

October 14, 1987  
jfb

Introduced by: BILL REAMS  
BRUCE LAING  
Proposed No.: 87 - 730

ORDINANCE NO. 18284

AN ORDINANCE authorizing King County to enter into a multi-year lease for the Eastpointe Plaza Building, and declaring an emergency.

SECTION 1. The King County council authorizes the King County executive to sign a multi-year lease for the Eastpointe Plaza Building. The lease agreement is provided in Attachment A.

SECTION 2. The council, in adopting the 1987 Budget, has appropriated sufficient lease funds to cover lease costs for the Building and Land Development Division.

SECTION 3. The county council finds as a fact and, declares that an emergency exists and that this ordinance is necessary for the immediate preservation of public peace, health or safety or for the support of county government and its existing public institutions.

INTRODUCED and READ for the first time this 19th day of October, 1987.

PASSED this 19th day of October, 1987.

KING COUNTY COUNCIL  
King County, Washington

Gary Grant  
Chairman

ATTEST:

Gerald A. Pollock  
Dep. Clerk of the Council

APPROVED this 28th day of October, 1987

[Signature]  
King County Executive

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33

**STANDARD OFFICE LEASE**

**EASTPOINTE PLAZA BUILDING  
BELLEVUE, WASHINGTON**

**BY AND BETWEEN  
SHORELINE SAVINGS BANK  
AND  
KING COUNTY**

48284

INDEX TO LEASE

<u>Article</u>	<u>Page</u>	<u>Subject</u>
I	1	Definitions and Certain Basic Provisions
II	2	Grant
III	2	Purpose, Term, Possession
IV	2	Rent
V	4	Construction of the Premises
VI	4	Insurance and Indemnification
VII	5	Utilities and Services
VIII	6	Security Deposit and Default Provisions
IX	8	Abandonment and Surrender
X	8	Alterations and Maintenance
XI	9	Assignment, Subletting, and Holding Over
XII	10	Attorney Fees
XIII	10	Eminent Domain, Destruction of Premises, and Liens
XIV	10	Entry and Compliance With Law
XV	11	Waver of Subrogation and Subordination
XVI	11	Signage
XVII	11	General Conditions
XVIII	13	Additional Items

List of exhibits attached:

- Exhibit A: Building Plan
- Exhibit B: Building Rules and Regulations
- Exhibit C: Work Letter Agreement
- Exhibit C-1: Building Standard Work
- Exhibit D: Site Plan
- Exhibit E: Memorandum of Lease
- Exhibit F: Legal Description

STANDARD OFFICE LEASE

This Lease is made on this 2nd day of October, 1987, by and between Lessor and Lessee hereinafter named:

## ARTICLE I: Definitions and Certain Basic Provisions

- 1.1 (a) "Lessor": Shoreline Savings Bank
- (b) Lessor's address and telephone number: 12360 Lake City Way,  
P.O. Box 25788, Seattle, WA 98125
- (c) "Lessee": King County
- (d) Lessee's address and telephone number: c/o Real Property Division, 5th Floor, King  
County Administration Building, Seattle, WA 98103
- (e) Lessee's door sign and/or directory wording: \_\_\_\_\_
- (f) "Agent": LANDSING PROPERTY CORPORATION
- (g) Agent's address and telephone number: 722 S.W. Second Avenue, Suite 300,  
Portland, Oregon 97204 (503) 227-2654
- (h) "Premises": The Premises contain an area of approximately 53,952 rentable square feet at Suite \_\_\_\_\_, See Legal Description Exhibit (street address), \_\_\_\_\_ (city, state, and zip code), of the Eastpointe Plaza (herein called the "Building").
- (i) Lease term: 62 months commencing on the 1st day of November, 1987, and ending on the 31st day of December, 1992.
- (j) Minimum rental:
- |                     |                    |                               |                              |
|---------------------|--------------------|-------------------------------|------------------------------|
| From <u>11/1/87</u> | to <u>1/31/88</u>  | <u>\$ 0</u> per annum         | <u>\$ 0</u> per month        |
| From <u>2/1/88</u>  | to <u>10/31/90</u> | <u>\$688,457.88</u> per annum | <u>\$57,371.49</u> per month |
| From <u>11/1/90</u> | to <u>12/31/92</u> | <u>\$777,660.12</u> per annum | <u>\$64,805.01</u> per month |
- (k) Base year for operating expense adjustment: See Section 4.4
- (l) Hours of building operation: Monday through Friday -- 7:00 a.m. to 6:00 p.m.; Saturday -- 8:00 a.m. to 5:00 p.m.; Sunday -- n/a.
- (m) Required insurance of Lessee: \$ 2,000,000 for liability and \$ 1,000,000 for property damage. Lessee may provide Lessor with certificate of self insurance in these amounts.
- (n) Interest rate used in calculation of certain charges: 12 percent per annum.
- (o) Security Deposit: \$ 5,000
- (p) Permitted use(s): Office; governmental land use planning and regulatory agency.
- (q) The Laws of the State of Washington, County of King, City of Bellevue will govern the validity, performance, and enforcement of this Lease.
- (r) Lessee shall prepay the last 2.7 months within 3 days of occupancy.

1.2 Each of the foregoing definitions and basic provisions shall be construed in conjunction with and limited by the references thereto in the other provisions of this Lease.

Lessee's failure to pay rent. This provision for the payment of interest shall not be in lieu of nor affect any and all other rights to which Lessor may become entitled upon any such failure by Lessee to pay any such sum due hereunder when due.

- 4.6 In addition to the base rental described herein, Lessee agrees to make payments to the Lessor of the following additional rental:
- (a) Capital improvements to the building which result in a reduction in operating costs paid by or chargeable to Lessee under this Lease shall be amortized with interest and charged to the Lessee, to the extent, but only to the extent, that operating expenses are thereby reduced.
  - (b) Interest rates and amortization terms shall be those charged Lessor for subject financing, or if no financing is used, based upon market rates and terms prevailing in the marketplace at the time such capital investments are required to be made. Should Lessor, after the initial financing of said required capital improvements, be able to refinance at a more favorable rate, the benefits of said rate shall be passed on to Lessee.
- 4.7 All costs and expenses which the Lessee assumes or agrees to pay pursuant to this Lease shall, at Lessor's election, be treated as additional rent, and in the event of non-payment, Lessor shall have all the rights and remedies herein provided for the case of non-payment of rent or of a breach of condition. If Lessee shall default in making any payment required to be made by Lessee (other than the payment of minimum rental required by Section 4.1) or shall default in performing any term, covenant, or condition of this Lease on the part of the Lessee to be performed which shall involve the expenditure of money by Lessee, Lessor, at the Lessor's options, may, but shall not be obligated to, make such payment or, on behalf of Lessee, expend such sum as may be necessary to perform and fulfill such term, covenant, or condition, and any and all sums so paid or expended by Lessor, with interest thereon at the rate specified in Section 1.1(n) from the date of such expenditure, shall be deemed to be additional rent, in addition to all rents otherwise reserved in this Article IV, and shall be repaid by Lessee to Lessor on demand, but no such payment of expenditure by Lessor shall be deemed a waiver of Lessor's right by reason of such default.
- 4.8 It is the intention of Lessor and Lessee that the rent to be paid to Lessor hereunder shall be absolutely net without deduction of any nature whatsoever except as the Lease expressly provides for otherwise. In no event shall the amount of minimum rental be reduced below the initial amount specified in Section 4.1 above.

#### ARTICLE V: Construction of the Premises

- 5.1 The Lessor shall construct the Premises, if not already existing, for the Lessee's use and occupancy in accordance with plans and specifications prepared by the Lessor or the Lessor's architect, incorporating in such construction all items of work described in Exhibit "C" and Exhibit "D" attached to the Lease and made a part of the Lease. Exhibit "C" shall specify to what proportion Lessor and Lessee shall share in the costs of constructing the Premises. Any work in addition to any of these items specifically stated in Exhibit "C" and Exhibit "D" which the Lessor installs or constructs in the Premises on the Lessee's behalf and upon Lessee's written request shall be paid for by the Lessee within fifteen (15) days after receipt of a bill for the cost, plus overhead, supervision, and architectural expenses.
- 5.2 The Lessor shall construct upon the Building site, at its own cost, if not already existing, access roads, footways, and parking lots, or facilities as shown in Exhibit "D."
- 5.3 The Lessor hereby holds the right at any time to make alterations or additions to and to build additional spaces on or next to the Building in which the Premises are contained. The Lessor also reserves the right to construct other buildings or improvements at the Building from time to time and to make alterations or additions. Easements for light and air are not included in the leasing of these Premises to the Lessee. The Lessor further reserves the rights to the roof except as provided in this Lease.
- 5.4 The purpose of the site plan attached as Exhibit "D" is to show the approximate location of the Premises. The Lessor reserves the right at any time to relocate, vary and adjust the size of the various buildings, easements, automobile parking areas, and other common areas as shown on this site plan.

