



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 31, 2015

Ordinance 18006

Proposed No. 2015-0060.1

Sponsors McDermott

1 AN ORDINANCE relating to a sublease for King County
2 emergency medical services.

3 STATEMENT OF FACTS:

- 4 1. The facilities management division received a request for space in
5 December of 2012 from the department of public health.
- 6 2. The department of public health needed space for the purpose of
7 emergency medical services equipment and training supply storage, and
8 vehicle electronics maintenance.
- 9 3. The facilities management division determined in December 2012 that
10 there was not an appropriate county-owned option.
- 11 4. The facilities management division determined, through consultation
12 with the department of public health, that leasing was the most cost-
13 effective option for the county.
- 14 5. The facilities management division successfully negotiated to sublease
15 space from Kent Regional Fire Authority, located at 8320 South 208th
16 Street, within council district five.

17 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

18 SECTION 1. The executive is authorized to execute the sublease for the 8320
19 South 208th Street location with Kent Regional Fire Authority, substantially in the form

20

21 of Attachment A to this ordinance, and to take all actions necessary to implement the
22 terms of the sublease.
23

Ordinance 18006 was introduced on 2/9/2015 and passed by the Metropolitan King
County Council on 3/30/2015, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
Upthegrove
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



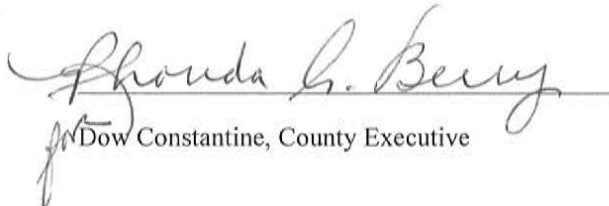
Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 10th day of April, 2015.



Rhonda L. Berry, County Executive

Attachments: A. Sublease Agreement

RECEIVED
2015 APR 10 AM 8:35
CLERK
KING COUNTY COUNCIL

ATTACHMENT A:

SUBLEASE AGREEMENT

CONSENT TO SUBLEASE

This Exhibit is attached to and made a part of the Amendment by and between **PS BUSINESS PARKS, L.P., a California Limited Partnership ("Landlord")** and **KENT FIRE DEPARTMENT REGIONAL FIRE AUTHORITY, a Washington State municipal corporation ("Tenant")** for space in the Building located at 8320 South 208th Street, Kent, Washington 98032.

LANDLORD CONSENT TO SUBLEASE

THIS LANDLORD CONSENT TO SUBLEASE ("Consent Agreement") is entered into as of the 1st day of November, 2014, by and among **P.S. BUSINESS PARKS, L.P., a California limited partnership ("Landlord")**, **KENT FIRE DEPARTMENT REGIONAL FIRE AUTHORITY, a Washington State municipal corporation ("Sublandlord")**, and **KING COUNTY, a political subdivision of the State of Washington ("Subtenant")**.

RECITALS:

- A. Landlord, as landlord, and Sublandlord, as tenant, are parties to that certain lease agreement dated December 31, 2012 (the "**Original Lease**"), which Original Lease has been previously amended by that certain First Amendment dated as of September 5, 2013 and that certain Second Amendment dated as of September 15, 2014 (collectively, the "**Lease**") pursuant to which Landlord has leased to Sublandlord certain premises containing approximately **24,000** rentable square feet (the "**Premises**") described as Suites H110 and H109 of the building commonly known as Building H located at 8320 South 208th Street, Kent, Washington 98032 (the "**Building**").
- B. Sublandlord and Subtenant have entered into (or are about to enter into) that certain sublease agreement dated November 4, 2014 attached hereto as **Exhibit A** (the "**Sublease**") pursuant to which Sublandlord has agreed to sublease to Subtenant certain premises described as follows: approximately 3,000 rentable square feet comprised of a portion of Suite H109 of the Building (the "**Sublet Premises**") constituting a part of the Premises.
- C. Sublandlord and Subtenant have requested Landlord's consent to the Sublease.
- D. Landlord has agreed to give such consent upon the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the foregoing preambles which by this reference are incorporated herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby consents to the Sublease subject to the following terms and conditions, all of which are hereby acknowledged and agreed to by Sublandlord and Subtenant:

- 1. Sublease Agreement. Sublandlord and Subtenant hereby represent that a true and complete copy of the Sublease is attached hereto and made a part hereof as **Exhibit A**, and Sublandlord and Subtenant agree that the Sublease shall not be modified without Landlord's prior written consent, which consent shall not be unreasonably withheld.
- 2. Representations. Sublandlord hereby represents and warrants that Sublandlord (i) has full power and authority to sublease the Sublet Premises to Subtenant, (ii) has not transferred or conveyed its interest in the Lease to any person or entity collaterally or otherwise, and (iii) has full power and authority to enter into the Sublease and this Consent Agreement. Subtenant hereby represents and warrants that Subtenant has full power and authority to enter into the Sublease and this Consent Agreement.

3. Indemnity and Insurance. Subtenant hereby assumes, with respect to Landlord, all of the indemnity and insurance obligations of the Sublandlord under the Lease with respect to the Sublet Premises, provided that the foregoing shall not be construed as relieving or releasing Sublandlord from any such obligations. Notwithstanding the foregoing, the insurance coverage that Subtenant is required to maintain hereunder may be maintained under a program of self-insurance or under policies that include self-insured retentions or deductibles larger than those typically carried by similarly situated tenants and subtenants. If Subtenant elects to self-insure as herein provided, Landlord shall have the same benefits and protections as if Subtenant carried valid policies of insurance with third-party insurance companies satisfying the requirements of the Lease and this Consent. Any damage or destruction to Tenant's personal property, or business or any alterations or improvements shall be deemed to be covered by and recoverable under valid and collectible policies of insurance with third-party insurance companies, including without limitation for purposes of Article 15 of the Original Lease.
4. No Release. Nothing contained in the Sublease or this Consent Agreement shall be construed as relieving or releasing Sublandlord from any of its obligations under the Lease, it being expressly understood and agreed that Sublandlord shall remain liable for such obligations notwithstanding anything contained in the Sublease or this Consent Agreement or any subsequent assignment(s), sublease(s) or transfer(s) of the interest of the tenant under the Lease. Sublandlord shall be responsible for the collection of all rent due it from Subtenant, and for the performance of all the other terms and conditions of the Sublease, it being understood that Landlord is not a party to the Sublease and, notwithstanding anything to the contrary contained in the Sublease, is not bound by any terms, provisions, representations or warranties contained in the Sublease and is not obligated to Sublandlord or Subtenant for any of the duties and obligations contained therein.
5. Review Fee. Upon Sublandlord's execution and delivery of this Consent Agreement, Sublandlord shall pay to Landlord the sum of \$0.00 in consideration for Landlord's review of the Sublease and the preparation and delivery of this Consent Agreement.
6. No Transfer. Subtenant shall not further sublease the Sublet Premises, assign its interest as the Subtenant under the Sublease or otherwise transfer its interest in the Sublet Premises or the Sublease to any person or entity without the written consent of Landlord, which Landlord may withhold in its sole discretion.
7. Lease.
 - (a) The parties agree that the Sublease is subject and subordinate to the terms of the Lease, and all terms of the Lease, other than Sublandlord's obligation to pay Base Rent, are incorporated into the Sublease. In no event shall the Sublease or this Consent Agreement be construed as granting or conferring upon the Sublandlord or the Subtenant any greater rights than those contained in the Lease nor shall there be any diminution of the rights and privileges of the Landlord under the Lease, nor shall the Lease be deemed modified in any respect. Without limiting the scope of the preceding sentence, any construction or alterations performed in or to the Sublet Premises shall be performed with Landlord's prior written approval and in accordance with the terms and conditions of the Lease.
 - (b) It is hereby acknowledged and agreed that any provisions in the Sublease which limit the manner in which Sublandlord may amend the Lease are binding only upon Sublandlord and Subtenant as between such parties. Landlord shall not be bound in any manner by such provisions and may rely upon Sublandlord's execution of any agreements amending or terminating the Lease subsequent to the date hereof notwithstanding any contrary provisions in the Sublease.
 - (c) Notwithstanding the foregoing, Landlord hereby agrees that, solely for purposes of this Consent and Subtenant's use of the Sublet Premises, the Permitted Use as set forth in the Basic Lease Information of the Original Lease shall be deemed to include the storage of vehicles in the

outside fenced portion of the Sublet Premises and light vehicle maintenance such as installing communications equipment, replacing light bulbs, testing and troubleshooting electrical issues, replacing tires, and installation and removal of equipment and supplies in paramedic vehicles, but in no event to include any apparatus maintenance, such as oil changes, engine or transmission servicing or rebuilds, brake replacements or any other types of vehicle repair or maintenance.

