



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

June 6, 2016

### Ordinance 18298

Proposed No. 2016-0165.1

Sponsors Upthegrove

1 AN ORDINANCE approving the execution of a lease to  
2 support the operations and services of the department of  
3 public defense.

4 STATEMENT OF FACTS:

- 5 1. On May 20, 2013, the King County council adopted Ordinance 17588  
6 creating a department of public defense within the executive branch.
- 7 2. The four independent nonprofit agencies, which had been providing  
8 public defense services to the county under contracts, were subsumed as  
9 divisions into the newly created department of public defense.
- 10 3. Three of the nonprofit agencies subsumed into the new department  
11 were Associated Council for the Accused, Society of Counsel  
12 Representing Accused Persons and The Defender Association, which had  
13 been leasing space in the Meeker Street Law Building, located at 420  
14 West Harrison Street, Kent, Washington, within council district two.
- 15 4. The facilities management division determined, through consultation  
16 with the department of public defense, because there are no county-owned  
17 options available, that continued leasing in the Meeker Street Law  
18 Building is the most cost-effective option for the county.

19           5. The facilities management division successfully negotiated to lease  
20           space from Meeker Street Law Building, LLC, located at 420 West  
21           Harrison Street, Kent, Washington, within council district two.

22           BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

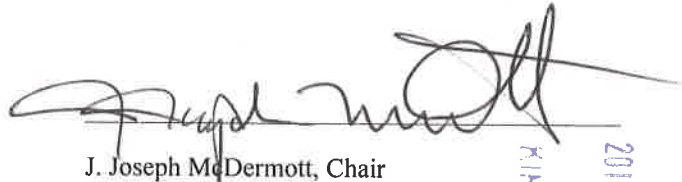
23           SECTION 1. The executive is authorized to execute a lease for the Meeker Street  
24           Law Building with Meeker Street Law Building, LLC, substantially in the form of

25 Attachment A to this ordinance, and to take all actions necessary to implement the terms  
26 of the lease.  
27

Ordinance 18298 was introduced on 3/21/2016 and passed by the Metropolitan King County Council on 6/6/2016, by the following vote:

Yes: 8 - Mr. von Reichbauer, Mr. Gossett, Mr. Dunn, Mr. McDermott,  
Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles and Ms. Balducci  
No: 0  
Excused: 1 - Ms. Lambert

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Anne Noris, Clerk of the Council

RECEIVED  
2016 JUN 10 PM 3:49  
CLERK  
KING COUNTY COUNCIL

APPROVED this 9<sup>th</sup> day of June, 2016



Dow Constantine, County Executive

Attachments: A. Lease Agreement

**ATTACHMENT A:**

**LEASE AGREEMENT**

## MULTI-TENANT LEASE

### PROPERTY

420 West Harrison Street  
Suites, 101, 201, 202, 203 & 204  
Kent, Washington 98032

### Lessor:

Meeker St. Law Building, LLC  
c/o M. Bruce Anderson  
**ANDERSON & ASSOCIATES**  
7420 SE 24<sup>th</sup> Street, Suite 4  
Mercer Island WA 98040 - 2340  
Phones (206) 397 - 3579 & (206) 402 - 4325  
E-mail: [bruce@mbanderson.net](mailto:bruce@mbanderson.net)

### Lessee:

King County, a political subdivision of the State of Washington  
King County Real Estate Services  
500 - 4<sup>th</sup> Avenue, Room 830  
Seattle, WA 98104

**MULTI-TENANT LEASE  
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**CORPORATE/PARTNERSHIP ACKNOWLEDGMENTS**

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**EXHIBIT A: Legal Description**

**EXHIBIT B: Premises**

**EXHIBIT C: Description of Lessor's Work - Lessee's Premises**

**EXHIBIT D: Sign Criteria**

**EXHIBIT E: Commencement & Termination Agreement**

**EXHIBIT F: Rules and Regulations**



MULTI-TENANT LEASE

THIS LEASE, dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015, is between Meeker St. Law Building, LLC \_\_\_\_\_ ("Lessor") and King County, a political subdivision of the State of Washington (collectively called "Lessee").

1. Premises. Lessor hereby leases to Lessee, upon the terms and conditions herein set forth, a portion of the real property situated in the City of Kent, King County, Washington, legally described on Exhibit A attached hereto (the described land together with all improvements located thereon is herein called the "Building"). The portion of the Building leased to Lessee shall be as located and outlined on the sketch attached hereto as Exhibit B, consisting of approximately 24,370 square feet (herein called the "Premises"). The Premises are not being leased based on an exact square footage. The stated area of the Premises is approximated only and is given solely for identification purposes. The monthly rent due is not based upon the actual area of the Premises.

THEREFORE, for and in consideration of the rents reserved hereunder and the terms and conditions hereof, Lessee takes and leases from the Lessor, the following described Premises all upon the following terms and conditions:

1.1 BASIC LEASE PROVISIONS

- (a) Address of Lessor: 7420 SE 24<sup>th</sup> Street, Suite 4, Mercer Island WA 98040-2340

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- (b) Property Management: Anderson & Associates  
Address: 7420 SE 24<sup>th</sup> Street, Suite 4, Mercer Island WA 98040-2340

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- (c) Rent Payments: Lessor      x      Property Management

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- (d) Notification Address: Lessor      x      Property Management

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- (e) Address of Lessee: (Premises Address) 420 West Harrison Street, Kent WA 98032  
  
(Phone Number) (253) 520 – 6509  
  
(Corporate Office Address) Attn: Lease Administration  
King County Real Estate Services  
500 – 4<sup>th</sup> Avenue, Room 830, Seattle, Washington 98104

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- (f) Lessee's Trade Name: King County

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- (g) Premises: Space: Suites 101, 201, 202, 203 & 204; containing approximately 24,370 Square Feet

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- (h) Lease Term: 3 Years    Options:    3x1-Year terms  
Lease Commencement Date: The Lease shall commence upon mutual execution of this Lease document. (Actual Lease Commencement Date is as set forth in Exhibit "E".)

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- (i) Estimated Lease Expiration Date: The last day of the calendar month that is thirty six (36)

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months after the Lease Commencement Date. (Actual Lease Expiration Date is as set forth in Exhibit "E".)

(k) Base Rent Start Date: Lease Commencement Date CAM Start Date: Lease Commencement Date.

(l) Basic Rent: \$50,263.13 per month and increased pursuant to the terms of this Lease.

(m) Lessee's Percentage Share of Building: 89.60%

(n) Security Deposit: N/A

(o) Permitted Use: Law Offices

2. Common Areas. Lessee shall have nonexclusive use of all areas of the Building designated by Lessor as Common Areas for the use generally of tenants of the Building, subject to the terms and conditions of Section 13.2 below.

3. Use of Premises and Hazardous Substances.

(a) The Premises shall be continuously used for the full Lease term for law offices and for no other purpose without the prior consent of Lessor. Lessee has determined to its satisfaction that the Premises can be used for these purposes and takes the Premises in their AS IS current condition. Lessee shall not, without the prior written consent of Lessor, use any apparatus, machinery or device in or about the Premises which will cause any substantial noise, vibration or fumes. If any of Lessee's office machines or equipment disturb the quiet enjoyment of any other tenant of the Building, Lessee shall provide adequate insulation or take such other action as Lessor directs to eliminate the disturbance. Lessee shall not allow use of the Premises in a manner which would increase insurance premiums, in a manner which would interfere with any other tenant in the Building, or for any improper, immoral, unlawful or otherwise objectionable purpose. Lessee shall not cause or permit any public or private nuisance in on or about the Premises including the practicing or playing of musical instruments nor singing outside of the Premises. Lessee's obligations are not conditioned upon the manner in which Lessor employs the remainder of the Building or the business undertaken by other tenants in the Building. Lessee shall not place upon or install in windows or other openings or exterior sides of doors or walls of the Premises any signs, symbols, drapes, or other materials without the written consent of Lessor. Lessee agrees not to store any goods or equipment in the Common Areas or within ten (10) feet of any window.

(b) Lessee shall comply, at Lessee's expense, with all local, state, or federal laws, rules, regulations, ordinances, orders and permits now existing, or as hereafter enacted, amended, or issued concerning environmental, health, or safety matters (collectively, the "Environmental Laws"). Lessee shall not use the Premises for, or permit anything to be done in or about the Building which may subject Lessor, any guarantor, or any mortgagee under any mortgage covering the Building, to liability for remediation costs or other damages or penalties under any Environmental Laws resulting from Lessee's use of, or conduct on, the Building, including without limitation, the use, generation, transportation, management, handling, treatment, storage, manufacture, emission, release, disposal or deposit of any radioactive material, hazardous or toxic wastes, hazardous or toxic substances, any material containing hazardous wastes or hazardous substances (except as they occur in normal office products or household cleaning products), or any other pollutant, contaminant, human pathogen or infectious agent as such terms may now or in the future be defined in any Environmental Laws (collectively, "Hazardous

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Substances"), in the Building, adjacent surface waters, soils, underground waters, or air.

(c) Lessor shall have the right at all reasonable times upon notice to Lessee to conduct environmental investigations, including the taking of samples, for the purpose of detecting or measuring the presence of Hazardous Substances in the Building. Lessee shall keep Lessor continuously informed by written notice of all Hazardous Substances which Lessee, or Lessee's employees, agents, representatives, invitees, licensees, or contractors, generates, stores or otherwise allows in the Building. Lessee shall provide Lessor with copies of all documents received or prepared by Lessee concerning any release of a Hazardous Substance at the Building, all documents Lessee receives or prepares in connection with any violation, or alleged violation, of an Environmental Law by Lessee, and all reports or other documents Lessee is required to provide any governmental authority under any Environmental Law concerning any Hazardous Substance. Upon request by Lessor, Lessee shall provide Lessor with all other information which Lessor reasonably deems necessary or useful for the purpose of determining whether Lessee is in compliance with all Environmental Laws and whether the Building, or any part of the Building, is contaminated by any Hazardous Substances. If Lessee, or the Premises as a result of Lessee's (or Lessee's employees, agents, representatives, invitees, licensees, or contractors) having brought Hazardous Substances into the Building, is in violation of any Environmental Law, or in the event of a release by Lessee (or Lessee's employees, agents, representatives, invitees, licensees, or contractors) of Hazardous Substances into or on the Building or adjacent surface waters, soils, underground waters, or air, Lessee shall (i) immediately notify Lessor in writing of such occurrence and the action necessary to correct or mitigate such occurrence, and (ii) take such action as is necessary to mitigate and correct such violation or release. Provided, however, Lessor reserves the right, but not the obligation, to enter the Premises, to act in place of the Lessee (and Lessee hereby appoints Lessor as its agent for such purposes) and to take such action as Lessor deems necessary to ensure compliance or to mitigate the violation, at Lessee's expense. If Lessor has a reasonable belief that Lessee is in violation of any Environmental Law, or that Lessee's actions or inaction presents a threat of violation or a threat of damage to the Building, Lessor reserves the right to enter the Premises and take such corrective or mitigating action as Lessor deems necessary. All costs and expenses incurred by Lessor in connection with any such actions shall become immediately due and payable by Lessee upon presentation of an invoice therefore. Notwithstanding the foregoing, in no event shall Lessee be responsible for or liable to Lessor for any Hazardous Substances that existed or were released, disposed of, or present in or under the Building or Premises prior to the Lease Commencement Date ("Pre-Existing Hazardous Substances").

(d) Lessee shall not conduct or permit others to conduct environmental testing in the Premises without first obtaining Lessor's written consent. Lessee's testing shall in all events be limited to interior testing of the Premises for OSHA and WISHA compliance. Lessee shall promptly inform Lessor of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted in the Premises whenever the same becomes known to Lessee and Lessee shall provide copies to Lessor, upon request by Lessor and at no cost to Lessor.

(e) Notwithstanding any other provisions of this Lease, Lessee's obligations and responsibilities for the proper use, storage and maintenance of Hazardous Substances and for any breach of the obligations pursuant to this Section shall survive any expiration or any termination of this Lease.

(f) Lessee shall, at its sole cost and expense, indemnify, defend and hold harmless Lessor and Lessor's subsidiaries and parent corporations, shareholders, members, managers, directors, officers, employees, partners, affiliates, and agents from, any claims, liabilities, costs or expenses incurred or suffered arising in connection with any Hazardous Substances which are brought into the Premises or the Building during the Term of this Lease by Lessee, Lessee's employees, agents, vendors, visitors or contractors. Lessee's indemnification, defense, and hold harmless obligations include, without limitation, the following: (i) claims, liability, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other action, legal or equitable, brought by any private or public person under

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common law or under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), the Resource Conservation and Recovery Act of 1980 ("RCRA") or any other Federal, State, County, or Municipal law, ordinance, or regulation now or hereafter in effect; (ii) claims, liabilities, costs or expenses pertaining to the indemnification, monitoring, clean-up, containment or removal of Hazardous Substances from soils, riverbeds or aquifers including the provision of an alternative public drinking water source; (iii) all costs of defending such claims; and (iv) all other liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation. Notwithstanding the foregoing, in no event shall Lessee be obligated to indemnify, defend, or hold harmless Lessor or others under this Lease, from any such claims, judgments, damages, penalties, fines, expenses, liabilities or losses relating to the presence, release or disposal of Pre-Existing Hazardous Substances. Lessor shall, at its sole cost and expense, indemnify, defend and hold harmless Lessee and Lessee's subsidiaries and parent corporations, shareholders, members, managers, directors, officers, employees, partners, affiliates, and agents from, any claims, liabilities, costs or expenses incurred or suffered arising in connection with any Pre-Existing Hazardous Substances. This indemnity shall survive the expiration or termination of this Lease.

(g) [intentionally deleted]

(h) [intentionally deleted]

(i) **Unlawful Use.** Lessee shall not use or permit the Premises, the Common Areas or any part thereof to be used for any purpose in violation of any municipal, county, state or federal law, ordinance or regulation to which the Building is subject and Lessee shall comply with and shall cause its employees, invitees and contractors to comply with such reasonable rules and regulations as Lessor may from time to time promulgate. Lessee shall promptly comply, at its sole cost and expense, with all laws, ordinances and regulations now in force or hereafter adopted relating to or effecting the condition, use or occupancy of the Premises, including without limitation the Americans with Disabilities Act of 1990, as now or hereafter amended (the "ADA").

