

COPY

SEATTLE MUNICIPAL TOWER LEASE
BETWEEN
THE CITY OF SEATTLE,
AS LANDLORD,
AND
Sin Taek Chang & Jin Won Chang
d/b/a Beba's & Amigo's
AS TENANT

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AS TENANT

1. LEASE DATA	1
A. Building:	1
B. Premises	1
C. Commencement Date.....	1
D. Expiration Date.....	1
E. Base Rent and Additional Charges.....	1
F. Security Deposit.....	2
G. Base Year.....	2
H. Expense Year.....	2
I. Tenant's Share.....	2
J. Parking.....	2
K. Permitted Use.....	2
L. Notice Addresses	2
M. Exhibits	2
2. PREMISES.....	2
A. Grant.....	2
B. Rentable Area.....	3
C. Condition.....	3
D. Common Areas.....	3
E. Landlord Alterations	3
F. Prospective Tenants	3

3. LEASE TERM.....	4
A. Term	4
B. Tenant's Opportunity to Extend Lease Term.....	4
4. RENT.	4
A. Payment of Rent and Additional Charges.....	4
B. Rent Amount During Extended Term	4
C. Arbitration of Fair Market Rental Rate.....	5
(1) If an arbitrator appointed by either party withdraws or is unable to complete the process for any reason.	5
(2) The arbitrators shall have the right to consult experts	6
5. TENANT'S SHARE OF BUILDING OPERATING COSTS AND REAL PROPERTY TAXES.	6
6. LATE CHARGE; INTEREST.....	6
7. SECURITY DEPOSIT	6
8. TENANT'S OPERATIONS.	7
A. Use of Premises.....	7
B. Unlawful Use.	7
C. Liens and Encumbrances	7
D. Hazardous Substances.....	8
9. UTILITIES AND SERVICES.....	8
A. Tenant's Responsibility	8
B. Services	8
(1) Additional Service.....	9
(2) Interruption.....	9
10. LICENSES AND TAXES	10
11. DELIVERY OF PREMISES.....	10
A. Delivery of Premises.....	10
B. Signage.....	10

12. ALTERATIONS BY TENANT	11
13. CARE OF PREMISES.	12
A. Tenant's Obligation	12
B. Landlord's Obligation.....	12
C. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises ..	12
D. Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990..	13
14. SURRENDER OF PREMISES.....	13
A. General Matters.....	13
B. Cable and Wiring	13
C. Personal Property	14
15. WAIVER; INDEMNIFICATION.	14
A. Tenant's Indemnification.	14
B. Release of Claims.	15
C. Limitation of Tenant's Indemnification.....	15
D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 12 AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.	15
16. INSURANCE.	15
A. Tenant's Insurance Coverages and Limits.....	15
B. Terms and Conditions for Tenant's Insurance.....	17
C. City's Property Insurance Coverage and Limits.....	19
D. Waiver of Subrogation.....	19
E. Evidence of Insurance.....	20
F. Evidence of Insurance.....	20
G. Damage or Destruction	20
H. Assumption of Property Risk.....	20
I. Adjustments of Claims.....	20
J. Tenant's Responsibility.	21
17. ASSIGNMENT OR SUBLEASE.....	21

18. ASSIGNMENT BY LANDLORD	21
19. DESTRUCTION	21
20. EMINENT DOMAIN.	22
A. Taking	22
B. Award.....	23
21. DEFAULT BY TENANT	23
A. Definition	23
B. Vacation or Abandonment	24
C. Reentry.....	24
D. Termination.....	24
E. Adequate Security.....	24
22. LANDLORD'S REMEDIES CUMULATIVE; WAIVER	24
23. DEFAULT BY LANDLORD.	25
A. Landlord's Cure Period.....	25
B. Notice to Lender and Lender's Cure Period	25
24. ATTORNEYS' FEES.....	25
25. ACCESS BY LANDLORD	25
26. HOLDING OVER.....	25
27. LEASE SUBORDINATE TO MORTGAGES	26
28. ESTOPPEL AND OTHER CERTIFICATES.....	26
29. QUIET ENJOYMENT	27
30. NOTICES.....	27
31 SUCCESSORS OR ASSIGNS..	27
32. TENANT AUTHORITY AND LIABILITY.....	27

33. BROKERS' COMMISSION	27
34. PARTIAL INVALIDITY	28
35. RECORDING.....	28
36. FINANCIAL STATEMENTS.....	28
37. PARKING.....	28
38. RELOCATION	28
39. LIABILITY OF LANDLORD	29
40. FORCE MAJEURE.....	29
41. COUNTERPARTS.....	29
42. NAME OF BUILDING.....	29
43. HEADINGS	29
44. CONTEXT	29
45. EXECUTION BY LANDLORD AND TENANT; EFFECTIVE DATE; APPROVAL OF LENDER	29
46. TIME OF ESSENCE; TIME CALCULATION METHOD	30
47. ENTIRE AGREEMENT; APPLICABLE LAW.	30
48. NEGOTIATED AGREEMENT	30

SEATTLE MUNICIPAL TOWER LEASE

THIS LEASE is entered into by THE CITY OF SEATTLE ("Landlord"), a city of the first class of the State of Washington and SIN TAEK CHANG & JIN WON CHANG, individually and as a married couple, D/B/A BEBA'S & AMIGO'S ("Tenant").

Landlord and Tenant covenant and agree as follows:

1. **Lease Data; Exhibits.** The following terms shall have the following meanings, except as otherwise specifically modified in this Lease:
 - A. **Building:** Seattle Municipal Tower, 700 Fifth Avenue, Seattle, King County, Washington 98104, situated on real property described more particularly in Subsection 2.A.
 - B. **Premises:** A Rentable Area (as defined in Subsection 2.B) identified as Suite 604 consisting of approximately 2,631 Rentable Square Feet located on Building Floor Outdoor Plaza 6 as outlined on the floor plan of the Building attached hereto as Exhibit A (the "Floor Plan of Premises"), including tenant improvements described in Exhibit B.
 - C. **Commencement Date:** The first day of the month following the Effective Date (as defined in Section 45).
 - D. **Expiration Date:** The last day of the 60th full month following the Commencement Date, unless the Term of this Lease is extended under Subsection 3.B.
 - E. **Base Rent and Additional Charges:** For use and occupancy of the Premises during the Initial Term hereof, Tenant shall pay Landlord \$10.00 per Rentable Square Foot per year (i.e., an initial annual amount of \$26,310.00) as Base Rent, which amount shall be increased by three percent (3%) annually as provided in the table below. Rent shall be payable as and when specified in Section 4. Whether or not so designated, all other sums due from Tenant under this Lease, including but not limited to Leasehold Excise Tax due under Section 10 and Tenant's Share of Building Operating Costs and Real Property Taxes, shall constitute Additional Charges, payable when specified in this Lease.

Lease Years	Monthly Rent	Monthly Leasehold Excise Tax (12.84%, subject to	Total Monthly Rent
Year 1	\$ 2,192.50	\$ 281.52	\$ 2,474.02
Year 2	\$ 2,258.28	\$ 289.96	\$ 2,548.24
Year 3	\$ 2,326.02	\$ 298.66	\$ 2,624.68
Year 4	\$ 2,395.80	\$ 307.62	\$ 2,703.43
Year 5	\$ 2,467.68	\$ 316.85	\$ 2,784.53

- F. Security Deposit: \$4,000.00.
- G. Base Year: N.A.
- H. Expense Year: Each full calendar year.
- I. Tenant Improvement Allowance: \$15.00 per Rentable Square Foot, payable as provided under Section 12 and Exhibit B.
- J. Parking: The license granted under Section 37 of this Lease is limited to one (1) automobile.
- K. Permitted Use: Tenant shall have the right to use the Premises for the purpose of an eat-in/take-out/delivery restaurant selling Mexican food as well certain specified sandwiches, salads, soups, pizza, pasta, breakfast items, and beverages. Tenant shall not add any item(s) to its menu as attached as Exhibit D ("Menu") without first having given Landlord written notice of Tenant's desire to add the item(s) described in such notice and having received Landlord's written consent for such addition.
- L. Notice Addresses:
- | | |
|--------------|---|
| To Landlord: | City of Seattle c/o CBRE, Inc.
700 Fifth Avenue, Suite 4040
Seattle, WA 98104 |
| To Tenant: | Sin Taek Chang d/b/a Beba's & Amigo's
700 Fifth Avenue, Suite 604
Seattle, WA 98104 |
- M. Exhibits: The following exhibits are made a part of this Lease:
- Exhibit A - Floor Plan of Premises.
Exhibit B - Tenant Improvements.
Exhibit C - Rules and Regulations.
Exhibit D - Copy of Current Menu

2. Premises.

- A. Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain premises (the "Premises") located on the floor(s) and having the Rentable Area set forth in paragraph 1.B. The Premises are part of the Building which is located on and includes the real property described as follows: Lots 1, 4, 5, 6, 7 and 8 in Block 29 of addition to the Town of Seattle, as laid out by the claim of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's addition to the City of Seattle), as per Plat recorded in Volume 1

of Plats, Page 25, Records of King County; together with the westerly 1/2 of vacated alley adjoining Lots 1 and 4; and together with all of the vacated alley adjoining Lots 5, 6, 7 and 8; Lots 2 and 3 in Block 29 of addition to the Town of Seattle, as laid out on the claim of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's addition to the City of Seattle), as per plat recorded in Volume 1 of Plats, Page 25, Records of King County; together with the northeasterly 1/2 of vacated alley adjoining; situate in the City of Seattle, County of King, State of Washington.

- B. Rentable Area. The Rentable Area set forth in Subsection 1.B shall be used to calculate Base Rent regardless of any discrepancy with the actual measured area of the Premises or any alterations that affect the area of the Premises.
- C. Condition. The Landlord leases the Premises and the Tenant accepts the Premises in "as is" condition. The Landlord disclaims all representations, statements, and warranties, expressed or implied, with respect to the condition or suitability of the Premises other than those contained in this Lease.
- D. Common Areas. During the Lease Term, Tenant and its licensees, invitees, and employees shall have the non-exclusive right to use the Building garage and all entrances, lobbies, elevators, stairs, corridors, restrooms and other public areas of the Building which the Landlord designates for use in common with Landlord, other Building tenants and their respective licensees, invitees, and employees (the "Common Areas"). Landlord shall at all times have exclusive control and management of the Common Areas and diminution of the Common Area shall not be deemed a constructive or actual eviction or entitle Tenant to compensation or a reduction or abatement of rent.
- E. Landlord Alterations. Landlord, in its discretion, may increase, decrease or change the number, locations and dimensions of any hallways, lobby areas, Common Areas and other areas of the Building that are not within the Premises. Landlord 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, and within the walls of 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. Landlord reserves the right from time to time to access the Premises for the forgoing purposes, subject to Section 25.
- F. Prospective Tenants. During the final twelve (12) months of the Lease Term, or after an event of Tenant Default that is not cured within the time specified in Section 20.A, Landlord reserves the right to enter the Premises at reasonable hours for purposes of showing the Premises to prospective tenants. Additionally, at any time during the final nine (9) months of the Lease Term or after an event of Default that is not timely cured, Landlord reserves the right to place signs in, at,

and around the Premises for purposes of re-letting the Premises after the expiration or termination of the Lease.

3. **Lease Term.**

- A. **Term.** The term of this Lease shall be for an initial term of five years beginning on the Commencement Date in 1.C and expiring on the Expiration Date (the "Term" or "Lease Term") unless extended as provided under Section 3.B or terminated earlier as provided herein. .
- B. **Tenant's Opportunity to Extend Lease Term.** Tenant shall have the option to extend the Lease Term for one period of five (5) years (the "Extended Term") on the same terms and conditions, except for Rent which shall be Fair Market Rent determined under Section 4.B and C. To exercise its option to extend, Tenant must give Landlord written notice no later than two hundred seventy (270) days before the expiration of the then-current Term. Tenant's right to any extended term under this Lease is expressly conditioned upon the following: (1) Tenant must not have materially Defaulted (as defined in Section 21) in the performance of its obligations under this Agreement at any time prior to the expiration of the then-current Lease Term, and (2) Tenant must exercise its option in the time and manner required under this Subsection. As used in this Lease, all references to "Term" or "Lease Term" mean the Initial Term and any and all Extended Terms.

4. **Rent.**

- A. **Payment of Rent and Additional Charges.** On or before the Commencement Date and thereafter on or before the first day of each month during the Term, Tenant shall pay to Landlord at the address and to the account specified by Landlord, without notice or demand or setoff or deduction of any kind, in lawful money of the United States (a) the monthly amount (1/12th) of the annual Base Rent in advance, and (b) the applicable amount of Leasehold Excise Tax as required under Section 10, and (c) other Additional Charges as and when specified elsewhere in this Lease, but if not specified, then within ten days after demand. Base Rent and, if appropriate, as reasonably determined by Landlord, Additional Charges shall be prorated on a daily basis for any partial month within the Lease Term. For any partial initial month in the Lease Term, Base Rent and Leasehold Excise Tax shall be paid on the first day of the Lease Term.
- B. **Rent Amount During Extended Term.** If Tenant elects to extend the Lease Term under Section 3.B, beginning on the first day of the Extended Term, Base Rent shall be Fair Market Rent. "Fair Market Rent" means the annual amount per rentable square foot that a willing, non-equity lessee would pay for comparable space in a first-class downtown Seattle office building in an arms-length transaction, considering all relevant factors such as annual rental rates per rentable square foot, building services being provided by the lessor, building operating cost escalators, size and location of premises being leased, tenant improvement

allowances and rental concessions. Within thirty (30) days following Tenant's exercise of its option to extend, Landlord shall provide Tenant written notice of Landlord's determination of Fair Market Rent. If Tenant disagrees with Landlord's determination of Fair Market Rent, Tenant shall advise Landlord in writing within 20 days, and the parties may negotiate regarding the Fair Market Rent. If the parties do not agree on the Fair Market Rent within 30 days, either party may submit the matter to arbitration in accordance with the terms of Subsection 4.C so that the Fair Market Rental Rate is determined no later than the expiration of the then current Lease Term. The Extended Term shall have a new Base Year, which shall be the calendar year in which the Extended Term commences.

- C. Arbitration of Fair Market Rental Rate. If the parties are unable to reach agreement on the Fair Market Rent during the period specified in Subsection 4.B, then within ten days either party may initiate arbitration by advising the other in writing of the name and address of its arbitrator. Each arbitrator appointed under this Section shall be qualified as a real estate appraiser and shall be familiar with rental rates in comparable first class Seattle office buildings. Within ten days after receipt of notice from the initiating party, the other party shall respond in writing with the name and address of the person it designates to act as arbitrator on its behalf. If the second party fails to notify the other of the appointment of its arbitrator within or by the time required, then the first arbitrator shall be the only arbitrator to determine Fair Market Rent, otherwise the duty of the arbitrator(s) shall be to jointly determine the Fair Market Rent. If the two (2) arbitrators are unable to agree upon a determination of the Fair Market Rent, then within ten (10) days, they shall appoint a third qualified arbitrator, or alternatively may request appointment of such a qualified arbitrator by the then presiding judge of King County Superior Court acting in his private non-judicial capacity or by Judicial Dispute Resolution. The three arbitrators shall decide the dispute, if it has not been previously resolved, by following the procedure set forth in this section. The arbitrators selected by each of the parties shall state in writing his/her determination of the Fair Market Rent supported by the reasons for the determination. The arbitrators shall arrange for the simultaneous exchange of such proposed determinations and the delivery of a counterpart copy to each party within three days of the appointment of the third arbitrator. The role of the third arbitrator shall be to select which of the two proposed resolutions most closely approximates the third arbitrator's own determination of Fair Market Rent. The third arbitrator shall make this selection within ten days after receiving the proposed resolutions from the other two arbitrators. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed determinations. The determination chosen by the third arbitrator as most closely approximating his/her own determination shall constitute the collective decision of the arbitrators and be final and binding upon the parties.

- (1) If an arbitrator appointed by either party withdraws or is unable to complete the process for any reason, the applicable party may appoint a

successor. If the third arbitrator withdraws or is unable to complete the process, a successor shall be appointed in the same manner as provided for appointment of the third arbitrator. Any decision in which the arbitrator appointed by Landlord and the arbitrator appointed by Tenant concur shall be binding and conclusive upon the parties. Each party shall pay the fee and expenses of its respective arbitrator and both parties shall share equally the fee and expenses of the third arbitrator, if any. The attorneys' fees and expenses of counsel for the respective parties and of witnesses shall be paid by the respective party engaging such counsel or calling such witness.

- (2) The arbitrators shall have the right to consult experts and competent authorities with factual information or evidence pertaining to a determination of the Fair Market Rental Rate, but any such consultation shall be made in the presence of both parties with full right on their part to cross examine. The arbitrators shall render their determination in writing and deliver a counterpart copy thereof to each party. The arbitrators shall have no power to modify the provisions of this Lease.

5. **Tenant's Share of Building Operating Costs and Real Property Taxes. - Reserved**

6. **Late Charge; Interest.** If Tenant fails to pay any Base Rent or Additional Charge within ten days after the due date, a late charge equal to five percent (5%) of the unpaid amount shall be assessed and be immediately due and payable. In addition, interest shall accrue at the rate of twelve percent (12%) per annum on any Base Rent or Additional Charge that is not paid when due. If Tenant defaults in making any payment of Base Rent or Additional Charges, Landlord shall have the right to require that subsequent Base Rent or Additional Charges payments be made by cashiers or certified check.
7. **Security Deposit.** Beginning upon the Effective Date and as partial consideration for this Lease, Landlord shall continue to hold Tenant's deposit under a prior lease in the sum specified in Subsection 1.F (the "Deposit"). This Deposit shall be retained by Landlord as security for Tenant's payment of Rent and performance of all its obligations under this Lease. If Tenant Defaults in the payment of Rent or the performance of any obligation under this Lease, the Landlord shall have the right, in its discretion, to apply the full Deposit or any portion thereof to the Rent owing or to the expense incurred by Landlord as a result of Tenant's Default. Tenant shall restore any amount of the Deposit applied by Landlord against Tenant's obligations within ten (10) days of written demand from Landlord. Landlord shall not be required to retain the Deposit in a separate account and the Deposit shall not accrue interest. Landlord shall pay Tenant the Deposit within 30 days after the Expiration Date or earlier termination of the Lease, less the amount, if any, applied by Landlord to remedy any Tenant Default as provided for under this Section.

8. Tenant's Operations.

- A. Use of Premises. Tenant shall use the Premises only for the Section 1 Permitted Use. As Landlord's willingness to enter into this Lease with Tenant was predicated, in part, on the nature of Tenant's business, and the compatibility of such business with other tenants in the Building, Tenant shall not use or permit the use of the Premises for any other business, or purpose, or under any other name, without Landlord's prior written consent. Tenant shall promptly comply, at its sole cost and expense, with the Exhibit C rules and regulations and other such rules and regulations relating to the use of the Premises, Building and Common Areas as Landlord, from time to time, may promulgate. Tenant shall maintain the Premises in a clean, orderly and neat fashion to conform with the high standards of the Building, permitting no objectionable odors to be emitted from the Premises and shall neither commit waste nor permit any waste to be committed thereon. Tenant shall not permit any accumulation of trash on or about the Premises. Tenant shall not create or contribute to the creation of a nuisance in either the Premises or the Building, and Tenant shall not engage in or permit any action that will disturb the quiet enjoyment of any other tenant in the Building.
- B. Unlawful Use. Tenant shall not use or permit the Premises or any part thereof to be used for any purpose in violation of any municipal, county, state or federal law, ordinance or regulation, or for any purpose offensive to the standards of the community of which the Building is a part. Tenant shall promptly comply, at its sole cost and expense, with all laws, ordinances and regulations now in force or hereafter adopted relating to or affecting the condition, use or occupancy of the Premises including but not limited to all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington and The City of Seattle, including the Seattle Municipal Code ("SMC"), notably SMC Ch. 14.04, 14.10, and 20.42, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.
- C. Liens and Encumbrances. Tenant shall keep the Premises and Building free and clear of, and shall indemnify, defend and hold Landlord harmless from, any and all, liens and encumbrances arising or growing out of any act or omission, or breach of this Lease or the use, improvement, or occupancy of the Premises by Tenant or any of its principals, officers, agents, or employees. If any lien is filed against the Premises or Building, Tenant shall either cause the same to be fully discharged and released of record within ten days after Landlord's written demand therefor or within such period, provide Landlord with cash or other security acceptable to Landlord in an amount equal to one and one-half (1½) times the amount of the claimed lien as security for its prompt removal. Landlord shall have the right to disburse such security to cause the removal of the lien if a judgment is entered against Tenant in the lien proceeding, if such lien causes difficulties for Landlord in connection with its financing of the Building, if Tenant is otherwise

in default under this Lease or if Landlord otherwise deems such necessary, in Landlord's sole discretion.

- D. Hazardous Substances. Tenant shall not, without Landlord's prior written consent, keep on or about the Premises or Building any substance designated as, or containing any component now or hereafter designated as hazardous, dangerous, toxic or harmful and/or subject to regulation under any federal, state or local law, regulation or ordinance ("Hazardous Substances"), except customary office, kitchen, cleaning, and other related supplies in normal quantities handled in compliance with applicable laws. With respect to any Hazardous Substances stored with Landlord's consent, Tenant shall promptly, timely and completely comply with all governmental requirements for reporting and record keeping; submit to Landlord true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities; within five days after Landlord's request therefor, provide evidence satisfactory to Landlord of Tenant's compliance with all applicable governmental rules, regulations and requirements; and comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of Hazardous Substances. Any and all costs incurred by Landlord and associated with Landlord's inspections of the Premises and Landlord's monitoring of Tenant's compliance with this Subsection 8.D, including Landlord's attorneys' fees and costs, shall be Additional Charges and shall be due and payable to Landlord within ten days after Landlord's demand for payment if Lessee's violation of this Subsection 7.4 is discovered as a result of such inspection or monitoring. Tenant shall be fully and completely liable to Landlord for any and all cleanup costs and expenses and any and all other charges, expenses, fees, fines, penalties (both, civil and criminal) and costs imposed with respect to Tenant's use, disposal, transportation, generation, release and/or sale of Hazardous Substances in or about the Premises or Building. Tenant shall indemnify, defend and hold Landlord and lenders to Landlord ("Lender") harmless from any and all of the costs, fees, penalties, charges and expenses assessed against, or imposed, upon Landlord, and Lender (as well as Landlord's and Lender's attorneys' fees and costs) as a result of Tenant's use, disposal, transportation, generation, release and/or sale of Hazardous Substances on or about the Premises or Building. The indemnification obligation of this subsection shall survive the expiration or earlier termination of this Lease.

9. Utilities and Services.

- A. Tenant's Responsibility. Tenant shall be solely responsible for and shall promptly pay when due all charges for telecommunications and internet service and all other utilities that are separately metered and supplied to the Premises.
- B. Services. As long as Tenant is not in default under this Lease, Landlord shall cause the Common Areas of the Building to be maintained in reasonably good

order and condition, except for damage occasioned by any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, the repair of which shall be paid for by Tenant. Landlord shall furnish the Premises with electricity for office use (including for lighting and for low power usage, 110-volt office machines), water, sewer, and elevator services. Landlord shall also provide customary common area janitorial service on weekdays, other than holidays. From 7:00 a.m. to 6:00 p.m. on weekdays, excluding legal holidays ("Normal Business Hours"), Landlord shall furnish the Premises with heat and air conditioning services. If requested by Tenant, Landlord shall furnish heat and air conditioning services at times other than Normal Business Hours, and janitorial services on other days, and Tenant shall pay for the cost of such services at rates established by Landlord as Additional Charges.

- (1) Additional Service. The Building standard mechanical system is designed to accommodate heating loads generated by lights and equipment using up to 4.2 watts per square foot. Tenant shall obtain Landlord's prior written consent before installing lights and equipment in the Premises that, in the aggregate, exceed such amount. Landlord may refuse to grant such consent unless Tenant agrees to pay (1) the costs incurred by Landlord for installation of supplementary air conditioning capacity or electrical systems as necessitated by such equipment or lights and (2) in advance, on the first day of each month during the Lease Term, the amount estimated by Landlord as the excess cost of furnishing electricity for the operation of such equipment or lights above normal Building levels and the amount estimated by Landlord as the cost of operation and maintenance of supplementary air conditioning units as necessitated by Tenant's use of such equipment or lights. Landlord shall be entitled to install, operate and maintain at Tenant's sole cost a monitoring/metering system in the Premises to measure the added demands on electricity, heating, ventilation and air conditioning systems, resulting from such equipment and lights and from Tenant's after-hours requirements, and Tenant shall pay Landlord the cost thereof in advance on the first day of each month.
- (2) Interruption. Landlord 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 services due to any cause whatsoever, including, but not limited to, electrical surges, 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 events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or to relieve Tenant from any of Tenant's obligations hereunder or to give Tenant a right of action against Landlord for damages. Tenant acknowledges its understanding that there will be Landlord-planned utility outages affecting the Building and that such outages may interfere, from time to time, with Tenant's use of

the Premises. Landlord shall endeavor to provide Tenant with 48 hours prior notice of any Landlord-planned electricity outage in the Building but shall not be liable to Tenant for Landlord's failure to provide such notice. Landlord has no obligation to provide emergency or backup power to Tenant. Providing emergency or backup power to the Premises and enabling the equipment in the Premises to properly function shall be the sole responsibility of Tenant. If utilities are interrupted at the Premises so as to render them unfit for the Permitted Uses for more than 24 hours, then the Rent for the year shall be abated for the duration of the disruption in the proportion that the number of days of the disruption bears to the number of days of the year.

10. **Licenses and Taxes.** Tenant shall be liable for, and shall pay prior to delinquency, all license and excise fees and occupation taxes covering the business conducted on the Premises and all personal property taxes and other impositions levied with respect to Tenant's personal property located at the Premises. Tenant shall be responsible for, and shall pay prior to delinquency, all fees, charges, or costs, for any governmental inspections or examinations relating to Tenant's use and occupancy of the Premises.

Additionally, Tenant shall pay all taxes on Tenant's interest in this Lease and any leasehold interest deemed to have been created thereby under RCW Ch. 82.29A (Leasehold Excise Tax or "LET"). In the event the State of Washington makes any demand upon the Landlord for payment of leasehold excise taxes or withholds future payments due to the Landlord to enforce collections of leasehold excise taxes and Tenant has not paid the LET to the Landlord, Tenant shall remit the taxes demanded along with any interest and penalties associated therewith, or at no expense to the Landlord, contest such collection action and indemnify Landlord for all sums paid by Landlord or withheld by the State of Washington from Landlord in connection with such action. As of the execution of this Lease, the applicable LET rate is 12.84% of Base Rent, which rate and amount is subject to change from time to time.

11. **Delivery of Premises; Signage.**

- A. **Delivery of Premises.** Landlord shall deliver the Premises to Tenant in an "AS IS" condition on the Commencement Date. Except for improvements which are eligible for the Tenant Improvement Allowance under Section 12, Tenant shall complete any tenant improvements at its sole cost. All Tenant improvements shall be completed in compliance with the provisions of Section 12 and Exhibit B.
- B. **Signage.** Landlord shall install Tenant's name and suite number in the Building directory on the main floor of the Building and in any directory on the floor on which the Premises are located, all in the style and manner of other Building lessees. Tenant shall be permitted to install, at its sole cost, signage at the Premises provided that the Landlord must provide prior written approval.

