terminate this Lease. Tenant further covenants that the service by Landlord of any notice pursuant to the unlawful detainer statutes of the State where the Property is situated and the surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary at the time of or at any time subsequent to the serving of such notices and such election is evidenced by a written notice to Tenant) be deemed to be a termination of this Lease.
 - (c) <u>Damages</u>. Should Landlord elect to terminate this Lease pursuant to the provisions of <u>Paragraphs 25.2(a)(1)</u> or <u>25.2(a)(3)</u> above, Landlord may recover from Tenant as damages, the following:
- 1. The worth at the time of award of any unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges which had been earned at the time of such termination; plus
- 2. The worth at the time of award of the amount by which the unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges which would have been earned after termination until the time of award exceeds the amount of such loss Tenant proves could have been reasonably avoided; plus
- 3. The worth at the time of award of the amount by which the unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges for the balance of the Lease Term after the time of award exceeds the amount of such loss that Tenant proves could be reasonably avoided; plus
- any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees, (ii) maintaining or preserving the Premises after the occurrence of an Event of Default, (iii) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (iv) leasing commissions, and (v) any other costs necessary or appropriate to relet the Premises; plus
- 5. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State where the Property is situated.
 - (d) <u>Alternative Damages</u>. Should Landlord elect to bring an action against Tenant in unlawful detainer or for damages or both or otherwise (and Landlord may bring as many actions as Landlord may elect to bring throughout the Lease Term), without terminating this Lease, Landlord may recover from Tenant as damages the following:
- 1. The worth at the time of award of any unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges which had been earned at the time Landlord recovered possession of the Premises; plus
- 2. The worth at the time of award of the amount by which the unpaid Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges which would have been earned after the date Landlord recovered possession until the time of award exceeds the amount of such loss Tenant proves could have been reasonably avoided; plus
- 3. Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, including but not limited to, any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees, (ii) maintaining or preserving the Premises after the occurrence of an Event of Default, (iii) preparing the Premises for reletting to a new tenant,

including repairs or alterations to the Premises for such reletting, (iv) leasing commissions, and (v) any other costs necessary or appropriate to relet the Premises; plus

- 4. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State where the Property is situated.
 - (e) <u>Definitions</u>. As used in <u>Paragraphs 25.2(c)(1)</u>, <u>25.2(c)(2)</u>, and <u>25.2(d)(1)</u> above, the "worth at the time of award" is computed by allowing interest at the rate of eighteen percent (18%) per annum. As used in <u>Paragraphs 25.2(c)(3)</u> and <u>25.2(d)(2)</u> above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Property at the time of award plus one (1) percentage point.
 - (f) <u>Computation of Certain Sums</u>. For all purposes of this <u>Article 25</u>, Operating Expenses, Additional Rent and other charges shall be computed on the basis of the average monthly amount thereof accruing during the immediately preceding sixty (60) month period, except that if it becomes necessary to compute such amounts before such a sixty (60) month period has occurred then such amounts shall be computed on the basis of the average monthly amounts accruing during such shorter period.
 - (g) <u>Use of Fixtures</u>. Upon the occurrence of and during the continuation of any Event of Default, Landlord may, at Landlord's option, permit all of Tenant's fixtures, furniture, equipment, improvements, additions, alterations, and other personal property to remain on the Premises and Landlord shall have the right to take the exclusive possession of same and to use same, rent or charge free, until the Event of Default is cured or, at Landlord's option, at any time during the Lease Term, require Tenant to forthwith remove same. In the event of any entry or taking possession of the Premises, Landlord shall have the right, but not the obligation to remove all or any part of the fixtures, furniture, equipment and other personal property located in the Premises and may place the same in storage at a public warehouse at the expense and risk of the owner or owners thereof.
 - (h) <u>Cumulative Remedies</u>. The remedies given to Landlord in this <u>Paragraph 25</u> shall be in addition and supplemental to all other rights or remedies which Landlord may have at law, in equity or by statute and the exercise of any one remedy shall not preclude the subsequent or concurrent exercise of further or additional remedies.
 - (i) No Waiver. The waiver by Landlord of any breach of any term, covenant or condition herein contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach of the same or any other term, covenant or condition of this Lease. The subsequent acceptance of Minimum Monthly Rent, Operating Expenses, Additional Rent or other charges due hereunder shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular amount so accepted regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No covenant, term, or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver shall be in writing and signed by Landlord.
 - 25.3 Interest. Any sum accruing to Landlord under the terms and provisions of this Lease which shall not be paid when due shall bear interest at the interest rate provided herein from the date the same becomes due and payable by the terms and provisions of this Lease until paid, unless otherwise specifically provided in this Lease. The interest rate which shall apply shall be the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate allowed by applicable law.

ARTICLE 26 INSOLVENCY

- 26.1 <u>Breach of Lease</u>. Subject to the applicable United States Bankruptcy Code and other laws, the filing of any petition by or against Tenant under any chapter of the Bankruptcy Act, or any successor statute thereto, or the adjudication of Tenant as a bankrupt or insolvent, or the appointment of a receiver or trustee to take possession of all or substantially all of the assets of Tenant, or a general assignment by Tenant for the benefit of creditors, or any other action taken or suffered by Tenant under any state or federal insolvency or bankruptcy act, shall constitute a default under and breach of this Lease by Tenant, regardless of Tenant's compliance with the other provisions of this Lease; and Landlord at its option by written notice to Tenant may exercise all rights and remedies provided for in <u>Article 25</u>, including the termination of this Lease, effective of such notice, without the necessity of further notice under <u>Article 25</u>.
- 26.2 Operation of Law. Neither this Lease, nor any interest herein, nor any estate created hereby, shall pass by operation of law under any state or federal insolvency or bankruptcy act to any trustee, receiver, assignee for the benefit of creditors or any other person whatsoever without the prior written consent of Landlord, which shall not be unreasonably withheld. Any purported transfer in violation of the provisions of this <u>Paragraph 26.2</u> shall constitute a default under and breach

of this Lease, regardless of Tenant's compliance with the other provisions of this Lease; and Landlord at its option by written notice to Tenant may exercise all rights and remedies provided for in Article 25, including the termination of this Lease, effective on service of such notice without the necessity of further notice under Article 25.

26.3 Non-Waiver. The acceptance of rent at any time and from time to time by Landlord from Tenant as debtor in possession or from a transferree of the type mentioned in <u>Paragraph 26.2</u>, shall not preclude Landlord from exercising its rights under this <u>Article 26</u> at any time hereafter.

26.4 Events of Bankruptcy

- (a) Tenant's becoming insolvent, as that term is defined in Title 11 of the United States Code, entitled Bankruptcy, U.S.C. Sec. 101 et. seq. (the "Bankruptcy Code"), or under the insolvency laws of the State in which the Property is situated ("Insolvency Laws");
- (b) The appointment of a receiver or custodian for any or all of Tenant's property or assets, or the institution of a foreclosure action upon any of Tenant's real or personal property;
 - (c) The filing of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws;
- (d) The filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or Insolvency Laws, which is either not dismissed within sixty (60) days of filing, or results in the issuance of an order for relief against the debtor, whichever is later; or
- (e) Tenant's making or consenting to an assignment for the benefit of creditors or a common law composition of creditors.

26.5 Landlord's Remedies.

- (a) Termination of Lease. Upon occurrence of an Event of Bankruptcy, Landlord shall have the right to terminate this Lease by giving written notice to Tenant; provided, however, that this Paragraph 26.5(a) shall have no effect while a case in which Tenant is the subject debtor under the Bankruptcy Code is pending, unless Tenant or its Trustee is unable to comply with the provisions of Paragraph 26.5(d) and (e) below. At all other times this Lease shall automatically cease and terminate, and Tenant shall be immediately obligated to quit the Premises upon the giving of notice pursuant to this Paragraph 26.5(a). Any other notice to quit, or notice of Landlord's intention to re-enter is hereby expressly waived. If Landlord elects to terminate this Lease, everything contained in this Lease on the part of Landlord to be done and performed shall cease without prejudice; subject, however, to the rights of Landlord to recover from Tenant all rent and any other sums accrued up to the time of termination or recovery of possession by Landlord, whichever is later, and any other monetary damages or loss of reserved rent sustained by Landlord.
- (b) <u>Suit for Possession</u>. Upon termination of this Lease pursuant to <u>Paragraph 26.5(a)</u>, Landlord may proceed to recover possession under and by virtue of the provisions of laws of any applicable jurisdiction, or by such other proceedings, including re-entry and possession, as may be applicable.
- (c) Non-Exclusive Remedies. Without regard to any action by Landlord as authorized by Paragraph 26.5(a) and (b) above, Landlord may at its discretion exercise all the additional provisions set forth in Article 25.
- (d) Assumption or Assignment by Trustee. In the event Tenant becomes the subject debtor in a case pending under the Bankruptcy Code, Landlord's right to terminate this Lease pursuant to Paragraph 26.5(a) shall be subject to the rights of the Trustee in Bankruptcy to assume or assign this Lease. The Trustee shall not have the right to assume or assign this Lease unless the Trustee (i) promptly cures all defaults under this Lease, (ii) promptly compensates Landlord for monetary damages incurred as a result of such default, and (iii) provides adequate assurance of future performance on the part of Tenant as debtor in possession or on the part of the assignee Tenant.
- (e) Adequate Assurance of Future Performance. Landlord and Tenant hereby agree in advance that adequate assurance of future performance, as used in Paragraph 26.5(d) above, shall mean that all of the following minimum criteria must be met: (i) Tenant must pay its estimated pro rata share of the cost of all services provided by Landlord (whether directly or through agents or contractors and whether or not previously included as part of the Minimum Monthly Rent), in advance of the performance or provision of such services; (ii) the Trustee must agree that Tenant's business shall be conducted in a first class manner, and that no liquidating sales, auctions, or other non-first class business operations shall be conducted on the

Premises (iii) the Trustee must agree that the use of the Premises as stated in this Lease will remain unchanged and that no prohibited use shall be permitted; and (iv) the Trustee must agree that the assumption or assignment of this Lease will not violate or affect the rights of other tenants in the Property.

(f) Failure to Provide Adequate Assurance. In the event Tenant is unable to (i) cure its defaults, (ii) reimburse the Landlord for its monetary damages, (iii) pay the rent due under this Lease and all other payments required of Tenant under this Lease on time (or within three (3) days), or (iv) meet the criteria and obligations imposed by Paragraph 26.5(d) above, Tenant agrees in advance that it has not met its burden to provide adequate assurance of future performance, and this Lease may be terminated by Landlord in accordance with Paragraph 26.5(a) above.

ARTICLE 27 REMEDIES CUMULATIVE

The various rights, elections, and remedies of Landlord contained in this Lease shall be cumulative, and no one of them shall be construed as exclusive of any other, or any right, priority, or remedy allowed or provided for by law.

ARTICLE 28 ATTORNEY'S FEES

If either party hereto shall file any action or bring any proceeding against the other party arising out of this Lease or for the declaration of any rights hereunder, the prevailing party therein shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party as determined by the court. If either party ("secondary party") without its fault is made a party to litigation instituted by or against the other party, the primary party shall pay to the secondary party all costs and expenses, including reasonable attorneys' fees, incurred by the secondary party in connection therewith.

ARTICLE 29 LIABILITY OF MANAGER

Landlord's Property Manager is Landlord's manager and rental agent in all matters concerning this Lease and the Premises, and Tenant, until notified in writing to the contrary by either the Landlord or Property Manager or the Assignee of Landlord's interest under this Lease, shall recognize such agency and pay all rental, furnish all statements, and give any notice which Tenant may be under the duty of giving hereunder, or may elect to give hereunder, to Property Manager at its offices set forth in the Basic Lease Provisions, instead of to the Landlord. As long as such agency shall exist, the rights and options extended to Landlord shall be deemed extended to Property Manager, and each and every other term and provision of this Lease which is in any way beneficial to the Landlord, including especially every stipulation against liability, or limiting liability, shall inure to the benefit of Property Manager and its agents and shall be applicable to Property Manager and its agents in the same manner and as fully and with the same effect as to Landlord. Whenever Landlord's consent is required, Tenant shall request such consent from Property Manager. The consent of Property Manager shall be deemed the consent of Property Manager and Landlord.

ARTICLE 30 NO PARTNERSHIP

Landlord shall not in any way for any purpose be deemed a partner, joint venturer or member of any joint enterprise with Tenant.

ARTICLE 31 SUBTENANCIES

The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this Lease shall not effect a merger and shall, at Landlord's option, terminate all existing subtenancies or operate as an assignment to Landlord of any or all of such subtenancies.

ARTICLE 32 SUCCESSORS

This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns. The term "successors" is used herein in its broadest possible meaning and includes, but is not limited to, every person succeeding to any interest in this Lease or the premises of Landlord or Tenant herein whether such succession results from the act or omission of such party. Every covenant and condition of this Lease shall be binding upon all assignees, subtenants, licensees, and concessionaires of Tenant.

ARTICLE 33 REMOVAL OF TENANT'S PERSONAL PROPERTY

Upon the expiration of the Term of this Lease or upon any earlier termination thereof, Tenant shall remove at its own expense all trade fixtures, equipment, and personal property (collectively called "Tenant's Personal Property") in this Lease which were installed by Tenant or any subtenant, concessionaire or licensee in or upon the Premises; but if Tenant is in default, Tenant shall not remove Tenant's Personal Property unless notified by Landlord to do so. In case of any injury or damage to the Building or any portion of the Premises resulting from the removal of Tenant's Personal Property, Tenant shall promptly pay to Landlord the cost of repairing such injury or damage. If Tenant fails to so remove Tenant's Personal Property, Landlord may, at Landlord's option, retain any or all thereof, and title thereto shall thereupon vest in Landlord without the execution of documents or sale or conveyance by Tenant; or Landlord may remove any or all items thereof from the Premises and dispose of them in any manner Landlord sees fit, and Tenant shall pay upon demand to Landlord the actual expense of such removal and disposition together with interest from the date of payment by Landlord until repayment by Tenant.

ARTICLE 34 EFFECT OF CONVEYANCE

If, during the Term of this Lease, Landlord conveys its interest in the Property, the Premises or this Lease, then, from and after the effective date of such conveyance, Landlord shall be released and discharged from any and all further obligations and responsibilities under this Lease, and the transferee shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such transferee, to have assumed and agreed to carry out any and all of the subsequent covenants and obligations of the Landlord under this Lease. Any security given by Tenant to secure performance of its obligations hereunder may be transferred and assigned by Landlord to such transferee.

ARTICLE 35 LANDLORD'S DEFAULT; NOTICE TO LENDER

- 35.1 <u>Landlord's Default</u>. In the case of a default by Landlord, Landlord shall commence promptly to cure such default immediately after receipt of written notice from Tenant specifying the nature of such default and shall complete such cure within thirty (30) days thereafter, provided that if the nature of such default is such that it cannot be cured within said thirty (30) day period, Landlord shall have such additional time as may be reasonably necessary to complete its performance, so long as Landlord has proceeded with diligence after receipt of Tenant's notice and is then proceeding with diligence to cure such default.
- Notice to Lender. Whenever Tenant serves notice on Landlord of Landlord's default, written notice shall also be served at the same time upon the mortgagee under any first mortgage or beneficiary under any first deed of trust, so long as Landlord has provided Tenant with written notice of such mortgagee. Such mortgagee or beneficiary shall have the periods of time within which to cure Landlord's defaults as are provided in Paragraph 35.1, which periods shall commence to run ten (10) days after the commencement of the periods within which Landlord must cure its defaults under Paragraph 35.1. In this connection, any representative of the mortgagee or beneficiary shall have the right to enter upon the Premises for the purpose of curing the Landlord's default. Such mortgagee or beneficiary shall notify Landlord and Tenant in the manner provided by Article 20 of the address of such mortgagee or beneficiary to which such notice shall be sent, and the agreements of Tenant hereunder are subject to prior receipt of such notice.
- 35.3 <u>Independent Covenants; Limitation of Remedies and Landlord's Liability.</u> The obligations of Landlord and Tenant, respectively, under this Lease are expressly agreed by the parties to be independent covenants. If Landlord fails to perform any obligation under this Lease required to be performed by Landlord, Tenant shall have no right to: (i) terminate this Lease; (ii) avail itself of self-help or to perform any obligation of Landlord except as expressly permitted elsewhere in this Lease; (iii) abate or withhold any rent or any other charges or sums payable by Tenant under this Lease; or (iv) any right of setoff. If Landlord is in default hereunder, and as a consequence Tenant recovers a money judgment against Landlord, such judgment shall

be satisfied only out of the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Premises, and out of rent or other income from the Premises receivable by Landlord or out of the consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Premises. Neither Landlord, nor any agent, officer, director, partner or employee of Landlord shall be personally liable for any portion of such a judgment. If at any time the holder of Landlord's interest hereunder is a partnership, limited liability company or joint venture, a deficit in the capital account of any partner, member or joint venturer shall not be considered an asset of such partnership, limited liability company or joint venture.

ARTICLE 36 CONSENT

In consideration of each covenant made elsewhere under this Lease wherein one of the parties agrees not to unreasonably withhold its consent or approval, the requesting party hereby releases the other and waives all claims for any damages arising out of or connected with any alleged or claimed unreasonable withholding or consent or approval, and the requesting party's sole remedy shall be to have the consent granted.

ARTICLE 37 INTERPRETATION

The captions by which the articles and paragraphs of this Lease are identified are for convenience only, and shall not affect the interpretation of this Lease. Wherever the context so requires, the singular number shall include the plural, the plural shall refer to the singular and the neuter gender shall include the masculine and feminine genders. If there is more than one signatory hereto as Tenant, the liability of such signatories shall be joint and several. If any provision of this Lease shall be held to be invalid by a court, the remaining provisions shall remain in effect and shall in no way be impaired thereby.

ARTICLE 38 ENTIRE INSTRUMENT

It is understood that there are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This is the final and complete expression of the parties' agreement, all of the agreements heretofore and contemporaneously made by the parties are contained in this Lease, and this Lease cannot be modified in any respect except by a writing executed by Landlord and Tenant. All terms and conditions hereof shall apply on the date of mutual execution hereof except as otherwise expressly set forth herein. Time is of the essence hereof.

ARTICLE 39 EASEMENTS; RECORDING

This Lease is made expressly subject to:

- (a) any conditions, covenants, restrictions, easements, and other matters now or hereafter of record against the Premises or the Property; and
- (b) any easements for utilities or ingress and egress which now or hereafter may be placed of record by Landlord for purposes of the common benefit of the occupants of the Property. Tenant agrees, subject to the provisions of Article 23, to execute such documents necessary to subordinate its interest hereunder to such easements.

Neither Landlord nor Tenant shall record this Lease or any "short-form" or other memorandum thereof.

ARTICLE 40 SALE BY LANDLORD

The Premises and/or Landlord's interest under this Lease may be freely sold or assigned by Landlord, and in the event of any such sale or assignment, the covenants and obligations of Landlord herein shall be binding on each successive "landlord," and its successors and assigns, only during their respective periods of ownership.

ARTICLE 41 SECURITY MEASURES

Tenant acknowledges (1) that neither Landlord nor Property Manager shall have any obligation to provide any such security measures, (2) that neither Landlord nor Property Manager has made any representation to Tenant regarding the safety or security of the Property, and (3) that Tenant will be solely responsible for providing any security it deems necessary to protect itself, its property, and Tenant's invitees in, on, or about the Building and the Property. If Landlord or Property Manager provides any security measures at any time, then neither Landlord nor Property Manager shall be obligated to continue providing such security measures and Landlord and Property Manager shall not be obligated to provide such security measures with any particular standard of care. Tenant assumes all responsibility for the security and safety of Tenant and Tenant's property. Except as otherwise provided to the contrary in this Lease, Tenant releases Landlord and Property Manager from all claims for damage, loss, or injury to Tenant, Tenant's Invitees, and/or to the personal property of Tenant and/or of Tenant's Invitees, even if such damage, loss, or injury is caused by or results from the criminal or negligent acts of third parties. Landlord and Property Manager shall have no duty to warn Tenant of any criminal acts or dangerous conduct that has occurred in or near the Property, regardless of their knowledge of such crimes or conduct, and Tenant is hereby instructed to conduct its own investigation through local police agencies regarding any criminal acts or dangerous conduct that has occurred in or near the Property.

ARTICLE 42 RESERVED

ARTICLE 43 CHOICE OF LAW; WAIVER OF TRIAL BY JURY

The laws of the state in which the Property is situated shall govern this Lease. Tenant hereby waives trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto on any matters whatsoever arising out of or in any way connected with this Lease, including without limitation, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation.

ARTICLE 44 HAZARDOUS SUBSTANCES

- 44.1 <u>Indemnity</u>. Tenant shall be solely responsible and liable for, and shall indemnify, defend and hold harmless Landlord for, from and against any and all Hazardous Substances existing on the Premises or the Property or any other property, or present in or on the air, ground water, soil, buildings or other improvements or otherwise in, on, under or about the Premises or the Property or any other property, resulting from the Handling by Tenant's Permittees of any Hazardous Substance during the period of Tenant's occupancy or use of the Premises. Without limiting the generality of the foregoing, Tenant shall, at any time during the Term of the Lease and at the end of the Term of the Lease, perform all work necessary to render the Premises or any other property "clean" and free of all Hazardous Substances, in accordance with all present and then-applicable Laws.
- 44.2 <u>Covenant.</u> Tenant shall not cause or permit any Hazardous Substance to be Handled in, upon, under or about the Premises (or any part thereof) or any part of the Property by Tenant's Permittees without the prior written consent of Landlord. Notwithstanding the foregoing, Tenant shall promptly deliver to Landlord true copies of all governmental permits and approvals relating to the Handling of Hazardous Substances and all correspondence sent or received by Tenant's Permittees regarding any Handling of Hazardous Substances in or about the Premises, including, without limitation, inspection reports and citations.
 - 44.3 <u>Definitions.</u> As used in this <u>Article 44</u>, the following terms shall have the following definitions:
- (a) "Hazardous Substance" means any chemical, compound, material, substance or other matter that:
 (i) is a flammable explosive, asbestos, radioactive material, nuclear medicine material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, petroleum product, or related injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other Substance; (ii) is controlled, designated in or governed by any Hazardous Substance Law; (iii) gives rise to any reporting, notice or publication requirements under any Hazardous Substance Law; or (iv) gives rise to any liability, responsibility or duty on the part of Tenant or Landlord with respect to any third person under any Hazardous Substance Law.
- (b) "Handle" or "Handled" or "Handling" means generated, produced, brought upon, used, handled, stored, treated or disposed of.

- (c) "Tenant's Permittees" means and includes Tenant, Tenant's employees, licensees, contractors, subcontractors, representatives, agents, officers, partners, directors, subtenants, sub-subtenants and invitees.
- (d) "Laws" means all applicable present and future laws, ordinances, rules, regulations, statutes, requirements, actions, policies, and common law of any local, state, Federal or quasi-governmental agency, body, board or commission.
- 444 Breach of Obligations. If Tenant breaches the obligations set forth in Paragraphs 44.1 and 44.2 of this Lease, or if the presence of Hazardous Substances in, upon, under or about the Premises caused or permitted by Tenant's Permittees results in contamination of the Premises or any other property, or if contamination of the Premises or any other property by Hazardous Substances otherwise occurs or exists at any time during or after the Term of this Lease, resulting from Tenant's Permittee's use of the Premises, then Tenant shall indemnify, defend and hold Landlord harmless from and against any and all liabilities, costs, expenses, claims, judgments, damages, penalties, fines or losses (including without limitation, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, claims by any government agency or other third parties, and sums paid in settlement of claims, attorneys' fees, consultants' fees, experts' fees and the like) which arise at any time during the Term of this Lease or after the Term of this Lease as a direct result therefrom. This obligation of Tenant to indemnify, defend and hold Landlord harmless shall survive and extend beyond the expiration or earlier termination of this Lease and includes, without limitation, indemnification against all costs incurred in connection with any investigation of site conditions or any studies, testing, reports, monitoring, clean-up, detoxification, decontamination, repairs, replacements, restoration and remedial work required by any federal, state or local governmental agency, authority or political subdivision because of any Hazardous Substance present in soil, ground water, air, buildings or other improvements or otherwise in, upon, under or about the Premises or the adjacent Property or any other property, air or water. Without limiting the foregoing, if the presence of any Hazardous Substance in, on, under or about the Premises or the Property due to the Handling of Hazardous Substances by Tenant's Permittees results in contamination of the Premises or the Property or any other property, air or water, Tenant shall immediately take all actions at its sole cost and expense as are necessary or appropriate to return the Premises and the Property to the condition existing prior to the Handling, provided that Tenant obtains Landlord's prior written approval of such actions and of the contractors and other persons performing such actions, which approval shall not be unreasonably withheld, so long as such actions would not potentially have any materially adverse long-term or short-term effect on the Premises or the Property. In any event, any and all actions by Tenant to return the Premises and the Property to the condition existing prior to the Handling of any such Hazardous Substance shall be done in compliance with all Laws, and in such a manner and at such times as to avoid interference with and/or inconvenience to any or all other tenants, occupants, contractors and invitees of any adjacent property to the maximum extent possible. It is the intent of Landlord and Tenant (and Landlord and Tenant hereby agree) that Landlord shall have no liability whatsoever for the existence or presence of Hazardous Substances in, upon, under or about the Premises resulting from the Handling of any Hazardous Substances in connection with Tenant's occupancy or use of the Premises, and that Tenant shall have sole and absolute responsibility for the existence or presence of Hazardous Substances in, upon, under or about the Premises and shall fully indemnify and hold Landlord harmless from and against any liabilities, costs, expenses (including attorneys' fees), claims, judgments, damages, demand, penalties, fines and losses arising from or in connection with the existence or presence of Hazardous Substances in, upon, under or about the Premises or the migration thereof from or to the Premises resulting from the Handling of any Hazardous Substances in connection with Tenant's occupancy or use of the Premises. Tenant's obligations under this Article shall survive the termination of this Lease.
- 44.5 <u>Handling: Notices.</u> Without in any way diminishing or waiving the limitations on and obligations of Tenant set forth in this <u>Article 44</u>, if Tenant's Permittees Handle Hazardous Substances in, upon, under or about the Premises, such Handling shall be done in full compliance with all Laws. In that connection, Landlord and its agents and representatives shall have the right, but not the obligation, at Tenant's cost, to enter onto and to inspect the Premises and conduct investigations, studies, tests, reports, monitoring and analysis of the Premises and any and all Hazardous Substances at any and all reasonable times to determine whether Tenant is complying with its obligations under this Lease; provided, however, that before Landlord enters the Premises to conduct any such tests or investigations, Landlord shall provide Tenant with at least five (5) working days' prior notice. Furthermore, Tenant shall immediately upon receipt thereof, provide to Landlord written notice of the following:
- (a) Any enforcement, clean-up or other regulatory action taken or threatened by any governmental authority with respect to the presence of any Hazardous Substances in, upon under or about the Premises or the migration thereof from or to other property;
- (b) All demands or claims made or threatened by any third party against Tenant or the Premises relating to any loss or injury resulting from any Hazardous Substances;
- (c) Any spill, release, discharge or disposal of Hazardous Substances in, upon, under or about the Premises:

(d) All matters with respect to which Tenant is required to give notice pursuant to any applicable health and safety regulations.

Landlord shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions affecting the Premises initiated in connection with any Hazardous Substances or related laws.

ARTICLE 45 AUTHORITY

If Tenant is other than a natural person, each person executing this Lease on behalf of Tenant hereby covenants and warrants to Landlord that: such person is duly authorized to execute this Lease on behalf of Tenant; Tenant is duly qualified in all respects; all steps have been taken prior to the date hereof to qualify Tenant to do business in the state in which the Property is situated; all franchise and other taxes have been paid to date; and all forms, reports, fees and other documents necessary to comply with applicable laws will be filed when due. Tenant will furnish to Landlord promptly upon demand, a corporate resolution, proof of due authorization of partners, or other appropriate documentation reasonably requested by Landlord evidencing the due authorization of Tenant to enter into this Lease.

ARTICLE 46 BROKERS

Landlord and Tenant hereby represent and warrant to each other that, other than Landlord's Broker and Tenant's Broker, neither has employed any broker with regard to this Lease nor has any knowledge of any other broker being instrumental in bringing about this Lease transaction. The parties shall indemnify each other against any expense incurred by the other party as a result of any claim for brokerage or other commissions made by any other broker, finder, or agent, whether or not meritorious, employed by the indemnifying party or claiming by, through or under such party. Tenant acknowledges that Landlord shall not be liable for any representations of Landlord's leasing agent or other agents of Landlord regarding this Lease transaction except for the representations and covenants of Landlord expressly set forth in this Lease. Landlord acknowledges that Tenant shall not be liable for any representations of Tenant's Broker, agent or other agents of Tenant regarding this Lease transaction except for the representations and covenants of Tenant expressly set forth in this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year first above written.

[SIGNATURES ON NEXT PAGE]

LANDLORD: WH PARK PLACE LLC, a Delaware limited liability company WH PARK PLACE MEZZ LLC, a Delaware limited Ву: liability company, its sole member WASHINGTON HOLDINGS STRUCTURED FINANCE, LLC, a Washington limited liability company, its managery By: Name: Its: Date: TENANT: KING COUNTY, a political subdivision of the State of Washington Ву: Name: Its: Date: APPROVED AS TO FORM ONLY:

Tim Barnes, Senior Deputy Prosecuting Attorney

By:

Date:

STATE OF WASHINGTON

COUNTY OF KING

SS

I certify that I know or have satisfactory evidence that __tm __to __ts the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the ______ of WASHINGTON HOLDINGS STRUCTURED FINANCE, LLC, a Washington limited liability company, the manager of WH PARK PLACE MEZZ LLC, a Delaware limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument.

Dated this 13th	_day of		
TOTARY	(Signature of Notary)		
PUBLIC OF	(Legibly Print or Stamp Name of Notary) Notary public in and for the state of Washington, residing at		
PUBLIC NEW PUBLIC NO WASHINGTON	My appointment expires bt t h		

STATE OF WASHINGTON

COUNTY OF KING

SS.

I certify that I know or have satisfactory evidence that Last is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Exactive of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Dated this 6	day of November, 2009.
	Mat and
11111111111111111111111111111111111111	Robert Ross Thompson
HOS HOME	(Legibly Print or Stamp Name of Notary)
	Notary public in and for the state of Washington, residing at
NOTARY -	My appointment expires
PULLE	

EXHIBIT "A"

LEGAL DESCRIPTION

That certain real property located in the City of Seattle, King County, Washington described as follows:

PARCEL A:

LOTS 1, 2, 3 AND 4, BLOCK 62, ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S 5TH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS THEREOF CONVEYED TO THE STATE OF WASHINGTON FOR PRIMARY STATE HIGHWAY NO. 1 (I-5) BY DEEDS RECORDED UNDER RECORDING NUMBERS 5199593, 5236666 AND 5244296;

TOGETHER WITH THAT PORTION OF VACATED ALLEY IN SAID BLOCK 62 ADJOINING SAID LOTS AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 98361 AND RECORDED UNDER RECORDING NUMBER 6589971, WHICH, UPON VACATION, ATTACHED TO SAID PROPERTY BY OPERATION OF LAW.

PARCEL C:

LOT 5, BLOCK 62, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION LYING NORTHEASTERLY OF A LINE DRAWN PARALLEL WITH AND 130 FEET DISTANT SOUTHWESTERLY, WHEN MEASURED RADIALLY FROM THE BASE LINE, "CENTERLINE SOUTH BOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS DEEDED TO THE STATE OF WASHINGTON, BY DEED RECORDED UNDER RECORDING NUMBER 5217276;

AND LOT 8, BLOCK 62, ADDITION TO THE TOWN OF SEATTLE AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION LYING EASTERLY OF A LINE DRAWN PARALLEL WITH AND 130 FEET DISTANT WESTERLY WHEN MEASURED RADIALLY FROM THE BASE LINE, "CENTERLINE SOUTH BOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302.

A LEASEHOLD INTEREST AS TO THE FOLLOWING PARCELS B-1, B-2 and B-3:

PARCEL B-1:

BEGINNING AT THE MOST SOUTHERLY CORNER OF BLOCK 62 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

THENCE NORTH 30°37'42" WEST, ALONG THE WESTERLY LINE OF SAID BLOCK 62, A DISTANCE OF 118.67 FEET;

THENCE NORTH 59°22'18" EAST, PERPENDICULAR TO THE AFORESAID COURSE, 109.85 FEET TO A POINT ON A 2,039.86 FOOT RADIUS CURVE, CONCAVE TO THE EAST, WHICH LIES PARALLEL WITH AND 130 FEET WESTERLY, WHEN MEASURED RADIALLY FROM THE BASE LINE, "CENTERLINE SOUTHBOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302, A RADIAL AT SAID POINT BEARING NORTH 80°30'57" EAST, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE NORTHERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00°02'24", AN ARC DISTANCE OF 1.42 FEET TO THE EAST LINE OF LOT 4 OF SAID BLOCK 62:

THENCE NORTH 59°22'16" EAST, ALONG SAID EAST LINE, 32.21 FEET TO A POINT ON A 2,009.86 FOOT RADIUS CURVE, CONCAVE TO THE EAST, WHICH LIES PARALLEL WITH AND 100 FEET WESTERLY, WHEN MEASURED RADIALLY FROM THE BASE LINE, "CENTERLINE SOUTHBOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302, A RADIAL AT SAID POINT BEARING NORTH 80°53'15" EAST;

THENCE NORTHERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 01°59'27", AN ARC DISTANCE OF 69.83 FEET TO A POINT WHICH LIES 169.31 FEET EASTERLY OF, WHEN MEASURED AT RIGHT ANGLES FROM. THE WESTERLY LINE OF SAID BLOCK 62:

THENCE SOUTH 30°37'42" EAST, PARALLEL WITH THE WESTERLY LINE OF SAID BLOCK 62 AND 169.31 FEET EASTERLY OF, WHEN MEASURED PERPENDICULAR THEREFROM, 65.84 FEET TO A POINT THAT LIES NORTH 59°22'18" EAST, PERPENDICULAR TO SAID WESTERLY LINE OF BLOCK 62, FROM THE TRUE POINT OF BEGINNING:

THENCE SOUTH 59°22'18" WEST 59.46 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL B-2:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF THE WESTERLY 169.31 FEET OF BLOCK 62, ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON, AS MEASURED PERPENDICULAR FROM THE WESTERLY LINE OF SAID BLOCK 62, WITH A LINE WHICH LIES 40.00 FEET SOUTHERLY, WHEN MEASURED PERPENDICULAR FROM THE CENTERLINE OF THE UNIVERSITY "N" RAMP OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY AS CONDEMNED UNDER KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302;

THENCE NORTH 30°37'42" WEST, PARALLEL WITH AND 169.31 FEET EASTERLY OF, WHEN MEASURED PERPENDICULAR FROM THE WESTERLY LINE OF SAID BLOCK 62, A DISTANCE OF 18.00 FEET;

THENCE SOUTH 59°22'18" WEST, PERPENDICULAR TO THE WESTERLY LINE OF SAID BLOCK 62, A DISTANCE OF 110.60 FEET TO THE INTERSECTION WITH THE SOUTHERLY BOUNDARY OF THE PROPERTY DEEDED TO THE STATE OF WASHINGTON AS DESCRIBED IN DOCUMENT FILED UNDER KING COUNTY RECORDING NUMBER 5244296;

THENCE NORTH 66°50'01" EAST, ALONG SAID SOUTHERLY LINE, 61.57 FEET TO A POINT ON THE WESTERLY MARGIN OF THE VACATED ALLEY IN SAID BLOCK 62;

THENCE SOUTH 88°36'57" EAST 18.87 FEET TO THE INTERSECTION OF THE EASTERLY MARGIN OF SAID ALLEY WITH A LINE THAT LIES 40.00 FEET SOUTHERLY, WHEN MEASURED PERPENDICULAR FROM SAID CENTERLINE OF THE UNIVERSITY "N" RAMP;

THENCE NORTH $59^{\circ}22'32''$ EAST, PARALLEL WITH THE 40.00 FEET SOUTHERLY OF, WHEN MEASURED PERPENDICULAR FROM SAID CENTERLINE OF THE UNIVERSITY "N" RAMP, 33.53 FEET TO THE POINT OF BEGINNING.