(j) Lessee shall not engage in, permit or suffer in, on, or about the Premises any gambling or regulated gaming without the prior written consent of Lessor. In the event any lien is filed against the Premises or the Building as a result of any gambling or regulated gaming occurring in the Premises, Lessee agrees to cause such lien to be promptly discharged, and further agrees to indemnify, defend, and hold harmless Lessor and its lender against liability, loss, damage, costs or expenses (including reasonable attorneys' fees and cost of suit) on account of such claim of lien.

(k) Lessee shall not allow any of its employees, agents, representatives, guests, or invitees to smoke in the Building. In the event that this covenant is breached, Lessor may impose upon Lessee a cleaning fee to cover any smoke damage or costs incurred by Lessor to maintain the Building as a smoke free environment.

**4. Term.** The Lease Term shall be for a term of three (3) years, commencing on the Lease Commencement Date, unless extended or sooner terminated in accordance with the terms of this Lease. The "Lease Commencement Date" shall mean the date this Lease is mutually executed by Lessor and Lessee. Lessor shall confirm the Lease Commencement Date and Lease Expiration Date by written notice to Lessee within 3 days of the Lease Commencement Date, as provided in Exhibit E and executed by Lessor.

**4.1 Extensions.** Provided that Lessee is not then in default of any provisions of this Lease, Lessee shall have the right to extend this Lease for three (3) additional one-year periods. Lessee may only exercise an extension option by giving Lessor written notice of Lessee's election to so extend this Lease not

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later than 90 days before the expiration of the then current Lease Term. If Lessee fails to give Lessor said written notice within the time period provided in this paragraph, such option shall automatically become null and void. Once such notice is delivered to Lessor, such notice shall be irrevocable and this Lease shall be deemed extended for the additional one-year term. All terms and conditions of this Lease shall apply to the renewal term (s) except that Basic Rent for each extension shall be determined in accordance with Section 5.1.

Lessee's extension right shall automatically terminate and become null and void upon the assignment of this Lease, or subletting of any portion of the Premises, by Lessee to any person or entity other than an affiliate of Lessee.

4.2 [Intentionally deleted]

5. **Rental.** Lessee agrees to pay Lessor, at Lessor's address set forth in Section 28 hereof or at such other place as Lessor may designate in writing, monthly rent ("Basic Rent") in accordance with the following schedule:

Year	From	To	Monthly
1			\$50,263.13
2			CPI Increase
3			CPI Increase

Basic Rent shall mean the triple net (NNN) rent for the Premises (as determined pursuant to Section 1) each month, not including the Operating Expenses imposed as Additional Rent in Section 6. Monthly Basic Rent and Additional Rent shall be paid by Lessee in advance on the first day of each and every month during the Lease Term. Payments for any partial month at the beginning or end of the Lease shall be prorated.

The obligation of Lessee to pay Basic Rent and Additional Rent is absolute and unconditional, and shall not at any time be subject to offset, discount, or reduction of any kind whatsoever.

5.1 **Rental Adjustments.** The monthly Basic Rent due under this Lease shall be subject to annual CPI adjustments. "CPI" shall mean the Revised Consumer Price Index for All Urban Consumers, CPI-U (Base Years 1982-1984 = 100) for the Seattle-Tacoma area, published by the United States Department of Labor, Bureau of Labor Statistics. The monthly Basic Rent shall be adjusted on each anniversary of the commencement of this Lease (an "Adjustment Date"). On each Adjustment Date, the monthly Basic Rent shall be increased by the percentage increase, if any, in the CPI from the day which is one year prior to the Adjustment Date. (By way of hypothetical example, if the CPI as of the first day of the Lease Term is 150, and the CPI for the first day of the second year of the Lease Term is 153, then the Basic Rent due each month for the second year of the Lease Term shall be increased to be 103% of the Basic Rent due during the first twelve months of the Lease Term.) Should the CPI be discontinued, Lessor and Lessee shall mutually agree upon another similar index which reflects the increase in consumer prices during the applicable periods. In no event shall monthly Basic Rent be decreased on any Adjustment Date.

6. **Additional Rent.** This is a "triple-net" lease, which means that Lessee is to pay Lessee's Percentage Share of all commercially reasonable costs of ownership, management, operation and maintenance of the Building throughout the Lease Term in accordance with the terms of this Lease. Therefore, in addition to the Basic Rent provided in Section 5 above, Lessee agrees to pay Lessor "Additional Rent" (together with Basic Rent "Rent") based upon Lessee's Percentage Share of the total dollar amount of Operating Expenses incurred by Lessor related to the Premises and the Building in each

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Accounting Period. An "Accounting Period" is a calendar year except that the first Accounting Period shall commence on the date the Lease Term commences and the last Accounting Period shall end on the date the Lease Term expires or terminates. "Lessee's Percentage Share" means 89.60%, the ratio that the rentable square feet of the Premises bears to the total rentable square feet of the Building. The ratio may be adjusted from time to time as the project development increases or decreases in building square footage. The estimated Additional Rent payable by Lessee at the start of the Lease Term shall be \$21,748.30, per month. For items separately billed, or items allocated exclusively to the Premises, Lessee's share shall be the entire cost thereof.

Lessor may charge the Lessee more for a particular Operating Expense if the Lessee uses more of the specific service than other tenants do. Lessor may charge Lessee on a "fair and reasonable basis" for the amount of usage rather than on a percentage of space occupied or square footage used.

The term "Operating Expenses" means all costs of, management, operation, and maintenance of the Building, Premises, and Common Areas including, without limitation, the following: security, wages, salaries, fringe benefits, and other direct and indirect costs of employees performing services directly related to the Building, Premises, and Common Areas, to the extent so employed; janitorial, cleaning, landscaping, guard and other services; costs incurred in connection with any attempts to control trespassing, picketing, demonstrations, gatherings or assemblies, vandalism, thefts, and any other interference with the use of Common Areas; gas, electricity, water, sewer and sewer line cleaning, waste disposal, and other utilities; heating, ventilation and air-conditioning; window-washing; materials and supplies; painting, repairs, and other maintenance; pest and rodent control and extermination; parking lot resurfacing and restriping, as well as cleaning, sweeping, and ice and snow removal; maintenance, repair, replacement, permanent change and service of equipment, including without limitation the HVAC system, alarm systems, elevator equipment, and other equipment; costs of independent contractors; reasonable property management fees and expenses; accounting and record keeping expenses related to Operating Expenses; audit expenses; insurance and insurance deductibles of any kind; taxes, assessments and other governmental and utility charges of any kind relating to the building or parking; the cost of any repair, renovation, alteration, and improvement required to be made by Lessor under any governmental law, rule or regulation; depreciation on personal property; supplying directional signs, other markers, and car stops; an allowance to Lessor for Lessor's supervision of maintenance and operation of the Common Areas; and any other expense or charge which in accordance with generally accepted accounting and management principles would be considered a cost of ownership, management, operation, and maintenance of the Building. The determination of Operating Expenses and their allocation to the tenants shall be made by Lessor.

Lessor shall give Lessee notice of its estimate of the annual budgeted amounts payable under this Section for each Accounting Period. On the first day of each month during the ensuing Accounting Period, Lessee shall pay to Lessor one twelfth (1/12) of such estimated amounts, provided, that if such notice is not given prior to the commencement of such ensuing Accounting Period, Lessee shall continue to pay on the basis of the prior Accounting Period's estimate until such notice is given. If at any time or times it appears to Lessor that the amounts payable under this clause for the current Accounting Period will vary from its estimate, Lessor may, by notice to Lessee, revise its estimate for such Accounting Period, and subsequent payments by Lessee for such Accounting Period shall be based upon such revised estimate.

After each Accounting Period, Lessor shall use diligent efforts to deliver to Lessee a statement of amounts payable under this Section (the "Operating Expenses Cost Statement") for such Accounting Period. If any Operating Expenses Statement shows an amount owing by Lessee that is less than the estimated payments for such Accounting Period previously made by Lessee, and if Lessee is not then delinquent in the payment for sums due to Lessor under this Lease, then it shall be accompanied by a refund of the excess. If any Operating Expenses Statement shows an amount owing by Lessee that is more than the estimated payments for such Accounting Period previously made by Lessee, Lessee shall pay the deficiency to Lessor within thirty (30) days after delivery of the Operating Expenses Statement. If Lessee fails to reimburse the deficiency to Lessor within thirty (30) days after receiving the Operating Expenses Statement, a 2.5% of the amount due will be added to Lessee's account every month.

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However, Lessor's failure to timely provide such Operating Expenses statement after any Accounting Period shall in no way excuse Lessee from its obligation to pay Lessee's Percentage Share of Operating Expenses or constitute a waiver of Lessor's right to bill and collect Lessee's Percentage Share of Operating Expenses from Lessee in accordance with this Section.

In addition, Lessor may include as part of Operating Expenses the amortized portion of an unanticipated major Operating Expense over a period of years on a straight line basis and in accordance with generally accepted accounting principles instead of assessing the expense and billing the Lessee for a lump sum payment in the Accounting Period in which such Operating Expense is incurred.

Lessee may inspect Lessor's books and records related to the amount of Operating Expenses charged to Lessee, subject to the following: (a) Such review may be performed only at Lessor's offices during normal business hours after reasonable notice; and (b) Lessee may conduct the review only once each year during the sixty (60) day period starting on the date that Lessor provides a reconciliation for an Accounting Period pursuant to this Section 6 (this review by Lessee may cover the prior one year only, and if the review is not requested in writing and completed by Lessee by the end of the sixty (60) day period, no review or audit or challenge of the Additional Rental for the most recent prior year, or any other prior years, may be made); and (c) Lessee shall pay all of Lessee's and Lessor's costs of the inspection, including an hourly fee of \$50.00 for time spent by each employee or agent of Lessor in assisting and cooperating in the inspection; provided, however, that Lessee shall not be required to pay any of Lessor's costs, or an hourly fee to Lessor, if such review discovers that Lessor overcharged Lessee by more than 3%; and (d) Lessee is not in violation or default under any provisions of this Lease. The results of the audit and any information obtained by Lessee from the audit or Lessee's review of Lessor's books and records shall be kept confidential and not disclosed to any person or entity (including, without limitation, any other tenant of the Building), other than in accordance with Lessee's obligations pursuant to the Washington Public Records Act. Lessor, at its option, may require that Lessee's auditor execute a confidentiality agreement incorporating the terms and conditions of this paragraph.

The audit rights extend and are personal only to the original Lessee named in this Lease on the execution date. Such audit right is neither assignable nor transferable by the original Lessee. No assignee or transferee shall have any right to conduct an audit under this Lease nor cause nor request the original Lessee to do so, regardless of whether such assignee or transferee has assumed the obligations of the original Lessee under this Lease. Upon assignment or transfer of this Lease by Lessee, such audit right shall automatically terminate and become null and void.

In determining Lessee's Percentage Share of Operating Expenses which vary based on occupancy of the Building (such as utility and janitorial costs), if less than one hundred percent (100%) of the Building shall have been occupied by tenants at any time during a Lease Year, Lessee's Percentage Share of Operating Expenses shall be adjusted to an amount, determined by Lessor in its reasonable discretion, which would be expected had such occupancy been one hundred percent (100%) throughout the applicable Lease Year; however, in no event shall Lessor recover from Lessee and other tenants more than one hundred percent of Operating Costs actually incurred by Lessor in the applicable Lease Year.

Lessee shall pay as rent monthly, in addition to the Basic Rent and Additional Rent during the Lease Term such "Special Building Operating Expenses" as are required and incurred as a result of Lessee's occupancy and use of the Premises, or any part thereof, and which are in addition to normal business Operating Expenses, which Special Building Operating Expenses shall include without limitation, unusual utility costs; unusual heat, air conditioning or water requirements; and any increase in insurance premiums attributable to the Lessee's business and/or use or occupancy of the Premises.

If, after a good faith effort, Lessor and Lessee are unable to resolve a dispute concerning the calculation of Operating Expenses in accordance with this Section, either party may submit the dispute to

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binding arbitration. Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect; provided there shall be only one (1) arbitrator. Judgment upon the award may be entered in any court having jurisdiction. The cost and expenses of the arbitration shall be divided equally between the Lessor and Lessee.

7. **Security Deposit.** [intentionally deleted]

8. **Delivery of Possession.** [intentionally deleted]

9. **Quiet Enjoyment.** Lessor covenants and agrees that so long as Lessee remains in full compliance with all of Lessee's obligations under this Lease, Lessee shall lawfully and quietly hold, occupy, and enjoy the Premises during the term of this Lease, subject to the other terms and provisions of this Lease and subject to all mortgages, deeds of trust, underlying leases, and other underlying matters of record to which this Lease is or may become subject and subordinate.

10. **Construction; Acceptance of Premises.**

[intentionally deleted]

11. **Utilities and Services; Deliveries.**

(a) Lessee's Responsibility. In accordance with Section 6 of this Lease, as Additional Rent, Lessee shall pay Lessee's Percentage Share of all charges for heat, air conditioning, water, gas, electricity, sewer, garbage, fire protection, security and any other utilities and/or services used or consumed by or supplied to the Building, including the Premises and the Common Areas, and not separately metered or charged to Lessee or any other tenant of the Building. Lessee shall be solely responsible for and shall promptly pay when due all charges for telephone, electrical, gas, and HVAC services to the Premises, which are separately metered or charged to the Premises, and are not considered Operating Expenses pursuant to Section 6. Lessee understands that the Premises may be served by one or more separate heating and air conditioning units. Lessor will be responsible for repairing and maintaining such heating and air conditioning units however the cost thereof will be an Operating Expense, in accordance with Section 6 of this Lease.

(b) Services. Lessor shall cause the Common Areas, such as lobbies, elevators, stairs, corridors and restrooms, to be maintained in good order and condition, except for reasonable wear and tear and damage occasioned by any act or omission of Lessee or Lessee's officers, contractors, agents, invitees, licensees or employees, the repair of which latter damage shall be paid for by Lessee. Twenty-four (24) hours per day, seven (7) days per week, Lessee shall have access to the Premises (subject to such Building security systems and procedures as may be in place from time to time), and Lessee shall have available to it water and electrical service for lighting and operation of 110-volt office equipment. Lessor shall furnish the Premises with heat and air conditioning services.