12. Alterations by Tenant.

- A. Tenant Improvement Allowance; Required Improvements. Landlord is providing a tenant improvement allowance in the amount provided in Section 1.I ("Tenant Improvement Allowance") for certain Landlord-required improvements to the Premises. Tenant shall use the Tenant Improvement Allowance to make improvements to the Premises as follows: (i) replacement of carpet, (ii) replacement of vinyl flooring, (iii) new ceiling tiles, (iv) restroom renovations, and (v) re-painting surfaces (collectively items (i) through (v) are "Required Improvements". Tenant shall begin the Required Improvements promptly following receipt of a notice to proceed from Landlord and shall diligently prosecute such work to its completion, all on the terms and conditions provided in the Tenant Improvement Requirements attached as Exhibit B. Landlord shall reimburse Tenant up to the amount of the Tenant Improvement Allowance for actual costs of completing the Required Improvements in compliance with the requirements of this Section and Exhibit B. Tenant shall be solely responsible for payment of all costs of improvements, alterations, or modifications to the Premises which exceed the amount of the Tenant Improvement Allowance.
- B. General Conditions for Tenant Improvements. Tenant shall not make any alterations, additions or improvements in or to the Premises without first obtaining Landlord's written approval. If required under Exhibit B, Tenant shall also submit for Landlord's approval professionally-prepared plans and specifications for such work as provided in Exhibit B. Tenant covenants that it will cause all alterations, additions and improvements to the Premises to be completed at Tenant's sole cost and expense by a contractor approved by Landlord and in a manner that (a) is consistent with the Landlord-approved plans and specifications and any conditions imposed by Landlord in connection therewith; (b) is in conformity with first-class, commercial standards; (c) includes acceptable insurance coverage for Landlord's benefit; (d) does not affect the structural integrity of the Building or the integrity of any of the Building's systems; (e) does not disrupt the business or operations of any other tenant; and (f) does not invalidate any system warranty then in effect with respect to the Building. Tenant shall complete design and construction of all improvements and alterations within the Premises in compliance with all permitting requirements and all other governmental requirements and restrictions, including but not limited to compliance with applicable building codes and with the Americans with Disabilities Act (ADA). Tenant expressly acknowledge that the provisions of the ADA may exceed requirements contained in building codes and other regulations and that such instances, the ADA requirements shall control. Tenant shall reimburse Landlord for all expenses incurred in connection with these permitting and governmental requirements. Except as provided in Section 15.C with regard to concurrent negligence, Tenant shall indemnify, defend and hold Landlord harmless from and against all losses, liabilities, damages, liens, costs, penalties and expenses (including attorneys' fees) arising from or out of the

performance of such alterations, additions and improvements, including, but not limited to, all which arise from or out of Tenant's breach of its obligations under terms of this Section 12.

- C. Ownership of Improvements. Upon the expiration or termination of this Lease, all alterations, additions and improvements (expressly including all light fixtures; heating, ventilation and air conditioning units; floor, window and wall coverings; and electrical wiring), except Tenant's property under Sections 14.B and 14.C, shall immediately become the property of Landlord without any obligation on its part to pay for any of the same. These improvements remain Landlord's and Tenant shall not remove all or any portion thereof on the termination of this Lease except as specifically directed by Landlord in writing.
- D. As-Built Plans. Within ninety (90) days after the completion of any alteration, addition or improvement to the Premises, Tenant shall deliver to Landlord a full set of "as-built" plans of the Premises showing the details of all alterations, additions and improvements made to the Premises

13. Care of Premises.

- A. Tenant's Obligation. Tenant shall maintain the Premises, including all improvements, in good, clean and safe condition and prevent damage to the Premises, the Building and surrounding areas. If Tenant fails to maintain the Premises or if the Premises or Building is damaged by Tenant, its employees, contractors, licensees, or invitees, Landlord shall have the right, but not the obligation, to maintain and repair the Premises, and Tenant shall pay within thirty days of invoice the actual and reasonable cost to repair all damage done to the Building or Premises that results from any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, including, but not limited to, cracking or breaking of glass. Landlord shall have the right to enter the Premises for such purposes. Landlord shall not be liable for interference with light, air or view.
- B. Landlord's Obligation. All normal repairs necessary to maintain the Building in a reasonable condition, as determined by Landlord, shall be performed under Landlord's direction and at Landlord's expense, except as otherwise provided here. Except as provided in Section 19, there shall be no abatement or reduction of Rent arising by reason of Landlord's making of repairs, alterations or improvements.
- C. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises Without Landlord's Consent. Landlord reserves to and for itself the right to approve or disapprove of the installation or integration on or in the Premises of any "work of visual art," as that term is defined in the Visual Artists Rights Act of 1990, as now existing or as later amended, and to approve or disapprove of each and every agreement regarding any such installation or integration. Tenant shall

not install on or integrate into, or permit any other person or entity to install on or integrate into, the Premises any such work of visual art without the prior, express, written consent of Landlord. Landlord's consent to the installation of any such art work may be granted, granted upon one or more conditions, or withheld in Landlord's discretion.

- D. Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990. Tenant shall protect, defend, and hold Landlord harmless from and against any and all claims, suits, actions or causes of action, damages and expenses (including attorneys' fees and costs) arising as a consequence of (a) the installation or integration of any work of visual art on or into the Premises; (b) the destruction, distortion, mutilation or other modification of the art work that results by reason of its removal; or (c) any breach of Subsection 13.B of this Lease; or (d) any violation of the Visual Artists Rights Act of 1990, as now existing or hereafter amended by Tenant or any subtenant, licensee, assignee or concessionaire of Tenant, or of any officer, agent, employee, guest or invitee of any of the same.. This indemnification obligation shall exist regardless of whether Landlord or any other person employed by Landlord has knowledge of such installation, integration, or removal.

14. Surrender of Premises.

- A. General Matters. At the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord in the same condition in which received (or, if altered, then the Premises shall be returned in such altered condition unless otherwise directed by Landlord pursuant to Section 12), reasonable wear and tear excepted. Prior to such return, Tenant shall remove its moveable trade fixtures and appliances and equipment and other personal property that have not been attached to the Premises, and shall repair any damage resulting from their removal. In no event shall Tenant remove heating, ventilating and air conditioning equipment; lighting equipment or fixtures; or floor, window or wall coverings unless otherwise specifically directed by Landlord in writing. Tenant's obligations under this Section 14 shall survive the expiration or termination of this Lease. Tenant shall indemnify Landlord for all damages and losses suffered as a result of Tenant's failure to remove voice and data cables, wiring and communication lines and moveable trade fixtures and appliances and to redeliver the Premises on a timely basis.
- B. Cable and Wiring. On or before the Expiration Date, or if this Lease is terminated before the Expiration Date then within fifteen (15) days after the effective termination date, Tenant shall remove all voice and data communication and transmission cables and wiring installed by or for Tenant to serve any telephone, computer or other equipment located in the Premises, which wiring and cabling shall include all of the same located within the interior and exterior walls and through or above the ceiling or through or below the floor of the Premises or located in any Building equipment room, vertical or horizontal riser, raceway,

conduit, channel, or opening connecting to the Premises. Tenant shall remove any raceway installed or used exclusively for Tenant's communication and transmission cables except those raceways Landlord directs to leave in place. Tenant shall leave the mud rings, face plates and floor boxes in place.

- C. Personal Property. Landlord may, at its election, retain or dispose of in any manner any of Tenant's moveable trade fixtures, appliances, equipment, and other personal property (collectively, "Personal Property") that Tenant does not remove from the Premises at the expiration of the Lease Term or within fifteen (15) days after termination of the Lease. Landlord will give written notice to Tenant specifying the Personal Property to be removed and requesting removal, and if Tenant does not remove the Personal Property within ten days from the date of notice, the Personal Property will be deemed abandoned by Tenant and title to the Personal Property shall vest in Landlord. Landlord may retain or dispose of the Personal Property in Landlord's discretion. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any Personal Property not removed by Tenant as required under this Section 14. Tenant shall be liable to Landlord for Landlord's reasonable costs for storing, removing and disposing of Tenant's trade fixtures and Personal Property.

15. Waiver; Indemnification.

- A. Tenant's Indemnification. Except as otherwise provided in this section, Tenant shall indemnify, defend (using legal counsel acceptable to Landlord) and hold Landlord, its officers, contractors, agents, and employees, Lenders and other tenants and occupants of the Building harmless from all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including Landlord's personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) resulting from any actual or alleged injury (including death) of any person or from any actual or alleged loss of or damage to, any property arising out of or in connection with (i) Tenant's occupation, use or improvement of the Premises, or that of any of its employees, agents or contractors, (ii) Tenant's breach of its obligations hereunder, or (iii) any act or omission of Tenant or any subtenant, licensee, assignee or concessionaire of Tenant, or of any officer, agent, employee, guest or invitee of any of the same in or about the Building. Tenant agrees that the foregoing indemnity specifically covers actions brought by its own employees. This indemnity with respect to acts or omissions during the Lease Term shall survive termination or expiration of this Lease. The foregoing indemnity is specifically and expressly intended to constitute a waiver of Tenant's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide Landlord with a full and complete indemnity from claims made by Tenant's employees. Tenant shall promptly notify Landlord of casualties or accidents occurring in or about the Premises.

- B. Release of Claims. Tenant hereby fully and completely waives and releases all claims against Landlord for any losses or other damages sustained by Tenant or any person claiming through Tenant 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 component; or any act, omission or negligence of co-tenants, licensees or any other persons or occupants of the Building.
- C. Limitation of Tenant's Indemnification. In compliance with RCW 4.24.115 as in effect on the date of this Lease, all provisions of this Lease pursuant to which Landlord or Tenant (the "Indemnitor") agrees to indemnify the other (the "Indemnitee") against liability for damages arising out of bodily injury to Persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, road, or other structure, project, development, or improvement attached to real estate, including the Building, (i) shall not apply to damages caused by or resulting from the sole negligence of the Indemnitee, its agents or employees, and (ii) to the extent caused by or resulting from the concurrent negligence of (a) the Indemnitee or the Indemnitee's agents or employees, and (b) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence; PROVIDED, HOWEVER, the limitations on indemnity set forth in this section shall automatically and without further act by either Landlord or Tenant be deemed amended so as to remove any of the restrictions contained in this section no longer required by then applicable law.
- D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 12 AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

16. Insurance.

- A. Tenant's Insurance Coverages and Limits. Tenant shall, at its sole cost and expense, maintain, and cause its Subtenant(s), if any, to maintain in full force and effect the following minimum limits of insurance, and adhere to all terms and conditions set forth below, throughout the entire Lease Term:
- (1) Commercial General Liability (CGL) written on an occurrence form at least as broad as ISO CG 00 01, with Minimum Limits of Liability:
- \$1,000,000 per Occurrence
 - \$2,000,000 General Aggregate
 - \$2,000,000 Products/Completed Operations Aggregate
 - \$1,000,000 Personal/Advertising Injury Liability
 - \$ 1,000,000 Damage to Premises Rented to You

Employers Liability / Washington Stop
\$1,000,000 Each Accident / Each Disease / Policy Limit

Alternatively, may be evidenced as Employer's Liability insurance under Part B of a Workers Compensation insurance policy.

Coverage shall include: Premises and Operations; Broad Form Property Damage (Including Completed Operations); Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract); Personal Injury and Advertising Liability; Independent Contractors; Severability of Interest Clause; Waiver of Subrogation endorsement in favor of Owner as required by contract; General Aggregate Limits of Insurance shall apply separately; "Claims Made" and "Modified Occurrence" policy forms are not acceptable.

The limits of liability described above are minimum limits of liability only. Regardless of provisions to the contrary under the terms of any insurance policy maintained by Tenant, the specification of any such minimum limits shall neither be (1) intended to establish a maximum limit of liability to be maintained by Tenant regarding this Agreement, nor (2) construed as limiting the liability of any of Tenant's insurers, which must continue to be governed by the stated limits of liability of the relevant insurance policies.

- (2) Automobile Liability insurance at least as broad as ISO CA 00 01 including coverage for owned, non-owned, leased or hired vehicles as applicable, with a minimum limit of \$1,000,000 each accident for bodily injury and property damage.
- (3) Workers' Compensation insurance securing Tenant's liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington.
- (4) Umbrella or Excess Liability insurance if and as necessary to maintain total CGL and Automobile Liability insurance limits of \$5,000,000 Each Occurrence and be no less broad than coverages described above.
- (5) Property Insurance under which the Tenant's furniture, trade fixtures, equipment and inventory ("Business Personal Property") and all alterations, additions and improvements that Tenant makes to the Premises are insured throughout the Lease Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (earthquake optional), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form" (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam

boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises; (iv) loss from business interruption or extra expense, with sufficient coverage to provide for the payment of Rent and Additional Charge and other fixed costs during any interruption of Tenant's business. Coverage shall contain a waiver of coinsurance or agreed amount endorsement(s). Landlord shall be named as a loss payee, as its interest may appear, as respects property insurance covering the alterations, additions and improvements under such policy.

- (6) Pollution Legal Liability is required if the Tenant will be using or storing hazardous materials or regulated substances, such as fuel, with a minimum limit of \$1,000,000 per claim for bodily injury, property damage, clean up and emergency response costs. It is acceptable to add ISO endorsement CG 24 15 Limited Pollution Liability Extension or its equivalent to the CGL policy or obtain a separate pollution legal liability policy.
- (7) In the event that Landlord deems insurance to be inadequate to protect Tenant and Landlord, Tenant shall increase coverages and/or liability limits as Landlord shall deem reasonably adequate within sixty (60) days after the date of written notice.

B. Terms and Conditions for Tenant's Insurance.

- (1) City of Seattle as Additional Insured: The CGL insurance and, in addition, Excess and/or Umbrella liability insurance, if any, shall include "City of Seattle, its officers, officials, employees, agents and volunteers" as additional insureds. Tenant's insurance shall be primary and non-contributory to any insurance maintained by or available to Landlord. The term "insurance" in this paragraph shall include insurance, self-insurance (whether funded or unfunded), alternative risk transfer techniques, capital market solutions or any other form of risk financing.
- (2) Required Separation of Insured Provision; Cross-Liability Exclusion and other Endorsements Prohibited: Tenant's insurance policy shall include a "separation of insureds" or "severability" clause that applies coverage separately to each insured and additional insured, except with respect to the limits of the insurer's liability. Tenant's insurance policy shall not contain any provision, exclusion or endorsement that limits, bars, or effectively precludes City of Seattle from coverage or asserting a claim under the Tenant's insurance policy on the basis that the coverage or claim is brought by an insured or additional insured against an insured or additional insured under the policy. Tenant's CGL policy shall NOT include any of the following Endorsements (or their equivalent endorsement or exclusions): (a) Contractual Liability Limitation, (CGL Form 21 39 or equivalent), b) Amendment Of Insured Contract Definition,

(CGL Form 24 26 or equivalent), (c) Limitation of Coverage to Designated Premises or Project, (CGL Form 21 44 or equivalent), (d) any endorsement modifying or deleting the exception to the Employer's Liability exclusion, (e) any "Insured vs. Insured" or "cross-liability" exclusion, and (f) any type of punitive, exemplary or multiplied damages exclusion. Tenant's failure to comply with any of the requisite insurance provisions shall be a material breach of, and grounds for, the immediate termination of the Agreement with City of Seattle; or if applicable, and at the discretion of City of Seattle, shall serve as grounds for Landlord to procure or renew insurance coverage with any related costs of premiums to be repaid by Tenant or reduced and/or offset against the Agreement.

- (3) **Cancellation Notice:** Coverage shall not be cancelled without 45 day written notice of such cancellation, except ten day written notice as respects cancellation for non-payment of premium, to Landlord at its notice address except as may otherwise be specified in Revised Code of Washington (RCW) 48.18.290 (Cancellation by insurer.). Landlord and Tenant mutually agree that for the purpose of RCW 48.18.290 (1) (b), for both liability and property insurance Landlord is deemed to be a "mortgagee, pledge, or other person shown by (the required insurance policies) to have an interest in any loss which may occur thereunder."
- (4) **Minimum Security Requirements:** Each insurance policy required hereunder shall be (1) subject to reasonable approval by Landlord that it conforms with the requirements of this Section, and (2) be issued by an insurer rated A-:VIII or higher in the then-current A. M. Best's Key Rating Guide and licensed to do business in the State of Washington unless procured under the provisions of chapter 48.15 RCW (Unauthorized insurers).
- (5) **Deductible or Self-Insured Retention:** Any deductible or self-insured retention ("S.I.R.") must be disclosed to, and shall be subject to reasonable approval by, Landlord. Tenant shall cooperate to provide such information as Landlord may reasonably deem to be necessary to assess the risk bearing capacity of the Tenant to sustain such deductible or S.I.R. The cost of any claim falling within a deductible or S.I.R. shall be the responsibility of Tenant. If a deductible or S.I.R. for CGL or equivalent insurance is not "fronted" by an insurer but is funded and/or administered by Tenant or a contracted third party claims administrator, Tenant agrees to defend and indemnify Landlord to the same extent as Landlord would be protected as an additional insured for primary and non-contributory limits of liability as required herein by an insurer.

C. City's Property Insurance Coverage and Limits.

- (1) City will maintain at its expense Property Insurance or self-insurance under which the Building and Premises, excluding Tenant's Business Personal Property and Tenant Improvements, are insured throughout the Lease Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (including earthquake), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises. City's Property Insurance currently is subject to a \$250,000 deductible for most claims for which Tenant shall be responsible only to the proportional extent to which the loss or damage is attributable to Tenant's negligent acts that are, or should be, covered by Tenant's Fire/Tenant Legal Liability insurance.
- (2) During such time as Tenant is engaged in the performance of the Improvements or other renovation of the Premises, the Tenant shall maintain in full force and effect "All Risks" Builder's Risk Property insurance or equivalent for the portion of the Premises under renovation, including fire and flood, on a replacement cost new basis subject to a deductible of no more than \$50,000 each loss. In the event of a claim under the builder's risk policy, Tenant or its contractor(s) shall be responsible for paying any deductible under the policy if Tenant or any of its agents, employees, or contractors is responsible for the loss or damage. It shall be Tenant's responsibility to properly coordinate with Landlord's Risk Management Division the placement of Builder's Risk Property insurance prior to any new construction on, or structural alteration of, the Premises.
- (3) Landlord may change the terms of its insurance in Sections 15.2.1 and 15.2.2 at any time based on market conditions, with no compensation due to the Tenant.

- D. Waiver of Subrogation. Unless such waiver would void the property insurance coverage to be provided pursuant to this section, Landlord and Tenant waive all subrogation rights each may have against the other, or any subtenant, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this section or other property insurance applicable to the Premises, except such rights as they have to proceeds of such insurance held by Landlord or the Tenant or both as fiduciary. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of

indemnification, contractual or otherwise, whether or not the person or entity paid the insurance premium directly or indirectly, and whether or not the person or entity has an insurable interest in the property damaged.

- E. Evidence of Insurance. On or before the Commencement Date, and thereafter not later than the last business day prior to the expiration date of each such policy, the following documents must be delivered to City at its notice address as evidence of the insurance coverage required to be maintained by Tenant:
- (1) Certification of insurance documenting compliance with the coverage, minimum limits and general requirements specified herein; and
 - (2) A copy of the policy's declarations pages, showing the insuring company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements specifying all endorsements listed on the policy including any company-specific or manuscript endorsements;
 - (3) A copy of the CGL insurance policy provision(s) and endorsements expressly including City of Seattle and its officers, elected officials, employees, agents and volunteers as additional insureds (whether on ISO Form CG 20 26 or an equivalent additional insured or blanket additional insured policy wording), showing the policy number, and the original signature and printed name of the representative of the insurance company authorized to sign such endorsement;
 - (4) Pending receipt of the documentation specified in this Section, Tenant may provide a copy of a current complete binder. An ACORD certificate of insurance will not be accepted in lieu thereof.
- F. Evidence of Insurance as set forth above, shall be issued to:
The City of Seattle
Care of CBRE
700 Fifth Avenue, Suite 4040
Seattle, WA 98104
- G. Damage or Destruction. See Section 19.
- H. Assumption of Property Risk. The placement and storage of Tenant's Business Personal Property in or about the Premises shall be the responsibility, and at the sole risk, of Tenant.
- I. Adjustments of Claims: The Tenant shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of the Tenant under this Agreement.

- J. Tenant's Responsibility: The procuring of the policies of insurance required by this Agreement shall not be construed to limit the Tenant's liability hereunder. Notwithstanding said insurance, the Tenant shall be obligated for the full and total amount of any damage, injury or loss caused by negligence of the Tenant, or any of its agents, officers and employees or through use or occupancy of the Premises.
17. Assignment or Sublease. Tenant shall not sublet or encumber the whole or any part of the Premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of Landlord. The granting of consent to a given transfer shall not constitute a waiver of the consent requirement as to future transfers. In lieu of giving its consent, Landlord shall have the right to terminate the Lease as to the portion of the Premises affected by the action for which Landlord's consent is requested and recover possession thereof from Tenant within twenty (20) days following written notice thereof to Tenant. All costs incurred by Landlord in separating the remainder of the Premises from the area so retaken shall be paid by Tenant as an Additional Charge. Any assignment or sublease, without Landlord's prior written consent shall be voidable by the Landlord. No assignment or sublease shall release Tenant from primary liability hereunder. Each assignment and sublease shall be by an instrument in writing in form satisfactory to Landlord. If Tenant assigns its interest in this Lease, or sublets the Premises, then the Base Rent shall be increased, effective as of the date of such assignment or subletting, to the higher of (i) the rentals payable by the assignee or sublessee pursuant to such assignment or sublease, or (ii) the Base Rent then being charged by Landlord for comparable space in the Building; provided, however, in no event shall the base monthly rent, after such assignment or subletting, be less than the Base Rent specified in Section 1. If Tenant assigns its interest in this Lease or sublets the Premises, Tenant shall pay to Landlord any and all consideration received by Tenant for such assignment or sublease. If Tenant 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, Tenant's outstanding voting stock, shall constitute an assignment for the purposes of this Lease. If Tenant is a partnership, then a change in general partners in or voting or decision-making control of the partnership shall also constitute an assignment. Tenant shall also pay all legal fees and other costs incurred by Landlord in connection with Landlord's evaluation of Tenant's request for approval of assignments or subleases, including assignments for security purposes.
18. Assignment by Landlord. If Landlord sells or otherwise transfers the Building, or if Landlord assigns its interest in this Lease (other than an assignment solely for security purposes, or a transfer in foreclosure, or a deed in lieu of foreclosure) such purchaser, transferee, or assignee thereof shall be deemed to have assumed Landlord's obligations under this Lease arising after the date of such transfer, and Landlord shall thereupon be relieved of all liabilities under this Lease arising thereafter, but this Lease shall otherwise remain in full force and effect. Tenant shall attorn to Landlord's successor.
19. Destruction. If the Premises or the Building are rendered partially or totally untenable by fire or other casualty, the Landlord may elect to repair or replace the damaged or

destroyed portion or to terminate this Lease. If Landlord elects to repair or replace any portion of the Building, Landlord shall proceed with reasonable diligence to prepare plans and specifications for, and thereafter to carry out, all work necessary to repair or replace the Building, the Premises or any portions thereof that were damaged or destroyed by a fire or other casualty. In determining reasonable diligence, Landlord and Tenant shall take into account when and if sufficient insurance, self-insurance, or other funds are available for the repair and replacement work. If Landlord elects to terminate this Lease, Landlord shall give Tenant at least 30-day written notice and Landlord shall retain the insurance proceeds for the Building, the Premises or any portions thereof that were damaged or destroyed by a fire or other casualty. Base Rent and Tenant's Share of excess Operating Expenses shall be abated in the proportion that the untenable portion of the Premises bears to the whole thereof, as determined by Landlord, for the period from the date of the casualty to the termination of this Lease or the completion of the repairs, unless the casualty results from or is contributed to by the negligence of Tenant or any of its officers, contractors, agents, invitees, guests or employees or Tenant's breach of this Lease. If the Premises cannot be repaired within six months from the date of the casualty or if 30% or more of the Building Rentable Area is destroyed or damaged regardless of whether the Premises are damaged or not, then Tenant may terminate this Lease by giving Landlord 30-day written notice within 60 days after the casualty. Landlord shall advise Tenant of Landlord's election to repair or terminate by giving notice to Tenant thereof within 30 days after the casualty. Unless Landlord elects to terminate this Lease, Tenant shall, at its sole cost and expense, repair all damage to its own personal property and to all improvements that Tenant has made to the Premises as soon as reasonably possible and in less than 24 months. Landlord shall not be liable to Tenant for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Building or Premises.

20. Eminent Domain.

- A. Taking. If all of the Premises are taken by Eminent Domain, this Lease shall terminate as of the date Tenant is required to vacate the Premises and all Base Rent and Additional Charges shall be paid to that date. The term "Eminent Domain" shall include the taking or damaging of property by, through or under any governmental or statutory authority, and any purchase or acquisition in lieu thereof, whether the damaging or taking is by government or any other person. If a taking of any part of the Premises by Eminent Domain renders the remainder thereof unusable for the business of Tenant, in the reasonable judgment of Landlord, the Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after Landlord gives Tenant written notice of the taking, and such termination shall be effective as of the date when Tenant is required to vacate the portion of the Premises so taken. If this Lease is so terminated, all Base Rent and Additional Charges shall be paid to the date of termination. Whenever any portion of the Premises is taken by Eminent Domain and this Lease is not terminated, Landlord, at its expense, shall commence and complete at the earliest reasonable time the restoration of, to the

extent of the compensation from the taking and to the extent it is reasonably prudent to do so, the remainder of the Premises to the condition they were in immediately prior to such taking, and Tenant, at its expense, shall commence and complete at the earliest reasonable time the restoration of its personal property and all improvements made by it to the Premises to the same condition they were in immediately prior to such taking. The Base Rent shall be recalculated using the Base Rent per Rentable Square Foot specified in Subsection 1.E. and the remaining, untaken area of the Premises from the date Tenant is required to partially vacate the Premises.

- B. Award. Landlord reserves all right to the entire damage award or payment for any taking by Eminent Domain, and Tenant waives all claim whatsoever against Landlord for damages for termination of its leasehold interest in the Premises or for interference with its business. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to such damages and agrees to execute and deliver such further instruments of assignment as Landlord, from time to time, may request. Tenant, however, shall have the right to claim from the condemning authority all compensation that may be recoverable by Tenant on account of any loss incurred by Tenant in moving Tenant's merchandise, furniture, trade fixtures and equipment, provided, however, that Tenant may claim such damages only if they are awarded separately in the eminent domain proceeding and not out of or as part of Landlord's damages.

21. Default by Tenant.

- A. Definition. If Tenant violates or breaches or fails to keep or perform any covenant, term or condition of this Lease, or if Tenant or any guarantor of Tenant's obligations under this Lease ("Guarantor") files or is the subject of a petition in bankruptcy, or if a trustee or receiver is appointed for Tenant's or Guarantor's assets or if Tenant or Guarantor makes an assignment for the benefit of creditors, or if Tenant or Guarantor is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or liquidated, voluntarily or otherwise or vacates or abandons the Premises as described in Section 21.B below then Tenant shall be deemed in default hereunder (a "Default"). If Tenant does not cure its Default after written notice from Landlord within (i) three days for any Default in Payment Base Rent or Additional Charges, or (ii) the time specified by Landlord's notice for any other Default, but in any case no less than ten days or such other time for any other Default, then Landlord shall have the following nonexclusive rights and remedies, at its option: (i) to terminate this Lease and all of the rights of Tenant in or to the Premises and to reenter and re-take possession of the Premises for which actions Tenant shall have no claim; or (ii) to cure such default on Tenant's behalf and at Tenant's sole expense and to charge Tenant for all costs and expenses incurred by Landlord in effecting such cure as an Additional Charge; or (iii) without declaring this Lease terminated, to reenter the Premises and to occupy the whole or any part thereof for and on account of Tenant and to collect

any unpaid Base Rent and Additional Charges that have become payable or that may thereafter become payable; or (iv) even after Landlord may have reentered the Premises without terminating the Lease, to thereafter to terminate this Lease and all of the rights of Tenant in or to the Premises.