8. Parking and Services. Any parking rights granted to Subtenant pursuant to the Sublease shall be satisfied out of the parking rights, if any, granted to Sublandlord under the Lease. Sublandlord hereby authorizes Subtenant, as agent for Sublandlord, to obtain services and materials for or related to the Sublet Premises, and Sublandlord agrees to pay for such services and materials as additional Rent under the Lease upon written demand from Landlord. However, as a convenience to Sublandlord, Landlord may bill Subtenant directly for such services and materials, or any portion thereof, in which event Subtenant shall pay for the services and materials so billed upon written demand, provided that such billing shall not relieve Sublandlord from its primary obligation to pay for such services and materials.
9. Termination. If the Lease or Sublandlord's right to possession thereunder terminates for any reason prior to expiration of the Sublease, the Sublease and all rights of Subtenant in the Sublet Premises shall terminate upon the date of termination of the Lease or Sublandlord's right to possession thereunder. It is all parties' expressed intent that, should the Lease terminate for any reason whatsoever, including the voluntary surrender of same by Sublandlord and the acceptance thereof by Landlord, then the Sublease shall terminate. The terms of this Section 9 supersede any contrary provisions in the Sublease.
10. Payments Under the Sublease. If at any time Sublandlord is in default under the terms of the Lease, Landlord shall have the right to contact Subtenant and require Subtenant to pay all rent due under the Sublease directly to Landlord until such time as Sublandlord has cured such default. Subtenant agrees to pay such sums directly to Landlord if requested by Landlord, and Sublandlord agrees that any such sums paid by Subtenant shall be deemed applied against any sums owed by Subtenant under the Sublease. Any such sums received by Landlord from Subtenant shall be received by Landlord on behalf of Sublandlord and shall be applied by Landlord to any sums past due under the Lease, in such order of priority as required under the Lease or, if the Lease is silent in such regard, then in such order of priority as Landlord deems appropriate. The receipt of such funds by Landlord shall in no manner be deemed to create a direct lease or sublease between Landlord and Subtenant. If Subtenant fails to deliver its Sublease payments directly to Landlord as required herein following receipt of written notice from Landlord as described above, then Landlord shall have the right to remove any signage of Subtenant, at Subtenant's cost, located outside the Premises or in the Building lobby or elsewhere in the Building and to pursue any other rights or remedies available to Landlord at law or in equity.
11. Excess Rent. If Landlord is entitled to any excess rent (defined below) from Sublandlord pursuant to the terms of the Lease, then, in addition to all rent otherwise payable by Sublandlord to Landlord under the Lease, Sublandlord shall also pay to Landlord the portion of the excess rent to which Landlord is entitled under the Lease, in the manner described in the Lease. As used herein, the "excess rent" shall be deemed to mean any payments from Subtenant under the Sublease which exceed the payments payable by Sublandlord to Landlord under the Lease for the Sublet Premises. Landlord's failure to bill Sublandlord for, or to otherwise collect, such sums shall in no manner be deemed a waiver by Landlord of its right to collect such sums in accordance with the Lease.
12. Sublandlord Notice Address. If Sublandlord is subleasing the entire Premises or otherwise vacating the Premises, Sublandlord's new address for notices to Sublandlord under the Lease shall be as follows: _____; and if no address is filled in at the preceding blank (or if a post office box address is used for the preceding blank), then Landlord may

continue to send notices to Sublandlord at the address(es) provided in, and in accordance with the terms of, the Lease.

13. Authority. Each signatory of this Consent Agreement represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.
14. Counterparts. This Consent Agreement may be executed in counterparts and shall constitute an agreement binding on all parties notwithstanding that all parties are not signatories to the original or the same counterpart provided that all parties are furnished a copy or copies thereof reflecting the signature of all parties.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord, Sublandlord and Subtenant have executed this Consent Agreement as of the date set forth above.

LANDLORD:

**PS BUSINESS PARKS, L.P.,
a California limited partnership**

By: PS Business Parks, Inc.,
a California corporation
Its: General Partner

By: _____
Name: Coby Holley
Title: Vice President

SUBLANDLORD:

**KENT FIRE DEPARTMENT REGIONAL FIRE AUTHORITY,
a Washington State municipal corporation**

By: Jim Schweitzer
Name: Jim Schweitzer
Title: Fire Chief

SUBTENANT:

**KING COUNTY,
a political subdivision of the State of Washington**

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Tim Barnes
Tim Barnes, Senior Deputy
Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: Debbie [Signature]
Date: 11/6/2014

LANDLORD ACKNOWLEDGMENTS

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

I certify that I know or have satisfactory evidence that **Coby Holley** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the **Vice President of PS Business Parks, Inc., a California corporation**, the general partner of **PS BUSINESS PARKS, L.P., a California limited partnership** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Seal or stamp)

(Signature)

Title

My appointment expires _____

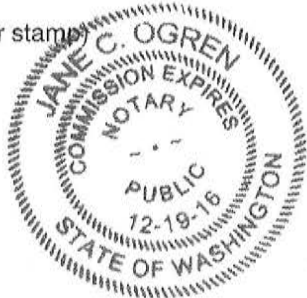
SUBLANDLORD ACKNOWLEDGMENTS

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

I certify that I know or have satisfactory evidence that Am Schneider is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Fire Chief of **KENT FIRE DEPARTMENT REGIONAL FIRE AUTHORITY, a Washington State municipal corporation** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 11/5/14

(Seal or stamp)



Jane C. Ogren
(Signature)

Notary Public
Title

My appointment expires 12/19/16

SUBTENANT ACKNOWLEDGMENTS
Individual

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

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

Dated: _____

(Seal or stamp)

(Signature)

Title

My appointment expires _____

EXHIBIT A
SUBLEASE AGREEMENT

SUB LEASE AGREEMENT

THIS SUBLEASE AGREEMENT, dated _____, 2015 (for reference purposes only), is made by and between **Kent Fire Department Regional Fire Authority ("KRFA")**, a municipal corporation (hereinafter called Sub-Lessor) and **King County**, a political subdivision of the State of Washington (hereinafter called Sub-Lessee) (collectively, the "Parties").

RECITALS

1. Sub-Lessor entered into a lease "Master Lease" with PS Business Parks, L.P., a California Limited Partnership "Landlord" dated December 31, 2012 as amended by the First Amendment dated September 5, 2013 and the Second Amendment dated September 15, 2014, leasing the premises legally described in the attached **Exhibit B** ("Master Premises").
2. Sub-Lessor has determined that approximately 3,000 rentable square feet of the Master Premises are temporarily surplus to the needs of the Sub-Lessor.
3. King County operates the King County Medic One program that directly supports the operations of the Sub-Lessor.
4. Sub-Lessor has determined that Sub-Lessee's use of the premises is compatible with and will provide a benefit to the Sub-Lessor.

AGREEMENT

In consideration of the mutual promises contained in this Sub-Lease Agreement, Sub-Lessor hereby subleases the Subleased Premises to Sub-Lessee and Sub-Lessee leases the Subleased Premises from Sub-Lessor. The terms, conditions and respective obligations of Sub-Lessor and Sub-Lessee to each other under this Sublease shall be the applicable terms and conditions of the Master Lease except for those provisions of the Master Lease which are directly contradicted by this Sublease in which event the terms of this Sublease document shall control over the Master Lease.

1. **Premises.** Sub-Lessor does hereby agree to lease to Sub-Lessee the following space (the "Premises") consisting of a portion of Building H of 212 Business Park, located at 8320 208th Street, Kent WA 98032 as depicted in **Exhibit A** attached hereto with a legal description of the building attached hereto as **Exhibit B** (the "Building"). The Premises shall include the following:
 - 1.1. Exclusive use of the following:
 - 1.1.1. Approximately 3,000 rentable square feet of space, based on BOMA standard (ANSI/BOMA Z65.1-1996), as shown on the attached **Exhibit A**.
 - 1.1.2. Four (4) Reserved parking stalls together with reasonable access thereto, as shown on the attached **Exhibit D**.

1.1.3. The Fenced Area referenced in Paragraph IX of the Second Amendment to the Master Lease and Exhibit D of the Second Amendment to the Master Lease.

2. **Permitted Use.** Sub-Lessee shall use the Premises for vehicle storage and light vehicle maintenance, including, without limitation, King County Medic One, King County EMS training, and any other legal use.

3. **Term.** The Term of this Sub-Lease shall commence upon mutual execution by the parties after approval by ordinance of the King County Council (the "Commencement Date"), and shall terminate on September 30, 2020.

3.1. **Options to Renew.** Provided this Sub-Lease is in full force and effect, that Sub-Lessor exercises its option to renew the Master Lease and Sub-Lessee is not in default of this Sub-Lease, Sub-Lessee shall have three (3) options to renew (each a "Renewal option") the Term of this Sub-Lease. The first Renewal Option for a term of three (3) years and the remaining two (2) Renewal Options each for a term of five (5) years (each a "Renewal Term"), for the portion of the Premises being sub leased by Sub-Lessor as of the date the applicable Renewal Term is to commence, on the same terms and conditions set forth in this Sub-Lease, except as modified by the terms, covenants and conditions set forth below:

3.2. Sub-Lessee shall provide Sub-Lessor with written notice no earlier than the date which is 420 days prior to the expiration of then current Term of this Sub-Lease but no later than the date which is 360 days prior to the expiration of the then current Term of this Sub-Lease. If Sub-Lessee fails to provide such notice, Sub-Lessee shall have no further or additional right to extend or renew the Term of this Sub-Lease. Sub-Lessee's options to extend the Term of this Sub-Lease shall in all instances terminate commensurate with the expiration or earlier termination of this Sub-Lease.