(i) Lessor will provide janitorial services to the Building, Premises and Common Areas customary for buildings comparable to the Building in quality and location. If Lessee requires excessive or specialized janitorial services, Lessee shall promptly pay Lessor the additional costs and expenses incurred by Lessor in providing such services.

(ii) **Additional Services.** The building standard mechanical system is designed to accommodate heating loads generated by lights and 110-volt office equipment normally found in general business offices, as more particularly provided in the Building Outline Specifications attached to this Lease. Before installing lights and equipment in the Premises which in the aggregate exceed the heating and cooling loads of the Building's mechanical system, Lessee shall obtain the written



permission of Lessor. Lessor may refuse to grant such permission unless Lessee agrees to pay the cost of installing supplementary air conditioning units or electrical systems as necessitated by such equipment or lights. Lessee shall comply with Lessor's instructions, rules and regulations for the use of window coverings and thermostats in the Building. Lessor shall be entitled to install and operate at Lessee's cost a monitoring/metering system in the Premises to measure the electricity used and consumed by Lessee and Lessee's after-hours heating, ventilation and air conditioning service requirements.

(c) **Interruption.** Lessor shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption, or failure of such services due to any cause whatsoever, or from failure to make any repairs or perform any maintenance. No temporary interruption or failure of such services incident to the making of repairs, alterations or improvements, or due to accident, strike or conditions or other events beyond Lessor's reasonable control shall be deemed an eviction of Lessee or to relieve Lessee from any of Lessee's obligations hereunder or to give Lessee a right of action against Lessor for damages.

However, if any such interruption results in a complete loss of services or an inability to use the entire Premises and continues for more than fifteen (15) days, then Lessee shall give to Lessor written notice of the necessary repairs and/or maintenance ("Repairs"). Within thirty (30) days after such notice, Lessor may make such repairs, and if Lessor fails to do so, Lessee shall have the right to make the repairs, at Lessor's sole cost and expense. Lessor agrees to promptly reimburse Lessee for the costs of such Repairs. Notwithstanding the foregoing, if any such interruption results in a complete loss of services or an inability to use the entire Premises and continues for more than six (6) months, then Lessee, at its option, may terminate this Lease, upon thirty (30) days prior written notice to Lessor, and all liabilities and obligations of Lessor and Lessee under this Lease shall terminate.

**12. Alterations and Additions by Lessor.** In the event the Lessor wishes to make any changes or additions to the Building and or Common Areas, the Lessee will cooperate with the Lessor and contractors and will provide reasonable access without disrupting Lessee's business, which will not hinder construction in any way.

**13. Alterations by Lessee.** After the completion of tenant improvements, if any, Lessee shall not make any alterations, additions or improvements in or to the Premises without first obtaining Lessor's prior written approval which shall not be unreasonably withheld or delayed and, if required by Lessor, submitting to Lessor professionally-prepared plans and specifications. Lessee covenants it will cause all such alterations, additions and improvements to be performed at Lessee's cost and expense by a contractor reasonably acceptable to Lessor and in a manner which: (a) is consistent with any Lessor approved plans and specifications and any reasonable conditions imposed by Lessor; (b) is in conformity with Building standards for tenant improvements as described in any attached exhibits and other first class commercial standards as may be applicable; (c) includes acceptable insurance coverage for Lessor's benefit; (d) does not affect the structural integrity of the Building or the Building's systems; and (e) does not invalidate or otherwise affect the construction and systems warranties then in effect with respect to the Building. Lessee shall secure all governmental permits and approvals and comply with all other applicable governmental requirements and restrictions, and reimburse Lessor for all expenses incurred in connection therewith. Except as provided herein with regard to concurrent negligence, Lessee shall indemnify, defend and hold Lessor harmless from and against all losses, liabilities, damages, liens, costs, penalties and expenses (including attorney's fees, but without waiver of the duty to hold harmless) arising from or out of the negligent performance of such alterations, additions and improvements, or out of Lessee's breach of its obligations under the terms of this Lease. All alterations, additions and improvements (expressly including all light fixtures, heating, ventilation and air conditioning units and floor, window and wall coverings), except Lessee's moveable trade fixtures and appliances and equipment not affixed to the Premises, shall immediately become the property of Lessor without any obligation on its part to pay therefor. These improvements remain Lessor's and Lessee shall not remove all or any portion thereof on the termination of

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this Lease; provided, however, Lessor, at its option, may require Lessee to remove, at Lessee's expense, all alterations, additions and improvements made by Lessee to the Premises, in addition to the tenant improvements to be made pursuant to any attached exhibit and any and all telephone, computer and other communications system cabling and equipment installed by or for Lessee in the Premises, and Lessee shall repair any damage to the Premises or the Building resulting from such removal.

If Lessor consents to any work performed on the Premises, Lessor may require, at Lessor's sole option, that Lessee provide to Lessor, at Lessee's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of all improvements, additions, alterations, or other work performed on, or materials furnished to, the Premises, to insure Lessor against any liability for mechanic's and materialmen's liens and to ensure completion of the work.

**13.1 Repair Responsibility.**

(a) By entry into the Premises, Lessee shall be deemed to have accepted the Premises as being in good, safe and sanitary order, condition and repair. Lessee shall at all times throughout the Lease Term keep the interior of the Premises in as good order, condition and repair (which repair shall include all necessary replacements, capital expenditures, and compliance with all Laws now or thereafter adopted) as they were in on the date hereof or were subsequently improved, ordinary wear and tear excepted. Without limiting the generality thereof, Lessee shall keep the floor and the interior glass of all windows and doors clean and presentable; replace immediately all broken glass in the Premises, unless Lessor elects to do so for Lessee's account; paint or refinish the interior of the Premises, at reasonable intervals; make all necessary repairs to, or replacements of, all door closure apparatus and mechanisms; provide and replace light bulbs for Lessee-installed lighting; keep all plumbing and other systems within the Premises clean and in a good state of repair, including pipes, drains, toilets and basins; and keep all utilities within the Premises in a good state of repair. If after notice and expiration of the applicable cure period, Lessee fails to perform its maintenance obligations, Lessor may, on Lessee's behalf, perform repairs that are Lessee's responsibility, and the actual cost of such repairs shall be paid by Lessee within ten (10) days of demand. Lessee's duty to so maintain the Premises shall be applicable to surrender of the Premises as provided in Section 33. Lessee shall reimburse Lessor for the cost of repairing any damage or injury to the Premises (or the Building) caused by Lessee, its employees, agents or invitees. Except as specifically provided in an addendum, if any, to this Lease, Lessor shall have no obligation whatsoever to alter, remodel, improve, repair, decorate, or paint the Premises or any part thereof and the parties hereto affirm that Lessor has made no representations to Lessee respecting the condition of the Premises or the Building except as specifically herein set forth.

(b) **MOLD DISCLAIMER.** As of the Lease Commencement Date, Lessee has inspected the Premises and found no evidence of mold or other toxic materials, or materials that may be considered toxic (or if found, will deliver written notice to Lessor). Lessee acknowledges that (a) spores that cause mold occur and are naturally present in the environment; (b) that mold growth inside the Premises requires a source of moisture; (c) Lessor does not and will not routinely inspect the Premises for signs of moisture or mold; and (d) that conditions within the Premises are the within the control of and are the responsibility of Lessee.

**LESSOR DISCLAIMS ANY AND ALL LIABILITY, AND LESSEE AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS LESSOR FROM AND AGAINSTS, ANY AND ALL CLAIMS (INCLUDING BUT NOT LIMITED TO ANY CLAIMS FOR PERSONAL OR BODILY INJURY, ADVERSE HEALTH EFFECTS OR OTHERWISE) AGAINST LESSEE OR LESSOR RELATED TO THE PRESENCE OF MOLD OR ANY DERIVATIVE THEREOF WITHIN THE PREMISES, UNLESS THE PRESENCE OF SUCH MOLD OR DERIVATIVE IS THE DIRECT RESULT OF THE FAILURE OF THE LESSOR TO INVESTIGATE AND UNDERTAKE THE REPAIR OR REMEDIATION, WITHIN A REASONABLE TIME AFTER LESSEE DELIVERS WRITTEN NOTICE OF SUCH CONDITION.**

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(d) Notwithstanding the provisions of Section 13.1(a) herein above, Lessor shall repair and maintain the structural portions of the Building, including foundations, structural floors, structural ceilings, structural integrity of walls and structural columns, the structural roof (excluding the surface covering) and utility pipes and conduits outside of Premises leased to tenants and Lessee shall pay Lessee's share of the cost of routine maintenance, but not the cost of repairs or replacement, of said building components pursuant to Section 6 hereof, unless such maintenance and repairs are due to Lessee exceeding the allowable weight limits for the file room located within the Premises, -in which case Lessee shall pay to Lessor the reasonable cost of such maintenance and repairs. Lessor shall not be liable for any failure to make any such 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 Lessor by Lessee. There shall be no abatement of rent and no liability of Lessor by reason of any injury to or interference with Lessee's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or to fixtures, appurtenances and equipment therein. Lessee waives the right to make repairs at Lessor's expense under any law, statute or ordinance now or hereafter in effect.

### 13.2 Maintenance and Management.

(a) Lessor shall maintain the Building and Common Areas in good condition, according to commercially acceptable standards for similar buildings in proximate areas. The maintenance costs shall be Operating Expenses as described in Section 6. With respect to the Common Areas, Lessor and Lessee agree as follows:

- (1) **LESSEE'S RIGHTS TO USE THE COMMON AREAS.** The Lessee and its employees and invitees shall, except as otherwise specifically provided in this Lease, have the non-exclusive right and privilege to use the Common Areas in common with the Lessor, other tenants, and other persons during the Lease Term, subject to any recorded easements, restrictions, or other matter with respect thereto; provided, that anything herein to the contrary notwithstanding, nothing herein shall directly or indirectly create or give rise to any rights of the Lessee, or to the public, in the Building or any part thereof.
- (2) **CONTROL OF COMMON AREA BY LESSOR.** Lessor shall at all times have the exclusive control and management of the Common Areas of the Building. The "Common Areas" shall include but not be limited to all automobile parking areas, access roads, driveways, entrances, retaining walls, and exits thereto, truck way or ways, loading docks, package pick-up stations, washrooms, pedestrian malls, courts, sidewalks and ramps, landscaped areas, exterior stairways, and other areas, improvements, facilities, and special services provided by Lessor for the general use, in common, of tenants of the Building, and their officers, agents, employees, and invitees. With respect to the Common Areas, Lessor shall have the right from time to time to employ personnel to manage and maintain said Common Areas; establish, modify, and enforce reasonable rules and regulations; construct, maintain, and operate lighting facilities; police the Common Areas and facilities; from time to time to change the area, level, locations, and arrangement of parking areas and other facilities and Common Areas; to restrict parking by Lessee, its officers, agents, and employees to employee parking areas; to enforce parking charges (by operation of meters or otherwise) with appropriate provisions for free ticket parking validation by Lessee; to close all or any portion of the Common Areas to such extent as may, in the opinion of Lessor's counsel, be legally

sufficient to prevent dedication thereof or the accrual of any interest therein by any person or the public; temporarily close all or any portion of the parking area or facilities to discourage non-customer parking; and to do and perform such other acts in and to the Common Areas as, in the use of reasonable business judgement, Lessor shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants of the Building, their employees, invitees, and customers.

(3) **LESSEE AND LESSEE'S EMPLOYEES PARKING.** Lessee and Lessee's agents and employees shall park only in those areas designated by Lessor or Lessor's agents for Lessee or employee parking..

(b) Common Areas also include all parts of the Building and related land areas and facilities outside the individual Leased Premises designated by Lessor for common use, including without limitations:

- (1) Pedestrian walkways and patios, landscaped areas, sidewalks, loading areas, parking areas and roads.
- (2) The structural parts of the Building and other improvements in which the Premises are located, which structural parts include only the foundation, bearing and exterior walls (excluding glass and doors), subflooring, and roof (excluding skylights and the surface covering).
- (3) The unexposed electrical, plumbing, and sewage systems lying outside the Premises.
- (4) Window frames, gutters, and downspouts on the Building in which the Premises are located.

(c) **Alterations.** Lessor may in its discretion increase, decrease or change the number, locations and dimensions of any hallways, lobby areas, Common Areas and other improvements, which are not within the Premises. Lessor reserves the right from time to time (i) to install, use, maintain, repair, relocate and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to the Premises or to other parts of the Building in areas above the suspended ceiling surfaces, below the floor surfaces, within the walls and in the central core areas of the Building, within the Premises and elsewhere in the Building; (ii) to alter or expand the Building; and (iii) to alter, relocate or substitute any of the Common Areas without disruption to Lessee's business operations and upon reasonable advance notice to Lessee.

(d) Lessor shall not be liable, nor shall the rent be abated because of interruption of services caused by accident, strikes, necessity for repairs, or for any other reason beyond Lessor's control.

**14. Taxes.** Subject to Section 6, Lessor shall pay, before the same become delinquent, Lessee's Proportionate Share of all taxes and special assessments levied against the Building. Lessee shall pay, before the same become delinquent, all taxes assessed against Lessee's furniture, fixtures, equipment, and other property in the Premises.

"Taxes" means all taxes of every kind and nature on the Building and/or the Land and on personal property used by Lessor in conjunction therewith; surcharges and all local improvement and other assessments levied with respect to the Building, the Land and all other property of Lessor used in connection with the operation of the Building, any taxes levied or assessed in lieu, in whole or in part, such real or personal property taxes; any taxes in addition to such real and personal property taxes,

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including, but not limited to, taxes or license fees upon or measured by the leasing of the Building or the rents or other income collected therefrom, other than any federal or state net income or inheritance tax; and all reasonable costs and expenses incurred by Lessor in efforts to reduce or minimize such taxes to the extent not in excess of the amount of the reduction.

Lessee shall pay to Lessor as Additional Rent, within 30 days after notice of the amount thereof, any tax upon rent payable under this Lease, any tax based upon the square footage of Premises, or any tax or fee in any form payable by Lessor because of or measured by receipts or income of Lessor derived from this Lease. The preceding sentence shall not apply to general income tax or business and occupation tax of Lessor, except to the extent a rental receipt tax is imposed as a business and occupation tax.

**15. Signs.** Lessee will not cause or permit the display of any sign, notice, or advertising matter in or about the Premises or the Building without Lessor's prior written consent, which shall not be unreasonably withheld. All signs shall conform to the sign criteria attached as Exhibit D.