#### ARTICLE VI: Insurance and Indemnification

- 6.1 Throughout the term of this Lease, Lessee shall, at Lessee's expense, obtain and keep in force a policy of comprehensive public liability insurance insuring Lessor and Lessee against any

liability arising out of the ownership use, occupancy, or maintenance of the Premises and any and all areas appurtenant thereto. The limit of said insurance shall not, however, limit the liability of Lessee hereunder. The amounts of this insurance shall be at least the amounts specified in Section 1.1(m). Insurance required hereunder shall be in companies satisfactory to Lessor. Lessee may carry this insurance under a blanket policy or through self-insurance providing, however, that this insurance by Lessee shall have a landlord's protective liability endorsement attached thereto. Lessee shall deliver to Lessor prior to occupancy of the Premises copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Lessor. No policy shall be cancellable or subject to reduction of coverage except after ten (10) days' prior written notice to Lessor. If Lessee shall fail to procure and maintain said insurance, Lessor may, but shall not be required to, procure and maintain the same, but at the expense of Lessee. Any amount so paid by Lessor shall be repayable by Lessee to Lessor with the next installment of rent, and failure to repay the same shall carry with it the same consequences as failure to pay any installment of rent.

6.2 Except for loss or damage occasioned by Lessor's negligence, Lessee agrees to defend, indemnify, and hold harmless Lessor against and from any and all claims arising from Lessee's use of the Premises for the conduct of its business or from any activity, work, or other things permitted or suffered by the Lessee in or about the Building, and shall further indemnify and hold harmless Lessor against and from any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any negligence of Lessee, or any officer, agent, employee, guest, patient, or invitee of Lessee, and from all and against all costs, attorneys fees, expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon, and in any case should action or proceeding be brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor shall defend the same at Lessee's expense. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon, or about the Premises, from any cause other than Lessor's negligence, and Lessee hereby waives all claims in respect thereof against Lessor. Lessee agrees that by acceptance of possession of the Premises and said appurtenances that they are delivered in safe and tenantable condition, and are to be kept in that condition by Lessee. Lessor or its agents shall not be liable for any damage to property entrusted to employees of the Building, nor for loss or damage to any property by theft or otherwise, nor for any injury to or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances, or plumbing works thereon or from the roof, street, or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to negligence of Lessor, its agents, servants, or employees. Lessor or its agents shall not be liable for interference with the loss of business by Lessee, nor shall Lessor be liable for any latent defect in the Premises or in the Building unless such latent defect significantly affects the usability of the leasehold. Lessee shall give prompt notice to Lessor in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment.

6.3 Lessor shall maintain during the term of the Lease, without cost or expense to Lessee except as provided in paragraph 4.4, in force with insurance carriers holding a general Policyholder's Rating of "A" and a Financial Rating of "+" or better, according to Best's, the following insurance with respect to the building and it's operations:

- (i) Public liability and property damage insurance with combined single limits two million dollars; and
- (ii) Fire and extended coverage insurance, with rent interruption endorsement, in amounts equal to the full insurable value of all improvements, structures and buildings located on the Premises which policies shall be issued by an insurance company licensed to do business in the state of Washington.

Provided, however, this paragraph shall not require Lessor to maintain coverage for Lessee's property or Lessee's public liability coverage.

ARTICLE VII: Utilities and Services

7.1 Lessor agrees to furnish the Premises during the hours specified in Section 1.1(l), these hours subject to the rules and regulations of the Building of which the Premises are a part, electricity for normal lighting, and fractional horsepower office machines, and heat and air conditioning required in Lessor's judgment, and regulated by governmental authorities where applicable, for the reasonably comfortable use and occupation of the Premises. Lessor shall also maintain and keep light on the common stairs, common entries, toilet rooms, and elevators in the Building of which the Premises are a part. Janitorial service shall be provided for the premises four (4) days per week between the hours of 6:00 p.m. and 7:00 a.m. Monday night through Thursday night and once during the weekend between 6:00 p.m. Friday night until 7:00 a.m. Monday morning for a total of five (5) times per week.

- 7.2 Lessor shall not be liable for, and Lessee shall not be entitled to, any reduction of rental by reason of Lessor's failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strikes, lockouts, or other labor disturbances or labor disputes of any character, or by any other cause, similar or dissimilar, beyond the reasonable control of Lessor. Lessor shall not be liable under any circumstances for a loss or injury to property or persons, however, occurring through or in connection with incidental failure to furnish any of the foregoing. The Lessor reserves the right to stop the above defined services at any time when reasonably necessary due to accident or emergency. Lessor shall use reasonable diligence to repair, maintain, alter, replace, or improve same promptly.
- 7.3 (a) Lessee must have the prior written consent of Lessor before installing any electrical, mechanical, or lighting equipment which requires added amounts of heat, air conditioning, or electricity. Lessee shall pay for the costs of installation, maintenance, and service of any special HVAC, lighting, or electrical service necessary to serve high-power equipment. In no event shall the Lessee overload the electrical circuits from which the Lessee obtains current.
- (b) As additional rental, Lessee shall, in advance, on the first day of each month during the Lease term, pay Lessor the reasonable amount estimated by Lessor as the cost of furnishing electricity or gas service for the operation of such additional equipment and for the reasonable amount estimated by Lessor as the cost of operation and maintenance of supplementary equipment as necessitated by Lessee's use of said equipment. The rental stated herein does not include the cost of furnishing additional air conditioning, heat, or electric service unless so stated herein, and such costs shall be paid by Lessee as additional rental in the manner herein provided.
- (c) Lessor shall be entitled to install and operate at Lessee's expense monitoring/metering systems to measure the added electricity, heating, ventilation, and air conditioning services provided to Lessee resulting from Lessee's use of supplementary equipment and Lessee's after-hours service requirements.
- 7.4 Whenever heat-generating machines or equipment are used on the Premises which affect the temperature otherwise maintained by the air conditioning system, Lessor reserves the right to install supplementary air conditioning units in the Premises, and the cost thereof, including the cost of installation and the cost of operation and maintenance thereof, shall be paid by Lessee to Lessor upon demand by Lessor.

#### ARTICLE VIII: Security Deposit and Default Provisions

- 8.1 Lessee shall deposit with Lessor the amount specified in Section 1.1(o) at or before execution of this Lease as security for the full performance of each and all of the provisions of this Lease subject to Section 18.6. If Lessee defaults in any particular provision, Lessor may use, apply to retain the whole or any part of the security (1) to the extent of any sum due to Lessor, (2) to make any required payment on Lessee's behalf, (3) to compensate Lessor for any expense or damage caused by Lessee's default, (4) to repair damage in excess of ordinary wear and tear, or (5) to remove modifications Lessee has made to the Premises. On Lessor's demand, Lessee shall promptly pay to Lessor a sum equivalent to the amount by which the security deposit was so depleted. Lessee shall pay the deposit directly to Lessor in trust. Lessor shall have the authority to use or apply the deposit only on the default and/or for the purposes described above as the purpose of the security deposit. On termination of this Lease, provided Lessee is not then in default, Lessor shall return to Lessee all the security deposit then in Lessor's possession, except as to any amounts withheld for the purposes noted above. Lessee shall not voluntarily apply any portion of this security deposit to any rent due under this Lease.
- 8.2 Each of the following events shall be a default of Lessee and a material breach of this Lease:
- (a) Abandonment, as defined as failure to occupy and conduct business as set forth in paragraph 3.1 for a period of more than 30 days, or surrender of the Premises or the leasehold estate or failure or refusal to pay when due any installment of rent or any other sum required by this Lease to be paid by Lessee, or to perform as required or conditioned by any other covenant or condition of this Lease or the building rules and regulations attached to this lease as Exhibit "B".
- (b) The subjection of any right or interest of Lessee to attachment, execution or other levy, or to seizure under legal process if not released within thirty (30) days.
- (c) The appointment of a receiver to take possession of the Premises or improvements or of Lessee's interest in the leasehold estate or of Lessee's operations on the Premises for any reason, including but not limited to, assignment for benefit of creditors or voluntary bankruptcy proceedings, but not including a receivership (1) pursuant to administration of the estate of any deceased or incompetent Lessee or of any deceased

or incompetent individual member of any Lessee, or (2) instituted by Lessor, the event of default being not the appointment of a receiver of Lessor's insistence, but the event justifying the receivership, if any.