3.2.1. Renewals shall be on the same terms and conditions set forth in this Sublease subject to Sub-Lessee's proportionate share of the same Rent increases imposed on the Sub-Lessor by the Landlord under Section 28.01(a)(ii) of the Master Lease.

3.2.2. Sub-Lessee's renewal rights are subject to the conditions and requirements of Section 28.01(b), (c), and (d) of the Master Lease.

3.3. If Sub-Lessor cannot deliver possession of the Premises to Sub-Lessee on or before the Commencement Date through no fault of the Sub-Lessee, provided that delivery of the Premises can be made within a reasonable timeframe, this Sub-Lease shall not terminate; but, in that event, there shall be a proportionate reduction of Rent, based on the percentage of the Premises available for Sub-Lessee's intended use as described in Section 2, covering the period between the Commencement Date and the time when Sub-Lessor can deliver possession. If Sub-Lessor has failed to deliver possession of the Premises with Tenant Improvements Substantially Complete within one hundred and eighty (180) days after mutual execution and approval of this Sub-Lease by the King County Council and Kent Fire Department Regional Fire Authority Governing

Board respectively, through no fault of Sub-Lessee, Sub-Lessee shall have the right to terminate this Sub-Lease and shall have no further obligations thereunder.

4. **Preparation of Premises and Delivery of Possession.** Sub-Lessor shall arrange for the Tenant Improvements to the Premises, pursuant to the provisions of **Exhibit C** attached hereto. The Premises shall be deemed completed and Premises delivered on the Commencement Date regardless of the status of the Tenant Improvements. In the event the Tenant Improvements are delayed more than 90 days beyond the Commencement Date through no fault of Sub-Lessee, there shall be a proportionate reduction of Rent, based on the percentage of the Premises available for Sub-Lessee's intended use as described in Section 2, covering the period between 90 days following the Commencement Date and the time when Sub-Lessor substantially completes the Tenant Improvements. Provided, however, any prevention, delay or stoppage which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the Sub-Lessor, shall not be considered a delay under this provision.
5. **Base Rent:** The annual base rent shall be on a triple-net ("NNN") basis which is exclusive of all operating expenses associated with this Lease and shall be as follows:

Period of Term	Total Monthly Base Rent
Commencement date – 1/31/15	\$1,792.50
2/1/15 – 1/31/16	\$1,837.31
2/1/16 – 1/31/17	\$1,883.24
2/1/17 – 1/31/18	\$1,930.33
2/1/18 – 1/31/19	\$1,978.58
2/1/19 – 1/31/20	\$2,028.05
2/1/20 – 9/30/20	\$2,078.75

- 5.1. **Payment of Rent.** Sub-Lessee shall pay Sub-Lessor in lawful money of the United States, the monthly Base Rent stated above in advance on or before the first day of each month during the Sub-Lease Term beginning on the Sub-Lease Commencement Date and any other additional payments due to Sub-Lessor ("Additional Rent") (collectively the "Rent") when required under this Sub-Lease. Payments for any partial month at the beginning or end of the Sub-Lease term shall be prorated. All payments due to Sub-Lessor under this Sub-Lease, including late fees and interest, shall also constitute Additional Rent, and upon failure of Sub-Lessee to pay any such costs, charges or expenses shall constitute a default under this Sub-Lease and be subject to the remedies provided in Section 23 herein.
- 5.2. **Late Charges.** If any sums payable by Sub-Lessee to Sub-Lessor under this Sub-Lease are not received within five (5) days of their due date, Sub-Lessee shall pay Sub-Lessor an amount equal to the sum which would be payable by Sub-Lessor to the Landlord for an equivalent default under the Master Lease or, alternatively, one and a half percent (1.5%) of the delinquent amount for the cost of collecting and handling

such late payment in addition to the amount due and as Additional Rent whichever is greater. All delinquent sums not paid by Sub-Lessee within five (5) business days of the due date shall, at Sub-Lessor's option, bear interest at the rate the Sub-Lessor would pay the Landlord under the Master Lease for an equivalent default or the highest rate of interest allowable by law, whichever is less. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.

- 5.3. **Less Than Full Payment.** Sub-Lessor's acceptance of less than the full amount of any payment due from Sub-Lessee shall not be deemed an accord and satisfaction or compromise of such payment unless Sub-Lessor specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Sub-Lessor claims. Any portion that remains to be paid by Sub-Lessor shall be subject to the late charges and default interest provisions of this Paragraph 4.

6. Operating Costs.

- 6.1. **Operating Expenses.** Sub-Lessee' share of Operating Expenses (as defined in Exhibit D of the Master Lease, and Additional Rent as defined in Paragraph 3 of the Master Lease is 12.5% of such amounts, based upon the ratio of the agreed rentable area of the Subleased Premises to the agreed rentable area of the Master Premises. Sub-Lessee shall pay its pro rata share of the Building's operating expenses in addition to the base rent obligations. Sub-Lessee shall have the right to audit Sub-Lessor's books and records pertaining to operating expenses. Sub-Lessor shall be unable to pass through any capital expenditures other than those: a) mandated by a governmental authority after the Sub-Lease has commenced, or b) undertaken with the reasonable expectation by the sub-landlord of reducing operating expenses. All capital expenditures that so qualify would be amortized according to GAAP, over the expected useful life of the improvement. Upon mutual agreement Sub-Lessee may request work to be completed by Sub-Lessor to be billed as Additional Rent. Such work may be assessed a 5% Project Management fee and interest at 4% per year.
- 6.2. **Sub-Lessor's Administrative Costs.** Sub-Lessee shall pay Sub-Lessor an administrative fee of 1% of Sub-Lessee's combined Base Rent and Operating Costs. Payment shall be calculated as 1/12th of 1% of the Sub-Lessee's total costs and paid monthly.
- 6.3. **Payment of Additional Rent for Estimated Operating Costs.** As soon as Sub-Lessor receives the Operating Expense estimates from the Landlord following the Commencement Date and the close of each Calendar Year, Sub-Lessor shall provide Sub-Lessee with a written statement of Sub-Lessee's share of estimated Operating Costs for the subsequent year. Sub-Lessee shall pay 1/12 of the amount of Sub-Lessee's share of Operating Costs as Additional Rent as provided in Section 5 each month during such year and until such time as Sub-Lessor provides Sub-Lessee with a statement of estimated Operating Costs for the subsequent year. If at any time or times during such year, it appears to Sub-Lessor that Sub-Lessee's Operating Costs will vary from the estimated Operating Costs by more than five percent (5%) on an annual basis, Sub-Lessor may, by written notice to Sub-Lessee, revise its estimate for such

year and Additional Rent payable by Sub-Lessee under this Section 6 for such year shall be increased or decreased based on Sub-Lessor's revised estimate. If any such rent or sums shall be due to excessive use by Sub-Lessee of utilities or services provided to the Subleased Premises, as reasonably determined by Sub-Lessor and mutually agreed to by the Sub-Lessee, such excess shall be paid in its entirety by Sub-Lessee.

- 6.4. Reconciliation.** Sub-Lessor shall, within 60 days after receiving Landlord's reconciliation of Operating Expenses for the prior year as provided in Exhibit D of the Master Lease, deliver to Sub-Lessee a written statement (the "Reconciliation Statement") setting forth Sub-Lessee's actual Operating Costs paid or incurred by Sub-Lessor during the preceding year (or such prorated portion of such year if this Sub-Lease commences or terminates on a day other than the first or last day of a year, based on a 365-day year). If the actual Operating Costs shown on the Reconciliation Statement for any year exceed estimated Operating Costs paid by Sub-Lessee to Sub-Lessor pursuant to Section 6.2, Sub-Lessee shall pay the excess to Sub-Lessor as Additional Rent within thirty (30) days after receipt of the Reconciliation Statement. If the Reconciliation Statement shows that actual Operating are less than the estimated Operating Costs paid by Sub-Lessee to Sub-Lessor pursuant to Section 6.3, then the amount of such overpayment shall be credited by Sub-Lessor to the next Additional Rent payable by Sub-Lessee (or refunded to Sub-Lessee in the event of the termination or expiration of this Sub-Lease).
- 6.5. Determinations.** The determination of actual and estimated Operating Costs shall be made by Sub-Lessor in good faith and in conformance with generally accepted accounting principles and in accordance with Exhibit D of the Master Lease. Sub-Lessor or its agent shall keep records in reasonable detail showing all expenditures made for Operating Costs. Sub-Lessee shall have the right at its own cost and expense to review and/or inspect Sub-Lessor's records with respect to any Operating Costs shown on Sub-Lessor's annual reconciliation statement provided to Sub-Lessee. Sub-Lessee's review/inspection shall be conducted at Sub-Lessor's main business office, or at such other location as Sub-Lessor may keep its relevant business records, and on a date reasonably agreed upon by Sub-Lessor and Sub-Lessee. Sub-Lessee must provide written notice to Sub-Lessor specifying any and all claims it may have determined in good faith. Sub-Lessee agrees to diligently pursue its review/inspection of Sub-Lessor's records in order to determine if it concurs or disagrees with Sub-Lessor's statement.
- 6.6. Operating Cost Dispute Resolution.** Except as required by the Washington Public Records Act, ch. 42.56 RCW, and other applicable law, the information and results of any inspection conducted by or on behalf of Sub-Lessee shall be kept confidential by Sub-Lessee. All such inspection(s) shall be at the sole cost and expense of Sub-Lessee, provided that in the event Sub-Lessee's review reasonably determines there is an overcharge of Operating Costs which has not been credited to Sub-Lessee, said overcharge being more than five percent (5%) of Sub-Lessee's share of the Operating Costs, and Sub-Lessor does not contest the Sub-Lessee's results, then Sub-Lessor shall pay Sub-Lessee's reasonable out-of-pocket costs of such inspection, not to exceed