**16. Lessor's Access to Premises.** Lessor may inspect the Premises at all reasonable times and enter the same for the purpose of cleaning, repairing, altering, improving, or exhibiting the same, but nothing herein shall be construed as imposing any obligation on Lessor to perform any such work.

**17. Liability Insurance.** Lessee shall, at Lessee's sole expense, maintain commercial general liability and property damage insurance insuring against any and all claims for injury to or death of persons and loss of or damage to property occurring upon, in, or outside of the Premises. Such insurance shall have liability limits of not less than \$2,000,000 in respect of injury or death to any one person, not less than \$2,000,000 in respect of any and one occurrence or accident, and not less than \$1,000,000 for property damage with a maximum deductible amount of \$2,000. All such insurance shall name Lessor Parties and any secured lender with respect to the Building as additional insureds. All such insurance shall be issued by carriers acceptable to Lessor and shall contain provision whereby the carrier agrees not to cancel or modify the insurance without thirty (30) days' prior written notice to Lessor. In no event shall the limits of said policies be considered as limiting the liability of Lessee under this Lease. All such policies must be on a "Per Occurrence" basis and not a "Claims Made Only" basis.

All Insurance required of Lessee under this Lease shall (i) be issued by insurance companies authorized to do business in the State of Washington, having an A.M. Best Company rating of at least A-6 and otherwise acceptable to Lessor; (ii) be issued as a primary policy, or under a blanket policy, not contributing with and not in excess of coverage which Lessor may carry; (iii) in the case of the liability policy, contain a contractual liability coverage endorsement covering Lessee's indemnification duties under this Lease to the fullest extent insurable; and (iv) have deductibles as outlined above. If Lessee's comprehensive or commercial general liability policy covers locations other than the Premises, such policy shall contain an endorsement stating that the "general aggregate" limit of liability apply separately for each such location. Lessee shall deliver to Lessor prior to the Commencement Date and before taking possession of the Premises and thereafter not less than ten (10) days before the expiration dates of any expiring policies of insurance, and from time to time thereafter within ten (10) days after written request from Lessor, certificates of insurance evidencing the insurance coverages required of Lessee pursuant to this clause. In no event shall the limits of any such policies be considered as limiting the liability of Lessee under this Lease. If Lessee fails to maintain any insurance required of it under this clause, Lessor may do so, and Lessee shall reimburse Lessor for the full expense thereof upon demand.

Lessee shall not keep, use, sell or offer for sale in or upon the Premises, nor conduct any operation, which may be prohibited by Lessor's insurance carriers. Lessee shall pay any increase in premiums for property and liability insurance that may be charged during the Term on the amount of such insurance which may be carried by Lessor on the Premises or the Building, resulting from Lessee's occupancy or from the type of merchandise which Lessee stores or sells on the Premises, whether or not Lessor has consented thereto. In the event of increased insurance costs to Lessor, Lessee shall also pay an additional premium on the insurance policy or policies that Lessor may carry for its protection against loss resulting from any

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insured event. In determining whether increased premiums are the result of Lessee's use of the Premises, rates and/or premiums determined by the organization and/or underwriter setting the insurance rates and/or charges on the Premises or Building shall be conclusive evidence of the several items and charges which make up the insurance premium. Lessor shall deliver bills for such additional premiums to Lessee at such times as Lessor may elect, and Lessee shall immediately reimburse Lessor therefore as Additional Rent.

Notwithstanding the above: The Landlord acknowledges that the Tenant is a self-insured government entity for all liability exposure. Tenant shall provide the Landlord with notice of any changes in self-insured status within 30 days of electing to cease self-insurance. Upon any changes in such self-insured status, the Tenant shall provide to the Landlord proof of liability insurance as required by this Section.

**18. Lessee's Property Insurance.** Lessee shall, at Lessee's sole expense, maintain on all of Lessee's personal property, trade fixtures, and leasehold improvements on the Premises, a policy of "all risk" or "special form" hazard insurance in the amount of their replacement value, or if such coverage is not in effect when needed, such other similar coverage as is then in effect. Such insurance shall name Lessor Parties as an additional insured, and all proceeds of such insurance shall be applied to the restoration of personal property, fixtures, and leasehold improvements to the extent provided in Section 21; any proceeds of such insurance remaining after such restoration shall belong to Lessee.

(a) Lessor Parties. For the purpose of the Lessee's insurance requirements, "Lessor Parties" shall mean:

1. Lessor,
2. any lender whose loan is secured by a lien against the property,
3. property manager, and
4. the respective affiliates, subsidiaries, successors, assigns, heirs, officers, directors, shareholders, partners, members, employees, agents and contractors of Lessor.

**19. Lessor's Property Insurance.** Subject to reimbursement for the cost of all insurance under Section 6, Lessor shall maintain on the Building a policy of "all risk" hazard insurance in the full amount of its replacement value. All proceeds of any such insurance shall be payable to Lessor and shall be applied to the restoration of the Building to the extent provided in Section 21; any proceeds of such insurance remaining after such restoration shall belong solely to Lessor.

(a) Lessor's Commercial General Liability and Umbrella Insurance. Lessee shall reimburse Lessor for Lessor's commercial general liability and umbrella insurance expenses which apply to this location. Insurance premiums for common areas will be on a pro rata basis of the proportion of net rentable space compared to total common area square footage. Coverage may include but shall not be limited to liability, loss of rents, terrorism, and earthquake on the premises for the full replacement value thereof. King County, its officers, employees and agents are to be covered as additional insureds as respects liability relating to the common areas. Such coverage shall be primary and non-contributory insurance as respects the County, its officers, officials, employees and agents. Additional Insured Endorsement shall be included with the certificate of insurance, "CG 2010 11/85" or its equivalent. Form CG 20 26 04 13 are required.

**20. Assignment and Subletting.**

(a) Consent Required. Lessee shall not sublet or encumber the whole or any part of the Premises, nor shall this Lease or any interest thereunder be assignable (for security purposes or

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otherwise) or transferable, voluntarily or involuntarily, by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of Lessor which shall not be unreasonably withheld, provided, however, that Lessee shall not be required to obtain Lessor's consent to assign the Lease to a "Permitted Transferee", which means: (a) a company wholly owned by Lessee; (b) an entity with which or into which Lessee may merge whether or not the Lessee is the survivor of such merger, provided that any assignee under this clause shall have a net worth, determined in accordance with generally accepted accounting principles, equal to or better than Lessee's net worth as of the date of this Lease, or (c) a company under common control with Lessee. Lessee will provide to Lessor a copy of the assignment document or other evidence reasonably satisfactory to Lessor of the transfer for its records prior to the effective date of the assignment. Lessee shall provide Lessor with such evidence as Lessor may reasonably request to establish that such entity is a Permitted Transferee. No such assignment shall release Lessee from its obligations hereunder. In determining whether to consent to a proposed assignment or subletting, Lessor may consider any commercially reasonable basis for approving or disapproving the proposed subletting or assignment, including without limitation any of the following: (i) the experience or business reputation of the proposed assignee or sublessee, (ii) notwithstanding that Lessee or others may remain liable under this Lease, whether the proposed assignee or sublessee has a net worth and financial strength and credit record satisfactory to Lessor, (iii) whether the use of the Premises by the proposed assignee or sublessee will be substantially the same as the use of the Premises by Lessee. Any assignment or sublease without Lessor's prior written consent, at Lessor's option, shall be void, except an assignment to a Permitted Transferee (as set forth above). No assignment or sublease shall release Lessee from primary liability hereunder. Each assignment and sublease shall be by an instrument in writing in a form satisfactory to Lessor. The granting of consent to a given transfer shall not constitute a waiver of the consent requirement as to future transfers. Lessee shall also pay all reasonable out-of-pocket legal fees and other reasonable out-of-pocket costs incurred by Lessor in connection with Lessor's consideration of Lessee's request for approval of assignments or subleases, including assignments for security purposes. Lessee shall deliver to Lessor with its request for Lessor's approval of a proposed assignment or subletting a fee of \$500.00 which shall be credited against the fees and costs payable by Lessee pursuant to the preceding sentence.

Lessee's guarantor, if any, shall continue to remain liable under the terms of the Guaranty of this lease, and, if Lessor deems necessary, such guarantor shall execute such documents necessary to insure the continuation of the guaranty.

(b) Recapture Right. [intentionally deleted]

(c) Additional Consideration. Excepting in the case of a transfer to a Permitted Transferee, if Lessee assigns its interest in this Lease or sublets the Premises, Lessee shall pay to Lessor one hundred percent (100%) of any and all consideration received by Lessee for such assignment or sublease whether such additional consideration is in the form of rent in excess of the Base Rent and/or Additional Rent payable by Lessee under this Lease cash payments or otherwise; however, such additional consideration shall be reduced by any reasonable costs and expenses (including brokerage fees, legal fees, architectural and engineering fees and tenant improvements costs) incurred by Lessee in connection with the sublease or assignment.

(d) Entities. If Lessee is a corporation, then any transfer of this Lease by merger, consolidation or liquidation, or any direct or indirect change in the ownership of, or power to vote the majority of, Lessee's outstanding voting stock, shall constitute an assignment for the purposes of this Lease; if Lessee is a partnership, then a change in general partners in or voting or decision-making control of the partnership shall also constitute an assignment; or if Lessee is a limited liability company, then a change in the members in or voting or decision making control of the company shall also constitute an assignment. If Lessee is a corporation, the foregoing limitations shall not be applicable so long as the stock in Lessee is publicly traded on the New York Stock Exchange or NASDAQ.

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(e) Assignment by Lessor. If Lessor sells or otherwise transfers the Building, such purchaser or transferee shall be deemed to have assumed Lessor's obligations hereunder, and Lessor shall thereupon be relieved of all liabilities hereunder arising thereafter, but all provisions of this Lease, including, but not limited to, provisions regarding Base Rent, Additional Rent, and Security Deposit, shall remain in full force and effect, and Lessee shall attorn to Lessor's successor.

**21. Damage or Destruction.** If the Premises are damaged or destroyed by any risk to be covered by the insurance to be carried by Lessor under Section 19 above, Lessor shall restore the Premises (except for Lessee improvements, trade fixtures, and personal property which shall be restored by Lessee at Lessee's sole expense) as nearly as practicable to their condition immediately prior to such damage or destruction. The obligations to restore provided in this clause shall be subject to Lessor's termination rights provided below. Any restoration shall be promptly commenced and diligently prosecuted. In the event the restoration is not complete, and the Premises are unfit for occupancy within six (6) months of date of damage or destruction, this Lease shall terminate. Lessor shall not be liable for any consequential damages by reason of any such damage or destruction. Lessor will utilize insurance coverage proceeds to pay for construction whenever practicable, and will not attempt to recover directly from Lessee the costs of such construction except for the uninsured deductible portion of the cost, which shall be considered an operating expense.

Notwithstanding any of the foregoing provisions of this clause, in the event the Premises shall be destroyed or damaged to such an extent that Lessor elects not to restore the same, then Lessor may terminate this Lease as of the date of the damage or destruction by giving Lessee notice to that effect within sixty (60) days of the date of damage or destruction.

If Lessor undertakes to restore the Premises as provided in this Section 21, then commencing with the date of the damage or destruction and continuing through the period of restoration, the Rent for the Premises shall be abated for such period in the same proportion as the untenable portion of the Premises bears to the whole thereof, except that there shall be no abatement to the extent the damage or destruction is solely due to Lessee exceeding the allowable weight limits for the file room located within the Premises.

No damages, compensation or claim shall be payable by Lessor for inconvenience, loss of business or annoyance arising from any damage or destruction, repair or restoration of any portion of the Premises or the Building.

Lessor will not carry insurance of any kind on any improvements or alterations paid for by Lessee under this Lease, or on Lessee's furniture, furnishings, fixtures, or equipment, and Lessor shall not be obligated to repair any damage thereto or replace the same. Lessee shall insure its improvements in accordance with Section 18 and proceeds of such insurance shall be used in any repair or restoration of the Premises.

**22. Liens.** Lessee shall have no authority to allow any liens to be filed against the Building. Lessee shall not suffer or permit any lien to be filed against the Building or any part thereof or the Lessee's leasehold interest, by reason of work, labor, services, or materials performed or supplied to Lessee or anyone holding the Premises or any part thereof under Lessee. In the event any lien is filed against the Premises as a result of services performed or materials furnished, the Lessee agrees to cause such lien to be discharged prior to entry of final judgment (after all appeals) for the foreclosure of such lien and further agrees to indemnify, defend, and hold harmless the Lessor and its Lender against liability, loss, damage, costs or expenses (including reasonable attorneys' fees and cost of suit) on account of such claim of lien. Upon request of the Lessor, the Lessee agrees to promptly cause such lien to be released and discharged of record, either by paying the indebtedness, which gave rise to such lien or by posting a bond in amount sufficient required by law to remove such lien of record. Nothing herein shall prevent the Lessee from contesting the validity thereof in any manner the Lessee chooses so long as such contest is pursued with reasonable diligence and a bond is posted in accordance with the requirements of the preceding sentence.

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In the event such contest is determined adversely (allowing for appeal to the highest appellate court), the Lessee shall promptly pay in full the required amount, together with an interest penalties, costs or other charges necessary to release such lien.

**23. Waiver; Indemnity.**

(a) Lessee's Indemnity. Lessor shall not be liable for, and Lessee shall defend (unless Lessor waives its right to such defense, and in any event with counsel reasonably satisfactory to Lessor), indemnify, hold harmless and protect Lessor and its employees and agents from any claim, demand, liability, judgment, award, fine, mechanics' lien or other lien, loss, damage, expense, penalty, charge or cost of any kind or character (including actual attorney fees and court costs) which may be made, incurred or asserted by Lessee, Lessee's agents or employees, contractors, or any third parties (including but not limited to Lessor's agents, servants or employees), arising directly or indirectly from: (a) any labor dispute involving Lessee or its agents or contractors (but excluding labor disputes involving Lessor or its contractors, subcontractors, or agents); (b) the construction, repair, alteration, improvement, use, occupancy or enjoyment of the Premises by Lessee its contractors, agents, employees and/or customers, licensees, or invitees; (c) injury to, or death of, any person or persons or damage to, or destruction of, any property occurring in, on or about the Premises, unless it is the result of Lessor's gross negligence; or (d) Lessee's breach of this Lease or the negligent acts or omissions of Lessee or its officers, directors, shareholders, members, partners, employees, contractors, subcontractors, or agents (the "Claims"). Nothing in this Section shall relieve Lessor from responsibility for its proportionate share of its fault attributable to its negligence or willful misconduct in causing any such Claims.