PARCEL B-3:

THE AIR RIGHTS LYING ABOVE ELEVATION 138.07, SEATTLE DATUM, AND BELOW ELEVATION 199.36, SEATTLE DATUM AS TO THE TRACT DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF BLOCK 62 OF ADDITION TO THE TOWN OF SEATTLE, AS LAID OUT BY A.A. DENNY (COMMONLY KNOWN AS A.A. DENNY'S FIFTH ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 89, IN KING COUNTY, WASHINGTON;

THENCE NORTH 30°37'42" WEST, ALONG THE WESTERLY LINE OF SAID BLOCK 62, A DISTANCE OF 118.67 FEET:

THENCE NORTH 59°22'18" EAST, PERPENDICULAR TO THE AFORESAID COURSE, 109.85 FEET TO A POINT ON A 2039.86 FOOT RADIUS CURVE, CONCAVE TO THE EAST; AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 59°22'18" EAST 32.16 FEET;

THENCE SOUTH 07°47'52" EAST 128.75 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 62 WHICH LIES 23.94 FEET EASTERLY FROM ITS INTERSECTION WITH A 2039.86 FOOT RADIUS CURVE, CONCAVE TO THE EAST, WHICH LIES PARALLEL WITH AND 130 FEET WESTERLY, WHEN MEASURED RADIALLY FROM THE BASE LINE, "CENTERLINE SOUTHBOUND" OF PRIMARY STATE HIGHWAY NO. 1, SEATTLE FREEWAY, JACKSON STREET TO OLIVE WAY, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 570302; THENCE SOUTH 59°22'00" WEST, ALONG SAID SOUTHERLY LINE, 23.94 FEET TO A POINT ON SAID 2,039.86 FOOT RADIUS CURVE, A RADIAL AT SAID POINT BEARING NORTH 76°58'55" EAST;

THENCE NORTHERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03°32'01", AN ARC LENGTH OF 125.81 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "B"

SPACE PLANS

THIRD FLOOR PREMISES SPACE PLAN

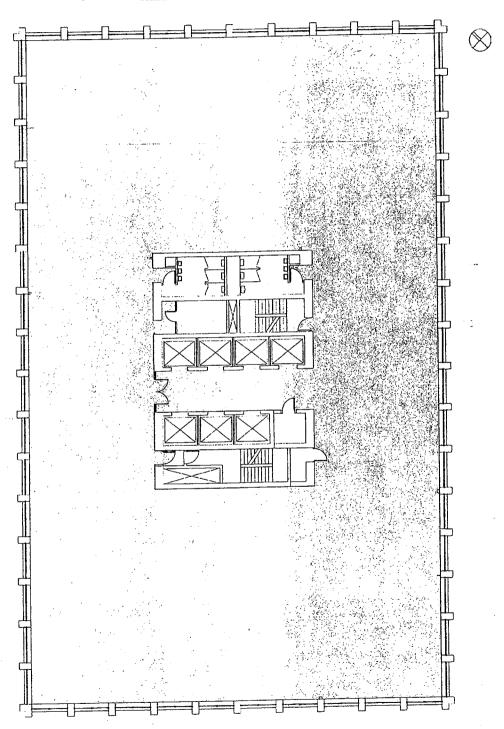


Exhibit B - 1

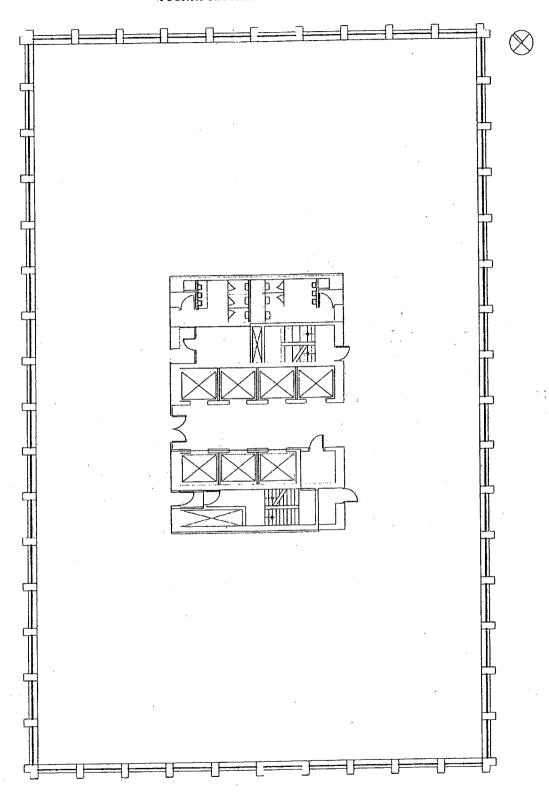


Exhibit B - 2

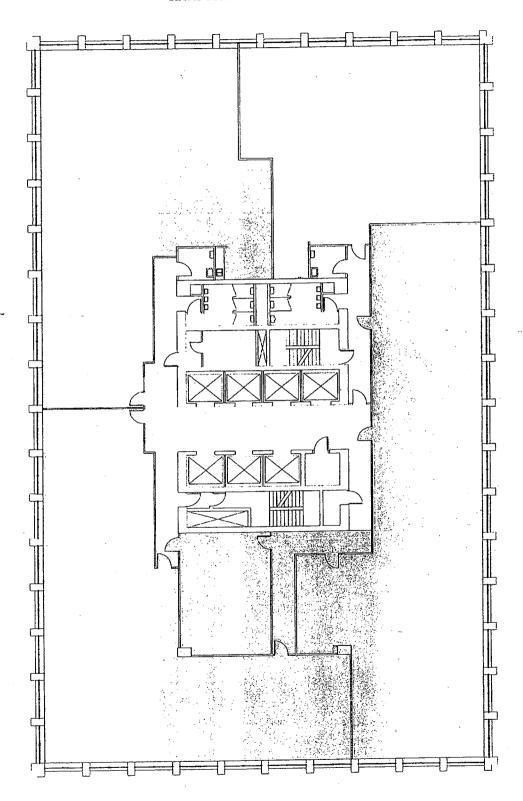


Exhibit B - 3

EXHIBIT "C"

WORKLETTER

LANDLORD:

WH PARK PLACE LLC

TENANT:

KING COUNTY

PREMISES:

PARK PLACE

The purpose of this Workletter is to set forth how, by whom and at whose cost the Landlord's Work in the Premises are to be constructed. The "Landlord's Work" means the completion of improvements to the Premises which need to be performed before Tenant can occupy the Premises for the normal conduct of its business.

1. Changes to Shell and Core of the Building.

If Tenant, with Landlord's consent, changes surface finishes from those specified for the Building, requires changes to the heating and cooling and electrical systems which are standard for the Building, or makes any other departure from the specifications or standards for the Building with respect to any of the foregoing items, the additional cost of such change or other departure shall be at the Tenant's expense. Throughout the Exhibit, items which are not Building Standard items are sometimes referred to as special items or special improvements.

2. Additional Improvements (Tenant Work).

Improvements to the Premises which are in addition to those provided for in Section 1 of this Exhibit are herein sometimes described as Tenant Work. Tenant Work shall be at Tenant's expense but shall be paid for by Landlord to the extent of the Tenant Improvement Allowance described below. The same procedure shall pertain to any matters referred to in this Exhibit as being at Tenant's expense or a charge to Tenant Work. If the costs for Tenant Work and expenses or charges to Tenant Work exceed said allowance, Landlord shall utilize such funds for the payment of progress billings by the contractor. In addition, a portion of the Tenant Improvement Allowance shall be utilized to balance the existing HVAC system within the Premises. Tenant Work and costs charged to Tenant Work shall include without limitation:

- (a) All partitioning (solid, glazed or otherwise), including one-half of walls separating the Premises from the space to be occupied by other tenants in the building, all partitioning within the Premises, and the walls separating the Premises from the public corridor.
- (b) Paint or other wall coverings approved by Landlord. Painted walls shall receive at least one prime coat and one semi-gloss finish coat. Tenant shall use a brand of paint specified by Landlord as standard for the Building or an equivalent brand approved in advance by Landlord.
- (c) Doors and door hardware.
- (d) Finish ceiling, including suspension system and hangers.
- (e) Cabinetry, millwork or other built-ins.
- (f) Carpeting or other floor covering.
- (g) Blinds for exterior windows as designated by Landlord.
- (h) Lighting fixtures, including building standard fixtures and all other fixtures, and all switching, all in accordance with applicable Seattle codes.
- (i) Electrical receptacles, wiring from junction boxes located above suspended ceiling to light fixtures and any other electrical items which are in addition to those furnished by Landlord pursuant to Section 1 of this Exhibit.
- (j) Telephone and data outlets and any other communication equipment not furnished by Landlord pursuant to Section 1. Tenant shall be responsible for contracting with its IT/Data/Telecom vendor in the provision of services relating to the installation of cabling and any infrastructure relating to such work and shall coordinate such with Landlord's construction manager.

- (k) Air terminal units in excess of the standard number for the Premises. All related ducting, round low pressure run out ducting, flexible ducting, diffusers, and any other items for heating or air cooling.
- (1) Interfloor stairs within the Premises.
- (m) Vertical lifts for books, files, mail distribution, etc.
- (n) Plumbing and fixtures including private toilets, showers, lavatories, sinks and lunchroom or kitchen equipment.
- (o) Emergency power equipment for Tenant's equipment.
- (p) All demolition and removal of debris for any item of work installed pursuant to Section 1 or Section 2 of this Exhibit which Tenant with Landlord's consent, subsequently requests Landlord to remove.
- (q) Any structural modification to the Building.
- (r) The fees, as approved by Landlord, for architects, engineers, consultants and contractors, including Landlord's contractor, for services with respect to the Premises.
- (s) All applicable Washington State sales tax.
- (t) Fees and expenses for all permits, including building, special energy and structural modification permits and other governmental fees.
- (u) Any other costs referred to in this Exhibit as being at Tenant's expense or a charge to Tenant Work.

Whether, and the extent to which, any of Tenant's requirements exceed the improvements to be provided by Landlord pursuant to Section 1 shall be determined by Landlord's Construction Manager, which determination shall be conclusive.

3. Tenant Improvement Allowance.

Landlord shall provide an allowance for Tenant Work in the initial Premises equal to \$15.00 per RSF of the Premises. (the "Tenant Improvement Allowance"). The Tenant Improvement Allowance shall be used to pay costs for Tenant Work, by crediting or paying the amount of the allowance against amounts due for the Tenant Work, all in accordance with Section 5.2 of this Exhibit. Any unused allowance may be applied by Tenant toward Rent due under the Lease.

4. Design of Tenant Improvements.

- 4.1 <u>Landlord's Construction Manager</u>. Landlord has engaged the services of BloomProjects, a construction manager, ("Landlord's Construction Manager") to provide certain professional services required for the improvement of the Premises and other portions of the Building. The fees and expenses of Landlord's Construction Manager for services regarding the Premises shall be a charge to Tenant Work and shall not exceed five percent (5%) on the first \$50,000, plus three and one-half percent (3.5%) on the remainder, of the hard costs of the Tenant Work. Landlord shall not charge any other fees for its involvement in the review, supervision and approval of the Tenant Work.
- 4.2 <u>Landlord's Architect</u>. As a charge to the Tenant Work, Landlord may retain the services of a qualified architect/office planner, Burgess Design, Inc. ("Landlord's Architect"), licensed to practice architecture in the State of Washington, and which is hereby approved by Tenant, to provide architectural services related to the tenant improvements, except for those services which by express provisions of this Exhibit are to be provided by Landlord's Construction Manager. As a charge to the Tenant Work, if required, Landlord may also retain the services of a qualified electrical and mechanical engineer to provide services / drawings related to the tenant improvements.
- 4.3 Plans for Tenant Work. Tenant and Landlord's Architect have prepared, and Landlord and Landlord's Construction Manager have approved, the Schematic Plans for the Tenant Work. Landlord's Architect is currently preparing Final Contract documents for the Tenant Work. Upon completion of the Final Contract Documents, Landlord's Architect shall provide Landlord with a record set in a format as designated by Landlord. Such plans shall be compatible with the basic plans and specifications for the Building and when submitted to Landlord for its approval shall clearly show any proposed modifications to the plans and specifications for the Building. Tenant shall (a) provide timely and adequate information, direction and approval of plans and specifications to Landlord's Construction Manager and (b) obtain from Landlord's tenant construction coordinator and/or Landlord's Construction Manager any required information concerning the basic Building for the design of tenant improvements.

The Final Contract Documents shall be prepared in accordance with the standards adopted by Landlord including scale, common symbols, legends and abbreviations together with information required to obtain permits. The drawings shall be prepared using the "pin bar" system for compatibility with other building drawings. The Final Contract Documents shall be approved and signed by the Tenant and Landlord's Construction Manager prior to submittal to Landlord and approved and signed by Landlord prior to submittal to Landlord's contractor for pricing, and shall include (to the extent appropriate, based on the construction work contemplated by the Tenant Work):

- (1) Architectural Floor Plan(s): A plan, fully dimensioned, showing partition layout and type, identifying each room with a number and each door with a number, and the location, nature and extent of floor finishes, casework, relights, etc. Plumbing locations and requirements shall be shown on this plan.
- (2) Reflected Ceiling Plan: A plan showing all building standard and/or special ceiling conditions and materials. This plan shall also include the location and type of all building standard and special light fixtures including switching together with a legend indicating fixture type, quantity of fixtures, connected wattage of each fixture as necessary for compliance with the lighting power budget of Seattle's codes and any other applicable laws and regulations.
- (3) <u>Electrical and Telephone Outlet Plan(s)</u>: A plan locating all power and telephone requirements dimensioned to give exact location of outlet and height above concrete slabs if locations are critical. This plan shall identify all dedicated circuits and identify all power outlets greater than 120 volts. For equipment used in outlets which require dedicated circuits and/or which require greater than 120 volts, identify the type of equipment, the manufacturer's name and manufacturer's model number and provide power requirements and other technical specifications. The plan shall also show modifications to basic system, circuit identification, conduit size, the number and size of wires, all in compliance with applicable Seattle codes or other applicable laws and regulations.
- (4) Furniture Layout: Basic layout showing furniture locations.
- (5) <u>Millwork Details</u>: Complete elevations and details of all special millwork including but not limited to cabinets, paneling, trim, bookcases and special doors and jambs.
- (6) <u>Hardware and Keying Schedules</u>: Complete specifications for all special hardware shall be provided. (Note: Key ways in special locks must be compatible with building master key system.) The keying schedule must indicate which doors are locked and which keys open each lock, together with a symbol indicating which side of the door is to be locked to prohibit entry.
- (7) Room Finish and Color Schedule: Provide on the drawings complete information showing location and specification for all finishes including wall, floor covering, base, ceiling and special conditions.
- (8) <u>Construction Notes and Specifications</u>: Provide all required special notes and complete specifications, including instruction to bidders, special conditions incorporating the AIA standard form of general conditions or such modifications thereof as are designated or approved by Landlord and technical specifications for all special improvements.
- (9) Structural Modifications: If Tenant's tenant improvements include interfloor stairways, increased floor loading or any other items which require structural modifications, Landlord's structural engineer for the Building shall be engaged to perform all required structural engineering services. The cost of such services shall be a charge to Tenant Work. A drawing shall be prepared showing the extent of structural modification necessary and a separate building permit shall be obtained for this phase of work.
- 4.4 <u>Contract Administration</u>. Landlord's Construction Manager shall provide construction administration during the execution of Tenant Work on the Premises and will observe progress of such work, attend necessary contractor coordination meetings, advise Tenant and Landlord on status and progress payments, prepare a punchlist for any construction deficiencies at completion and certify the Premises ready for occupancy.
- 4.5 Delays. Tenant shall be responsible for delays and additional costs in completion of the Tenant Work and any damages or other costs incurred by Landlord which are caused by (a) Tenant's failure to provide adequate information and direction to Landlord's Architect or failure to timely perform its obligations under this Exhibit, (b) Tenant's failure to timely authorize Landlord to proceed with the Tenant Work, (c) changes to the Final Contract Documents requested by Tenant after mutual approval by the parties, (d) delays in delivery of special materials or (e) delays requested by Tenant. The costs of any such delay or damage shall be a charge to Tenant. Tenant shall further be responsible for such delays as provided in Section 5.6 of this Exhibit.
- 4.6 <u>Additional Services by Landlord's Construction Manager</u>. Certain services with respect to the Tenant Work shall be provided by Landlord's Construction Manager at Tenant's expense. Landlord's Construction Manager shall:

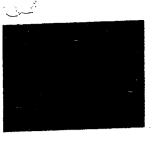
- (a) Provide Landlord's Architect with information about the Building and background drawings for execution of the Tenant Work as reasonably requested by Landlord's Architect.
- (b) Review all plans and specifications required under Section 4.3 and assist Landlord's Architect regarding compliance with the requirements of building systems and codes related to Tenant Work. Notwithstanding such review and assistance, Landlord's Architect is responsible for compliance with such requirements and codes.
- (c) Provide coordination with the Landlord, Tenant and Landlord's contractor, as applicable, throughout the design, pricing and construction of the Tenant Work. Transmit shop drawings and submittals pertaining to special items to Landlord's contractor as requested, and provide contract administration as provided in Section 4.4, such administration to be coordinated by Landlord's Construction Manager.
- (d) Obtain the blanket building permit for tenant improvement construction in the office portions of the Building and transmit the Final Contract Documents to the Department of Planning and Development ("DPD") for review and approval. Landlord's Construction Manager shall be responsible for all changes required as a result of such review by DPD. All other permits, including without limitation electrical, mechanical, and plumbing, energy code and structural permits shall be obtained by subcontractors or Landlord's Construction Manager.

Construction of Tenant Improvements.

- Authorization to Proceed. Landlord's contractor will be a general contractor providing contract management and administration services with respect to the Premises. The Tenant Work shall be managed and administered by Landlord's Contractor to the extent required by Landlord. Subcontract work will be competitively bid, except for the sprinkler system, fire alarm system and Building Services control system. Subcontract work which is to be competitively bid shall be submitted to subcontractors selected and approved by Landlord, Tenant and Landlord's contractor and may be bid independently or together with similar work for other tenants in the Building. Such subcontractors shall only employ and use union labor in and about the Building and Land. After they have been completed, the Final Contract Documents shall be promptly submitted to such subcontractors for bids. Bids will be reviewed by Landlord, Tenant, and Landlord's contractor and subcontracts awarded as they mutually agree. Notwithstanding the foregoing, at Landlord's election some or all of the Tenant Work may be (a) priced and subcontracts with respect thereto awarded on the basis of unit price arrangements or similar arrangements negotiated by Landlord's contractor with respect to such work in the Building, or (b) performed by Landlord or an affiliate or agent of Landlord at a price which is subject to Tenant's reasonable approval. If the price of Tenant Work exceeds the allowance in Section 3 of this Exhibit, Tenant may in such authorization delete any or all items of extra cost; provided however, if Landlord, acting reasonably, deems these changes to be extensive, Landlord may refuse to accept the authorization to proceed until all changes have been incorporated in revised Final Contract Documents signed by Tenant, approved and signed by Landlord, priced by Landlord, and written acceptance of the revised price has been received by Landlord from Tenant. In the absence of written authorization to proceed, Landlord shall not be obligated to commence work on the Premises.
- 5.2 Payments. Landlord's contractor shall complete the Tenant Work in accordance with the approved Final Contract Documents. Landlord shall be responsible for the cost of Tenant Work up to the amount of the allowance described in Section 3. Landlord shall submit monthly progress billings to Tenant for costs which exceed or are not included in said allowance, which shall be payable within ten (10) days after receipt. Final billing shall be rendered and payable within ten (10) days after acceptance of the Premises by Tenant in accordance with the terms of the Lease.
- Final Plans and Modifications. If Tenant shall request any change from the approved Final Contract Documents, Tenant shall request such change in writing to Landlord and such request shall be accompanied by all plans and specifications necessary to show and explain changes from the approved Final Contract Documents. After receiving this information, Landlord shall give Tenant a written price for the cost to incorporate the changes in the Final Contract Documents. If Tenant approves such price in writing, Landlord shall have such changes made to the Final Contract Documents and the cost thereof shall be a charge to Tenant Work. Within a reasonable time after completion of such changes in the Final Contract Documents, Landlord shall obtain and notify Tenant in writing of the construction cost, if any, which shall be charged to Tenant as a result of such change. The cost for such change shall include a Landlord coordination fee equal to fifteen percent (15%) of the amount of such change. Tenant shall within five (5) days notify Landlord in writing to proceed with such change. In the absence of such notice, Landlord shall proceed in accordance with the previously approved Final Contract Documents before such change was requested. Tenant shall also be responsible for the costs of any demolition work required as a result of the change.
- 5.4 <u>Tenant's Entry to Leased Premises</u>. Tenant's entry to the Premises for any purpose prior to the Commencement Date of the Lease Term shall be scheduled in advance with Landlord and shall be subject to all the terms and conditions of the Lease except the payment of rent. Tenant's entry shall mean entry by Tenant its officers, contractors, office planner, licensees, agents, servants, employees, guests, invitees or visitors.

2010-0280 16850

AHachmentD



AMB Des Moines Logistics Center

Landlord

AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership

Tenant

KING COUNTY, a political subdivision of the State of Washington

TABLE OF CONTENTS

		· .	Page
1.	Basi	ic Provisions	1
	1.1	Parties	1
	1.2	Premises	۱۱
	1.3	Term	
	1.4	Base Rent.	ا م
	1.5	Tongette Character Francisco	1
		Tenant's Share of Operating Expenses	1
	1.6	Tenant's Estimated Monthly Rent Payment	1
	1.7	Security Deposit	1
	1.8	Permitted Use	2
	1.9	Guarantor	2
	1.10	readings and Exhibito	2
	1.11	Address for Rent Payments	2
2.	Pren	nises, Parking and Common Areas	2
	2.1	Letting	2
	2.2	Common Areas - Definition	2
	2.3	Common Areas - Tenant's Rights	2
	2.4	Common Areas - Rules and Regulations	2
	2.5	Common Area Changes	2
	2.6	Parking	دع
	2.0	T GINARY	s
3.	Tern	n	3
	3.1	Term	3
	3.2	Delay in Possession	3
	3.3	Rent Commencement Date Certificate	3
4.	Done	Dan- Daniel	
7.	4.1	Popo Bont	3
	4.2	Base Rent	3
	4.2	Operating Expenses	4
5.	Secu	rrity Deposit	5
6.	Use.	·········	5
	6.1	Permitted Use	5
	6.2	Hazardous Substances	5
	6.3	Tenant's Compliance with Requirements	6
	6.4	Inspection; Compliance with Law.	9
	6.5	Tenant Move-In Questionnaire	/
7.	Main	tenance, Repairs, Trade Fixtures and Alterations.	7
	7.1	Tenant's Obligations	7
	7.2	Landlord's Obligations	7
	7.3	Alterations	7
	7.4	Surrender/Restoration	8
8.	Insur	rance; Indemnity.	
	8.1	Payment of Premiums	0
•	8.2	Tanant's Insurance	ğ
	8.3	Tenant's Insurance	8
	8.4	Landlord's Insurance	9
	8.5	Waiver of Subrogation	9
	8.6	Indemnity	9
	0.0	Exemption of Landlord from Liability	9
9.	Dama	age or Destruction	10
	9.1	Termination Right	10
	9.2	Damage Caused by Tenant	10
10.	Real	Property Tayon	
10.	10.1	Property Taxes	10
	10.7	Payment of Real Property Taxes	10
	10.2	Real Property Tax Definition	10
	10.3	Joint Assessment	10
	10.4	Tenant's Property Taxes	10

11.	Utilitie	PS	11
12.	Assig	nment and Subletting.	11
	12.1	Landlord's Consent Required.	11
	12.2	Rent Adjustment	11
	12.3	Excess Consideration	11
13.		lt; Remedies.	12
	13.1	Default	
	13.2	Remedies	
	13.3	Late Charges	12
14.	Conde	emnation	13
15.	Estop	pel Certificate.	13
16.	A	onal Covenants and Provisions.	12
10.	16.1	Severability	
	16.2	Interest on Past-Due Obligations	13
	16.3	Time of Essence	
	16.4	Landlord Liability	
	16.4	No Drive or Other Associates	10
	16.6	No Prior or Other Agreements	10
		Notice Requirements	
	16.7	Date of Notice	
	16.8	Waivers	
	16.9	Holdover	
	16.10		
	16.11		
		Landlord	
		Attorneys' Fees and Other Costs	
		Landlord's Access; Showing Premises; Repairs	
		Tenant Signage	
		Termination: Merger	
		Quiet Possession	
		Subordination; Attornment; Non-Disturbance	
		Rules and Regulations	
		Security Measures	
		Reservations	
		Agency Disclosure	
	16.23	Brokerage Relationships	16
	16.24	Payment of Brokers	16
	16.25	Conflict	16
	16.26	Offer	16
	16.27	Amendments	17
	16.28	Multiple Parties	17
	16.29	Authority	17
	16.30	Accord and Satisfaction	17
		Force Majeure	
		Lease Captions	
		Counterparts	
	16.34	Interpretation	17

ADDENDA EXHIBIT A EXHIBIT C EXHIBIT D EXHIBIT E EXHIBIT G-1 EXHIBIT G-2 EXHIBIT I EXHIBIT K GLOSSARY

AMB PROPERTY CORPORATION INDUSTRIAL MULTI-TENANT LEASE

1. Basic Provisions ("Basic Provisions").

- 1.1 Parties: This Lease ("Lease") dated as of November 30, 2009, is made by and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, ("Landlord") and KING COUNTY, a political subdivision of the State of Washington ("Tenant") (collectively the "Parties," or individually a "Party").
- 1.2 <u>Premises</u>: A portion, approximately 6,477 SF, approximately 384 SF of which is office area, outlined on Exhibit A (Premises and Site Plan) attached hereto ("Premises"), of the building ("Building") located at 19240 Des Moines Memorial Drive South, Suite 400 in the City of SeaTac, State of Washington. The Building is located in the industrial center commonly known as AMB Des Moines Logistics Center, Building C (the "Industrial Center"). Tenant shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.3 below), but shall not have any rights to the roof, exterior walls or utility raceways of the Building or to any other buildings in the Industrial Center. The Premises, the Building, the Common Areas, the land upon which they are located and all other buildings and improvements thereon are herein collectively referred to as the "Industrial Center."
- 1.3 <u>Term:</u> The term of this Lease ("Term") shall commence on the mutual execution of this Lease ("Commencement Date") and end on the last day of the month that is ten (10) years and four (4) months after the month in which Tenant is obligated to commence the payment of Rent under this Lease ("Expiration Date"). Tenant is obligated to commence the payment of Rent under this Lease (the "Rent Commencement Date") on the date that is two (2) weeks following the delivery of possession of the Premises to Tenant.
- 1.4 <u>Base Rent: \$ See Below</u> per month ("Base Rent"). \$5,909.36 payable on execution of this Lease for period of the first month's Base Rent and Operation Expenses.

Months	Base Rent
1 – 12	\$4,404.36 + NNNs
13 – 16	Abated + NNNs
17 – 24	\$4,536.00 + NNNs
25 – 36	\$4.673.00 + NNNs
37 – 48	\$4,813.00 + NNNs
49 – 60	\$4,957.00 + NNNs
61 – 72	\$5,106.00 + NNNs
73 – 84	\$5,259.00 + NNNs
85 – 96	\$5,417.00 + NNNs
97 – 108	\$5,579.00 + NNNs
109 – 120	\$5,747.00 + NNNs
121 – 124	\$5,919.00 + NNNs

1.5 <u>Tenant's Share of Operating Expenses</u> ("Tenant's Share"):

(a)	Industrial Center	6,477sf / 137,486 sf	4.71%
(b)	Building	6,477sf / 52,270 sf	12.39%

1.6 <u>Tenant's Estimated Monthly Rent Payment</u>: Following is the estimated Monthly Rent Payment to Landlord pursuant to the provisions of this Lease. This estimate is made at the inception of the Lease and is subject to adjustment pursuant to the provisions of this Lease:

	Total Estimated Monthly Payment	\$ 5	5,809.36
(d)	Real Property Taxes (Paragraph 10)	\$	627.00
(c <u>)</u>	Landlord Insurance (Paragraph 8.3)	\$	54.00
(b)	Operating Expenses (Paragraph 4.2, excluding Real Property Taxes and Landlord Insurance)	\$	724.00
(a)	Base Rent (Paragraph 4.1)	\$ 4	1,404.36

1:7 Security Deposit: \$None ("Security Deposit").

1.8 <u>Permitted Use</u> ("Permitted Use"): General office and storage and light industrial and for no other purpose.

1.9 Guarantor: N/A.

1.10 Addenda and Exhibits: Attached hereto are the following Addenda and Exhibits, all of which constitute a part of this Lease:

(a) Addendum 1: Remedies Addendum Addendum 2: Additional Lease Provisions

(b) Exhibits:

Exhibit A: Premises and Site Plan

Exhibit B: Rent Commencement Date Certificate

Exhibit C: Rules and Regulations Exhibit D: Landlord's Waiver

Exhibit E: Environmental Questionnaire

Exhibit F-1: Intentionally Deleted
Exhibit F-2: Intentionally Deleted

Exhibit F-3: Intentionally Deleted Exhibit G-1: Signage

Exhibit G-2: Secondary Signage Example

Exhibit H: Intentionally Deleted
Exhibit I: Legal Description
Exhibit J: Intentionally Deleted
Exhibit K: Move Out Standards

1.11 Address for Rent Payments: All amounts payable by Tenant to Landlord shall until further notice from Landlord be paid to AMB Institutional Alliance Fund III, L.P., AMB Des Moines Logistics Center c/o GGL Real Estate Services, Inc. at the following address:

AMB Institutional Alliance Fund III (Des Moines Logistics) c/o GGL Real Estate Services, Inc. P. O. Box 6156
Hicksville, NY 11802-6156

2. Premises, Parking and Common Areas.

- 2.1 Letting. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises upon all of the terms, covenants and conditions set forth in this Lease. Any statement of square footage set forth in this Lease or that may have been used in calculating Base Rent and/or Operating Expenses is an approximation which Landlord and Tenant agree is reasonable and the Base Rent and Tenant's Share based thereon is not subject to revision whether or not the actual square footage is more or less; provided, however, Tenant's Share may be adjusted pursuant to Paragraph 4.2(b) herein. Tenant accepts the Premises in its present condition, and state of repair and operating order; provided, however, Landlord shall deliver possession of the Premises to Tenant in broom clean condition with all mechanical systems and dock doors serving the Premises in good working condition. Except as expressly set forth in this Lease, Landlord makes no representation or warranty regarding the usability or functionality of the Premises for Tenant's use of the Premises, it being understood that it is Tenant's sole responsibility to verify that the Premises is appropriate for Tenant's use of the Premises.
- 2.2 <u>Common Areas Definition.</u> "Common Areas" are all areas and facilities outside the Premises and within the exterior boundary line of the Industrial Center and interior utility raceways within the Premises that are provided and designated by the Landlord from time to time for the general non-exclusive use of Landlord, Tenant and other tenants of the Industrial Center and their respective employees, suppliers, shippers, tenants, contractors and invitees.
- 2.3 <u>Common Areas Tenant's Rights.</u> Landlord hereby grants to Tenant, for the benefit of Tenant and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Landlord under the terms hereof or under the terms of any rules and regulations or covenants, conditions and restrictions governing the use of the Industrial Center.
- 2.4 <u>Common Areas Rules and Regulations</u>. Landlord shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable Rules and Regulations with respect thereto in accordance with Paragraph 16.19.

- 2.5 <u>Common Area Changes.</u> Landlord shall have the right, in Landlord's sole discretion, from time to time:
- (a) To make changes to the Common Areas, including, without limitation, changes in the locations, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;
- (b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;
- (c) To designate other land outside the boundaries of the Industrial Center to be a part of the Common Areas so long as such designations of additional areas as part of the Common Areas do not materially increase the amounts payable under this Lease by Tenant as Operating Expenses;
 - (d) To add additional buildings and improvements to the Common Areas;
- (e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Industrial Center, or any portion thereof; and
- (f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Industrial Center as Landlord may, in the exercise of sound business judgment, deem to be appropriate.
- 2.6 Parking. Tenant may use a proportionate share of undesignated vehicle parking spaces, unreserved and unassigned, on those portions of the Common Areas designated by Landlord for such parking, no less than six (6) parking spaces of which are located directly in front of the Premises. Tenant shall not use more parking spaces than such number. Such parking spaces shall be used only for parking by vehicles no larger than full sized passenger automobiles or pick-up trucks. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such activities. If Tenant permits or allows any of the prohibited activities described herein, then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Tenant, which cost shall be immediately payable as additional rent upon demand by Landlord.

Term.

- 3.1 <u>Term.</u> The Commencement Date, Rent Commencement Date, Expiration Date and Term of this Lease are as specified in Paragraph 1.3.
- 3.2 <u>Delay in Possession</u>. If for any reason Landlord cannot deliver possession of the Premises to Tenant promptly following the mutual execution of this Lease, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder. In such case, Tenant shall not, except as otherwise provided herein, be obligated to pay Rent or perform any other obligation of Tenant under the terms of this Lease until the earlier of the date Landlord delivers possession of the Premises to Tenant, or the date that Tenant takes possession of the Premises.
- 3.3 Rent Commencement Date Certificate. At the request of Landlord, Tenant shall execute and deliver to Landlord a completed certificate ("Rent Commencement Date Certificate") in the form attached hereto as Exhibit B.