Two Thousand Dollars (\$2,000). If Sub-Lessor desires to contest the result of Sub-Lessee's inspection, Sub-Lessor may do so within ten (10) business 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 Sub-Lessee'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 Sub-Lessor. In the case of arbitration, the non-prevailing party shall pay to the prevailing party all attorneys' fees and costs as provided in this Sub-Lease. Nothing in this paragraph shall relieve Sub-Lessee of its obligation under Section 5 to pay Additional Rent without notice, demand, offset or deduction.

7. **Utilities and Services.** Subject to the provisions of the Master Lease, the Sub-Lessor shall provide electricity, water, sewer, and garbage removal service subject to direct payment by Sub-Lessee if separately metered or, to the extent not separately metered, subject to reimbursement allocated as 12.5% of such amounts, based upon the ratio of the agreed rentable area of the Subleased Premises to the agreed rentable area of the Master Premises as Operating Costs and payable as Additional Rent as provided in Section 6.3.
8. **Parking.** Sub-Lessor shall provide, at Sub-Lessor's sole cost and expense, reserved and unreserved parking for Sub-Lessee's use consistent with Section 1.1.2 of this Sub-lease and as shown on **Exhibit D**.
9. **Alterations and Maintenance.**
 - 9.1. Sub-Lessee shall not make any alterations or additions to the Premises without the prior written permission of the Sub-Lessor, which consent may be subject to Master Landlord consent but otherwise shall not be unreasonably withheld, conditioned or delayed. Any alterations shall become the property of Sub-Lessor upon termination of the Sub-Lease.
 - 9.2. Sub-Lessor shall exercise best efforts in attempting to cause Landlord to perform its obligations under Paragraph 10.02 of the Master Lease for the benefit of the Sub-Lessee.
 - 9.3. Sub-Lessee shall be responsible To Sub-Lessor for all costs of installation, operation, maintenance and removal of the Fenced Areas and Charging Stations as required of the Sub-Lessor under the Sections IX and X of the Second Amendment of the Master Lease.
10. **Signs.** Sub-Lessee, at its sole cost, shall be allowed to install an exterior sign up to the maximum permissible size on façade of the Building. Sub-Lessee's signage shall be subject to reasonable Landlord, Sub-Lessor and municipal approval.

11. Fixtures. Subject to consent of the Landlord, All fixtures attached to the Premises solely by the Sub-Lessee may be removed by the Sub-Lessee at any time provided (a) that the Sub-Lessee shall restore the Premise to their condition prior to the installation of the fixtures, normal wear and tear excepted; (b) the Sub-Lessee shall not then be in default; and (c) that the removal will be made on or before the expiration of the Term or any extension thereof.

12. Indemnity and Hold Harmless.

12.1 Sub-Lessee agrees to indemnify and hold Sub-Lessor harmless as provided herein to the maximum extent possible under law. Accordingly, Sub-Lessee agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless Sub-Lessor, its appointed and elected officials, volunteers and employees from and against liability for all claims, demands, suits, causes of action and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Sub-Lessee's exercise of rights and privileges granted by this Sub-Lease, except to the extent of Sub-Lessor's negligence.

12.2 Sub-Lessor agrees to indemnify and hold Sub-Lessee harmless as provided herein to the maximum extent possible under law. Accordingly, Sub-Lessor agrees for itself, its successors, and assigns, to defend, indemnify, and hold harmless Sub-Lessee, its appointed and elected officials, volunteers and employees from and against liability for all claims, demands, suits, causes of action and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Sub-Lessor's exercise of rights and privileges granted by this Lease, except to the extent of Sub-Lessee's negligence.

12.3 Where such claims, demands, suits, and judgments result from the concurrent negligence of the parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's negligence. Each of the parties agrees that its obligations under this Section 12 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the parties, by mutual negotiation, hereby waives, with respect to each of the other party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's negligence.

13. Insurance.

13.1. Sub-Lessor acknowledges, accepts, and agrees that Sub-Lessee is a self-insured government entity for its liability exposures. Sub-Lessee shall provide Sub-Lessor with notice of any change in self-insured status within 30 days of electing to cease self-insurance. Upon any change in such self-insured status, Sub-Lessee shall provide Sub-Lessor with proof of liability insurance reasonably acceptable to the other party.

13.2. Sub-Lessee acknowledges, accepts, and agrees that Sub-Lessor is insured through a governmental risk pool for its liability exposures. Sub-Lessor shall provide Sub-Lessee with

notice of any change in its status a member of a governmental risk pool within 30 days of the change in status. Upon any change in such status, Sub-Lessor shall provide Sub-Lessee with proof of liability insurance reasonably acceptable to the other party.

13.3. Sub-Lessor shall have no obligation to carry insurance of any kind for the protection of Sub-Lessee's exclusive alterations or improvements paid for by Sub-Lessee; Sub-Lessee's furniture; or on any fixtures, equipment, improvements or appurtenances of Sub-Lessee under this Sub-Lease, and Sub-Lessor shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by or arises out of Sub-Lessor's negligence or failure to perform the duties and obligations under this sublease.

13.4. Sub-Lessor shall carry insurance as required by the Master Lease and shall not be obligated to carry fire or other insurance if Landlord is obligated to carry it under the Master Lease. Sub-Lessor shall be obligated to provide "All Risk" Property insurance on all shared improvements.

13.5. Sub-Lessee shall maintain "All Risk" property insurance in an amount equal to the full replacement value of all its exclusive tenant improvements and personal property located in the Premises.

13.6. In consideration of the duration of this Sub-Lease, the parties agree that the insurance requirements herein, as reasonably required by Sub-Lessor, may be reviewed and adjusted periodically throughout the Term and any extension. Any adjustments made as determined by Sub-Lessor, shall be in accordance with reasonably prudent risk management practices and insurance industry standards and shall be effective upon 90 days written notice by Sub-Lessor.

14. Mediation. Sub-Lessor and Sub-Lessee agree that should any dispute arise concerning this Sub-Lease both parties agree to submit the dispute to mediation. Notwithstanding the foregoing, nothing herein shall be construed as a condition precedent for either party to seek equitable relief by initiating a legal action. Sub-Lessor and Sub-Lessee shall each bear their respective costs of mediation.

15. Subletting and Assignment. Sub-Lessee shall not sublet the whole or any part of the Premises, nor assign this Sub-Lease or any interest thereof "Transfer," without the prior written consent of the Sub-Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. Sub-Lessor may condition its consent on (a) obtaining any required consent from Landlord; (b) Sub-Lessee satisfying any conditions on the Transfer imposed by Landlord; and (c) such other reasonable conditions that Sub-Lessor may impose. No Transfer shall relieve Sub-Lessee of any of its rights or obligations under this Sub-Lease notwithstanding Sub-Lessor consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Sub-Lessor's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Sub-Lessee shall pay the reasonable cost of processing same, including attorneys' fees and any cost charged by Landlord for granting its consent under the Master Lease, upon demand of Sub-Lessor. As a condition to the Landlord's and Sub-Lessor's approval, if given, any potential assignee or sub lessee otherwise approved shall assume all obligations of Sub-Lessee under this Sub-Lease and shall be jointly and severally liable with

Sub-Lessee and any guarantor, if required, for the payment of Rent and other charges due hereunder and performance of all terms of this Sub-Lease. In connection with any Transfer, Sub-Lessee shall provide Landlord and Tenant with copies of all assignments, subleases, assumption agreements and documents.