- B. Vacation or Abandonment. If Lessee vacates or abandons the Premises in their entirety and fails to reoccupy them within thirty (30) days after City (1) delivers a notice to Lessee's notice address set forth in Section 1.9 above demanding such reoccupancy and (2) mails by certified or registered mail a copy of the notice to any forwarding address given by Lessee to City in writing, Lessee shall be in default under this Lease and Landlord may terminate this Lease without further notice or opportunity for cure notwithstanding Subsection 21.A.
 - C. Reentry. If Landlord reenters the Premises under option (iii) of Subsection 21.A or takes any other action to regain possession (such as unlawful detainer), Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any Rent thereafter accruing as it becomes due unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease; and Tenant shall be liable for and shall reimburse Landlord upon demand for all costs and expenses of every kind and nature incurred in retaking possession of the Premises and all other losses suffered by Landlord as a consequence of Tenant's Default. In the event of any entry or taking possession of the Premises, Landlord shall have the right, but not the obligation, to remove from the Premises all or any part of the personal property located there and may place the same in storage at a public warehouse at the expense and risk of Tenant, or to treat such property as abandoned as provided under Section 14.C.
 - D. Termination. If Landlord elects to terminate this Lease for Tenant's Default,, in addition to termination, Landlord reserves the right to pursue any amount of damages from Tenant resulting from such Default which may be allowed at law or any remedy in equity.
 - E. Adequate Security. If a petition is filed by or against Tenant or Guarantor under any provision of the Bankruptcy Code or successor act, Tenant shall post a cash bond with Landlord equal to six (6) months' Base Rent and Additional Charges to provide Landlord with adequate security for Tenant's performance of its obligations under this Lease.
22. Landlord's Remedies Cumulative; Waiver. Landlord's rights and remedies hereunder are not exclusive, but cumulative, and Landlord's exercise of any right or remedy due to a default or breach by Tenant shall not be deemed a waiver of, or alter, affect or prejudice any other right or remedy that Landlord may have under this Lease or by law or in equity. Neither the acceptance of Rent nor any other act or omission of Landlord at any time or times after the happening of any event authorizing the termination 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 Landlord of its right to

terminate this Lease, upon the written notice provided for here, at any time that cause for termination may exist, or be construed so as to estop Landlord at any future time from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease.

23. Default by Landlord.

- A. Landlord's Cure Period. Landlord shall be in default if Landlord fails to perform its obligations under this Lease within sixty (60) days after its receipt of notice of nonperformance from Tenant; provided, that if the failure cannot reasonably be cured within the sixty (60) day period, Landlord shall not be in default if Landlord commences the cure within the sixty (60) day period and thereafter diligently pursues such cure to completion.
- B. Notice to Lender and Lender's Cure Period. If Landlord provides Tenant notice that any Lender has an interest in this Lease, then in the event of a default by Landlord that would otherwise entitle Tenant to terminate this Lease, Tenant shall not terminate this Lease or pursue any other remedy unless (i) Tenant has notified Lender of the nature and extent of the default, at least sixty (60) days before the proposed effective date of termination, and (ii) Lender has not cured the default within sixty (60) days of the notice. If the default is not reasonably possible to cure with due diligence within sixty (60) days, the Lease shall not be terminated if the Lender commences the cure within sixty (60) days and pursues the cure with due diligence to completion. If the Landlord is in default and the Lender fails to cure the default within the required period, then the Tenant shall have the right to terminate this Lease.

24. Attorneys' Fees. If either party retains the services of an attorney in connection with enforcing the terms of this Lease, each party agrees to bear its own attorneys' fees and costs.

25. Access by Landlord. Landlord and its agents shall have the right to enter the Premises at any time upon reasonable notice to Tenant in order to examine the same, and to show them to prospective purchasers, lenders or tenants, and to make such repairs, alterations, improvements, additions or improvements to the Premises or Building as Landlord may deem necessary or desirable. If Tenant is not personally present to permit entry and an entry is necessary in an emergency, Landlord may enter the Premises by master key or may forcibly enter the Premises without notice and without rendering Landlord liable therefor. Nothing contained in this Lease shall be construed to impose upon Landlord any duty of repair or other obligation not specifically stated in this Lease. Tenant shall change the locks to the Premises only through Landlord and upon paying Landlord for all costs related to the change.

26. Holding Over. Unless otherwise agreed in writing by the parties hereto, any holding over by Tenant after the expiration of the then current Lease Term, whether or not consented to by Landlord, shall be construed not as an Extended Term or renewal but as a periodic

tenancy from month-to-month on the terms and conditions set forth here, except for Base Rent, which shall be increased to one and one-half (1½) times the Base Rent in effect during the last month of the Lease Term immediately preceding the holdover period. Any holdover tenancy may be terminated by either party by written notice delivered to the other party not later than thirty (30) days prior to the end of month. If Tenant fails to surrender the Premises upon the expiration or termination of this Lease, Tenant shall indemnify, defend and hold harmless Landlord 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.

27. **Lease Subordinate to Mortgages.** This Lease shall be automatically subordinate to all of Landlord's mortgages or deeds of trust that heretofore and hereafter affect the Premises or Building; to any sale and leaseback; 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; all provided that for so long as Tenant is not in default hereunder beyond the applicable Section 21 cure period, Tenant shall have continued enjoyment of the Premises and the rights provided under this Lease, free from any disturbance or interruption by reason of any exercise of remedies by Lender under or in connection with its deed of trust or mortgage. This subordination shall be self-operative, and no further instrument of subordination shall be necessary to effect such subordination. Tenant, nevertheless, shall execute such instrument of subordination as may be required by any Lender if such instrument of subordination carries out the terms of this Section 27. 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, Tenant shall attorn to the purchaser (or transferee) of the Building at such foreclosure or sale and recognize such purchaser (or transferee) as Landlord under this Lease if so requested by such purchaser (or transferee). Such attornment shall be self-operative and no further instrument need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.
28. **Estoppel and Other Certificates.** As a material inducement to Landlord to enter into this Lease, Tenant covenants that it shall, within ten days of the receipt thereof, acknowledge and deliver to Landlord (a) any subordination or non-disturbance or attornment agreement or other instrument that Landlord may require to carry out the provisions of Section 27, and (b) any estoppel certificate requested by Landlord from time to time in the commercially reasonable standard form of Landlord or any mortgagee or beneficiary of such deed of trust certifying, to the extent such be true that (i) Tenant shall be in occupancy, (ii) this Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as modified and stating the modification(s), (iii) Base Rent and Additional Charges have been paid only through a certain specified date, (iv) Tenant has no offset, defense or claim against Landlord and (v) such other matters as Landlord may reasonably request. Tenant's failure to deliver an estoppel certificate within the ten day period shall be deemed its confirmation of the

accuracy of the information supplied by Landlord to the prospective lender or purchaser. Tenant acknowledges and agrees that Landlord and others will be relying and are entitled to rely on the statements contained in such estoppel certificates.

29. **Quiet Enjoyment.** If Tenant fully complies with and promptly performs all of the terms, covenants and conditions of this Lease on its part to be performed, it shall have quiet enjoyment of the Premises throughout the Lease Term, subject, however, to matters of record on the day hereof and to those matters to which this Lease may be subsequently subordinated.
30. **Notices.** Any notice, demand or request required hereunder shall be given in writing to the party's address set forth in Subsection 1.K hereof by any of the following means: (a) personal service; (b) commercial or legal courier; or (c) registered or certified, first class mail, postage prepaid, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner as above provided. Notices shall be deemed to have been given upon the earlier of actual receipt, as evidenced by the deliverer's affidavit, the recipient's acknowledgment of receipt, or the courier's receipt, except in the event of attempted delivery during the recipient's normal business hours at the proper address by an agent of a party or by commercial or legal courier or the U.S. Postal Service but refused acceptance, in which case notice shall be deemed to have been given upon the earlier of the day of attempted delivery, as evidenced by the messenger's affidavit of inability to deliver stating the time, date, place and manner in which such delivery was attempted and the manner in which such delivery was refused or forty-eight (48) hours following deposit in the U.S. mail.
31. **Successors or Assigns.** All of the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and, subject to the terms of Section 17, their respective heirs, administrators, executors, successors and permitted assigns, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.
32. **Tenant Authority and Liability.** Tenant warrants that this Lease has been duly authorized, executed and delivered by Tenant, and that the individual signing on the Tenant's behalf has the requisite power and authority to enter into this Lease and perform its obligations hereunder. Tenant covenants to provide Landlord with evidence of its authority and the authorization of this Lease upon request. All persons and entities named as Tenant here shall be jointly and severally liable for Tenant's liabilities, covenants and agreements under this Lease.
33. **Brokers' Commission.** Landlord represents that CBRE, Inc. has represented it in connection with this Agreement. Tenant represents that only CBRE, Inc. represents Tenant for purposes of this Agreement. Landlord shall pay CBRE, Inc. a commission which is calculated pursuant to a separate Agreement. If any person or entity not identified in this section makes a claim for a brokerage commission or finder's fee of any kind, then the party through whom or on whose behalf such services are claimed shall

defend and indemnify the other party for any claims, costs or fees for unpaid broker's fees or commissions.

34. **Partial Invalidity.** If any court determines that any provision of this Lease or the application hereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.
35. **Recording.** Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request by either party, both parties shall execute a memorandum of this Lease, in a form customarily used for such purpose of recordation. The memorandum shall describe the parties, the Premises and the Lease Term and shall incorporate the other terms of this Lease by reference.
36. **Financial Statements.** Within ten days after Landlord's request therefor, Tenant shall deliver to Landlord a financial statement for Tenant's prior quarter and fiscal year. Tenant shall certify the accuracy of such statements. Landlord may make these financial statements available to potential lenders or purchasers, but shall otherwise preserve their confidentiality except in connection with legal proceedings between the parties or as otherwise directed by court rule or order.
37. **Parking.** Tenant shall have a license to use up to the number of parking spaces specified in Subsection 1.1 on an unassigned basis at the prevailing monthly rates established by the Building garage, subject to such reasonable rules and regulations as may be established from time to time by Landlord or its parking operator. Monthly parking charges shall be payable in advance on the first day of each month as Additional Charges. Tenant may reduce the number of parking spaces licensed to it after giving Landlord thirty (30) days prior written notice of the reduction; provided that no such reduction shall be effective until Tenant surrenders to Landlord the key cards, stickers or other identification materials used to provide garage access for the parking spaces surrendered.
38. **Relocation.** Landlord reserves the right without Tenant's consent, on thirty (30) days prior notice to Tenant, to substitute other space within the Building (the "Substitute Premises") for the Premises, provided that the Substitute Premises: (a) are situated on a floor not lower than floor 16 in the Building; (b) contain at least the same Rentable Area as the Premises; (c) contain comparable tenant improvements; and (d) are made available to Tenant at the then-current monthly Base Rental rate for such space. If the substitution occurs prior to the date Tenant initially occupies the Premises, then Landlord shall reimburse Tenant for the necessary and reasonable costs incurred by Tenant in planning for the space in the initial Premises, which expenses have been previously approved by Landlord and have no benefit to Tenant in the Substitute Premises. If Tenant is occupying the Premises at the time Landlord gives notice of any such relocation, Landlord shall pay the cost of moving Tenant, its property and equipment to the Substitute Premises and shall, without cost or expense to Tenant, improve the Substitute Premises with

improvements substantially similar to those located in the Premises. All of the other terms, covenants and conditions of the Lease shall remain unchanged and in full force and effect, except that Section 1 and Exhibit A shall be revised to identify the Substitute Premises, to state the Rentable Area of the Substitute Premises and to make the change, if any, in Base Rent.

39. **Liability of Landlord.** Tenant shall look solely to rents, issues and profits from the Building for the satisfaction of any judgment or decree against Landlord, whether for breach of the terms hereof or arising from a right created by statute or under common law. Tenant agrees that no other property or assets of the Landlord or any partner in or of Landlord shall be subject to levy, execution or other enforcement procedures for satisfaction of any such judgment or decree; no partner in or of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction over the partnership); no service of process shall be made against any partner in or of Landlord (except as may be necessary to secure jurisdiction over the partnership); no judgment will be taken against partner in or of Landlord; no writ of execution will ever be levied against the assets of any partner in or of Landlord; and these covenants, limitations and agreements are enforceable both by Landlord and by any partner in or of Landlord. References in this Section 39 to a partner in or of Landlord shall mean and include all past, present and future partners of The City of Seattle and any subsequent owner of the Building.
40. **Force Majeure.** Landlord shall not be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such is due to any cause beyond its reasonable control, including, but not limited to an act of Nature, act of civil or military authority, fire, flood, windstorm, earthquake, strike or labor disturbance, civil commotion, delay in transportation, governmental delay, or war.
41. **Counterparts.** This Lease may be executed by the parties in counterparts, which, taken together, constitute the entire Lease.
42. **Name of Building.** Landlord reserves the right to change the name of the Building. Tenant agrees that such change shall not require amendment of this Lease or affect in any way its obligations under this Lease, and that, except for the name change, all terms and conditions of this Lease shall remain in full force and effect.
43. **Headings.** The section headings used in this Lease are used for purposes of convenience and do not alter in any manner the content of the sections.
44. **Context.** Whenever appropriate from the context, the use of any gender shall include any other or all genders, and the singular shall include the plural, and the plural shall include the singular.
45. **Execution by Landlord and Tenant; Effective Date; Approval of Seattle City Council.** This Lease shall become effective on the date (the "Effective Date") on which this Lease is executed by Landlord and Tenant. Landlord shall not be deemed to have

made an offer to Tenant by furnishing Tenant with a copy of this Lease with particulars inserted. No contractual or other rights shall exist or be created between Landlord and Tenant until all parties hereto have executed this Lease and, if required under Seattle Municipal Code, until it has been authorized by an ordinance of Seattle City Council. All provisions of this Lease shall become effective upon the Effective Date.

46. **Time of Essence; Time Calculation Method.** Time is of the essence with respect to this Lease. Except as otherwise specifically provided, any reference in this Lease to the word "day" means a "calendar day;" Provided, that if the final day for any action required hereunder is a Saturday, Sunday or City holiday, such action shall not be required until the next succeeding day that is not a Saturday, Sunday or City holiday. Any reference in this Lease to the word "month" means "calendar month."
47. **Entire Agreement; Applicable Law.** This Lease and the Exhibits listed in Section 1. , set forth the entire agreement of Landlord and Tenant concerning the Premises and Building, and there are no other agreements or understanding, oral or written, between Landlord and Tenant concerning the Premises and Building. Any subsequent modification or amendment of this Lease shall be binding upon Landlord and Tenant only if reduced to writing and signed by them. This Lease shall be governed by, and construed in accordance with the laws of the State of Washington.
48. **Negotiated Agreement.** The parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year indicated below.

LANDLORD:
THE CITY OF SEATTLE

TENANT:
SIN TAEK CHANG & JIN WON CHANG

By: _____
Fred Podesta, Director
Department of Finance and
Administrative Services

By: _____
By: _____
Sin Taek Chang
Jin Won Chang

Date: _____

Date: 10/16/16

Next page for acknowledgements

STATE OF WASHINGTON)
) ss. (Acknowledgement for Lessor, The City of Seattle)
COUNTY OF KING)

On this _____ day of _____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Fred Podesta, known to me to be the Director of Finance and Administrative Services of THE CITY OF SEATTLE, the municipal corporation that executed the foregoing Lease, and acknowledged it to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he was authorized to execute Lease for the City.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

[Signature]

[Printed Name]

NOTARY PUBLIC in and for the State of Washington residing at

Pierce County

My commission expires 8/19/20.



STATE OF Washington)
) ss. (Acknowledgement for Tenant)
COUNTY OF Pierce)

On this 4th day of October, 2016, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Sin Taek Chong, to me known to be the Owner of Celbas & Amigos, the entity that executed the foregoing Lease as Tenant; and acknowledged the same as the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said Lease for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.

[Signature]

Jaime Manzo
[Printed Name]

NOTARY PUBLIC in and for _____ residing at _____

My commission expires 8/19/20.

STATE OF WASHINGTON)

COUNTY OF King) ss. (Acknowledgement for Tenant)

On this 10 day of OCTOBER, 2016, before me, a Notary Public in and for the State of WASHINGTON, duly commissioned and sworn, personally appeared IRU WAO CHANG, to me known to be the OWNER of BE DA'S AMIGOS, the entity that executed the foregoing Lease as Tenant; and acknowledged the same as the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that [he/she] was authorized to execute said Lease for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.

[Signature] KURT W SARGENT
[Signature] [Printed Name]

NOTARY PUBLIC in and for Washington residing at Sea Hill

My commission expires 8/2/19



**EXHIBIT B
SEATTLE MUNICIPAL TOWER LEASE**

TENANT IMPROVEMENT REQUIREMENTS

A. DEFINITION OF TENANT IMPROVEMENTS.

Landlord is making the Premises available to Tenant in "AS IS" condition. As used in this Exhibit B, "Tenant Improvements" means all alterations, improvements and installations to the Premises to be completed by Tenant. Unless the Lease includes a tenant improvement allowance, all alterations, improvements, and installations shall be at Tenant's sole cost. All Tenant Improvements shall be subject to the terms of the Lease and this Work Letter.

B. TENANT IMPROVEMENTS.

Certain conditions, materials, and products are defined in the Seattle Municipal Tower Tenant Improvement Manual (the "Building Standard"), as it may be amended by Landlord from time to time. All Tenant Improvements shall comply with the Building Standard in effect at the time of the work for all alterations to any portion of the walls; ceiling; floor; electrical distribution equipment; heating and air conditioning equipment and ducting, including but not limited to standard size variable air volume air terminal units; restrooms; drinking fountains; fire and life safety equipment; telephone service to the telephone closet located within the core area of the Building; and the basic sprinkler distribution grid. Before making any upgrade or other departure from Building Standard, Tenant shall obtain Landlord's and, if applicable, Landlord's Architect's approval and Tenant shall pay the cost thereof pursuant to the terms of Section C.2 of this Exhibit. (Non-Building Standard items are sometimes referred to here as "special" items.)

Unless expressly provided otherwise in the main body of the Lease, Tenant, rather than Landlord, shall be responsible for the cost of all Tenant Improvements, which includes but is not limited to the following items:

1. All partitioning (solid, glazed or otherwise), including walls separating the Premises from the space to be occupied by other tenants in the Building, all partitioning within the Premises, and the walls separating the Premises from the public corridor.
2. Paint or other wall coverings, all of which shall be subject to Landlord's approval prior to application or installation. Painted walls shall receive at least one prime coat and one finish coat. The brand of paint shall be Building Standard or an equivalent brand subject to Landlord's prior approval.
3. Doors, door frames, relite frames and door hardware.
4. Ceiling, including suspension system, hangers and finish materials.

5. Cabinetry and millwork.
6. Carpeting, pad or other floor covering.
7. Window coverings for exterior windows as designated by Landlord.
8. Light fixtures, including Building Standard fixtures and switching, all in accordance with applicable Seattle codes and the Energy Edge Program.
9. Electrical receptacles, wiring and conduit from electrical panels to electrical receptacles and light fixtures, and other electrical items.
10. Mudrings and pullstrings for telephone and computer receptacles. Tenant is responsible for Tenant's telephone and computer equipment, service and cabling. Tenant shall select a telephone system and coordinate its installation with Landlord.
11. Air terminal units including related ducting, round low pressure run out ducting, flexible ducting, diffusers and any other items for heating and air conditioning.
12. Modifications to the sprinkler distribution system and installation of sprinkler heads, emergency speakers, exit signs and fire extinguishers and cabinets within the Premises.
13. All removal of debris for any item of work installed pursuant to Section B of this Exhibit.
14. The fees due for any architectural or interior design services provided with respect to the Premises including but not limited to the furnishings, furniture, art work, fixtures, equipment, and other personal property therein.
15. All Washington State sales tax applicable to Tenant Improvements made to the Premises.
16. The fee charged by Landlord's architect for the reviewing on Landlord's behalf, Tenant's proposed plans and specifications for the Tenant Improvements.
17. All signage in excess of that provided by Landlord under the Lease.

C. DESIGN OF TENANT IMPROVEMENTS.

1. Landlord Approval of Design of Tenant Improvements.

a. Responsibility of Tenant for Contract Documents. As used in this Exhibit B, "Contract Documents" means all documents required by Landlord for review in order to approve the Tenant Improvements prior to installation, including but not limited to contractor proposals, working drawings, specifications, engineering drawings and any other document representing the Tenant Improvements. "Final Contract Documents" means the final for construction version of

the Contract Documents which has been approved by Landlord. The Contract Documents shall comply with the requirements of Section 12 of the Lease and this Exhibit B. For Tenant Improvements which are not Substantial Alterations (defined in Section C.1.b), Tenant shall submit to Landlord the Tenant's contractor proposal with itemized bid categories and any other information reasonably requested by Landlord in order to approve the proposed Tenant Improvements.

b. Substantial Alterations. The requirements in this Section shall be followed for any Substantial Alteration. As used in this Section, "Substantial Alteration" means any alteration to the Premises which (i) in any way modifies, connects with, or relates to the Building mechanical, electrical, plumbing or structural systems, or (ii) relocates walls or utilities. "Substantial Alteration" does not include replacing flooring or carpeting, installing fixtures which may be removed without damage to the surrounding areas, painting, or installations which do not alter any utility or Building system. Tenant shall cause Tenant's architect to submit two (2) blackline sets of Contract Documents to Landlord. Landlord shall have ten days to review and return one (1) marked up set of Contract Documents to Tenant's architect; Provided, that if structural or mechanical work is proposed, and Landlord, in the exercise of its discretion, requires consultation with Landlord's structural engineer or mechanical engineer to evaluate the Contract Documents, Landlord shall give notice to Tenant's architect of such need, and Landlord shall have up to an additional thirty (30) days for its review of the Contract Documents. Tenant's architect shall incorporate Landlord's comments into the proposed Final Contract Documents and submit two (2) complete sets of the proposed Final Contract Documents, as modified, to Tenant. Tenant shall have ten days to review and approve the modified Final Contract Documents. Tenant shall indicate its approval by signing the cover sheet of the modified Final Contract Documents and returning one (1) complete set to Landlord and one to Tenant's architect. The Final Contract Documents, as modified to incorporate Landlord's comments, shall be prepared in accordance with the standards developed by the Landlord including common symbols, legends and abbreviations together with information required to obtain a building permit. Unless otherwise approved by Landlord, the Final Contract Documents, as approved and signed by Tenant, shall include:

(1) Architectural Floor Plan: A plan, fully dimensioned, showing partition layout and type identifying each room with a number and each door with a number and the extent of floor finishes, casework, relites, etc. Plumbing requirements must also be noted on this plan. This plan shall indicate HVAC zoning requirements.

(2) Reflected Ceiling Plan: A plan showing all Building Standard and special ceiling conditions and materials. This plan shall include the location and type of all Building Standard and special light fixtures including switching, together with a legend indicating fixture type, quantity of fixtures, and connected wattage of each fixture as necessary for compliance with The City of Seattle codes.

(3) Electrical, Telephone and Computer Receptacles Plan: A plan locating all power, telephone and computer requirements dimensioned to give exact location of receptacle, height above concrete slabs and position from a corner. This plan shall identify all dedicated circuits and identify all power receptacles greater than 120 volts. For equipment

utilizing receptacles that require dedicated circuits and/or that require greater than 120 volts, Tenant shall specify the type of equipment, the manufacturer's name and model number. The plan must also identify the name of the manufacturer of the phone and computer system to be used and the power requirements, size and location of its primary equipment.

(4) Furniture Layout: Basic layout showing furniture location.

(5) Millwork/Casework Details: Complete elevations, sections and construction details of all special millwork including but not limited to cabinets, paneling, trim, bookcases, doors, door frames and relite frames.

(6) Hardware Specifications and Keying Schedule: Complete specifications for all special hardware. Key ways in special locks must be compatible with building master key system. The keying schedule must indicate which doors are locked and which keys open each lock, together with a symbol indicating which side of the door is to be locked to prohibit entry.

(7) Room Finish and Color Schedule; Signage: Complete information showing on the drawings the location and specifications for all finishes including wall, floor covering, wall base, ceiling and special conditions; as well as the size, design, method of installation, and desired location of all signage.

(8) Construction Notes and Specifications: Any special notes required and complete specifications for all special items including but not limited to instructions for bidders, special conditions incorporating the AIA standard form of general conditions and technical specifications for all special Building work.

(9) Structural Drawings: If required, Tenant shall engage the services of its structural engineer, a separate structural permit will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. A drawing will be prepared for Landlord's review, indicating the extent of structural modifications proposed for the Premises.

(10) Mechanical Drawings: Tenant shall engage the services of its mechanical engineer, separate plumbing and HVAC permits will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. Drawings shall be prepared for Landlord's review indicating plumbing and HVAC requirements as follows:

(a) Plumbing: Clearly indicating all waste, vent and water requirements, locations and connections to stub-outs located at the Building core.

(b) HVAC: Clearly indicating the basic system, modifications to the basic system if required, including any special cooling or stand-alone system, special ventilation system, and supply air diffusers, return air grilles and space temperature sensors.

2. Delays and Costs. Tenant shall be responsible for all costs of design of Tenant Improvements, including delays and additional costs necessary for Landlord's review and approval of the Tenant Improvements, including but not limited to the fees of Landlord's architect, except to the extent any costs result from Landlord's failure to review and to approve or comment upon the Contract Documents within the time provided herein, unless the delay is attributable to Tenant. Tenant shall reimburse Landlord for any such costs upon the commencement of the Lease Term or within thirty days of invoice. The Rent Commencement Date shall not be delayed as a result of delays to the design or completion of Tenant Improvements, unless and to the extent such delays are the result of Landlord's failure to review and approve the Contract Documents or to perform any other obligation of Landlord herein.

3. Notice to Proceed and Approval. Once Landlord reviews and approves Tenant's Contract Documents and determines that any other requirements under this Exhibit B are satisfied, Landlord shall provide Tenant notice to proceed. Landlord's approval of the Contract Documents under the Lease is for Landlord's own purposes in managing the Building, and shall not constitute an opinion or representation by the City of Seattle as to the Contract Documents' compliance with any law or ordinance or their adequacy for other than the purposes of managing the Building, and such approval shall not create or form the basis of any liability on the part of the City for any injury or damage resulting from any inadequacy or error therein or any failure to comply with applicable law, ordinance, rule or regulation.

D. CONSTRUCTION OF TENANT WORK.

1. Landlord's Contractor. Tenant shall contract for all Tenant Improvements, provided that all work shall be performed only by Landlord's approved Building contractor(s) ("Approved Contractor(s)") or in conformance with Part F. Special Conditions below.

2. Work to Comply with Final Contract Documents. All Tenant Improvements shall be completed according to the Final Contract Documents. Once the Landlord approves the Final Contract Documents, Tenant shall diligently prosecute the work and shall not make any changes without first obtaining Landlord's written approval. If Tenant submits any proposed changes to the Final Contract Documents, Landlord shall have ten (10) days to review and comment on the proposed changes.

3. Tenant's Network Facilities. Tenant shall be solely responsible for its telephone, computer, and data network system, including selection of equipment, installation, and cost. Responsibility for telecommunications and internet service is addressed in Section 9 of the Lease. Information concerning network equipment size, weight, and electrical and environmental requirements must be provided to Landlord's Architect during the planning phase, and Tenant shall coordinate installation of the network system with Landlord's Tenant Improvement Coordinator during the construction phase.

E. GENERAL CONDITIONS.

The following provisions shall be applicable to all Tenant Improvements.