4. Rent.

4.1 <u>Base Rent.</u> Tenant shall pay to Landlord Base Rent and other monetary obligations of Tenant to Landlord under the terms of this Lease (such other monetary obligations are herein referred to as "Additional Rent") in lawful money of the United States, without offset or deduction, in advance on or before the first day of each month. Base Rent and Additional Rent for any period during the term hereof which is for less than one full month shall be prorated based upon the actual number of days of the month involved. Payment of Base Rent and Additional Rent shall be made to Landlord at its address stated herein or to such other persons or at such other addresses as Landlord may from time to time designate in writing to Tenant. Base Rent and Additional Rent are collectively referred to as "Rent". All monetary obligations of Tenant to Landlord under the terms of this Lease are deemed to be

- 4.2 <u>Operating Expenses</u>. Tenant shall pay to Landlord on the first day of each month during the term hereof, in addition to the Base Rent, Tenant's Share of all Operating Expenses in accordance with the following provisions:
- (a) "Operating Expenses" are all costs incurred by Landlord relating to the ownership and operation of the Industrial Center, Building and Premises including, but not limited to, the following:
- (i) The operation, repair, maintenance and replacement in neat, clean, good order and condition of the Common Areas, including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, drainage systems, lighting facilities, fences and gates, exterior signs and tenant directories.
- (ii) Water, gas, electricity, telephone and other utilities servicing the Common Areas.
- (iii) Trash disposal, janitorial services, snow removal, property management and security services, each to the extent provided by Landlord with respect to the Common Areas, including without limitation a property management fee (not to exceed three percent (3.0%) of annual gross rents payable under this Lease), accounting, auditing, billing, postage, salaries and benefits for clerical and supervisory employees, whether located at the Industrial Center or off-site so long as such costs are attributable solely to the Building (and/or the Industrial Center), payroll taxes and legal and accounting costs and all fees, licenses, and permits related to the ownership, operating and management of the Industrial Center.
 - (iv) Real Property Taxes.
- (v) Premiums and deductibles for the insurance policies maintained by Landlord under Paragraph 8 hereof.
- (vi) Environmental monitoring and insurance programs; provided, however, in no event shall Operating Expenses include costs to remediate Hazardous Substances present in the Industrial Center (including, without limitation, the costs of monitoring wells as part of such remediation).
- (vii) Monthly amortization of capital improvements to the Common Areas and the Building. The monthly amortization of any given capital improvement shall be on a straight line basis and shall be the sum of the: (i) quotient obtained by dividing the cost of the capital improvement by Landlord's estimate of the number of months of useful life of such improvement (as determined in Landlord's reasonable business judgment), and (ii) an amount equal to the cost of the capital improvement times 1/12 of the lesser of twelve percent (12%) or the maximum annual interest rate permitted by law; provided, however, in no event shall Operating Expenses include: (a) capital improvements to the structure of the Building or to the structure of the roof of the Building, or (b) capital improvements in connection with the expansion of the size of the Building or the construction of new buildings in the Industrial Center.
- (viii) Maintenance of the Building including, but not limited to, painting, caulking and repair and replacement of Building components (subject to amortization as provided in 4.2(a)(vii) to the extent a capital improvement), including, but not limited to, roof, skylights, elevators and fire detection and sprinkler systems.
- (ix) Maintenance and repairs of the heating, ventilating and air conditioning systems serving the Premises ("HVAC").
- (x) If Tenant fails to maintain the Premises, any reasonable expense incurred by Landlord for such maintenance.
- (b) Tenant's Share of Operating Expenses that are not specifically attributed to the Premises or Building ("Common Area Operating Expenses") shall be that percentage shown in Paragraph 1.5(a). Tenant's Share of Operating Expenses that are attributable to the Building ("Building Operating Expenses") shall be that percentage shown in Paragraph 1.5(b). Tenant's Share is subject to periodic review and adjustment by Landlord to accurately reflect Tenant's prorate share of the improvements then comprising the Building or the Industrial Center. Landlord shall reasonably determine which Operating Expenses are Common Area Operating Expenses, Building Operating Expenses or expenses to be entirely borne by Tenant; provided, however, with respect to the HVAC systems serving the Premises, Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in connection with such HVAC systems within thirty (30) days after written request therefor, and notwithstanding

anything to the contrary contained in this Lease, Landlord shall not be required to amortize any capital improvements to such HVAC system.

- (c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose any obligation upon Landlord to either have said improvements or facilities or to provide those services.
- (d) Tenant shall pay monthly in advance on the same day as the Base Rent is due Tenant's Share of estimated Operating Expenses. Landlord shall deliver to Tenant within ninety (90) days after the expiration of each calendar year a reasonably detailed statement showing Tenant's Share of the actual Operating Expenses incurred during the preceding year. If Tenant's estimated payments under this Paragraph 4(d) during the preceding year exceed Tenant's Share as indicated on said statement, Tenant shall be credited or refunded at the Landlord's option the amount of such overpayment against Tenant's Share of Operating Expenses next becoming due. If Tenant's estimated payments under this Paragraph 4.2(d) during said preceding year were less than Tenant's Share as indicated on said statement, Tenant shall pay to Landlord the amount of the deficiency within ten (10) days after delivery by Landlord to Tenant of said statement. At any time Landlord may adjust the amount of the estimated Tenant's Share of Operating Expenses to reflect Landlord's estimate of such expenses for the year.
- So long as Tenant is not in default of this Lease, Tenant shall have the right, upon thirty (30) days written request, to review Landlord's records concerning Operating Expenses for the immediately prior calendar year, which request must be delivered within sixty (60) days after the date Landlord's annual statement of Operating Expenses is delivered to Tenant (and if Tenant fails to object in writing to specific Operating Expenses within onehundred twenty (120) days after the date Landlord's annual statement of Operating Expenses is delivered to Tenant, Tenant shall be deemed to have approved the same and to have waived the right to object to such calculations); provided, however, Tenant shall have no right to review the Operating Expenses: (i) more than one time during a calendar year, or (ii) if the Operating Expenses for the calendar year in question are not more than five percent (5%) higher than the Operating Expenses for the immediately prior calendar year. Such review shall occur during regular business hours at the site Landlord maintains such records. If Tenant questions any Operating Expenses, Landlord shall provide reasonably satisfactory evidence of the validity of Landlord's calculation (which evidence may be in summary statement (as opposed to the original invoice)) or adjust the item. Disputes which cannot be resolved after a reasonable period of good faith negotiations between the parties shall be resolved by a nationally recognized accounting firm selected by Landlord (the "CPA"), which CPA shall not then be employed by Landlord or Tenant. If such audit discloses that Tenant has overpaid Tenant's share of Operating Expenses, Landlord shall give Tenant credit on Operating Expenses with respect to such amount, or if the Lease is at the end of the Term, refund such amount to Tenant. Tenant shall pay all costs and expenses of the audit by the CPA. Tenant hereby agrees to keep the results of any such audit confidential to the extent allowed by law except that Tenant may disclose such information to its accountants, legal advisors or as otherwise required by law, and to require Tenant's auditor and its employees and each of their respective attorneys and advisors likewise to keep the results of such audit in strictest confidence.
- 5. <u>Security Deposit</u>. Tenant shall deposit with Landlord upon Tenant's execution hereof the Security Deposit set forth in Paragraph 1.7 as security for Tenant's faithful performance of Tenants obligations under this Lease. If Tenant fails to pay Base Rent or Additional Rent or otherwise defaults under this Lease (as defined in Paragraph 13.1), Landlord may use the Security Deposit for the payment of any amount due Landlord or to reimburse or compensate Landlord for any liability, cost, expense, loss or damage (including attorney's fees) which Landlord may suffer or incur by reason thereof. Tenant shall on demand pay Landlord the amount so used or applied so as to restore the Security Deposit to the amount set forth in Paragraph 1.6. Landlord shall not be required to keep all or any part of the Security Deposit separate from its general accounts. Landlord shall, at the expiration or earlier termination of the term hereof and after Tenant has vacated the Premises, return to Tenant that portion of the Security Deposit not used or applied by Landlord. No part of the Security Deposit shall be considered to be held in trust, to bear interest, or to be prepayment for any monies to be paid by Tenant under this Lease.

6. <u>Use</u>.

6.1 <u>Permitted Use.</u> Tenant shall use and occupy the Premises only for the Permitted Use set forth in Paragraph 1.8. Tenant shall not commit any nuisance, permit the emission of any objectionable noise or odor, suffer any waste, make any use of the Premises which is contrary to any law or ordinance or which will invalidate or increase the premiums for any of Landlord's insurance. Tenant shall not service, maintain or repair vehicles on the Premises, Building or Common Areas; provided, however, nothing contained in this Lease shall preclude

or prohibit Tenant from installing and repairing radio and related electronic equipment in vehicles. Tenant shall not store foods, pallets, drums or any other materials outside the Premises.

6.2 <u>Hazardous Substances</u>

- Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment, or the Premises. (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of Landlord to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products or byproducts thereof. Tenant shall not engage in any activity in or about the Premises which constitutes a Reportable Use (as hereinafter defined) of Hazardous Substances without the express prior written consent of Landlord and compliance in a timely manner (at Tenant's sole cost and expense) with all Applicable Requirements (as defined in Paragraph 6.3). "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and (iii) the presence in, on or about the Premises of a Hazardous Substance with respect to which any Applicable Requirements require that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Tenant may, without Landlord's prior consent, but upon notice to Landlord and in compliance with all Applicable Requirements, use any ordinary and customary materials reasonably required to be used by Tenant in the normal course of the Permitted Use, so long as such use is not a Reportable Use and does not expose the Premises, or neighboring properties to any meaningful risk of contamination or damage or expose Landlord to any liability therefor. In addition, Landlord may (but without any obligation to do so) condition its consent to any Reportable Use of any Hazardous Substance by Tenant upon Tenant's giving Landlord such additional assurances as Landlord, in its reasonable discretion, deems necessary to protect itself, the public, the Premises and the environment against damage, contamination or injury and/or liability therefor, including but not limited to the installation (and, at Landlord's option, removal on or before Lease expiration or earlier termination) of reasonably necessary protective modifications to the Premises (such as concrete encasements) and/or the deposit of an additional Security Deposit.
- (b) <u>Duty to Inform Landlord</u>. If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance is located in, under or about the Premises or the Building, Tenant shall immediately give Landlord written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, business plan, license, claim, action, or proceeding given to, or received from, any governmental authority or private party concerning the presence, spill, release, discharge of, or exposure to, such Hazardous Substance. Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Premises (including, without limitation, through the plumbing or sanitary sewer system).
- (c) Tenant Indemnification. Tenant shall indemnify, protect, defend and hold Landlord, Landlord's affiliates, Lenders, and the officers, directors, shareholders, partners, employees, managers, independent contractors, attorneys and agents of the foregoing ("Landlord Entities") and the Premises, harmless from and against any and all damages, liabilities, judgments, costs, claims, liens, expenses, penalties, loss of permits and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Tenant or by any of Tenant's employees, agents, contractors or invitees. Tenant's obligations under this Paragraph 6.2(c) shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation, restoration and/or abatement thereof, or of any contamination therein involved. Tenant's obligations under this Paragraph 6.2(c) shall survive the expiration or earlier termination of this Lease.
- 6.3 <u>Tenant's Compliance with Requirements</u>. Tenant shall, at Tenant's sole cost and expense, fully, diligently and in a timely manner, comply with all "Applicable Requirements," which term is used in this Lease to mean all laws, rules, regulations, ordinances, directives, covenants, easements and restrictions of record, permits, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Landlord's engineers and/or consultants, relating in any manner to the Premises (including but not limited to matters pertaining to (i) industrial hygiene, (ii) environmental conditions on, in, under or about the

Premises, including soil and groundwater conditions, and (iii) the use, generation, manufacture, production, installation, maintenance, removal, transportation, storage, spill or release of any Hazardous Substance), now in effect or which may hereafter come into effect. Tenant shall, within five (5) days after receipt of Landlord's written request, provide Landlord with copies of all documents and information evidencing Tenant's compliance with any Applicable Requirements and shall immediately upon receipt, notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving failure by Tenant or the Premises to comply with any Applicable Requirements.

- 6.4 <u>Inspection; Compliance with Law.</u> In addition to Landlord's environmental monitoring and insurance program, the cost of which is included in Operating Expenses, Landlord and the holders of any mortgages, deeds of trust or ground leases on the Premises ("Lenders") shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Tenant with this Lease and all Applicable Requirements. Landlord shall be entitled to employ experts and/or consultants in connection therewith to advise Landlord with respect to Tenant's installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Premises. The cost and expenses of any such inspections shall be paid by the party requesting same unless a violation of Applicable Requirements exists or is imminent or the inspection is requested or ordered by a governmental authority. In such case, Tenant shall upon request reimburse Landlord or Landlord's Lender, as the case may be, for the costs and expenses of such inspections.
- 6.5 <u>Tenant Move-In Questionnaire</u>. Prior to executing this Lease, Tenant has completed, executed and delivered to Landlord, Tenant's Move-In and Lease Renewal Environmental Questionnaire (the "Tenant Move-In Questionnaire"), a copy of which is attached hereto as Exhibit E and incorporated herein by this reference. Tenant covenants, represents and warrants to Landlord that the information on the Tenant Move-In Questionnaire is true and correct and accurately describes the use(s) of Hazardous Substances which will be made and/or used on the Premises by Tenant.

7. Maintenance, Repairs, Trade Fixtures and Alterations.

7.1 Tenant's Obligations

. Subject to the provisions of Paragraph 7.2 (Landlord's Obligations), Paragraph 9 (Damage or Destruction) and Paragraph 14 (Condemnation), Tenant shall, at Tenant's sole cost and expense and at all times, keep the Premises and every part thereof in good order, condition and repair including, without limiting the generality of the foregoing, all equipment or facilities specifically serving the Premises, such as plumbing, electrical, lighting facilities, boilers, fired or unfired pressure vessels, fire hose connectors if within the Premises, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and dock doors related equipment (including but not limited to dock levelers, bumpers, lights and adjacent dock wells), but excluding any items which are the responsibility of Landlord pursuant to Paragraph 7.2 below. Tenant's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

- 7.2 <u>Landlord's Obligations</u>. Subject to the provisions of Paragraph 6 (Use), Paragraph 7.1 (Tenant's Obligations), Paragraph 9 (Damage or Destruction) and Paragraph 14 (Condemnation), Landlord, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations and exterior walls of the Building, utility systems outside the Building, Building roof and common areas. Subject to reimbursement pursuant to Paragraph 4.2, Landlord shall also repair and maintain the HVAC system serving the Premises.
- 7.3 Alterations Tenant shall not install any signs, fixtures, improvements, nor make or permit any other alterations or additions (individually, an "Alteration", and collectively, the "Alterations") to the Premises without the prior written consent of Landlord, except for Alterations that cumulatively cost less than Two Thousand Five Hundred Dollars (\$2,500.00) and which do not affect the Building systems or the structural integrity or structural components of the Premises or the Building. In all events, Tenant shall deliver at least ten (10) days prior notice to Landlord, from the date Tenant intends to commence construction, sufficient to enable Landlord to post a Notice of Non-Responsibility and Tenant shall obtain all permits or other governmental approvals prior to commencing any of such work and deliver a copy of same to Landlord. All Alterations shall be at Tenant's sole cost and expense in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord, and shall be installed by a licensed, insured, and bonded contractor (reasonably approved by Landlord) in compliance with all applicable Laws (including, but not limited to, the

ADA), and all recorded matters and rules and regulations of the Industrial Center. In addition, all work with respect to any Alterations must be done in a good and workmanlike manner. Landlord's approval of any plans, specifications or working drawings for Tenant's Alterations shall not create nor impose any responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with any laws, ordinances, rules and regulations of governmental agencies or authorities. In performing the work of any such Alterations, Tenant shall have the work performed in such a manner as not to obstruct access to the Industrial Center, or the Common Areas for any other tenant of the Industrial Center, and as not to obstruct the business of Landiord or other tenants in the Industrial Center, or interfere with the labor force working in the Industrial Center. As Additional Rent hereunder, Tenant shall reimburse Landlord, within ten (10) days after demand, for actual legal, engineering, architectural, planning and other expenses incurred by Landlord in connection with Tenant's Alterations. If Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance, in an amount approved by Landlord and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant in accordance with the terms of this Lease immediately upon completion thereof. Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Tenant shall, prior to construction of any and all Alterations, cause its contractor(s) and/or major subcontractor(s) to provide insurance as reasonably required by Landlord. and Tenant shall provide such assurances to Landlord, including without limitation, waivers of lien, surety company performance bonds as Landlord shall require to assure payment of the costs thereof to protect Landlord and the Industrial Center from and against any loss from any mechanic's, materialmen's or other liens.

7.4 <u>Surrender/Restoration</u>. Tenant shall surrender the Premises by the end of the last day of the Lease term or any earlier termination date, clean and free of debris and in good operating order, condition and state of repair ordinary wear and tear excepted per the attached Exhibit K.

8. <u>Insurance; Indemnity</u>.

8.1 <u>Payment of Premiums</u>. The cost of the premiums for the insurance policies maintained by Landlord under this Paragraph 8 shall be a Common Area Operating Expense pursuant to Paragraph 4.2 hereof. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Rent Commencement Date or Expiration Date.

8.2 <u>Tenant's Insurance</u>.

- (i) At its sole cost and expense, in the event Tenant elects not to self-insure, Tenant shall maintain in full force and effect during the Term of the Lease the following insurance coverages insuring against claims which may arise from or in connection with the Tenant's operation and use of the leased Premises.
- (a) Commercial General Liability insurance with minimum limits of \$1,000,000 per occurrence; \$3,000,000 general aggregate for bodily injury, personal injury and property damage. If required by Landlord, liquor liability coverage will be included.
- (b) Workers' Compensation insurance with statutory limits and Employers Liability with a \$1,000,000 per accident limit for bodily injury or disease.
- (c) Automobile Liability Insurance covering all owned, non-owned and hired vehicles with a \$1,000,000 per accident limit for bodily injury and property damage.
- (d) Property insurance against all risks of loss to any tenant improvements or betterments and business personal property on a full replacement cost basis with no coinsurance penalty provision; and Business Interruption Insurance with a limit of liability representing loss of at least approximately six (6) months of income.
- (ii) Tenant shall deliver to AMB or Landlord's property management company certificates of all insurance reflecting evidence of required coverages prior to initial occupancy; and annually thereafter.
- (iii) If, in the opinion of Landlord's insurance advisor, the amount or scope of such coverage is deemed inadequate at any time during the Term, Tenant shall increase such coverage to such reasonable amounts or scope as Landlord's advisor deems adequate.
- (iv) All insurance required under Paragraph 8.2 (i) shall be primary and non-contributory (ii) shall provide for severability of interests, (iii) shall be issued by insurers,

licensed to do business in the state in which the Premises are located and which are rated A:VII or better by Best's Key Rating Guide, (iv) shall be endorsed to include Landlord and such other persons or entities as Landlord may from time to time designate, as additional insureds (Commercial General Liability only), and (v) shall be endorsed to provide at least thirty (30) days prior notification of cancellation or material change in coverage to said additional insureds.

- (v) Tenant's Self Insurance Rights. King County, a charter county government under the constitution of the State of Washington, hereinafter referred to as "Tenant," maintains a fully funded self-insurance program as defined in King County Code 4.12 for the protection and handling of the County's liabilities including injuries to persons and damage to property. Landlord acknowledges, agrees and understands that Tenant is self-funded for all of its liability exposures. Tenant agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Lease. Tenant agrees to provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and will provide Landlord with a certificate of self-insurance as adequate proof of coverage. Landlord further acknowledges, agrees and understands that Tenant does not purchase Commercial General Liability insurance and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured. Should Tenant elect cease self-insuring its liability exposures and purchase Commercial General Liability insurance, Tenant agrees to add Landlord as an additional insured and comply with Paragraph 8.2 (i) through (iv).
- 8.3 <u>Landlord's Insurance.</u> Landlord may, but shall not be obligated to, maintain all risk, including earthquake and flood, insurance covering the buildings within the Industrial Center, Commercial General Liability insurance, and such other insurance in such amounts and covering such other liability or hazards as deemed appropriate by Landlord. The amount and scope of coverage of Landlord's insurance shall be determined by Landlord from time to time in its sole discretion and shall be subject to such deductible amounts as Landlord may elect. Landlord shall have the right to reduce or terminate any insurance or coverage. Premiums for any such insurance shall be a Common Area Operating Expense.
- 8.4 <u>Waiver of Subrogation</u>. To the extent permitted by law and without affecting the coverage provided by insurance required to be maintained hereunder, Landlord and Tenant each waive any right to recover against the other on account of any and all claims Landlord or Tenant may have against the other with respect to property insurance actually carried, or required to be carried hereunder, to the extent of the proceeds realized from such insurance coverage.
- 8.5 <u>Indemnity</u>. Tenant shall protect, indemnify and hold the Landlord Entities harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of:
- (i) any damage to any property (including but not limited to property of any Landlord Entity) or death or injury to any person occurring in or about the Premises, the Building or the Industrial Center to the extent that such injury or damage shall be caused by or arise from any actual or alleged act, neglect, fault or omission by or of Tenant, its agents, servants, employees, invitees, or visitors;
- (ii) the conduct or management of any work or anything whatsoever done by the Tenant on or about the Premises or from transactions of the Tenant concerning the Premises:
- (iii) Tenant's failure to comply with any and all governmental laws, ordinances and regulations applicable to the condition or use of the Premises or its occupancy; or
- (iv) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of the Tenant to be performed pursuant to this Lease.

The provisions of this Paragraph 8.5 shall survive the termination of this Lease with respect to any claims or liability accruing prior to such termination.

8.6 Exemption of Landlord from Liability. Except to the extent caused by the gross negligence or willful misconduct of Landlord, Landlord Entities shall not be liable for and Tenant waives any claims against Landlord Entities for injury or damage to the person or the property of Tenant, Tenant's employees, contractors, invitees, customers or any other person in or about the Premises, Building or Industrial Center from any cause whatsoever, including, but not limited to, damage or injury which is caused by or results from: (i) fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or (ii) from the condition of the Premises, other portions of the Building or Industrial Center. Landlord shall not

be liable for any damages arising from any act or neglect of any other tenants of Landlord nor from the failure by Landlord to enforce the provisions of any other lease in the Industrial Center. Notwithstanding Landlord's negligence, gross negligence, or breach of this Lease, Landlord shall under no circumstances be liable for (a) injury to Tenant's business, for any loss of income or profit therefrom or any indirect, consequential or punitive damages or (b) any damage to property or injury to persons arising from any act of God, such as earthquakes, hurricanes, floods, or similar events.

9. Damage or Destruction.

- Termination Right. Tenant shall give Landlord immediate written notice of any damage to the Premises. Subject to the provisions of Paragraph 9.2, if the Premises or the Building shall be damaged to such an extent that there will be substantial interference for a period exceeding two hundred seventy (270) consecutive days with the conduct by Tenant of its business at the Premises, then either party, at any time prior to commencement of repair of the Premises and following ten (10) days written notice to the other party, may terminate this Lease effective thirty (30) days after delivery of such notice to the other party. Further, if any portion of the Premises is damaged and is not fully covered by the aggregate of insurance proceeds received by Landlord and any applicable deductible or if the holder of any indebtedness secured by the Premises requires that the insurance proceeds be applied to such indebtedness, and Tenant does not voluntarily contribute any shortfall thereof to Landlord, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within thirty (30) days after the date of notice to Tenant of any such event. Any termination shall not excuse the performance by Tenant of those covenants which under the terms hereof survive termination. Rent shall be abated in proportion to the degree of interference during the period that there is such substantial interference with the conduct of Tenant's business at the Premises. Abatement of rent and Tenant's right of termination pursuant to this provision shall be Tenant's sole remedy for failure of Landlord to keep in good order, condition and repair the foundations and exterior walls of the Building, Building roof, utility systems outside the Building, the Common Areas and HVAC.
- 9.2 <u>Damage Caused by Tenant</u>. Tenant's termination rights under Paragraph 9.1 shall not apply if the damage to the Premises or Building is the result of any act or omission of Tenant or of any of Tenant's agents, employees, customers, invitees or contractors ("Tenant Acts"). Any damage resulting from a Tenant Act shall be promptly repaired by Tenant. Landlord at its option may at Tenant's expense repair any damage caused by Tenant Acts. Tenant shall continue to pay all rent and other sums due hereunder and shall be liable to Landlord for all damages that Landlord may sustain resulting from a Tenant Act.

10. Real Property Taxes.

- 10.1 <u>Payment of Real Property Taxes</u>. Landlord shall pay the Real Property Taxes due and payable during the term of this Lease and, except as otherwise provided in Paragraph 10.3, any such amounts shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.
- Real Property Tax Definition. As used herein, the term "Real Property Taxes" is any form of tax or assessment, general, special, ordinary or extraordinary, imposed or levied upon (a) the Industrial Center, (b) any interest of Landlord in the Industrial Center, (c) Landlord's right to rent or other income from the Industrial Center, and/or (d) Landlord's business of leasing the Premises. Real Property Taxes include (i) any license fee, commercial rental tax, excise tax, improvement bond or bonds, levy, local improvement district assessment or tax; (ii) any tax or charge which replaces or is in addition to any of such above-described "Real Property Taxes" and (iii) any fees, expenses or costs (including attorney's fees, expert fees and the like) incurred by Landlord in protesting or contesting any assessments levied or any tax rate. The term "Real Property Taxes" shall also include any increase resulting from a change in the ownership of the Industrial Center or Building, or the improvements thereon the execution of this Lease or any modification, amendment or transfer thereof. Real Property Taxes for tax years commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Rent Commencement Date or Expiration Date.
- 10.3 <u>Joint Assessment.</u> If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed.
- 10.4 <u>Tenant's Property Taxes</u>. Tenant shall pay prior to delinquency all taxes assessed against and levied upon Tenant's improvements, fixtures, furnishings, equipment and all personal property of Tenant contained in the Premises or stored within the Industrial Center.

- 10.5 <u>Additional Improvements.</u> Operating Expenses shall not include Real Property Taxes attributable to improvements placed upon the industrial Center by other tenants or by Landlord for the exclusive enjoyment of such other tenants. Tenant shall, however, pay to Landlord at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed by reason of improvements placed upon the Premises by Tenant or at tenant's request.
- 11. <u>Utilities</u>. Tenant shall pay directly for all utilities and services supplied to the Premises, including but not limited to electricity, telephone, trash removal, security, gas, garbage and waste disposal, and cleaning of the Premises, together with any taxes thereon.

12. Assignment and Subletting.

12.1 Landlord's Consent Required.

- Tenant shall not assign, transfer, mortgage or otherwise transfer or encumber (collectively, "assign") or sublet all or any part of Tenant's interest in this Lease or in the Premises without Landlord's prior written consent which consent shall not be unreasonably withheld. Relevant criteria in determining reasonability of consent include, but are not limited to, credit history of a proposed assignee or sublessee, references from prior landlords, any change or intensification of use of the Premises or the Common Areas and any limitations imposed by the Internal Revenue Code and the Regulations promulgated thereunder relating to Real Estate Investment Trusts. It shall be reasonable for Landlord to deny consent to any sublease or assignment request where the proposed transferee (or any person or entity which directly or indirectly controls, is controlled by, or is under common control with the proposed transferee) is an existing tenant or occupant of the Industrial Center or a person or entity with whom Landlord is then dealing, or with whom Landlord has had any dealings within the previous six (6) months, with respect to the leasing of space in the Industrial Center. Assignment or sublet shall not release Tenant from its obligations hereunder. Tenant shall not (i) sublet or assign or enter into other arrangements such that the amounts to be paid by the sublessee or assignee thereunder would be based, in whole or in part, on the income or profits derived by the business activities of the sublessee or assignee; (ii) sublet the Premises or assign this Lease to any person in which Landlord owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Internal Revenue Code (the "Code"); or (iii) sublet the Premises or assign this Lease in any other manner which could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or which could cause any other income received by Landlord to fail to qualify as income described in Section 856(c)(2) of the Code. The requirements of this Paragraph 12.1 shall apply to any further subleasing by any subtenant.
- (b) A change in the control of Tenant shall constitute an assignment requiring Landlord's consent. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting or management control of Tenant shall constitute a change in control for this purpose.
- (c) No acceptance by Landlord of any rent or any other sum of money from any assignee, sublessee or other category of transferee shall be deemed to constitute Landlord's consent to any assignment, sublease, or transfer. No such assignment, subletting, occupancy or collection shall be deemed the acceptance of the assignee, tenant or occupant, as Tenant, or a release of Tenant from the further performance by Tenant of Tenant's obligations under this Lease. Any assignment or sublease consented to by Landlord shall not relieve Tenant (or its assignee) from obtaining Landlord's consent to any subsequent assignment or sublease.
- Rent Adjustment. If, as of the effective date of any permitted assignment or subletting the then remaining term of this Lease is less than three (3) years, Landlord may, as a condition to its consent: (i) require that the amount and adjustment schedule of the rent payable under this Lease be adjusted to what is then the market value and/or adjustment schedule for property similar to the Premises as then constituted, as determined by Landlord; or (ii) terminate the Lease as of the date of assignment or subletting subject to the performance by Tenant of those covenants which under the terms hereof survive termination.
- shall receive as additional rent hereunder fifty percent (50%) of Tenant's "Excess Consideration" derived from such assignment or sublease. If Tenant shall elect to assign or sublet, Tenant shall use reasonable and good faith efforts to secure consideration from any such assignee or subtenant which would be generally equivalent to then-current market rent, but in no event shall Tenant's monetary obligations to Landlord, as set forth in this Lease, be reduced. In the event of a sublease, "Excess Consideration" shall mean all rent, additional rent

or other consideration actually received by Tenant from such subtenant and/or actually paid by such subtenant on behalf of Tenant in connection with the subletting in excess of the rent, additional rent and other sums payable by Tenant under this Lease during the term of the sublease on a per square foot basis if less than all of the Premises is subleased, less marketing costs, attorneys' fees and brokerage commissions, if any, reasonably incurred by Tenant to procure the sublease, and the cost of any alterations made by Tenant specifically for the benefit of such subtenant. In the event of an assignment, "Excess Consideration" shall mean key money, bonus money or other consideration paid by the assignee to Tenant in connection with such assignment, and any payment in excess of fair market value for services rendered by Tenant to assignee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to assignee in connection with such assignment less marketing costs, attorneys' fees and brokerage commissions, if any, reasonably incurred by Tenant to procure the assignment, and the cost of any alterations made by Tenant specifically for the benefit of such assignee. If part of the "Excess Consideration" shall be payable by the assignee or subtenant other than in cash, then Landlord's share of such non-cash consideration shall be in such form as is reasonably satisfactory to Landlord.

13. <u>Default; Remedies</u>.

- 13.1 <u>Default</u>. The occurrence of any one of the following events shall constitute an event of default on the part of Tenant ("Default"):
 - (a) The abandonment of the Premises by Tenant;
- (b) Failure to pay any installment of Base Rent, Additional Rent or any other monies due and payable hereunder, said failure continuing for a period of three (3) days after the same is due;
- (c) A general assignment by Tenant or any guarantor for the benefit of creditors;
- (d) The filing of a voluntary petition of bankruptcy by Tenant or any guarantor, the filing of a voluntary petition for an arrangement, the filing of a petition, voluntary or involuntary, for reorganization, or the filing of an involuntary petition by Tenant's creditors or guarantors:
- (e) Receivership, attachment, or other judicial seizure of the Premises or all or substantially all of Tenant's assets on the Premises;
- (f) Failure of Tenant to maintain insurance as required under Paragraph 8.2 if Tenant does not self-insure in accordance with Paragraph 8.2;
 - (g) Any breach by Tenant of its covenants under Paragraph 6.2;
- (h) Failure in the performance of any of Tenant's covenants, agreements or obligations hereunder (except those failures specified as events of Default in other Paragraphs of this Paragraph 13.1 which shall be governed by such other Paragraphs), which failure continues for ten (10) days after written notice thereof from Landlord to Tenant provided that, if Tenant has exercised reasonable diligence to cure such failure and such failure cannot be cured within such ten (10) day period despite reasonable diligence, Tenant shall not be in default under this subparagraph unless Tenant fails thereafter diligently and continuously to prosecute the cure to completion;
- (i) Any transfer of a substantial portion of the assets of Tenant, or any incurrence of a material obligation by Tenant, unless such transfer or obligation is undertaken or incurred in the ordinary course of Tenants business or in good faith for equivalent consideration, or with Landford's consent; and
- (j) The default of any guarantors of Tenant's obligations hereunder under any guaranty of this Lease, or the attempted repudiation or revocation of any such guaranty.
- 13.2 <u>Remedies</u>. In the event of any Default by Tenant, Landlord shall have the remedies set forth in the Addendum attached hereto entitled "Landlord's Remedies in Event of Tenant Default".
- 13.3 <u>Late Charges.</u> Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of Rent or other sum due from Tenant shall not be received by Landlord or

Landlord's designee within five (5) days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount; provided, however, the first two (2) times during the first twelve (12) months of the term of this Lease, Tenant shall not be required to pay a late charge if Tenant fails to pay rent within five (5) days after the date such amount is due so long as Tenant pays such past due amount within five (5) days of written notice from Landlord that such amount is past due. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's Default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of the floor area of the Premises, or more than twenty-five percent (25%) of the portion of the Common Areas designated for Tenant's parking, is taken by condemnation, Tenant may, at Tenant's option, to be exercised in writing within ten (10) days after Landlord shall have given Tenant written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in the same proportion as the rentable floor area of the Premises taken bears to the total rentable floor area of the Premises. No reduction of Base Rent shall occur if the condemnation does not apply to any portion of the Premises. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Landlord, provided, however, that Tenant shall be entitled to any compensation, separately awarded to Tenant for Tenant's relocation expenses and/or loss of Tenant's trade fixtures. In the event that this Lease is not terminated by reason of such condemnation, Landlord shall to the extent of its net severance damages in the condemnation matter, repair any damage to the Premises caused by such condemnation authority. Tenant shall be responsible for the payment of any amount in excess of such net severance damages required to complete such repair.

15. Estoppel Certificate.

. Each party (herein referred to as "Responding Party") shall within ten (10) days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party, to the extent it can truthfully do so, an estoppel certificate, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

16. Additional Covenants and Provisions.

- 16.1 <u>Severability</u>. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall not affect the validity of any other provision hereof.
- 16.2 <u>Interest on Past-Due Obligations</u>. Any monetary payment due Landlord hereunder not received by Landlord within ten (10) days following the date on which it was due shall bear interest from the date due at twelve percent (12%) per annum, but not exceeding the maximum rate allowed by law in addition to the late charge provided for in Paragraph 13.3.
- 16.3 <u>Time of Essence</u>. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.
- 16.4 <u>Landlord Liability</u>. Tenant, its successors and assigns, shall not assert nor seek to enforce any claim for breach of this Lease against any of Landlord's assets other than Landlord's interest in the Industrial Center. Tenant agrees to look solely to such interest for the satisfaction of any liability or claim against Landlord under this Lease. In no event whatsoever shall Landlord (which term shall include, without limitation, any general or limited partner, trustees, beneficiaries, officers, directors, or stockholders of Landlord) ever be personally liable for any such liability.
- 16.5 <u>No Prior or Other Agreements</u>. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and supersedes all oral, written prior or contemporaneous agreements or understandings.