- (d) Assignment by Lessee for the benefit of creditors or the filing of a voluntary or involuntary petition by or against Lessee under any law for the purpose of adjudicating Lessee bankrupt; or for extending time for payment, adjustment, or satisfaction of Lessee's liability; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceedings and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within thirty (30) days after the assignment, filing, or other initial event.

8.3 If any default by Lessee shall continue uncured, Lessor has the following remedies in addition to all other rights and remedies provided by law or equity, to which Lessor may resort cumulatively or in the alternative:

- (a) Lessor may, at Lessor's election, terminate this Lease by giving Lessee notice of termination. On the giving of the notice, all Lessee's rights in the Premises and in all improvements shall terminate. Promptly after notice of termination, Lessee shall surrender and vacate the Premises with all improvements in good repair, order and condition, reasonable wear and tear excepted, and in broom clean condition, and Lessor may re-enter and take possession of the Premises and all remaining improvements and eject all parties in possession or eject some and not others or eject none; provided that no subtenant qualifying under non-disturbance provisions of this Lease shall be ejected. Termination under this paragraph shall not relieve Lessee from the payment of any sum then due to Lessor or from any claim for damages previously accrued or then accruing against Lessee.
- (b) Lessor may, at Lessor's election re-enter the Premises, and without terminating this Lease, at any time and from time to time relet the Premises and improvements or any part or parts of them for the account and in the name of Lessee or otherwise. Lessor may, at Lessor's election, eject all persons or eject some and not others or eject none. Any reletting may be for the remainder of the term or for a longer or shorter period. Lessor may execute any leases made under this provision either in Lessor's name or in Lessee's name and shall be entitled to all rents from the use, operation, or occupancy of the premises or improvements or both. Lessee shall nevertheless pay to Lessor on the due dates specified in this Lease the equivalent of all sums required of Lessee under this Lease, plus Lessor's expenses less the avails of any reletting or attornment. No act by or on behalf of Lessor under this provision shall constitute a termination of this Lease unless Lessor gives Lessee notice of termination. Even though Lessee has breached the Lease and/or abandoned the property, the Lease continues in effect and Lessor may enforce all of its right and remedies under the Lease, including the right to recover rent as it becomes due under the Lease.
- (c) The election of one remedy shall not foreclose an election of any other remedy for another item or for the same item at a later time. Lessor shall be entitled at Lessor's election to each installment of rent or to any combination of installments for any period before termination, plus interest at the rate of ten percent (10%) per annum from the due date of each installment. Avails of reletting or attornment subrents shall be applied, when received as follows: (1) to Lessor to the extent that the avails for the period covered do not exceed the amount due and charged to Lessee for the same period, and (2) the balance to Lessee. Lessor shall be entitled at Lessor's election to damages in the following sums:
- (1) All amounts that would have fallen due as rent between the time of termination of this Lease for the time of the claim, judgment or other award, less the avails of all reletting and attornments, plus interest on the balance at the rate specified in Section 1.1(n); and
  - (2) The present value of the amount by which the unpaid rent for the balance of the term after the time of award, or for any shorter period of time as specified in the Lease, exceeds the amount of such rental loss that the Lessee proves could be reasonably provided; and



(3) Any amounts necessary to compensate the Lessor for all the detriment proximately caused by the Lessee's failure to perform his obligation under the Lease or which in the ordinary course of things would be likely to result therefrom. The present value of the amount referred to in paragraph (2), immediately above, is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(d) Lessee assigns to Lessor all subrents and other sums falling due from subtenants during any period in which Lessor has the right under this Lease, whether exercised or not, to re-enter the Premises for Lessee's default, and Lessee shall not have any right to such sums during that period. Lessor may, at Lessor's election, re-enter the Premises with or without process of law, without terminating this Lease, and/or collect these items or bring action for the recovery of the sums directly from such obligors. Lessor shall receive and collect all subrents and avails from reletting, applying them: (1) to the payment of reasonable expenses (including attorneys' fees or brokers' commissions or both) paid or incurred by or on behalf of Lessor in recovering possession, placing the Premises and improvements in good condition, and preparing or altering the Premises or improvements for reletting; (2) to the reasonable expense of securing a new Lessee; (3) to the fulfillment of Lessee's covenants to the end of the term; and (4) to Lessor's uses and purposes. Lessee shall nevertheless pay to Lessor on the due date specified in this Lease the equivalent of all sums required of Lessee under this Lease, plus Lessor's expenses, less the avails of the sums assigned and actually collected under this provision. Lessor may proceed to collect either the assigned sums of Lessee's balances and/or any installment or installments of them, either before or after the expiration of the term, but the statute of limitations, RCW 4.16.010 and following, shall not begin to run on the payments of the assigned sums until the due date of the final installment due from the respective obligors. All subleases which Lessee shall enter into shall contain the provisions of this paragraph.

~~8.4 Lessor is granted a lien and security interest for all rentals and other sums of money becoming due hereunder from Lessee, upon all equipment, fixtures, furniture, and other personal property situated in the Premises, and such property shall not be removed therefrom without the consent of Lessor until all arrearages in rent and other sums of money then due to Lessor hereunder shall first have been paid. Upon the occurrence of an event of default by Lessee, Lessor may, in addition to any other remedies provided herein or by law, enter upon the Premises and take possession of any and all inventory, equipment, fixtures, furniture, and other personal property situated on the premises without liability for trespass or conversion, and sell the same upon five (5) days' written notice to Lessee (said period of time being herein agreed to be reasonable) at public or private sale, with or without having such property at the sale, at which Lessor or its assigns may purchase, and apply the proceeds thereof, less any and all expenses connected with the taking of possession and sale of the property, as a credit against any sums due by Lessee to Lessor. Any surplus shall be paid to Lessee, and Lessee agrees to pay any deficiency forthwith. Alternatively, the lien hereby granted may be foreclosed in the manner provided by law for foreclosure of security interests or in any other form provided by law. Lessor agrees to subordinate its security interest to any purchase money security interest granted by Lessee to finance the acquisition of the equipment and property of Lessee in the Premises. This Lease shall constitute and may be filed as a Financing Statement to perfect the security interest granted to Lessor herein. Additionally, Lessee agrees to execute and deliver to Lessor all such Financing Statements or other instruments as Lessor may request from time to time to perfect or protect the security interest granted to Lessor herein.~~

#### ARTICLE IX: Abandonment and Surrender

9.1 Lessee shall not vacate or abandon the Premises at any time during the Lease term.

9.2 No act or conduct of the Lessor, whether consisting of the acceptance of the keys to the Premises, or otherwise, shall be deemed to be or constitute an acceptance of the surrender of the Premises by the Lessee prior to the expiration of the term thereof, and such acceptance by the Lessor of surrender by the Lessee shall only flow from and must be evidenced by a written acknowledgment of acceptance of surrender signed by Lessor. The surrender of this Lease by the Lessee, voluntary or otherwise, shall not work a merger but shall operate as an assignment to the Lessor of any and all existing subleases or the Lessor may, at its option, terminate any and all of such subleases by notifying the sublessees of its election so to do within five (5) days after such surrender.

**ARTICLE X: Alterations and Maintenance**

- 10.1 Lessee shall not make any alterations or additions to the Premises without the prior written permission of Lessor. All additions or improvements by Lessee, including, without limitation, carpeting, wall covering, floor covering, paneling, and built-in cabinet work, but excluding movable equipment, movable furniture and movable trade fixtures, shall on the expiration of the term become a part of the realty and belong to the Lessor. Lessee will promptly repair any damage to the Premises caused by removal of any other items not considered realty under this paragraph.
- 10.2 Lessor shall repair and maintain the structural portions of the Building including the basic plumbing, air conditioning, heating and electrical systems, unless such repairs are required as a result, in whole or in part, of the act or neglect of any duty by Lessee, its agents, servants, employees, or invitees, in which event Lessee shall pay to Lessor the reasonable cost of such maintenance and repairs. Lessor shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Lessor by Lessee. Except as provided by Sections 6.2 and 7.2 hereof, 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 in or to any portion of the Building or the Premises or in 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.
- 10.3 Lessee is responsible for carpet cleaning, not including routine vacuuming which is part of the janitorial service. Carpet cleaning must be completed at least once a year with verification provided to Lessor. Use of chair mats is required under all chairs with wheels unless otherwise approved.
- 10.4 Lessee will not permit waste, damage or injury to the Premises. Lessee shall, at it's own expense, keep the Premises and every part thereof in neat, clean, and sanitary condition consistent with the operation of a first class office building, damage thereto from ordinary wear and tear excepted. Lessee shall, at it's own expense, at all times keep and use the Premises in accordance with the laws of the state of Washington and directions, rules and regulations of the health officer, fire marshal, building inspector, or other public officer with jurisdiction.