16. Damage or Destruction.

16.1. Damage and Repair. If Landlord or Sub-Lessor terminate the Master Lease based on casualty to the property in accordance with the Master Lease, this Sub-Lease shall terminate on the same date. If the Subleased Premises or the portion of the property necessary for Sub-Lessee's occupancy are damaged, destroyed or rendered untenantable, by fire or other casualty, Sub-Lessor may, at its option: (a) terminate this Sublease, or (b) restore (or cause Sub-Lessee or Landlord to restore) the Subleased Premises and the portion of the property necessary for Sub-Lessee's occupancy to its previous condition. Provided, however, if such casualty event occurs during the last six (6) months of the Sub-Lease term (after considering any option to extend the term timely exercised by Sub-Lessee) then either Sub-Lessee or Sub-Lessor may elect to terminate this Sub-Lease. If, within sixty (60) days after receipt by Sub-Lessor from Sub-Lessee of written notice that Sub-Lessee deems the Subleased Premises or the portion of the property necessary for Sub-Lessor's occupancy untenantable, Sub-Lessor fails to notify Sub-Lessee of its election to restore those areas, or if Sub-Lessor is unable to restore those areas within six (6) months of the date of the casualty event, then Sub-Lessee may elect to terminate this Sublease.

16.2. Restoration. If Sub-Lessor restores the Subleased Premises or the property under this Section 16.2, Sub-Lessor shall proceed with reasonable diligence to complete the work, and the Base Rent shall be abated in the same proportion as the untenantable portion of the Subleased Premises bears to the whole Subleased Premises, provided that there shall be a rent abatement only if the damage or destruction of the Subleased Premises or the property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Sub-Lessee, or Sub-Lessee's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Provided, if Sub-Lessor complies with its obligations under this Section 16.2, no damages, compensation or claim shall be payable by Sub-Lessor for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Subleased Premises or the property. Should Sub-Lessor fail to restore the Subleased Premises within 180 days of the casualty, Sub-Lessee may elect to terminate this Sub-Lease upon written notice to Sub-Lessor, and the parties shall have no further rights or obligations to one another except for those expressly meant to survive termination.

17. Liens. Sub-Lessor and Sub-Lessee 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 Sub-Lessee or Sub-Lessor and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien.

18. Right of Entry.

- 18.1. Sub-Lessor 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 Sub-Lessor to Sub-Lessee hereunder, to show the Premises to prospective purchasers or Sub-Lessees, and to repair the Premises and any portion of the Building of which the Premises or any area of nonexclusive use are a part 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 Sub-Lessee shall not be interfered with unreasonably. Except for emergencies, Sub-Lessor shall give reasonable notice before entry to repair the Premises at an agreed upon time with the Sub-Lessee, which shall not be unreasonably withheld.
- 18.2. For each of the aforesaid purposes, Sub-Lessor shall at all times have and retain a key with which to unlock all of the doors, in, upon, and about the Premises, excluding Sub-Lessee's vaults, safes, and files, and Sub-Lessor shall have the right to use any and all means which Sub-Lessor may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Sub-Lessee except for any failure to exercise due care for Sub-Lessee's property. Any entry to the Premises obtained by Sub-Lessor 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 Sub-Lessee for the Premises or any portion thereof provided said entry relates to emergency purposes as aforesaid.

19. Hazardous Substances.

- 19.1. Sub-Lessor and Sub-Lessee mutually agree that no generation, use, release, handling, transportation, treatment or storage of Hazardous Substances (as defined in Section 19.2) exist on the Premises, except those Hazardous Substances which shall be allowed to be stored and used on the Premises by Sub-Lessee as specifically identified on the attached **Exhibit E**. Sub-Lessee will not cause or permit any Hazardous Materials to be brought upon, kept, stored discharged, release or used in, under or about any portion of the Property by Sub-Lessee, or its agents, without the prior written consent of Master Landlord as provided in Section 13.01 of the Master Lease. The Sub-Lessee shall remain solely responsible for any liabilities arising from the use and storage of the substances identified in **Exhibit E**. Upon the execution of this Sub-Lease, if Sub-Lessor or Sub-Lessee subsequently discovers the existence of Hazardous Substances on the Premises, Sub-Lessor and Sub-Lessee shall disclose to each other this material fact and act within full compliance of all applicable laws, regulations and safety practices governing Hazardous Substances. Sub-Lessor and Sub-Lessee 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 Sub-Lease, each party shall be responsible, to the extent of their own comparative fault in causing the alleged damages or injuries. Notwithstanding Section 20 (below), each party agrees to indemnify, defend and hold harmless the other party, its appointed and elected officials, employees, from and against any and all claims, liabilities, damages, and expenses,

including reasonable attorney's fees, asserted against the other party 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 Sub-Lessee's possession of the Premises or to the extent caused by the act or omission of the Sub Lessor, or another past or future occupant of the Subleased Premises. Sub-Lessor's and Sub-Lessee's obligations under this Section 19 shall survive the expiration or other termination of this Sub-Lease.

19.2. Definition of Hazardous Substances: "Hazardous Substances" as defined in this Sub-Lease shall mean:

19.2.1. Any toxic substances or waste, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances; or

19.2.2. Any dangerous waste, hazardous waste, or hazardous substance as defined in:

a. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereinafter amended (42 U.S.C. § 9610 et seq.);

b. Resource Conservation and Recovery Act, as now or hereafter amended (42 U.S.C. § 6901 et seq.);

c. Washington Model Toxics Control Act, as now or hereinafter amended (R.C.W. Chs. 70.105, 70.105A and 70.105D); or

19.2.3. 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.

20. Waiver of Subrogation. Sub-Lessor and Sub-Lessee 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 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.

21. Eminent Domain. Should the Premises or any portion thereof be taken for public use 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 Sub-Lessee's leasehold Improvements or fixtures, shall belong and be paid to Sub-Lessor, and Sub-Lessee hereby assigns, transfers, and sets over to Sub-Lessor 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 entire area leased by Sub-Lessee, Sub-Lessee shall have the option, to be exercised by written notice given to Sub-Lessor within thirty (30) days after the date of notice of taking, to terminate this Sub-Lease or relocate. If either less or more than twenty-five percent (25%) of the Premises is taken and the Sub-Lessee 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 Sub-Lessor shall make such reconstruction of the Premises as may be required so that the Premises are suitable for Sub-Lessee's Permitted Use..

22. Default. Following the Commencement Date, the occurrence of any one or more of the following events shall constitute a "Default" by Sub-Lessee and shall give rise to Sub-Lessor's remedies set forth in Section 23 (below): (i) failure to pay when due all or any portion of Rent or Additional Rent, if the failure continues for three (3) business days after written notice to Tenant; (ii) failure to observe or perform any term or condition of this Sub-Lease other than the payment of Rent or Additional Rent, unless such failure is cured within a reasonable period of time following notice thereof, but in no event more than thirty (30) days following notice from Sub-Lessor (provided, if the nature of Sub-Lessee's failure is such that more time is reasonably required in order to cure, Sub-Lessee shall not be in Default if Sub-Lessee commences to cure promptly and thereafter diligently prosecutes such cure to completion); (iii) failure to cure immediately upon notice thereof any condition which is hazardous or interferes with the operation or leasing of the Property, or may cause the imposition of a fine, penalty or other remedy on Sub-Lessor or its agents or affiliates; (iv) abandonment and vacation of the Premises (failure to occupy and operate the Premises for ten (10) consecutive days); (v) any action or non-action that results in Sub-Lessor being in default under the Master Lease. The occurrence of any of the aforementioned events of Default shall not under any circumstance excuse or relieve Sub-Lessee from any of its obligations under this Sub-Lease, including payment of Rent and Additional Rent pursuant to Sections 5 and 6.

23. Default Remedies.

23.1. If Sub-Lessee defaults on its obligations as provided in Section 22, Sub-Lessor shall have the right without notice or demand (except as provided in Section 22) to pursue any of its rights or remedies at law or in equity which shall be cumulative with and in addition to any other right or remedy allowed under this Sub-Lease. Sub-Lessor may elect to terminate this Sub-Lease and Sub-Lessee's right to possession, at any time following a Default and upon sixty (60) days written notice to Sub-Lessee.

23.2. In the event of any such reentry by Sub-Lessor, Sub-Lessor may, at Sub-Lessor's option, require Sub-Lessee to remove from the Premises any of Sub-Lessee's property located thereon. If Sub-Lessee fails to do so, Sub-Lessor shall not be responsible for the care or safekeeping thereof and may remove any of the same from the Premises and place the same elsewhere in the Building or in storage in a public warehouse at the

cost, expense and risk of Sub-Lessee with authority to the warehouseman to sell the same in the event that Sub-Lessee shall fail to pay the cost of transportation and storage. In any and all such cases of reentry Sub-Lessor may make any repairs in, to or upon the Premises which may be necessary, desirable or convenient, and Sub-Lessee hereby waives any and all claims for damages which may be caused or occasioned by such reentry or to any property in or about the Premises or any part thereof.