16.6 <u>Notice Requirements</u>. All notices to be given hereunder shall be deemed to have been given when given in writing by depositing the same in the United States mail, postage prepaid, registered or certified, or by overnight mail, and address to the party at the respective mailing address as herein set forth.

To Landlord at:

AMB Institutional Alliance Fund III, L.P.

c/o AMB Property Corporation

Pier 1, Bay 1

San Francisco, CA 94111

With cc to:

GGL Real Estate Services, Inc. 12720 Gateway Drive #110

Tukwila, WA 98168

To Tenant at:

King County Real Estate Services

Section

500 Fourth Avenue, Suite 500 Seattle, WA 98104-3279

It is understood that each party may change the address to which notices may be sent by giving a written notice of such change to the other party hereto in the manner herein provided.

- Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail, the notice shall be deemed given 48 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or an overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the United States Postal Service or courier. If any notice is transmitted by facsimile transmission or similar means, the same shall be deemed served or delivered upon telephone or facsimile confirmation of receipt of the transmission thereof, provided a copy is also delivered via hand or overnight delivery or certified mail. If notice is received on a Saturday or a Sunday or a legal holiday, it shall be deemed received on the next business day.
- 16.8 <u>Waivers</u>. No waiver by Landlord of a Default by Tenant shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default by Tenant of the same or any other term, covenant or condition hereof.
- Holdover. Tenant has no right to retain possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease. If Tenant holds over with the consent of Landlord: (i) the Base Rent payable shall be increased to one hundred fifty percent (150%) of the Rent payable during the month immediately preceding such expiration or earlier termination; (ii) Tenant's right to possession shall terminate on thirty (30) days notice from Landlord and (iii) all other terms and conditions of this Lease shall continue to apply. Nothing contained herein shall be construed as a consent by Landlord to any holding over by Tenant. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, demands, actions, losses, damages, obligations, costs and expenses, including, without limitation, attorneys' fees incurred or suffered by Landlord by reason of Tenant's failure to surrender the Premises on the expiration or earlier termination of this Lease in accordance with the provisions of this Lease.
- 16.10 <u>Cumulative Remedies</u>. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies in law or in equity.
- 16.11 <u>Binding Effect: Choice of Law.</u> This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.
- 16.12 <u>Landlord</u>. The covenants and obligations contained in this Lease on the part of Landlord are binding on Landlord, its successors and assigns, only during and in respect of their respective period of ownership of such interest in the Industrial Center. In the event of any transfer or transfers of such title to the Industrial Center, Landlord (and in the case of any subsequent transfers or conveyances, the then grantor) shall be concurrently freed and relieved from and after the date of such transfer or conveyance, without any further instrument or agreement, of all liability with respect to the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed.
- 16.13 Attorneys' Fees and Other Costs. If any Party brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the Prevailing Party (as hereafter defined)

in any such proceeding shall be entitled to reasonable attorneys' fees. The term "Prevailing Party" shall include, without limitation, a Party who substantially obtains or defeats the relief sought. Landlord shall be entitled to attorneys' fees, costs and expenses incurred in preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting breach. Tenant shall reimburse Landlord on demand for all reasonable legal, engineering and other professional services expenses incurred by Landlord in connection with all requests by Tenant for consent or approval hereunder.

- 16.14 <u>Landlord's Access; Showing Premises; Repairs</u>. Landlord and Landlord's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times upon reasonable notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises or to the Building, as Landlord may reasonably deem necessary. Landlord may at any time place on or about the Premises or Building any ordinary "For Sale" signs and Landlord may at any time during the last one hundred eighty (180) days of the term hereof place on or about the Premises any ordinary "For Lease" signs. All such activities of Landlord shall be without abatement of rent or liability to Tenant.
- 16.15 <u>Tenant Signage</u>. Tenant may, at its sole expense, place external signage on the Building provided that such signs are in accordance with the Sign Specifications for the Industrial Center, have been approved in advance by Landlord and do not violate any statute, regulations, or permitting requirements existing during the Term of this Lease. Tenant shall be responsible for all maintenance of its signage and for the costs of removal of such signs and of restoring the Building to the condition existing prior to its installation and satisfactory to Landlord.
- 16.16 <u>Termination: Merger.</u> Unless specifically stated otherwise in writing by Landlord, the voluntary or other surrender of this Lease by Tenant, the mutual termination or cancellation hereof, or a termination hereof by Landlord for Default by Tenant, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, Landlord shall, in the event of any such surrender, termination or cancellation, have the option to continue any one or all of any existing subtenancies. Landlord's failure within ten (10) days following any such event to make a written election to the contrary by written notice to the holder of any such lesser interest, shall constitute Landlord's election to have such event constitute the termination of such interest.
- 16.17. Quiet Possession. Upon payment by Tenant of the Base Rent and Additional Rent for the Premises and the performance of all of the covenants, conditions and provisions on Tenant's part to be observed and performed under this Lease, Tenant shall have quiet possession of the Premises for the entire term hereof subject to all of the provisions of this Lease.

16.18 Subordination; Attornment; Non-Disturbance.

- Subordination. This Lease shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or mortgage (collectively, "Mortgage") now or hereafter placed by Landlord upon the real property of which the Premises are a part, to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Tenant agrees that any person holding any Mortgage shall have no duty, liability or obligation to perform any of the obligations of Landlord under this Lease. In the event of Landlord's default with respect to any such obligation, Tenant will give any Lender, whose name and address have previously in writing been furnished Tenant, notice of a default by Landlord. Tenant may not exercise any remedies for default by Landlord unless and until Landlord and the Lender shall have received written notice of such default and a reasonable time (not less than ninety (90) days) shall thereafter have elapsed without the default having been cured. If any Lender shall elect to have this Lease superior to the lien of its Mortgage and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such Mortgage. The provisions of a Mortgage relating to the disposition of condemnation and insurance proceeds shall prevail over any contrary provisions contained in this Lease.
- (b) Attornment. Subject to the non-disturbance provisions of subparagraph C of this Paragraph 16.18, Tenant agrees to attorn to a Lender or any other party who acquires ownership of the Premises by reason of a foreclosure of a Mortgage. In the event of such foreclosure, such new owner shall not: (i) be liable for any act or omission of any prior landlord or with respect to events occurring prior to acquisition of ownership, (ii) be subject to any offsets or defenses which Tenant might have against any prior Landlord, or (iii) be liable for security deposits or be bound by prepayment of more than one month's rent.

- (c) <u>Non-Disturbance</u>. With respect to Mortgage entered into by Landlord after the execution of this Lease, Tenant's subordination of this Lease shall be subject to receiving assurance (a "non-disturbance agreement") from the Mortgage holder that Tenant's possession and this Lease will not be disturbed so long as Tenant is not in default and attorns to the record owner of the Premises.
- (d) <u>Self-Executing.</u> The agreements contained in this Paragraph 16.18 shall be effective without the execution of any further documents; provided, however, that upon written request from Landlord or a Lender in connection with a sale, financing or refinancing of Premises, Tenant and Landlord shall execute such further writings as may be reasonably required to separately document any such subordination or non-subordination, attornment and/or non-disturbance agreement as is provided for herein. Landlord is hereby irrevocably vested with full power to subordinate this Lease to a Mortgage.
- 16.19 <u>Rules and Regulations</u>. Tenant agrees that it will abide by, and to cause its employees, suppliers, shippers, customers, tenants, contractors and invitees to abide by all the rules and regulations attached hereto as Exhibit C ("Rules and Regulations") which Landlord may change from time to time for the management, safety, care, and cleanliness of the Common Areas, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Industrial Center and their invitees. Landlord shall not be responsible to Tenant for the non-compliance with said Rules and Regulations by other tenants of the Industrial Center.
- 16.20 <u>Security Measures</u>. Tenant acknowledges that the rental payable to Landlord hereunder does not include the cost of guard service or other security measures. Landlord has no obligations to provide same. Tenant assumes all responsibility for the protection of the Premises, Tenant, its agents and invitees and their property from the acts of third parties.

16.21 Reservations.

- (a) Landlord reserves the right to grant such easements that Landlord deems necessary and to cause the recordation of parcel maps, so long as such easements and maps do not unreasonably interfere with the use of the Premises by Tenant. Tenant agrees to sign any documents reasonably requested by Landlord to effectuate any such easements or maps.
- (b) Tenant agrees that Landlord may at any time following the execution of this Lease, either directly or through Landlord's agents, identify Tenant's name in any marketing materials relating to the Building or Landlord's portfolio and/or make press releases or other announcements regarding the leasing of the Premises by Tenant, and Tenant hereby waives any and all claims in connection therewith.
- 16.22 Agency Disclosure. At the signing of this Lease Agreement, the Landlord's Leasing Agents, Billy Moultrie, Arie Salomon, and Jeff Forsberg of NAI Puget Sound Properties, represented the Landlord. The Tenant's listing agents, Evan Lugar and Garth Olsen, of GVA Kidder Mathews, represented Tenant. Each party signing this document confirms that the prior oral and/or written disclosure of agency was provided to him/her in this transaction. (As required by WAC 308-124D-040.)
- 16.23 <u>Brokerage Relationships</u>. Landlord and Tenant, by their execution of this Lease Agreement, each acknowledge that they have received a pamphlet on the law of real estate agency as required under RCW 18.86.030(1)(f).
- 16.24 Payment of Brokers. Landlord shall pay the commissions, if any, due those real estate brokers or agents specifically named in Paragraph 16.22 above by reason of this Lease. Apart from the foregoing, each party represents that it has not had any dealings with any real estate broker, finder, salesperson or other person with respect to this Lease, and each party agrees to hold harmless the other party from all costs, expenses, and/or damages, resulting from any claims that may be asserted against the other party by any broker, finder, or other person, with whom the other party has or purportedly has dealt.
- 16.25 <u>Conflict</u>. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.
- 16.26 Offer. Preparation of this Lease by either Landlord or Tenant or Landlord's agent or Tenant's agent and submission of same to Tenant or Landlord shall not be deemed an offer to lease. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

- 16.27 <u>Amendments</u>. This Lease may be modified only in writing, signed by the parties in interest at the time of the modification.
- 16.28 <u>Multiple Parties</u>. Except as otherwise expressly provided herein, if more than one person or entity is named herein as Tenant, the obligations of such persons shall be the joint and several responsibility of all persons or entities named herein as such Tenant.
- 16.29 <u>Authority</u>. Each person signing on behalf of Landlord or Tenant warrants and represents that she or is authorized to execute and deliver this Lease and to make it a binding obligation of Landlord or Tenant.
- 16.30 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.
- 16.31 <u>Force Majeure</u>. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be held responsible for delays in the performance of its obligations hereunder when each delay is due to strikes, lock outs, labor disputes, acts of God, or reasonable substitutes therefore, governmental acts, civil commotion, fire or other casualty, or any other causes beyond the reasonable control of Landlord.
- 16.32 <u>Lease Captions</u>. The captions of this Lease are for convenience only and are not a part of this Lease, and do not in any way define, limit, describe or amplify the terms or provisions of this Lease or the scope or intent thereof.
- 16.33 <u>Counterparts</u>. This Lease may be executed in multiple counterparts, each of which shall constitute an original, APPROVED AS TO FORM:but all of which taken together shall constitute one and the same agreement.
- 16.34 <u>Interpretation</u>. The parties acknowledge that this Lease is the result of negotiations between the parties, and in construing any ambiguity hereunder no presumption shall be made in favor of either party. No inference shall be made from any item, which has been stricken from this Lease other than the deletion of such item.

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

LANDLORD:		TENANT:	
AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership		KING COUNTY, a municipal corporation of the state of Washington	
a De	B Property L. P., elaware limited partnership eneral manager	By: Jeffer L. Saffer	
a Ma	Property Corporation, aryland corporation, aneral partner	Its: Manager, Real Estate Serves	
ву: (//	line vilellischward	Telephone: (166) 2c5 5772 Facsimile: (206) 266 7467	
Name: <u>JW M</u>	l. Blechschmidt	4	
Its: Vice	President	Executed at: Seather WA. On: 12/17/06	
Telephone: Facsimile: Executed at: On:	415-394-9000 415-394-9001 Pier 1, Bay 1 San Francisco, CA 94111	By:	
		Custodial Agency	

TENANT: COUNTY OF K On Jacober 17,200 Defore me Stokent Thomas Notary Public in and for the State of Washington, personally appeared Season Salvan personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. Witness my hand and official seal hereto affixed the day and year first above written. R088 7404 Signed: Printed Name: Robert Ross Humann Seuthener residing at My Commission Expires: 10-15-2013 LANDLORD: State of California County before me, (here insert name and title of the officer), personally appeared JiN M. Blechschmidt who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. See attached loose WITNESS my hand and official seal. certificate Haalog Signature (Seal)

THIS CERTIFICATE MUST BE	Document Title/Type:	
ATTACHED TO THE DOCUMENT	Number of pages :	
DESCRIBED AT RIGHT:	Date of Document : Signer other than named above:	

ACKNOWLEDGMENT

State of California)
) SS.
County of San Francisco)

On December 22, 2009, before me, Elise J. Krzyzkowski, a Notary Public, personally appeared Jill M. Blechschmidt, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand the official seal.

ure ver in (S

ELISE J. KRZYZKOWSKI
Commission # 1697129
Notary Public - California
San Francisco County
My Comm. Expires Oct 2, 2010

ADDENDUM 1

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

LANDLORD'S REMEDIES ADDENDUM IN EVENT OF TENANT DEFAULT

- (a) <u>Termination</u>. In the event of any Default by Tenant, then in addition to any other remedies available to Landlord at law or in equity and/or under this Lease, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall elect to so terminate this Lease then Landlord may recover from Tenant:
- (1) the worth at the time of award of any unpaid Rent and any other sums due and payable which have been earned at the time of such termination; plus
- (2) the worth at the time of award of the amount by which the unpaid Rent and any other sums due and payable which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus
- (3) the worth at the time of award of the amount by which the unpaid Rent and any other sums due and payable for the balance of the term of this Lease after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus
- (4) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course would be likely to result therefrom, including, without limitation, any costs or expenses incurred by Landlord (i) in retaking possession of the Premises; (ii) in maintaining, repairing, preserving, restoring, replacing, cleaning, altering or rehabilitating the Premises or any portion thereof, including such acts for reletting to a new lessee or lessees; (iii) for leasing commissions; or (iv) for any other costs necessary or appropriate to relet the Premises; plus
- (5) such reasonable attorneys' fees incurred by Landlord as a result of a Default, and costs in the event suit is filed by Landlord to enforce such remedy; and plus
- (6) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in subparagraphs (1) and (2) above, the "worth at the time of award" is computed by allowing interest at an annual rate equal to twelve percent (12%) per annum or the maximum rate permitted by law, whichever is less. As used in subparagraph (3) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%). Tenant waives any right of redemption under any other present or future law, in the event Tenant is evicted or Landlord takes possession of the Premises by reason of any Default of Tenant hereunder.

- (b) <u>Continuation of Lease</u>. In the event of any Default by Tenant, then Landlord shall have all remedies available to Landlord at law or in equity and/or under this Lease.
- (c) Re-entry. In the event of any Default by Tenant, Landlord shall also have the right, with or without terminating this Lease, in compliance with applicable law, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant.
- (d) Reletting. In the event of the abandonment of the Premises by Tenant or in the event that Landlord shall elect to re-enter or shall take possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, then if Landlord does not elect to terminate this Lease as provided in Paragraph a, Landlord may from time to time, without terminating this Lease, relet the Premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable with the right to make alterations and repairs to the Premises. In the event that Landlord shall elect to so relet, then rentals received by Landlord from such reletting shall be applied in the following order: (1) to reasonable attorneys' fees incurred by Landlord as a result of a Default and costs in the event suit is filed by Landlord to enforce such remedies; (2) to the

payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; (3) to the payment of any costs of such reletting; (4) to the payment of the costs of any alterations and repairs to the Premises; (5) to the payment of Rent due and unpaid hereunder; and (6) the residue, if any, shall be held by Landlord and applied in payment of future Rent and other sums payable by Tenant hereunder as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of Rent hereunder, be less than the Rent payable during the month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as ascertained, any costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

- (e) <u>Termination</u>. No re-entry or taking of possession of the Premises by LANDLORD pursuant to this Addendum shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Landlord because of any Default by Tenant, Landlord may at any time after such reletting elect to terminate this Lease for any such Default.
- (f) <u>Cumulative Remedies</u>. The remedies herein provided are not exclusive and Landlord shall have any and all other remedies provided herein or by law or in equity.
- (g) No Surrender. No act or conduct of Landlord, whether consisting of the acceptance of the keys to the Premises, or otherwise, shall be deemed to be or constitute an acceptance of the surrender of the Premises by Tenant prior to the expiration of the Term, and such acceptance by Landlord of surrender by Tenant shall only flow from and must be evidenced by a written acknowledgment of acceptance of surrender signed by Landlord. The surrender of this Lease by Tenant, voluntarily or otherwise, shall not work a merger unless Landlord elects in writing that such merger take place, but shall operate as an assignment to Landlord of any and all existing subleases, or Landlord may, at its option, elect in writing to treat such surrender as a merger terminating Tenant's estate under this Lease, and thereupon Landlord may terminate any or all such subleases by notifying the sublessee of its election so to do within five (5) days after such surrender.
- (h) Notice Provisions. Tenant agrees that any notice given by Landlord pursuant to Paragraph 13.1 of the Lease shall satisfy all requirements for notice, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding or any other rights or remedies under this Lease.

INITIAL

INITIAL

ADDENDUM 2

To Lease dated November 30, 2009
By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

ADDITIONAL LEASE PROVISIONS

- 1.0 Refurbishment Allowance (Office Only). If this Lease is still in full force and effect on December 1, 2014 and so long as Tenant is not in default of this Lease beyond any applicable cure period, Landlord will provide a refurbishment allowance of up to \$3,840.00 to reimburse Tenant for installing new carpet in the office portion of the Premises and/or painting the interior walls of the office portion of the Premises. To obtain reimbursement for such work, Tenant must fully complete all such work no later than November 30, 2015 and shall provide Landlord with evidence reasonably satisfactory to Landlord that such work for which Tenant is seeking reimbursement (including invoices for such work) have been fully completed and all contractors performing such work have been paid and waived any and all lien rights. The reimbursement amount shall be paid by Landlord to Tenant within thirty (30) days of Tenant satisfying all requirements pertaining to the payment of such refurbishment allowance.
- Qption to Terminate. Tenant shall have the one (1) time option to terminate this Lease effective December 31, 2010, provided that each of the following conditions are satisfied: (1) Tenant has remedied any default of any of the terms and conditions of this Lease; (2) Tenant shall have provided Landlord irrevocable written notice not later than July 31, 2010 of Tenant's exercise of this option to terminate this Lease; and (3) at the time Tenant delivers Tenant's irrevocable written notice to terminate this Lease, Tenant also pays Landlord a termination fee equal to the sum of: (a) two (2) months of the current Base Rent payable from January 1, 2011 through February 28, 2011; and (b) all unearned leasing commissions. The right to terminate the Lease hereby granted is personal to King County and is not transferable; in the event of any assignment or subletting under this Lease, the right to terminate the Lease shall automatically terminate and shall thereafter be null and void

EXHIBIT A

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

PREMISES AND SITE PLAN DES MOINES LOGISTIC CENTER

BUILDING C SUITE 400 19240 DES MOINES MEMORIAL DRIVE SO. SEATAC, WASHINGTON

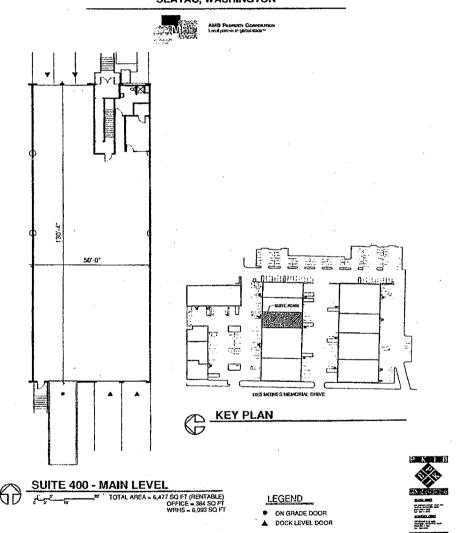


EXHIBIT B

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

RENT COMMENCEMENT DATE CERTIFICATE

LANDLORD:	AMB Institutional Alliance Fund III, LP
TENANT:	King County
LEASE DATE:	November 30, 2009
PREMISES:	855 South 192 nd Street, Suite 1000 SeaTac, WA 98148
Tenant hereby accepts the	Premises as being in the condition required under the Lease.
The Rent Commencement	Date of the Lease is
The Expiration Date of the	Lease is
Landlord: [insert ownership name here check for proper signature bloc a [insert ownership entity type here By: AMB Property Corporation, Its General Partner By: Jill M. Blechschmidt Title: Vice President Telephone: 415-394-9000 Facsimile: 415-394-9001 Executed at: San Francisco, CA	Title: Telephone: Facsimile: Executed at:
On:	On:

EXHIBIT C

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

RULES AND REGULATIONS

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

All approved signs or lettering on doors shall be printed, affixed or inscribed at the expense of Tenant by a person approved by Landlord. See Exhibit G-1 and G-2 for further criteria.

Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises.

- 2. If a directory is located at the building, it is provided exclusively for the display of the name and location of Tenant only and Landlord reserves the right to exclude any other names therefrom.
- 3. The sidewalks, passages, exits, entrances, and stairways in and around the Building shall not be obstructed by Tenant or used by it for any purpose other than for ingress to and egress from the Premises. The passages, exits, entrances, stairways, and roof are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation and interests of the Building and its Tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. Neither Tenant nor any employees or invitees of Tenant shall go upon the roof of the Building.
- 4. The toilets and urinals shall not be used for any purpose other than those for which they were constructed, and no rubbish, newspapers or other substances of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed. Tenant shall be responsible for any breakage, stoppage or damage resulting from the violation of this rule by Tenant or its employees or invitees.
- 5. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof.
- 6. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other Tenants or those having business there.
- 7. The Premises shall not be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.
- 8. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline, or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord without complying with requirements set forth in this Lease.
- 9. Landlord will direct electricians as to the manner and location in which telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
- 10. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by Tenant.
- 11. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.

- 12. Tenant shall not disturb, solicit, or canvass any occupant of the Building.
- 13. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
- 14. Tenant shall not permit any contractor or other person making any alterations, additions or installations within the Premises to use the hallways, lobby or corridors as storage or work areas without the prior written consent of Landlord. Tenant shall be liable for and shall pay the expense of any additional cleaning or other maintenance required to be performed by Landlord as a result of the transportation or storage of materials or work performed within the Building by or for Tenant.
- 15. Tenant shall be entitled to use parking spaces as mutually agreed upon between Tenant and Landlord subject to such reasonable conditions and regulations as may be imposed from time to time by Landlord. Tenant agrees that vehicles of Tenant or its employees or agents shall not park in driveways nor occupy parking spaces or other areas reserved for any use such as Visitors, Delivery, Loading, or other tenants. Landlord or its agents shall have the right to cause or be removed any car of Tenant, its employees or agents, that may be parked in unauthorized areas, and Tenant agrees to save and hold harmless Landlord, its agents and employees from any and all claims, losses, damages and demands asserted or arising in respect to or in connection with the removal of any such vehicle. Tenant, its employees, agents or contractors shall not: (i) park campers, trucks or cars on the Building parking areas overnight or over weekends, or (ii) allow any trailers, boats, personal vehicles of any kind or any other materials to be parked or stored in the Building parking areas overnight or over weekends. Tenant will from time to time, upon request of Landlord, supply Landlord with a list of license plate numbers of vehicles owned or operated by its employees and agents. Tenant shall not wash vehicles or equipment in parking lot.
- 16. Landlord reserves the right to make modifications hereto and such other and further rules and regulations as in its sole judgment may be required for the safety, care and cleanliness of the Premises and the Building and for the preservation of good order therein. Tenant agrees to abide by all such rules and regulations.
- 17. Canvassing, soliciting and peddling is prohibited in the Building and each Tenant shall cooperate to prevent the same.
- 18. Landlord is not responsible for the violation of any rule contained herein by any other Tenant.
- 19. Landlord may waive any one or more of these rules for the benefit of any particular Tenant, but no such waiver shall be construed as a waiver of Landlord's right to enforce these rules against any or all Tenants occupying the Building.
- 20. Tenant is responsible for purchasing and installing a security system if required by the City of SeaTac. The cost of purchasing and installation of such system is the sole cost and expense of Tenant.
- 21. No Outside Storage. Storage, either permanent or temporary, of any materials, supplies or equipment in the Common Areas is strictly prohibited. Should Tenant violate this provision of the Lease, then in such event, Landlord may, without notice to Tenant, remove said materials, supplies or equipment from the Common Areas and place such items in storage or dispose of such items, the cost thereof to be reimbursed by Tenant within ten (10) days from receipt of a statement submitted by Landlord. All subsequent costs in connection with the storage or disposal of said items shall be paid to Landlord by Tenant as accrued. Failure of Tenant to pay these charges within ten (10) days from receipt of statement shall constitute a breach of this Lease. Tenant and its officers, agents, employees, customers and invitees shall park their motor vehicles only in areas designated by Landlord for that purpose from time to time.

EXHIBIT D

To Lease dated November 30, 2009
By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

LANDLORD LIEN SUBORDINATION AGREEMENT

NOTE: This document is to be executed and dated subsequent to the original execution of the Lease, when and if Landlord's consent of waiver is sought.

THIS LANDLORD LIEN SUBORDINATION AGREEMENT (this "Agreement") is dated as of this, 200_ and is by and between [Insert Landlord Name] (the
"Landlord"), a
("Lender"), and ("Grantor").
(Granior).
RECITALS
Lender has provided Grantor a loan (the loan") under the terms of a certain loan
agreement between Lender and Granton Granton has secured the repayment of the Loan by
among other things, granting Lender a security interest in all of Grantor's inventory, and/or
trade fixtures and/or equipment (sur excluding leasehold improvements, fixtures and cash on
hand or on deposit with financial institutions), whether now owned or hereinafter acquired and all proceeds of any of the rogoing (the "Collateral").
an process of any of the condition).

Grantor and Landlord are parties to that certain Lease for space located at (the "Lease") pursuant to which Grantor has leased certain space from Landlord (the "Premises").

Lender has requested that Grantor obtain and cause Landlord to provide Landlord's subordination of all of Landlord's lien rights as lessor against any of the Collateral to the rights of Lender in the Collateral on the terms and conditions contained herein.

NOW, THEREFORE, the parties agree as follows:

- A. During the period commencing on the date Lender makes the Loan and ending on the earlier of the date such Loan is repaid or thirty (30) days following the date that Grantor is in default of the Lease, Landlord agrees that any liens of Landlord in the Collateral shall be subject and subordinate to the liens of Lender in the Collateral.
- During the period Landlord's lien on the Collateral is subordinate to the liens of Lender, Lender may enter upon the Premises during normal business hours upon at least five (5) days prior written notice to inspect or remove the Collateral, or any part thereof, from the Premises while Lender is in possession of the Premises, which period shall not exceed thirty (30) days; provided that Lender shall pay to Landlord all rent and additional charges payable by Grantor under the Lease for any period that Lender occupies the Premises pursuant to this Agreement prior to or concurrently with Lender's entry upon the Premises at the monthly rates then payable under the Lease, pro-rated on the basis of a thirty (30) day month. Lender shall promptly, at Lender's sole cost and expense, repair to Landlord's reasonable satisfaction or pay reasonable compensation to Landlord for damages, if any, to the Premises caused by removal of Collateral prior to the terminating of the Lease or removal of Grantor from the Premises by Landlord. All repairs shall be accomplished in a good and workmanlike manner without personal injury, property damage or liens. Lender shall indemnify, protect, defend and hold Landlord and Landlord's agents and employees harmless from all costs, expenses, claims and damages arising out of Lender's exercise of any rights of Lender contained herein, and such indemnity obligations shall survive the termination of this Agreement.
- C. Lender agrees to give Landlord written notice of any default of Grantor under the Security Agreement within ten (10) days of such default unless such default is permissibly and wholly cured within such time period.
- D. Grantor hereby (i) consents to the provisions of this Agreement, (ii) waives any and all rights or claims it may have under or by virtue of the Lease, or at law or in equity, with respect to any breach of Grantor's quiet enjoyment in and to the Premises or any interference with Grantor's operations in or about the Premises in any way related to or arising from

Lender's or Landlord's exercise of their rights granted herein or under the Lease, (iii) agrees that it shall not have any right to any rental abatement, deduction or offset against rental payments payable by Grantor under the Lease by virtue of Lender's or Landlord's exercise of their rights granted herein, and (iv) agrees that upon the expiration of the term of the Lease or the earlier termination thereof to (a) promptly remove or cause the removal of the Collateral from the Premises, and (b) promptly and fully repair any damage to the Premises, the building and/or the project in which the Premises is located, arising from the installation or removal of the Collateral in and from the Premises and to fully restore the Premises to a good, clean and safe condition and to Landlord's reasonable satisfaction.

E. Miscellaneous Provisions

- 1. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- 2. Failure of either party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself.
- 3. In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the US Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Agreement or with respect to any dispute relating to this Agreement, the prevailing party shall be entitled to recover from the losing party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.
- 4. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7 Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by all of the parties hereto.

change of address shall not be effective as to the other parties unless and until such party notifies the other parties of its new street address by one of the above described means of

8. This Agreement constitutes the entire understanding of the parties with regard to the subject matter hereof and all prior agreements, representations, and understandings between the parties other than the Lease, whether oral or written, are deemed null and void, all of the foregoing having been merged into this Agreement. The parties acknowledge that each party and/or its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement or any document executed and delivered by either party in connection with this Agreement.

delivery.

- 9. This Agreement may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original.
- 10. Time is of the essence of this Agreement. Unless the context otherwise requires, all periods terminating on a given day, period of days, or date shall terminate at 5:00 p.m. (Pacific Time) on such date or dates.
- 11. The Landlord's agreement to allow Lender to come onto the Property shall not act as a waiver, suspension or termination of any or all of the rights or remedies Landlord may have against Grantor by reason of any default by Grantor under the Lease.

IN WITNESS WHEREOF, Landlord, Lender and Grantor have executed this Agreement as of the date set forth above.

LENDER:	
Ву:	
Its:	
Date:	
GRANTOR:	
Ву:	
Its:	
Date:	
LANDLORD:	
By:	
Ву:	AMB Property Corporation General Partner
	By: Jill Blechschmidt
Date:	Its: Vice President

EXHIBIT E

To Lease dated November 30, 2009 By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

ENVIRONMENTAL MOVE-IN QUESTIONNAIRE

Property Name:

AMB Des Moines Logistics Center

Property Address: 855 South 192nd Street, Suite 100, Seattle, WA

Lease Date:

November 30, 2009

Landlord:

AMB INSTITUTIONAL ALLIANCE FUND III, L.P.

Tenant: KING COUNTY

Instructions: The following questionnaire is to be completed at the time of Lease execution by the Tenant representative with knowledge of the planned operations for the specified building/location.

PLANNED USE/OPERATIONS 1-0

Describe planned use and include brief description of manufacturing processes 1-1. employed.

HAZARDOUS MATERIALS

- Are Hazardous Materials as defined in the lease Agreement used, handled, or stored at the Premises? If so, continue with the next question. If not, go to Section 3.0. ☐ Yes
- Please attach a chemical inventory that identifies the type(s), use(s) and quantity of 2-2. each chemical used or stored on the site and include Material Safety Data Sheets for each chemical. In addition, describe the proposed hazardous material storage area (preferably on a site plan or figure) and planned measures to manage potential releases to the environment (e.g., spill containment measures, Spill Response Plans, etc.).

HAZARDOUS WASTES

- Are hazardous wastes generated? If so, continue with the next question. If not, skip this section and go to Section 4.0. □ No
- Are any wastes generated, handled, or disposed of (where applicable) on the property? If so, identify and describe on separate pages those wastes generated, handled or disposed of (disposition). Specify any wastes known to be regulated under the Resource Conservation and Recovery Act (RCRA) as "listed characteristic or statutory" wastes. Include total amounts generated monthly. Please include name, location, and permit number (e.g. EPA ID No.) for transporter and disposal facility, if applicable.
- Are pollution controls or monitoring employed in the process to prevent or minimize the release of wastes into the environment? If so, please describe on a separate page.

USTS/ASTS

Are underground storage tanks (USTs), aboveground storage tanks (ASTs), clarifiers, or associated pipelines required for planned operations? If not, continue with Section 5.0. If yes, please describe on separate page the capacity, contents, design and construction of USTs or ASTs and provide copies of appropriate regulatory permits. ☐ Yes

5.0 REGULATORY

Does the operation have or require any permits for Hazardous Materials or waste discharge including but limited to National Pollutant Discharge Elimination System (NPDES) or equivalent permit? If so, please provide a copy of this permit.

5-2. Has a Hazardous Materials Business Plan been developed for the site? If so, please provide a copy.

TENANT CERTIFICATION

I am familiar with the real property and facility operations described in this questionnaire, and I am authorized to sign on behalf of the Tenant. By signing below, I represent and warrant that the answers to the above questions are complete and accurate to the best of my knowledge. I also understand that the Landlord will rely on the completeness and accuracy of my answers in assessing any environmental liability risks associated with the property.

Signature:	·
Name:	·
Title:	
Date:	
Telephone:	

PLEASE FORWARD THE COMPLETED QUESTIONNAIRE TO:

Mr. Steve Campbell AMB Property, L.P. Pier 1, Bay 1 San Francisco, CA 94111

EXHIBIT F-1

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

EXHIBIT F-2

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

EXHIBIT F-3

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

EXHIBIT G-1

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

SIGN CRITERIA

A. TENANT SIGN CRITERIA:

The following sign criteria have been established for the purpose of maintaining the overall appearance of AMB Des Moines Logistics Center, for the benefit of all Tenants. No deviation from these criteria will be permitted without Landlord's prior approval in writing.

The criteria has also been established to provide maximum continuity with the environment and an architectural integration with the project.