1. All work shall be completed in compliance with all applicable laws and regulations, including the requirements of any permits. If a building permit is required, no work shall begin until Tenant or its contractor has obtained a valid building permit and provided a copy to Landlord. Tenant acknowledges and agrees that Landlord's review and approval of Final Contract Documents is for Landlord's own purposes, and notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility for Tenant's failure to complete all work in compliance with all applicable laws, regulations, and permits.

2. All work by Tenant or Tenant's contractor shall be scheduled through Landlord.

3. Tenant or Tenant's contractor shall arrange for necessary utility, hoisting and elevator service with Landlord and shall pay such reasonable charges for such services as may be charged by Landlord.

4. Tenant shall promptly reimburse Landlord for costs incurred by Landlord due to faulty work done by Tenant or by any of its contractors, or by reason of any delay caused by such work, or by reason of inadequate clean up.

5. Tenant shall be responsible for the payment to Landlord, as an Additional Charge, any increase in Building energy costs attributable to special lighting or equipment as provided for in Section 9.B (1) of the Lease. Lighting which is inconsistent with Seattle's Energy Code or the Energy Edge Program shall not be installed without the prior approval of Landlord and Landlord's Architect, which may be withheld in the sole discretion of Landlord.

6. Tenant and Tenant's contractors shall keep the Building and the Premises free of liens arising out of Tenant's contractor's work and that of every subcontractor or supplier, all as provided under Section 8.C of the Lease.

7. If Landlord is providing a Tenant Improvement Allowance, the following conditions apply:

(a) Tenant shall require its contractor to pay prevailing wages and comply with Washington's Prevailing Wage Statute, Revised Code of Washington Chapter 39.12. The prevailing wage rates may be found at:
<http://lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>

(b) after completion of the Landlord-approved Tenant Improvements eligible for the Tenant Improvement Allowance, Tenant shall submit its reimbursement request to Landlord, which request shall be accompanied by true and accurate copies of (i) all contractor invoices, which shall include sufficient detail to demonstrate the specific work and charge, (ii) evidence of compliance with the Prevailing Wage Statute, including copies of contractor's filed

intents and affidavits of prevailing wages paid, and (iii) and any back-up receipts or other records reasonably requested by Landlord to substantiate the Tenant Improvement costs. Landlord shall reimburse Tenant within thirty (30) days of receipt of all required invoices and records, up to the amount of the Tenant Improvement Allowance.

F. SPECIAL CONDITIONS.

If a portion of the Tenant Improvements or any other installation within the Premises is to be performed by someone other than Approved Contractors, then the following terms and conditions shall apply:

1. Such work shall proceed upon Landlord's written approval of (i) Tenant's contractor; (ii) Tenant's all risk property insurance required under Section 16 of the lease, (iii) any additional public liability and property damage insurance to be carried by Tenant's contractor which is satisfactory to Landlord and which names the City as an additional insured; and (iv) if applicable, the amount of general conditions to be paid by Tenant to Landlord for the service(s) still provided by an Approved contractor.

2. If required by Landlord, prior to commencement of any work on the Premises by Tenant or any Tenant's contractor, Tenant and Tenant's contractor shall enter into an indemnity agreement and a lien priority agreement satisfactory to Landlord indemnifying and holding harmless Landlord for any liability, losses or damages directly or indirectly from lien claims affecting the land, the Building or the Premises arising out of Tenant's or Tenant's contractor's work or that of every subcontractor or supplier, and subordinating each such lien to the liens of construction and permanent financing for the Building.

3. Landlord shall have the right to post a notice or notices in conspicuous places in or about the Premises stating that the Landlord is not responsible for the work being performed therein.

EXHIBIT C
SEATTLE MUNICIPAL TOWER
BUILDING
RULES

1. Except as specifically provided in the Lease to which these Rules are attached, no signs, a-frames, sandwich boards, banners, placards, pictures, advertisements, names or notices shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.
2. Tenant shall not attach, hang, place, use, or allow curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations in connection with any window or ceiling of the Building without the prior written consent of the Landlord, which Landlord may withhold in its sole and absolute discretion. With the prior written consent of Landlord, such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. Tenant shall not alter or remove any exterior window glass of the Building for any reason.
3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators or stairways of the Building. The common area halls, passages, exits, entrances, elevators, escalators and stairways are open to the general public, and are open to Tenant's business invitees, subject to these rules. Landlord shall in all cases retain the right to control and prevent access by all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; providing that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of business, unless such persons are engaged in illegal or unlawful activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building unless approved by Landlord.
4. Landlord provides a Building directory for displaying the name and location of each tenant, and Landlord reserves the right to exclude any other names from the directory. Any additional name that Tenant desires to display in the directory must first be approved by Landlord and, if so approved, a charge will be made for each additional name.
5. Landlord will furnish Tenant, free of charge, keys to each door lock in the Premises. Landlord will also provide for each person occupying an office in the Premises, one electronic Building security system access card that permits access to the Building and control of the elevator to the Premises during the evenings and over weekends when the Building is not normally open for business. Landlord may impose a reasonable charge for any additional key or Building security system access card requested by Tenant.

Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Tenant, upon the expiration or earlier termination of its tenancy, shall deliver to Landlord all Building keys that have been furnished to Tenant, and all Building security system access cards. In the event any keys or Building security system access cards so furnished are not returned as required, Tenant shall pay the then-current lost key or lost card charge as established by Landlord. Tenant may not install its own security system without prior approval by Landlord, which shall not be unreasonably withheld, provided that Landlord shall have access to such security system and the Premises without charge.

6. If Tenant requires telecommunications, internet, burglar alarm, panic alarms or similar services, it shall first obtain, and comply with, Landlord's instructions as to their installation.

7. The Building freight elevator(s) shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord, in its discretion, shall deem appropriate. Use of freight elevators is restricted to Tenants that are transporting larger items or carts only, not for passenger use. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between such hours and in such elevators as may be designated by Landlord. Tenant's initial move in and subsequent deliveries and removals of heavy or bulky items, such as furniture, safes and similar items shall, unless otherwise agreed by Landlord, be made during the hours of 6 P.M. to 6 A.M. or on Saturday or Sunday and subject to such limitations as Landlord may impose. Deliveries during normal office hours shall be limited to normal office supplies and other small items. No delivery shall be made that impedes or interferes with any other tenant or the operation of the Building. In its use of the loading areas for the Building, Tenant shall not obstruct or permit the obstruction of said loading areas, and at no time shall Tenant park vehicles there except for loading and unloading.

8. Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. Any business machine or mechanical equipment belonging to Tenant that causes noise or vibration that may be transmitted to the structure of the Building or to any space therein, to such a degree as to be objectionable to Landlord or to any tenant in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Every person employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at Tenant's expense.

9. Tenant shall not use or store or permit to be used or stored in the Premises any kerosene, gasoline or flammable or combustible fluid or gas other than those used in non-

Office Premises for cooking. Tenant shall not permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or any other occupant of the building by reason of noise, odors or vibrations from the Premises.

10. Tenant shall not bring into or keep on or about the Premises any animal other than a service animal. Landlord's rules regarding service animals are detailed in a separate policy document and is made a part of these rules by reference.

11. Tenant shall not use any method of heating or air conditioning other than that supplied and/or approved by Landlord. No portable fans, heaters, humidifiers, misters, or air-conditioners are allowed in building, tenant spaces or tenant desks at any time.

12. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls. Tenant shall not obstruct, conceal or close any ceiling heating or cooling vents at any time. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day.

13. Landlord reserves the right to select the name of the Building and to make such change or changes of name as it may deem appropriate from time to time, and Tenant shall not refer to the Building by any name other than: (i) the names as selected by Landlord (as same may be changed from time to time), or (ii) the postal address, approved by the United States Post Office. Tenant shall not use the name of the Building in any respect other than as an address of its operation in the Building without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the street address of the Building.

14. Landlord reserves the right to exclude from the Building between the hours of 7 P.M. and 7 A.M. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays, Saturday's and legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, lights, and gas outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for Tenant's noncompliance with this rule.

16. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown in them. The expense of any breakage, stoppage or damage resulting from violation of this rule shall be borne by the Tenant who, or whose employee or invitee, caused it.

17. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theatre tickets or any other goods or merchandise to the general public in or on the Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the building. Tenant shall not use the Premises for any business or activity other than that specifically provided in Tenant's Lease. Conditions of use for all building general use conference rooms are posted in each conference room; Tenants are required to comply with those conditions.

18. Except as permitted in the Lease or approved in writing by Landlord, Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

19. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster, or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Lease pertaining to alterations. Landlord reserves the right to direct electricians as to where and how telecommunications & data cabling are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering or paint to the floor of the Premises or any wall or ceiling coverings in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

20. Tenant shall not install, maintain or operate upon the Premises any vending machine, video game or other coin-operated or coin-activated device without the written consent of Landlord.

21. Canvassing, soliciting and distribution of any handbill or any other written material and peddling in the Building are prohibited, and Tenant shall cooperate to prevent such activities.

22. Landlord reserves the right to exclude or, expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of any liquor, marijuana, or illegal drug or who is in violation of any of the Rules of the Building.

23. Tenant shall store all its trash, recycling, and compost within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash disposal. All trash, recycling, and compost shall be disposed of in accordance with directions issued, from time to time, by Landlord.

24. The Premises shall not be used for lodging or for manufacturing of any kind, nor shall the Premises be used for any purpose other than the Permitted Use or any use offensive to the community around Building.
25. Tenant shall not use in any space or in any public hall of the Building, any hand truck except one equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Hand trucks are only to be used in the buildings freight elevators and not the passenger elevators. Tenant shall not bring any other vehicle, bicycle, skateboard, or Segway of any kind into the Building. Landlord has designated secured bicycle cages in the Parking Garage for Tenants use as necessary.
26. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
27. Tenant assumes any and all responsibility for protecting its Premises from theft, burglary and pilferage, which includes keeping doors and other means of entry to the Premises closed and locked.
28. Landlord may waive any one or more of these Rules for the benefit of Tenant or any other tenant, but such waiver by Landlord shall not be construed as a waiver of such Rules for any other tenant, nor prevent Landlord from thereafter enforcing any such Rules against any or all of the tenants of the Building.
29. These Rules are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of Tenant's Lease of its Premises in the Building. Where there is a conflict between the Tenant's Lease and these Rules, the Tenant's Lease shall control and take priority over these rules.
30. Landlord reserves the right to make amendments to these rules or make such other reasonable Rules as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules hereinabove stated and any additional rules that are adopted.
31. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.
32. Smoking, vaporizing, or use of an electronic cigarette or like equipment is not permitted in any public or Tenant areas inside the building. Public areas include lobbies, restrooms, hallways, stairwells and garage. Smoking, vaporizing, etc. is also not permitted on any of the exterior plaza levels, except for areas designated by the Landlord.

Additional Rules for Office Premises

33. An Office Premises is a Premises where neither food service nor retail sales are included in the Permitted Use in Section 1.K. of the Lease.
34. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises.
35. Tenant shall not obtain for use in an Office Premises ice, drinking water, food, beverage, towel or other similar services or accept barbering or bootblacking service upon the Premises, except at such hours and under such rules as may be fixed by the Landlord.
36. An Office Premises shall not be used for the storage of merchandise held for sale to the general public.
37. Tenant shall not use or keep in an Office Premises any kerosene, gasoline or flammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance.
38. No cooking shall be done or permitted on an Office Premises without Landlord's consent, except that use by Tenant of equipment with auto shut off capability for brewing coffee, tea, hot chocolate and similar beverages, or use of a microwave oven for employee use shall be permitted, provided that such equipment is in good condition and the equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules. Said equipment shall be located in Tenant identified break/kitchen areas only. Plumbed auto-ice making equipment is also not permitted unless equipment is part of a refrigerator/freezer combo. Tenant shall at no time have any personal brewing equipment at Tenant's work desk/cubical areas.

EXHIBIT D

“MENU”

Beba's and Amigo's (6/27/16)

Breakfast

- Breakfast Sandwich
- Breakfast Burritos
- Breakfast Quesadilla
- Mile High Potatoes
- Express Breakfast (Potatoes, Toast, Eggs, and Bacon/Ham)
- Spanish Omelet

Mexican Lunch

- Burritos (Steak, Chicken, Beef, Mexican Steak, Veggie, Beans & Rice)
- Quesadilla or Taco (Same as Above for Filling)
- Enchiladas (Beef, Chicken, Cheese, or Veggie)
- Nacho's (Beef, Chicken, Steak, or Cheese)
- Taco Salads/Tostadas (Steak, Chicken, Beef or Veggie)
- Side Items (Rice, Beans, Chips, Pico de Gallo & Guacamole)

Deli Lunch

- Lunch Specials (Lasagna, Spaghetti, Meatloaf, Carved Turkey)
- Sandwiches (Turkey, Ham, Tuna Salad, Chicken Salad, Roast Beef, Vegetarian, BLT or Egg Salad)
- Soups (Varies)
- Salads (Oriental, Ceaser, Mexicob or Santa Fe)
- Baked Potato

Snacks

- Cookies
- Baked Goods
- Parfait
- Chips
- Candy
- Hard Boiled Eggs

Drinks

- Coffee, Espresso Coffee, Tea, Fountain Drinks, Soft Drinks, Water

ORIGINAL
COPY

SEATTLE MUNICIPAL TOWER LEASE
BETWEEN
THE CITY OF SEATTLE,
AS LANDLORD,
AND
HUNJO JUNG & NA YOUNG LEE
D/B/A CHEW CHEW'S EATERY
AS TENANT

SEATTLE MUNICIPAL TOWER LEASE
BETWEEN

THE CITY OF SEATTLE,
AS LANDLORD,

AND

HUNJO JUNG & NA YOUNG LEE
D/B/A CHEW CHEW'S EATERY
AS TENANT

1. LEASE DATA	1
A. Building:	1
B. Premises	1
C. Commencement Date.....	1
D. Expiration Date.....	1
E. Base Rent and Additional Charges.	1
F. Security Deposit.....	2
G. Base Year	2
H. Expense Year.	2
I. Tenant's Share.	2
J. Parking	2
K. Permitted Use.....	2
L. Notice Addresses	2
M. Exhibits	2
2. PREMISES.....	2
A. Grant..	2
B. Rentable Area.....	3
C. Condition.....	3
D. Common Areas.	3
E. Landlord Alterations	3
F. Prospective Tenants	3
G. Personal Guaranty.....	Error! Bookmark not defined.

3. LEASE TERM.....	4
A. Term	4
B. Tenant’s Opportunity to Extend Lease Term.....	4
4. RENT.	4
A. Payment of Rent and Additional Charges.....	4
B. Rent Amount During Extended Term.....	4
C. Arbitration of Fair Market Rental Rate.....	5
(1) If an arbitrator appointed by either party withdraws or is unable to complete the process for any reason.	6
(2) The arbitrators shall have the right to consult experts	6
5. TENANT'S SHARE OF BUILDING OPERATING COSTS AND REAL PROPERTY TAXES.....	6
6. LATE CHARGE; INTEREST.....	6
7. SECURITY DEPOSIT	6
8. TENANT'S OPERATIONS.	7
A. Use of Premises.....	7
B. Unlawful Use.	7
C. Liens and Encumbrances	7
D. Hazardous Substances.....	8
9. UTILITIES AND SERVICES.....	8
A. Tenant’s Responsibility	8
B. Services	8
(1) Additional Service.....	9
(2) Interruption.....	9
10. LICENSES AND TAXES	10
11. DELIVERY OF PREMISES.....	10
A. Delivery of Premises.....	10
B. Signage.....	10

12. ALTERATIONS BY TENANT	11
13. CARE OF PREMISES.	12
A. Tenant's Obligation	12
B. Landlord's Obligation.....	12
C. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises . 12	
D. Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990..	13
14. SURRENDER OF PREMISES.....	13
A. General Matters.....	13
B. Cable and Wiring	13
C. Personal Property	14
15. WAIVER; INDEMNIFICATION.	14
A. Tenant's Indemnification.	14
B. Release of Claims.	14
C. Limitation of Tenant's Indemnification.....	15
D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 12 AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.	15
16. INSURANCE.....	15
A. Tenant's Insurance Coverages and Limits	15
B. Terms and Conditions for Tenant's Insurance.....	17
C. City's Property Insurance Coverage and Limits.....	19
D. Waiver of Subrogation.....	19
E. Evidence of Insurance.....	20
F. Evidence of Insurance.....	20
G. Damage or Destruction	20
H. Assumption of Property Risk.....	20
I. Adjustments of Claims.....	20
J. Tenant's Responsibility.	20
17. ASSIGNMENT OR SUBLEASE.....	21

18. ASSIGNMENT BY LANDLORD	21
19. DESTRUCTION	21
20. EMINENT DOMAIN.	22
A. Taking	22
B. Award.....	23
21. DEFAULT BY TENANT	23
A. Definition	23
B. Vacation or Abandonment	24
C. Reentry.....	24
D. Termination.....	24
E. Adequate Security.....	24
22. LANDLORD'S REMEDIES CUMULATIVE; WAIVER	24
23. DEFAULT BY LANDLORD.	25
A. Landlord's Cure Period.....	25
B. Notice to Lender and Lender's Cure Period	25
24. ATTORNEYS' FEES.....	25
25. ACCESS BY LANDLORD	25
26. HOLDING OVER.....	25
27. LEASE SUBORDINATE TO MORTGAGES	26
28. ESTOPPEL AND OTHER CERTIFICATES.....	26
29. QUIET ENJOYMENT	26
30. NOTICES.....	27
31 SUCCESSORS OR ASSIGNS..	27
32. TENANT AUTHORITY AND LIABILITY.....	27

33. BROKERS' COMMISSION	27
34. PARTIAL INVALIDITY	27
35. RECORDING.....	28
36. FINANCIAL STATEMENTS.....	28
37. PARKING.....	28
38. RELOCATION	28
39. LIABILITY OF LANDLORD	28
40. FORCE MAJEURE	29
41. COUNTERPARTS.....	29
42. NAME OF BUILDING.....	29
43. HEADINGS	29
44. CONTEXT	29
45. EXECUTION BY LANDLORD AND TENANT; EFFECTIVE DATE; APPROVAL OF LENDER	29
46. TIME OF ESSENCE; TIME CALCULATION METHOD	29
47. ENTIRE AGREEMENT; APPLICABLE LAW.	30
48. NEGOTIATED AGREEMENT	30

SEATTLE MUNICIPAL TOWER LEASE

THIS LEASE is entered into by THE CITY OF SEATTLE ("Landlord"), a city of the first class of the State of Washington and HUNJO JUNG & NA YOUNG LEE D/B/A CHEW CHEW'S EATERY, individually and as married couples (collectively referred to as "Tenant").

Landlord and Tenant covenant and agree as follows:

1. **Lease Data; Exhibits.** The following terms shall have the following meanings, except as otherwise specifically modified in this Lease:
 - A. **Building:** Seattle Municipal Tower, 700 Fifth Avenue, Seattle, King County, Washington 98104, situated on real property described more particularly in Subsection 2.A.
 - B. **Premises:** A Rentable Area (as defined in Subsection 2.B) identified as Suite 603 consisting of approximately 1,696 Rentable Square Feet located on Building Floor Outdoor Plaza 6 as outlined on the floor plan of the Building attached hereto as Exhibit A (the "Floor Plan of Premises"), including tenant improvements described in Exhibit B.
 - C. **Commencement Date:** The first day of the month following the Effective Date (as defined in Section 45).
 - D. **Expiration Date:** The last day of the 60th full month following the Commencement Date, unless the Term of this Lease is extended under Subsection 3.B.
 - E. **Base Rent and Additional Charges:** For use and occupancy of the Premises during the Initial Term hereof, Tenant shall pay Landlord \$14.00 per Rentable Square Foot per year (i.e., an initial annual amount of \$23,744.00) as Base Rent, which amount shall be increased by two percent (2%) annually as provided in the table below. Rent shall be payable as and when specified in Section 4. Whether or not so designated, all other sums due from Tenant under this Lease, including but not limited to Leasehold Excise Tax due under Section 10 shall constitute Additional Charges, payable when specified in this Lease.

Lease Years	Monthly Rent	Monthly Leasehold Excise Tax (12.84%, subject to	Total Monthly Rent
Year 1	\$ 1,978.67	\$ 254.06	\$ 2,232.73
Year 2	\$ 2,018.24	\$ 259.14	\$ 2,277.38
Year 3	\$ 2,058.60	\$ 264.32	\$ 2,322.92
Year 4	\$ 2,099.78	\$ 269.61	\$ 2,369.39
Year 5	\$ 2,141.77	\$ 275.00	\$ 2,416.77

- F. Security Deposit: \$5,000.00
- G. Base Year: N.A.
- H. Expense Year: Each full calendar year.
- I. Tenant Improvement Allowance: \$15.00 per Rentable Square Foot, payable as provided under Section 12 and Exhibit B.
- J. Parking: The license granted under Section 37 of this Lease is limited to one (1) automobile.
- K. Permitted Use: Tenant shall have the right to use the Premises for the purpose of an eat-in/take-out/delivery restaurant offering a menu substantially the same as the menu shown on Exhibit D. Tenant shall not add any item to its menu without first having given Landlord written notice of Tenant's desire to add the items(s) described in such notice and having received Landlord's written consent for such addition.
- L. Notice Addresses:
- To Landlord: City of Seattle c/o CBRE, Inc.
700 Fifth Avenue, Suite 4040
Seattle, WA 98104
- To Tenant: Hunjo Jung
d/b/a Chew Chew's Eatery
700 Fifth Avenue, Suite 603
Seattle, WA 98104
- M. Exhibits: The following exhibits are made a part of this Lease:
- Exhibit A - Floor Plan of Premises.
Exhibit B - Tenant Improvements.
Exhibit C - Rules and Regulations.
Exhibit D - Copy of Current Menu
Exhibit E - Personal Guaranty

2. Premises.

- A. Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain premises (the "Premises") located on the floor(s) and having the Rentable Area set forth in paragraph 1.B. The Premises are part of the Building which is located on and includes the real property described as follows: Lots 1, 4, 5, 6, 7 and 8 in Block 29 of addition to the Town of Seattle, as laid out by the claim of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D.

Boren's addition to the City of Seattle), as per Plat recorded in Volume 1 of Plats, Page 25, Records of King County; together with the westerly 1/2 of vacated alley adjoining Lots 1 and 4; and together with all of the vacated alley adjoining Lots 5, 6, 7 and 8; Lots 2 and 3 in Block 29 of addition to the Town of Seattle, as laid out on the claim of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's addition to the City of Seattle), as per plat recorded in Volume 1 of Plats, Page 25, Records of King County; together with the northeasterly 1/2 of vacated alley adjoining; situate in the City of Seattle, County of King, State of Washington.

- B. Rentable Area. The Rentable Area set forth in Subsection 1.B shall be used to calculate Base Rent regardless of any discrepancy with the actual measured area of the Premises or any alterations that affect the area of the Premises.
- C. Condition. The Landlord leases the Premises and the Tenant accepts the Premises in "as is" condition. The Landlord disclaims all representations, statements, and warranties, expressed or implied, with respect to the condition or suitability of the Premises other than those contained in this Lease.
- D. Common Areas. During the Lease Term, Tenant and its licensees, invitees, and employees shall have the non-exclusive right to use the Building garage and all entrances, lobbies, elevators, stairs, corridors, restrooms and other public areas of the Building which the Landlord designates for use in common with Landlord, other Building tenants and their respective licensees, invitees, and employees (the "Common Areas"). Landlord shall at all times have exclusive control and management of the Common Areas and diminution of the Common Area shall not be deemed a constructive or actual eviction or entitle Tenant to compensation or a reduction or abatement of rent.
- E. Landlord Alterations. Landlord, in its discretion, may increase, decrease or change the number, locations and dimensions of any hallways, lobby areas, Common Areas and other areas of the Building that are not within the Premises. Landlord 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, and within the walls of 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. Landlord reserves the right from time to time to access the Premises for the forgoing purposes, subject to Section 25.
- F. Prospective Tenants. During the final twelve (12) months of the Lease Term, or after an event of Tenant Default that is not cured within the time specified in Section 20.A, Landlord reserves the right to enter the Premises at reasonable hours for purposes of showing the Premises to prospective tenants. Additionally, at any time during the final nine (9) months of the Lease Term or after an event of Default that is not timely cured, Landlord reserves the right to place signs in, at, and around the

Premises for purposes of re-letting the Premises after the expiration or termination of the Lease.

- G. Personal Guaranty. This Lease is made expressly contingent upon the concurrent execution of a personal lease guaranty(s) by Hunjo Jung and Na Young Lee in the form attached and incorporated herein as Exhibit E (the "Guaranty"). The Guaranty is provided as the Landlord's security for full performance of Tenant's obligations under this Lease and will remain in effect throughout the Term of the Lease.

3. Lease Term.

- A. Term. The term of this Lease shall be for an initial term of five years beginning on the Commencement Date in 1.C and expiring on the Expiration Date (the "Term" or "Lease Term") unless extended as provided under Section 3.B or terminated earlier as provided herein. .
- B. Tenant's Opportunity to Extend Lease Term. Tenant shall have the option to extend the Lease Term for one period of five (5) years (the "Extended Term") on the same terms and conditions, except for Rent which shall be Fair Market Rent determined under Section 4.B and C. To exercise its option to extend, Tenant must give Landlord written notice no later than two hundred seventy (270) days before the expiration of the then-current Term. Tenant's right to any extended term under this Lease is expressly conditioned upon the following: (1) Tenant must not have materially Defaulted (as defined in Section 21) in the performance of its obligations under this Agreement at any time prior to the expiration of the then-current Lease Term, and (2) Tenant must exercise its option in the time and manner required under this Subsection. As used in this Lease, all references to "Term" or "Lease Term" mean the Initial Term and any and all Extended Terms.

4. Rent.

- A. Payment of Rent and Additional Charges. On or before the Commencement Date and thereafter on or before the first day of each month during the Term, Tenant shall pay to Landlord at the address and to the account specified by Landlord, without notice or demand or setoff or deduction of any kind, in lawful money of the United States (a) the monthly amount (1/12th) of the annual Base Rent in advance, and (b) the applicable amount of Leasehold Excise Tax as required under Section 10, and (c) other Additional Charges as and when specified elsewhere in this Lease, but if not specified, then within ten days after demand. Base Rent and, if appropriate, as reasonably determined by Landlord, Additional Charges shall be prorated on a daily basis for any partial month within the Lease Term. For any partial initial month in the Lease Term, Base Rent and Leasehold Excise Tax shall be paid on the first day of the Lease Term.
- B. Rent Amount During Extended Term. If Tenant elects to extend the Lease Term under Section 3.B, beginning on the first day of the Extended Term, Base Rent shall

be Fair Market Rent. "Fair Market Rent" means the annual amount per rentable square foot that a willing, non-equity lessee would pay for comparable space in a first-class downtown Seattle office building in an arms-length transaction, considering all relevant factors such as annual rental rates per rentable square foot, building services being provided by the lessor, building operating cost escalators, size and location of premises being leased, tenant improvement allowances and rental concessions. Within thirty (30) days following Tenant's exercise of its option to extend, Landlord shall provide Tenant written notice of Landlord's determination of Fair Market Rent. If Tenant disagrees with Landlord's determination of Fair Market Rent, Tenant shall advise Landlord in writing within 20 days, and the parties may negotiate regarding the Fair Market Rent. If the parties do not agree on the Fair Market Rent within 30 days, either party may submit the matter to arbitration in accordance with the terms of Subsection 4.C so that the Fair Market Rental Rate is determined no later than the expiration of the then current Lease Term. The Extended Term shall have a new Base Year, which shall be the calendar year in which the Extended Term commences.