23.3. Forbearance by Sub-Lessor to enforce one or more remedies shall not constitute a waiver of any Default.

24. Default by Sub-Lessor and Sub-Lessee's Remedies.

24.1. Sub-Lessor's failure to perform or observe any of its obligations under this Sub-Lease or to correct a breach of any warranty or representation made in this Sub-Lease within thirty (30) days after receipt of written notice from Sub-Lessee setting forth in reasonable detail the nature and extent of the failure referencing pertinent Sub-Lease provisions or if more than thirty (30) days is required to cure the breach, Sub-Lessor's failure to begin curing within the thirty (30) day period and diligently prosecute the cure to completion, shall constitute a default.

25. **Holding-Over.** If, with Sub-Lessor's written consent, which such consent may be subject to Master Landlord consent but otherwise shall not be unreasonably withheld, Sub-Lessee holds possession of the Premises after the Term of this Sub-Lease or any extension thereof, Sub-Lessee shall become a Sub-Lessee from month-to-month upon the terms herein specified, but at a monthly rent equivalent to 150% of the then prevailing rent payable by Sub-Lessee at the expiration of the term of this Sub-Lease or any extension thereof and subject to the continued application of all of the provisions of paragraphs five and six herein, payable in advance on the first day of each month.

26. **Surrender of Premises.** At the end of the term of this Sub-Lease or any extension thereof or other sooner termination of this Sub-Lease, Sub-Lessee will peaceably deliver up to Sub-Lessor possession of the Premises in the same condition as received on the Commencement Date, except for ordinary wear and tear and damage by fire, earthquake, or force majeure, and Sub-Lessee will deliver all keys to the Premises to the Sub-Lessor. In addition, Sub-Lessee at Sub-Lessee's expense will remove Sub-Lessee's goods and effects and trade fixtures, and those of all persons claiming under Sub-Lessee, and Sub-Lessee will repair any damage resulting from such removal.

27. **Costs and Attorney's Fees.** If, by reason of any default, dispute or breach on the part of either party in the performance of any of the provisions of this Sub-Lease, a legal action is instituted, the losing party agrees to pay all reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Sub-Lease will be in Superior Court of King County, Washington.

28. Successors and Assigns. All of the agreements, conditions and provisions of this Sub-Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Sub-Lessor and Sub-Lessee.

29. Quiet Enjoyment. Sub-Lessor covenants and agrees that Sub-Lessee, upon performance of all Sub-Lessee's obligations under this Sub-Lease, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Sub-Lease without disturbance by Sub-Lessor or by any person having title paramount to Sub-Lessor's title or by any person claiming under Sub-Lessor, subject to the other terms and provision of this Sub-Lease and subject to all underlying leases and other underlying matters of record to which this Sub-Lease is or may become subject.

30. Notices. 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 Sub-Lessee: King County Real Estate Services Section
500 Fourth Avenue, Suite 830
Seattle, WA 98104-3279

And to: Office of the King County Prosecuting Attorney
Civil Division
Attn: Timothy Barnes
W400 King County Courthouse
516 Third Ave
Seattle, WA 98104
Fax: 206-296-1091

To Sub-Lessor: Kent Fire Department Regional Fire Authority
Attn: Support Services Division Chief
24611 116th Ave. S
Kent, WA 98030
Fax: 253-856-6300

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

31. Time. Time is of the essence of this Sub-Lease and of each and all of the agreements, conditions, and provisions herein.

32. Entire Agreement. This Sub-Lease contains all covenants and agreements between Sub-Lessor and Sub-Lessee relating in any manner to the leasing, occupancy and use of the Premises and Sub-Lessee's use of the Building and other matters set forth in this Sub-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 Sub-Lease shall not be altered, modified or added to except in writing signed by Sub-Lessor and Sub-Lessee.

33. Interpretation - State Law. The titles to paragraphs of this Sub-Lease are for convenience only and shall have no effect upon the construction or interpretation of any part hereof. This

Sub-Lease shall be governed by the laws of the State of Washington. Any action at law between Sub-Lessor and Sub-Lessee shall be filed in the superior court of King County, Washington.

- 34. Severability.** The unenforceability, invalidity, or illegality of any provision of this Sub-Lease shall not render the other provisions unenforceable, invalid or void.
- 35. Addenda.** Any addendum attached hereto and either signed or initialed by the Sub-Lessor and Sub-Lessee shall be deemed a part hereof.
- 36. Anti-Discrimination.** Lessor shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Lessor shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County.

37. MASTER LEASE.

- 37.1. Receipt and Acknowledgment.** Sub-Lessor represents to Sub-Lessee: (a) that Sub-Lessor has delivered to Sub-Lessee a full and complete copy of the Master Lease and all other agreements between Landlord and Sub-Lessor relating to the leasing, use, and occupancy of the Subleased Premises and (b) that Sub-Lessor has received no uncured default notice from Landlord under the Master Lease. Sub-Lessor shall not agree to an amendment to the Master Lease which would have an adverse effect on Sub-Lessee's occupancy of the Subleased Premises or its use of the Subleased Premises for their intended purpose, without obtaining Sub-Lessee's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed. Sub-Lessee represents that it has read and is familiar with the terms of the Master Lease.
- 37.2. Master Lease Priority.** This Sublease is subject and subordinate to the Master Lease. If the Master Lease terminates, this Sublease shall terminate. Sub-Lessor and Sub-Lessee shall not, by their omission or act, do or permit anything to be done which would cause a default under the Master Lease. If the Master Lease terminates or is forfeited as a result of a default or breach by Sub-Lessor or Sub-Lessee under this Sublease and/or the Master Lease, then the defaulting party shall be liable to the non-defaulting party for the damage suffered as a result of such termination or forfeiture. Sub-Lessor shall exercise due diligence in attempting to cause Landlord to perform its obligations under the Master Lease for the benefit of the Sub-Lessee.
- 37.3. Consent By Landlord.** This Sublease shall be of no force or effect unless consented to by Landlord within 30 days of execution. Such Consent shall be memorialized by the Landlord's execution of the Landlord Consent Form (Exhibit E to the Second Amendment to the Master

Lease) a signed copy of which shall be attached to this Sublease as **Exhibit F**. Tenant and Subtenant agree for the benefit of Landlord, that this Sublease and Landlord's consent shall not (a) create privity of contract between Landlord and Subtenant; (b) be deemed to have amended the Master Lease in any regard (unless Landlord shall have expressly agreed in writing to such amendment); or (c) be construed as a consent by Landlord to any future assignment or subletting. Landlord's consent shall, however, be deemed evidence of Landlord's agreement that Subtenant may use the Subleased Premises for the purpose set forth in Paragraph 2 and that Subtenant shall be entitled to the waiver of claims and of the right of subrogation as provided in Paragraph 20 above.

IN WITNESS WHEREOF, the Sub-Lessor and Sub-Lessee have executed this Sub-Lease on the dates specified below.

SUB-LESSOR:

Kent Fire Department Regional Fire Authority

By: Jim Sawwin

Date: November 4, 2014

SUB-LESSEE:

King County

By: _____

Date: _____

APPROVED AS TO FORM:

By: Tim Barnes
Tim Barnes, Senior Deputy
Prosecuting Attorney

APPROVED BY CUSTODIAL AGENCY:

By: Michael Pede

Date: 11/6/2014

) ss

COUNTY OF KING)

I certify that _____ signed this instrument, on oath stated that s/he was authorized by the King County Executive to execute the instrument, and acknowledged it as the of King County, Washington to be the free and voluntary act of said County for the uses and

purposes mentioned in the instrument.

Date:

NOTARY PUBLIC in and for the State of
Washington residing at _____.
My appointment expires _____.

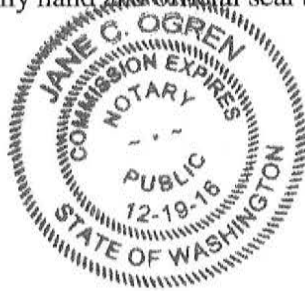
STATE OF WASHINGTON)

) ss

COUNTY OF KING)

On this day personally appeared before me Jim Schneider, to me known to be the Chief of the Kent Fire Department Regional Fire Authority that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 14th, day of November, 2014.



Jane C. Ogren

NOTARY PUBLIC in and for the State of
Washington residing at Kent, WA.
My appointment expires 12/19/16.