**ARTICLE XI: Assignment, Subletting, and Holding Over**

- 11.1 Lessee shall not either voluntarily or by operation of law without the prior written consent of Lessor, except as herein expressly provided, assign or mortgage this Lease, or any interest therein, nor sublet or part with the possession of the whole or any part of the Premises, provided that Lessor's consent shall not unreasonably be withheld. Lessor shall use the same judgment factors in approving or disapproving an assignment or subletting as if the Premises, or a part thereof, were being rented to a new Lessee at the time of the assignment or subletting. Lessor reserves the right, in its sole discretion, to change the standards it uses to approve prospective Lessees or sublessees without notice, as long as these parameters are applied equally to all prospective tenants at any one point in time. Lessor shall not be required to commit its standards to writing or to provide a verbal description of said standards. A consent to one assignment or subletting shall not be deemed to be a consent to any subsequent assignment or subletting by another person. Any assignment or subletting without such consent shall be void, and shall, at the option of Lessor, constitute a default under this Lease.
- 11.2 Subject to the provisions of this Lease on assignment and subletting, each and all of the covenants and conditions of this Lease shall be binding and shall inure to the benefit of the heirs, successors, executors, administrators, assigns, and personal representatives of the parties hereto.
- 11.3 Should the Lessee hold over the term hereby created with the consent of the Lessor, the term of this Lease shall be deemed at the rental, including additional, if any, hereinabove provided, and otherwise upon the covenants and conditions in this Lease contained until either party hereto serves upon the other thirty (30) days' written notice of termination, reciting therein the effective date of cancellation. Upon said date, this Lease so extended shall terminate, and if the date occurs at other than the last day of any rental month, any unearned prepaid rental shall immediately, following the surrender of the Premises by the Lessee, be refunded to it. Nothing in this paragraph shall be construed by either party to this Lease as restricting the Lessor from changing the rental due by Lessee upon thirty (30) days' written notice from Lessor.
- 11.4 Lessee shall endeavor to provide Lessor with a minimum of one hundred twenty (120) days' written notice prior to the expiration of this Lease of Lessee's intent of vacating the

Premises at the end of this Lease. This notice requirement shall not serve as the granting of any option or right of first refusal to Lessee.

#### ARTICLE XII: Attorney Fees

- 12.1 If either party brings any action or proceeding to enforce, protect, or establish any right or remedy, the prevailing party shall be entitled to recover reasonable attorneys' fees. For the purpose hereof, Lessor shall be deemed to have prevailed in any unlawful detainer if the action is dismissed by reason of Lessee's curing of the default upon which such action was based. Lessee shall reimburse Lessor any and all costs incurred by Lessor in collecting any delinquent payments due from Lessee hereunder whether action is instituted therefor or not.

#### ARTICLE XIII: Eminent Domain, Destruction of Premises, and Liens

- 13.1 Should the Premises or any portion thereof be taken for public use by right of eminent domain with or without litigation, any award for compensation and/or damages, whether obtained by agreement prior to or during the time of trial, or by judgment or verdict after the trial, applying to the leasehold estate created hereby other than that portion of said award, if any, based upon a taking of the Lessee's leasehold improvements paid for by Lessee, shall belong and be paid to Lessor, and Lessee hereby assigns, transfers, and sets over to Lessor all of the right, title, and interest which it might otherwise have therein. In the event that the portion of the Premises so taken shall be more than twenty-five percent (25%) of the entire area leased by Lessee, Lessee shall have the option, to be exercised by written notice given to Lessor within thirty (30) days after the date of such taking, to terminate this Lease. If either less or more than twenty-five percent (25%) of the Premises is taken and the Lessee does not elect to terminate as herein provided, the rental thereafter to be paid shall be reduced in the same proportion as the amount of leased floor space is reduced by such taking, and Lessor shall make such reconstruction of the Premises as may be required.
- 13.2 In the event of a partial destruction of the Premises during the term hereof, from any cause whatsoever, Lessor agrees to forthwith repair the same if Lessor receives insurance proceeds sufficient to cover the cost of such repairs, provided such obligation is without prejudice to any rights Lessor may have against Lessee. During the repairs, this Lease shall remain in full force and effect, except that Lessee shall be entitled to a proportionate reduction of the rent while such repairs are being made, such proportionate reduction to be based upon the extent in which the making of such repairs shall materially interfere with the business carried on by Lessee in the Premises. If the damage is due to default and neglect of Lessee or his agents, servants, or employees, there shall be no abatement of rent except to the extent Lessor receives rent interruption payments from insurance. In the event the Building in which the Premises are situated is destroyed in Lessor's reasonable judgement to the extent of not less than one-third (1/3) of the replacement cost thereof, Lessor may elect to terminate this Lease, whether the Premises be damaged or not. A total destruction of the Building in which the Premises are situated shall terminate this Lease. Notwithstanding anything to the contrary contained herein, Lessor shall not have any obligation to repair, reconstruct, or restore the Premises when the damage occurs during the last twelve (12) months of the term of this Lease. Lessor shall not be required to repair any injury or damage to or to make any repairs to or replacements of any paneling, wallpaper, office fixtures, floor coverings, partitions, cabinets, or other custom items added to or installed by Lessee. Lessee shall not be entitled to any compensation of damages from Lessor for loss of use of the whole or any part of the Premises, or of Lessee's personal property or for any inconveniences or annoyances occasioned by such damage, or repair, or reconstruction.
- 13.3 Lessee shall keep the Premises and the Building in which the Premises are situated, free from any liens arising out of any work performed, furnished, or obligations incurred by or for Lessee.

#### ARTICLE XIV: Entry and Compliance With Law

- 14.1 Lessor reserves and shall at any and all times have the right to enter the Premises, inspect the same, supply janitorial service and any other service to be provided by Lessor to Lessee hereunder, to submit the Premises to prospective purchasers, mortgagees, or tenants, to post notices of non-responsibility, and to repair the Premises and any portion of the Building of which the Premises are a part that Lessor may deem necessary or desirable, without abatement of rent and may for the purpose erect scaffolding and other necessary structures when reasonably required by the character of the work performed, all as providing that the entrance to the Premises shall not be blocked thereby, and further providing that the business of Lessee shall not be interfered with unreasonably. Except for emergencies, Lessor shall give 10 days notice before entry. Lessee hereby waives any claim for damages or for injury or inconvenience to or interference with Lessee's business, any loss

of occupancy of quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Lessor shall at all times have and retain a key with which to unlock all of the doors in, upon, and about the Premises, excluding Lessee's vaults, safes, and files, and Lessor shall have the right to use any and all means which Lessor may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Lessee except for any failure to exercise due care for Lessee's property. Any entry to the Premises obtained by Lessor by any of said means or otherwise shall not under any circumstances be construed or deemed to be forceful or unlawful entry into, or a detainer of the Premises, or an eviction of Lessee from the Premises or any portion thereof. Lessee agrees to allow "to lease" signs of reasonable size to be placed in and remain upon the exterior or interior of the Premises during the last ninety (90) days of the Lease term.

- 14.2 Lessee agrees that it will comply and conform to all laws and ordinances, municipal, state and federal, and any and all lawful requirements and orders of any properly constituted municipal, state or federal board or authority, present or future, in any way relating to the condition, use or occupancy of the Premises throughout the entire term of this Lease and to the complete exoneration from liability of Lessor. The judgment of any court of competent jurisdiction or the admission of Lessee in any action or proceeding against Lessee, whether Lessor be a party thereto or not, that Lessee has violated any such law, ordinance, requirement or order in the use of the Premises, such law, ordinance, requirement, or order in the use of the Premises shall be conclusive evidence of the fact as between Lessor and Lessee.