- C. Arbitration of Fair Market Rental Rate. If the parties are unable to reach agreement on the Fair Market Rent during the period specified in Subsection 4.B, then within ten days either party may initiate arbitration by advising the other in writing of the name and address of its arbitrator. Each arbitrator appointed under this Section shall be qualified as a real estate appraiser and shall be familiar with rental rates in comparable first class Seattle office buildings. Within ten days after receipt of notice from the initiating party, the other party shall respond in writing with the name and address of the person it designates to act as arbitrator on its behalf. If the second party fails to notify the other of the appointment of its arbitrator within or by the time required, then the first arbitrator shall be the only arbitrator to determine Fair Market Rent, otherwise the duty of the arbitrator(s) shall be to jointly determine the Fair Market Rent. If the two (2) arbitrators are unable to agree upon a determination of the Fair Market Rent, then within ten (10) days, they shall appoint a third qualified arbitrator, or alternatively may request appointment of such a qualified arbitrator by the then presiding judge of King County Superior Court acting in his private non-judicial capacity or by Judicial Dispute Resolution. The three arbitrators shall decide the dispute, if it has not been previously resolved, by following the procedure set forth in this section. The arbitrators selected by each of the parties shall state in writing his/her determination of the Fair Market Rent supported by the reasons for the determination. The arbitrators shall arrange for the simultaneous exchange of such proposed determinations and the delivery of a counterpart copy to each party within three days of the appointment of the third arbitrator. The role of the third arbitrator shall be to select which of the two proposed resolutions most closely approximates the third arbitrator's own determination of Fair Market Rent. The third arbitrator shall make this selection within ten days after receiving the proposed resolutions from the other two arbitrators. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed determinations. The determination chosen by the third arbitrator as most closely approximating his/her own

determination shall constitute the collective decision of the arbitrators and be final and binding upon the parties.

- (1) If an arbitrator appointed by either party withdraws or is unable to complete the process for any reason, the applicable party may appoint a successor. If the third arbitrator withdraws or is unable to complete the process, a successor shall be appointed in the same manner as provided for appointment of the third arbitrator. Any decision in which the arbitrator appointed by Landlord and the arbitrator appointed by Tenant concur shall be binding and conclusive upon the parties. Each party shall pay the fee and expenses of its respective arbitrator and both parties shall share equally the fee and expenses of the third arbitrator, if any. The attorneys' fees and expenses of counsel for the respective parties and of witnesses shall be paid by the respective party engaging such counsel or calling such witness.
- (2) The arbitrators shall have the right to consult experts and competent authorities with factual information or evidence pertaining to a determination of the Fair Market Rental Rate, but any such consultation shall be made in the presence of both parties with full right on their part to cross examine. The arbitrators shall render their determination in writing and deliver a counterpart copy thereof to each party. The arbitrators shall have no power to modify the provisions of this Lease.

5. **Tenant's Share of Building Operating Costs and Real Property Taxes. - OMITTED**

6. **Late Charge; Interest.** If Tenant fails to pay any Base Rent or Additional Charge within ten days after the due date, a late charge equal to five percent (5%) of the unpaid amount shall be assessed and be immediately due and payable. In addition, interest shall accrue at the rate of twelve percent (12%) per annum on any Base Rent or Additional Charge that is not paid when due. If Tenant defaults in making any payment of Base Rent or Additional Charges, Landlord shall have the right to require that subsequent Base Rent or Additional Charges payments be made by cashiers or certified check.
7. **Security Deposit.** Beginning upon the Effective Date and as partial consideration for this Lease, Landlord shall continue to hold Tenant's deposit under a prior lease in the sum specified in Subsection 1.F (the "Deposit"). This Deposit shall be retained by Landlord as security for Tenant's payment of Rent and performance of all its obligations under this Lease. If Tenant Defaults in the payment of Rent or the performance of any obligation under this Lease, the Landlord shall have the right, in its discretion, to apply the full Deposit or any portion thereof to the Rent owing or to the expense incurred by Landlord as a result of Tenant's Default. Tenant shall restore any amount of the Deposit applied by Landlord against Tenant's obligations within ten (10) days of written demand from Landlord. Landlord shall not be required to retain the Deposit in a separate account and the Deposit shall not accrue interest. Landlord shall pay Tenant the Deposit within 30 days after the Expiration Date or earlier termination of the Lease, less the amount, if any, applied by Landlord to remedy any Tenant Default as provided for under this Section.

Tenant's Operations.

- A. **Use of Premises.** Tenant shall use the Premises only for the Section 1 Permitted Use. As Landlord's willingness to enter into this Lease with Tenant was predicated, in part, on the nature of Tenant's business, and the compatibility of such business with other tenants in the Building, Tenant shall not use or permit the use of the Premises for any other business, or purpose, or under any other name, without Landlord's prior written consent. Tenant shall promptly comply, at its sole cost and expense, with the Exhibit C rules and regulations and other such rules and regulations relating to the use of the Premises, Building and Common Areas as Landlord, from time to time, may promulgate. Tenant shall maintain the Premises in a clean, orderly and neat fashion to conform with the high standards of the Building, permitting no objectionable odors to be emitted from the Premises and shall neither commit waste nor permit any waste to be committed thereon. Tenant shall not permit any accumulation of trash on or about the Premises. Tenant shall not create or contribute to the creation of a nuisance in either the Premises or the Building, and Tenant shall not engage in or permit any action that will disturb the quiet enjoyment of any other tenant in the Building.
- B. **Unlawful Use.** Tenant shall not use or permit the Premises or any part thereof to be used for any purpose in violation of any municipal, county, state or federal law, ordinance or regulation, or for any purpose offensive to the standards of the community of which the Building is a part. Tenant shall promptly comply, at its sole cost and expense, with all laws, ordinances and regulations now in force or hereafter adopted relating to or affecting the condition, use or occupancy of the Premises including but not limited to all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington and The City of Seattle, including the Seattle Municipal Code ("SMC"), notably SMC Ch. 14.04, 14.10, and 20.42, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.
- C. **Liens and Encumbrances.** Tenant shall keep the Premises and Building free and clear of, and shall indemnify, defend and hold Landlord harmless from, any and all, liens and encumbrances arising or growing out of any act or omission, or breach of this Lease or the use, improvement, or occupancy of the Premises by Tenant or any of its principals, officers, agents, or employees. If any lien is filed against the Premises or Building, Tenant shall either cause the same to be fully discharged and released of record within ten days after Landlord's written demand therefor or within such period, provide Landlord with cash or other security acceptable to Landlord in an amount equal to one and one-half (1½) times the amount of the claimed lien as security for its prompt removal. Landlord shall have the right to disburse such security to cause the removal of the lien if a judgment is entered against Tenant in the lien proceeding, if such lien causes difficulties for Landlord in connection with its financing of the Building, if Tenant is otherwise in default under this Lease or if Landlord otherwise deems such necessary, in Landlord's sole discretion.

- D. Hazardous Substances. Tenant shall not, without Landlord's prior written consent, keep on or about the Premises or Building any substance designated as, or containing any component now or hereafter designated as hazardous, dangerous, toxic or harmful and/or subject to regulation under any federal, state or local law, regulation or ordinance ("Hazardous Substances"), except customary office, kitchen, cleaning, and other related supplies in normal quantities handled in compliance with applicable laws. With respect to any Hazardous Substances stored with Landlord's consent, Tenant shall promptly, timely and completely comply with all governmental requirements for reporting and record keeping; submit to Landlord true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities; within five days after Landlord's request therefor, provide evidence satisfactory to Landlord of Tenant's compliance with all applicable governmental rules, regulations and requirements; and comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of Hazardous Substances. Any and all costs incurred by Landlord and associated with Landlord's inspections of the Premises and Landlord's monitoring of Tenant's compliance with this Subsection 8.D, including Landlord's attorneys' fees and costs, shall be Additional Charges and shall be due and payable to Landlord within ten days after Landlord's demand for payment if Lessee's violation of this Subsection 7.4 is discovered as a result of such inspection or monitoring. Tenant shall be fully and completely liable to Landlord for any and all cleanup costs and expenses and any and all other charges, expenses, fees, fines, penalties (both, civil and criminal) and costs imposed with respect to Tenant's use, disposal, transportation, generation, release and/or sale of Hazardous Substances in or about the Premises or Building. Tenant shall indemnify, defend and hold Landlord and lenders to Landlord ("Lender") harmless from any and all of the costs, fees, penalties, charges and expenses assessed against, or imposed, upon Landlord, and Lender (as well as Landlord's and Lender's attorneys' fees and costs) as a result of Tenant's use, disposal, transportation, generation, release and/or sale of Hazardous Substances on or about the Premises or Building. The indemnification obligation of this subsection shall survive the expiration or earlier termination of this Lease.

8. Utilities and Services.

- A. Tenant's Responsibility. Tenant shall be solely responsible for and shall promptly pay when due all charges for telecommunications and internet service and all other utilities that are separately metered and supplied to the Premises.
- B. Services. As long as Tenant is not in default under this Lease, Landlord shall cause the Common Areas of the Building to be maintained in reasonably good order and condition, except for damage occasioned by any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, the repair of which shall be paid for by Tenant. Landlord shall furnish the Premises with

electricity for office use (including for lighting and for low power usage, 110-volt office machines), water, sewer, and elevator services. Landlord shall also provide customary common area janitorial service on weekdays, other than holidays. From 7:00 a.m. to 6:00 p.m. on weekdays, excluding legal holidays ("Normal Business Hours"), Landlord shall furnish the Premises with heat and air conditioning services. If requested by Tenant, Landlord shall furnish heat and air conditioning services at times other than Normal Business Hours, and janitorial services on other days, and Tenant shall pay for the cost of such services at rates established by Landlord as Additional Charges.

- (1) Additional Service. The Building standard mechanical system is designed to accommodate heating loads generated by lights and equipment using up to 4.2 watts per square foot. Tenant shall obtain Landlord's prior written consent before installing lights and equipment in the Premises that, in the aggregate, exceed such amount. Landlord may refuse to grant such consent unless Tenant agrees to pay (1) the costs incurred by Landlord for installation of supplementary air conditioning capacity or electrical systems as necessitated by such equipment or lights and (2) in advance, on the first day of each month during the Lease Term, the amount estimated by Landlord as the excess cost of furnishing electricity for the operation of such equipment or lights above normal Building levels and the amount estimated by Landlord as the cost of operation and maintenance of supplementary air conditioning units as necessitated by Tenant's use of such equipment or lights. Landlord shall be entitled to install, operate and maintain at Tenant's sole cost a monitoring/metering system in the Premises to measure the added demands on electricity, heating, ventilation and air conditioning systems, resulting from such equipment and lights and from Tenant's after-hours requirements, and Tenant shall pay Landlord the cost thereof in advance on the first day of each month.
- (2) Interruption. Landlord 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 services due to any cause whatsoever, including, but not limited to, electrical surges, 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 events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or to relieve Tenant from any of Tenant's obligations hereunder or to give Tenant a right of action against Landlord for damages. Tenant acknowledges its understanding that there will be Landlord-planned utility outages affecting the Building and that such outages may interfere, from time to time, with Tenant's use of the Premises. Landlord shall endeavor to provide Tenant with 48 hours prior notice of any Landlord-planned electricity outage in the Building but shall not be liable to Tenant for Landlord's failure to provide such notice. Landlord has no obligation to provide emergency or backup power to Tenant. Providing

emergency or backup power to the Premises and enabling the equipment in the Premises to properly function shall be the sole responsibility of Tenant. If utilities are interrupted at the Premises so as to render them unfit for the Permitted Uses for more than 24 hours, then the Rent for the year shall be abated for the duration of the disruption in the proportion that the number of days of the disruption bears to the number of days of the year.

9. **Licenses and Taxes.** Tenant shall be liable for, and shall pay prior to delinquency, all license and excise fees and occupation taxes covering the business conducted on the Premises and all personal property taxes and other impositions levied with respect to Tenant's personal property located at the Premises. Tenant shall be responsible for, and shall pay prior to delinquency, all fees, charges, or costs, for any governmental inspections or examinations relating to Tenant's use and occupancy of the Premises.

Additionally, Tenant shall pay all taxes on Tenant's interest in this Lease and any leasehold interest deemed to have been created thereby under RCW Ch. 82.29A (Leasehold Excise Tax or "LET"). In the event the State of Washington makes any demand upon the Landlord for payment of leasehold excise taxes or withholds future payments due to the Landlord to enforce collections of leasehold excise taxes and Tenant has not paid the LET to the Landlord, Tenant shall remit the taxes demanded along with any interest and penalties associated therewith, or at no expense to the Landlord, contest such collection action and indemnify Landlord for all sums paid by Landlord or withheld by the State of Washington from Landlord in connection with such action. As of the execution of this Lease, the applicable LET rate is 12.84% of Base Rent, which rate and amount is subject to change from time to time.

10. **Delivery of Premises; Signage.**

- A. **Delivery of Premises.** Landlord shall deliver the Premises to Tenant in an "AS IS" condition on the Commencement Date. Except for improvements which are eligible for the Tenant Improvement Allowance under Section 12, Tenant shall complete any tenant improvements at its sole cost. All Tenant improvements shall be completed in compliance with the provisions of Section 12 and Exhibit B.
- B. **Signage.** Landlord shall install Tenant's name and suite number in the Building directory on the main floor of the Building and in any directory on the floor on which the Premises are located, all in the style and manner of other Building lessees. Tenant shall be permitted to install, at its sole cost, signage at the Premises provided that the Landlord must provide prior written approval.

11. Alterations by Tenant.

- A. Tenant Improvement Allowance; Required Improvements. Landlord is providing a tenant improvement allowance in the amount provided in Section 1.I ("Tenant Improvement Allowance") for certain Landlord-required improvements to the Premises. Tenant shall use the Tenant Improvement Allowance (\$25,440) to make improvements to the Premises as follows: (i) replacement of flooring, (ii) new ceiling tiles, and (iii) re-painting surfaces (collectively items (i) through (iii) are "Required Improvements". Tenant shall begin the Required Improvements promptly following receipt of a notice to proceed from Landlord and shall diligently prosecute such work to its completion, all on the terms and conditions provided in the Tenant Improvement Requirements attached as Exhibit B. Landlord shall reimburse Tenant up to the amount of the Tenant Improvement Allowance for actual costs of completing the Required Improvements in compliance with the requirements of this Section and Exhibit B. Tenant shall be solely responsible for payment of all costs of improvements, alterations, or modifications to the Premises which exceed the amount of the Tenant Improvement Allowance.
- B. General Conditions for Tenant Improvements. Tenant shall not make any alterations, additions or improvements in or to the Premises without first obtaining Landlord's written approval. If required under Exhibit B, Tenant shall also submit for Landlord's approval professionally-prepared plans and specifications for such work as provided in Exhibit B. Tenant covenants that it will cause all alterations, additions and improvements to the Premises to be completed at Tenant's sole cost and expense by a contractor approved by Landlord and in a manner that (a) is consistent with the Landlord-approved plans and specifications and any conditions imposed by Landlord in connection therewith; (b) is in conformity with first-class, commercial standards; (c) includes acceptable insurance coverage for Landlord's benefit; (d) does not affect the structural integrity of the Building or the integrity of any of the Building's systems; (e) does not disrupt the business or operations of any other tenant; and (f) does not invalidate any system warranty then in effect with respect to the Building. Tenant shall complete design and construction of all improvements and alterations within the Premises in compliance with all permitting requirements and all other governmental requirements and restrictions, including but not limited to compliance with applicable building codes and with the Americans with Disabilities Act (ADA). Tenant expressly acknowledge that the provisions of the ADA may exceed requirements contained in building codes and other regulations and that such instances, the ADA requirements shall control. Tenant shall reimburse Landlord for all expenses incurred in connection with these permitting and governmental requirements. Except as provided in Section 15.C with regard to concurrent negligence, Tenant shall indemnify, defend and hold Landlord harmless from and against all losses, liabilities, damages, liens, costs, penalties and expenses (including attorneys' fees) arising from or out of the performance of such alterations, additions and improvements, including, but not

limited to, all which arise from or out of Tenant's breach of its obligations under terms of this Section 12.

- C. Ownership of Improvements. Upon the expiration or termination of this Lease, all alterations, additions and improvements (expressly including all light fixtures; heating, ventilation and air conditioning units; floor, window and wall coverings; and electrical wiring), except Tenant's property under Sections 14.B and 14.C, shall immediately become the property of Landlord without any obligation on its part to pay for any of the same. These improvements remain Landlord's and Tenant shall not remove all or any portion thereof on the termination of this Lease except as specifically directed by Landlord in writing.
- D. As-Built Plans. Within ninety (90) days after the completion of any alteration, addition or improvement to the Premises, Tenant shall deliver to Landlord a full set of "as-built" plans of the Premises showing the details of all alterations, additions and improvements made to the Premises

12. Care of Premises.

- A. Tenant's Obligation. Tenant shall maintain the Premises, including all improvements, in good, clean and safe condition and prevent damage to the Premises, the Building and surrounding areas. If Tenant fails to maintain the Premises or if the Premises or Building is damaged by Tenant, its employees, contractors, licensees, or invitees, Landlord shall have the right, but not the obligation, to maintain and repair the Premises, and Tenant shall pay within thirty days of invoice the actual and reasonable cost to repair all damage done to the Building or Premises that results from any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, including, but not limited to, cracking or breaking of glass. Landlord shall have the right to enter the Premises for such purposes. Landlord shall not be liable for interference with light, air or view.
- B. Landlord's Obligation. All normal repairs necessary to maintain the Building in a reasonable condition, as determined by Landlord, shall be performed under Landlord's direction and at Landlord's expense, except as otherwise provided here. Except as provided in Section 19, there shall be no abatement or reduction of Rent arising by reason of Landlord's making of repairs, alterations or improvements.
- C. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises Without Landlord's Consent. Landlord reserves to and for itself the right to approve or disapprove of the installation or integration on or in the Premises of any "work of visual art," as that term is defined in the Visual Artists Rights Act of 1990, as now existing or as later amended, and to approve or disapprove of each and every agreement regarding any such installation or integration. Tenant shall not install on or integrate into, or permit any other person or entity to install on or integrate into, the Premises any such work of visual art without the prior, express,

written consent of Landlord. Landlord's consent to the installation of any such art work may be granted, granted upon one or more conditions, or withheld in Landlord's discretion.

- D. Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990. Tenant shall protect, defend, and hold Landlord harmless from and against any and all claims, suits, actions or causes of action, damages and expenses (including attorneys' fees and costs) arising as a consequence of (a) the installation or integration of any work of visual art on or into the Premises; (b) the destruction, distortion, mutilation or other modification of the art work that results by reason of its removal; or (c) any breach of Subsection 13.B of this Lease; or (d) any violation of the Visual Artists Rights Act of 1990, as now existing or hereafter amended by Tenant or any subtenant, licensee, assignee or concessionaire of Tenant, or of any officer, agent, employee, guest or invitee of any of the same.. This indemnification obligation shall exist regardless of whether Landlord or any other person employed by Landlord has knowledge of such installation, integration, or removal.

13. Surrender of Premises.

- A. General Matters. At the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord in the same condition in which received (or, if altered, then the Premises shall be returned in such altered condition unless otherwise directed by Landlord pursuant to Section 12), reasonable wear and tear excepted. Prior to such return, Tenant shall remove its moveable trade fixtures and appliances and equipment and other personal property that have not been attached to the Premises, and shall repair any damage resulting from their removal. In no event shall Tenant remove heating, ventilating and air conditioning equipment; lighting equipment or fixtures; or floor, window or wall coverings unless otherwise specifically directed by Landlord in writing. Tenant's obligations under this Section 14 shall survive the expiration or termination of this Lease. Tenant shall indemnify Landlord for all damages and losses suffered as a result of Tenant's failure to remove voice and data cables, wiring and communication lines and moveable trade fixtures and appliances and to redeliver the Premises on a timely basis.
- B. Cable and Wiring. On or before the Expiration Date, or if this Lease is terminated before the Expiration Date then within fifteen (15) days after the effective termination date, Tenant shall remove all voice and data communication and transmission cables and wiring installed by or for Tenant to serve any telephone, computer or other equipment located in the Premises, which wiring and cabling shall include all of the same located within the interior and exterior walls and through or above the ceiling or through or below the floor of the Premises or located in any Building equipment room, vertical or horizontal riser, raceway, conduit, channel, or opening connecting to the Premises. Tenant shall remove any raceway installed or used exclusively for Tenant's communication and transmission cables

except those raceways Landlord directs to leave in place. Tenant shall leave the mud rings, face plates and floor boxes in place.

- C. Personal Property. Landlord may, at its election, retain or dispose of in any manner any of Tenant's moveable trade fixtures, appliances, equipment, and other personal property (collectively, "Personal Property") that Tenant does not remove from the Premises at the expiration of the Lease Term or within fifteen (15) days after termination of the Lease. Landlord will give written notice to Tenant specifying the Personal Property to be removed and requesting removal, and if Tenant does not remove the Personal Property within ten days from the date of notice, the Personal Property will be deemed abandoned by Tenant and title to the Personal Property shall vest in Landlord. Landlord may retain or dispose of the Personal Property in Landlord's discretion. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any Personal Property not removed by Tenant as required under this Section 14. Tenant shall be liable to Landlord for Landlord's reasonable costs for storing, removing and disposing of Tenant's trade fixtures and Personal Property.

14. Waiver; Indemnification.

- A. Tenant's Indemnification. Except as otherwise provided in this section, Tenant shall indemnify, defend (using legal counsel acceptable to Landlord) and hold Landlord, its officers, contractors, agents, and employees, Lenders and other tenants and occupants of the Building harmless from all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including Landlord's personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) resulting from any actual or alleged injury (including death) of any person or from any actual or alleged loss of or damage to, any property arising out of or in connection with (i) Tenant's occupation, use or improvement of the Premises, or that of any of its employees, agents or contractors, (ii) Tenant's breach of its obligations hereunder, or (iii) any act or omission of Tenant or any subtenant, licensee, assignee or concessionaire of Tenant, or of any officer, agent, employee, guest or invitee of any of the same in or about the Building. Tenant agrees that the foregoing indemnity specifically covers actions brought by its own employees. This indemnity with respect to acts or omissions during the Lease Term shall survive termination or expiration of this Lease. The foregoing indemnity is specifically and expressly intended to constitute a waiver of Tenant's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide Landlord with a full and complete indemnity from claims made by Tenant's employees. Tenant shall promptly notify Landlord of casualties or accidents occurring in or about the Premises.
- B. Release of Claims. Tenant hereby fully and completely waives and releases all claims against Landlord for any losses or other damages sustained by Tenant or any person claiming through Tenant 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 component; or any act, omission or negligence of co-tenants, licensees or any other persons or occupants of the Building.

- C. Limitation of Tenant's Indemnification. In compliance with RCW 4.24.115 as in effect on the date of this Lease, all provisions of this Lease pursuant to which Landlord or Tenant (the "Indemnitor") agrees to indemnify the other (the "Indemnitee") against liability for damages arising out of bodily injury to Persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, road, or other structure, project, development, or improvement attached to real estate, including the Building, (i) shall not apply to damages caused by or resulting from the sole negligence of the Indemnitee, its agents or employees, and (ii) to the extent caused by or resulting from the concurrent negligence of (a) the Indemnitee or the Indemnitee's agents or employees, and (b) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence; PROVIDED, HOWEVER, the limitations on indemnity set forth in this section shall automatically and without further act by either Landlord or Tenant be deemed amended so as to remove any of the restrictions contained in this section no longer required by then applicable law.
- D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 12 AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

15. Insurance.

- A. Tenant's Insurance Coverages and Limits. Tenant shall, at its sole cost and expense, maintain, and cause its Subtenant(s), if any, to maintain in full force and effect the following minimum limits of insurance, and adhere to all terms and conditions set forth below, throughout the entire Lease Term:

- (1) Commercial General Liability (CGL) written on an occurrence form at least as broad as ISO CG 00 01, with Minimum Limits of Liability:

\$1,000,000 per Occurrence

\$2,000,000 General Aggregate

\$2,000,000 Products/Completed Operations Aggregate

\$1,000,000 Personal/Advertising Injury Liability

\$ 1,000,000 Damage to Premises Rented to You

Employers Liability / Washington Stop

\$1,000,000 Each Accident / Each Disease / Policy Limit

Alternatively, may be evidenced as Employer's Liability insurance under Part B of a Workers Compensation insurance policy.

Coverage shall include: Premises and Operations; Broad Form Property Damage (Including Completed Operations); Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract); Personal Injury and Advertising Liability; Independent Contractors; Severability of Interest Clause; Waiver of Subrogation endorsement in favor of Owner as required by contract; General Aggregate Limits of Insurance shall apply separately; "Claims Made" and "Modified Occurrence" policy forms are not acceptable.

The limits of liability described above are minimum limits of liability only. Regardless of provisions to the contrary under the terms of any insurance policy maintained by Tenant, the specification of any such minimum limits shall neither be (1) intended to establish a maximum limit of liability to be maintained by Tenant regarding this Agreement, nor (2) construed as limiting the liability of any of Tenant's insurers, which must continue to be governed by the stated limits of liability of the relevant insurance policies.

- (2) Automobile Liability insurance at least as broad as ISO CA 00 01 including coverage for owned, non-owned, leased or hired vehicles as applicable, with a minimum limit of \$1,000,000 each accident for bodily injury and property damage.
- (3) Workers' Compensation insurance securing Tenant's liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington.
- (4) Umbrella or Excess Liability insurance if and as necessary to maintain total CGL and Automobile Liability insurance limits of \$5,000,000 Each Occurrence and be no less broad than coverages described above.
- (5) Property Insurance under which the Tenant's furniture, trade fixtures, equipment and inventory ("Business Personal Property") and all alterations, additions and improvements that Tenant makes to the Premises are insured throughout the Lease Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (earthquake optional), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form" (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises; (iv) loss from business interruption or extra expense, with sufficient coverage to provide for the payment of Rent and Additional Charge and other fixed costs during any

interruption of Tenant's business. Coverage shall contain a waiver of coinsurance or agreed amount endorsement(s). Landlord shall be named as a loss payee, as its interest may appear, as respects property insurance covering the alterations, additions and improvements under such policy.

- (6) Pollution Legal Liability is required if the Tenant will be using or storing hazardous materials or regulated substances, such as fuel, with a minimum limit of \$1,000,000 per claim for bodily injury, property damage, clean up and emergency response costs. It is acceptable to add ISO endorsement CG 24 15 Limited Pollution Liability Extension or its equivalent to the CGL policy or obtain a separate pollution legal liability policy.
- (7) In the event that Landlord deems insurance to be inadequate to protect Tenant and Landlord, Tenant shall increase coverages and/or liability limits as Landlord shall deem reasonably adequate within sixty (60) days after the date of written notice.

B. Terms and Conditions for Tenant's Insurance.

- (1) City of Seattle as Additional Insured: The CGL insurance and, in addition, Excess and/or Umbrella liability insurance, if any, shall include "City of Seattle, its officers, officials, employees, agents and volunteers" as additional insureds. Tenant's insurance shall be primary and non-contributory to any insurance maintained by or available to Landlord. The term "insurance" in this paragraph shall include insurance, self-insurance (whether funded or unfunded), alternative risk transfer techniques, capital market solutions or any other form of risk financing.
- (2) Required Separation of Insured Provision; Cross-Liability Exclusion and other Endorsements Prohibited: Tenant's insurance policy shall include a "separation of insureds" or "severability" clause that applies coverage separately to each insured and additional insured, except with respect to the limits of the insurer's liability. Tenant's insurance policy shall not contain any provision, exclusion or endorsement that limits, bars, or effectively precludes City of Seattle from coverage or asserting a claim under the Tenant's insurance policy on the basis that the coverage or claim is brought by an insured or additional insured against an insured or additional insured under the policy. Tenant's CGL policy shall NOT include any of the following Endorsements (or their equivalent endorsement or exclusions): (a) Contractual Liability Limitation, (CGL Form 21 39 or equivalent), b) Amendment Of Insured Contract Definition, (CGL Form 24 26 or equivalent), (c) Limitation of Coverage to Designated Premises or Project, (CGL Form 21 44 or equivalent), (d) any endorsement modifying or deleting the exception to the Employer's Liability exclusion, (e) any "Insured vs. Insured" or "cross-liability" exclusion, and (f) any type of punitive, exemplary or multiplied damages exclusion. Tenant's failure to

comply with any of the requisite insurance provisions shall be a material breach of, and grounds for, the immediate termination of the Agreement with City of Seattle; or if applicable, and at the discretion of City of Seattle, shall serve as grounds for Landlord to procure or renew insurance coverage with any related costs of premiums to be repaid by Tenant or reduced and/or offset against the Agreement.