(b) Lessor's Indemnity. Lessee shall not be liable for, and Lessor shall defend (unless Lessee waives its rights to defense, and in any event with counsel reasonably satisfactory to Lessee), indemnify, hold harmless and protect Lessee and its employees and agents from any claim, demand, liability, judgment, award, fine, mechanics lien or other lien, loss, damage, expense, penalty, charge or cost of any kind of character (including reasonable attorneys' fees and court costs) which may be made, incurred by or asserted against Lessee by third parties arising or resulting from damage to property or injury to person to the extent caused by the negligence or willful misconduct of Lessor, its employees, agents, servants or representatives. Nothing in this Section shall relieve Lessee from responsibility for its proportionate share of its fault attributable to its negligence or willful misconduct.

(c) General Indemnity Provisions. The indemnities in Sections 23 (a) and 23 (b) above are intended to specifically cover actions brought by the indemnifying party's own employees and, with respect to acts or omissions during the Lease Term, shall survive the termination or expiration of this Lease. Such indemnities are specifically and expressly intended to constitute waivers by the indemnifying party of its immunity, if any, under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide the other party with a full and complete indemnity from claims made by the indemnifying party and its employees, to the extent of their negligence. Lessee shall promptly notify Lessor of casualties or accidents occurring in or about the Premises. LESSOR AND LESSEE ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF THIS CLAUSE 23 ARE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

(d) Lessee's Release of Claims. Except as provided in Clause 23 (b) above or elsewhere in this Lease, Lessee hereby fully and completely waives and releases all claims against Lessor for any losses or other damages sustained by Lessee or any person claiming through Lessee resulting from any accident or occurrence in or upon the Premises, including but not limited to: any defect in or failure of Building equipment; any failure to make repairs; any defect, failure, surge in, or interruption of Building facilities or services; any defect in or failure of Common Areas; broken glass; water leakage; the collapse of any Building components; or any act, omission or negligence of co-tenants, licensees or any other persons or occupants of the Building.

**24. Default by Lessee.**

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(a) **Definition.** Each of the following events and circumstances shall constitute a default by Lessee under this Lease: (i) Lessee vacates or abandons the Premises, (ii) Lessee fails to pay Basic Rent or Additional Rent, or make any other payments required of Lessee under this Lease on the date such rent or payment is due, (iii) Lessee violates or breaches any covenant, term or condition of this Lease other than those requiring the payment of rent or otherwise requiring lessee to make payments pursuant to this Lease, or (iv) Lessee or any guarantor of Lessee's obligations under this Lease ("Guarantor"), if any, files a petition in bankruptcy, or a trustee or receiver is appointed for Lessee and any Guarantor, or either of their respective assets, or Lessee or any Guarantor makes an assignment for the benefit of creditors, or Lessee or any Guarantor is adjudicated insolvent. With respect to a default under (ii) above, Lessee shall have ten (10) days after written notice of the default to remedy or cure its default. With respect to a default under (iii) above, Lessee shall have twenty (20) days after written notice from Lessor to remedy or cure the default; however, if the default cannot reasonably be cured within such thirty (30) day period, and Lessee commences the cure within the thirty (30) day period, and Lessee thereafter diligently prosecutes the cure to completion in good faith, such thirty (30) day period shall be extended for such period of time as is reasonably necessary for Lessee to cure the default, but in no event more than an additional sixty (60) days.

(b) **Remedies.** If Lessee defaults and fails to cure the default within the applicable cure period, if any, Lessor shall have the following rights and remedies, at its option, which shall be cumulative and not exclusive, and which shall be in addition to and not in lieu of any other rights or remedies available to Lessor at law or in equity, or elsewhere in this Lease: (i) to declare the Lease Term ended and reenter the Premises and take possession thereof and remove all persons therefrom and Lessee shall have no further claim thereon or hereunder; (ii) to cure such default on Lessee's behalf and at Lessee's cost and expense and charge Lessee as Additional Rent for all costs and expenses incurred by Lessor in effecting the cure; (iii) without declaring this Lease terminated, to reenter the Premises and occupy the whole or any part thereof for and on account of Lessee and collect any unpaid rentals and other charges, which have become payable, or which may thereafter become payable; (iv) even though it may have reentered the Premises, to thereafter elect to terminate this Lease and all of the rights of Lessee in or to the Premises.

(c) **Reentry.** If Lessor reenters the Premises under option (iii) of Section 24(b), Lessor shall not be deemed to have terminated this Lease or the liability of Lessee to pay any Rent thereafter accruing as it becomes due, or to have terminated Lessee's liability for damages under any of the provisions hereof, by any such reentry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease, and Lessee shall be liable for and reimburse Lessor upon demand for all reasonable costs and expenses of every kind and nature incurred in retaking possession of the Premises and all other losses suffered by Lessor as a consequence of Lessee's default. In the event of any entry or taking possession of the Premises, Lessor shall have the right, not the obligation, to remove therefrom all or any part of the personal property located therein and may place the same in storage at a public warehouse at the expense and risk of Lessee.

(d) **Termination.** If Lessor elects to terminate this Lease pursuant to the provisions of options (i) or (iv) of Section 24(b), Lessor may recover from Lessee as damages, the following: (i) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of the Rent loss Lessee proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Lease Term after the time of award exceeds the amount of the Rent loss that Lessee proves could be reasonably avoided; plus (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its 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 Lessor in retaking possession of the Premises, including reasonable attorney's fees thereof; maintaining or preserving the Premises after such default; preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting; leasing commissions; and any

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other costs necessary or appropriate to relet the Premises; and (v) 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 of Washington. As used in items (i) and (ii) of this Section 24(d), the "worth at the time of award" shall be computed by allowing interest at 15% or the maximum allowed in the State of Washington. As used in item (iii) above, the "worth at the time of award" shall be computed by using the then applicable discount rate quoted by the Federal Reserve Bank of San Francisco or its successor. For purposes of this Section 24 only, the term "Rent" shall be deemed to be the Basic Rent and the Additional Rent and other sums required to be paid by Lessee pursuant to the terms of this Lease.

(e) Adequate Security. [intentionally deleted]

(f) Lessor's Remedies Cumulative; Waiver. Lessor's rights and remedies hereunder are not exclusive, but cumulative, and Lessor's exercise of any right or remedy due to a default or breach by Lessee shall not be deemed a waiver of, or alter, effect or prejudice any other right or remedy which Lessor may have under this Lease or by law or in equity. Neither the acceptance of rent nor any other acts or omissions of Lessor at any time or times after the happening of any event authorizing the cancellation or forfeiture of this Lease shall operate as a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Lessor of its right to cancel or forfeit this Lease, upon written notice provided for herein, at any time that cause for cancellation or forfeiture may exist, or be construed so as at any future time to estop Lessor from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease.

(g) Late Fees. Lessee acknowledges that late payment by Lessee to Lessor of rent, or any other sums due under the Lease will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which would be extremely difficult and impractical to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed by Lessor by the terms of any mortgage or deed of trust covering the Building; therefore, in the event Lessee fails to make any payment of rent, or any other sums due to Lessor under this Lease, within five (5) days of the date when such payment is due, Lessee shall pay to Lessor as Additional Rent a late charge equal to five percent (5%) of the amount delinquent, but in no event less than \$25.00. Waiver of said late charge with respect to any payment shall not be deemed to constitute a waiver with respect to any subsequent payment. In the event Lessee fails to pay any rent or any other sum due to Lessor when due, the amount so delinquent shall bear interest at the rate of Fifteen percent (15%) per annum (or at the maximum rate permitted by law, whichever is less) from the date due until paid. A fifty dollar (\$50.00) charge shall be paid by Lessee to Lessor for each returned check.

**25. Trade Fixtures.** Lessee may install on the Premises such equipment as is customarily used in the type of business conducted by Lessee on the Premises. Upon the expiration or sooner termination of this Lease, Lessee shall, at Lessee's expense, remove from the Premises all such equipment and all other property of Lessee and repair any damage to the Premises occasioned by the removal thereof. Any property left in the Premises after the expiration or sooner termination of this Lease shall be deemed to have been abandoned by Lessee and become the property of Lessor to dispose of as Lessor deems expedient without accounting to Lessee therefor.

**26. Telecommunications Lines and Equipment:**

(a) Telecommunication Lines. No telecommunication or computer lines shall be installed within or without the Premises without Lessor's prior written consent. Lessor disclaims any representations, warranties or understandings concerning Lessor's Building computer systems, or the capacity, design or suitability of Lessor's riser Lines, Lessor's main distribution frame ("MDF") or related equipment. If there is, or will be, more than one Lessee on any floor, at any time, Lessor may allocate, and periodically reallocate, connections to the terminal block based on the proportion of square feet each Lessee occupies on such floor, or the type of business operations or requirements of such tenants, in

Lessor's reasonable discretion. Lessor may arrange for an independent contractor to review Lessee's requests for approval to install any telecommunication or computer lines, monitor or supervise Lessee's installation, connection and disconnection of any such lines, and provide other such services, or Lessor may provide the same. At the expiration or earlier termination of this Lease, Lessee, at its cost, shall remove all wires, cable or other computer or telecommunication lines or systems installed by or for Lessee and Lessee shall restore the Premises and Building to the condition existing prior to Lessee's installation.

(b) Limitation of Liability. Unless due to Lessor's intentional misconduct or grossly negligent acts, Lessor shall have no liability for damages arising, and Lessor does not warrant that the Lessee's use of any telecommunication or computer lines or systems ("Lines") will be free, from the following (collectively called "Line Problems"): (i) any eavesdropping, wire-tapping or theft of long distance access codes by unauthorized parties, (ii) any failure of the Lines to satisfy Lessee's requirements, or (iii) any capacitance, attenuation, cross-talk or other problems with the Lines, any misdesignation of the Lines in the MDF room or wire closets, or any shortages, failures, variations, interruptions, disconnections, loss or damage caused by or in connection with the installation, maintenance, replacement, use or removal of any other Lines or equipment at the Building or Property by or for other tenants at the Property or Building, by any failure of the environmental conditions at or the power supply for the Building to conform to any requirements of the Lines or any other problems associated with any Lines or by any other cause. Under no circumstances shall any Line Problems be deemed an actual or constructive eviction of Lessee, render Lessor liable to Lessee for abatement of any Rent or other charges under the Lease, or relieve Lessee from performance of Lessee's obligations under the Lease as amended herein. Lessor in no event shall be liable for any loss of profits, business interruption or other consequential damage arising from any Line Problems.

**27. Condemnation.** If all of the Premises are taken by any public authority under the power of eminent domain, this Lease shall terminate as of the date possession is taken by said public authority pursuant to such condemnation.

If twenty-five percent (25%) or more of the floor area of the Premises is so taken and, in the opinion of either Lessor or Lessee, it is not economically feasible to continue this Lease in effect, either party may terminate this Lease by notice to the other party. If any part of the Building is so taken and, in the opinion of Lessor, it is not economically feasible to continue this Lease in effect, Lessor may terminate this Lease. Such termination by either party shall be made by notice to the other given not later than 30 days after possession is so taken, the termination to be effective as of the later of 30 days after said notice or the date possession is so taken.

If part of the Premises or part of the Building is so taken, and neither Lessor nor Lessee elects to terminate this Lease, or until termination is effective, as the case may be, Rent shall be abated in the same proportion as the portion of the Premises so taken bears to the whole of the Premises, and Lessor shall make such repairs or alterations, if any, as are required to render the remainder of the Premises tenantable.

All damages awarded for the taking or damaging of all or any part of the Building or the Premises shall belong to and be the property of Lessor, and Lessee hereby assigns to Lessor any and all claims to such award, but nothing herein contained shall be construed as precluding Lessee from asserting any claim Lessee may have against such public authority for disruption or relocation of Lessee's business on the Premises.

**28. Notices.** All notices, demands, and requests to be given by either party to the other shall be in writing. All notices, demands, and requests by Lessor to Lessee shall be sent by United States registered or certified mail, postage prepaid, or by private overnight courier, addressed to Lessee at the Premises. All notices, demands, and requests by Lessee to the Lessor shall be sent by United States



registered or certified mail, postage prepaid, or by private overnight courier, addressed to Lessor at: Anderson & Associates, 7420 SE 24<sup>th</sup> Street, Suite 4, Mercer Island WA 98040-2340, or such other place as Lessor may from time to time designate by notice to Lessee.

All notices, demands, and requests by Lessor to the Lessee shall be sent by United States registered or certified mail, postage prepaid, or by private overnight courier, addressed to Lessee at:

King County Real Estate Services  
Attn: Real Estate Services Manager  
500 4<sup>th</sup> Ave, Room 830  
Seattle, WA 98104  
Fax: 206-477-9365

, or such other place as Lessee may from time to time designate by notice to Lessor.

Notices, demands, and requests served upon Lessor or Lessee as provided in this clause in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand, or request shall be so mailed or deposited with private courier.

**29. Performance of Covenants.** If Lessee shall fail to make any payment or perform any of Lessee's obligations under this Lease, Lessor may, without notice to or demand upon Lessee and without waiving or releasing Lessee from any obligations of Lessee under this Lease, make any such payment or perform any such obligation on Lessee's behalf in such manner and to such extent as Lessor deems desirable. All sums unpaid by Lessee, and all sums so paid by Lessor and all necessary costs and expenses in connection with the performance of any such obligation by Lessor, together with interest thereon at the rate of Fifteen percent (15%) per annum (or at the maximum rate permitted by law, whichever is less) from the date of the making of such expenditure by Lessor, shall be deemed Additional Rent hereunder and shall be payable to Lessor on demand.