B. ADMINISTRATION:

- 1) Tenant is responsible for the installation, maintenance, and removal of its Primary Identification sign in a manner acceptable to and consistent with the high standards of AMB Des Moines Logistics Center. All costs incurred to provide sign maintenance will be at Tenant's expense. Tenant is responsible for obtaining approval of exterior signage from the Landlord and the City of SeaTac prior to installation. All costs associated with sign permit approval are the responsibility of the Tenant. Inside signs that will be visible from outside the building must be approved by Landlord.
- Upon termination of Tenant's Lease, the sign will be removed at the Tenant's expense and any damage to the building shall be repaired at the Tenant's expense.
- 3) No additional exterior signage will be allowed on the face of the structure.
- 4) Signs installed without approval or contrary to the criteria, will be removed by Landlord at Tenant's expense. A scale drawing showing proposed signage and the building elevation must be submitted to Landlord for approval.
- 5) In the event of any conflict between Tenant and Landlord in regard to the application of these criteria, the Landlord's decision shall be final and binding upon the Tenant.

C. SIGN SPECIFICATIONS:

1) Tenant Signage

- a) Tenants' names will be limited to the upper concrete wall facade of the individual tenant space. Tenants shall locate signage over main entry doors or as close thereto as practical.
- b) The letters for tenant signs shall be 16" maximum height, 2" minimum thickness (unless a variation is approved by Landlord), HDU #10 signfoam mounted to the building with VHB tape and silicone adhesive. All signs should be non-illuminated and painted of a color approved by the Landlord. Maximum sign coverage will not exceed 36 square feet and must be centered within the upper concrete panel above Tenant's main entry door(s). Tenant signage may contain logos or more than one row of information provided that the total sign area does not exceed 24" in height and 18 feet in width and presents a professional appearance.

2) Store Front/Window Signs

- a) Each tenant is allowed to display their company name and logo and business hours on the glass panel to the left or right of their entrance door. The company name, logo, and business hours will not exceed an area of 18 inches in height and 30 inches in length.
- b) All window signs will be white pressure-sensitive vinyl. The top of the sign shall be 60 inches from the finished floor level and 4 inches from the doorframe. Company name and logo may use corporate colors if appropriate. Business hours will use a futura medium black font in 1-inch letter height.

- 3) Banners, Posters and Sandwich Boards
 - a) Banners, posters, sandwich boards, etc. will only be allowed to be hung in the windows or placed in other locations of the Tenant space on a <u>temporary basis</u> and only with <u>prior</u> written landlord approval.

EXHIBIT G-2

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

SECONDARY SIGN CRITERIA

DOOR BLOCKED

Roll-up doors that are blocked must be marked on the outside of the door with 5" Helvetica Medium pressure sensitive viryl lettering. Lettering will be placed approximately 4" above the bottom of the door when the door is closed, or at the same level as other door blocked signs in the business park.



Roll-up door numbering will be 10" Helvetica Madium pressure sensitive viryl lettering, applied over the center of the roll-up door. If awnings are above the roll-up doors, the number will be placed above the awning and centered over each door.

Dock door numbering will be coordinated and installed

SECONDARY SIGN CRITERIA

by the Landlord.

Signs for man door markings, mounted on wall adjacent to the latch eide of the man door, at 60" helght from floor to middle

Panels are 16" x 16" x 14" clear Cast Acrylic, backcoated on the 2nd eurface to match Arlon 05 blue with white pressure sensitive viryl lettering on the 1et eurface. Sign may be mounted directly to door at 80" height, if the

adjacent wall fe not available. Copy may include tenant name or logo, door function, address, or other meesages to direct visitor or employees.

REENSAG

iness Park Signs

Exhibit H

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

EXHIBIT I

To Lease dated November 30, 2009

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

LEGAL DESCRIPTION

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 22 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING SOUTH OF STATE ROAD NO. 509 AS CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 7105190411, AND LYING NORTH OF THE FORMER WILLIAM M. HARRY PROPERTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SECTION 5, TOWNSHIP 22 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON; THENCE ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION AND THE CENTERLINE OF 8TH AVENUE SOUTH; SOUTH 01°12'39" EAST 663.73 FEET;

THENCE SOUTH 88°51'35" EAST 20.02 FEET TO THE EAST MARGIN OF 8TH AVENUE SOUTH AND THE NORTH LINE OF THE FORMER WILLIAM M. HARRY PROPERTY AND THE TRUE POINT OF BEGINNING;

THENCE FROM THE TRUE POINT OF BEGINNING NORTH 01°12'39" WEST 634.05 FEET ALONG THE EAST MARGIN OF 8TH AVENUE SOUTH TO THE SOUTH MARGIN OF SOUTH 192ND STREET;

THENCE SOUTH 89°46'25" EAST 783.30 FEET ALONG THE SOUTH MARGIN OF SOUTH 192ND STREET TO A POINT ON THE CURVE OF THE WEST MARGIN OF SR 509; THENCE SOUTHEASTERLY ALONG SAID CURVE WITH RADIUS OF 3195.00 FEET, WHOSE CENTER BEARS NORTH 67°02'23" EAST, THROUGH A CENTRAL ANGLE OF 5°07'37" A DISTANCE OF 285.90 FEET:

THENCE ON A NON-TANGENT BEARING SOUTH 42°01'50" EAST 531.60 FEET; THENCE SOUTH 35°11'49" EAST 3.58 FEET TO THE NORTH LINE OF THE FORMER WILLIAM M. HARRY PROPERTY:

THENCE ALONG SAID NORTH LINE NORTH 88°51'35" WEST 1251.28 FEET TO THE TRUE POINT OF BEGINNING.

2010-0280 16850

Attachment E



2010-280

Seattle Logistics Center 1

Landlord

AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership

Tenant

KING COUNTY, a political subdivision of the State of Washington

TABLE OF CONTENTS

			Page
1.	Basi	ic Provisions	
		Parties	1
	1.2	Parties	1
	1.3	Term	1
	1.4		
	1.5	Base Rent Tenant's Share of Operating Expenses	1
	1.6	Tenant's Share of Operating Expenses Tenant's Estimated Monthly Rent Payment	1
	1.7	Tenant's Estimated Monthly Rent Payment Security Deposit	1
	1.8	Security Deposit Permitted Use	···· 1
		Permitted Use	۷ ک
	1.9	Guarantor	2
	1.10	Addenda and Exhibits Address for Rent Payments	Z
	1.11	The state of the s	•
2.	Prem	ises, Parking and Common Areas.	
	2.1	eltino	2
	2.2	Letting	2
	2.3	Common Areas - Definition Common Areas - Tenant's Rights	2
	2.4		
		Common Areas - Rules and Regulations	3
	2.5		
	2.6	Parking	o
2			J
3.	i erm	Term	^
	,		
	3.2		
	3.3	Rent Commencement Date Certificate	3
_			4
4	Rent.	Base Rent	
		DOOD 1 101 PL	
	4.2	Operating Expenses	4
_			
5.	Secur	ity Deposit	5
6.			
U.	Ose	Pormitted Line	. 6
	0.1	r cillattet Ose	^
	6.2	ribzardous Substances	_
	6.3	renants Combiance with Requirements	
	6.4	hispection, Compilance with Law	~
	6.5	Tenant Move-In Questionnaire	7
7.			
٠.	wanne	enance, Repairs, Trade Fixtures and Alterations.	7
	2.1	renant's Obligations	7
	7.2	Landlord's Obligations	7
	7.3	Alterations	0
	7.4	Surrender/Restoration	8
3.	lneura	nce; indemnity	
	8.1	Poymont of Promises	8
		Payment of Premiums	8
	0.2	Tenant's Insurance	8
	0.3	Landlord's insurance	a
	8.4	Waiver of Subrogation	9
	8.5	Indemnity	G
	8.6	Exemption of Landlord from Liability	10
	Dama	70 or Doctmotion	
7.	Dama	ge or Destruction	10
	9.1	Termination Right	10
	9.2	Damage Caused by Tenant	10
10.	Real P	roperty Taxes	40
	10.1	Payment of Post Proporty Toyon	10
	10.1	Payment of Real Property Taxes	10
	10.2	Real Property Tax Definition	10
	10.5	Joint Assessment	11
	10.4	Tenant's Property Taxes	11
	10.5	Additional Improvements	11
11.	1 14:1:4:-	•	
F .	ounue	S	11

12.	ASS	Ignment and Subletting	4.4
		Landlord's Consent Required. Rent Adjustment	17
	12.2	Rent Adjustment	11
	12.3		12
			12
13.	Defa	ault; Remedies	
	13.1	Default	12
	13.2	Default Remedies	12
	13.3	Late Charges	13
			13
14.	Con	demnation	
		demnation	13
15.	Esto	nnel Cartificate	
	_0.0	ppel Certificate.	13
16.	۷٩٩:	tional Carry	
	16.1	tional Covenants and Provisions.	12
	16.2	Interest on Past-Due Obligations Time of Essence	13
	16.3		
	16.4	Landlord Liability No Prior or Other Agreements	14
	16.5		
	16.6		
	16.7		
	16.8	Date of Notice	11
	16.9	Holdover	- 14
	16.10		
	16.11	Binding Effect: Choice of Law	. 14
	16.12	andlord	. 14
	16 13	Landlord	. 15
	16.14	Attorneys' Fees and Other Costs Landford's Access' Showing Premises: Pensis	.15
	16.15		
	16.16		
	16.17		
	16.18	Subordination; Attornment; Non-Disturbance	15
	16.19	Rules and Regulations	15
	16.20	Security Measures	16
:.	16.21	Reservations	16
	16.22	Reservations.	16
	16.23	Agency Disclosure	16
	16.24	Dionalde Meighbushus	400
		a difficult of Dioneis	10
	16.25	Oblinici	4
	10.20	Ollei	47
	10.27	Anchanents	47
	16.28	Multiple Parties	17
	16.29	AUTIOIRY	4 -7
	16.30	Accord and Satisfaction	17
	16.31	Force Majeure	17
		Lease Captions	17
		Counterparte	17
	16.34	Counterparts	17
	10.34	Interpretation	17
ADDEN			
EXHIBI	TΑ		
EXHIB	TB		
EXHIB	TC		
EXHIBI	TD		
EXHIBI		·	
EXHIBI			
EXHIBI	T G-2		
EXHIBI	TI		
EXHIBI	ΤK		
GLOSS	ARY		

AMB PROPERTY CORPORATION INDUSTRIAL MULTI-TENANT LEASE

- 1. Basic Provisions ("Basic Provisions").
- 1.1 Parties: This Lease ("Lease") dated as of January 15, 2010, is made by and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, ("Landlord") and KING COUNTY, a political subdivision of the State of Washington ("Tenant") (collectively the "Parties," or individually a "Party").
- 1.2 <u>Premises:</u> A portion, approximately 20,399 SF, approximately 5,428 SF of which is office area, outlined on Exhibit A (Premises and Site Plan) attached hereto ("Premises"), of the building ("Building") located at 855 South 192nd Street, Suite 1000 in the City of SeaTac, State of Washington. The Building is located in the industrial center commonly known as Seattle Logistics Center 1, Building B (the "Industrial Center"). Tenant shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.3 below), but shall not have any rights to the roof, exterior walls or utility raceways of the Building or to any other buildings in the Industrial Center. The Premises, the Building, the Common Areas, the land upon which they are located and all other buildings and improvements thereon are herein collectively referred to as the "Industrial Center."
- 1.3 Term: The term of this Lease ("Term") shall commence upon the mutual execution of this Lease ("Commencement Date") and end on the last day of the month that is ten (10) years after the month in which Tenant is obligated to commence the payment of Rent under this Lease ("Expiration Date"). Tenant is obligated to commence the payment of Rent under this Lease (the "Rent Commencement Date") on the date Landlord's Work (as defined in Exhibit F-1) is Substantially Complete (as defined in Exhibit F-1). Upon the mutual execution of this Lease, Tenant shall have early access to the Premises for the sole purpose of installing Tenant's furniture, fixtures and equipment in the Premises subject to not unreasonably interfering with Landlord's Work (and if any such interference exists, Tenant shall immediately cease any activities that Landlord believes creates such interference).

In the event of a flood in the Green River Valley impacting Tenant's existing occupancy therein, or in reasonable anticipation of a flood, as determined by Tenant, Tenant may occupy the Premises prior to the completion of Landlord's Work and Tenant's installation of furniture, fixtures and equipment on an emergency basis upon reasonable notice to Landlord; provided, however, if any such occupancy of the Premises interferes with the performance of Landlord's Work, Tenant shall immediately cease such occupancy to the extent such occupancy interferes with the performance of Landlord's Work until such time Landlord determines that Tenant may resume such occupancy without interfering with the performance of Landlord's Work.

1.4 <u>Base Rent</u>: <u>\$ See Below</u> per month ("Base Rent"). \$11,646.00 payable on execution of this Lease for period of the first month's Base Rent and Operation Expenses.

Months	Base Rent
1 – 12	\$8,349.00 + NNNs
13 – 24	\$9,969.00 + NNNs
25 – 36	\$12,870.00 + NNNs
37 – 48	\$13,256.00 + NNNs
49 – 60	\$13,654.00 + NNNs
61 – 72	\$14,063.00 + NNNs
73 – 84	\$14,485.00 + NNNs
85 – 96	\$14,920.00 + NNNs
97 – 108	\$15,367.00 + NNNs
109 – 120	\$15,828.00 + NNNs

1.5 Tenant's Share of Operating Expenses ("Tenant's Share"):

(a)	Industrial Center	18,992 sf / 220,855 sf	8.60%
(b)	Building	18,992 sf / 86,752 sf	21.89%

For purposes of calculating Tenant's Share of Operating Expenses, the approximate square footage of the Premises has been reduced by 1,407 square feet (from 20,399 to 18,992) to reflect that Tenant is not obligated to pay for Operating Expenses attributable to the approximately 1,407 square feet of mezzanine office space in the Premises.

1.6 <u>Tenant's Estimated Monthly Rent Payment</u>: Following is the estimated Monthly Rent Payment to Landlord pursuant to the provisions of this Lease. This estimate is made at the inception of the Lease and is subject to adjustment pursuant to the provisions of this Lease:

(a)	Base Rent (Paragraph 4.1)	\$ 8,349.00
(b)	Operating Expenses (Paragraph 4.2, excluding Real Property Taxes and Landlord Insurance)	\$ 1,430.00
(c)	Landlord Insurance (Paragraph 8.3)	\$ 165.00
(d)	Real Property Taxes (Paragraph 10)	\$ 1,702.00
	Total Estimated Monthly Payment	\$11,646.00

- 1.7 Security Deposit: \$None ("Security Deposit").
- Permitted Use ("Permitted Use"): General office and storage and light industrial 1.8 and for no other purpose.
 - 1.9 Guarantor: N/A.
- Addenda and Exhibits: Attached hereto are the following Addenda and Exhibits, all of which constitute a part of this Lease:
 - Addendum 1: Remedies Addendum Additional Lease Provisions Addendum 2:

(b)	Exhibits:	Exhibit A:	Premises and Site Plan
		Exhibit B:	Rent Commencement Date Certificate
		Exhibit C:	Rules and Regulations
		Exhibit D:	Landlord's Waiver
		Exhibit E:	Environmental Questionnaire
		Exhibit F-1:	Work Letter Agreement
		Exhibit F-2:	Property Tenant Improvement Finishes
:		Exhibit F-3:	Final Drawings
		Exhibit G-1:	Signage
		Exhibit G-2:	Secondary Signage Example
-		Exhibit H:	Intentionally Deleted
		Exhibit I:	Legal Description
		Exhibit J:	Intentionally Deleted
		Exhibit K:	Move Out Standards

Address for Rent Payments: All amounts payable by Tenant to Landlord shall until further notice from Landlord be paid to AMB Institutional Alliance Fund III, L.P., Seattle Logistics Center 1 c/o GGL Real Estate Services, Inc. at the following address:

> AMB Institutional Alliance Fund III (Sea Log 1) c/o GGL Real Estate Services, Inc. P. O. Box 6156 Hicksville, NY 11802-6156

2 Premises, Parking and Common Areas.

- Letting. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises upon all of the terms, covenants and conditions set forth in this Lease. Any statement of square footage set forth in this Lease or that may have been used in calculating Base Rent and/or Operating Expenses is an approximation which Landlord and Tenant agree is reasonable and the Base Rent and Tenant's Share based thereon is not subject to revision whether or not the actual square footage is more or less; provided, however, Tenant's Share may be adjusted pursuant to Paragraph 4.2(b) herein. Tenant accepts the Premises in its present condition, and state of repair and operating order, provided, however, Landlord shall deliver possession of the Premises to Tenant in accordance with Exhibit F-1 and Exhibit F-2 and in broom clean condition with all mechanical systems and dock doors serving the Premises in good working condition. Except as expressly set forth in this Lease, Landlord makes no representation or warranty regarding the usability or functionality of the Premises for Tenant's use of the Premises, it being understood that it is Tenant's sole responsibility to verify that the Premises is appropriate for Tenant's use of the Premises.
- Common Areas Definition. "Common Areas" are all areas and facilities outside the Premises and within the exterior boundary line of the Industrial Center and interior utility raceways within the Premises that are provided and designated by the Landlord from time to time for the general non-exclusive use of Landlord, Tenant and other tenants of the Industrial Center and their respective employees, suppliers, shippers, tenants, contractors and invitees.

- 2.3 <u>Common Areas Tenant's Rights.</u> Landlord hereby grants to Tenant, for the benefit of Tenant and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Landlord under the terms hereof or under the terms of any rules and regulations or covenants, conditions and restrictions governing the use of the Industrial Center.
- 2.4 <u>Common Areas Rules and Regulations</u>. Landlord shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable Rules and Regulations with respect thereto in accordance with Paragraph 16.19.
- 2.5 <u>Common Area Changes</u>. Landlord shall have the right, in Landlord's sole discretion, from time to time:
- (a) To make changes to the Common Areas, including, without limitation, changes in the locations, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;
- (b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;
- (c) To designate other land outside the boundaries of the Industrial Center to be a part of the Common Areas so long as such designations of additional areas as part of the Common Areas do not materially increase the amounts payable under this Lease by Tenant as Operating Expenses;
 - (d) To add additional buildings and improvements to the Common Areas;
- (e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Industrial Center, or any portion thereof; and
- (f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Industrial Center as Landlord may, in the exercise of sound business judgment, deem to be appropriate.
- Parking. Tenant may use a proportionate share of undesignated vehicle parking spaces, unreserved and unassigned, on those portions of the Common Areas designated by Landlord for such parking, no less than fourteen (14) parking spaces of which are located directly in front of the Premises and no less than six (6) parking spaces of which are located directly behind the Premises. Tenant shall not use more parking spaces than such number. Such parking spaces shall be used only for parking by vehicles no larger than full sized passenger automobiles or pick-up trucks. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such activities. If Tenant permits or allows any of the prohibited activities described herein, then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Tenant, which cost shall be immediately payable as additional rent upon demand by Landlord.

3. <u>Term</u>.

- 3.1 <u>Term.</u> The Commencement Date, Rent Commencement Date, Expiration Date and Term of this Lease are as specified in Paragraph 1.3.
- 3.2 <u>Delay in Possession</u>. If for any reason Landlord cannot deliver possession of the Premises to Tenant with Landlord's Work Substantially Complete by the date that is sixty (60) days after the date Landlord receives permits for the performance of Landlord's Work (the "Outside Delivery Date", which Outside Delivery Date shall be extended to the extent provided for in <u>Exhibit F-1</u>), Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder; provided, however, Tenant shall be entitled to one (1) day's free Base Rent for each day that Landlord is delayed after the Outside Delivery Date in delivering possession of the Premises to Tenant. In such case, Tenant shall not, except as otherwise provided herein, be obligated to pay Rent or perform any other obligation of Tenant under the terms of this Lease until the earlier of the date Landlord delivers possession of the Premises to Tenant, or the date that Tenant takes possession of the Premises.

3.3 Rent Commencement Date Certificate. At the request of Landlord, Tenant shall execute and deliver to Landlord a completed certificate ("Rent Commencement Date Certificate") in the form attached hereto as Exhibit B.

4. Rent.

- 4.1 Base Rent. Tenant shall pay to Landlord Base Rent and other monetary obligations of Tenant to Landlord under the terms of this Lease (such other monetary obligations are herein referred to as "Additional Rent") in tawful money of the United States, without offset or deduction, in advance on or before the first day of each month. Base Rent and Additional Rent for any period during the term hereof which is for less than one full month shall be prorated based upon the actual number of days of the month involved. Payment of Base Rent and Additional Rent shall be made to Landlord at its address stated herein or to such other persons or at such other addresses as Landlord may from time to time designate in writing to Tenant. Base Rent and Additional Rent are collectively referred to as "Rent". All monetary obligations of Tenant to Landlord under the terms of this Lease are deemed to be rent.
- 4.2 <u>Operating Expenses</u>. Tenant shall pay to Landlord on the first day of each month during the term hereof, in addition to the Base Rent, Tenant's Share of all Operating Expenses in accordance with the following provisions:
- (a) "Operating Expenses" are all costs incurred by Landlord relating to the ownership and operation of the Industrial Center, Building and Premises including, but not limited to, the following:
- clean, good order and condition of the Common Areas, including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, drainage systems, lighting facilities, fences and gates, exterior signs and tenant directories.
- Common Areas. (ii) Water, gas, electricity, telephone and other utilities servicing the
- (iii) Trash disposal, janitorial services, snow removal, property management and security services, each to the extent provided by Landlord with respect to the Common Areas, including without limitation a property management fee (not to exceed three percent (3.0%) of annual gross rents payable under this Lease), accounting, auditing, billing, postage, salaries and benefits for clerical and supervisory employees, whether located at the Industrial Center or off-site so long as such costs are attributable solely to the Building (and/or the Industrial Center), payroll taxes and legal and accounting costs and all fees, licenses, and permits related to the ownership, operating and management of the Industrial Center.
 - (iv) Real Property Taxes.
- by Landlord under Paragraph 8 hereof.
- (vi) Environmental monitoring and insurance programs; provided, however, in no event shall Operating Expenses include costs to remediate Hazardous Substances present in the Industrial Center (including, without limitation, the costs of monitoring wells as part of such remediation).
- (vii) Monthly amortization of capital improvements to the Common Areas and the Building. The monthly amortization of any given capital improvement shall be on a straight line basis and shall be the sum of the: (i) quotient obtained by dividing the cost of the capital improvement by Landlord's estimate of the number of months of useful life of such improvement (as determined in Landlord's reasonable business judgment), and (ii) an amount equal to the cost of the capital improvement times 1/12 of the lesser of twelve percent (12%) or the maximum annual interest rate permitted by law; provided, however, in no event shall Operating Expenses include: (a) capital improvements to the structure of the Building or to the structure of the roof of the Building, or (b) capital improvements in connection with the expansion of the size of the Building or the construction of new buildings in the Industrial Center.
- (viii) Maintenance of the Building including, but not limited to, painting, caulking and repair and replacement of Building components (subject to amortization as provided in 4.2(a)(vii) to the extent a capital improvement), including, but not limited to, roof, skylights, elevators and fire detection and sprinkler systems.

- conditioning systems serving the Premises ("HVAC").
- (x) If Tenant fails to maintain the Premises, any reasonable expense incurred by Landlord for such maintenance.
- (b) Tenant's Share of Operating Expenses that are not specifically attributed to the Premises or Building ("Common Area Operating Expenses") shall be that percentage shown in Paragraph 1.5(a). Tenant's Share of Operating Expenses that are attributable to the Building ("Building Operating Expenses") shall be that percentage shown in Paragraph 1.5(b). Tenant's Share is subject to periodic review and adjustment by Landlord to accurately reflect Tenant's prorate share of the improvements then comprising the Building or the Industrial Center. Landlord shall reasonably determine which Operating Expenses are Common Area Operating Expenses, Building Operating Expenses or expenses to be entirely borne by Tenant; provided, however, with respect to the HVAC systems serving the Premises, Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in connection with such HVAC systems within thirty (30) days after written request therefor, and notwithstanding anything to the contrary contained in this Lease, Landlord shall not be required to amortize any capital improvements to such HVAC system.
- (c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose any obligation upon Landlord to either have said improvements or facilities or to provide those services.
- (d) Tenant shall pay monthly in advance on the same day as the Base Rent is due Tenant's Share of estimated Operating Expenses. Landlord shall deliver to Tenant within ninety (90) days after the expiration of each calendar year a reasonably detailed statement showing Tenant's Share of the actual Operating Expenses incurred during the preceding year. If Tenant's estimated payments under this Paragraph 4(d) during the preceding year exceed Tenant's Share as indicated on said statement, Tenant shall be credited or refunded at the Expenses next becoming due. If Tenant's estimated payments under this Paragraph 4.2(d) during said preceding year were less than Tenant's Share as indicated on said statement, Tenant shall pay to Landlord the amount of the deficiency within ten (10) days after delivery by Landlord to Tenant of said statement. At any time Landlord may adjust the amount of the estimated Tenant's Share of Operating Expenses to reflect Landlord's estimate of such expenses for the year.
- So long as Tenant is not in default of this Lease, Tenant shall have the right, upon thirty (30) days written request, to review Landlord's records concerning Operating Expenses for the immediately prior calendar year, which request must be delivered within sixty (60) days after the date Landlord's annual statement of Operating Expenses is delivered to Tenant (and if Tenant fails to object in writing to specific Operating Expenses within one-hundred twenty (120) days after the date Landlord's annual statement of Operating Expenses is delivered to Tenant, Tenant shall be deemed to have approved the same and to have waived the right to object to such calculations); provided, however, Tenant shall have no right to review the Operating Expenses: (i) more than one time during a calendar year, or (ii) if the Operating Expenses for the calendar year in question are not more than five percent (5%) higher than the Operating Expenses for the immediately prior calendar year. Such review shall occur during regular business hours at the site Landlord maintains such records. If Tenant questions any Operating Expenses, Landlord shall provide reasonably satisfactory evidence of the validity of Landlord's calculation (which evidence may be in summary statement (as opposed to the original invoice)) or adjust the item. Disputes which cannot be resolved after a reasonable period of good faith negotiations between the parties shall be resolved by a nationally recognized accounting firm selected by Landlord (the "CPA"), which CPA shall not then be employed by Landlord or Tenant. If such audit discloses that Tenant has overpaid Tenant's share of Operating Expenses, Landlord shall give Tenant credit on Operating Expenses with respect to such amount, or if the Lease is at the end of the Term, refund such amount to Tenant. Tenant shall pay all costs and expenses of the audit by the CPA. Tenant hereby agrees to keep the results of any such audit confidential to the extent allowed by law except that Tenant may disclose such information to its accountants, legal advisors or as otherwise required by law, and to require Tenant's auditor and its employees and each of their respective attorneys and advisors likewise to keep the results of such audit in strictest confidence.
- 5. <u>Security Deposit</u>. Tenant shall deposit with Landlord upon Tenant's execution hereof the Security Deposit set forth in Paragraph 1.7 as security for Tenant's faithful performance of Tenants obligations under this Lease. If Tenant fails to pay Base Rent or Additional Rent or otherwise defaults under this Lease (as defined in Paragraph 13.1), Landlord may use the Security Deposit for the payment of any amount due Landlord or to reimburse or compensate Landlord for any liability, cost, expense, loss or damage (including attorney's fees) which

Landlord may suffer or incur by reason thereof. Tenant shall on demand pay Landlord the amount so used or applied so as to restore the Security Deposit to the amount set forth in Paragraph 1.6. Landlord shall not be required to keep all or any part of the Security Deposit term hereof and after Tenant has vacated the Premises, return to Tenant that portion of the Security Deposit not used or applied by Landlord. No part of the Security Deposit shall be considered to be held in trust, to bear interest, or to be prepayment for any monies to be paid by Tenant under this Lease.

6. <u>Use</u>.

Use set forth in Paragraph 1.8. Tenant shall use and occupy the Premises only for the Permitted any objectionable noise or odor, suffer any waste, make any use of the Premises which is contrary to any law or ordinance or which will invalidate or increase the premiums for any of Landlord's insurance. Tenant shall not service, maintain or repair vehicles on the Premises, or prohibit Tenant from installing and repairing radio and related electronic equipment in vehicles. Tenant shall not store foods, pallets, drums or any other materials outside the Premises.

6.2 <u>Hazardous Substances</u>.

- Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment, or the Premises; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of Landlord to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, crude oil or any products or by-products thereof. Tenant shall not engage in any activity in or about the Premises which constitutes a Reportable Use (as hereinafter defined) of Hazardous Substances without the express prior written consent of Landlord and compliance in a timely manner (at Tenant's sole cost and expense) with all Applicable Requirements (as defined in Paragraph 6.3). "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and (iii) the presence in, on or about the Premises of a Hazardous Substance with respect to which any Applicable Requirements require that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Tenant may, without Landlord's prior consent, but upon notice to Landlord and in compliance with all Applicable Requirements, use any ordinary and customary materials reasonably required to be used by Tenant in the normal course of the Permitted Use, so long as such use is not a Reportable Use and does not expose the Premises, or neighboring properties to any meaningful risk of contamination or damage or expose Landlord to any liability therefor. In addition, Landlord may (but without any obligation to do so) condition its consent to any Reportable Use of any Hazardous Substance by Tenant upon Tenant's giving Landlord such additional assurances as Landlord, in its reasonable discretion, deems necessary to protect itself, the public, the Premises and the environment against damage, contamination or injury and/or liability therefor, including but not limited to the installation (and, at Landlord's option, removal on or before Lease expiration or earlier termination) of reasonably necessary protective modifications to the Premises (such as concrete encasements) and/or the deposit of an additional Security Deposit.
- (b) <u>Duty to Inform Landlord</u>. If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance is located in, under or about the Premises or the Building, Tenant shall immediately give Landlord written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, business plan, license, claim, action, or proceeding given to, or received from, any governmental authority or private party concerning the presence, spill, release, discharge of, or exposure to, such Hazardous Substance. Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Premises (including, without limitation, through the plumbing or sanitary sewer system).
- (c) <u>Tenant Indemnification</u>. Tenant shall indemnify, protect, defend and hold Landlord, Landlord's affiliates, Lenders, and the officers, directors, shareholders, partners, employees, managers, independent contractors, attorneys and agents of the foregoing ("Landlord Entities") and the Premises, harmless from and against any and all damages,

liabilities, judgments, costs, claims, liens, expenses, penalties, loss of permits and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Tenant or by any of Tenant's employees, agents, contractors or invitees. Tenant's obligations under this Paragraph 6.2(c) shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation, restoration and/or abatement thereof, or of any contamination therein involved. Tenant's obligations under this Paragraph 6.2(c) shall survive the expiration or earlier termination of this Lease.

- Tenant's Compliance with Requirements. Tenant shall, at Tenant's sole cost and expense, fully, diligently and in a timely manner, comply with all "Applicable Requirements," which term is used in this Lease to mean all laws, rules, regulations, ordinances, directives, covenants, easements and restrictions of record, permits, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Landlord's engineers and/or consultants, relating in any manner to the Premises (including but not limited to matters pertaining to (i) industrial hygiene, (ii) environmental conditions on, in, under or about the Premises, including soil and groundwater conditions, and (iii) the use, generation, manufacture, production, installation, maintenance, removal, transportation, storage, spill or release of any Hazardous Substance), now in effect or which may hereafter come into effect. Tenant shall, within five (5) days after receipt of Landlord's written request, provide Landlord with copies of all documents and information evidencing Tenant's compliance with any Applicable Requirements and shall immediately upon receipt, notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving failure by Tenant or the Premises to comply with any Applicable Requirements.
- 6.4 <u>Inspection: Compliance with Law.</u> In addition to Landlord's environmental monitoring and insurance program, the cost of which is included in Operating Expenses, Landlord and the holders of any mortgages, deeds of trust or ground leases on the Premises ("Lenders") shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Tenant with this Lease and all Applicable Requirements. Landlord shall be entitled to employ experts and/or consultants in connection therewith to advise Landlord with respect to Tenant's installation, operation, use, monitoring, maintenance, or removal of any Hazardous Substance on or from the Premises. The cost and expenses of any such inspections shall be paid by the party requesting same unless a violation of Applicable Requirements exists or is imminent or the inspection is requested or ordered by a governmental authority. In such case, Tenant shall upon request reimburse Landlord or Landlord's Lender, as the case may be, for the costs and expenses of such inspections.
- 6.5 <u>Tenant Move-In Questionnaire</u>. Prior to executing this Lease, Tenant has completed, executed and delivered to Landlord, Tenant's Move-In and Lease Renewal Environmental Questionnaire (the "Tenant Move-In Questionnaire"), a copy of which is attached hereto as Exhibit E and incorporated herein by this reference. Tenant covenants, represents and warrants to Landlord that the information on the Tenant Move-In Questionnaire is true and correct and accurately describes the use(s) of Hazardous Substances which will be made and/or used on the Premises by Tenant.

7. Maintenance, Repairs, Trade Fixtures and Alterations.

7.1 <u>Tenant's Obligations</u>

. Subject to the provisions of Paragraph 7.2 (Landlord's Obligations), Paragraph 9 (Damage or Destruction) and Paragraph 14 (Condemnation), Tenant shall, at Tenant's sole cost and expense and at all times, keep the Premises and every part thereof in good order, condition and repair including, without limiting the generality of the foregoing, all equipment or facilities specifically serving the Premises, such as plumbing, electrical, lighting facilities, boilers, fired or unfired pressure vessels, fire hose connectors if within the Premises, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and dock doors related equipment (including but not limited to dock levelers, bumpers, lights and adjacent dock wells), but excluding any items which are the responsibility of Landlord pursuant to Paragraph 7.2 below. Tenant's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

7.2 <u>Landlord's Obligations</u>. Subject to the provisions of Paragraph 6 (Use), Paragraph 7.1 (Tenant's Obligations), Paragraph 9 (Damage or Destruction) and Paragraph 14 (Condemnation), Landlord, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations and exterior walls of the Building, utility

systems outside the Building, Building roof and common areas. Subject to reimbursement pursuant to Paragraph 4.2, Landlord shall also repair and maintain the HVAC system serving the Premises.