- (3) **Cancellation Notice:** Coverage shall not be cancelled without 45 day written notice of such cancellation, except ten day written notice as respects cancellation for non-payment of premium, to Landlord at its notice address except as may otherwise be specified in Revised Code of Washington (RCW) 48.18.290 (Cancellation by insurer.). Landlord and Tenant mutually agree that for the purpose of RCW 48.18.290 (1) (b), for both liability and property insurance Landlord is deemed to be a "mortgagee, pledge, or other person shown by (the required insurance policies) to have an interest in any loss which may occur thereunder."
- (4) **Minimum Security Requirements:** Each insurance policy required hereunder shall be (1) subject to reasonable approval by Landlord that it conforms with the requirements of this Section, and (2) be issued by an insurer rated A-:VIII or higher in the then-current A. M. Best's Key Rating Guide and licensed to do business in the State of Washington unless procured under the provisions of chapter 48.15 RCW (Unauthorized insurers).
- (5) **Deductible or Self-Insured Retention:** Any deductible or self-insured retention ("S.I.R.") must be disclosed to, and shall be subject to reasonable approval by, Landlord. Tenant shall cooperate to provide such information as Landlord may reasonably deem to be necessary to assess the risk bearing capacity of the Tenant to sustain such deductible or S.I.R. The cost of any claim falling within a deductible or S.I.R. shall be the responsibility of Tenant. If a deductible or S.I.R. for CGL or equivalent insurance is not "fronted" by an insurer but is funded and/or administered by Tenant or a contracted third party claims administrator, Tenant agrees to defend and indemnify Landlord to the same extent as Landlord would be protected as an additional insured for primary and non-contributory limits of liability as required herein by an insurer.

C. City's Property Insurance Coverage and Limits.

- (1) City will maintain at its expense Property Insurance or self-insurance under which the Building and Premises, excluding Tenant's Business Personal Property and Tenant Improvements, are insured throughout the Lease Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (including earthquake), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises. City's Property Insurance currently is subject to a \$250,000 deductible for most claims for which Tenant shall be responsible only to the proportional extent to which the loss or damage is attributable to Tenant's negligent acts that are, or should be, covered by Tenant's Fire/Tenant Legal Liability insurance.
- (2) During such time as Tenant is engaged in the performance of the Improvements or other renovation of the Premises, the Tenant shall maintain in full force and effect "All Risks" Builder's Risk Property insurance or equivalent for the portion of the Premises under renovation, including fire and flood, on a replacement cost new basis subject to a deductible of no more than \$50,000 each loss. In the event of a claim under the builder's risk policy, Tenant or its contractor(s) shall be responsible for paying any deductible under the policy if Tenant or any of its agents, employees, or contractors is responsible for the loss or damage. It shall be Tenant's responsibility to properly coordinate with Landlord's Risk Management Division the placement of Builder's Risk Property insurance prior to any new construction on, or structural alteration of, the Premises.
- (3) Landlord may change the terms of its insurance in Sections 15.2.1 and 15.2.2 at any time based on market conditions, with no compensation due to the Tenant.

D. Waiver of Subrogation. Unless such waiver would void the property insurance coverage to be provided pursuant to this section, Landlord and Tenant waive all subrogation rights each may have against the other, or any subtenant, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this section or other property insurance applicable to the Premises, except such rights as they have to proceeds of such insurance held by Landlord or the Tenant or both as fiduciary. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid

the insurance premium directly or indirectly, and whether or not the person or entity has an insurable interest in the property damaged.

- E. Evidence of Insurance. On or before the Commencement Date, and thereafter not later than the last business day prior to the expiration date of each such policy, the following documents must be delivered to City at its notice address as evidence of the insurance coverage required to be maintained by Tenant:
- (1) Certification of insurance documenting compliance with the coverage, minimum limits and general requirements specified herein; and
 - (2) A copy of the policy's declarations pages, showing the insuring company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements specifying all endorsements listed on the policy including any company-specific or manuscript endorsements;
 - (3) A copy of the CGL insurance policy provision(s) and endorsements expressly including City of Seattle and its officers, elected officials, employees, agents and volunteers as additional insureds (whether on ISO Form CG 20 26 or an equivalent additional insured or blanket additional insured policy wording), showing the policy number, and the original signature and printed name of the representative of the insurance company authorized to sign such endorsement;
 - (4) Pending receipt of the documentation specified in this Section, Tenant may provide a copy of a current complete binder. An ACORD certificate of insurance will not be accepted in lieu thereof.
- F. Evidence of Insurance as set forth above, shall be issued to:
The City of Seattle
Care of CBRE
700 Fifth Avenue, Suite 4040
Seattle, WA 98104
- G. Damage or Destruction. See Section 19.
- H. Assumption of Property Risk. The placement and storage of Tenant's Business Personal Property in or about the Premises shall be the responsibility, and at the sole risk, of Tenant.
- I. Adjustments of Claims: The Tenant shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of the Tenant under this Agreement.
- J. Tenant's Responsibility: The procuring of the policies of insurance required by this Agreement shall not be construed to limit the Tenant's liability hereunder.

Notwithstanding said insurance, the Tenant shall be obligated for the full and total amount of any damage, injury or loss caused by negligence of the Tenant, or any of its agents, officers and employees or through use or occupancy of the Premises.

16. **Assignment or Sublease.** Tenant shall not sublet or encumber the whole or any part of the Premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of Landlord. The granting of consent to a given transfer shall not constitute a waiver of the consent requirement as to future transfers. In lieu of giving its consent, Landlord shall have the right to terminate the Lease as to the portion of the Premises affected by the action for which Landlord's consent is requested and recover possession thereof from Tenant within twenty (20) days following written notice thereof to Tenant. All costs incurred by Landlord in separating the remainder of the Premises from the area so retaken shall be paid by Tenant as an Additional Charge. Any assignment or sublease, without Landlord's prior written consent shall be voidable by the Landlord. No assignment or sublease shall release Tenant from primary liability hereunder. Each assignment and sublease shall be by an instrument in writing in form satisfactory to Landlord. If Tenant assigns its interest in this Lease, or sublets the Premises, then the Base Rent shall be increased, effective as of the date of such assignment or subletting, to the higher of (i) the rentals payable by the assignee or sublessee pursuant to such assignment or sublease, or (ii) the Base Rent then being charged by Landlord for comparable space in the Building; provided, however, in no event shall the base monthly rent, after such assignment or subletting, be less than the Base Rent specified in Section 1. If Tenant assigns its interest in this Lease or sublets the Premises, Tenant shall pay to Landlord any and all consideration received by Tenant for such assignment or sublease. If Tenant 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, Tenant's outstanding voting stock, shall constitute an assignment for the purposes of this Lease. If Tenant is a partnership, then a change in general partners in or voting or decision-making control of the partnership shall also constitute an assignment. Tenant shall also pay all legal fees and other costs incurred by Landlord in connection with Landlord's evaluation of Tenant's request for approval of assignments or subleases, including assignments for security purposes.
17. **Assignment by Landlord.** If Landlord sells or otherwise transfers the Building, or if Landlord assigns its interest in this Lease (other than an assignment solely for security purposes, or a transfer in foreclosure, or a deed in lieu of foreclosure) such purchaser, transferee, or assignee thereof shall be deemed to have assumed Landlord's obligations under this Lease arising after the date of such transfer, and Landlord shall thereupon be relieved of all liabilities under this Lease arising thereafter, but this Lease shall otherwise remain in full force and effect. Tenant shall attorn to Landlord's successor.
18. **Destruction.** If the Premises or the Building are rendered partially or totally untenable by fire or other casualty, the Landlord may elect to repair or replace the damaged or destroyed portion or to terminate this Lease. If Landlord elects to repair or replace any portion of the Building, Landlord shall proceed with reasonable diligence to prepare plans

and specifications for, and thereafter to carry out, all work necessary to repair or replace the Building, the Premises or any portions thereof that were damaged or destroyed by a fire or other casualty. In determining reasonable diligence, Landlord and Tenant shall take into account when and if sufficient insurance, self-insurance, or other funds are available for the repair and replacement work. If Landlord elects to terminate this Lease, Landlord shall give Tenant at least 30-day written notice and Landlord shall retain the insurance proceeds for the Building, the Premises or any portions thereof that were damaged or destroyed by a fire or other casualty. Base Rent and Tenant's Share of excess Operating Expenses shall be abated in the proportion that the untenable portion of the Premises bears to the whole thereof, as determined by Landlord, for the period from the date of the casualty to the termination of this Lease or the completion of the repairs, unless the casualty results from or is contributed to by the negligence of Tenant or any of its officers, contractors, agents, invitees, guests or employees or Tenant's breach of this Lease. If the Premises cannot be repaired within six months from the date of the casualty or if 30% or more of the Building Rentable Area is destroyed or damaged regardless of whether the Premises are damaged or not, then Tenant may terminate this Lease by giving Landlord 30-day written notice within 60 days after the casualty. Landlord shall advise Tenant of Landlord's election to repair or terminate by giving notice to Tenant thereof within 30 days after the casualty. Unless Landlord elects to terminate this Lease, Tenant shall, at its sole cost and expense, repair all damage to its own personal property and to all improvements that Tenant has made to the Premises as soon as reasonably possible and in less than 24 months. Landlord shall not be liable to Tenant for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Building or Premises.

19. Eminent Domain.

- A. Taking. If all of the Premises are taken by Eminent Domain, this Lease shall terminate as of the date Tenant is required to vacate the Premises and all Base Rent and Additional Charges shall be paid to that date. The term "Eminent Domain" shall include the taking or damaging of property by, through or under any governmental or statutory authority, and any purchase or acquisition in lieu thereof, whether the damaging or taking is by government or any other person. If a taking of any part of the Premises by Eminent Domain renders the remainder thereof unusable for the business of Tenant, in the reasonable judgment of Landlord, the Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after Landlord gives Tenant written notice of the taking, and such termination shall be effective as of the date when Tenant is required to vacate the portion of the Premises so taken. If this Lease is so terminated, all Base Rent and Additional Charges shall be paid to the date of termination. Whenever any portion of the Premises is taken by Eminent Domain and this Lease is not terminated, Landlord, at its expense, shall commence and complete at the earliest reasonable time the restoration of, to the extent of the compensation from the taking and to the extent it is reasonably prudent to do so, the remainder of the Premises to the condition they were in immediately prior to such taking, and Tenant, at its expense, shall commence and complete at the earliest reasonable time the

restoration of its personal property and all improvements made by it to the Premises to the same condition they were in immediately prior to such taking. The Base Rent shall be recalculated using the Base Rent per Rentable Square Foot specified in Subsection 1.E. and the remaining, untaken area of the Premises from the date Tenant is required to partially vacate the Premises.

- B. Award. Landlord reserves all right to the entire damage award or payment for any taking by Eminent Domain, and Tenant waives all claim whatsoever against Landlord for damages for termination of its leasehold interest in the Premises or for interference with its business. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to such damages and agrees to execute and deliver such further instruments of assignment as Landlord, from time to time, may request. Tenant, however, shall have the right to claim from the condemning authority all compensation that may be recoverable by Tenant on account of any loss incurred by Tenant in moving Tenant's merchandise, furniture, trade fixtures and equipment, provided, however, that Tenant may claim such damages only if they are awarded separately in the eminent domain proceeding and not out of or as part of Landlord's damages.

20. Default by Tenant.

- A. Definition. If Tenant violates or breaches or fails to keep or perform any covenant, term or condition of this Lease, or if Tenant or any guarantor of Tenant's obligations under this Lease ("Guarantor") files or is the subject of a petition in bankruptcy, or if a trustee or receiver is appointed for Tenant's or Guarantor's assets or if Tenant or Guarantor makes an assignment for the benefit of creditors, or if Tenant or Guarantor is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or liquidated, voluntarily or otherwise or vacates or abandons the Premises as described in Section 21.B below then Tenant shall be deemed in default hereunder (a "Default"). If Tenant does not cure its Default after written notice from Landlord within (i) three days for any Default in Payment Base Rent or Additional Charges, or (ii) the time specified by Landlord's notice for any other Default, but in any case no less than ten days or such other time for any other Default, then Landlord shall have the following nonexclusive rights and remedies, at its option: (i) to terminate this Lease and all of the rights of Tenant in or to the Premises and to reenter and re-take possession of the Premises for which actions Tenant shall have no claim; or (ii) to cure such default on Tenant's behalf and at Tenant's sole expense and to charge Tenant for all costs and expenses incurred by Landlord in effecting such cure as an Additional Charge; or (iii) without declaring this Lease terminated, to reenter the Premises and to occupy the whole or any part thereof for and on account of Tenant and to collect any unpaid Base Rent and Additional Charges that have become payable or that may thereafter become payable; or (iv) even after Landlord may have reentered the Premises without terminating the Lease, to thereafter to terminate this Lease and all of the rights of Tenant in or to the Premises.

- B. Vacation or Abandonment. If Lessee vacates or abandons the Premises in their entirety and fails to reoccupy them within thirty (30) days after City (1) delivers a notice to Lessee's notice address set forth in Section 1.9 above demanding such reoccupancy and (2) mails by certified or registered mail a copy of the notice to any forwarding address given by Lessee to City in writing, Lessee shall be in default under this Lease and Landlord may terminate this Lease without further notice or opportunity for cure notwithstanding Subsection 21.A.
- C. Reentry. If Landlord reenters the Premises under option (iii) of Subsection 21.A or takes any other action to regain possession (such as unlawful detainer), Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any Rent thereafter accruing as it becomes due unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease; and Tenant shall be liable for and shall reimburse Landlord upon demand for all costs and expenses of every kind and nature incurred in retaking possession of the Premises and all other losses suffered by Landlord as a consequence of Tenant's Default. In the event of any entry or taking possession of the Premises, Landlord shall have the right, but not the obligation, to remove from the Premises all or any part of the personal property located there and may place the same in storage at a public warehouse at the expense and risk of Tenant, or to treat such property as abandoned as provided under Section 14.C.
- D. Termination. If Landlord elects to terminate this Lease for Tenant's Default,, in addition to termination, Landlord reserves the right to pursue any amount of damages from Tenant resulting from such Default which may be allowed at law or any remedy in equity.
- E. Adequate Security. If a petition is filed by or against Tenant or Guarantor under any provision of the Bankruptcy Code or successor act, Tenant shall post a cash bond with Landlord equal to six (6) months' Base Rent and Additional Charges to provide Landlord with adequate security for Tenant's performance of its obligations under this Lease.

21. Landlord's Remedies Cumulative; Waiver. Landlord's rights and remedies hereunder are not exclusive, but cumulative, and Landlord's exercise of any right or remedy due to a default or breach by Tenant shall not be deemed a waiver of, or alter, affect or prejudice any other right or remedy that Landlord may have under this Lease or by law or in equity. Neither the acceptance of Rent nor any other act or omission of Landlord at any time or times after the happening of any event authorizing the termination 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 Landlord of its right to terminate this Lease, upon the written notice provided for here, at any time that cause for termination may exist, or be construed so as to estop Landlord at any future time from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease.

22. Default by Landlord.

- A. Landlord's Cure Period. Landlord shall be in default if Landlord fails to perform its obligations under this Lease within sixty (60) days after its receipt of notice of nonperformance from Tenant; provided, that if the failure cannot reasonably be cured within the sixty (60) day period, Landlord shall not be in default if Landlord commences the cure within the sixty (60) day period and thereafter diligently pursues such cure to completion.
- B. Notice to Lender and Lender's Cure Period. If Landlord provides Tenant notice that any Lender has an interest in this Lease, then in the event of a default by Landlord that would otherwise entitle Tenant to terminate this Lease, Tenant shall not terminate this Lease or pursue any other remedy unless (i) Tenant has notified Lender of the nature and extent of the default, at least sixty (60) days before the proposed effective date of termination, and (ii) Lender has not cured the default within sixty (60) days of the notice. If the default is not reasonably possible to cure with due diligence within sixty (60) days, the Lease shall not be terminated if the Lender commences the cure within sixty (60) days and pursues the cure with due diligence to completion. If the Landlord is in default and the Lender fails to cure the default within the required period, then the Tenant shall have the right to terminate this Lease.

23. Attorneys' Fees. If either party retains the services of an attorney in connection with enforcing the terms of this Lease, each party agrees to bear its own attorneys' fees and costs.

24. Access by Landlord. Landlord and its agents shall have the right to enter the Premises at any time upon reasonable notice to Tenant in order to examine the same, and to show them to prospective purchasers, lenders or tenants, and to make such repairs, alterations, improvements, additions or improvements to the Premises or Building as Landlord may deem necessary or desirable. If Tenant is not personally present to permit entry and an entry is necessary in an emergency, Landlord may enter the Premises by master key or may forcibly enter the Premises without notice and without rendering Landlord liable therefor. Nothing contained in this Lease shall be construed to impose upon Landlord any duty of repair or other obligation not specifically stated in this Lease. Tenant shall change the locks to the Premises only through Landlord and upon paying Landlord for all costs related to the change.

25. Holding Over. Unless otherwise agreed in writing by the parties hereto, any holding over by Tenant after the expiration of the then current Lease Term, whether or not consented to by Landlord, shall be construed not as an Extended Term or renewal but as a periodic tenancy from month-to-month on the terms and conditions set forth here, except for Base Rent, which shall be increased to one and one-half (1½) times the Base Rent in effect during the last month of the Lease Term immediately preceding the holdover period. Any holdover tenancy may be terminated by either party by written notice delivered to the other party not later than thirty (30) days prior to the end of month. If Tenant fails to surrender the Premises

upon the expiration or termination of this Lease, Tenant shall indemnify, defend and hold harmless Landlord 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.

26. **Lease Subordinate to Mortgages.** This Lease shall be automatically subordinate to all of Landlord's mortgages or deeds of trust that heretofore and hereafter affect the Premises or Building; to any sale and leaseback; 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; all provided that for so long as Tenant is not in default hereunder beyond the applicable Section 21 cure period, Tenant shall have continued enjoyment of the Premises and the rights provided under this Lease, free from any disturbance or interruption by reason of any exercise of remedies by Lender under or in connection with its deed of trust or mortgage. This subordination shall be self-operative, and no further instrument of subordination shall be necessary to effect such subordination. Tenant, nevertheless, shall execute such instrument of subordination as may be required by any Lender if such instrument of subordination carries out the terms of this Section 27. 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, Tenant shall attorn to the purchaser (or transferee) of the Building at such foreclosure or sale and recognize such purchaser (or transferee) as Landlord under this Lease if so requested by such purchaser (or transferee). Such attornment shall be self-operative and no further instrument need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.
27. **Estoppel and Other Certificates.** As a material inducement to Landlord to enter into this Lease, Tenant covenants that it shall, within ten days of the receipt thereof, acknowledge and deliver to Landlord (a) any subordination or non-disturbance or attornment agreement or other instrument that Landlord may require to carry out the provisions of Section 27, and (b) any estoppel certificate requested by Landlord from time to time in the commercially reasonable standard form of Landlord or any mortgagee or beneficiary of such deed of trust certifying, to the extent such be true that (i) Tenant shall be in occupancy, (ii) this Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as modified and stating the modification(s), (iii) Base Rent and Additional Charges have been paid only through a certain specified date, (iv) Tenant has no offset, defense or claim against Landlord and (v) such other matters as Landlord may reasonably request. Tenant's failure to deliver an estoppel certificate within the ten day period shall be deemed its confirmation of the accuracy of the information supplied by Landlord to the prospective lender or purchaser. Tenant acknowledges and agrees that Landlord and others will be relying and are entitled to rely on the statements contained in such estoppel certificates.
28. **Quiet Enjoyment.** If Tenant fully complies with and promptly performs all of the terms, covenants and conditions of this Lease on its part to be performed, it shall have quiet

enjoyment of the Premises throughout the Lease Term, subject, however, to matters of record on the day hereof and to those matters to which this Lease may be subsequently subordinated.

29. **Notices.** Any notice, demand or request required hereunder shall be given in writing to the party's address set forth in Subsection 1.K hereof by any of the following means: (a) personal service; (b) commercial or legal courier; or (c) registered or certified, first class mail, postage prepaid, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner as above provided. Notices shall be deemed to have been given upon the earlier of actual receipt, as evidenced by the deliverer's affidavit, the recipient's acknowledgment of receipt, or the courier's receipt, except in the event of attempted delivery during the recipient's normal business hours at the proper address by an agent of a party or by commercial or legal courier or the U.S. Postal Service but refused acceptance, in which case notice shall be deemed to have been given upon the earlier of the day of attempted delivery, as evidenced by the messenger's affidavit of inability to deliver stating the time, date, place and manner in which such delivery was attempted and the manner in which such delivery was refused or forty-eight (48) hours following deposit in the U.S. mail.
30. **Successors or Assigns.** All of the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and, subject to the terms of Section 17, their respective heirs, administrators, executors, successors and permitted assigns, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.
31. **Tenant Authority and Liability.** Tenant warrants that this Lease has been duly authorized, executed and delivered by Tenant, and that the individual signing on the Tenant's behalf has the requisite power and authority to enter into this Lease and perform its obligations hereunder. Tenant covenants to provide Landlord with evidence of its authority and the authorization of this Lease upon request. All persons and entities named as Tenant here shall be jointly and severally liable for Tenant's liabilities, covenants and agreements under this Lease.
32. **Brokers' Commission.** Landlord represents that CBRE, Inc. has represented it in connection with this Agreement. Tenant represents that only CBRE, Inc. represents Tenant for purposes of this Agreement. Landlord shall pay CBRE, Inc. a commission which is calculated pursuant to a separate Agreement. If any person or entity not identified in this section makes a claim for a brokerage commission or finder's fee of any kind, then the party through whom or on whose behalf such services are claimed shall defend and indemnify the other party for any claims, costs or fees for unpaid broker's fees or commissions.
33. **Partial Invalidity.** If any court determines that any provision of this Lease or the application hereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby

and each other term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

34. **Recording.** Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request by either party, both parties shall execute a memorandum of this Lease, in a form customarily used for such purpose of recordation. The memorandum shall describe the parties, the Premises and the Lease Term and shall incorporate the other terms of this Lease by reference.
35. **Financial Statements.** Within ten days after Landlord's request therefor, Tenant shall deliver to Landlord a financial statement for Tenant's prior quarter and fiscal year. Tenant shall certify the accuracy of such statements. Landlord may make these financial statements available to potential lenders or purchasers, but shall otherwise preserve their confidentiality except in connection with legal proceedings between the parties or as otherwise directed by court rule or order.
36. **Parking.** Tenant shall have a license to use up to the number of parking spaces specified in Subsection 1.I on an unassigned basis at the prevailing monthly rates established by the Building garage, subject to such reasonable rules and regulations as may be established from time to time by Landlord or its parking operator. Monthly parking charges shall be payable in advance on the first day of each month as Additional Charges. Tenant may reduce the number of parking spaces licensed to it after giving Landlord thirty (30) days prior written notice of the reduction; provided that no such reduction shall be effective until Tenant surrenders to Landlord the key cards, stickers or other identification materials used to provide garage access for the parking spaces surrendered.
37. **Relocation.** Landlord reserves the right without Tenant's consent, on thirty (30) days prior notice to Tenant, to substitute other space within the Building (the "Substitute Premises") for the Premises, provided that the Substitute Premises: (a) are situated on a floor not lower than floor 16 in the Building; (b) contain at least the same Rentable Area as the Premises; (c) contain comparable tenant improvements; and (d) are made available to Tenant at the then-current monthly Base Rental rate for such space. If the substitution occurs prior to the date Tenant initially occupies the Premises, then Landlord shall reimburse Tenant for the necessary and reasonable costs incurred by Tenant in planning for the space in the initial Premises, which expenses have been previously approved by Landlord and have no benefit to Tenant in the Substitute Premises. If Tenant is occupying the Premises at the time Landlord gives notice of any such relocation, Landlord shall pay the cost of moving Tenant, its property and equipment to the Substitute Premises and shall, without cost or expense to Tenant, improve the Substitute Premises with improvements substantially similar to those located in the Premises. All of the other terms, covenants and conditions of the Lease shall remain unchanged and in full force and effect, except that Section 1 and Exhibit A shall be revised to identify the Substitute Premises, to state the Rentable Area of the Substitute Premises and to make the change, if any, in Base Rent.
38. **Liability of Landlord.** Tenant shall look solely to rents, issues and profits from the Building for the satisfaction of any judgment or decree against Landlord, whether for

breach of the terms hereof or arising from a right created by statute or under common law. Tenant agrees that no other property or assets of the Landlord or any partner in or of Landlord shall be subject to levy, execution or other enforcement procedures for satisfaction of any such judgment or decree; no partner in or of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction over the partnership); no service of process shall be made against any partner in or of Landlord (except as may be necessary to secure jurisdiction over the partnership); no judgment will be taken against partner in or of Landlord; no writ of execution will ever be levied against the assets of any partner in or of Landlord; and these covenants, limitations and agreements are enforceable both by Landlord and by any partner in or of Landlord. References in this Section 39 to a partner in or of Landlord shall mean and include all past, present and future partners of The City of Seattle and any subsequent owner of the Building.

39. **Force Majeure.** Landlord shall not be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such is due to any cause beyond its reasonable control, including, but not limited to an act of Nature, act of civil or military authority, fire, flood, windstorm, earthquake, strike or labor disturbance, civil commotion, delay in transportation, governmental delay, or war.
40. **Counterparts.** This Lease may be executed by the parties in counterparts, which, taken together, constitute the entire Lease.
41. **Name of Building.** Landlord reserves the right to change the name of the Building. Tenant agrees that such change shall not require amendment of this Lease or affect in any way its obligations under this Lease, and that, except for the name change, all terms and conditions of this Lease shall remain in full force and effect.
42. **Headings.** The section headings used in this Lease are used for purposes of convenience and do not alter in any manner the content of the sections.
43. **Context.** Whenever appropriate from the context, the use of any gender shall include any other or all genders, and the singular shall include the plural, and the plural shall include the singular.
44. **Execution by Landlord and Tenant; Effective Date; Approval of Seattle City Council.** This Lease shall become effective on the date (the "Effective Date") on which this Lease is executed by Landlord and Tenant. Landlord shall not be deemed to have made an offer to Tenant by furnishing Tenant with a copy of this Lease with particulars inserted. No contractual or other rights shall exist or be created between Landlord and Tenant until all parties hereto have executed this Lease and, if required under Seattle Municipal Code, until it has been authorized by an ordinance of Seattle City Council. All provisions of this Lease shall become effective upon the Effective Date.
45. **Time of Essence; Time Calculation Method.** Time is of the essence with respect to this Lease. Except as otherwise specifically provided, any reference in this Lease to the word

"day" means a "calendar day;" Provided, that if the final day for any action required hereunder is a Saturday, Sunday or City holiday, such action shall not be required until the next succeeding day that is not a Saturday, Sunday or City holiday. Any reference in this Lease to the word "month" means "calendar month."