#### ARTICLE XV: Waiver of Subrogation and Subordination

- 15.1 Each party hereby agrees that it shall not make a claim against or seek recovery from the other for any loss or damage to its property, or the property of others, resulting from fire or other hazards covered by fire and extended coverage insurance and each hereby releases the other from any such claim or liability regardless of the cause of such loss or damage so covered by insurance. In the event of any increased cost or impairment of ability to obtain such insurance, the party suffering such increased cost or impairment may terminate such waiver and release upon written notice to the other party hereto. Such waiver is conditioned upon the parties having had their respective insurance companies issue a policy or endorsement providing that the waiver or release of subrogation rights shall not adversely affect or impair such policies or recovery by the insured thereunder.
- 15.2 If the lending institution(s) that any time holds the first or second loan on the property requires this Lease to be subordinate to its loan, Lessee agrees to execute any documents necessary to subordinate this Lease to such loan, provided the lending institution(s) agrees in writing that in the event of foreclosure it will recognize this Lease and the Lessee shall have the right to remain in possession of the premises under the terms of this Lease after a foreclosure of the mortgage, deed of trust, or other security indenture so long as Lessee is not in default hereunder. Lessee further agrees to subordinate this Lease to the lien of any mortgage or deed of trust that may hereafter be placed upon these premises by Lessor, subject to the same limitations. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Lessor covering the Premises, Lessee shall attorn to the purchaser upon any such foreclosure or sales and recognize such purchaser as the Lessor under this Lease.

#### ARTICLE XVI: Signage

- 16.1 Lessee, at Lessee's sole cost and expense, shall add Lessee's name as specified in Section 1.1(3) to the suite door, hall directory, and exterior building sign in a manner conforming with the signage plan for the building.
- 16.2 Lessee shall not place any type of sign placard, mural, picture, or photograph on the windows of the Premises or the common area building windows or within three (3) feet of these windows so that their purpose is to be visible to the outside of the Premises and/or Building without the express written approval of Lessor.
- 16.3 Lessee shall not use the name of the Building in which the Premises are situated for any purpose other than as an address of the business to be conducted by Lessee in the Premises.
- 16.4 At Lessee's expense, Lessee shall have the right to install a sign facing the freeway and signs over the middle and easterly entrances of the building. Lessor shall have the absolute right to approve such signage and its location.

#### ARTICLE XVII: General Conditions

- 17.1 The captions to the various articles and sections of this Lease are for convenience and ease of reference only and do not define, limit, augment, or describe the scope, content, or intent of this Lease or of any part or parts of this Lease.

- 17.2 Time is of the essence of this Lease, and each and all of its provisions in which performance is a factor.
- 17.3 No waiver of any breach or default shall constitute a waiver of any other breach or default whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel, or otherwise. The subsequent acceptance of rent pursuant to this Lease shall not constitute a payment so accepted, regardless of Lessor's knowledge of the proceeding breach at the time of accepting the rent, nor shall acceptance of rent or any other payment after termination constitute a reinstatement, extension, or renewal of the Lease or revocation of any notice or other act by Lessor.
- 17.4 Lessee agrees to comply with the rules and regulations which shall apply to and be for the mutual benefit of all tenants in the Building. Lessor shall be permitted to change the rules and regulations at Lessor's discretion, such discretion shall be reasonably applied. Such rules and regulations are specified on Exhibit "B" attached hereto and incorporated herein.
- 17.5 The invalidity or illegality of any provision shall not affect the remainder of the Lease.
- 17.6 ~~Either party may submit any controversy arising out of this Lease or any interpretation thereof to arbitration. Arbitration shall be in conformity with and subject to the applicable rules and procedures of the American Arbitration Association. If the American Arbitration Association is not then in existence or for any reason fails or refuses to act, the arbitration shall be in conformity with and subject to the provisions of the applicable state code of civil procedure relating to arbitration as they stand amended at the time of the notice of arbitration. The arbitrators shall be bound by this Lease. Each party shall pay half the cost of arbitration including arbitrators' fees. Attorneys' fees shall be awarded as separately provided in this Lease.~~
- 17.7 Any notice or demand provided for in this Lease must be in writing. Delivery of notice shall be considered given either (1) when delivered in person to the recipient, or (2) on the date shown on the return receipt after deposit or (if the recipient does not sign the receipt) three (3) days after said deposit in the United States mail in a sealed envelope or container, either registered or certified mail, return receipt requested, postage and postal charges prepaid, addressed by name and address to the party or person intended as specified in Sections 1.1(a) and 1.1(b) for the Lessor and Sections 1.1(c) and 1.1(d) for the Lessee. Either party may, by notice given at any time or from time to time, require subsequent notices to be given to another individual person, whether a party or an officer or representative, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change. Each recipient named must be an individual person. If more than one recipient is named, delivery of notice to any one such recipient is sufficient. If none of the recipients named in the latest designation of recipients is available for delivery in person, and if the notice addressed by mail to each recipient named in the latest designation of recipients is returned to a sender undelivered, notice shall be sufficient if sent by mail as above to the party as named in this Lease, unless the name or identity of the party has been changed and proper notice of the change has been given, in which event the notice shall be sufficient if sent by mail as above to the party named in the latest notice designating the party, and the notice is considered given when the first attempt to give notice was properly made.
- 17.8 This Lease contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Lease has been or is relied upon by the parties to this Lease.
- 17.9 The singular number includes the plural whenever the context so indicates. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the neuter, and each includes corporation, partnership, or other legal entity when the context so requires. The word "person" means person or persons or other entity or entities or any combination of persons and entities.
- 17.10 If either Lessor or Lessee consists of more than one person, the obligation of all such persons is joint and several.
- 17.11 During any period of multiple ownership of Lessor's interest, a sole agent, to whom rent shall be payable, will be designated by Lessor. Lessor hereby appoints the agent specified in Sections 1.1(f) and 1.1(g) as Lessor's sole agent. Lessor may change the designated agent by written notice to Lessee in accordance with Section 17.7 above.
- 17.12 ~~At any time during the term of this Lease, Lessor shall have the right to request in writing that the Lessee move to Substitute Premises situated within the Building. The Substitute Premises shall contain the same approximate square footage as the Premises. Lessee shall~~

~~have thirty (30) days from the date of Lessor's request to accept the Substitute Premises. If accepted, Lessor shall remodel the Substitute Premises to be as nearly as possible similar in layout and finish as the Premises. Upon completion of remodeling by Landlord and delivery of possession, Lessee shall relocate in the Substitute Premises and vacate the Premises. Except for the change in designation of the Premises, all provisions of this Lease shall remain the same. Exclusive of the cost of address changes for supplies, Lessor shall pay the cost of locating Lessee in the Substitute Premises. If Lessee refuses to accept the Substitute Premises or fails to reply to Lessor's request within the time stated, this Lease shall terminate upon Lessee vacating the premises or three (3) months from the date of Lessor's request to Lessee, whichever first occurs.~~

#### ARTICLE XVIII: Additional Terms

- 18.1 Option to Renew: Lessee shall have the option to renew this lease for an additional 5 year period at the prevailing market rate, excluding any free rent adjustments for the building. If Lessor and Lessee are unable to agree upon prevailing market rate then they shall appoint a mutually acceptable arbitrator to determine such rate. Lessee must give at least 15 months written notice of it's intention to exercise the option. If the parties are unable to agree on an independent arbitrator, then each party shall select one arbitrator and those two shall select a third who shall act as the sole and final arbitrator. If the two arbitrators have not selected a third within 30 days after the selection of the last of the two, either party may apply to the presiding Judge of the Superior Court of King County to select a third. Each arbitrator will be a member of American Institute of Real Estate Appraisers or Society of Real Estate Appraisers or equivalent body. The third arbitrator shall determine the fair market value. The decision shall bind both parties. At the conclusion of the arbitration the arbitrator shall submit a written report which shall contain all pertinent evidence that led to a conclusion together with an explanation of the reasoning behind that conclusion. The costs of the arbitration shall be divided equally between the parties.
- 18.2 Option to Expand: Lessee shall have the first right to lease additional space in the project. At the beginning of each calendar quarter during the term of this lease, Lessee shall be granted the option to lease any of the uncommitted space, as determined by the Lessor, remaining in the project. The rate shall be at current market rates not to be below \$16.50 per square foot of net rentable area and shall be without concessions. Lessee shall receive a tenant improvement allowance equal to \$10.00 per square foot of N.R.A. The entire lease shall be extended at the time Lessee exercises this option, so that the remaining term shall equal the later of 4 years thereafter, or the current termination date. After the seventh day of each quarter, if Lessor has received no written notification from Lessee of it's intent to expand, Lessor shall have the right to commit any unleased space in the building to third parties. If the Lease is extended it shall conform with the rates indicated in Section 18.1.
- 18.3 Parking: Lessee shall receive 208 predesignated employee and visitor parking spaces. Exhibit D specifies those spaces on the site plan. Lessor shall use whatever reasonable means that may be necessary to enforce this provision, including, but not limited to, validation stickers and towing services, with Lessee paying all reasonable expenses for enforcement.
- 18.4 Quiet Enjoyment: Lessor covenants and agrees that Lessee, upon performance of all of Lessee's obligations under this lease, shall lawfully and quietly hold, occupy and enjoy the premises during the term of this Lease without disturbance by Lessor or any person having title paramount to Lessor's title or by any person claiming under Lessor, subject to the other terms and provisions of this lease and subject to all mortgages, underlying leases and other underlying matters of record to which this lease is or may become subject to and subordinate. Lessor will furnish the Lessee with a copy of the certificate of occupancy prior to the Lessee occupying the Premises.
- 18.5 Anit-Discrimination: In all services or activities, and all hiring or employment made possible by or resulting from this lease there shall be no discrimination against any employees or applicant for employment because of sex, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification. This requirement shall apply but not be limited to the following: employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Lessor shall not violate any of the terms of R.C.W. 49.60, Title VII of the Civil Rights Act of 1964, or any other applicable federal, state, or local law or regulations regarding non-discrimination. Any violation of this provision shall be grounds for cancellation, termination, or suspension, in whole or in part, of the lease by King County and may result in ineligibility for further King County agreements. The Lessor will also comply with other anti-discrimination laws or requirements on any and all jurisdictions having authority.