- Alterations Tenant shall not install any signs, fixtures, improvements, nor make or permit any other alterations or additions (individually, an "Alteration", and collectively, the "Alterations") to the Premises without the prior written consent of Landlord, except for Alterations that cumulatively cost less than Two Thousand Five Hundred Dollars (\$2,500.00) and which do not affect the Building systems or the structural integrity or structural components of the Premises or the Building. In all events, Tenant shall deliver at least ten (10) days prior notice to Landlord, from the date Tenant intends to commence construction, sufficient to enable Landford to post a Notice of Non-Responsibility and Tenant shall obtain all permits or other governmental approvals prior to commencing any of such work and deliver a copy of same to Landlord. All Alterations shall be at Tenant's sole cost and expense in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord, and shall be installed by a licensed, insured, and bonded contractor (reasonably approved by Landlord) in compliance with all applicable Laws (including, but not limited to, the ADA), and all recorded matters and rules and regulations of the Industrial Center. In addition, all work with respect to any Alterations must be done in a good and workmanlike manner. Landlord's approval of any plans, specifications or working drawings for Tenant's Alterations shall not create nor impose any responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with any laws, ordinances, rules and regulations of governmental agencies or authorities. In performing the work of any such Alterations, Tenant shall have the work performed in such a manner as not to obstruct access to the Industrial Center, or the Common Areas for any other tenant of the Industrial Center, and as not to obstruct the business of Landlord or other tenants in the Industrial Center, or interfere with the labor force working in the Industrial Center. As Additional Rent hereunder, Tenant shall reimburse Landlord, within ten (10) days after demand, for actual legal, engineering, architectural, planning and other expenses incurred by Landlord in connection with Tenant's Alterations. If Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance, in an amount approved by Landlord and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant in accordance with the terms of this Lease immediately upon completion thereof. Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Tenant shall, prior to construction of any and all Alterations, cause its contractor(s) and/or major subcontractor(s) to provide insurance as reasonably required by Landlord, and Tenant shall provide such assurances to Landlord, including without limitation, waivers of lien, surety company performance bonds as Landlord shall require to assure payment of the costs thereof to protect Landlord and the Industrial Center from and against any loss from any mechanic's, materialmen's or other liens.
- 7.4 <u>Surrender/Restoration</u>. Tenant shall surrender the Premises by the end of the last day of the Lease term or any earlier termination date, clean and free of debris and in good operating order, condition and state of repair ordinary wear and tear excepted per the attached Exhibit K.

8. Insurance; Indemnity.

8.1 <u>Payment of Premiums</u>. The cost of the premiums for the insurance policies maintained by Landlord under this Paragraph 8 shall be a Common Area Operating Expense pursuant to Paragraph 4.2 hereof. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Rent Commencement Date or Expiration Date.

8.2 <u>Tenant's Insurance</u>.

- (i) At its sole cost and expense, in the event Tenant elects not to self-insure, Tenant shall maintain in full force and effect during the Term of the Lease the following insurance coverages insuring against claims which may arise from or in connection with the Tenant's operation and use of the leased Premises.
- (a) Commercial General Liability insurance with minimum limits of \$1,000,000 per occurrence; \$3,000,000 general aggregate for bodily injury, personal injury and property damage. If required by Landlord, liquor liability coverage will be included.
- (b) Workers' Compensation insurance with statutory limits and Employers Liability with a \$1,000,000 per accident limit for bodily injury or disease.

- (c) Automobile Liability Insurance covering all owned, non-owned and hired vehicles with a \$1,000,000 per accident limit for bodily injury and property damage.
- (d) Property insurance against all risks of loss to any tenant improvements or betterments and business personal property on a full replacement cost basis with no coinsurance penalty provision; and Business Interruption Insurance with a limit of liability representing loss of at least approximately six (6) months of income.
- (ii) Tenant shall deliver to AMB or Landlord's property management company certificates of all insurance reflecting evidence of required coverages prior to initial occupancy; and annually thereafter.
- (iii) If, in the opinion of Landlord's insurance advisor, the amount or scope of such coverage is deemed inadequate at any time during the Term, Tenant shall increase such coverage to such reasonable amounts or scope as Landlord's advisor deems adequate.
- (iv) All insurance required under Paragraph 8.2 (i) shall be primary and non-contributory (ii) shall provide for severability of interests, (iii) shall be issued by insurers, licensed to do business in the state in which the Premises are located and which are rated A.VII or better by Best's Key Rating Guide, (iv) shall be endorsed to include Landlord and such other persons or entities as Landlord may from time to time designate, as additional insureds (Commercial General Liability only), and (v) shall be endorsed to provide at least thirty (30) days prior notification of cancellation or material change in coverage to said additional insureds.
- (v) Tenant's Self Insurance Rights. King County, a charter county government under the constitution of the State of Washington, hereinafter referred to as "Tenant," maintains a fully funded self-insurance program as defined in King County Code 4.12 for the protection and handling of the County's liabilities including injuries to persons and damage to property. Landlord acknowledges, agrees and understands that Tenant is self-funded for all of its liability exposures. Tenant agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Lease. Tenant agrees to provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and will provide Landlord with a certificate of self-insurance as adequate proof of coverage. Landlord further acknowledges, agrees and understands that Tenant does not purchase Commercial General Liability insurance and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured. Should Tenant elect to cease self-insuring its liability exposures and purchase Commercial General Liability insurance, Tenant agrees to add Landlord as an additional insured and comply with Paragraph 8.2 (i) through (iv).
- 8.3 <u>Landlord's Insurance</u>. Landlord may, but shall not be obligated to, maintain all risk, including earthquake and flood, insurance covering the buildings within the Industrial Center, Commercial General Liability insurance, and such other insurance in such amounts and covering such other liability or hazards as deemed appropriate by Landlord. The amount and scope of coverage of Landlord's insurance shall be determined by Landlord from time to time in its sole discretion and shall be subject to such deductible amounts as Landlord may elect. Landlord shall have the right to reduce or terminate any insurance or coverage. Premiums for any such insurance shall be a Common Area Operating Expense.
- 8.4 <u>Waiver of Subrogation</u>. To the extent permitted by law and without affecting the coverage provided by insurance required to be maintained hereunder, Landlord and Tenant each waive any right to recover against the other on account of any and all claims Landlord or Tenant may have against the other with respect to property insurance actually carried, or required to be carried hereunder, to the extent of the proceeds realized from such insurance coverage.
- 8.5 <u>Indemnity</u>. Tenant shall protect, indemnify and hold the Landlord Entities harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of:
- (i) any damage to any property (including but not limited to property of any Landlord Entity) or death or injury to any person occurring in or about the Premises, the Building or the Industrial Center to the extent that such injury or damage shall be caused by or arise from any actual or alleged act, neglect, fault or omission by or of Tenant, its agents, servants, employees, invitees, or visitors;
- (ii) the conduct or management of any work or anything whatsoever done by the Tenant on or about the Premises or from transactions of the Tenant concerning the Premises;

- (iii) Tenant's failure to comply with any and all governmental laws, ordinances and regulations applicable to the condition or use of the Premises or its occupancy; or
- (iv) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of the Tenant to be performed pursuant to this Lease.

The provisions of this Paragraph 8.5 shall survive the termination of this Lease with respect to any claims or liability accruing prior to such termination.

8.6 Exemption of Landlord from Liability. Except to the extent caused by the gross negligence or willful misconduct of Landlord, Landlord Entities shall not be liable for and Tenant waives any claims against Landlord Entities for injury or damage to the person or the property of Tenant, Tenant's employees, contractors, invitees, customers or any other person in or about the Premises, Building or Industrial Center from any cause whatsoever, including, but not limited to, damage or injury which is caused by or results from: (i) fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or (ii) from the condition of the Premises, other portions of the Building or Industrial Center. Landlord shall not be liable for any damages arising from any act or neglect of any other tenants of Landlord nor from the failure by Landlord's negligence, gross negligence, or breach of this Lease, Landlord shall under no circumstances be liable for (a) injury to Tenant's business, for any loss of income or profit therefrom or any indirect, consequential or punitive damages or (b) any damage to property or injury to persons arising from any act of God, such as earthquakes, hurricanes, floods, or

9. Damage or Destruction.

- Termination Right. Tenant shall give Landlord immediate written notice of any damage to the Premises. Subject to the provisions of Paragraph 9.2, if the Premises or the Building shall be damaged to such an extent that there will be substantial interference for a period exceeding two hundred seventy (270) consecutive days with the conduct by Tenant of its business at the Premises, then either party, at any time prior to commencement of repair of the Premises and following ten (10) days written notice to the other party, may terminate this Lease effective thirty (30) days after delivery of such notice to the other party. Further, if any portion of the Premises is damaged and is not fully covered by the aggregate of insurance proceeds received by Landlord and any applicable deductible or if the holder of any indebtedness secured by the Premises requires that the insurance proceeds be applied to such indebtedness, and Tenant does not voluntarily contribute any shortfall thereof to Landlord, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within thirty (30) days after the date of notice to Tenant of any such event. Any termination shall not excuse the performance by Tenant of those covenants which under the terms hereof survive termination. Rent shall be abated in proportion to the degree of interference during the period that there is such substantial interference with the conduct of Tenant's business at the Premises. Abatement of rent and Tenant's right of termination pursuant to this provision shall be Tenant's sole remedy for failure of Landlord to keep in good order, condition and repair the foundations and exterior walls of the Building, Building roof, utility systems outside the Building, the Common Areas and HVAC.
- 9.2 <u>Damage Caused by Tenant.</u> Tenant's termination rights under Paragraph 9.1 shall not apply if the damage to the Premises or Building is the result of any act or omission of Tenant or of any of Tenant's agents, employees, customers, invitees or contractors ("Tenant Acts"). Any damage resulting from a Tenant Act shall be promptly repaired by Tenant. Landlord at its option may at Tenant's expense repair any damage caused by Tenant Acts. Tenant shall continue to pay all rent and other sums due hereunder and shall be liable to Landlord for all damages that Landlord may sustain resulting from a Tenant Act.

10. Real Property Taxes.

- 10.1 <u>Payment of Real Property Taxes</u>. Landlord shall pay the Real Property Taxes due and payable during the term of this Lease and, except as otherwise provided in Paragraph 10.3, any such amounts shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.
- 10.2 Real Property Tax Definition. As used herein, the term "Real Property Taxes" is any form of tax or assessment, general, special, ordinary or extraordinary, imposed or levied upon (a) the Industrial Center, (b) any interest of Landlord in the Industrial Center, (c) Landlord's right to rent or other income from the Industrial Center, and/or (d) Landlord's business of leasing the Premises. Real Property Taxes include (i) any license fee, commercial rental tax, excise tax, improvement bond or bonds, levy, local improvement district assessment or tax; (ii) any tax

or charge which replaces or is in addition to any of such above-described "Real Property Taxes" and (iii) any fees, expenses or costs (including attorney's fees, expert fees and the like) incurred by Landlord in protesting or contesting any assessments levied or any tax rate. The term "Real Property Taxes" shall also include any increase resulting from a change in the ownership of the Industrial Center or Building, or the improvements thereon the execution of this Lease or any modification, amendment or transfer thereof. Real Property Taxes for tax years commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Rent Commencement Date or Expiration Date.

- 10.3 <u>Joint Assessment</u>. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed.
- 10.4 <u>Tenant's Property Taxes</u>. Tenant shall pay prior to delinquency all taxes assessed against and levied upon Tenant's improvements, fixtures, furnishings, equipment and all personal property of Tenant contained in the Premises or stored within the Industrial Center.
- Additional Improvements. Operating Expenses shall not include Real Property Taxes attributable to improvements placed upon the industrial Center by other tenants or by Landlord for the exclusive enjoyment of such other tenants. Tenant shall, however, pay to Landlord at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed by reason of improvements placed upon the Premises by Tenant or at tenant's request.
- 11. <u>Utilities.</u> Tenant shall pay directly for all utilities and services supplied to the Premises, including but not limited to electricity, telephone, trash removal, security, gas, garbage and waste disposal, and cleaning of the Premises, together with any taxes thereon.

12. Assignment and Subletting.

12.1 Landlord's Consent Required.

- Tenant shall not assign, transfer, mortgage or otherwise transfer or encumber (collectively, "assign") or sublet all or any part of Tenant's interest in this Lease or in the Premises without Landlord's prior written consent which consent shall not be unreasonably withheld. Relevant criteria in determining reasonability of consent include, but are not limited to, credit history of a proposed assignee or sublessee, references from prior landlords, any change or intensification of use of the Premises or the Common Areas and any limitations imposed by the Internal Revenue Code and the Regulations promulgated thereunder relating to Real Estate investment Trusts. It shall be reasonable for Landlord to deny consent to any sublease or assignment request where the proposed transferee (or any person or entity which directly or indirectly controls, is controlled by, or is under common control with the proposed transferee) is an existing tenant or occupant of the Industrial Center or a person or entity with whom Landford is then dealing, or with whom Landlord has had any dealings within the previous six (6) months. with respect to the leasing of space in the Industrial Center. Assignment or sublet shall not release Tenant from its obligations hereunder. Tenant shall not (i) sublet or assign or enter into other arrangements such that the amounts to be paid by the sublessee or assignee thereunder would be based, in whole or in part, on the income or profits derived by the business activities of the sublessee or assignee; (ii) sublet the Premises or assign this Lease to any person in which Landlord owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Internal Revenue Code (the "Code"); or (iii) sublet the Premises or assign this Lease in any other manner which could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or which could cause any other income received by Landlord to fail to qualify as income described in Section 856(c)(2) of the Code. The requirements of this Paragraph 12.1 shall apply to any further subleasing by any subtenant.
- (b) A change in the control of Tenant shall constitute an assignment requiring Landlord's consent. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting or management control of Tenant shall constitute a change in control for this purpose.
- (c) No acceptance by Landlord of any rent or any other sum of money from any assignee, sublessee or other category of transferee shall be deemed to constitute Landlord's consent to any assignment, sublease, or transfer. No such assignment, subletting, occupancy or collection shall be deemed the acceptance of the assignee, tenant or occupant, 'as Tenant, or a release of Tenant from the further performance by Tenant of Tenant's obligations under this Lease. Any assignment or sublease consented to by Landlord shall not

relieve Tenant (or its assignee) from obtaining Landlord's consent to any subsequent assignment or sublease.

- 12.2 Rent Adjustment. If, as of the effective date of any permitted assignment or subletting the then remaining term of this Lease is less than three (3) years, Landlord may, as a condition to its consent: (i) require that the amount and adjustment schedule of the rent payable under this Lease be adjusted to what is then the market value and/or adjustment schedule for property similar to the Premises as then constituted, as determined by Landlord; or (ii) terminate the Lease as of the date of assignment or subletting subject to the performance by Tenant of those covenants which under the terms hereof survive termination.
- Excess Consideration. In the event of any assignment or sublease, Landlord shall receive as additional rent hereunder fifty percent (50%) of Tenant's "Excess Consideration" derived from such assignment or sublease. If Tenant shall elect to assign or sublet, Tenant shall use reasonable and good faith efforts to secure consideration from any such assignee or subtenant which would be generally equivalent to then-current market rent, but in no event shall Tenant's monetary obligations to Landlord, as set forth in this Lease, be reduced. In the event of a sublease, "Excess Consideration" shall mean all rent, additional rent or other consideration actually received by Tenant from such subtenant and/or actually paid by such subtenant on behalf of Tenant in connection with the subletting in excess of the rent, additional rent and other sums payable by Tenant under this Lease during the term of the sublease on a per square foot basis if less than all of the Premises is subleased, less marketing costs, attorneys' fees and brokerage commissions, if any, reasonably incurred by Tenant to procure the sublease, and the cost of any alterations made by Tenant specifically for the benefit of such subtenant. In the event of an assignment, "Excess Consideration" shall mean key money, bonus money or other consideration paid by the assignee to Tenant in connection with such assignment, and any payment in excess of fair market value for services rendered by Tenant to assignee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to assignee in connection with such assignment less marketing costs, attorneys' fees and brokerage commissions, if any, reasonably incurred by Tenant to procure the assignment, and the cost of any alterations made by Tenant specifically for the benefit of such assignee. If part of the "Excess Consideration" shall be payable by the assignee or subtenant other than in cash, then Landlord's share of such non-cash consideration shall be in such form as is reasonably satisfactory to Landlord.

13. Default; Remedies.

- 13.1 <u>Default</u>. The occurrence of any one of the following events shall constitute an event of default on the part of Tenant ("Default"):
 - (a) The abandonment of the Premises by Tenant;
- (b) Failure to pay any installment of Base Rent, Additional Rent or any other monies due and payable hereunder, said failure continuing for a period of three (3) days after the same is due;
- (c) A general assignment by Tenant or any guarantor for the benefit of creditors;
- (d) The filing of a voluntary petition of bankruptcy by Tenant or any guarantor, the filing of a voluntary petition for an arrangement, the filing of a petition, voluntary or involuntary, for reorganization, or the filing of an involuntary petition by Tenant's creditors or guarantors;
- (e) Receivership, attachment, or other judicial seizure of the Premises or all or substantially all of Tenant's assets on the Premises;
- (f) Failure of Tenant to maintain insurance as required under Paragraph 8.2 if Tenant does not self-insure in accordance with Paragraph 8.2;
 - (g) Any breach by Tenant of its covenants under Paragraph 6.2;
- (h) Failure in the performance of any of Tenant's covenants, agreements or obligations hereunder (except those failures specified as events of Default in other Paragraphs of this Paragraph 13.1 which shall be governed by such other Paragraphs), which failure continues for ten (10) days after written notice thereof from Landlord to Tenant provided that, if Tenant has exercised reasonable diligence to cure such failure and such failure cannot be cured within such ten (10) day period despite reasonable diligence, Tenant shall not be in default under this subparagraph unless Tenant fails thereafter diligently and continuously to prosecute the cure to completion;

- (i) Any transfer of a substantial portion of the assets of Tenant, or any incurrence of a material obligation by Tenant, unless such transfer or obligation is undertaken or incurred in the ordinary course of Tenants business or in good faith for equivalent consideration, or with Landlord's consent; and
- (i) The default of any guarantors of Tenant's obligations hereunder under any guaranty of this Lease, or the attempted repudiation or revocation of any such guaranty.
- 13.2 <u>Remedies</u>. In the event of any Default by Tenant, Landlord shall have the remedies set forth in the Addendum attached hereto entitled "Landlord's Remedies in Event of Tenant Default".
- Late Charges. Tenant hereby acknowledges that late payment by Tenant to 13.3 Landlord of Rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of Rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount; provided, however, the first two (2) times during the first twelve (12) months of the term of this Lease, Tenant shall not be required to pay a late charge if Tenant fails to pay rent within five (5) days after the date such amount is due so long as Tenant pays such past due amount within five (5) days of written notice from Landlord that such amount is past due. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's Default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.
- Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of the floor area of the Premises, or more than twenty-five percent (25%) of the portion of the Common Areas designated for Tenant's parking, is taken by condemnation, Tenant may, at Tenant's option, to be exercised in writing within ten (10) days after Landlord shall have given Tenant written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in the same proportion as the rentable floor area of the Premises taken bears to the total rentable floor area of the Premises. No reduction of Base Rent shall occur if the condemnation does not apply to any portion of the Premises. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Landlord, provided, however, that Tenant shall be entitled to any compensation, separately awarded to Tenant for Tenant's relocation expenses and/or loss of Tenant's trade fixtures. In the event that this Lease is not terminated by reason of such condemnation, Landlord shall to the extent of its net severance damages in the condemnation matter, repair any damage to the Premises caused by such condemnation authority. Tenant shall be responsible for the payment of any amount in excess of such net severance damages required to complete such repair.

15. Estoppel Certificate.

Each party (herein referred to as "Responding Party") shall within ten (10) days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party, to the extent it can truthfully do so, an estoppel certificate, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

16. Additional Covenants and Provisions.

- 16.1 <u>Severability</u>. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall not affect the validity of any other provision hereof.
- 16.2 Interest on Past-Due Obligations. Any monetary payment due Landlord hereunder not received by Landlord within ten (10) days following the date on which it was due shall bear interest from the date due at twelve percent (12%) per annum, but not exceeding the maximum rate allowed by law in addition to the late charge provided for in Paragraph 13.3.

- 16.3 <u>Time of Essence</u>. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.
- 16.4 <u>Landlord Liability</u>. Tenant, its successors and assigns, shall not assert nor seek to enforce any claim for breach of this Lease against any of Landlord's assets other than Landlord's interest in the Industrial Center. Tenant agrees to look solely to such interest for the satisfaction of any liability or claim against Landlord under this Lease. In no event whatsoever shall Landlord (which term shall include, without limitation, any general or limited partner, trustees, beneficiaries, officers, directors, or stockholders of Landlord) ever be personally liable
- 16.5 <u>No Prior or Other Agreements</u>. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and supersedes all oral, written prior or contemporaneous agreements or understandings.
- 16.6 <u>Notice Requirements.</u> All notices to be given hereunder shall be deemed to have been given when given in writing by depositing the same in the United States mail, postage prepaid, registered or certified, or by overnight mail, and address to the party at the respective mailing address as herein set forth.

To Landlord at:

AMB Institutional Alliance Fund III, L.P. c/o AMB Property Corporation Pier 1, Bay 1

San Francisco, CA 94111

With cc to:

AMB Property Corporation 12720 Gateway Drive #110 Tukwila, WA 98168

To Tenant at:

King County Real Estate Services Section 500 Fourth Avenue, Suite 500 Seattle, WA 98104-3279

It is understood that each party may change the address to which notices may be sent by giving a written notice of such change to the other party hereto in the manner herein provided.

- 16.7 <u>Date of Notice</u>. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail, the notice shall be deemed given 48 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or an overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the United States Postal Service or courier. If any notice is transmitted by facsimile transmission or similar means, the same shall be deemed served or delivered upon telephone or facsimile confirmation of receipt of the transmission thereof, provided a copy is also delivered via hand or overnight delivery or certified mail. If notice is received on a Saturday or a Sunday or a legal holiday, it shall be deemed received on the next business day.
- 16.8 <u>Waivers.</u> No waiver by Landlord of a Default by Tenant shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default by Tenant of the same or any other term, covenant or condition hereof.
- 16.9 <u>Holdover</u>. Tenant has no right to retain possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease. If Tenant holds over with the consent of Landlord: (i) the Base Rent payable shall be increased to one hundred fifty percent (150%) of the Rent payable during the month immediately preceding such expiration or earlier termination; (ii) Tenant's right to possession shall terminate on thirty (30) days notice from Landlord and (iii) all other terms and conditions of this Lease shall continue to apply. Nothing contained herein shall be construed as a consent by Landlord to any holding over by Tenant. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, demands, actions, losses, damages, obligations, costs and expenses, including, without limitation, attorneys' fees incurred or suffered by Landlord by reason of Tenant's failure to surrender the Premises on the expiration or earlier termination of this Lease in accordance with the provisions of this Lease.
- 16.10 <u>Cumulative Remedies</u>. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies in law or in equity.
- 16.11 <u>Binding Effect: Choice of Law.</u> This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the

State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

- Landlord are binding on Landlord, its successors and assigns, only during and in respect of their respective period of ownership of such interest in the Industrial Center. In the event of any subsequent transfers or conveyances, the then grantor) shall be concurrently freed and relieved from and after the date of such transfer or conveyance, without any further instrument or agreement, of all liability with respect to the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed.
- 16.13 Attorneys' Fees and Other Costs. If any Party brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding shall be entitled to reasonable attorneys' fees. The term "Prevailing Party" shall include, without limitation, a Party who substantially obtains or defeats the relief sought. Landlord shall be entitled to attorneys' fees, costs and expenses incurred in preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting breach. Tenant shall reimburse Landlord on demand for all reasonable legal, engineering and other professional services expenses incurred by Landlord in connection with all requests by Tenant for consent or approval hereunder.
- 16.14 Landlord's Access; Showing Premises; Repairs. Landlord and Landlord's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times upon reasonable notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises or to the Building, as Landlord may reasonably deem necessary. Landlord may at any time place on or about the Premises or Building any ordinary "For Sale" signs and Landlord may at any time during the last one hundred eighty (180) days of the term hereof place on or about the Premises any ordinary "For Lease" signs. All such activities of Landlord shall be without abatement of rent or liability to Tenant.
- 16.15 Tenant Signage. Tenant may, at its sole expense, place external signage on the Building provided that such signs are in accordance with the Sign Specifications for the Industrial Center, have been approved in advance by Landlord and do not violate any statute, regulations, or permitting requirements existing during the Term of this Lease. Tenant shall be responsible for all maintenance of its signage and for the costs of removal of such signs and of restoring the Building to the condition existing prior to its installation and satisfactory to Landlord.
- 16.16 <u>Termination: Merger.</u> Unless specifically stated otherwise in writing by Landlord, the voluntary or other surrender of this Lease by Tenant, the mutual termination or cancellation hereof, or a termination hereof by Landlord for Default by Tenant, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, Landlord shall, in the event of any such surrender, termination or cancellation, have the option to continue any one or all of any existing subtenancies. Landlord's failure within ten (10) days following any such event to make a written election to the contrary by written notice to the holder of any such lesser interest, shall constitute Landlord's election to have such event constitute the termination of such interest.
- 16.17 <u>Quiet Possession</u>. Upon payment by Tenant of the Base Rent and Additional Rent for the Premises and the performance of all of the covenants, conditions and provisions on Tenant's part to be observed and performed under this Lease, Tenant shall have quiet possession of the Premises for the entire term hereof subject to all of the provisions of this Lease.

16.18 Subordination; Attornment; Non-Disturbance.

(a) <u>Subordination</u>. This Lease shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or mortgage (collectively, "Mortgage") now or hereafter placed by Landlord upon the real property of which the Premises are a part, to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Tenant agrees that any person holding any Mortgage shall have no duty, liability or obligation to perform any of the obligations of Landlord under this Lease. In the event of Landlord's default with respect to any such obligation, Tenant will give any Lender, whose name and address have previously in writing been furnished Tenant, notice of a default by Landlord. Tenant may not exercise any remedies for default by Landlord unless and until Landlord and the Lender shall have received written notice of such default and a reasonable time (not less than ninety (90) days) shall

thereafter have elapsed without the default having been cured. If any Lender shall elect to have this Lease superior to the lien of its Mortgage and shall give written notice thereof to Tenant, the disposition of condemnation and insurance proceeds shall prevail over any contrary provisions contained in this Lease.

- (b) Attornment. Subject to the non-disturbance provisions of subparagraph C of this Paragraph 16.18, Tenant agrees to attorn to a Lender or any other party who acquires of the Premises by reason of a foreclosure of a Mortgage. In the event of such foreclosure, such new owner shall not: (i) be liable for any act or omission of any prior landlord or with respect to events occurring prior to acquisition of ownership, (ii) be subject to any offsets or defenses which Tenant might have against any prior Landlord, or (iii) be liable for security deposits or be bound by prepayment of more than one month's rent.
- (c) <u>Non-Disturbance.</u> With respect to Mortgage entered into by Landlord after the execution of this Lease, Tenant's subordination of this Lease shall be subject to receiving assurance (a "non-disturbance agreement") from the Mortgage holder that Tenant's possession and this Lease will not be disturbed so long as Tenant is not in default and attorns to the record owner of the Premises.
- (d) <u>Self-Executing</u>. The agreements contained in this Paragraph 16.18 shall be effective without the execution of any further documents; provided, however, that upon written request from Landlord or a Lender in connection with a sale, financing or refinancing of Premises, Tenant and Landlord shall execute such further writings as may be reasonably required to separately document any such subordination or non-subordination, attornment and/or non-disturbance agreement as is provided for herein. Landlord is hereby irrevocably vested with full power to subordinate this Lease to a Mortgage.
- 16.19 Rules and Regulations. Tenant agrees that it will abide by, and to cause its employees, suppliers, shippers, customers, tenants, contractors and invitees to abide by all the rules and regulations attached hereto as Exhibit C ("Rules and Regulations") which Landlord may change from time to time for the management, safety, care, and cleanliness of the Common Areas, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Industrial Center and their invitees. Landlord shall not be responsible to Tenant for the non-compliance with said Rules and Regulations by other tenants of the Industrial Center.
- 16.20 <u>Security Measures</u>. Tenant acknowledges that the rental payable to Landlord hereunder does not include the cost of guard service or other security measures. Landlord has no obligations to provide same. Tenant assumes all responsibility for the protection of the Premises, Tenant, its agents and invitees and their property from the acts of third parties.

16.21 Reservations.

- (a) Landlord reserves the right to grant such easements that Landlord deems necessary and to cause the recordation of parcel maps, so long as such easements and maps do not unreasonably interfere with the use of the Premises by Tenant. Tenant agrees to sign any documents reasonably requested by Landlord to effectuate any such easements or maps.
- (b) Tenant agrees that Landlord may at any time following the execution of this Lease, either directly or through Landlord's agents, identify Tenant's name in any marketing materials relating to the Building or Landlord's portfolio and/or make press releases or other announcements regarding the leasing of the Premises by Tenant, and Tenant hereby waives any and all claims in connection therewith.
- 16.22 Agency Disclosure. At the signing of this Lease Agreement, the Landlord's Leasing Agents, Billy Moultrie, Arie Salomon, and Jeff Forsberg of NAI Puget Sound Properties, represented the Landlord. The Tenant's listing agents, Evan Lugar and Garth Olsen, of GVA Kidder Mathews, represented Tenant. Each party signing this document confirms that the prior oral and/or written disclosure of agency was provided to him/her in this transaction. (As required by WAC 308-124D-040.)
- 16.23 <u>Brokerage Relationships</u>. Landlord and Tenant, by their execution of this Lease Agreement, each acknowledge that they have received a pamphlet on the law of real estate agency as required under RCW 18.86.030(1)(f).
- 16.24 Payment of Brokers. Landlord shall pay the commissions, if any, due those real estate brokers or agents specifically named in Paragraph 16.22 above by reason of this Lease. Apart from the foregoing, each party represents that it has not had any dealings with any real estate broker, finder, salesperson or other person with respect to this Lease, and each party

agrees to hold harmless the other party from all costs, expenses, and/or damages, resulting from any claims that may be asserted against the other party by any broker, finder, or other person, with whom the other party has or purportedly has dealt.

- 16.25 <u>Conflict</u>. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.
- 16.26 Offer. Preparation of this Lease by either Landlord or Tenant or Landlord's agent or Tenant's agent and submission of same to Tenant or Landlord shall not be deemed an offer to lease. This Lease Is not intended to be binding until executed and delivered by all Parties hereto.
- 16.27 <u>Amendments</u>. This Lease may be modified only in writing, signed by the parties in interest at the time of the modification.
- 16.28 <u>Multiple Parties</u>. Except as otherwise expressly provided herein, if more than one person or entity is named herein as Tenant, the obligations of such persons shall be the joint and several responsibility of all persons or entities named herein as such Tenant.
- 16.29 <u>Authority</u>. Each person signing on behalf of Landlord or Tenant warrants and represents that she or is authorized to execute and deliver this Lease and to make it a binding obligation of Landlord or Tenant.
- 16.30 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.
- 16.31 <u>Force Majeure</u>. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be held responsible for delays in the performance of its obligations hereunder when each delay is due to strikes, lock outs, labor disputes, acts of God, or reasonable substitutes therefore, governmental acts, civil commotion, fire or other casualty, or any other causes beyond the reasonable control of Landlord.
- 16.32 <u>Lease Captions</u>. The captions of this Lease are for convenience only and are not a part of this Lease, and do not in any way define, limit, describe or amplify the terms or provisions of this Lease or the scope or intent thereof.
- 16.33 <u>Counterparts</u>. This Lease may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement.
- 16.34 <u>Interpretation</u>. The parties acknowledge that this Lease is the result of negotiations between the parties, and in construing any ambiguity hereunder no presumption shall be made in favor of either party. No inference shall be made from any item, which has been stricken from this Lease other than the deletion of such item.

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

_ANDL	LORD:	TENANT:
AMB II P., a	NSTITUTIONAL ALLIANCE FUND III, Delaware limited partnership	KING COUNTY, a municipal corporation of the state of Washington
Зу:	AMB Property L. P., a Delaware limited partnership	By: Duffer & Safa
	Its general manager	Name: Staphen L. Salyer
By:	AMB Property Corporation, a Maryland corporation, its general partner	11s: Maneyer Real Estate Services
Ву:	In Butter	Telephone: Facsimile:
Nama:	lill M. Blechschmidt	

Its: Vic	ce President	Executed at: On:	Seattle, W/T
Telephone: Facsimile: Executed at On:	415-394-9000 415-394-9001 :	Ву:	AS TO FORM: Bames, Senior Deputy
*		Prosecu	BY CUSTODIAL AGENCY
			MANAGER_ UARY 27-2010

TENANT: STATE OF WASHINGTON COUNTY OF KING On 1-17-10 , before me ANNE E, LOCKTILLER, Notary Public in and for the State of Washington, personally appeared STEEL L. SALIER , personally known On 1-27-10 to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. Wintest the hand and official seal hereto affixed the day and year first above written. Signed: Le Printed Name: ANNE E. LOCCHI NOTARY PUBLIC in and for the State of NOTARY OCCHILIRE WASHINGTOW SEATTLE, WASHINGTON residing at My Commission Expires: LANDLORD: WASHINGTON State of California County of KING ELETIME ROMERO, NOTHRY PUBLIC On 01-29-10 before me, (here insert name and title of the officer), personally appeared Jill M. Blechschmidt who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (s) are subscribed to the within instrument and acknowledged to me that he show they executed the same in his reintheir authorized capacity (ies), and that by his reintheir signature (s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal. (Seal) THIS CERTIFICATE MUST Document Title/Type: BE ATTACHED TO THE Number of pages: DOCUMENT DESCRIBED AT RIGHT: Date of Document: Signer other than named above:

ADDENDUM 1

To Lease dated January 15, 2010

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

LANDLORD'S REMEDIES ADDENDUM IN EVENT OF TENANT DEFAULT

- (a) <u>Termination</u>. In the event of any Default by Tenant, then in addition to any other remedies available to Landlord at law or in equity and/or under this Lease, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall elect to so terminate this Lease then Landlord may recover from Tenant:
- (1) the worth at the time of award of any unpaid Rent and any other sums due and payable which have been earned at the time of such termination; plus
- (2) the worth at the time of award of the amount by which the unpaid Rent and any other sums due and payable which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably
- (3) the worth at the time of award of the amount by which the unpaid Rent and any other sums due and payable for the balance of the term of this Lease after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus
- (4) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course would be likely to result therefrom, including, without limitation, any costs or expenses incurred by Landlord (i) in retaking possession of the Premises; (ii) in maintaining, perserving, restoring, replacing, cleaning, altering or rehabilitating the Premises or any portion thereof, including such acts for reletting to a new lessee or lessees; (iii) for leasing commissions; or (iv) for any other costs necessary or appropriate to relet the Premises; plus
- (5) such reasonable attorneys' fees incurred by Landlord as a result of a Default, and costs in the event suit is filed by Landlord to enforce such remedy; and plus
- (6) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in subparagraphs (1) and (2) above, the "worth at the time of award" is computed by allowing interest at an annual rate equal to twelve percent (12%) per annum or the maximum rate permitted by law, whichever is less. As used in subparagraph (3) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%). Tenant waives any right of redemption under any other present or future law, in the event Tenant is evicted or Landlord takes possession of the Premises by reason of any Default of Tenant hereunder.