46. **Entire Agreement; Applicable Law.** This Lease and the Exhibits listed in Section 1. , set forth the entire agreement of Landlord and Tenant concerning the Premises and Building, and there are no other agreements or understanding, oral or written, between Landlord and Tenant concerning the Premises and Building. Any subsequent modification or amendment of this Lease shall be binding upon Landlord and Tenant only if reduced to writing and signed by them. This Lease shall be governed by, and construed in accordance with the laws of the State of Washington.
47. **Negotiated Agreement.** The parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.


IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year indicated below.

LANDLORD:
THE CITY OF SEATTLE

TENANT:
HUNJO JUNG & NA YOUNG LEE

By: _____
Fred Podesta, Director
Department of Finance and
Administrative Services

By: _____
Hunjo Jung

By: _____
Na Young Lee

Date: _____

Date: Jun 16 2016

Next page for acknowledgements

STATE OF WASHINGTON)
) ss. (Acknowledgement for Lessor, The City of Seattle)
COUNTY OF KING)

On this _____ day of _____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Fred Podesta, known to me to be the Director of Finance and Administrative Services of THE CITY OF SEATTLE, the municipal corporation that executed the foregoing Lease, and acknowledged it to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he was authorized to execute Lease for the City.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

[Signature]

[Printed Name]

NOTARY PUBLIC in and for the State of Washington residing at _____

My commission expires _____

STATE OF WA)
) ss. (Acknowledgement for Tenant)
COUNTY OF KING)

On this 16th day of JUNE, 2016, before me, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared Hunjo Jung _____, to me known to be the _____ of _____, the entity that executed the foregoing Lease as Tenant; and acknowledged the same as the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said Lease for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.

[Signature]

Juan Garcia
[Printed Name]

NOTARY PUBLIC in and for King Bank residing at Seattle WA 98104

My commission expires 7-22-18



STATE OF WA)
) ss. (Acknowledgement for Tenant)
COUNTY OF KING)

On this 16th day of June, before me, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared Na Young Lee, to me known to be the _____ of _____, the entity that executed the foregoing Lease as Tenant; and acknowledged the same as the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said Lease for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.

[Signature] Juan Garcia
[Signature] [Printed Name]

NOTARY PUBLIC in and for King Burke residing at South of 95th

My commission expires 7-22-13.



**EXHIBIT A
FLOOR PLAN**

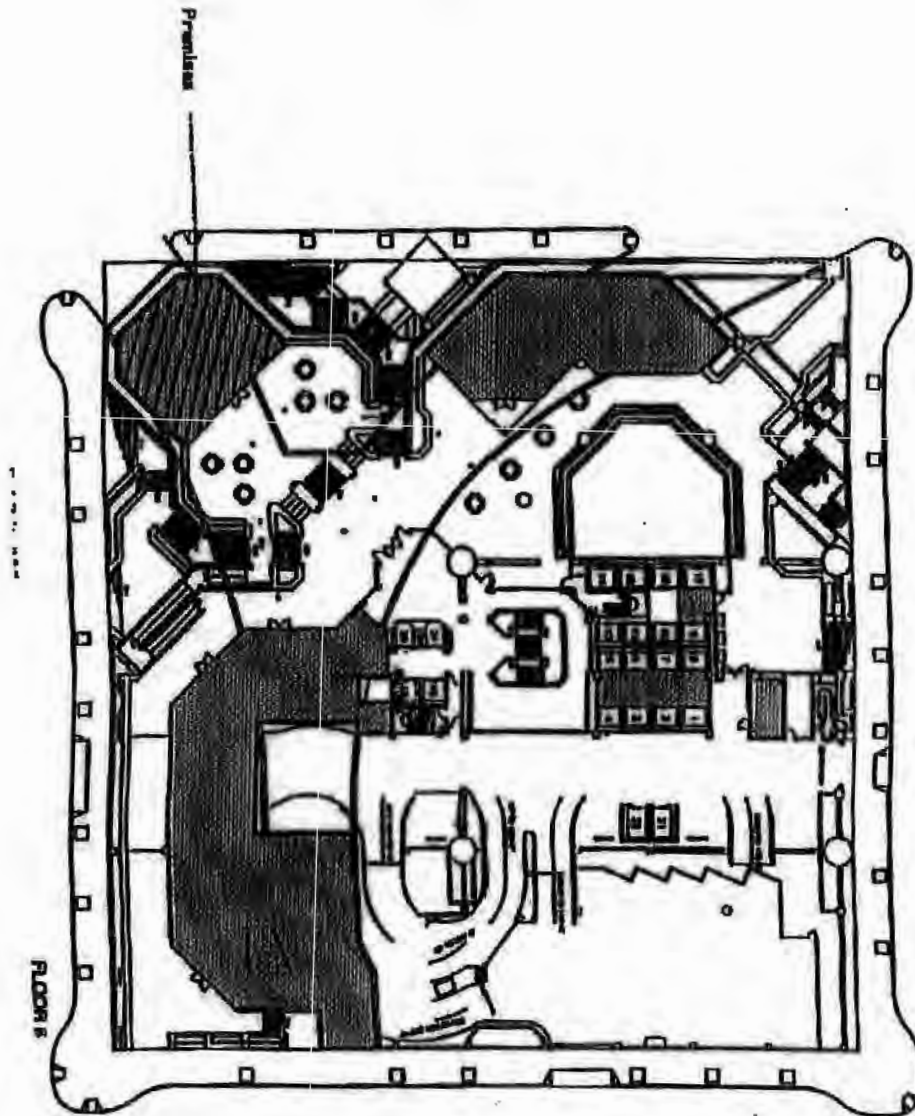


EXHIBIT B
SEATTLE MUNICIPAL TOWER LEASE
TENANT IMPROVEMENT REQUIREMENTS

A. DEFINITION OF TENANT IMPROVEMENTS.

Landlord is making the Premises available to Tenant in "AS IS" condition. As used in this Exhibit B, "Tenant Improvements" means all alterations, improvements and installations to the Premises to be completed by Tenant. Unless the Lease includes a tenant improvement allowance, all alterations, improvements, and installations shall be at Tenant's sole cost. All Tenant Improvements shall be subject to the terms of the Lease and this Work Letter.

B. TENANT IMPROVEMENTS.

Certain conditions, materials, and products are defined in the Seattle Municipal Tower Tenant Improvement Manual (the "Building Standard"), as it may be amended by Landlord from time to time. All Tenant Improvements shall comply with the Building Standard in effect at the time of the work for all alterations to any portion of the walls; ceiling; floor; electrical distribution equipment; heating and air conditioning equipment and ducting, including but not limited to standard size variable air volume air terminal units; restrooms; drinking fountains; fire and life safety equipment; telephone service to the telephone closet located within the core area of the Building; and the basic sprinkler distribution grid. Before making any upgrade or other departure from Building Standard, Tenant shall obtain Landlord's and, if applicable, Landlord's Architect's approval and Tenant shall pay the cost thereof pursuant to the terms of Section C.2 of this Exhibit. (Non-Building Standard items are sometimes referred to here as "special" items.)

Unless expressly provided otherwise in the main body of the Lease, Tenant, rather than Landlord, shall be responsible for the cost of all Tenant Improvements, which includes but is not limited to the following items:

1. All partitioning (solid, glazed or otherwise), including walls separating the Premises from the space to be occupied by other tenants in the Building, all partitioning within the Premises, and the walls separating the Premises from the public corridor.
2. Paint or other wall coverings, all of which shall be subject to Landlord's approval prior to application or installation. Painted walls shall receive at least one prime coat and one finish coat. The brand of paint shall be Building Standard or an equivalent brand subject to Landlord's prior approval.
3. Doors, door frames, relite frames and door hardware.
4. Ceiling, including suspension system, hangers and finish materials.

5. Cabinetry and millwork.
6. Carpeting, pad or other floor covering.
7. Window coverings for exterior windows as designated by Landlord.
8. Light fixtures, including Building Standard fixtures and switching, all in accordance with applicable Seattle codes and the Energy Edge Program.
9. Electrical receptacles, wiring and conduit from electrical panels to electrical receptacles and light fixtures, and other electrical items.
10. Mudrings and pullstrings for telephone and computer receptacles. Tenant is responsible for Tenant's telephone and computer equipment, service and cabling. Tenant shall select a telephone system and coordinate its installation with Landlord.
11. Air terminal units including related ducting, round low pressure run out ducting, flexible ducting, diffusers and any other items for heating and air conditioning.
12. Modifications to the sprinkler distribution system and installation of sprinkler heads, emergency speakers, exit signs and fire extinguishers and cabinets within the Premises.
13. All removal of debris for any item of work installed pursuant to Section B of this Exhibit.
14. The fees due for any architectural or interior design services provided with respect to the Premises including but not limited to the furnishings, furniture, art work, fixtures, equipment, and other personal property therein.
15. All Washington State sales tax applicable to Tenant Improvements made to the Premises.
16. The fee charged by Landlord's architect for the reviewing on Landlord's behalf, Tenant's proposed plans and specifications for the Tenant Improvements.
17. All signage in excess of that provided by Landlord under the Lease.

C. DESIGN OF TENANT IMPROVEMENTS.

1. Landlord Approval of Design of Tenant Improvements.

a. Responsibility of Tenant for Contract Documents. As used in this Exhibit B, "Contract Documents" means all documents required by Landlord for review in order to approve the Tenant Improvements prior to installation, including but not limited to contractor proposals, working drawings, specifications, engineering drawings and any other document representing the Tenant Improvements. "Final Contract Documents" means the final for construction version of

the Contract Documents which has been approved by Landlord. The Contract Documents shall comply with the requirements of Section 12 of the Lease and this Exhibit B. For Tenant Improvements which are not Substantial Alterations (defined in Section C.1.b), Tenant shall submit to Landlord the Tenant's contractor proposal with itemized bid categories and any other information reasonably requested by Landlord in order to approve the proposed Tenant Improvements.

b. Substantial Alterations. The requirements in this Section shall be followed for any Substantial Alteration. As used in this Section, "Substantial Alteration" means any alteration to the Premises which (i) in any way modifies, connects with, or relates to the Building mechanical, electrical, plumbing or structural systems, or (ii) relocates walls or utilities. "Substantial Alteration" does not include replacing flooring or carpeting, installing fixtures which may be removed without damage to the surrounding areas, painting, or installations which do not alter any utility or Building system. Tenant shall cause Tenant's architect to submit two (2) blackline sets of Contract Documents to Landlord. Landlord shall have ten days to review and return one (1) marked up set of Contract Documents to Tenant's architect; Provided, that if structural or mechanical work is proposed, and Landlord, in the exercise of its discretion, requires consultation with Landlord's structural engineer or mechanical engineer to evaluate the Contract Documents, Landlord shall give notice to Tenant's architect of such need, and Landlord shall have up to an additional thirty (30) days for its review of the Contract Documents. Tenant's architect shall incorporate Landlord's comments into the proposed Final Contract Documents and submit two (2) complete sets of the proposed Final Contract Documents, as modified, to Tenant. Tenant shall have ten days to review and approve the modified Final Contract Documents. Tenant shall indicate its approval by signing the cover sheet of the modified Final Contract Documents and returning one (1) complete set to Landlord and one to Tenant's architect. The Final Contract Documents, as modified to incorporate Landlord's comments, shall be prepared in accordance with the standards developed by the Landlord including common symbols, legends and abbreviations together with information required to obtain a building permit. Unless otherwise approved by Landlord, the Final Contract Documents, as approved and signed by Tenant, shall include:

(1) Architectural Floor Plan: A plan, fully dimensioned, showing partition layout and type identifying each room with a number and each door with a number and the extent of floor finishes, casework, relites, etc. Plumbing requirements must also be noted on this plan. This plan shall indicate HVAC zoning requirements.

(2) Reflected Ceiling Plan: A plan showing all Building Standard and special ceiling conditions and materials. This plan shall include the location and type of all Building Standard and special light fixtures including switching, together with a legend indicating fixture type, quantity of fixtures, and connected wattage of each fixture as necessary for compliance with The City of Seattle codes.

(3) Electrical, Telephone and Computer Receptacles Plan: A plan locating all power, telephone and computer requirements dimensioned to give exact location of receptacle, height above concrete slabs and position from a corner. This plan shall identify all dedicated circuits and identify all power receptacles greater than 120 volts. For equipment

utilizing receptacles that require dedicated circuits and/or that require greater than 120 volts, Tenant shall specify the type of equipment, the manufacturer's name and model number. The plan must also identify the name of the manufacturer of the phone and computer system to be used and the power requirements, size and location of its primary equipment.

(4) Furniture Layout: Basic layout showing furniture location.

(5) Millwork/Casework Details: Complete elevations, sections and construction details of all special millwork including but not limited to cabinets, paneling, trim, bookcases, doors, door frames and relite frames.

(6) Hardware Specifications and Keying Schedule: Complete specifications for all special hardware. Key ways in special locks must be compatible with building master key system. The keying schedule must indicate which doors are locked and which keys open each lock, together with a symbol indicating which side of the door is to be locked to prohibit entry.

(7) Room Finish and Color Schedule; Signage: Complete information showing on the drawings the location and specifications for all finishes including wall, floor covering, wall base, ceiling and special conditions; as well as the size, design, method of installation, and desired location of all signage.

(8) Construction Notes and Specifications: Any special notes required and complete specifications for all special items including but not limited to instructions for bidders, special conditions incorporating the AIA standard form of general conditions and technical specifications for all special Building work.

(9) Structural Drawings: If required, Tenant shall engage the services of its structural engineer, a separate structural permit will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. A drawing will be prepared for Landlord's review, indicating the extent of structural modifications proposed for the Premises.

(10) Mechanical Drawings: Tenant shall engage the services of its mechanical engineer, separate plumbing and HVAC permits will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. Drawings shall be prepared for Landlord's review indicating plumbing and HVAC requirements as follows:

(a) Plumbing: Clearly indicating all waste, vent and water requirements, locations and connections to stub-outs located at the Building core.

(b) HVAC: Clearly indicating the basic system, modifications to the basic system if required, including any special cooling or stand-alone system, special ventilation system, and supply air diffusers, return air grilles and space temperature sensors.

2. Delays and Costs. Tenant shall be responsible for all costs of design of Tenant Improvements, including delays and additional costs necessary for Landlord's review and approval of the Tenant Improvements, including but not limited to the fees of Landlord's architect, except to the extent any costs result from Landlord's failure to review and to approve or comment upon the Contract Documents within the time provided herein, unless the delay is attributable to Tenant. Tenant shall reimburse Landlord for any such costs upon the commencement of the Lease Term or within thirty days of invoice. The Rent Commencement Date shall not be delayed as a result of delays to the design or completion of Tenant Improvements, unless and to the extent such delays are the result of Landlord's failure to review and approve the Contract Documents or to perform any other obligation of Landlord herein.

3. Notice to Proceed and Approval. Once Landlord reviews and approves Tenant's Contract Documents and determines that any other requirements under this Exhibit B are satisfied, Landlord shall provide Tenant notice to proceed. Landlord's approval of the Contract Documents under the Lease is for Landlord's own purposes in managing the Building, and shall not constitute an opinion or representation by the City of Seattle as to the Contract Documents' compliance with any law or ordinance or their adequacy for other than the purposes of managing the Building, and such approval shall not create or form the basis of any liability on the part of the City for any injury or damage resulting from any inadequacy or error therein or any failure to comply with applicable law, ordinance, rule or regulation.

D. CONSTRUCTION OF TENANT WORK.

1. Landlord's Contractor. Tenant shall contract for all Tenant Improvements, provided that all work shall be performed only by Landlord's approved Building contractor(s) ("Approved Contractor(s)") or in conformance with Part F. Special Conditions below.

2. Work to Comply with Final Contract Documents. All Tenant Improvements shall be completed according to the Final Contract Documents. Once the Landlord approves the Final Contract Documents, Tenant shall diligently prosecute the work and shall not make any changes without first obtaining Landlord's written approval. If Tenant submits any proposed changes to the Final Contract Documents, Landlord shall have ten (10) days to review and comment on the proposed changes.

3. Tenant's Network Facilities. Tenant shall be solely responsible for its telephone, computer, and data network system, including selection of equipment, installation, and cost. Responsibility for telecommunications and internet service is addressed in Section 9 of the Lease. Information concerning network equipment size, weight, and electrical and environmental requirements must be provided to Landlord's Architect during the planning phase, and Tenant shall coordinate installation of the network system with Landlord's Tenant Improvement Coordinator during the construction phase.

E. GENERAL CONDITIONS.

The following provisions shall be applicable to all Tenant Improvements.

1. All work shall be completed in compliance with all applicable laws and regulations, including the requirements of any permits. If a building permit is required, no work shall begin until Tenant or its contractor has obtained a valid building permit and provided a copy to Landlord. Tenant acknowledges and agrees that Landlord's review and approval of Final Contract Documents is for Landlord's own purposes, and notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility for Tenant's failure to complete all work in compliance with all applicable laws, regulations, and permits.

2. All work by Tenant or Tenant's contractor shall be scheduled through Landlord.

3. Tenant or Tenant's contractor shall arrange for necessary utility, hoisting and elevator service with Landlord and shall pay such reasonable charges for such services as may be charged by Landlord.

4. Tenant shall promptly reimburse Landlord for costs incurred by Landlord due to faulty work done by Tenant or by any of its contractors, or by reason of any delay caused by such work, or by reason of inadequate clean up.

5. Tenant shall be responsible for the payment to Landlord, as an Additional Charge, any increase in Building energy costs attributable to special lighting or equipment as provided for in Section 9.B (1) of the Lease. Lighting which is inconsistent with Seattle's Energy Code or the Energy Edge Program shall not be installed without the prior approval of Landlord and Landlord's Architect, which may be withheld in the sole discretion of Landlord.

6. Tenant and Tenant's contractors shall keep the Building and the Premises free of liens arising out of Tenant's contractor's work and that of every subcontractor or supplier, all as provided under Section 8.C of the Lease.

7. If Landlord is providing a Tenant Improvement Allowance, the following conditions apply:

(a) Tenant shall require its contractor to pay prevailing wages and comply with Washington's Prevailing Wage Statute, Revised Code of Washington Chapter 39.12. The prevailing wage rates may be found at:
<http://lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>

(b) after completion of the Landlord-approved Tenant Improvements eligible for the Tenant Improvement Allowance, Tenant shall submit its reimbursement request to Landlord, which request shall be accompanied by true and accurate copies of (i) all contractor invoices, which shall include sufficient detail to demonstrate the specific work and charge, (ii) evidence of compliance with the Prevailing Wage Statute, including copies of contractor's filed

intents and affidavits of prevailing wages paid, and (iii) and any back-up receipts or other records reasonably requested by Landlord to substantiate the Tenant Improvement costs. Landlord shall reimburse Tenant within thirty (30) days of receipt of all required invoices and records, up to the amount of the Tenant Improvement Allowance.

F. SPECIAL CONDITIONS.

If a portion of the Tenant Improvements or any other installation within the Premises is to be performed by someone other than Approved Contractors, then the following terms and conditions shall apply:

1. Such work shall proceed upon Landlord's written approval of (i) Tenant's contractor; (ii) Tenant's all risk property insurance required under Section 16 of the lease, (iii) any additional public liability and property damage insurance to be carried by Tenant's contractor which is satisfactory to Landlord and which names the City as an additional insured; and (iv) if applicable, the amount of general conditions to be paid by Tenant to Landlord for the service(s) still provided by an Approved contractor.

2. If required by Landlord, prior to commencement of any work on the Premises by Tenant or any Tenant's contractor, Tenant and Tenant's contractor shall enter into an indemnity agreement and a lien priority agreement satisfactory to Landlord indemnifying and holding harmless Landlord for any liability, losses or damages directly or indirectly from lien claims affecting the land, the Building or the Premises arising out of Tenant's or Tenant's contractor's work or that of every subcontractor or supplier, and subordinating each such lien to the liens of construction and permanent financing for the Building.

3. Landlord shall have the right to post a notice or notices in conspicuous places in or about the Premises stating that the Landlord is not responsible for the work being performed therein.

**EXHIBIT C
SEATTLE MUNICIPAL TOWER
BUILDING
RULES**

1. Except as specifically provided in the Lease to which these Rules are attached, no signs, a-frames, sandwich boards, banners, placards, pictures, advertisements, names or notices shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.
2. Tenant shall not attach, hang, place, use, or allow curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations in connection with any window or ceiling of the Building without the prior written consent of the Landlord, which Landlord may withhold in its sole and absolute discretion. With the prior written consent of Landlord, such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. Tenant shall not alter or remove any exterior window glass of the Building for any reason.
3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators or stairways of the Building. The common area halls, passages, exits, entrances, elevators, escalators and stairways are open to the general public, and are open to Tenant's business invitees, subject to these rules. Landlord shall in all cases retain the right to control and prevent access by all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; providing that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of business, unless such persons are engaged in illegal or unlawful activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building unless approved by Landlord.
4. Landlord provides a Building directory for displaying the name and location of each tenant, and Landlord reserves the right to exclude any other names from the directory. Any additional name that Tenant desires to display in the directory must first be approved by Landlord and, if so approved, a charge will be made for each additional name.
5. Landlord will furnish Tenant, free of charge, keys to each door lock in the Premises. Landlord will also provide for each person occupying an office in the Premises, one electronic Building security system access card that permits access to the Building and control of the elevator to the Premises during the evenings and over weekends when the Building is not normally open for business. Landlord may impose a reasonable charge for any additional key or Building security system access card requested by Tenant.

Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Tenant, upon the expiration or earlier termination of its tenancy, shall deliver to Landlord all Building keys that have been furnished to Tenant, and all Building security system access cards. In the event any keys or Building security system access cards so furnished are not returned as required, Tenant shall pay the then-current lost key or lost card charge as established by Landlord. Tenant may not install its own security system without prior approval by Landlord, which shall not be unreasonably withheld, provided that Landlord shall have access to such security system and the Premises without charge.

6. If Tenant requires telecommunications, internet, burglar alarm, panic alarms or similar services, it shall first obtain, and comply with, Landlord's instructions as to their installation.

7. The Building freight elevator(s) shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord, in its discretion, shall deem appropriate. Use of freight elevators is restricted to Tenants that are transporting larger items or carts only, not for passenger use. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between such hours and in such elevators as may be designated by Landlord. Tenant's initial move in and subsequent deliveries and removals of heavy or bulky items, such as furniture, safes and similar items shall, unless otherwise agreed by Landlord, be made during the hours of 6 P.M. to 6 A.M. or on Saturday or Sunday and subject to such limitations as Landlord may impose. Deliveries during normal office hours shall be limited to normal office supplies and other small items. No delivery shall be made that impedes or interferes with any other tenant or the operation of the Building. In its use of the loading areas for the Building, Tenant shall not obstruct or permit the obstruction of said loading areas, and at no time shall Tenant park vehicles there except for loading and unloading.

8. Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. Any business machine or mechanical equipment belonging to Tenant that causes noise or vibration that may be transmitted to the structure of the Building or to any space therein, to such a degree as to be objectionable to Landlord or to any tenant in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Every person employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at Tenant's expense.

9. Tenant shall not use or store or permit to be used or stored in the Premises any kerosene, gasoline or flammable or combustible fluid or gas other than those used in non-

Office Premises for cooking. Tenant shall not permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or any other occupant of the building by reason of noise, odors or vibrations from the Premises.

10. Tenant shall not bring into or keep on or about the Premises any animal other than a service animal. Landlord's rules regarding service animals are detailed in a separate policy document and is made a part of these rules by reference.

11. Tenant shall not use any method of heating or air conditioning other than that supplied and/or approved by Landlord. No portable fans, heaters, humidifiers, misters, or air-conditioners are allowed in building, tenant spaces or tenant desks at any time.

12. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls. Tenant's shall not obstruct, conceal or close any ceiling heating or cooling vents at any time. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day.

13. Landlord reserves the right to select the name of the Building and to make such change or changes of name as it may deem appropriate from time to time, and Tenant shall not refer to the Building by any name other than: (i) the names as selected by Landlord (as same may be changed from time to time), or (ii) the postal address, approved by the United States Post Office. Tenant shall not use the name of the Building in any respect other than as an address of its operation in the Building without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the street address of the Building.

14. Landlord reserves the right to exclude from the Building between the hours of 7 P.M. and 7 A.M. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays, Saturday's and legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, lights, and gas outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for Tenant's noncompliance with this rule.

16. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown in them. The expense of any breakage, stoppage or damage resulting from violation of this rule shall be borne by the Tenant who, or whose employee or invitee, caused it.

17. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theatre tickets or any other goods or merchandise to the general public in or on the Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the building. Tenant shall not use the Premises for any business or activity other than that specifically provided in Tenant's Lease. Conditions of use for all building general use conference rooms are posted in each conference room; Tenants are required to comply with those conditions.

18. Except as permitted in the Lease or approved in writing by Landlord, Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

19. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster, or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Lease pertaining to alterations. Landlord reserves the right to direct electricians as to where and how telecommunications & data cabling are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering or paint to the floor of the Premises or any wall or ceiling coverings in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

20. Tenant shall not install, maintain or operate upon the Premises any vending machine, video game or other coin-operated or coin-activated device without the written consent of Landlord.

21. Canvassing, soliciting and distribution of any handbill or any other written material and peddling in the Building are prohibited, and Tenant shall cooperate to prevent such activities.

22. Landlord reserves the right to exclude or, expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of any liquor, marijuana, or illegal drug or who is in violation of any of the Rules of the Building.

23. Tenant shall store all its trash, recycling, and compost within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash disposal. All trash, recycling, and compost shall be disposed of in accordance with directions issued, from time to time, by Landlord.

24. The Premises shall not be used for lodging or for manufacturing of any kind, nor shall the Premises be used for any purpose other than the Permitted Use or any use offensive to the community around Building.

25. Tenant shall not use in any space or in any public hall of the Building, any hand truck except one equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Hand trucks are only to be used in the buildings freight elevators and not the passenger elevators. Tenant shall not bring any other vehicle, bicycle, skateboard, or Segway of any kind into the Building. Landlord has designated secured bicycle cages in the Parking Garage for Tenants use as necessary.

26. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

27. Tenant assumes any and all responsibility for protecting its Premises from theft, burglary and pilferage, which includes keeping doors and other means of entry to the Premises closed and locked.

28. Landlord may waive any one or more of these Rules for the benefit of Tenant or any other tenant, but such waiver by Landlord shall not be construed as a waiver of such Rules for any other tenant, nor prevent Landlord from thereafter enforcing any such Rules against any or all of the tenants of the Building.

29. These Rules are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of Tenant's Lease of its Premises in the Building. Where there is a conflict between the Tenant's Lease and these Rules, the Tenant's Lease shall control and take priority over these rules.

30. Landlord reserves the right to make amendments to these rules or make such other reasonable Rules as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules hereinabove stated and any additional rules that are adopted.

31. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

32. Smoking, vaporizing, or use of an electronic cigarette or like equipment is not permitted in any public or Tenant areas inside the building. Public areas include lobbies, restrooms, hallways, stairwells and garage. Smoking, vaporizing, etc. is also not permitted on any of the exterior plaza levels, except for areas designated by the Landlord.

Additional Rules for Office Premises

33. An Office Premises is a Premises where neither food service nor retail sales are included in the Permitted Use in Section 1.K. of the Lease.

34. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises.

35. Tenant shall not obtain for use in an Office Premises ice, drinking water, food, beverage, towel or other similar services or accept barbering or boothblackening service upon the Premises, except at such hours and under such rules as may be fixed by the Landlord.

36. An Office Premises shall not be used for the storage of merchandise held for sale to the general public.

37. Tenant shall not use or keep in an Office Premises any kerosene, gasoline or flammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance.