**30. Access by Lessor.** Lessor and its agents shall have the right to enter the Premises at any time upon reasonable prior notice to Lessee to examine the same, and to show them to prospective purchasers or lenders or, at any time during the last eighteen (18) months of the Lease Term or following a default by Lessee, to prospective tenants, and to make such repairs to the Premises or repairs, alterations, improvements, additions or improvements to the Building as Lessor may deem necessary or desirable; provided, in an emergency or perceived emergency or to provide normal services (such as janitorial and security services) to the Premises, no advance notice shall be required. If Lessee is not personally present to permit entry and entry is necessary in an emergency, Lessor may enter the same by master key or may forcibly enter the same, without rendering Lessor liable therefor. Nothing contained herein shall be construed to impose upon Lessor any duty of repair or other obligation not specifically stated in this Lease. Lessee shall change the locks to the Premises only through Lessor and upon paying Lessor for all costs related thereto, however, Lessee shall not be prohibited from installing any keyless entry or security badge system for use by its employees or agents.

**31. Waiver of Subrogation.** Whether loss or damage is due to the negligence of either Lessor or Lessee, their agents or employees, or any other cause, Lessor and Lessee do each hereby release and relieve the other, their agents or employees, from responsibility for, and waive their entire claim of recovery for, (i) any loss or damage to the real or personal property of either party located anywhere on or in the Building, arising out of or incident to the occurrence of any of the perils which are covered, or are required to be covered under this Lease, by their respective property and related insurance policies, and (ii) any loss resulting from business interruption at the Premises or loss of rental income from the Building, arising out of or incident to the occurrence of any of the perils covered by any business interruption insurance policy, or by any loss of rental income insurance policy, which may be held by Lessor or Lessee. Each party shall use best efforts to cause its insurance carriers to consent to

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the foregoing waiver of rights of subrogation against the other party. Notwithstanding the foregoing, no such release shall be effective unless and to the extent the aforesaid insurance policy or policies shall expressly permit such a release or contain a waiver of the carrier's right to be subrogated.

**32. Subordination of Lessee's Interest.** This Lease shall be automatically subordinate to all of Lessor's mortgages and deeds of trust, which heretofore and hereafter affect the Premises, the Building or the Land, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, modifications, consolidations, replacements or extensions thereof; provided that so long as Lessee is not in default under this Lease, Lessee's possession, use and occupancy of the Premises shall not be disturbed by reason of any foreclosure of any such deed of trust or mortgage. This subordination shall be self operative, and no further instrument of subordination shall be necessary to effect such subordination; nevertheless, within fifteen (15) days after receiving a written request from Lessor, Lessee shall execute such additional instrument of subordination as may be required by Lessor (or its lenders) if such instrument of subordination contains a nondisturbance provision reasonably acceptable to Lessee which provides that so long as Lessee is not in default hereunder beyond any applicable cure period in this Lease, Lessee shall have continued enjoyment of the Premises free from any disturbance or interruption by reason of any foreclosure of any such deed of trust or mortgage. In the event of sale or foreclosure of any such mortgage or deed of trust, or exercise of the power of sale thereunder, or in the event of a transfer in lieu of foreclosure, Lessee shall attorn to the purchaser (or transferee) of the Building at such foreclosure or sale and recognize such purchaser (or transferee) as Lessor under this Lease if so requested by such purchaser (or transferee). Such attornment shall be self-operative and further instruments need be executed to effect such attornment, provided that such attornment is conditioned on the subordination and non-disturbance set forth above.

**33. Surrender of Premises.** At the expiration or sooner termination of the Lease Term, Lessee shall return the Premises to Lessor in the same or better condition than on the Commencement Date (or, if altered, then the Premises shall be returned in such altered condition unless otherwise directed by Lessor), except for reasonable wear and tear, damage by condemnation and damage by insured casualty. Prior to such return, Lessee shall remove its furniture and equipment and shall restore the Premises to the condition of the Premises on the Commencement Date, and Lessee shall repair any damage resulting from their removal. In no event shall Lessee remove heating, ventilating and air conditioning equipment; lighting equipment or fixtures; signage, to include but not limited to sign letters, sign cans, sign poles or monuments, or floor, window or wall coverings unless otherwise specifically directed by Lessor in writing or otherwise permitted under this Lease. Lessee's obligations under this Section 33 shall survive the expiration or termination of this Lease. Lessor may place and maintain a "For Lease" sign in a conspicuous place on the Premises for ninety (90) days prior to the expiration or prior termination of this Lease.

**34. Rules and Regulations; Parking.**

(a) Lessee shall use the Premises and the Common Areas designated by Lessor and as limited or otherwise restricted by Lessor in accordance with such reasonable rules and regulations not inconsistent with this Lease as may from time to time be made by Lessor for the general safety, comfort, and convenience of Lessor and Lessee of the Building, and cause Lessee's employees, agents, invitees, and licensees to abide by such rules and regulations. Lessor shall not be responsible to Lessee for the non-performance of any rules or regulations by any other tenants, occupants, or users of the Building.

(b) Lessee shall have the right to use, in common with other tenants or occupants of the Building, the parking facilities of the Building subject to the rules and regulations and any charges of Lessor for such parking facilities, which may be established or altered by Lessor at any time or from time to time during the Lease Term. Lessee and Lessee's employees shall park only in areas designated by Lessor and as limited or otherwise restricted by Lessor. Lessor shall have the right to make changes to the Common Areas including, without limitation, changes in the location of driveways, entrances, exits, vehicular parking spaces, parking area, and the direction of the flow of traffic.



(c) Lessee understands Lessor may further develop the property on which the parking facilities serving the Building are located. If Lessor elects to proceed with such development, Lessor may relocate such parking facilities to another on-site or off-site location or Lessor may temporarily terminate Lessee's right to use such parking facilities. Upon the completion of the improvements developed on such property the parking allocated to Lessee will be relocated to the parking facilities or structures then existing on such property.

**35. Holdover.** If Lessee holds over after the end of the Lease Term with Lessor's prior written consent, such shall be as a tenancy from month to month on the terms and conditions set forth herein, except that Basic Rent shall equal one hundred percent (100%) of the Basic Rent in effect, on the date of expiration of the Lease Term, which tenancy may be terminated by either party upon thirty (30) days written notice to the other party. Any holding over by Lessee after the expiration of the Lease Term without Lessor's prior written consent shall be deemed to be a tenancy at will, terminable at any time by Lessor at a Basic Rent rate equal to one hundred twenty five percent (125%) of the Basic Rent in effect on the date of expiration of the Lease Term, prorated on a daily basis, and otherwise on the terms, covenants, and conditions of this Lease to the extent applicable. Lessee shall be liable for all damages suffered by Lessor if Lessee holds over without Lessor's prior written consent.

If Lessee fails to surrender the Premises upon the termination of this Lease, without the prior consent of Lessor, Lessee shall indemnify, defend and hold harmless Lessor from all losses, damages, liabilities and expenses resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant arising out of such failure.

**36. Memorandum of Lease.** Unless approved by Lessor in writing, if Lessee causes this Lease or a notice or memorandum thereof to be placed of record, such recording shall constitute a default by Lessee under this Lease. If Lessor so requests, Lessee agrees to execute and place of record an instrument, in recordable form, evidencing the commencement date and expiration date of this Lease, which instrument Lessor may record.

**37. Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.

**38. Light, Air, and View.** Lessor does not guarantee the continued present status of light, air, or view over any premises adjoining or in the vicinity of the Building.

**39. Lessor's Liability.** Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Lessor are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Lessor personally or the assets of Lessor except Lessor's interest in the Building, but are made and intended for the purpose of binding only the Lessor's interest in the Building, as the same may from time to time be encumbered. While Lessee may bring a legal action against Lessor, judgments may be enforced only against Lessor's interest in the Building. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against, Lessor or its partners or agents or their respective heirs, legal representatives, successors, and assigns on account of this Lease or on account of any covenant, undertaking or agreement of Lessor in this Lease contained.

**40. Relocation.** Lessor, at its sole expense, on not less than one hundred eighty (180) days prior written notice to Lessee, may require Lessee to relocate from the Premises to another space of approximately equivalent size in the Building. In the event of any such relocation, Lessor will pay all build-out and tenant improvement expenses which are reasonably required to make the new premises substantially similar to the Premises from which Lessee is moving, and Lessor will also pay moving costs

and direct costs incurred by Lessee in connection therewith, including but not limited to the costs for transferring utility and telephone service, change of stationery and change of address notices. In the event of such relocation, this Lease and each of the terms and covenants and conditions hereof shall remain in full force and effect and thereupon be deemed applicable to such new space except that the Lease shall be amended to describe and/or depict the relocated premises.

#### 41. Miscellaneous.

**41.1 Nonwaiver.** No failure of either party to insist upon the strict performance of any provision of this Lease shall be construed as depriving such party of the right to insist on strict performance of such provision or any other provision in the future. No waiver by either party of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by such party. No acceptance of rent or of any other payment by Lessor from Lessee after any default by Lessee shall constitute a waiver of any such default or any other default. Consent by Lessor in any one instance shall not dispense with necessity of consent by Lessor in any other instance.

**41.2 Partial Payments.** Lessee shall make all rental payments in full. Payments or receipt of a rental payment of less than the amount stated in this Lease shall be deemed to be nothing more than partial payment on that month's account. Under no circumstances shall Lessor's acceptance of a partial payment constitute accord and satisfaction. Nor will Lessor's acceptance of a partial payment forfeit Lessor's right to collect the balance due on the account, despite any endorsement, stipulation or other statement on any check. The Lessor may accept any partial payment check with any conditional endorsement without prejudice to his right to recover the balance remaining due, or to pursue any other remedy available under this Lease.

**41.3 Attorneys' Fees.** If Lessee or Lessor engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Lessor for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation, or arbitration, at trial, on appeal, or in any bankruptcy proceeding.

**41.4 Captions and Construction.** The captions in this Lease are for the convenience of the reader and are not to be considered in the interpretation of its terms.

**41.5 Partial Invalidity.** If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced as written to the fullest extent permitted by law.

**41.6 Governing Law.** This Lease shall be governed by the laws of the State of Washington.

**41.7 Estoppel Certificates.** Lessee shall, from time to time, upon written request of Lessor, execute, acknowledge and deliver to Lessor or its designee a written statement certifying: (a) the date this Lease was executed and the date it expires; (b) the date the term commenced and the date Lessee accepted the Premises; (c) the amount of Basic Rent and Additional Rent and the date to which such Basic Rent and Additional Rent has been paid; (d) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way (or specifying the date and terms of agreement so affecting this Lease); (e) that this Lease represents the entire agreement between the parties as to this leasing; (f) that all required contributions by Lessor to Lessee on account of Lessor's improvements have been received; (g) [intentionally deleted]; (h) that no Rent has been paid more than one month in advance; and (i) the amount of any security has been deposited with Lessor. It is intended that any such statement delivered pursuant to this clause may be relied upon by a prospective purchaser or

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assignee of Lessor's interest or by any lender. If Lessee shall fail to respond within ten (10) days of receipt by Lessee of a written request by Lessor as herein provided, Lessee shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted that this Lease is in full force and effect, that there are no uncured defaults in Lessor's performance, and that not more than one month's Rental has been paid in advance.

**41.8 Transfer of Lessor's Interest.** In the event of any transfer or transfers of Lessor's interest in the Premises, other than a transfer for security purposes only, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Lessor accruing from and after the date of such transfer and Lessee agrees to attorn to the transferee. Any such transfer shall be made expressly subject to this Lease, and the transferee must assume Lessor's obligations hereunder.

**41.9 Entire Agreement.** This Lease and the Exhibits attached hereto, and by this reference incorporated herein, set forth the entire agreement of Lessor and Lessee concerning the Premises, and supersede all other communications, negotiations, agreements and understandings, oral or written, between Lessor and Lessee. Any subsequent modifications or amendment of this Lease shall be binding upon Lessor and Lessee only if in writing and signed by both.

**41.10 Interpretation.** This Lease has been submitted to the scrutiny of all parties hereto and their counsel if desired, and shall be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

**41.11 Remedies Cumulative.** The specified remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may lawfully be entitled in case of any breach or threatened breach by Lessee of any provision of this Lease. In addition to the other remedies in this Lease provided, Lessor shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, and provisions of this lease.

**41.12 Number; Gender; Permissive Versus Mandatory Usage.** Where the context permits, references to the singular shall include the plural and vice versa, and to the neuter gender shall include the feminine and masculine. Use of the word "may" shall denote an option or privilege and shall impose no obligation upon the party, which may exercise such option or privilege; use of the word "shall" shall denote a duty or an obligation.

**41.13 Lessee's Liability.** [intentionally deleted]

**41.14 Time.** Time is of the essence of this Lease.

**41.15 Binding Effect.** Subject to the provisions of Section 20 hereof, this Agreement shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors, and assigns.

**41.16 Financial Information.** [intentionally deleted]

**41.17 Name.** Lessee shall not use the name of the Building or of the development in which the Building is situated for any purpose other than as an address of the business to be conducted by Lessee in the Premises. Lessor may change the name or address of the Building at any time. Any such change shall not require amendment of this Lease or affect in any way Lessee's obligations under this Lease, and except for the name change, all terms and conditions of this Lease shall remain in full force and effect.

**41.18 Prior Agreements.** THIS LEASE CONTAINS THE ENTIRE AGREEMENT OF

Lessor's Initials MSA

Lessee's Initials \_\_\_\_\_

THE PARTIES HERETO AND ANY AND ALL ORAL AND WRITTEN AGREEMENTS, UNDERSTANDINGS, REPRESENTATIONS, WARRANTIES, PROMISES AND STATEMENTS OF THE PARTIES HERETO AND THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, AGENTS AND BROKERS WITH RESPECT TO THE SUBJECT MATTER OF THIS LEASE AND ANY MATTER COVERED OR MENTIONED IN THIS LEASE SHALL BE MERGED IN THIS LEASE AND NO SUCH PRIOR ORAL OR WRITTEN AGREEMENT, UNDERSTANDING, REPRESENTATION, WARRANTY, PROMISE OR STATEMENT SHALL BE EFFECTIVE OR BINDING FOR ANY REASON OR PURPOSE UNLESS SPECIFICALLY SET FORTH IN THIS LEASE. NO PROVISIONS OF THIS LEASE MAY BE AMMENDED OR ADDED TO EXCEPT BY AN AGREEMENT IN WRITING SIGNED BY THE PARTIES HERETO OR THEIR RESPECTIVE SUCCESORS IN INTERNET. THIS LEASE SHALL NOT BE EFFECTIVE OR BINDING ON ANY PARTY FULLY EXECUTED BY BOTH PARTIES HERETO.