- (b) <u>Continuation of Lease</u>. In the event of any Default by Tenant, then Landlord shall have all remedies available to Landlord at law or in equity and/or under this Lease.
- (c) Re-entry. In the event of any Default by Tenant, Landlord shall also have the right, with or without terminating this Lease, in compliance with applicable law, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant.
- (d) Reletting. In the event of the abandonment of the Premises by Tenant or in the event that Landlord shall elect to re-enter or shall take possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, then if Landlord does not elect to terminate this Lease as provided in Paragraph a, Landlord may from time to time, without terminating this Lease, relet the Premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable with the right to make alterations and repairs to the Premises. In the event that Landlord shall elect to so relet, then rentals received by Landlord from such reletting shall be applied in the following order: (1) to reasonable attorneys' fees incurred by Landlord as a result of a Default and costs in the event suit is filed by Landlord to enforce such remedies; (2) to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; (3) to the payment of any costs of such reletting; (4) to the payment of the costs of any alterations and

repairs to the Premises; (5) to the payment of Rent due and unpaid hereunder, and (6) the residue, if any, shall be held by Landlord and applied in payment of future Rent and other sums payable by Tenant hereunder as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of Rent hereunder, be less than the Rent payable during the month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as ascertained, any costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

- (e) <u>Termination</u>. No re-entry or taking of possession of the Premises by LANDLORD pursuant to this Addendum shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Landlord because of any Default by Tenant, Landlord may at any time after such reletting elect to terminate this Lease for any such Default.
- (f) <u>Cumulative Remedies</u>. The remedies herein provided are not exclusive and Landlord shall have any and all other remedies provided herein or by law or in equity.
- (g) No Surrender. No act or conduct of Landlord, whether consisting of the acceptance of the keys to the Premises, or otherwise, shall be deemed to be or constitute an acceptance of the surrender of the Premises by Tenant prior to the expiration of the Term, and such acceptance by Landlord of surrender by Tenant shall only flow from and must be evidenced by a written acknowledgment of acceptance of surrender signed by Landlord. The surrender of this Lease by Tenant, voluntarily or otherwise, shall not work a merger unless Landlord elects in writing that such merger take place, but shall operate as an assignment to Landlord of any and all existing subleases, or Landlord may, at its option, elect in writing to treat such surrender as a merger terminating Tenant's estate under this Lease, and thereupon Landlord may terminate any or all such subleases by notifying the sublessee of its election so to do within five (5) days after such surrender.
- (h) Notice Provisions. Tenant agrees that any notice given by Landlord pursuant to Paragraph 13.1 of the Lease shall satisfy all requirements for notice, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding or any other rights or remedies under this Lease.

INITIAL

INITIAL

ADDENDUM 2

To Lease dated January 15, 2010
By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

ADDITIONAL LEASE PROVISIONS

- 1.0 Refurbishment Allowance (Office Only). If this Lease is still in full force and effect on December 1, 2014 and so long as Tenant is not in default of this Lease beyond any applicable cure period, Landlord will provide a refurbishment allowance of up to \$24,120.00 to reimburse Tenant for installing new carpet in the office portion of the Premises and/or painting the interior walls of the office portion of the Premises. To obtain reimbursement for such work, Tenant must fully complete all such work no later than November 30, 2015 and shall provide Landlord with evidence reasonably (including invoices for such work) have been fully completed and all contractors performing such work have been paid and waived any and all lien rights. The reimbursement amount shall be paid by Landlord to Tenant within thirty (30) days of allowance.
- 2.0 Option to Terminate. Tenant shall have the one (1) time option to terminate this Lease effective January 31, 2011, provided that each of the following conditions are satisfied: (1) Tenant has remedied any default of any of the terms and conditions of this Lease; (2) Tenant shall have provided Landlord irrevocable written notice not later than July 31, 2010 of Tenant's exercise of this option to terminate this Lease; and (3) at the time pays Landlord a termination fee equal to the sum of: (a) an amount to reimburse Landlord for the cost of removal of the following items to be installed pursuant to Exhibit equipment in the warehouse portion of the Premises; (b) five (5) months of the current Base Rent payable from February 1, 2011 through June 30, 2011; and (c) all unearned king County and is not transferable; in the event of any assignment or subletting under this Lease, the right to terminate the Lease shall automatically terminate and shall thereafter be null and void.
- 3.0 <u>Satellite Dish.</u> Subject to Tenant's compliance with all applicable governmental requirements, Landlord hereby grants the Tenant a nonexclusive license to use a portion of the roof of the Premises in a location to be determined by Landlord to install satellite dishes and antennas (the "Dish") and the nonexclusive right to run connecting lines to the Dish from the Premises (the Dish and such connecting lines and equipment are herein referred to as the "Equipment") provided Tenant complies with the following:
 - (a) Tenant shall not install or reinstall the Equipment or do anything in such a manner that would void Landlord's roof warranty. The plans and specifications for, and the method of installation of, all the Equipment shall be approved by Landlord in writing prior to any installation, such approval shall not be unreasonably withheld, delayed or conditioned. Tenant shall be responsible for any damage to the roof or conduit systems as a result of Tenant's installation, maintenance and/or removal of the Equipment. The location of the Dish and the other Equipment shall be subject to Landlord's prior written approval.
 - (b) Tenant, at Tenant's sole expense, shall comply with all laws regarding the installation, construction, operation, maintenance, repair, and removal of the Equipment and shall be solely responsible for obtaining and maintaining in force all permits, licenses and approvals necessary for the foregoing. If necessary, Tenant shall provide effective sound and vibration barriers as reasonably required by Landlord. Tenant shall install and operate the Equipment in such a way that it does not interfere in any manner with equipment or communications systems of other tenants of the Industrial Center.
 - (c) Tenant shall be responsible for and promptly pay when due all taxes, assessments, charges, fees and other governmental impositions levied or assessed by a governmental authority on the Equipment or based on the operation thereof.

- (d) Tenant shall not use or allow use of the Equipment, for consideration or otherwise, for the benefit of other person or entity that is not an
- (e) Tenant shall screen and repaint the Equipment as may from time to time be required by Landlord and Tenant shall maintain the Equipment in good condition and repair, at Tenant's cost and expense.
- The Equipment shall not disturb or interfere with the communications equipment and uses which exist at the Industrial Center on the date this Lease is fully executed, and, if applicable, the Equipment shall comply with all noninterference rules of the Federal Communications Commission. Anything to the contrary contained herein notwithstanding, if, during the Lease Term, as such Term may be extended, Landlord, in its reasonable judgment, believes that any of the Equipment poses a human health or environmental hazard and Landlord retains a qualified expert in such matters to review the situation and such expert concurs with Landlord's judgment, and such situation cannot be remediated or has not been remediated within ten (10) days after Tenant has been notified thereof, then Tenant shall immediately cease all operations of the applicable Equipment until such situation is remedied. Tenant shall indemnify, defend (by counsel acceptable to Landlord) and hold harmless Landlord from any and all claims, demands, liabilities, damages; judgments, costs and expenses (including attorneys' fees) Landlord may suffer or incur arising out of or related to the installation, use, operation, maintenance, replacement and/or removal of the Equipment or any portion thereof.
- (g) Landlord shall have no responsibility or liability whatsoever relating to: (i) maintenance or repair of the Equipment; (ii) damage to the Equipment, unless caused by Landlord's intentional or grossly negligent acts; (iii) damage to persons or property relating to the Equipment or the operation thereof; or (iv) interference with use of the Equipment arising out of utility interruption. Tenant acknowledges that Landlord shall have no obligation whatsoever to improve, maintain or repair the area in which the Equipment will be installed.
- (h) Tenant shall, at Tenant's sole expense, remove the Dish and such other portions of the Equipment as Landlord may designate, and restore the affected areas to their condition prior to installation of the Equipment in such a manner so as not to invalidate or limit Landlord's roof warranty no later than thirty (30) days after expiration or earlier termination of the Lease.
- (i) The covenants, obligations and indemnities of Tenant under this paragraph survive expiration or earlier termination of this Lease for any reason.
- 4.0 <u>Siren Testing</u>. Tenant shall have the right to test sirens that Tenant is installing or adjusting on vehicles as part of Tenant's permitted use of the Premises. Tenant shall take all reasonable actions to minimize the volume, frequency and length of such siren testing to five (5) seconds to mitigate potential impact on other tenants of the Industrial Center and residents in the vicinity of the Industrial Center. In connection therewith, Tenant agrees that: (i) when a vehicle's siren is being tested, such vehicle shall be parked in the Common Areas on the east side of the Premises, (ii) in performing any siren testing; such siren testing shall be performed in compliance with all applicable laws and the requirements of any governmental authority, (iii) Tenant shall not conduct siren tests on a weekend or national or state holiday, and (iv) Tenant shall not conduct any siren tests before 7:30 am or after 6:00 pm.

EXHIBIT A

To Lease dated January 15, 2010

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

PREMISES AND SITE PLAN

EXHIBIT B

To Lease dated January 15, 2010

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

RENT COMMENCEMENT DATE CERTIFICATE

LANDLORD:	AMB Institutional Alliance Fund III, LP		
TENANT:	King County		
LEASE DATE:	January 15, 2010		
PREMISES:	855 South 192 nd Street, Suite 1000 SeaTac, WA 98148		
Tenant hereby accepts the F	Premises as being in the condition required under the Lease.		
	Date of the Lease is		
	ease is		
Landlord: [insert ownership name here check for proper signature block] a [insert ownership entity type here] By: AMB Property Corporation, Its General Partner By: Jill M. Blechschmidt	Tenant:		
Title: Vice President	Title:		
Telephone: 415-394-9000	Telephone:		
Facsimile: 415-894-9901	Facsimile:		
Executed at: San Francisco, CA	Executed at:		
On:	On:		

EXHIBIT C

To Lease dated January 15, 2010
By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on the Building or to any part thereof, or which is visible from the outside of the Building, without the written consent of Landlord, first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice to and at the

All approved signs or lettering on doors shall be printed, affixed or inscribed at the expense of Tenant by a person approved by Landlord. See Exhibit G-1 and G-2 for further criteria.

Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises.

- If a directory is located at the building, it is provided exclusively for the display of the name and location of Tenant only and Landlord reserves the right to exclude any other names
- 3. The sidewalks, passages, exits, entrances, and stairways in and around the Building shall not be obstructed by Tenant or used by it for any purpose other than for ingress to and egress from the Premises. The passages, exits, entrances, stairways, and roof are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation and interests of the Building and its Tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. Neither Tenant nor any employees or invitees of Tenant shall go upon the roof of the Building.
- 4. The toilets and urinals shall not be used for any purpose other than those for which they were constructed, and no rubbish, newspapers or other substances of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed. Tenant shall be responsible for any breakage, stoppage or damage resulting from the violation of this rule by Tenant or its employees or invitees.
- 5. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof.
- 6. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other Tenants or those having business there.
- 7. The Premises shall not be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.
- 8. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline, or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord without complying with requirements set forth in this Lease.
- 9. Landlord will direct electricians as to the manner and location in which telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
- 10. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by Tenant.
- 11. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
- 12. Tenant shall not disturb, solicit, or canvass any occupant of the Building.

- 13. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
- 14. Tenant shall not permit any contractor or other person making any alterations, additions or installations within the Premises to use the hallways, lobby or corridors as storage or work areas without the prior written consent of Landlord. Tenant shall be liable for and shall pay the expense of any additional cleaning or other maintenance required to be performed by Landlord or for Tenant.
- 15. Tenant shall be entitled to use parking spaces as mutually agreed upon between Tenant and Landlord subject to such reasonable conditions and regulations as may be imposed from time to time by Landlord. Tenant agrees that vehicles of Tenant or its employees or agents shall not park in driveways nor occupy parking spaces or other areas reserved for any use such as Visitors, Delivery, Loading, or other tenants. Landlord or its agents shall have the right to cause or be removed any car of Tenant, its employees or agents, that may be parked in unauthorized areas, and Tenant agrees to save and hold harmless Landlord, its agents and employees from any and all claims, losses, damages and demands asserted or arising in respect to or in connection with the removal of any such vehicle. Tenant, its employees, agents or contractors shall not: (i) park campers, trucks or cars on the Building parking areas overnight or over weekends, or (ii) allow any trailers, boats, personal vehicles of any kind or any other materials to be parked or stored in the Building parking areas overnight or over weekends. Tenant will from time to time, upon request of Landlord, supply Landlord with a list of license plate numbers of vehicles owned or operated by its employees and agents. Tenant shall not wash vehicles or equipment in parking lot.
- 16. Landlord reserves the right to make modifications hereto and such other and further rules and regulations as in its sole judgment may be required for the safety, care and cleanliness of the Premises and the Building and for the preservation of good order therein. Tenant agrees to abide by all such rules and regulations.
- 17. Canvassing, soliciting and peddling is prohibited in the Building and each Tenant shall cooperate to prevent the same.
- 18. Landlord is not responsible for the violation of any rule contained herein by any other Tenant.
- 19. Landlord may waive any one or more of these rules for the benefit of any particular Tenant, but no such waiver shall be construed as a waiver of Landlord's right to enforce these rules against any or all Tenants occupying the Building.
- 20. Tenant is responsible for purchasing and installing a security system if required by the City of SeaTac. The cost of purchasing and installation of such system is the sole cost and expense of Tenant.
- 21. No Outside Storage. Storage, either permanent or temporary, of any materials, supplies or equipment in the Common Areas is strictly prohibited. Should Tenant violate this provision of the Lease, then in such event, Landlord may, without notice to Tenant, remove said materials, supplies or equipment from the Common Areas and place such items in storage or dispose of such items, the cost thereof to be reimbursed by Tenant within ten (10) days from receipt of a statement submitted by Landlord. All subsequent costs in connection with the storage or disposal of said items shall be paid to Landlord by Tenant as accrued. Failure of Tenant to pay these charges within ten (10) days from receipt of statement shall constitute a breach of this Lease. Tenant and its officers, agents, employees, customers and invitees shall park their motor vehicles only in areas designated by Landlord for that purpose from time to time.

EXHIBIT D

To Lease dated January 15, 2010
By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

LANDLORD LIEN SUBORDINATION AGREEMENT

NOTE: This document is to be executed and dated subsequent to the original execution of the Lease, when and if Landlord's consent of waiver is sought.
THIS LANDLORD LIEN SUBORDINATION AGREEMENT (this "Agreement") is dated a of this, 290_ and is by and between [Insert Landlord Name] (the "Landlord" ("Lender"), and the control of
("Grantor").
Lender has provided Grator a loan (the Loan under the terms of a certain loan agreement between Lender and Grantor Granter has secured the repayment of the Loan by among other things, granting Lender a society interest in all of Grantor's inventory, and/or trade fixtures and/or equipment (but excluding leasehold improvements, fixtures and cash on hand or deposit with financial institutions), whether now owned or hereinafter acquired and all proceeds of any of the foregoing (the "Collateral").
Grantor and Landlord are parties to that certain Lease for space located at space from Landlord (the "Premises") pursuant to which Grantor has leased certain
Lender has requested that Grantor obtain and cause Landlord to provide Landlord's subordination of all of Landlord's lien rights as lessor against any of the Collateral to the rights of Lender in the Collateral on the terms and conditions contained herein.

NOW, THEREFORE, the parties agree as follows:

- A. During the period commencing on the date Lender makes the Loan and ending on the earlier of the date such Loan is repaid or thirty (30) days following the date that Grantor is in default of the Lease, Landlord agrees that any liens of Landlord in the Collateral shall be subject and subordinate to the liens of Lender in the Collateral.
- During the period Landlord's lien on the Collateral is subordinate to the liens of Lender, Lender may enter upon the Premises during normal business hours upon at least five (5) days prior written notice to inspect or remove the Collateral, or any part thereof, from the Premises while Lender is in possession of the Premises, which period shall not exceed thirty (30) days; provided that Lender shall pay to Landlord all rent and additional charges payable by Grantor under the Lease for any period that Lender occupies the Premises pursuant to this Agreement prior to or concurrently with Lender's entry upon the Premises at the monthly rates then payable under the Lease, pro-rated on the basis of a thirty (30) day month. Lender shall promptly, at Lender's sole cost and expense, repair to Landlord's reasonable satisfaction or pay reasonable compensation to Landlord for damages, if any, to the Premises caused by removal of Collateral prior to the terminating of the Lease or removal of Grantor from the Premises by Landlord. All repairs shall be accomplished in a good and workmanlike manner without personal injury, property damage or liens. Lender shall indemnify, protect, defend and hold Landlord and Landlord's agents and employees harmless from all costs, expenses, claims and damages arising out of Lender's exercise of any rights of Lender contained herein, and such indemnity obligations shall survive the termination of this Agreement.
- C. Lender agrees to give Landlord written notice of any default of Grantor under the Security Agreement within ten (10) days of such default unless such default is permissibly and wholly cured within such time period.
- D. Grantor hereby (i) consents to the provisions of this Agreement, (ii) waives any and all rights or claims it may have under or by virtue of the Lease, or at law or in equity, with respect to any breach of Grantor's quiet enjoyment in and to the Premises or any interference with Grantor's operations in or about the Premises in any way related to or arising from Lender's or Landlord's exercise of their rights granted herein or under the Lease, (iii) agrees that it shall

not have any right to any rental abatement, deduction or offset against rental payments payable by Grantor under the Lease by virtue of Lender's or Landlord's exercise of their rights granted herein, and (iv) agrees that upon the expiration of the term of the Lease or the earlier termination thereof to (a) promptly remove or cause the removal of the Collateral from the Premises, and (b) promptly and fully repair any damage to the Premises, the building and/or the project in which the Premises is located, arising from the installation or removal of the Collateral and from the Premises and to fully restore the Premises to a good, clean and safe condition and to Landlord's reasonable satisfaction.

E. Miscellaneous Provisions

- The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- 2. Failure of either party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of such provision or a waiver of such provision itself.
- 3. In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the US Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Agreement or with respect to any dispute relating to this Agreement, the prevailing party shall be entitled to recover from the losing party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.
- 4. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

- 7. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by all of the parties hereto.
- 8. This Agreement constitutes the entire understanding of the parties with regard to the subject matter hereof and all prior agreements, representations, and understandings between the parties other than the Lease, whether oral or written, are deemed null and void, all of the foregoing having been merged into this Agreement. The parties acknowledge that each party and/or its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement or any document executed and delivered by either party in connection with this Agreement.

- 9. This Agreement may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original.
- 10. Time is of the essence of this Agreement. Unless the context otherwise requires, all periods terminating on a given day, period of days, or date shall terminate at 5:00 p.m. (Pacific Time) on such date or dates.
- 11. The Landlord's agreement to allow Lender to come onto the Property shall not act as a waiver, suspension or termination of any or all of the rights or remedies Landlord may have against Grantor by reason of any default by Grantor under the Lease.

IN WITNESS WHEREOF, Landlord, Lender and Grantor have executed this Agreement as of the date set forth above.

LENL)ER: 					
Ву:						_
Its:						
Date:						
GRAN	ITOR	:				
						
Ву:					·	
Its:						
Date:						
LAND	.ORD	:				
By: Its:						
	By: Its:	AMB Gen	Property Corporation	n		
		Ву:	iii Diochachair			
		Its:	Jill Blechschmidt Vice President			
Date:			•			

EXHIBIT E

To Lease dated January 15, 2010

By and between AMB INSTITUTIONAL ALLIANCE FUND III, LP., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

ENVIRONMENTAL MOVE-IN QUESTIONNAIRE

Property Name:

Property Address: Lease Date:

Seattle Logistics Center 855 South 192nd Street, Suite 1000, Seattle, WA January 15, 2010 AMB INSTITUTIONAL ALLIANCE FUND III, L.P. KING COUNTY

Landlord:

Instructions: The following questionneline is to be completed at the time of Lease execution by the Tenant representative with knowledge of the planned operations for the specified building/location.

PLANNED USE/OPERATIONS

Describe planned use and include brief description of manufacturing processes employed.

King county will use the fecility for several purposes. Front and back office activities related to running and edministering our enterprise service functions are done within the office spaces. In the open bay (shop) we will be primerily performing radio and accessory installation and repeir services for area Public Safely First Responder agencies and other general governmental agencies. These service offerings involve trake of vehicles and communications devices with the troubleshooting, programming, installing and repeiring of them.

2.0 HAZARDOUS MATERIALS

- 2-1. Are Hazardous Materials as defined in the lease Agreement used, handled, or stored at the Premises? If so, continue with the next question. If not, go to Section 3.0.
- 2-2. Please attach a chemical inventory that identifies the type(s), use(s) and quantity of each chemical used or stored on the site and include Material Safety Data Sheets for each chemical. In addition, describe the proposed hazardous material storage area (preferably on a site plan or figure) and planned measures to manage potential releases to the environment (e.g., split containment measures, Spit Response Plans, etc.).

3.0 HAZARDOUS WASTES

- Are hazardous wastes generated? If so, continue with the next question. If not, skip this next go to Section 4.0, No N Yes 3-1. Are hazardous wastes section end go to Section 4.0,
- 3-2. Are any wastes generated, handled, or disposed of (where applicable) on the property? If so, identify and describe on separate pages those westes generated, handled or disposed of (disposition). Specify any wastes known to be regulated under the Resource Conservation and Recovery Act (RCRA) as "stated characteristic or statutory" wastes. Include total amounts generated morthly. Please include name, location, and permit number (e.g. EPA ID No.) for transporter and disposal facility, if applicable.
- 3-3. Are pollution controls or monitoring employed in the process to prevent or minimize the release of wastes into the environment? If so, please describe on a separate page.

4.0 USTS/ASTS

4-1. Are underground storage tanks (USTs), aboveground storage tanks (ASTs), clarifiers, or associated pipelines required for planned operations? If not, continue with Section 5.0. If yes, please describe on separate page the capacity, contents, design and construction of USTs or ASTs and provide copies of appropriate regulatory permits.

ANO N Yes

5.0 REGULATORY

5-1. Does the operation have or require any permits for Hazardous Materials or waste discharge Including but !!mited to National Pollutant Discharge Elimination System (NPDES) or equivalent permit? If so, please provide a copy of this permit.

NC

5-2. Has a Hazardous Materials Business Plan been developed for the site? If so, please provide a copy.

N/A

TENANT CERTIFICATION

I am familiar with the real property and facility operations described in this questionnaire, and I am authorized to sign on behalf of the Tenant. By signing below, I represent and warrant that the answers to the above questions are complete and accurate to the best of my knowledge. I also understand that the Landlord will rely on the completeness and accuracy of my answers in assessing any environmental liability risks associated with the property.

Signature:

Name:

DAVED MENOU

Title: Date: ICS MANAGER

Telephone:

206-205-8191

PLEASE FORWARD THE COMPLETED QUESTIONNAIRE TO:

Mr. Steve Campbell AMB Property, L.P. Pier 1, Bay 1 San Francisco, CA 94111

EXHIBIT F-1

To Lease dated January 15, 2010
By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

This Work Letter Agreement is in addition to the terms and conditions set forth in and is made a part of the Lease, by and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, as ("Landlord") and KING COUNTY, a municipal corporation of the state of Washington as ("Tenant"). Any capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms as set forth in the Lease

- 1. <u>Landlord's Work.</u> Subject to the conditions set forth below, Landlord agrees to construct and install certain improvements ("Landlord's Work") in the Building of which the Premises are a part in accordance with the Final Drawings (defined below) and pursuant to the terms of this <u>Exhibit F-1</u>.
- 2. <u>Definition.</u> "Landlord's Work" as used in this Lease shall include only the work to be performed by Landlord described below. "Landlord's Work" shall specifically not include any alterations, additions or improvements installed or constructed by Tenant, and any of Tenant's trade fixtures, equipment, furniture, furnishings, telephone equipment or other personal property (collectively, "Personal Property"). Landlord's Work shall include any and all improvements to be made to the Premises as specified in the Final Drawings (defined below), as specified and agreed to by Tenant and Landlord. In no event shall Landlord's Work include the following, all of which costs and expenses shall be paid for by Tenant: (i) costs and expenses for telecommunications wiring (including, without limitation, wiring for telephones or computers), (ii) architectural costs in connection with the preparation of the Final Drawings or any changes to the Final Drawings, (iii) any costs for permits for Landlord's Work, (iv) any engineering costs or expenses in connection with Landlord's Work, or (v) any costs and expenses incurred for Tenant's racking and shelving system.
- 3. Final Drawings: the Work. Tenant desires Landlord to perform Landlord's Work in substantial accordance with the plan(s) or scope of work (collectively, the "Final Drawings") which is attached hereto as Exhibit F-3, and made a part hereof. Neither the approval by Landlord of the Final Drawings or any other plans, specifications, drawings or other items associated with Landlord's Work nor Landlord's performance, supervision or monitoring of Landlord's Work shall constitute any warranty or covenant by Landlord to Tenant of the adequacy of the design for Tenant's intended use of the Premises. Tenant agrees to, and does hereby, assume full and complete responsibility to ensure that the Final Drawings are adequate to fully meet the needs and requirements of Tenant's intended operations of its business within the Premises and Tenant's use of the Premises.
- 4. Performance of Landlord's Work. Landlord shall submit the Final Drawings to the governmental authorities having rights of approval over Landlord's Work and shall apply for the necessary approvals and building permits. Landlord's Work shall be constructed by a general contractor selected by Landlord (the "General Contractor"). Landlord shall commence construction, or cause the commencement of construction by the General Contractor of Landlord's Work as soon as practicable after selection of the General Contractor. Except as hereinafter expressly provided to the contrary, Landlord shall cause the performance of Landlord's Work using (except as may be stated or otherwise shown in the Final Drawings) building standard materials, quantities and procedures then in use by Landlord ("Building Standards").
- 5. <u>Substantial Completion</u>. Landlord shall use commercially reasonable efforts to cause the General Contractor to Substantially Complete (defined below) Landlord's Work in accordance with the Final Drawings on or before the Outside Delivery Date, subject to delays due to (a) acts or events beyond its control including, but not limited to, acts of God, earthquakes, strikes, lockouts, boycotts, casualties, discontinuance of any utility or other service required for performance of Landlord's Work, moratoriums, governmental agencies and weather, (b) the lack of availability or shortage of specialized materials used in the construction of Landlord's Work, (c) any matters beyond the control of Landlord, the General Contractor or any subcontractors, (d) any changes required by the fire department, building and/or planning department, building inspectors or any other agency having jurisdiction over the Building and/or Landlord's Work (except to the extent such changes are directly attributable to Tenant's use or Tenant's specialized tenant improvements, in which event such delays are considered Tenant Delays) (the events and matters set forth in Subsections (a), (b), (c) and (d) are collectively referred to as "Force Majeure Delays"), or (e) any Tenant Delays (defined below). Landlord's Work shall be deemed substantially complete on the date that the building officials of the applicable governmental agency(s) issues its final approval of the construction of Landlord's Work whether in the form of the issuance of a final permit, temporary or final certificate of

occupancy or the written approval evidencing its final inspection on the building permit(s) ("Substantial Completion", or "Substantially Completed, or "Substantially Complete").

- Tenant Delays. If there is any delay in Substantially Completing Landlord's Work that is attributable to Tenant and/or Tenant's Representatives or Tenant's intended use of the Premises (collectively, "Tenant Delays"), including, but not limited to, any of the following described events or occurrences: (a) delays related to changes made or requested by Tenant to Landlord's Work and/or the Final Drawings; (b) the failure of Tenant to comply with the requirements of this Exhibit F-1; (c) Tenant's requirements for special work or materials, finishes, or installations other than the Building Standards or Tenant's requirements for special construction or phasing not included in the Final Drawings; (d) any changes required by the fire department, building or planning department, building inspectors or any other agency having jurisdiction over the Building and/or Landlord's Work if such changes are directly attributable to Tenant's use or Tenant's specialized tenant improvements; (e) the performance of any additional work pursuant to a Change Request (defined below) which is requested by Tenant; (f) the performance of work in or about the Premises by any person, firm or corporation employed by or on behalf of Tenant, including, without limitation, any failure to complete or any delay in the completion of such work; or (g) any and all delays caused by or arising from acts or omissions of Tenant and/or Tenant's Representatives, in any manner whatsoever, including, but not limited to, any and all revisions to the Final Drawings, then: (i) the Outside Delivery Date shall be extended one day for each day of Tenant Delay, and (ii) the Rent Commencement Date shall be accelerated for each day of Tenant Delay. It is the intention of the parties that all of such delays will be considered Tenant Delays for which Tenant shall be wholly and completely responsible for any and all consequences related to such delays, including, without limitation, any costs and expenses attributable to increases in labor or materials.
- 7. Cost of Landlord's Work. Subject to the last sentence of Section 2 of this Exhibit F-2, the cost of Landlord's Work (the "Tenant Improvement Costs") shall mean and include any and all costs and expenses of Landlord's Work, including, without limitation, all of the following: (i) all costs of interior design and finish schedule plans and specifications including as-built drawings; (ii) all direct and indirect costs of procuring, constructing and completing Landlord's Work, including, but not limited to, the construction fee for overhead and profit, the cost of all on-site supervisory and administrative staff, office, equipment and temporary services rendered by Landlord's consultants and the General Contractor in connection with construction of the Tenant improvements, and all labor (including overtime) and materials constituting Landlord's Work; (iii) all fees payable to the General Contractor, architect and Landlord's engineering firm if they are required by Tenant to redesign any portion of Landlord's Work following Tenant's approval of the Final Drawings, and (iv) a construction management fee payable to Landlord in the amount of five percent (5%) of all direct and indirect costs of procuring, constructing and completing Landlord's Work. Within thirty (30) days after the completion of Landlord's Work and the delivery to Tenant of a statement detailing the cost of Landlord's Work, Tenant shall reimburse Landlord for the cost of Landlord's Work.
- 8. <u>Tenant Improvement Costs</u>. Landlord agrees that in no event shall Tenant be required to reimburse Landlord for Tenant Improvement Costs in an amount in excess of \$305,000.00 ("Tenant's Maximum Reimbursement Amount"); provided, however, notwithstanding the foregoing, to the extent the cost of Landlord's Work exceeds Tenant's Maximum Reimbursement Amount due to: (i) a Change Order, (ii) the occurrence of a force majeure event, or (iii) any changes to Landlord's Work required by the fire department, building and/or planning department, building inspectors or any other agency having jurisdiction over the Building and/or Landlord's Work, then Tenant shall reimburse Landlord for such costs of Landlord's Work in excess of the Tenant's Maximum Reimbursement Amount.
- Change Requests. No changes or revisions to the approved Final Drawings shall be made by either Landlord or Tenant unless approved in writing by both parties. Upon Tenant's request and submission by Tenant (at Tenant's sole cost and expense) of the necessary information and/or plans and specifications for any changes or revisions to the approved Final Drawings and/or for any work other than Landlord's Work described in the approved Final Drawings ("Change Requests") and the approval by Landlord of such Change Request(s), which approval Landlord agrees shall not be unreasonably withheld, Landlord shall perform the additional work associated with the approved Change Request(s), at Tenant's sole cost and expense, subject, however, to the following provisions of this Section. Prior to commencing any additional work related to the approved Change Request(s), Landlord shall submit to Tenant a written statement of the cost of such additional work and a proposed tenant change order therefor ("Change Order") in the standard form then in use by Landlord. Tenant shall execute and deliver to Landlord such Change Order and shall pay the entire cost of such additional work in the following described manner. Any costs related to such approved Change Request(s), Change Order and any delays associated therewith, shall be paid for by Tenant. The billing for such additional costs to Tenant shall be accompanied by evidence of the amounts billed as is customarily used in the business. Costs related to approved Change Requests and Change Orders shall include, without limitation, any architectural or design fees, Landlord's construction fee for overhead and profit, the cost of all on-site supervisory and administrative staff, office, equipment and temporary services rendered by Landlord and/or Landlord's consultants, and the

General Contractor's price for effecting the change. If Tenant fails to execute or deliver such Change Order, or to pay the costs related thereto, then Landlord shall not be obligated to do any additional work related to such approved Change Request(s) and/or Change Orders, and Landlord may proceed to perform only Landlord's Work, as specified in the Final Drawings.

10. <u>Lease Provisions; Conflict</u>. The terms and provisions of the Lease, insofar as they are applicable, in whole or in part, to this <u>Exhibit F-1</u>, are hereby incorporated herein by reference. In the event of any conflict between the terms of the Lease and this <u>Exhibit F-1</u>, the terms of this <u>Exhibit F-1</u> shall prevail. Any amounts payable by Tenant to Landlord hereunder shall be deemed to be Additional Rent under the Lease and, upon any default in the payment of same, Landlord shall have all rights and remedies available to it as provided for in the Lease.

EXHIBIT F-2

To Lease dated January 15, 2010

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

The following is a partial list of materials and specifications for property tenant improvement finishes for Seattle Logistics Center 1. Any items not addressed will be constructed in accordance with all governmental codes and regulations or consistent with what now exists within the Property (Property Standards).

1. DOORS, WINDOWS & HARDWARE

- A. DOORS: 3' 0" by 7' 0", 1 3/4" thick solid core with a soft wood edge. Doors and frames to be painted in similar color to walls, or stained and finish according to Property Standard.
- B. FRAMES: Soft wood door frames

C. HARDWARE:

- Interior door hardware shall be Schlage "AL" series. Saturn Passage lever in US 626 Brushed Chrome finish. Restroom to receive privacy lever in same series and finish.
- All hardware used in accessible buildings and facilities shall conform to the requirements per "Washington State Rules and Regulations for Barrier Free Design," Fourth edition.
- Only entry doors into Tenant's premises shall include keying mechanisms. All other doors shall be Project Standard pass through hardware.

2. FINISHES

A. FLOORING

- Carpeting: All installed carpeting shall be direct glue-down installation. Carpet shall be 28 oz. Olefin similar to Cumberland Carillon with an approximate 48" by 36" Pacific Mats Endurance walkoff at the main entry door.
- Sheet Vinyl: Congoleum Floorever with 5" intrical base in color to be approved by Landlord and Tenant.
- 3. Kitchen Area: VCT shall be Armstrong 12" by 1/8".
- Base: 4" Roppe Rubber base in color coordinated with flooring shall be applied at all carpeted areas and VCT areas.

B. GYPSUM WALLBOARD

 Office/warehouse walls shall be 10' high constructed of 3 1/2" 25 Gage metal studs. Exterior finish will be fire cased and one coated only. The inside, or office side, shall be finish sanded to a smooth wall paint-ready condition.

C. PAINT STAIN AND FINISH

 Office/warehouse walls on the office side will be primed with a PVA primer and two (2) coats of HL latex paint, Rodda, or paint of equal quality applied. Doors and woodwork will be painted with semi-gloss latex paint or stained and finished according to Property Standard.

3. LIGHTING

A. General: 2' by 4' three lamp lay-in fluorescent light fixtures with standard acrylic lens and T-8 low watt type lamps. 75 foot candles at 3' above finish floor or as permitted by code but not less than two (2) fixtures per office.

4. CEILING:

- A. Office areas shall have an exposed grid acoustical ceiling with 2' by 4' non-directional fissured tile installed at approximately 9' 0" above finish floor.
- B. Restroom ceiling will a hard lid constructed of gyp board, smooth finished.

5. ELECTRICAL:

A. General: Two (2) duplex outlets and one phone mud ring with pole per office. One (1) dedicated duplex at the phone board and two (2) dedicated duplex outlets in the kitchen area. Exhaust fans will be provided for restrooms per code. Hardwired exercise lights, HVAC strikes and permits are also included.