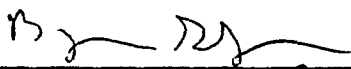
18.6 Conditional Use Permit and Building Permit:

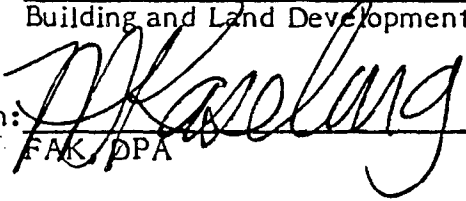
- (a) Application: The City of Bellevue (hereafter called Bellevue) requires a conditional use permit (hereafter called CUP) for King County to occupy the premises for its intended purposes. King County submitted the CUP application on July 13, 1987 and requested an expedited processing. Both Lessor and Lessee agree to use their best efforts to process the application and meet the expedited schedule. Lessor has or will apply for a building permit to construct the tenant improvements immediately upon completion and approval of final drawings, plans and specifications by Lessee and Lessor. Approval of said final drawings, plans and specifications shall occur on or by 10/8/87, unless delayed by Lessee, in which event the date shall be extended accordingly.
- (b) Responsibility: The Lessor will be responsible for satisfying all conditions contained in the CUP and the building permit in a timely manner, and as specified herein. Except, Lessee shall share equally in the cost to meet the left turn channelization required at the intersection of 136th Place S.E. and S.E. 36th St. to provide for left turning movements. In addition, Lessee shall implement and pay the costs associated with such implementation, for the Transportation Management Problem, Bellevue ordinance 3792, for the building as required in the CUP.
- (c) Lessor and Lessee agree that the CUP issued on \_\_\_\_\_, 1987 meets with both parties' approval.
- (d) Tenant improvements will commence immediately after receipt of building permit and CUP, and will be diligently pursued to completion. Tenant improvements will be substantially completed within 75 days after commencement. Failure to complete the tenant improvements will result in a deduction from Lessee's rent equal to \$1,000 per business day until substantial completion. Any delays caused by Lessee shall result in a day for day extension of the completion deadline. Lessor shall submit a complete building permit application to Bellevue by 10/15/87.

18.7 Either party hereto may record the attached memorandum of Lease Exhibit D, which is being signed contemporaneously with this lease.

18.8 Lessee may install food and beverage vending machines on the premises.

IN WITNESS WHEREOF, the parties have executed this Lease on the date first set forth above.

Approved for Entry:   
 Building and Land Development Division

Approved as to Form:   
 FAK/DPA

List of exhibits attached:

- Exhibit A: Building Plan
- Exhibit B: Building Rules and Regulations
- Exhibit C: Work Letter Agreement
- Exhibit C-1: Building Standard Work
- Exhibit D: Site Plan
- Exhibit E: Memorandum of Lease
- Exhibit F: Legal Description

Address: 12360 Lake City Way NE  
Seattle, WA 98125

By: [Signature] Pres  
Shoreline Savings & Loan  
By: \_\_\_\_\_

STATE OF Washington  
COUNTY OF King

On this 2nd day of October, 1987, before me personally appeared Larry G. Ware to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

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

[Signature]

Notary Public in and for the State of Washington residing at Bothell  
Commission expires April 15, 1989.

Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
King County  
By: \_\_\_\_\_

STATE OF  
COUNTY OF

On this \_\_\_\_\_ day of \_\_\_\_\_, 1987, before me personally appeared \_\_\_\_\_ to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged to me that \_\_\_\_\_ signed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein mentioned.

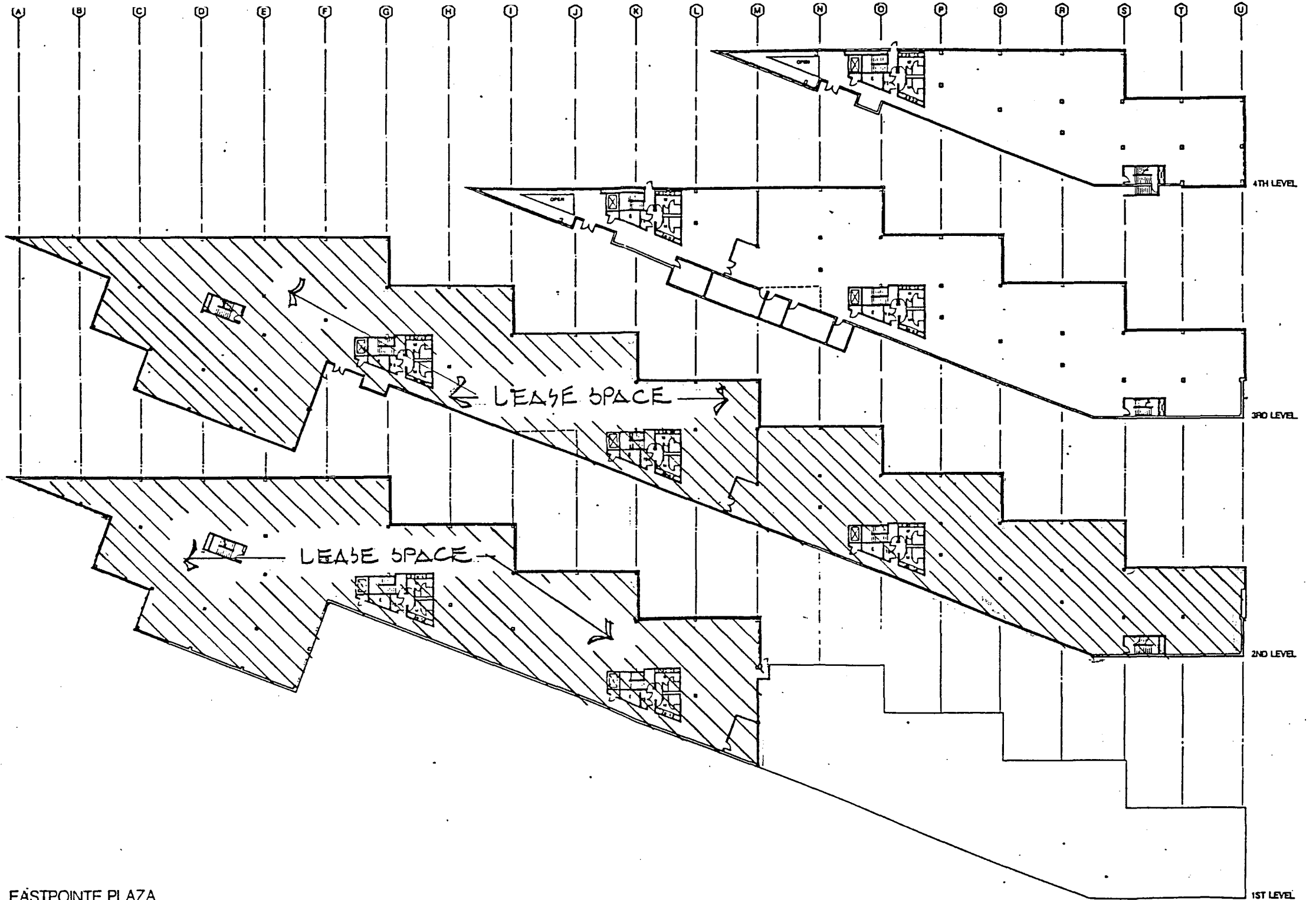
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ residing at \_\_\_\_\_



18284

EXHIBIT "A"  
Building Plan



## EXHIBIT B

BUILDING RULES AND REGULATIONS

Except as otherwise provided in an applicable Lease, the following rules and regulations shall apply for the Eastpointe Plaza Building:

1. The sidewalks, entrances, halls, passages, elevators and stairways shall not be obstructed by any of the Lessees, or used by them for any other purpose than for ingress and egress to and from their respective leased premises.
2. Lessees, their agents, employees, or visitors, shall not make or commit any improper noises or disturbances of any kind in the building, or mark or defile the water closets, toilet rooms, windows, elevators, or doors of the building or interfere in any way with other Lessees or those having business with them.
3. The toilet rooms, water closets, and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes, chemicals, or the refuse from electric batteries or other unsuitable substance, shall be thrown therein. Any damage from such misuse or abuse shall be borne by the Lessee by whom or by those employees or visitors it shall be caused.
4. No carpet, rug, or other article shall be hung or shaken out of any window or placed in corridors as a door mat, and nothing shall be thrown or allowed to drop by the Lessees, their agents, employees, or visitors, out of the windows or doors, or down the passages or shafts of the building, and no Lessee shall sweep or throw, or permit to be thrown from the leased premises, any dirt or other substances into any of the corridors or halls, elevators, shafts, or stairways of said building.
5. No linoleum, or oil cloth, or rubber or other air-tight coverings shall be laid on the floors, nor shall articles (except for interior artwork) be fastened to or holes drilled or nails or screws driven into walls, windows, partitions, nor shall the walls or partitions be painted, papered or otherwise covered, or in any way marked or broken, without the prior written consent of the Lessor.
6. Nothing shall be placed on the outside of the building, or on the windows, window sills, or projections.
7. The only window treatment permitted for the windows in the leased premises is that installed by and approved in writing by the Lessor.
8. No sign, advertisement, or notice shall be inscribed, painted, or affixed on any part of the outside or inside of said building. Signs on doors and interior windows shall be subject to approval by Lessor, the cost of affixing to be paid by Lessee. Directory in the lobby, with the names of Lessees, will be provided by Lessor.
9. After permission to install telephones, call boxes, telegraph wires, or other electric wires has been granted, Lessor will direct where and how the same are to be placed. No wires shall be run in any part of the building excepting by or under the direction of Lessor. Attaching of wires to the outside of the building is absolutely prohibited. It is understood that telephones are installed solely for the use and benefit of Lessee and, accordingly, Lessee will save Lessor harmless for any damages thereto.
10. The Lessor shall in all cases have the right to prescribe the weight and property position of safes or other heavy objects in the building; and the bringing in of said safes, all furniture, fixtures or supplies, the taking out of said articles, and moving about of said articles within the building, shall only be at such times and in such manner as the Lessor shall designate; and any damage caused by any of the before mentioned operations, or by any of the said articles during the time they are in the building, shall be repaired by Lessee at Lessee's expense.
11. No additional locks shall be placed upon any doors without the written consent of the Lessor, and the Lessee shall not permit any duplicate keys to be made. All necessary keys shall be furnished by the Lessor, and the same shall be surrendered upon the termination of this Lease, and the Lessee shall then give to the Lessor or his agents explanation of the combination of all locks upon the doors or vaults. Lessor will provide one key at Lessor's expense. All other keys will be paid for by Lessee at Lessor's reasonable cost.

12. No motor vehicles will be allowed in building, except in approved spaces.
13. No Lessee shall do or permit anything to be done in said premises, or bring or keep anything therein which will in any way increase the rate of fire insurance on said building or on property kept therein, or obstruct or interfere with the rights of other Lessees, or in any way injure or annoy them, or conflict with the laws relating to fires, or with the regulations of the Fire Department or with any insurance policy upon said building or any part thereof, or conflict with any of the rules and ordinances of the Department of Health. Lessee understands and agrees that the vehicle of any Lessee obstructing any unauthorized area, and particularly in areas designated by specially painted curbs as fire lane areas, may be towed away at owner's risk and expense.
14. In order that the leased premises may be kept in a good state of preservation and cleanliness, each Lessee shall, during the continuance of his Lease, permit the superintendent of Lessor or contractor designated by Lessor to take charge of and clean the said premises.
15. No Lessee shall employ any person or persons other than as specified in Office Building Lease for the purpose of cleaning premises, it being understood and agreed that Lessor shall not be responsible to Lessee for loss of property or for any damage done to the futuiture or other effects of Lessee by the Lessor or any of its employees or agents or any other persons or firm unless proof of Lessor's responsibility for such damage or loss of property is established.
16. Lessees will see that windows are closed and the doors securely locked before leaving the building.
17. No animals or birds shall be brought into or kept in or upon the premises.
18. No machinery of any kind, other than normal office machines (i.e., electric typewriters, dictating or adding machines, or similar desk-type equipment only), shall be allowed to be operated on the premises without prior written consent of Lessor.
19. No interference with the heating apparatus will be permitted. All regulating and adjusting will be done by employees of Lessor.
20. The use of office suites as sleeping apartments, for the preparation of foods, or for any immoral or illegal purpose is absolutely prohibited.
21. No Lessee shall conduct, or permit any other person to conduct any auction upon the premises, or store goods, wares, or merchandise upon the premises without the prior written approval of the Lessor except for the usual supplies and inventory to be used by the Lessee in the conduct of its business.
22. All glass, locks, and trimmings, in or about the doors and windows of the premises and all electric fixtures on the premises which belong to the building shall be kept whole, and whenever broken by anyone, shall be immediately replaced or repaired and put in order by Lessee under the direction and to the satisfaction of the Lessor and the same shall be left whole and in good repair upon the termination of this Lease.
23. Any and all damage to floors, walls, or ceilings due to Lessee or Lessee's employees' failure to shut off running water or liquid shall be paid by Lessee.
24. Lessor reserves the right to make any or all alterations in premises as may be required by Lessee, the expense of such alterations to be paid by Lessee.
25. Normal business hours, except by special arrangement, shall be 7:00 a.m. to 6:00 p.m. Monday through Friday, and 8:00 a.m. to 1:00 p.m. on Saturday, except on specified holidays. The building will be open to visitors from 7:30 a.m. to 6:00 p.m. Monday through Friday.
26. At any time while the building is in charge of a watchman, any person entering or leaving the building may be questioned by him as to his business in the building; and anyone not satisfying the watchman of his right to enter the building may be excluded by him.

## EXHIBIT C

WORK LETTER AGREEMENT

Shoreline Savings & Loan (hereinafter referred to as "Lessor") and King County (hereinafter referred to as "Lessee") have executed simultaneously with this Agreement, a lease dated \_\_\_\_\_, 19\_\_\_\_, referred to as the "Lease," pertaining to certain space to be occupied by Lessee (hereinafter called the "Premises"). In consideration of the mutual covenants herein contained, Lessor and Lessee agree as follows:

1. Except for those expenses to be borne by Lessor as specified in paragraph 4 of this agreement, it is specifically understood that Lessee shall bear the expense of special tenant improvements in the premises in accordance with drawings, plans, and specifications referred to in paragraph 2 below. Any other work in the premises which may be permitted by Lessor pursuant to the terms and conditions of the Lease shall be done at Lessee's sole cost and expense based upon a preliminary space plan as prepared by Lessor's space planner which has been approved by Lessee on \_\_\_\_\_, 19\_\_\_\_, and budget estimated dated \_\_\_\_\_, 19\_\_\_\_, as prepared by Lessor's construction manager or contractor. This estimate is made with standard unit costs and is made without a set of construction drawings and, therefore, is subject to a review of final plans.

It is estimated that the costs of construction to be paid by Lessee hereunder will be approximately \$ 0, and Lessee shall deposit \$ 0 (95 percent over standard expenses) with Lessor upon execution of said Lease or approval of preliminary plans. Lessee shall pay the actual amount of the costs of construction, less the deposit, to Lessor upon final completion of the construction.

2. (a) Lessee agrees to devote such time in consultation with Lessor or representative as may be necessary for the parties to complete the drawings, plans, and specifications for the tenant improvements pertaining to the Premises. Lessee further agrees to provide Lessor with the Lessee's written approval of the final drawings, plans and specifications for the Premises and any additional matters pertaining thereto as to which approval is sought no later than October 8, 1987. Should Lessee fail to furnish Lessor with the above information on or before the date specified above, Lessor may complete the Premises in a manner satisfactory to Lessor. Lessee must obtain Lessor's prior written permission before departing from use of building standard tenant improvements, including without limitation, doors, hardware, window coverings, partitions, electrical and telephone outlets and jacks.
- (b) Lessee agrees to provide, at its sole cost and expense, any work order changes requested by Lessee and ordered during the completion of the tenant improvements, including plans, specifications, materials and labor.
3. With respect to the provision regarding completion of tenant improvements in the Premises set forth in the Lease, the commencement of the terms of the Lease, and the payment of rent thereunder shall not be affected or deferred on account of the Lessor's delay in substantially completing such tenant improvements as a result of:
  - a. Lessee's failure to approve drawings, plans, and specifications or furnish information in accordance with paragraph 1 above; or
  - b. Lessee's request for materials, finishes, or installations other than stated in paragraph 4; or
  - c. Lessee's changes in said plans and specifications after this Work Letter Agreement and Lease have been executed; or
  - d. By interference with Lessor's reasonable efforts to complete the scheduled work in the premises; or
  - e. The reasonable performance and/or completion of work in the leased premises by Lessee, or any employee, agent, representative, or contractor employed by Lessee; or
  - f. Any other act or omission by Lessee or its employees, agents, representatives, or contractors.