EXHIBIT A

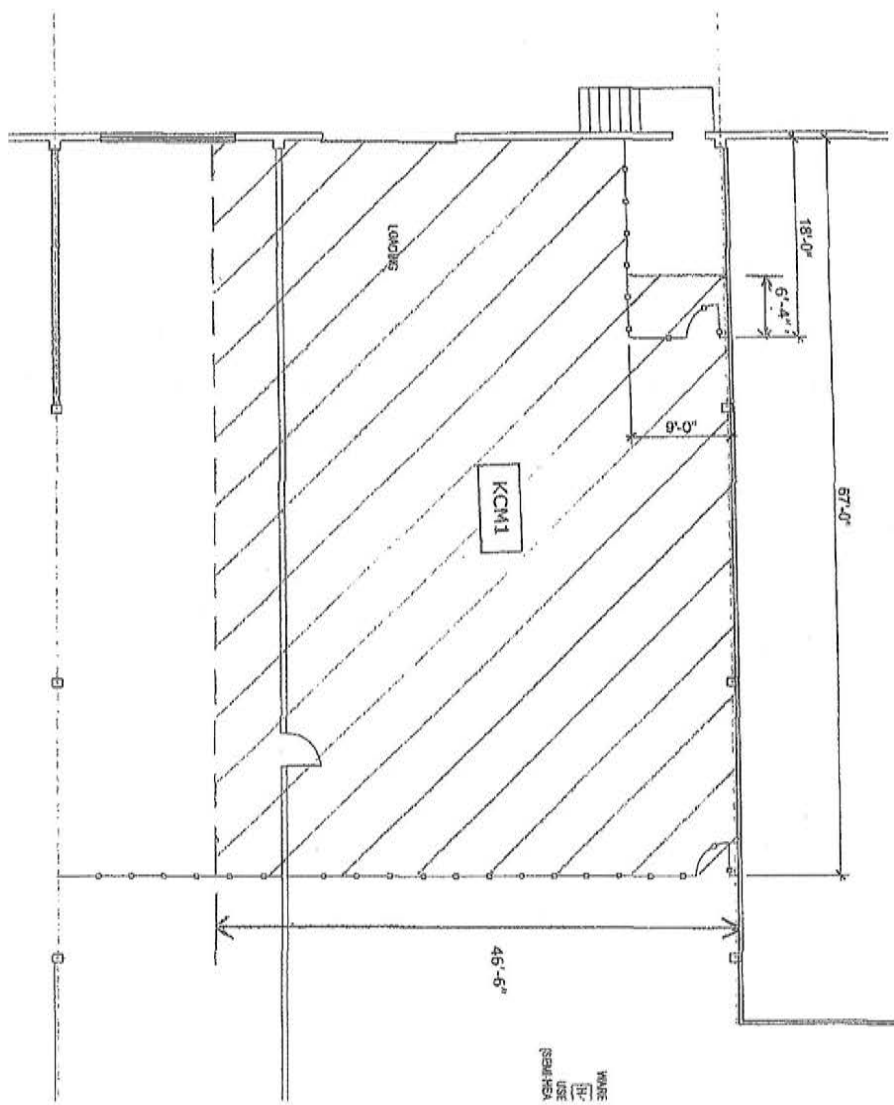


EXHIBIT B

LEGAL DESCRIPTION MASTER PREMISES

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF WASHINGTON, COUNTY OF KING, AND IS DESCRIBED AS FOLLOWS:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1 AND A PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 22 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1 AND THE TRUE POINT OF BEGINNING;
THENCE SOUTH 88°14'25" EAST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1, A DISTANCE OF 40.00 FEET;
THENCE SOUTH 00°55'22" WEST, A DISTANCE OF 140.00 FEET;
THENCE SOUTH 89°04'38" EAST, A DISTANCE OF 933.63 FEET;
THENCE NORTH 00°55'22" EAST, A DISTANCE OF 60.0 FEET;
THENCE SOUTH 89°04'38" EAST, A DISTANCE OF 328.79 FEET, TO THE WESTERLY RIGHT OF WAY MARGIN OF 84TH AVENUE SOUTH "EAST VALLEY HIGHWAY";
THENCE FOLLOWING SAID WESTERLY RIGHT OF WAY MARGIN, NORTH 01°13'42" EAST, A DISTANCE OF 61.56 FEET;
THENCE NORTH 00°55'22" EAST A DISTANCE OF 661.13 FEET;
THENCE NORTH 89°04'38" WEST A DISTANCE OF 455.00 FEET;
THENCE NORTH 00°55'22" EAST, A DISTANCE OF 60.00 FEET;
THENCE NORTH 89°04'38" WEST, A DISTANCE OF 150.00 FEET;
THENCE NORTH 00°55'22" EAST, A DISTANCE OF 264.00 FEET;
THENCE NORTH 89°04'38" WEST, A DISTANCE OF 693.47 FEET TO THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1;
THENCE SOUTH 01°10'32" WEST, ALONG SAID WESTLINE, A DISTANCE OF 966.11 FEET, TO THE TRUE POINT OF BEGINNING;
EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF KENT BY DEED RECORDED UNDER RECORDING NUMBER 7904270059.

PARCEL A-I:

AN EASEMENT APPURTENANT TO PARCEL A, FOR VEHICULAR AND PEDESTRIAN ACCESS AND THE INSTALLATION AND MAINTENANCE OF UNDERGROUND UTILITIES RECORDED UNDER RECORDING NUMBER 7304040435 OVER ACROSS AND UPON THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 22 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;
THENCE SOUTH 88°14'25" EAST ALONG THE NORTH LINE OF SAID SUBDIVISION A DISTANCE OF 40 FEET;
THENCE SOUTH 0°55'22" WEST 140 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89°04'38" EAST 1262.10 FEET TO THE WESTERLY RIGHT OF WAY MARGIN OF 84TH AVENUE SOUTH "EAST VALLEY HIGHWAY";
THENCE ALONG SAID MARGIN NORTH 01°13'42" EAST 60 FEET;
THENCE NORTH 89°04'38" WEST 1262.42 FEET TO A POINT WHICH BEARS NORTH 0°55'22" EAST FROM THE TRUE POINT OF BEGINNING;
THENCE SOUTH 0°55'22" WEST 60 FEET TO THE TRUE POINT OF BEGINNING;
EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF KENT BY DEED UNDER RECORDING NUMBER 7904270059;
EXCEPTING THEREFROM ANY PORTION OF THE ABOVE DESCRIBED EASEMENT LYING WITHIN THE MAIN TRACT.

EXHIBIT C

Workletter Addendum

This **WORKLETTER ADDENDUM** (the "Workletter") is attached to and made a part of that certain Sub-Lease Agreement (the "**Sub-Lease**") between **The Kent Fire Department Regional Fire Authority** (hereinafter called Sub-Lessor), and **King County**, a political subdivision of the State of Washington (hereinafter called Sub-Lessee):

All capitalized terms herein shall have the same meaning as defined in the Sub-Lease, unless specifically defined in this Workletter.

The purpose of this Workletter is to set forth how the Tenant Improvements to the Premises are to be constructed and designed, who will be responsible for constructing and designing the Tenant improvements, and who will pay for the construction and design of the Tenant Improvements. Sub-Lessor and Sub-Lessee agree as follows:

1. **Tenant Improvements**: Tenant Improvements exclude additional demising walls, which currently exist in the Premises. Tenant Improvements shall include, but not be limited to the following:

- Installation of a separation fence.
- Installation of additional lighting, electrical receptacles, low voltage wiring, and data cabling to accommodate Tenant's layout.
- All fire protection and life safety equipment within the Premises as required to meet current codes.
- Installation of Nederman exhaust extraction equipment.
- Expansion of existing overhead door, its opening, and addition of a door motor.
- Installation of additional security system equipment.
- Installation of a Fenced Area and Charging Stations subject to the terms and restrictions contained in the Section IX and X of the Second Amendment to the Master Lease.

2. **Construction of Tenant Improvements**: Sub-Lessor and Sub-Lessee shall mutually agree to all design documents, construction contracts and related costs necessary for construction of the Tenant Improvements prior to construction ("Approved Construction Costs"). Sub-Lessor shall be responsible for the Construction of the Tenant Improvements.

3. **Amounts Payable by Sub-Lessee**: Sub-Lessee shall pay Sub-Lessor for 100% of all Approved Construction Costs together with a Project Management Fee of \$5,000 payable to the Sub-Lessor. Sub-Lessor shall forward Sub-Lessor's invoices for approved construction costs including, without limitation, copies of invoices and other documentation reasonably requested by Sub-Lessee, for payment by Sub-Lessee on a monthly basis as bills are presented by vendors. Sub-Lessee shall pay all invoiced amounts within thirty (30) days of receipt of the invoice. If Sub-Lessee fails to pay when due any invoiced amounts which Sub-Lessee is obligated to pay under the terms of this Workletter, the unpaid principal amounts shall bear interest at the annual rate of twelve percent (12%).