6. CABINETRY:

- A. Custom built cabinets as detailed on drawings.
- B. Plastic laminate finish on all exterior faces. White low-pressure laminate/Melamine inside with 4" wire pole handles.

EXHIBIT F-3

To Lease dated January 15, 2010

By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership, and KING COUNTY, a municipal corporation of the state of Washington

FINAL DRAWINGS

SKOTTVIABBER COMPACION

THORNESS

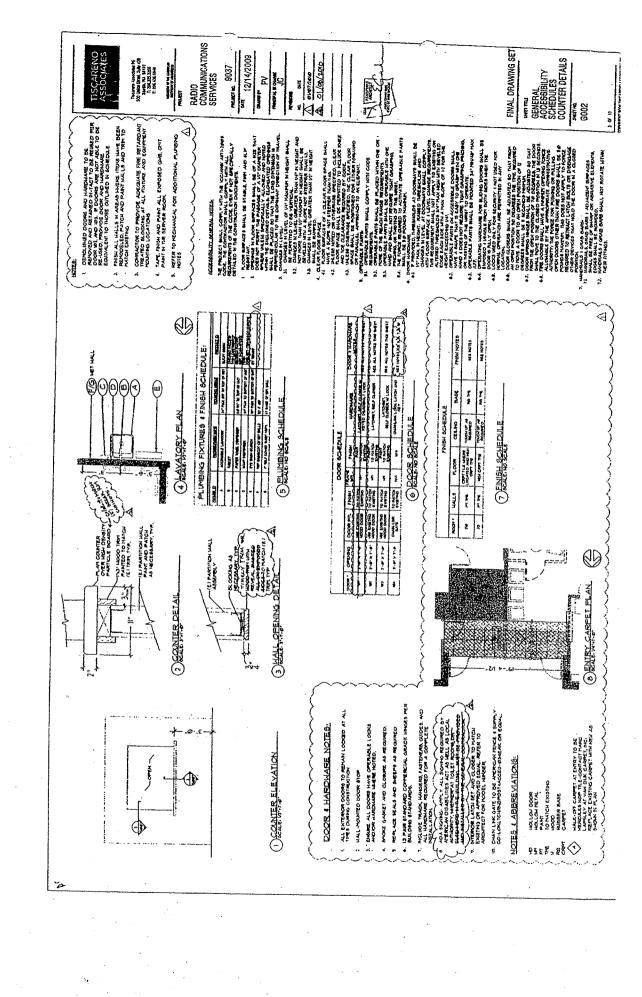
THORNESS

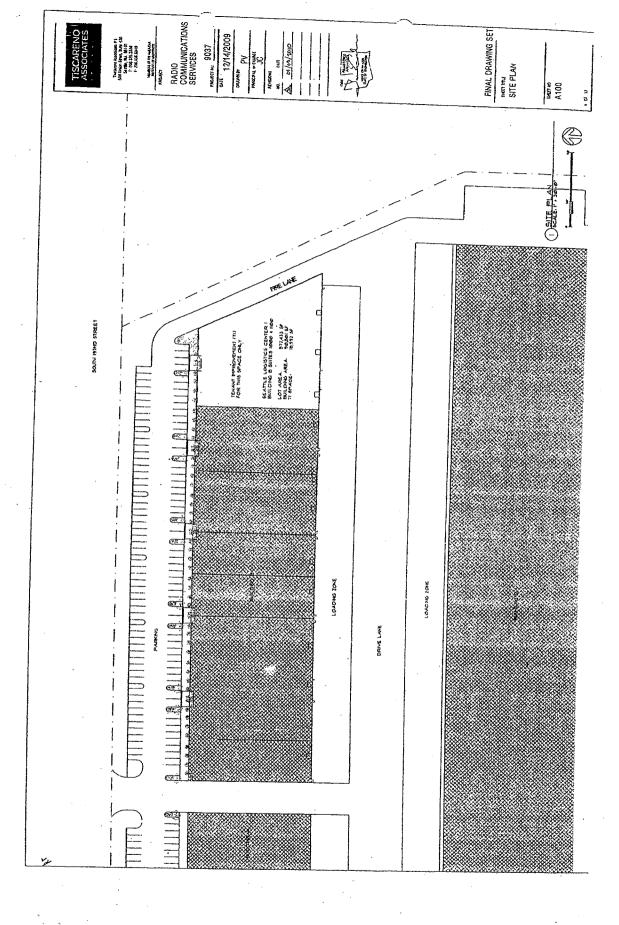
TO THE TH 855 SOUTH 192ND STREET, BLDG B - SUITE 1000/1100, SEATAC, WA 98148 tenant improvement radio com And Market PROJECT CAREN
KAS COUNTY
RADIO COPPUNCATIONS SERV
ANDS BOUTH MATH ST
THORICA NA 1986-46-01
TORITHANSIA ECHANICAL/ELECTRICAL/PLIMONG: AZAK GRODP, NC. IDY NIDO STRUCTURAL ENGINAAL
PET PAALAK
1410 STRUCTURAL
PET PAALAK
1410 STR AVELIKE, 60TE 475
SEATLE, KA 98(6)
1606343,5000 TIBCARENO ABSOCIATES
SOPHIE HONG
SOO WICH STREET, SUITE 470
SEATUE, WA 98001 DESIGN TEAM PARCAL NUMBERS
ZONNO
COMMUNICATION TYPES
OCCUPANCY TYPES BUILDING AREA EXITE REQUIRED. OCCUPANI LOAD die, revoed telum geace is inder bodog of and is not kinj ille combotible bignage we. Dobtes autgaltig georg Editation visiem is not recensed, che von hell be bereendered er fechancal system PROJECT ADDRESS. PROJECT INFORMATION unications services TOWN PERSONNERS AND CHICK AND CHICK SHACE (B) 4021 BE CODE

CODE 2004 MIERWATCHUL BUILDING CODE 2004 MIERWATCHUL FIRE CODE 2004 MIERWATCHUL RECHANGAL APPLICABLE CODES 4021 0 LIFE SAFETY PLAN ADII OF / NO EF PER
OCCUPANT & 41 L DRENGYONS HEAGURED TO PRUSHED FACE UNLESS OTHERWISH NOTED. 3. UNLERG OTHERWISE NOTED, ALL GYMEN KALL BOARD TO DE BAY TIME X AVD RECEIVE A LEYEL 4 FRUSH 2 DESIGNATION AND SHALL BE CONTENED ON ANTENDAMATE AND SHALL BE CONTENED ON STE GENERAL NOTES COST SCHOOL CONTENT DE LAIS SIBACIDRAL HOTES, PLANS, SECTIONS, PETALS ASSEMECTMENT
AND ROOM FLAN
AND ROOM FLAN
AND REFLECTED CHILAD FLAN
AND REFLECTED CHILAD FLAN
AND REFLECTED CHILAD FLAN SHEET INDEX TISCARENO ASSOCIATES ARCHITECTURE + URBAN DESIGN LIECTRICAL

TOPE LEGAD, GEN, NOTE, AGER,
LIGHTNO FIRT, SOUED, DAD LIOT
END ROOM PLANLEGING
END ROOM PLANLEGY
END ROOM PLANLEGY
END ROOM PLANLEGY
END PANEL SCHEDULES PLOOR PLANIFILMENS REVISIONS: A 01/09/2010 A 01/00/2010

TISCAREND ASSOCIATES PRINTED TO THE TIME T	FINAL DRAWING SE GENERAL NOTES & SPECIFICATIONS NOTES & SPECIFICATIONS NOTES & SPECIFICATIONS SPECIFICATIONS SPECIFICATIONS
ENTREAGE AND THE THORNERS OF THE DE ACCORDANCE TO THE WARACTURETH WITH STREET AND THE THORNERS OF THE DE ACCORDANCE TO THE WARACTURETH WITH STREET AND THE THORNERS OF THE THO	ORDON WE TENOF AS ROLD STREAM TO THE TRANST
ELECTRICATE STATE AT PROPERTY OF A CASE OF A C	PROJECT ALL EXPONENTATION WATER IN ALL WALLE DO UNDERLY ALL EXPONENT AND MITERARIATED WATER WATER AND AND MITERARIATED WATER WATER AND
THE STATE OF THE CONTRACTOR OF THE STATE OF	THE FREE STORY OF THE STORY OF
AND THE RESIDENCE OF TH	EARGINEM ALPLATION POLICY. CONTRACTOR BULL WHITMAIN INTEGRATOR PRESENTATION OF THE STATEMENT OF THE SINGLEDING CONSTITUTION OF THE SINGLESIS OF THE SINGLES OF THE SINGLESIS OF THE SINGLES OF THE SINGLESIS OF THE SINGLESIS OF THE SINGLESIS OF THE SINGLE
THE CONTRACTOR SHALL HORIST ALL LURGE, MYTERIALL SHALL CONTRACTOR SHALL HORIST ALL LURGE, MYTERIALL SHALL HORIST ALL LURGE, MYTERIALL SHALL SHAL	WAS THE STATE OF THE STATE THE STATE OF THE





.

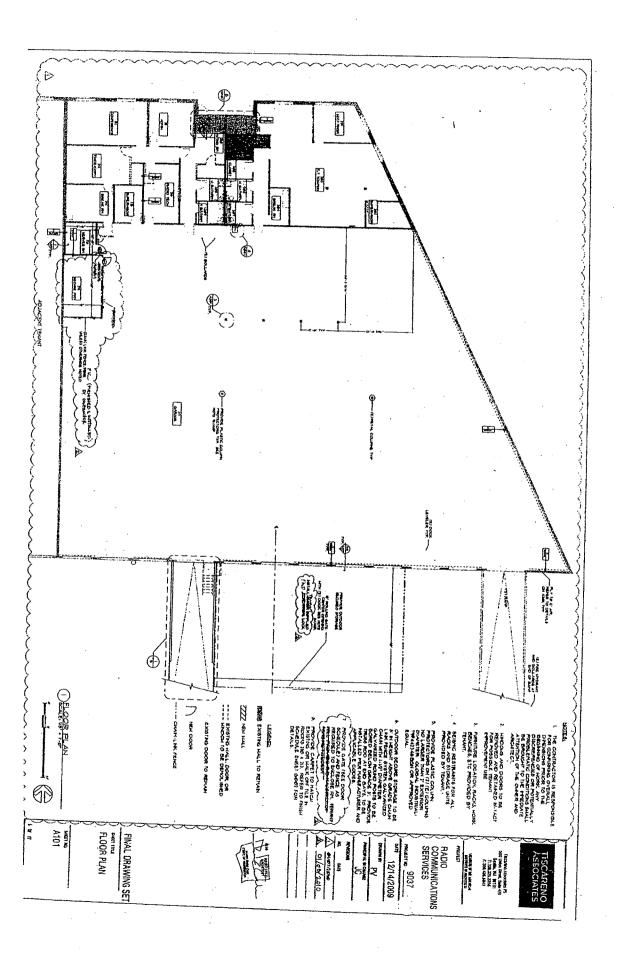
٠.

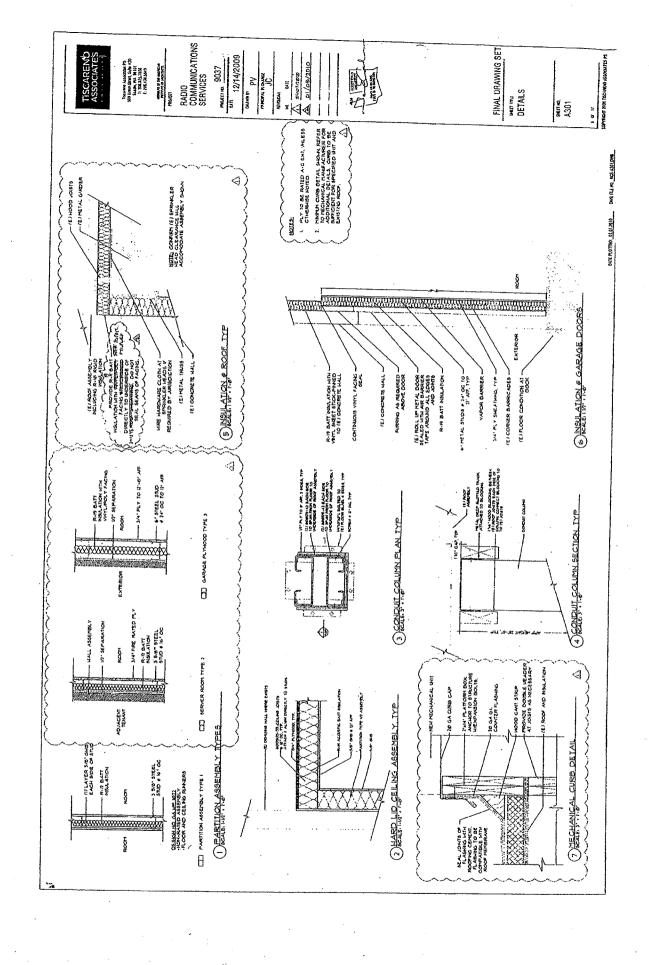
٠.

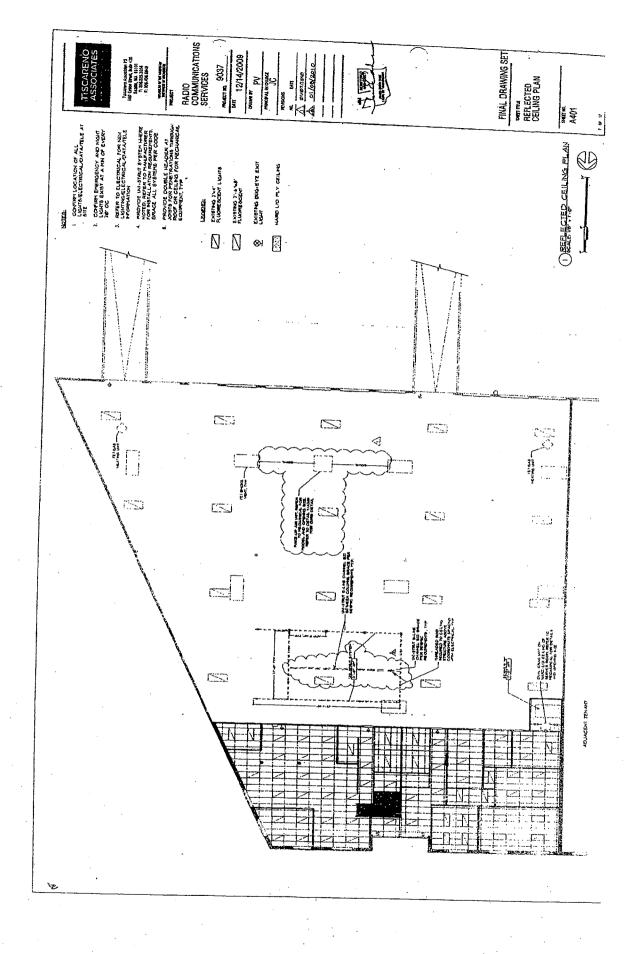
. .

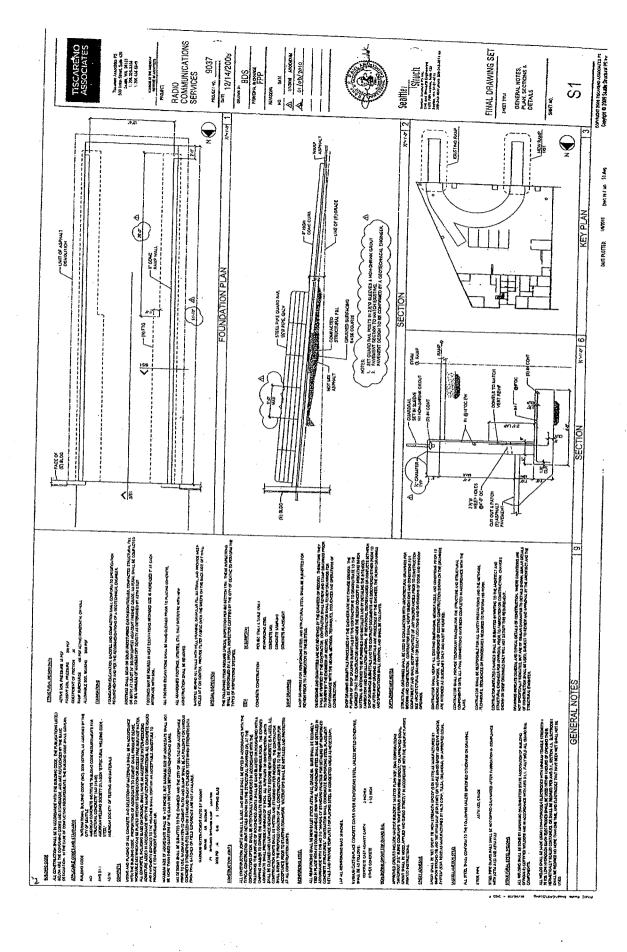
5

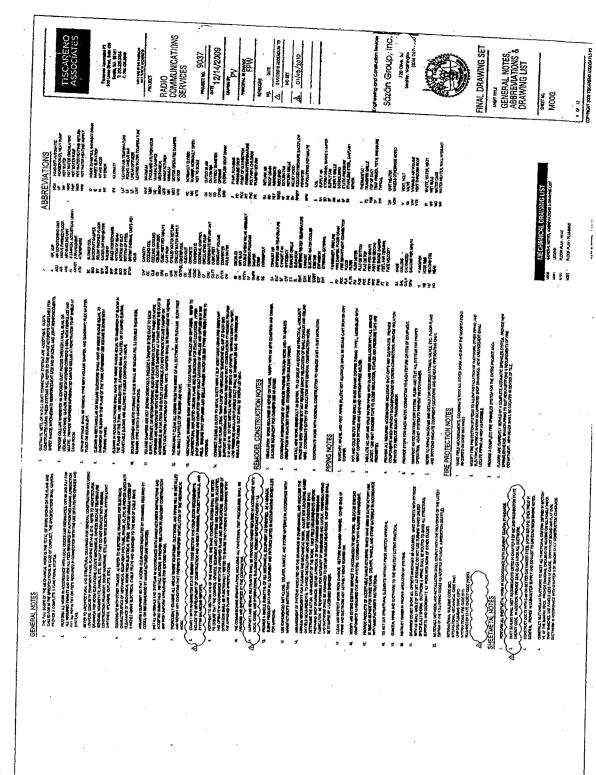
•

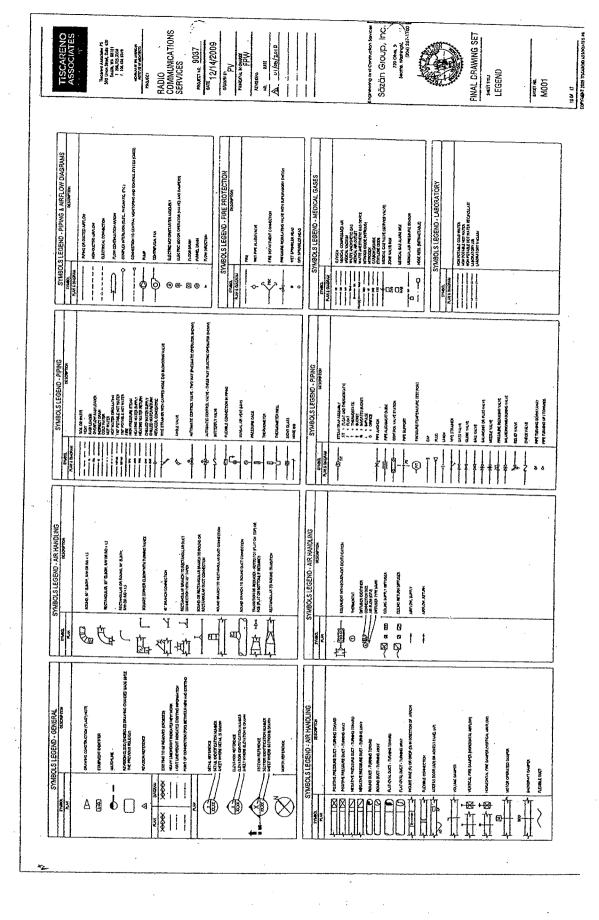


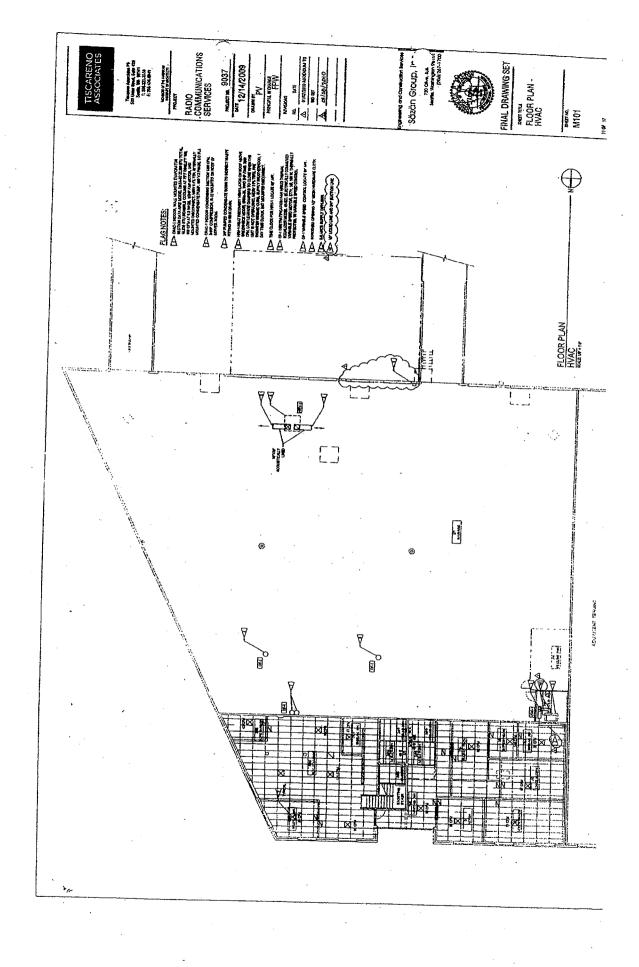


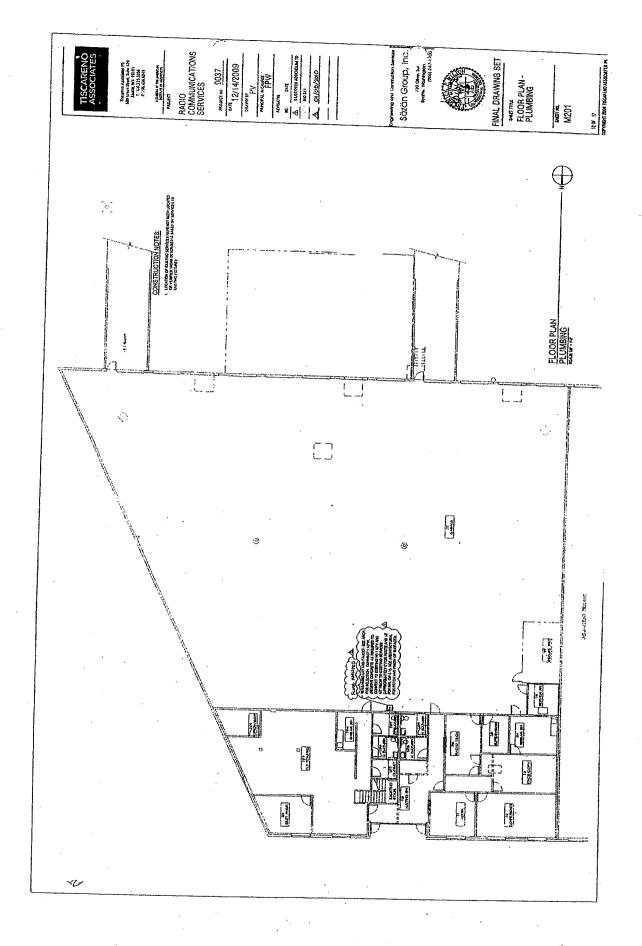


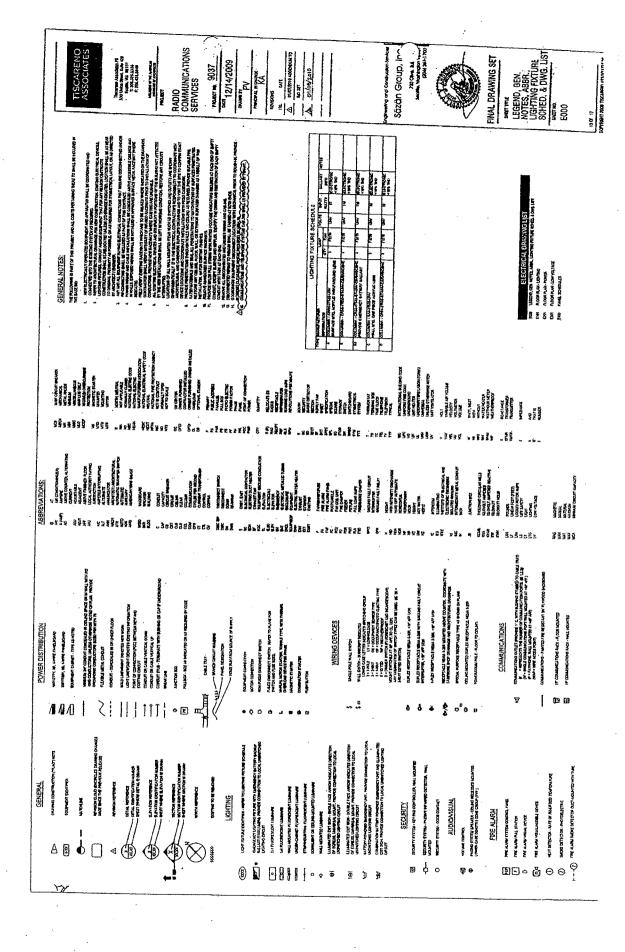


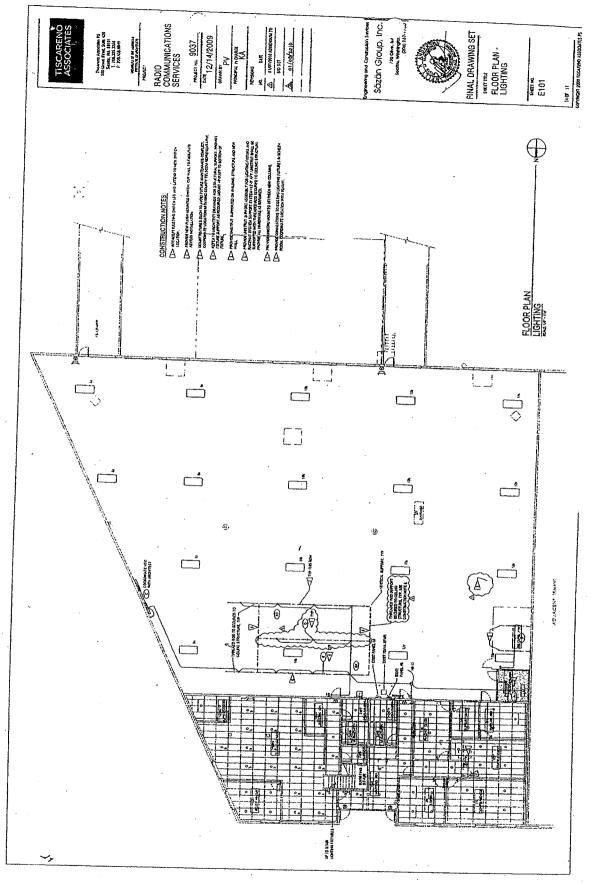










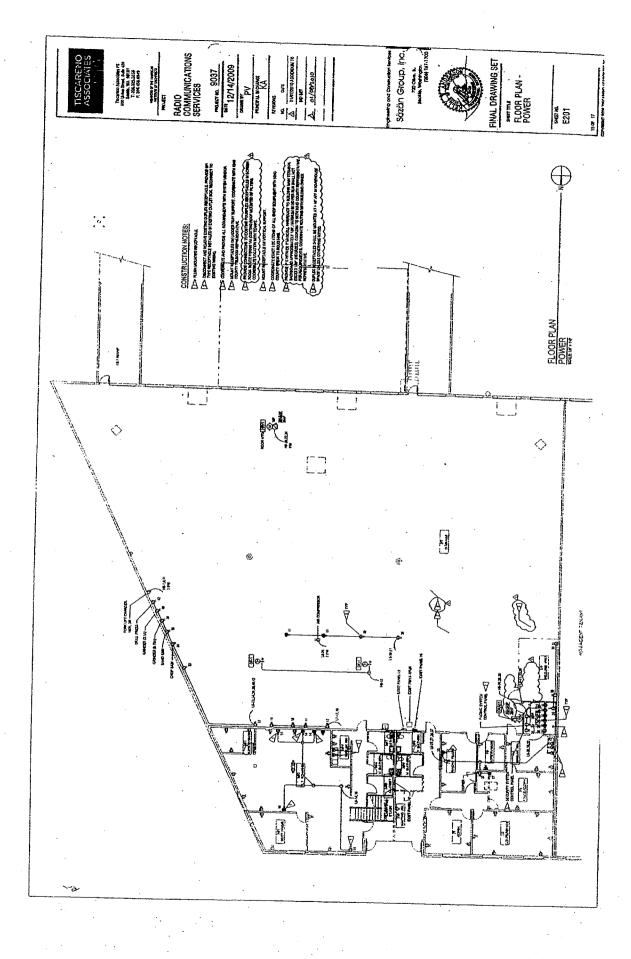


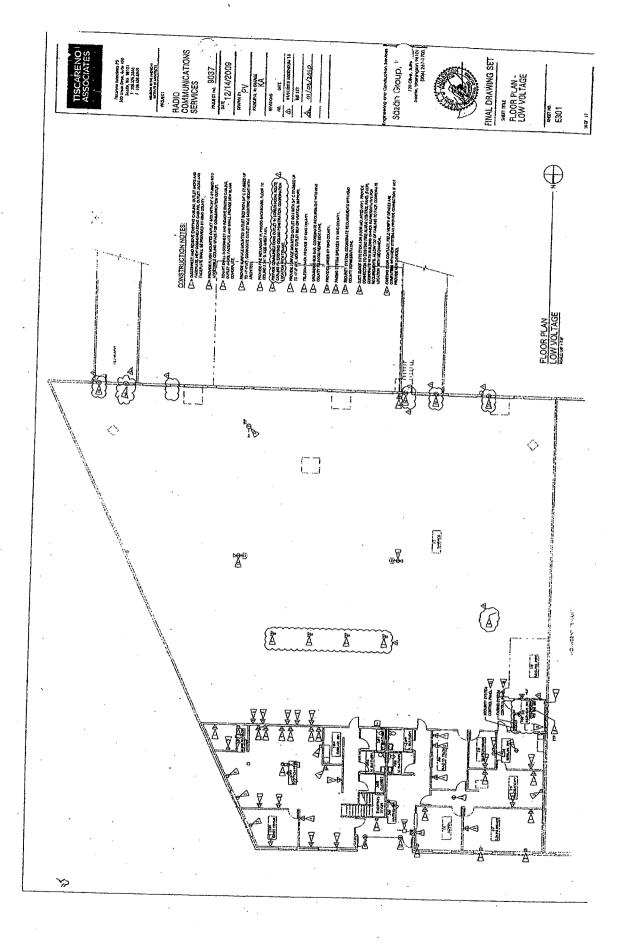
.

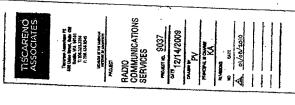
.

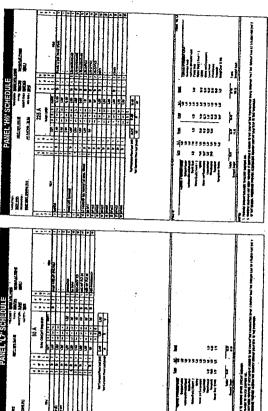
. .

, a









SGZCIN Group, Inc.
700 cen as feath West sub-rus

FINAL DRAWING SET

2400 E400

EXHIBIT G-1

To Lease dated January 15, 2010
By and between AMB INSTITUTIONAL ALLIANCE FUND III, L.P., a Delaware limited partnership; and KING COUNTY, a municipal corporation of the state of Washington

SIGN CRITERIA

A. TENANT SIGN CRITERIA:

The following sign criteria have been established for the purpose of maintaining the overall appearance of Seattle Logistics Center 1, for the benefit of all Tenants. No deviation from these criteria will be permitted without Landlord's prior approval in writing.

The criteria has also been established to provide maximum continuity with the environment and an architectural integration with the project:

B. ADMINISTRATION:

- 1) Tenant is responsible for the installation, maintenance, and removal of its Primary Identification sign in a manner acceptable to and consistent with the high standards of Seattle Logistics Center 1. All costs incurred to provide sign maintenance will be at Tenant's expense. Tenant Is responsible for obtaining approval of exterior signage from the Landlord and the City of SeaTac prior to installation. All costs associated with sign permit approval are the responsibility of the Tenant. Inside signs that will be visible from outside the building must be approved by Landlord.
- Upon termination of Tenant's Lease, the sign will be removed at the Tenant's expense and any damage to the building shall be repaired at the Tenant's expense.
- 3) No additional exterior signage will be allowed on the face of the structure.
- 4) Signs installed without approval or contrary to the criteria, will be removed by Landlord at Tenant's expense. A scale drawing showing proposed signage and the building elevation must be submitted to Landlord for approval.
- 5) In the event of any conflict between Tenant and Landlord in regard to the application of these criteria, the Landlord's decision shall be final and binding upon the Tenant.

C. SIGN SPECIFICATIONS:

1) Tenant Signage

- a) Tenants' names will be limited to the upper concrete wall facade of the individual tenant space. Tenants shall locate signage over main entry doors or as close thereto as practical.
- b) The letters for tenant signs shall be 16" maximum height, 2" minimum thickness (unless a variation is approved by Landlord), HDU #10 signfoam mounted to the building with VHB tape and silicone adhesive. All signs should be non-illuminated and painted of a color approved by the Landlord. Maximum sign coverage will not exceed 36 square feet and must be centered within the upper concrete panel above Tenant's main entry door(s). Tenant signage may contain logos or more than one row of information provided that the total sign area does not exceed 24" in height and 18 feet in width and presents a professional appearance.

2) Store Front/Window Signs

- a) Each tenant is allowed to display their company name and logo and business hours on the glass panel to the left or right of their entrance door. The company name, logo, and business hours will not exceed an area of 18 inches in height and 30 inches in length.
- b) All window signs will be white pressure-sensitive vinyl. The top of the sign shall be 60 inches from the finished floor level and 4 inches from the doorframe. Company name and logo may use corporate colors if appropriate. Business hours will use a futura medium black font in 1-inch letter height.

- 3) Banners, Posters and Sandwich Boards
 - a) Banners, posters, sandwich boards, etc. will only be allowed uns windows orplaced in other locations of the Tenant space on a tempora an with prior witten landlord approval.