Lessor and Lessee shall execute a Lease Term Agreement hereto establishing the actual date Lessee commenced occupancy of the Premises.

4. Lessor shall supply and install, at Lessor's sole expense, the building standard work according to the final set of construction plans and specifications as shall be set forth in Exhibit C-1 hereto. The contents of Exhibit C-1 shall be added to this agreement subject to final approval of those construction plans and specifications by both Lessee and Lessor.
5. It is understood that Lessee will need notice and access to the premises prior to completion for installation of partitions, telephone systems, computers, full spectrum lighting and overall preparation needs for the actual move. Lessor will, to the best of it's ability, coordinate these needs on a timely basis.

The provisions of the Agreement supplement and are specifically subject to all provisions of the Lease.

EXECUTED THIS 2nd DAY OF October, 1982.

LESSOR: Shoreline Savings Bank

LESSEE: King County

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

Leroy T. Hare

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

BUILDING STANDARD WORK

Lessor shall supply and install, at Lessor's sole expense, the building standard work as follows:

1. Final construction plans and specifications which shall be attached on or before October 8, 1987.
2. Lessee shall receive an allowance of \$192,000 for related moving expenditures.

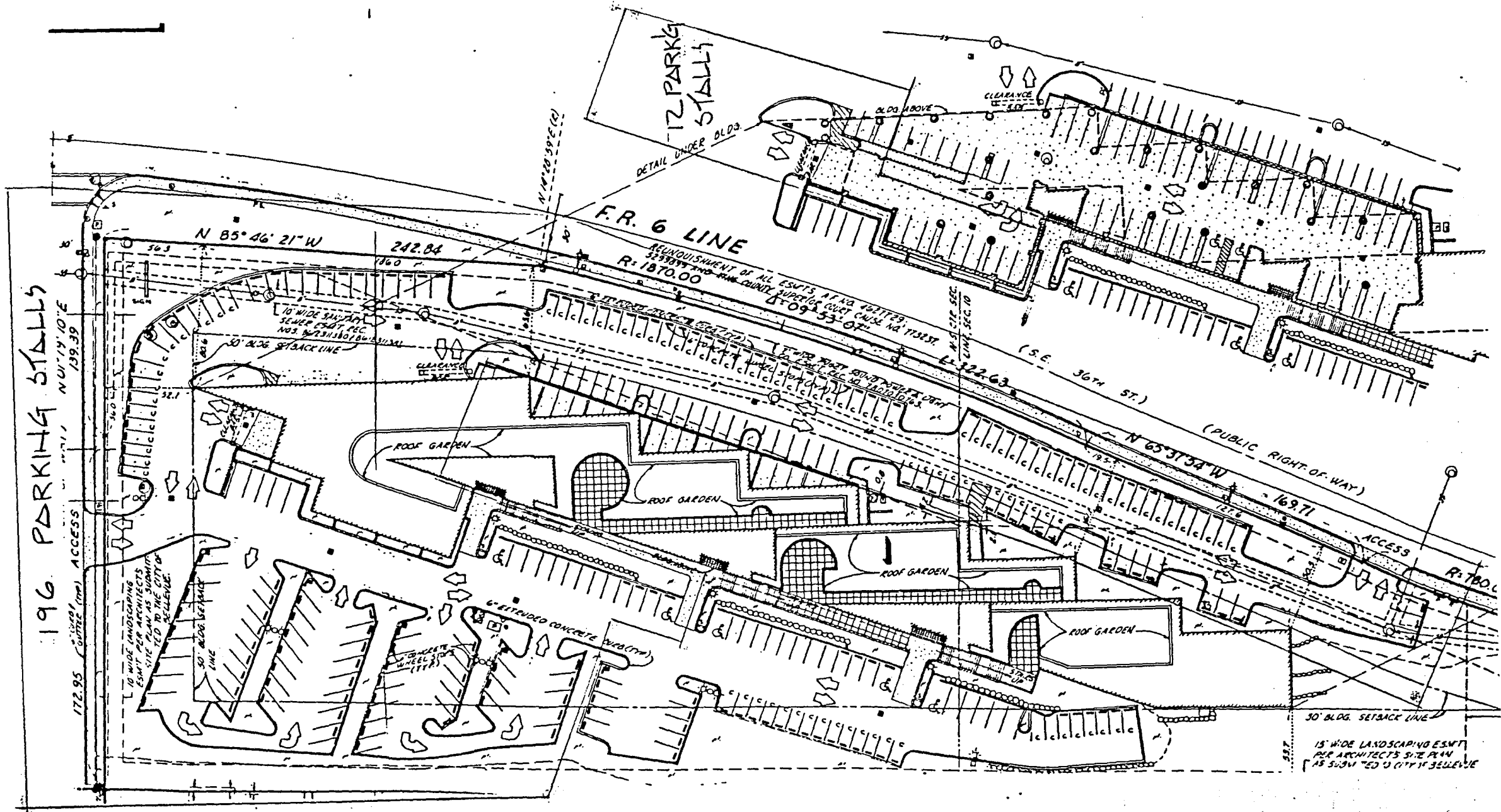


Exhibit E

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE, dated as of the 2nd day of October, 1987, is between Shoreline Savings & Loan (herein called "Lessor") and King County, a Political Subdivision of the State of Washington (herein called "Tenant").

1. Premises. Lessor has leased to Tenant, upon the terms and conditions of the lease between the parties (herein called the "Lease") of even date herewith, which terms and conditions are incorporated by this reference, a portion of the real property, situated in the City of Bellevue, King County, Washington, legally described as follows (here called \_\_\_\_\_):

The portion of the building leased to Tenant shall be 21,004 rentable square feet on floor one and 32,948 rentable square feet on floor two, as located and crosshatched on the exhibit attached hereto as Exhibit \_\_\_\_\_ (herein called "Premises").

2. Term. This Lease shall be for a term of five (5) years commencing approximately November 1, 1987 and ending December 31, 1992 with a renewal option of five years.

3. Purpose of Memorandum of Lease. This memorandum of lease is prepared for the purpose of recordation, and it in no way modifies the Lease.

IN WITNESS WHEREOF, the parties hereto have subscribed their names as of the 2nd of October, 1987.

Lessor: Shoreline Savings & Loan

Lessee: King County, Washington

By: [Signature]

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

Title: President

Title: \_\_\_\_\_



8284

STATE OF  
COUNTY OF

On this \_\_\_\_\_ day of \_\_\_\_\_, 1987, before me personally appeared \_\_\_\_\_ to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged to me that \_\_\_\_\_ signed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ residing at  
\_\_\_\_\_

Address: \_\_\_\_\_ By: \_\_\_\_\_  
King County  
\_\_\_\_\_ By: \_\_\_\_\_

STATE OF  
COUNTY OF

On this \_\_\_\_\_ day of \_\_\_\_\_, 1987, before me personally appeared \_\_\_\_\_ to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged to me that \_\_\_\_\_ signed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ residing at  
\_\_\_\_\_

## EXHIBIT F

LEGAL DESCRIPTION

The land referred to in this Commitment is situated in the County of King, State of Washington, and described as follows:

Lot 1, City of Bellevue Short Plat No. 84 - 04, as recorded under Recording No. 8412059001, being a subdivision of the following described property:

That portion of the northwest quarter of the southeast quarter and the northeast quarter of the southwest quarter of Section 10, Township 24 North, Range 5 East, W.M., in King County, Washington, lying easterly of the easterly margin of 136th Avenue Southeast (also called 136th Place Southeast);

EXCEPT that portion thereof lying northerly of the southerly margin of the FR-6 Line Frontage Road of PSN No. 2 (I-90) (Southeast 36th Street);

EXCEPT the westerly 5 feet as deeded to the City of Bellevue under Recording No. 8509130605.