4. **Acceptance of the Premises; Effect of Sub-Lessee Delays:**

(a) Sub-Lessor will notify Sub-Lessee when the Tenant Improvements are substantially complete, which shall be commensurate with issuance by the City of Kent of a temporary certificate of occupancy for Sub-Lessee's Permitted Use. Within three (3) business days after receiving such notice, and prior to move-in of any furniture, fixtures or equipment, Sub-Lessee shall inspect the Premises for any deficiencies in the Tenant Improvements. A "punchlist" of all the deficiencies in the Tenant Improvements shall be prepared and agreed upon by both Sub-Lessor and Sub-Lessee. Sub-Lessor shall correct defective items stated in the punchlist which are the responsibility of Sub-Lessor or the Contractor. If Sub-Lessee does not so provide Sub-Lessor with a punchlist prior to occupying the Premises, Sub-Lessee shall be deemed to have accepted the Premises and the Tenant Improvements in their then present condition, except for latent defects not reasonably discoverable upon an inspection of the Premises. The existence of minor punchlist items shall not postpone or result in a delay or abatement of Sub-Lessee's obligation to pay Base Rent and Additional Rent or give rise to a damage claim against Sub-Lessor. Sub-Lessor agrees to complete all punchlist items which are Sub-Lessor's or the Contractor's responsibility within thirty (30) calendar days after receiving the final punchlist (or longer if reasonably necessary subject to Sub-Lessor's prompt initiation of the completion of said punchlist items and continuing good faith efforts to expeditiously and continuously complete said punchlist items). Sub-Lessor shall provide for a 1 year parts and labor warranty for all work covered by Sub-Lessee's consideration. Failure of any such work shall be promptly repaired at no cost to Sub-Lessee.

5. **Changes in Tenant Improvements:** Sub-Lessee shall have the right to request, in writing, changes to the Interior Drawings and to the Tenant Improvements, subject to Sub-Lessor's reasonable prior approval. Sub-Lessor shall notify Sub-Lessee in writing of any additional costs and any construction delays attributable to such change and whether or not Sub-Lessor approves or disapproves of the requested change. Sub-Lessor may condition its approval of any change on receipt of written confirmation from Sub-Lessee within five (5) Business Days after receiving Sub-Lessor's notice, that Sub-Lessee will pay the additional cost of making the change and any costs Sub-Lessor will incur as a result of any delays, which payment shall be made in the manner prescribed in Section 3 herein. If Sub-Lessee fails to deliver Sub-Lessor written notice that it still desires the requested change within such five (5) Business Day period, Sub-Lessee shall be deemed to have withdrawn its request for the change. Any construction delays attributable to Sub-Lessee changes shall constitute Sub-Lessee Delays.

6. **Early Entry:** With Sub-Lessor's prior written approval, Sub-Lessee and Sub-Lessee's contractors shall have the privilege of entering into the Premises prior to the Substantial Completion of the Tenant Improvements for purposes of cable, telephone, furniture and fixtures installation; provided that such entry or work does not interfere with the construction of the Tenant Improvements by Contractor. All of the terms and provisions of the Sub-Lease shall be applicable upon such early entry, except for those provisions applicable to the commencement of the Sub-Lease Term, acceptance of the Premises and the payment of Base Rent and Additional Rent. Sub-Lessee shall be responsible for any damages to the Building or the Premises caused by Sub-Lessee as a result of such early entry.

7. **Tenant Improvement Representative:** Prior to the commencement of the

Tenant Improvements, Sub-Lessee shall designate in writing one individual who shall be the Sub-Lessee's Representative during the Tenant Improvements. Except as provided herein, Sub-Lessor and Contractor shall be entitled to rely on the decisions of such person regarding the Tenant Improvements (and the decisions of such person shall be binding upon Sub-Lessee) until Sub-Lessor and Contractor have received written notice from Sub-Lessee that such person's authority has been revoked. Sub-Lessee's approval of the final Budget, Interior Drawings, the work schedule and change orders, as provided herein, shall be provided in writing by Sub-Lessee's Manager of Real Estate Services, Gail Houser, or her designee.

8. **Disputes:** Sub-Lessor and Sub-Lessee shall act in good faith and deal fairly in performing their respective duties under this Workletter. If a dispute arises with respect to design or construction of the Tenant Improvements, or any obligation of the parties under this Workletter, including the calculation or allocation of costs, the parties agree to work diligently to resolve the dispute. In the event the parties cannot resolve the dispute, they may jointly elect to submit the dispute to mediation with a mutually-agreeable mediation firm located in Seattle, Washington with each party bearing their own costs. The decision of the mediator shall be non-binding and shall not constitute a condition precedent to having such dispute decided in a court, including seeking injunctive relief.


9. **Insurance.** If the Sub-Lessor uses a contractor to perform work under this Sub-Lease, after taking into account the scope of work and services which may be performed by its contractor(s), the Sub-Lessor shall require that the Sub-Lessor's contractor maintain Commercial General Liability, Professional Liability if professional services are required, Automobile Liability insurance, Statutory Workers Compensation, Employers Liability/Stop and other insurance as may be required with prudent limits of liability as established by a Sub-Lessor risk assessment. Builder's Risk insurance shall be required for the full replacement value of the improvements and Sub-Lessee shall be a named insured as it's interests may appear. Such contractor insurance shall insure the Sub-Lessor, its contractor, and the Sub-Lessee and its officers, officials, agents and employees against loss arising out of or in connection with activities, performed in furtherance of this agreement by, the Sub-Lessor's contractor. Contractor's general and automobile liability insurance and other liability insurance as may be required shall include the Sub-Lessee and its officers, officials, agents and employees as an additional insured. The Sub-Lessor's contractor's insurance shall be primary to and not contributing with any insurance or self-insurance that may be carried by the Sub-Lessee.

10. **Additional Provisions.** This Workletter sets forth the entire agreement of Sub-Lessor and Sub-Lessee with respect to the completion of the Tenant Improvements. Neither this Workletter nor any of the provisions contained in this Workletter may be changed or waived, except by a written instrument signed by both parties. To the extent any of the terms or conditions of this Workletter conflict with any of the terms or conditions of the Sub-Lease, this Workletter shall control.

Accepted and agreed to:
KING COUNTY

Accepted and agreed to
KENT FIRE DEPARTMENT REGIONAL FIRE
AUTHORITY

By _____

By  _____

Title _____

Title Fire Chief

Date _____

Date November 4, 2014

EXHIBIT D

PARKING

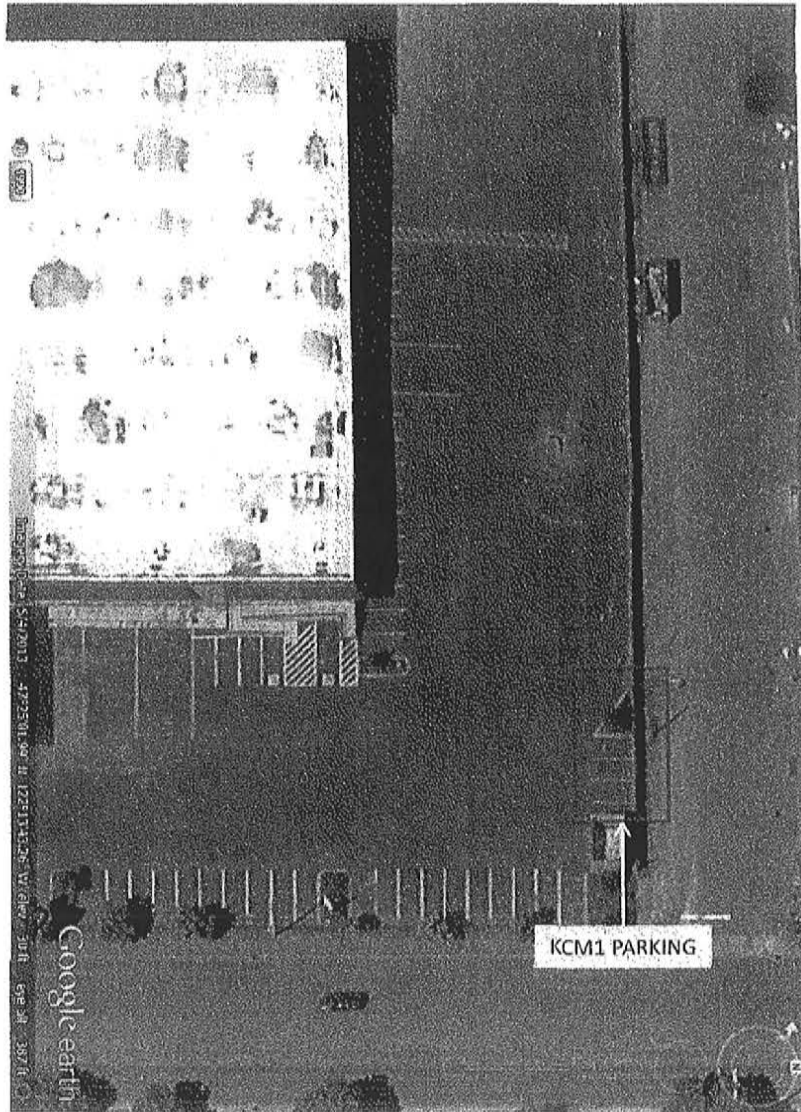


EXHIBIT E

SUB-LESSEE PERMITTED HAZARDOUS MATERIALS

Brake Fluid, manufacturer: Fuchs Europe Schmierstoffe GMBH

Clean on the Go hdqC2, manufacturer: Spartan Chemical Company

NAPA Mac's Class Cleaner with Ammonia, manufacturer: The Sherwin-Williams Co.

No Touch Original Tire Care, manufacturer: Permatex Canada, Inc.

Express Shine Spray Car Wax, manufacturer: Turtle Wax