**41.19 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 the Lessee.

Lessor's Initials MSA

Lessee's Initials \_\_\_\_\_

EXECUTED as of the date first above written.

**LESSEE: King County, a municipal corporation**

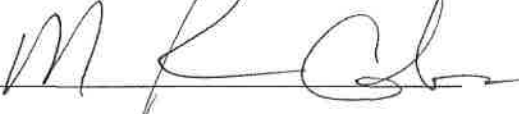
**Approved as to Form:**

By: \_\_\_\_\_  
Name: Mr. Anthony Wright  
Title: Real Estate Manager, King County  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Chris Leopold  
Title: Deputy Prosecuting Attorney  
Date: \_\_\_\_\_

Address: 500 4<sup>th</sup> Avenue, Room 880  
Seattle WA 98104  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**LESSOR: Meeker St. Law Building, LLC**

By:   
Name: M. Bruce Anderson  
Title: Member  
Date: 10/30/15  
Address: 7420 SE 24<sup>th</sup> Street, Suite 4  
Mercer Island WA 98040-2340  
Phone: (206) 397 - 3579  
Email: [bruce@mbanderson.net](mailto:bruce@mbanderson.net)

Lessor's Initials   
Lessee's Initials \_\_\_\_\_

CORPORATE/PARTNERSHIP ACKNOWLEDGEMENTS

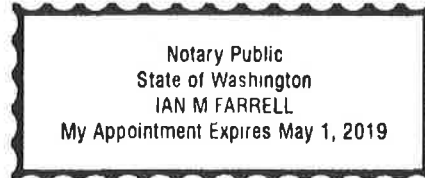
CORPORATE LESSOR

STATE OF WASHINGTON )  
 ) ss.  
County of King )

On this 30<sup>th</sup> day of October, 2015, personally appeared before me, M. Bruce Anderson known to me to be the person who signed this instrument in my presence, on oath stated that he was authorized to execute the instrument and acknowledged it as the member of Meeker St. Law Building, LLC, a Washington State Limited Liability Company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day and year first above written.

Ian M Farrell  
NOTARY PUBLIC in and for the State of Washington, residing at Mercer Island, WA  
My Commission Expires: 5/1/19



CORPORATE LESSEE

STATE OF WASHINGTON )  
 ) ss.  
County of King )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me \_\_\_\_\_, known to me to be the person(s) who signed this instrument in my presence, on oath stated that he/she/they was/were authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day and year first above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington, residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Lessor's Initials MBL  
Lessee's Initials \_\_\_\_\_



**EXHIBIT A**  
Legal Description (Section 1)

Lots 1, 2, 3, 18, 19, 20, and the West 20 feet of Lots 4, and 17, all in Block 5, and lots 19 and 20, Block 7, all in Yesler's First Addition to the Town of Kent, according to plat recorded in Volume 5 of Plats, page 64, in King County, Washington; EXCEPT those portions condemned for 4<sup>th</sup> Avenue under King County Superior Court Cause Number 708685.

Lessor's Initials MSJ

Lessee's Initials \_\_\_\_\_

**EXHIBIT B**

Premises (Section 1)

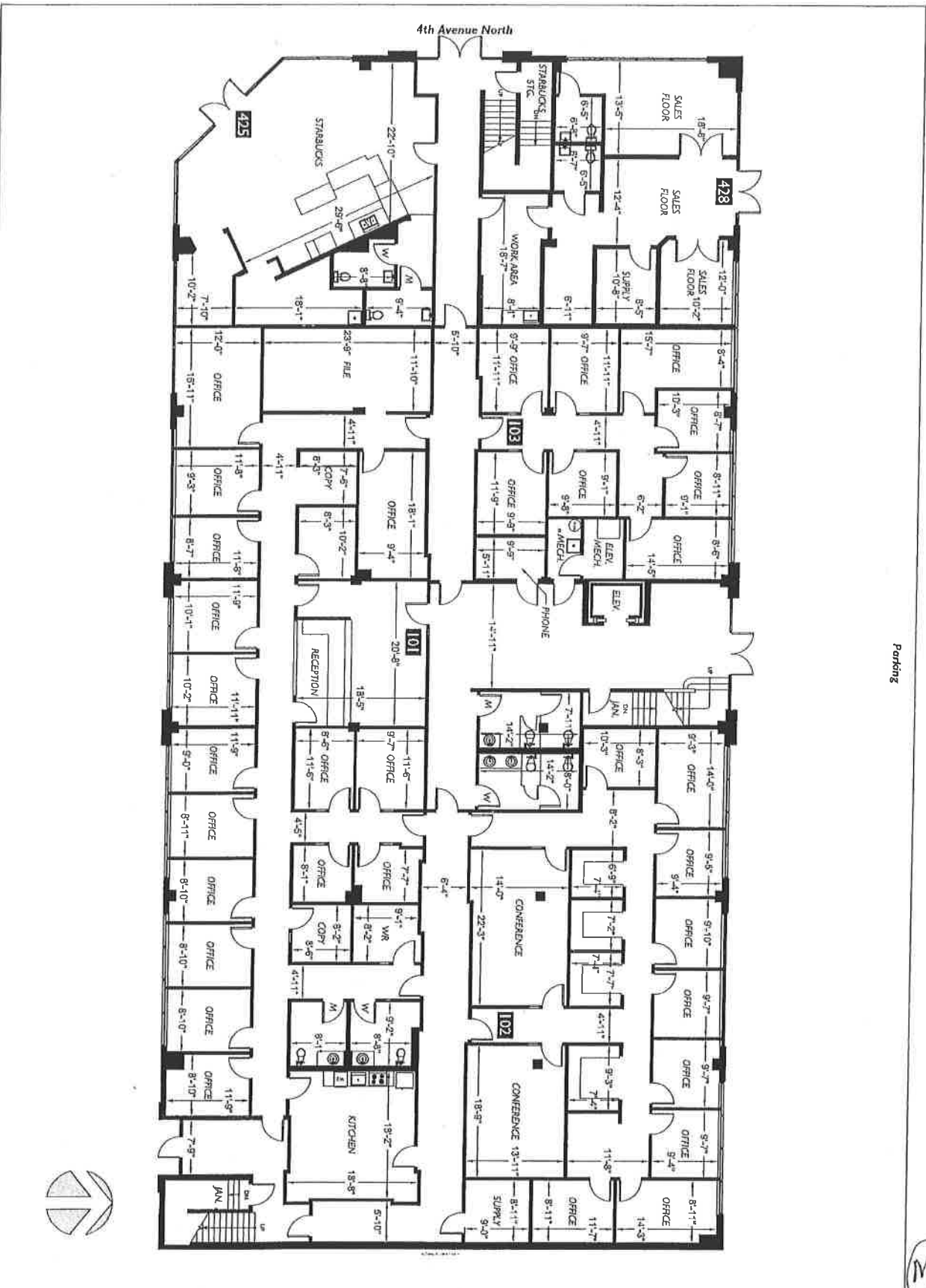
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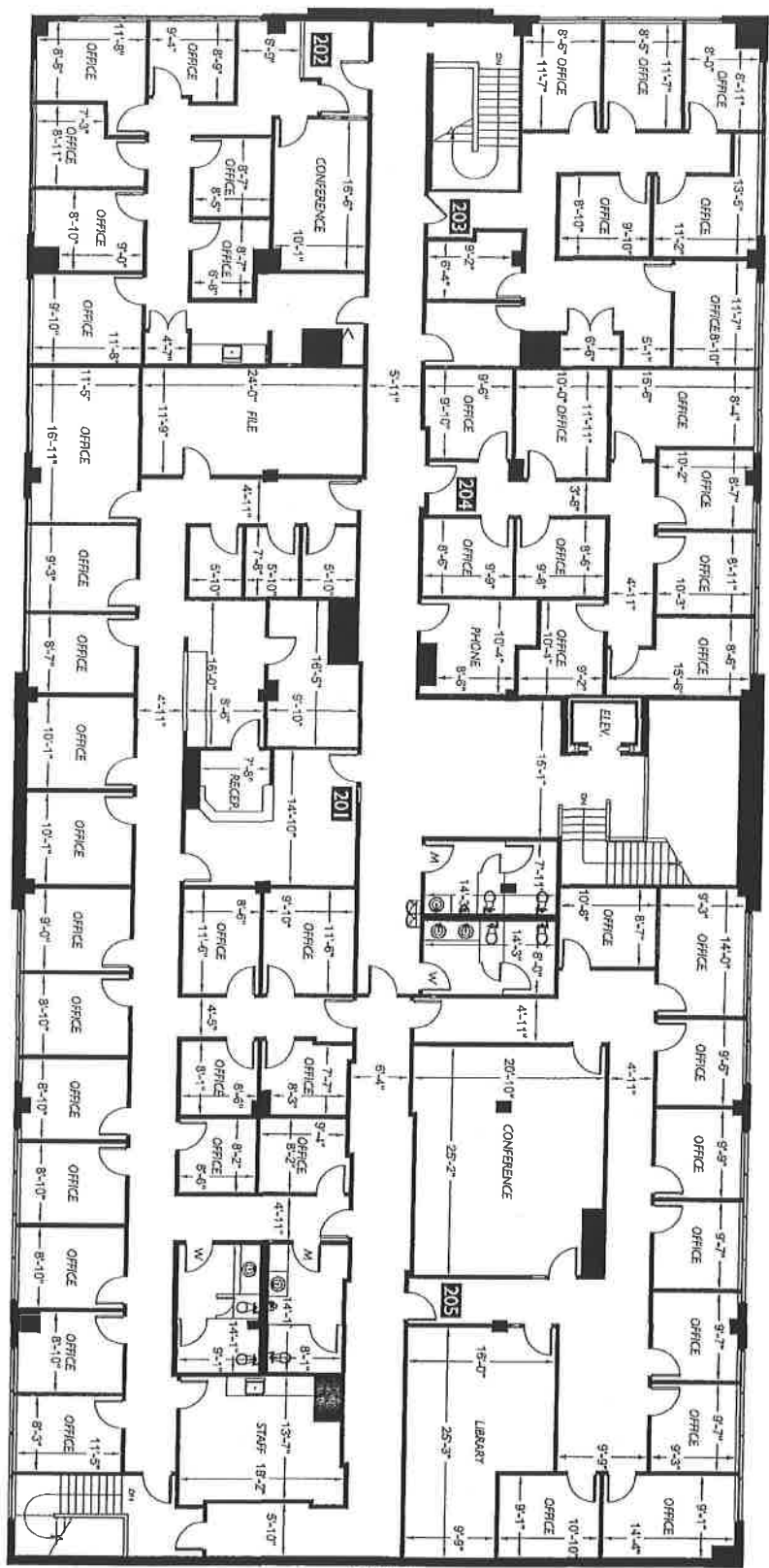
Parking

*MSA*

<p>Anderson &amp; Associates 7420 Southeast 24th Street Suite 4 Mercer Island, WA 98040</p>	<p>Meeker Street Law Building 420 West Harrison Street Ken, WA 98032</p>	<p>Floor Plan — Floor</p>	<p>1:150 Scale</p>	<p><b>2-D</b> FLOOR PLANS 2DFLOORPLANS.COM 206-728-7410 600 NW Gilman Blvd. Suite E Issaquah, WA 98027 Measured: May 2015 Project: C15-402</p>
<p>Client</p>	<p>Subject</p>	<p>Floor</p>	<p>Scale</p>	<p>Measured: May 2015 Project: C15-402</p>



4th Avenue North



Parking

*ASB*

<p>Anderson &amp; Associates 7420 Southeast 24th Street Suite 4 Mercer Island, WA 98040</p>	<p>Meeker Street Law Building 420 West Harrison Street Kenc, WA 98032</p>	<p>Floor Plan <b>2</b> Floor</p>	<p>Scale 1:150</p>	<p><b>2-D</b> AS-BUILT FLOOR PLANS 1DFLOORPLANS.COM 706-728-7410 600 NW Gilman Blvd. Suite E Issaquah, WA 98027 Measured: May 2015 Project: C15-402</p>
<p>Client</p>	<p>Subject</p>	<p>Floor</p>	<p>Scale</p>	<p>Measured: May 2015 Project: C15-402</p>



**EXHIBIT C**

(Section 10(a))

DESCRIPTION OF LESSOR'S WORK & LESSEE'S WORK

Lessee hereby accepts the premises "As-Is."

Date: \_\_\_\_\_

LESSEE: King County, a municipal corporation

BY: \_\_\_\_\_

Date: 10-30-2015

LESSOR: Meeker St. Law Building, LLC

BY: MFC

Lessor's Initials MFC

Lessees Initials \_\_\_\_\_

## EXHIBIT D

### SIGN CRITERIA (Section 15)

These criteria have been established for the purpose of controlling the size, type, design and location of all signage, so as to enhance the center's image and create a mutual benefit to all tenants. Conformance will be strictly enforced, and any installed non-conforming or unapproved signs must be brought into conformance at the expense of Lessee.

#### 1. ADMINISTRATION:

- a. All tenants shall provide fascia signage in accordance with this criteria.
- b. Lessee shall submit to the Lessor's agent, one (1) print and one (1) reproducible sepia of detailed drawings showing location of the sign on the storefront or designated space, size, layout and color of the proposed sign, including all lettering and/or graphics, materials, attachment devices, construction and fabrication details. Lessee shall receive a copy of the sign drawing approved with signature by the Lessor or Lessor's agent prior to fabrication and installation.
- c. Lessee's sign contractor is to provide written certification that the sign installation conforms to all applicable codes and ordinances, and that it has been inspected and approved by the controlling agency.
- d. Lessee or its agent shall obtain a sign permit from the reviewing jurisdiction for its sign and the installation thereof.
- e. Lessee shall pay for the installation, including transformers, final connections, and maintenance of all signs.
- f. The Lessor will provide primary electrical service terminating at the point shown on the plans.
- g. The Lessee shall provide all other installation.
- h. Upon vacation of premises, Lessee shall arrange for removal of signage from the sign pylon and building sign fascia. Any damage caused by removal of the signs or failure to make construction waterproof shall be Lessee's responsibility. Lessee shall be responsible for maintaining and restoring the project sign pylon and the building sign fascia to their original condition after removal of Lessee's individual sign display. Lessee shall replace the sign display on the project sign pylon with a blank white Lexan panel and shall fill all holes on the building sign fascia.
- i. In the event of any conflict between Lessee and Lessor as to the application of these criteria, Lessor's decision shall be final and binding.
- j. Signage is subject to additional governmental and municipal standards. It is the Lessees, or its agents, responsibility to coordinate and determine how those requirements will affect their signage.

#### 2. CONSTRUCTION REQUIREMENTS:

- a. All signs, bolts, fastenings and clips shall be of glass, plastic, hot dipped galvanized iron,
 

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 Lessees Initials \_\_\_\_\_

stainless steel, aluminum, brass or bronze. No black iron of any type will be permitted.

- b. A maximum of 3/4" boring per letter or cabinet may penetrate the fascia to serve the electrode leads. It is recommended that a "Hage Connector" or approved equal be utilized. It shall be the sign contractor's responsibility to secure sign to fascia in a method so as not to create a hazard to the public.
- c. All penetration of the fascia shall be made waterproof by using gaskets and sealant.
- d. The Lessee shall be responsible for any damage caused by the sign contractor.
- e. No labels will be permitted on the exposed surface of signs except those required by local ordinance and if required, shall be in an inconspicuous location.
- f. No exposed conduit, tubing or raceways will be permitted.
- g. All electrical signs shall bear the U.L. label.
- h. Electrical service to all signs shall be from Lessee's service.

3. DESIGN REQUIREMENTS FOR FASCIA SIGNS, ENTRANCE & SERVICE DOOR SIGNS:

- a. All fascia signs shall be mounted on the sign fascia and be restricted to the sign area.
- b. Fascia signs shall not project more than six inches (6") beyond the face of sign fascia and shall conform in size and location to the criteria established in this section.
- c. Wording of signs shall not include the product sold, i.e., shoes, dresses, etc., except where identification of Lessee is impossible without the same. Lessor shall be the sole judge in its discretion as to conformance in accordance herewith.
- d. Signs may be of the following types:
  - i. Illuminated plastic-faced individual channel letters with plastic or sheet metal sides and return to match a dark bronze anodized aluminum finish.
  - ii. Aluminum extrusion or rolled steel anodized bronze or bronze metallic paint cabinet.
- e. Signs shall be of the following size:
  - i. In length, not more than seventy-five percent (75%) of the storefront on the elevation facing the primary road.
  - ii. Sign height shall not exceed thirty-six inches (36"). More than one row of letters shall be permitted as long as the maximum height of 36" is not exceeded.
  - iii. The aforementioned requirements have been set to maintain continuity with tenant signage on the building. The suggested cabinet size is the proposed maximum allowed which is subject to lessor's review and approval, and conforming with all adjoining signs in the center.

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- f. Suggested typeface is "Helvetica Medium." Other typefaces may be submitted for approval. No script will be allowed except where Lessee has an established, publicly recognized logo or store signature. At the discretion of Lessor, such logo or signature may be used, provided that it conforms to all other sign criteria.
- g. Crests, shields or symbols as required by law (i.e., banks, etc.) will be permitted, but shall be limited to six inches (6") high, the center of which shall be five feet (5') above the floor line and shall be in gold or silver leaf or in one color on the glass storefronts only.
- h. Reverse cut white or gold lettering only, shall be permitted on glass doors within the limits set forth herein: 144 square inches per entrance in lettering not to exceed two inches (2") in height, indicating hours of business, emergency telephone numbers, ADT sticker, etc.
- i. Service Doors:
- i. All lettering shall be painted on face of door.
  - ii. Door is typical non-customer type for receiving merchandise and generally occurs at the rear of premises. (Verify door location with Lease plan.)
- j. THE FOLLOWING TYPES OF SIGNS ARE PROHIBITED unless specifically approved by the Lessor or Lessor's agent, and the reviewing jurisdiction on an individual basis.
- i. Illuminated logos, non-illuminated letters, numerals or symbols.
  - ii. Signs employing moving or flashing lights.
  - iii. Signs employing exposed conduit, conductors, ballast boxes, transformers or other equipment.
  - iv. Signs employing luminous vacuum-formed plastic letter.
  - v. Signs employing unedged or uncapped letters with no returns and exposed fastenings.
  - vi. No sign of any type other than those described above will be allowed to become attached to or temporarily place within the display windows or any store except where they are constructed of self-supporting material.
  - vii. Individual Pylon sign.
  - viii. Moving signs
  - ix. Signs with exposed neon or fluorescent tubing.
  - x. Paper, cardboard or painted signs.
  - xi. Audible signs.
  - xii. Portable signs, including but not limited to auto, truck or trailer-mounted signs and bread-board type signs.
- k. If Lessor has provided a "back lit awning" for the Lessee's use as signage, Lessee shall install vinyl lettering and graphics only on the awning at Lessee's sole expense. LESSEE SHALL NOT USE ANY PAINT WHATSOEVER ON THE AWNING. Upon Lessee's vacation of the premises, Lessee shall hire a sign awning washing company to remove the lettering and clean the awning. All the requirements set forth in Sections 1 through 3 above, shall apply to awnings.

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## EXHIBIT E

### Commencement and Termination Agreement

This Agreement is made with respect to that certain Commercial Property Lease (the "Lease") between Meeker St. Law Building, LLC, as Lessor ("Lessor") and King County, a municipal corporation as Lessee ("Lessee") for the lease of those certain premises (the "Premises") located at 420 West Harrison Street, Kent, Washington 98032.

The Lease provides that when certain provisions thereof shall, have been ascertained, Lessor and Lessee shall enter into a supplemental agreement confirming said provisions.

Accordingly, the parties hereby agree as follows:

1. The Commencement Date of the Lease shall be \_\_\_\_\_, 2015 and the expiration date of the Term shall be \_\_\_\_\_, 2018.
2. Any capitalized term used herein shall have the meaning ascribed to in the Lease.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015

**LESSEE: King County, a municipal corporation**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LESSOR: Meeker St. Law Building, LLC**

By:   
M. Bruce Anderson, Member

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Lessee's Initials \_\_\_\_\_

Lessor's Initials MSA

Lessee's Initials \_\_\_\_\_

## EXHIBIT G

### RULES AND REGULATIONS

Lessee shall faithfully observe and comply with the rules and regulations that Lessor shall from time to time promulgate and/or modify. The rules and regulations shall be binding upon the Lessee upon delivery of a copy of them to Lessee. Lessor shall not be responsible to Lessee for the nonperformance of any said rules and regulations by any other tenants or occupants.

The Lessee, in the use of said common and parking areas, agrees to comply with such reasonable rules and regulations for parking and the Lessor may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include but shall not be limited to the restricting of employees parking to a limited, designated area or areas. The following rules and regulations are now in effect:

#### 1. EMPLOYEE PARKING

Lessee and Lessee's agents and employees shall park only in those areas designated by Lessor or Lessor's agents. Lessee shall pay a fine to Lessor of \$20.00 per violation for each parking violation of Lessee, Lessee's employees, agents or licensees.

#### 2. REFUSE

- a) All garbage and refuse shall be kept on the kind of container specified by Lessor and shall be placed outside of the Lease Premises prepared for collection in the manner and at the times and places specified by Lessor. If Lessor shall provide or designate a service for picking up refuse and garbage, Lessee shall use same at Lessee's cost. Lessee shall pay the cost of removal of any of Lessee's refuse or rubbish.
- b) Lessee shall not burn any garbage in or about the leased premises or anywhere within the office building.
- c) If Lessee's garbage is of a deteriorating nature, creating offensive odors, Lessee shall utilize and maintain at its cost and expense refrigerated facilities as required by the Lessor.

#### 3. OVERLOADING, SUSPENSION, LOADING AND UNLOADING

- a) Lessee shall not overload any floor of the leased premises in excess of one hundred (100) pounds per square foot, or such other weight as Lessor reasonably determines.
- b) Lessee shall not hang or suspend from any wall or ceiling or roof, or any other part of the leased premises or the office building, any equipment, fixtures, signs, or displays which are not first authorized by Lessor. No radio or television or other similar devices shall be installed without first obtaining in each instance Lessor's consent in writing. No aerial shall be erected on the roof or exterior walls of the Leased Premises or on the grounds, without in each instance, the written consent of the Lessor. Any aerials so installed without such written consent shall be subject to removal without notice at any time.
- c) All loading and unloading of goods shall be done only at such times, in the areas, and through the entrances designated for such purposes by Lessor.
- d) The delivery or shipping of merchandise, supplies and fixtures to and from the Leased

Lessor's Initials                     

Lessee's Initials

Premises shall be subject to such rules and regulations as in the judgment of Lessor are necessary for the proper operation of the Leased Premises or Commercial Center.

**4. ELECTRICAL EQUIPMENT**

- a) Lessee shall at its sole cost and expense, install and maintain all necessary lighting fixtures, electrical equipment and wiring therefore.
- b) If Lessee requires any electrical equipment which might overload the electrical facilities in the leased premises, Lessee shall submit to Lessor plans and specifications for works required to install and supply additional electrical facilities or equipment to prevent such overloading, and shall obtain Lessor's written approval to perform such works, which shall meet all the applicable regulations or requirements of any government or other competent authority, the Associations of the Insurance Underwriters and Lessor's insurers, all at the sole cost and expense of Lessee.

**5. PLUMBING**

No plumbing facilities shall be used for any purpose other than that for which they were designed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision by Lessee or by any person for whom Lessee is responsible shall be borne by Lessee. No garbage disposals shall be installed by Lessee without the prior written approval of Lessor.

**6. HVAC OPERATION**

- a) Lessee shall operate or permit to be operated its own heating, ventilation or air conditioning equipment, if any, in such manner that there will be no direct or indirect appropriation of heating or cooling from other portions of the office building.
- b) Lessee shall not leave open any doors or windows to the exterior of the office building which would adversely affect the performance of any heating, ventilating, or air-conditioning equipment in the office building.
- c) If the Leased Premises are equipped with heating facilities separate from those in the remainder of the office building, Lessee shall keep the Leased Premises at a temperature sufficiently high to prevent freezing water in pipes and fixtures.

**7. SIGNS, ADVERTISING, DISPLAY WINDOW**

- a) Lessee shall not erect or install any exterior signs or interior window or door signs or advertising media or window or door lettering or placards without the prior consent of Lessor.
- b) Lessee shall not use any advertising media that Lessor shall deem objectionable to it or to other tenants, such as, without limiting the generality of the foregoing, loudspeakers, phonographs, televisions, public address systems, sound amplifiers, radios, broadcasts, or telecast within the office building in a manner capable of being heard or seen outside the leased premises.
- c) Lessee shall not install any exterior lighting, exterior decorations or build any aerial or mast or make any changes to the store front of the leased premises, without the prior written consent of Lessor.

Lessor's Initials

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Lessee's Initials \_\_\_\_\_

- d) Lessee shall indemnify and save harmless the Lessor from all claims, demands, loss or damage to any person or property arising out of any sign, mast, aerial or other installation, notwithstanding any consent by Lessor thereto.
- e) Lessee shall keep all display windows neatly dressed and, together with any other windows, store fronts and lighted signs in, upon or affixed to the leased premises, illuminated until such times as required by Lessor.
- f) The exterior areas immediately adjoining the Leased Premises shall be kept clean and free from snow, ice, dirt, and rubbish by Lessee to the satisfaction of Lessor, and Lessee shall not place or permit any obstruction of merchandise in such areas.
- g) Any installation requiring Lessor's consent which has not received such consent shall be subject to immediate removal without notice, at Lessee's cost.

**8. NO SOLICITATION**

Lessee, or Lessee's employees and agents, shall not solicit business in the Parking Areas or other Common Areas and shall not distribute any handbills or other advertising matter therein.

**9. PESTS**

Should the leased premises become infested with rodents, vermin or the like, Lessee shall forthwith remedy the same and shall use, at Lessee's cost, such pest extermination contractor as Lessor may direct and at such intervals as Lessor may require as being necessary by reason of the conditions in the leased premises.

**10. NOTICE OF ACCIDENTS, DEFECTS**

Lessee shall give immediate notice to Lessor in case of fire or accident in the leased premises or of defects therein or to any fixtures or equipment thereon.

**11. EMERGENCY CONTACTS**

Lessee shall provide Lessor with the names, addresses and telephone numbers of two (2) authorized employees of Lessee who may be contacted by Lessor in the event of an emergency relative to the leased premises.

**12. PERMITS, LICENSES**

Lessee alone shall be responsible for obtaining, from the appropriate governmental authority or other regulatory body having jurisdiction, whatever permits, licenses or approvals as may be necessary for the operation of its business, the whole to the entire exoneration of Lessor.

**13. LESSOR'S WORK**

Any work to be performed in the leased premises by Lessee or its contractors shall be first approved and then made strictly in accordance with the rules and regulations of Lessor from time to time in respect to work by tenants within the office building.

**14. HOURS OF OPERATION**

Lessor's Initials MB

Lessee's Initials \_\_\_\_\_

~~Lessee will be open for business a minimum of 60 hours per week~~

15. **NOISES, ODORS**

Lessee shall not make excessive noises, cause disturbances, or create objectionable, unreasonable odors, which may be offensive to other tenants of the building of their officers, employees, agents, servants, customers, or invitees.

16. **CHILDREN OR PETS**

Lessee shall not allow for the care of small children or pets within the Premises.

17. **FURTHER RULES AND REGULATIONS**

For the general benefit and welfare of the office building and the tenants therein, Lessor may amend these rules and regulations, by alteration or addition, and such amended rules and regulations shall be binding on Lessee.

18. **DISPLAYS. General.** Lessee may not display or sell merchandise or allow grocery carts or other similar devices within the control of Lessee to be stored or to remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install any exterior lighting, amplifiers or similar devices or use in or about the Premises, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts, nor to make or allow to be made, any excessive noise in or around the Premises. It is understood and agreed that no advertisement or sound of advertising shall be heard outside of the Premises.

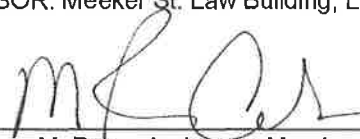
19. **AUCTIONS AND SALES. General.** Lessee shall not conduct or permit to be conducted any sale by auction upon or from the Premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 2015

LESSEE: King County, a municipal corporation

By: \_\_\_\_\_

LESSOR: Meeker St. Law Building, LLC

By:  \_\_\_\_\_  
M. Bruce Anderson, Member

Lessor's Initials MB

Lessee's Initials \_\_\_\_\_