38. No cooking shall be done or permitted on an Office Premises without Landlord's consent, except that use by Tenant of equipment with auto shut off capability for brewing coffee, tea, hot chocolate and similar beverages, or use of a microwave oven for employee use shall be permitted, provided that such equipment is in good condition and the equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules. Said equipment shall be located in Tenant identified break/kitchen areas only. Plumbed auto-ice making equipment is also not permitted unless equipment is part of a refrigerator/freezer combo. Tenant shall at no time have any personal brewing equipment at Tenant's work desk/cubical areas.

EXHIBIT D

“MENU”

Chew Chew’s Eatery

Salads/Salad Bar: Fresh vegetables, Greek salad, Baked carrot and egg plant, Tuna, , Grilled chicken breast, Balsamic Mushrooms and Brussels sprouts, Seaweed, Tofu, Devil eggs, Potato and Macaroni salads, Spicy noodle, coleslaw, Fried green bean, Sesame Broccoli, Curry chicken salad, Cheeses.

Many kinds of Toppings (Varies)

Hot entrées: Deep-fried tempura, Udon-noodles, Brown Rice and Steam rice, Fried rice, Deep fried food, Chicken teriyaki, Spicy chicken breast balls, Ginger chicken, Black bean chicken, Chicken Katsu, B.B.Q. wings, Hot wings, Mac & Cheese, Meatballs, Korean B.B.Q.(bulgogi), Kimchi, Potato noodle, gourmet noodle soup, Potato teriyaki, Bakes Salmon, Fried Pollock Sate.

Desserts: Fruits, Lemon loaf, Cheese cake, cookies.

Misc. Snacks and Beverages

EXHIBIT E

PERSONAL GUARANTY OF FINANCIAL OBLIGATIONS IN LEASE

This Personal Guaranty ("Guaranty") is entered into by Hunjo Jung ("Guarantor") in favor of **THE CITY OF SEATTLE**, a municipal corporation of the State of Washington, (the "City" or "Landlord").

A. Hunjo Jung ("Tenant") desires to enter into that certain Seattle Municipal Tower Lease between the City and Tenant, initially dated as of the same date hereof and which this Guaranty is incorporated and made a part of as Exhibit E, and as further modified or amended by Landlord and Tenant during the term of this Guaranty (the "Lease").

B. Guarantor desires that the City enter into the Lease with Tenant, and the City is willing to enter into the Lease strictly conditioned upon the Guarantor's guaranty of Tenant's financial obligations under the Lease under the terms herein.

NOW THEREFORE, for other good and valuable consideration receipt of which Guarantor hereby acknowledges, Guarantor agrees as follows:

1. Guarantee. Guarantor unconditionally guarantees to Landlord and its successors and assigns, Tenant's full and punctual performance of all financial obligations, including, but not limited to, payment of rent and any other sum of money due to Landlord from Tenant ("Guaranteed Obligations") pursuant to the Lease.

2. Term of Guaranty. This Guaranty will be effective commencing upon the effective date of the Lease and shall continue in full force until the Guaranteed Obligations have been fully paid and performed. If Landlord agrees to release Tenant from its duties and obligations under the Lease as provided in Section 16 of the Lease, this Guaranty will be released to the extent the Tenant is released.

3. Joint and Several Liability. Tenant and Guarantor shall be jointly and severally liable for the full and complete performance of Tenant's obligations under the Lease.

4. Right of City to Proceed Against Guarantor. In the event of a failure by Tenant to perform any Guaranteed Obligation hereunder, the City shall have the right to proceed first and directly against the Guarantor under this Guaranty and without proceeding against Tenant or exhausting any other remedies against Tenant which the City may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the City (1) file suit or proceed to obtain a judgment against Tenant, (2) make any other effort to obtain payment or performance of the Guaranteed Obligations from Tenant other than providing Tenant with notice of such payment or performance as may be required by the terms of the Lease or required to be

given to Tenant under applicable law, or (3) exercise any other right or remedy to which the City is or may be entitled in connection with the Guaranteed Obligations. Upon any unexcused failure by Tenant in the payment or performance of any Guaranteed Obligation and the giving of such notice or demand, if any, to Tenant and Guarantor as may be required in connection with such Guaranteed Obligation and this Guaranty, the liability of the Guarantor shall be effective and shall immediately be paid or performed. Notwithstanding the City's right to proceed directly against the Guarantor, the City (or any successor) shall not be entitled to more than a single full performance of the obligations in regard to any breach or non-performance thereof.

5. Guaranty Absolute and Unconditional. The obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until Tenant shall have fully discharged the Guaranteed Obligations in accordance with the terms of the Lease and shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such Guaranteed Obligations) based on any claim that the Guarantor may have against Tenant, the City or any other person. Without limiting the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to, knowledge by or further consent of the Guarantor):

(a) any permitted transfer or assignment or rights or obligations under the Lease;

(b) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the City or Tenant in the Lease;

(c) any amendment, change or modification to of any of the Guaranteed Obligations, and in such case the liability of Guarantor shall be deemed modified in accordance with such amendment or modification of the Lease;

(d) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium arrangement, composition with creditors or readjustment of, or other similar proceedings against Tenant or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification had occurred as a result thereof, it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to them by reason of any such proceedings);

(e) any failure on the part of Tenant for any reason to perform or comply with any agreement with the Guarantor;

(f) any failure of the City to mitigate damages resulting from any default by Tenant under the Lease (except to the extent such failure constitutes a legal or equitable defense of Tenant under applicable law);

(g) any sale, lease, transfer, abandonment or other disposition of any or all of the property of Tenant;

(h) any legal disability of any party to the Lease; or

(i) the fact that entering into the Lease by Tenant was invalid or in excess of its powers.

Should any money due or owing under this Guaranty not be recoverable from the Tenant due to any of the matters specified in subparagraphs (a) through (i) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of Tenant pursuant to the terms of the Lease and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty. Notwithstanding anything to the contrary expressed in this Guaranty, nothing in this Guaranty shall be deemed to amend, modify, clarify, expand or reduce Tenant's rights, benefits, duties or obligations under the Lease. To the extent that any of the matters specified in subparagraphs (a) through (c) and (e) through (i) would provide a defense to, release, discharge or otherwise affect Tenant's Guaranteed Obligations, the Guarantor's obligations under this Guaranty shall be treated the same.

Notwithstanding any provision contained herein to the contrary, the Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which Tenant may have under the Lease or under applicable law (other than bankruptcy or insolvency of Tenant and other than any defense which the Guarantor has expressly waived in this Guaranty), and the obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or deductions which Tenant is permitted to assert pursuant to the Lease, if any.

6. Guarantor's Consent. Guarantor hereby consents to the Lease, and further consents and agrees that the City may, without further consent or disclosure and without affecting or releasing the Guaranteed Obligations of Guarantor hereunder, except as otherwise specifically set forth herein: (a) surrender, exchange, release, assign, or sell any collateral securing any Guaranteed Obligation or waive, release, assign, sell, or subordinate any security interest, in whole or in part; (b) waive or delay the exercise of any rights or remedies of the City against Tenant, its successor or permitted assigns; (c) waive or delay the exercise of any rights or remedies of the City against any surety or guarantor (including without limitation, rights or remedies of the City against Guarantor under this Guaranty);

(d) waive or delay the exercise of any rights or remedies of the City in respect of any collateral or security interest now or hereafter held; (e) release any surety or guarantor; or (f) renew, extend, waive or modify the terms of the obligations of any other surety or guarantor, or any instrument or agreement evidencing the same.

7. Guarantor' Waiver. Except for any notice specifically required by the terms of this Guaranty, Guarantor waives notice of (a) the City's acceptance of this Guaranty or its intention to act or its actions in reliance hereon; (b) the present existence or future incurring of any Guaranteed Obligations or any terms or amounts thereof; (c) any default by Tenant, its successor or permitted assigns or any surety or guarantor; (d) the obtaining of any guaranty or surety agreement (in addition to this Guaranty); (e) the obtaining of any pledge, assignment or other security for any Guaranteed Obligations; (f) the release of any surety or guarantor; (g) the release of any collateral; (h) any change in Tenant's business or financial condition or the business or financial condition of its successor or permitted assigns; (i) any acts or omissions of the City consented to in Section 5 hereof; and (j) any other demands or notices whatsoever with respect to the Guaranteed Obligations or this Guaranty. Except for any notice specifically required by the terms of this Guaranty, Guarantor further waive notice of presentment, demand, protest, notice of nonpayment and notice of protest in relation to any instrument or agreement evidencing any Guaranteed Obligation. In addition, Guarantor hereby unconditionally and irrevocably waives:

(a) to the fullest extent lawfully possible, any statute of limitations defense based on a statute of limitations period which may be applicable to Guarantor (or parties in similar relationships) which would be shorter than the applicable statute of limitations period for the underlying claim;

(b) any right to require a proceeding first against Tenant;

(c) the requirement of, or the notice of, the filing of claims by the City in the event of the receivership or bankruptcy of Tenant; and

(d) all demands upon Tenant or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 7, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.

8. Guarantor's Knowledge of Tenant's Economic Condition. Guarantor represents and warrants to the City that it has reviewed such documents and other information as it deemed appropriate in order to permit it to be fully apprised of Tenant's financial condition and operations and has, in entering into this Guaranty made its own credit analysis independently and without reliance upon any information communicated by the City. Guarantor covenants for the benefit of the City to remain apprised of all material economic or other developments relating to or affecting Tenant, its successor or permitted assigns or their properties or businesses.

9. Unconditional Guaranty. Except as specifically set forth elsewhere in this Guaranty, the obligations of Guarantor under this Guaranty are absolute and unconditional without regard to the obligations of any other party or person and shall not be in any way limited or affected by any circumstance whatsoever.

10. Separate Obligations; Reinstatement. The joint and several obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (a) give rise to separate and independent causes of action against either or both Guarantor and Tenant (b) apply irrespective of any indulgence granted from time to time by the City. The Guarantor agrees that this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of Tenant is rescinded or must be otherwise restored by the City, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Lease or Tenant's enforcement of such terms under applicable law.

11. Notices. Any notice permitted hereunder may be given to Guarantor by personal delivery, by fax (with confirmation of receipt by telephone), or by certified mail addressed to:

Hunjo Jung
Chew Chew's Eatery
700 Fifth Avenue, Suite 603
Seattle, WA 98104

12. Amendments; Waiver. This Guaranty may not be amended or modified except by written agreement of Guarantor and the City. Except as otherwise provided herein, no provision of this Guaranty may be waived except in writing and then only in the specific instance and for the specific purpose for which given.

13. No Third-Party Beneficiaries. Nothing contained herein shall be construed as creating a third-party beneficiary relationship.

14. Governing Law; Severability. This Guaranty shall be governed by and construed in accordance with the internal laws of the State of Washington. The parties hereto intend and believe that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of the City under the remainder of this Guaranty shall continue in full force and effect.

15. Assignment. Without the prior written consent of the City, this Guaranty may not be assigned by the Guarantor.

16. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meanings given in the Lease unless another meaning is clearly contemplated herein.

Signed this 16 day of JUNE, 2016, in the City of Seattle, King County, Washington.

GUARANTOR:



Signature
Hunjo Jung


Jun 16 2016
Date

STATE OF WASHINGTON)
) ss. (Acknowledgement for Guarantor)
COUNTY OF KING)

On this 16th day of June, 2016, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared HUN JO JUNG to me known to be the person that executed the foregoing Guaranty as Guarantor, and acknowledged to me that he/she signed the same as his/her own free and voluntary act and deed for the uses and purposes therein mentioned and that he was authorized to execute said Guaranty for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.


[Signature]

JUAN GARCIA
[Printed Name]

NOTARY PUBLIC in and for the State of WA residing at Seattle WA 98104
My commission expires 7-22-18.



PERSONAL GUARANTY OF FINANCIAL OBLIGATIONS IN LEASE

This Personal Guaranty ("Guaranty") is entered into by Na Young Lee ("Guarantor") in favor of **THE CITY OF SEATTLE**, a municipal corporation of the State of Washington, (the "City" or "Landlord").

A. Na Young Lee ("Tenant") desires to enter into that certain Seattle Municipal Tower Lease between the City and Tenant, initially dated as of the same date hereof and which this Guaranty is incorporated and made a part of as Exhibit E, and as further modified or amended by Landlord and Tenant during the term of this Guaranty (the "Lease").

B. Guarantor desires that the City enter into the Lease with Tenant, and the City is willing to enter into the Lease strictly conditioned upon the Guarantor's guaranty of Tenant's financial obligations under the Lease under the terms herein.

NOW THEREFORE, for other good and valuable consideration receipt of which Guarantor hereby acknowledges, Guarantor agrees as follows:

1. Guarantee. Guarantor unconditionally guarantees to Landlord and its successors and assigns, Tenant's full and punctual performance of all financial obligations, including, but not limited to, payment of rent and any other sum of money due to Landlord from Tenant ("Guaranteed Obligations") pursuant to the Lease.
2. Term of Guaranty. This Guaranty will be effective commencing upon the effective date of the Lease and shall continue in full force until the Guaranteed Obligations have been fully paid and performed. If Landlord agrees to release Tenant from its duties and obligations under the Lease as provided in Section 16 of the Lease, this Guaranty will be released to the extent the Tenant is released.
3. Joint and Several Liability. Tenant and Guarantor shall be jointly and severally liable for the full and complete performance of Tenant's obligations under the Lease.
4. Right of City to Proceed Against Guarantor. In the event of a failure by Tenant to perform any Guaranteed Obligation hereunder, the City shall have the right to proceed first and directly against the Guarantor under this Guaranty and without proceeding against Tenant or exhausting any other remedies against Tenant which the City may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the City (1) file suit or proceed to obtain a judgment against Tenant, (2) make any other effort to obtain payment or performance of the Guaranteed Obligations from Tenant other than providing Tenant with notice of such payment or performance as may be required by the terms of the Lease or required to be given to Tenant under applicable law, or (3) exercise any other right or remedy to which

the City is or may be entitled in connection with the Guaranteed Obligations. Upon any unexcused failure by Tenant in the payment or performance of any Guaranteed Obligation and the giving of such notice or demand, if any, to Tenant and Guarantor as may be required in connection with such Guaranteed Obligation and this Guaranty, the liability of the Guarantor shall be effective and shall immediately be paid or performed. Notwithstanding the City's right to proceed directly against the Guarantor, the City (or any successor) shall not be entitled to more than a single full performance of the obligations in regard to any breach or non-performance thereof.

5. Guaranty Absolute and Unconditional. The obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until Tenant shall have fully discharged the Guaranteed Obligations in accordance with the terms of the Lease and shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such Guaranteed Obligations) based on any claim that the Guarantor may have against Tenant, the City or any other person. Without limiting the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to, knowledge by or further consent of the Guarantor):

(a) any permitted transfer or assignment or rights or obligations under the Lease;

(b) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the City or Tenant in the Lease;

(c) any amendment, change or modification to of any of the Guaranteed Obligations, and in such case the liability of Guarantor shall be deemed modified in accordance with such amendment or modification of the Lease;

(d) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium arrangement, composition with creditors or readjustment of, or other similar proceedings against Tenant or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification had occurred as a result thereof, it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to them by reason of any such proceedings);

(e) any failure on the part of Tenant for any reason to perform or comply with any agreement with the Guarantor;

(f) any failure of the City to mitigate damages resulting from any default by Tenant under the Lease (except to the extent such failure constitutes a legal or equitable defense of Tenant under applicable law);

(g) any sale, lease, transfer, abandonment or other disposition of any or all of the property of Tenant;

(h) any legal disability of any party to the Lease; or

(i) the fact that entering into the Lease by Tenant was invalid or in excess of its powers.

Should any money due or owing under this Guaranty not be recoverable from the Tenant due to any of the matters specified in subparagraphs (a) through (i) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of Tenant pursuant to the terms of the Lease and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty. Notwithstanding anything to the contrary expressed in this Guaranty, nothing in this Guaranty shall be deemed to amend, modify, clarify, expand or reduce Tenant's rights, benefits, duties or obligations under the Lease. To the extent that any of the matters specified in subparagraphs (a) through (c) and (e) through (i) would provide a defense to, release, discharge or otherwise affect Tenant's Guaranteed Obligations, the Guarantor's obligations under this Guaranty shall be treated the same.

Notwithstanding any provision contained herein to the contrary, the Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which Tenant may have under the Lease or under applicable law (other than bankruptcy or insolvency of Tenant and other than any defense which the Guarantor has expressly waived in this Guaranty), and the obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or deductions which Tenant is permitted to assert pursuant to the Lease, if any.

6. Guarantor's Consent. Guarantor hereby consents to the Lease, and further consents and agrees that the City may, without further consent or disclosure and without affecting or releasing the Guaranteed Obligations of Guarantor hereunder, except as otherwise specifically set forth herein: (a) surrender, exchange, release, assign, or sell any collateral securing any Guaranteed Obligation or waive, release, assign, sell, or subordinate any security interest, in whole or in part; (b) waive or delay the exercise of any rights or remedies of the City against Tenant, its successor or permitted assigns; (c) waive or delay the exercise of any rights or remedies of the City against any surety or guarantor (including without limitation, rights or remedies of the City against Guarantor under this Guaranty); (d) waive or delay the exercise of any rights or remedies of the City in respect of any

collateral or security interest now or hereafter held; (e) release any surety or guarantor; or (f) renew, extend, waive or modify the terms of the obligations of any other surety or guarantor, or any instrument or agreement evidencing the same.

7. Guarantor' Waiver. Except for any notice specifically required by the terms of this Guaranty, Guarantor waives notice of (a) the City's acceptance of this Guaranty or its intention to act or its actions in reliance hereon; (b) the present existence or future incurring of any Guaranteed Obligations or any terms or amounts thereof; (c) any default by Tenant, its successor or permitted assigns or any surety or guarantor; (d) the obtaining of any guaranty or surety agreement (in addition to this Guaranty); (e) the obtaining of any pledge, assignment or other security for any Guaranteed Obligations; (f) the release of any surety or guarantor; (g) the release of any collateral; (h) any change in Tenant's business or financial condition or the business or financial condition of its successor or permitted assigns; (i) any acts or omissions of the City consented to in Section 5 hereof; and (j) any other demands or notices whatsoever with respect to the Guaranteed Obligations or this Guaranty. Except for any notice specifically required by the terms of this Guaranty, Guarantor further waive notice of presentment, demand, protest, notice of nonpayment and notice of protest in relation to any instrument or agreement evidencing any Guaranteed Obligation. In addition, Guarantor hereby unconditionally and irrevocably waives:

(a) to the fullest extent lawfully possible, any statute of limitations defense based on a statute of limitations period which may be applicable to Guarantor (or parties in similar relationships) which would be shorter than the applicable statute of limitations period for the underlying claim;

(b) any right to require a proceeding first against Tenant;

(c) the requirement of, or the notice of, the filing of claims by the City in the event of the receivership or bankruptcy of Tenant; and

(d) all demands upon Tenant or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 7, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.

8. Guarantor's Knowledge of Tenant's Economic Condition. Guarantor represents and warrants to the City that it has reviewed such documents and other information as it deemed appropriate in order to permit it to be fully apprised of Tenant's financial condition and operations and has, in entering into this Guaranty made its own credit analysis independently and without reliance upon any information communicated by the City. Guarantor covenants for the benefit of the City to remain apprised of all material economic or other developments relating to or affecting Tenant, its successor or permitted assigns or their properties or businesses.

9. Unconditional Guaranty. Except as specifically set forth elsewhere in this

Guaranty, the obligations of Guarantor under this Guaranty are absolute and unconditional without regard to the obligations of any other party or person and shall not be in any way limited or affected by any circumstance whatsoever.

10. Separate Obligations; Reinstatement. The joint and several obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (a) give rise to separate and independent causes of action against either or both Guarantor and Tenant (b) apply irrespective of any indulgence granted from time to time by the City. The Guarantor agrees that this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of Tenant is rescinded or must be otherwise restored by the City, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Lease or Tenant's enforcement of such terms under applicable law.

11. Notices. Any notice permitted hereunder may be given to Guarantor by personal delivery, by fax (with confirmation of receipt by telephone), or by certified mail addressed to:

Na Young Lee
Chew Chew's Eatery
700 Fifth Avenue, Suite 603
Seattle, WA 98104

12. Amendments; Waiver. This Guaranty may not be amended or modified except by written agreement of Guarantor and the City. Except as otherwise provided herein, no provision of this Guaranty may be waived except in writing and then only in the specific instance and for the specific purpose for which given.

13. No Third-Party Beneficiaries. Nothing contained herein shall be construed as creating a third-party beneficiary relationship.

14. Governing Law; Severability. This Guaranty shall be governed by and construed in accordance with the internal laws of the State of Washington. The parties hereto intend and believe that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of the City under the remainder of this Guaranty shall continue in full force and effect.

15. Assignment. Without the prior written consent of the City, this Guaranty may not be assigned by the Guarantor.

16. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meanings given in the Lease unless another meaning is clearly contemplated herein.

Signed this 16 day of JUNE, 2016 in the City of Seattle, King County, Washington.

GUARANTOR:

Na Young Lee
Signature
Na Young Lee

June 16 2016
Date

STATE OF WASHINGTON)
) ss. (Acknowledgement for Guarantor)
COUNTY OF KING)

On this 16th day of June, 2016, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Na Young Lee to me known to be the person that executed the foregoing Guaranty as Guarantor; and acknowledged to me that he/she signed the same as his/her own free and voluntary act and deed for the uses and purposes therein mentioned and that he was authorized to execute said Guaranty for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.

[Signature]
[Signature]

Juan Garcia
[Printed Name]

NOTARY PUBLIC in and for the State of WA residing at Seattle WA 98104
My commission expires 7.22.18.



**COPY
COPY**

SEATTLE MUNICIPAL TOWER LEASE
BETWEEN
THE CITY OF SEATTLE,
AS LANDLORD,
AND
RVJ CORPORATION, INC.
D/B/A CORE BISTRO
AS TENANT

SEATTLE MUNICIPAL TOWER LEASE
BETWEEN

THE CITY OF SEATTLE,
AS LANDLORD,

AND
RVJ CORPORATION, INC.
D/B/A CORE BISTRO

AS TENANT

1. LEASE DATA	1
A. Building:	1
B. Premises	1
C. Commencement Date.....	1
D. Expiration Date.	1
E. Base Rent and Additional Charges.	1
F. Security Deposit.....	2
G. Base Year	2
H. Expense Year.	2
I. Tenant's Share.	2
J. Parking	2
K. Permitted Use.....	2
L. Notice Addresses	2
M. Exhibits	2
2. PREMISES.	2
A. Grant..	2
B. Rentable Area.....	3
C. Condition.....	3
D. Common Areas.	3
E. Landlord Alterations	3
F. Prospective Tenants	3
G. Personal Guaranty.....	Error! Bookmark not defined.

3. LEASE TERM.....	4
A. Term.....	4
B. Tenant’s Opportunity to Extend Lease Term.....	4
4. RENT.	4
A. Payment of Rent and Additional Charges.....	4
B. Rent Amount During Extended Term.....	4
C. Arbitration of Fair Market Rental Rate.....	5
(1) If an arbitrator appointed by either party withdraws or is unable to complete the process for any reason.	6
(2) The arbitrators shall have the right to consult experts	6
5. TENANT'S SHARE OF BUILDING OPERATING COSTS AND REAL PROPERTY TAXES.	6
6. LATE CHARGE; INTEREST.....	6
7. SECURITY DEPOSIT	6
8. TENANT'S OPERATIONS.	7
A. Use of Premises.....	7
B. Unlawful Use.	7
C. Liens and Encumbrances	7
D. Hazardous Substances.....	8
9. UTILITIES AND SERVICES.....	8
A. Tenant's Responsibility	8
B. Services.....	8
(1) Additional Service.....	9
(2) Interruption.....	9
10. LICENSES AND TAXES	10
11. DELIVERY OF PREMISES.....	10
A. Delivery of Premises.....	10
B. Signage.....	10

12. ALTERATIONS BY TENANT	11
13. CARE OF PREMISES.	12
A. Tenant's Obligation	12
B. Landlord's Obligation.....	12
C. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises . 12	
D. Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990..	13
14. SURRENDER OF PREMISES.....	13
A. General Matters.....	13
B. Cable and Wiring	13
C. Personal Property	14
15. WAIVER; INDEMNIFICATION.	14
A. Tenant's Indemnification.	14
B. Release of Claims.	15
C. Limitation of Tenant's Indemnification.....	15
D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 12 AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.	15
16. INSURANCE.....	15
A. Tenant's Insurance Coverages and Limits.....	15
B. Terms and Conditions for Tenant's Insurance.....	17
C. City's Property Insurance Coverage and Limits.....	19
D. Waiver of Subrogation	19
E. Evidence of Insurance.....	20
F. Evidence of Insurance.....	20
G. Damage or Destruction	20
H. Assumption of Property Risk.....	20
I. Adjustments of Claims.....	20
J. Tenant's Responsibility.	20
17. ASSIGNMENT OR SUBLEASE.....	21

18. ASSIGNMENT BY LANDLORD	21
19. DESTRUCTION	21
20. EMINENT DOMAIN.	22
A. Taking	22
B. Award.....	23
21. DEFAULT BY TENANT	23
A. Definition	23
B. Vacation or Abandonment	24
C. Reentry	24
D. Termination.....	24
E. Adequate Security.....	24
22. LANDLORD'S REMEDIES CUMULATIVE; WAIVER	24
23. DEFAULT BY LANDLORD.	25
A. Landlord's Cure Period.....	25
B. Notice to Lender and Lender's Cure Period	25
24. ATTORNEYS' FEES.....	25
25. ACCESS BY LANDLORD	25
26. HOLDING OVER.....	25
27. LEASE SUBORDINATE TO MORTGAGES	26
28. ESTOPPEL AND OTHER CERTIFICATES.....	26
29. QUIET ENJOYMENT	26
30. NOTICES.....	27
31 SUCCESSORS OR ASSIGNS..	27
32. TENANT AUTHORITY AND LIABILITY.....	27

33. BROKERS' COMMISSION	27
34. PARTIAL INVALIDITY	27
35. RECORDING.....	28
36. FINANCIAL STATEMENTS.....	28
37. PARKING.....	28
38. RELOCATION	28
39. LIABILITY OF LANDLORD	28
40. FORCE MAJEURE	29
41. COUNTERPARTS.....	29
42. NAME OF BUILDING.....	29
43. HEADINGS	29
44. CONTEXT	29
45. EXECUTION BY LANDLORD AND TENANT; EFFECTIVE DATE; APPROVAL OF LENDER	29
46. TIME OF ESSENCE; TIME CALCULATION METHOD	29
47. ENTIRE AGREEMENT; APPLICABLE LAW.	30
48. NEGOTIATED AGREEMENT	30

SEATTLE MUNICIPAL TOWER LEASE

THIS LEASE is entered into by THE CITY OF SEATTLE ("Landlord"), a city of the first class of the State of Washington and RVJ CORPORATION, INC. D/B/A CORE BISTRO ("Tenant"), a corporation organized under the laws of the State of Washington.

Landlord and Tenant covenant and agree as follows:

1. **Lease Data; Exhibits.** The following terms shall have the following meanings, except as otherwise specifically modified in this Lease:
 - A. **Building:** Seattle Municipal Tower, 700 Fifth Avenue, Seattle, King County, Washington 98104, situated on real property described more particularly in Subsection 2.A.
 - B. **Premises:** A Rentable Area (as defined in Subsection 2.B) identified as Suite 602 consisting of approximately 2,360 Rentable Square Feet located on Building Floor 6 as outlined on the floor plan of the Building attached hereto as Exhibit A (the "Floor Plan of Premises"), including tenant improvements described in Exhibit B.
 - C. **Commencement Date:** The first day of the month following the Effective Date (as defined in Section 45).
 - D. **Expiration Date:** The last day of the 36th full month following the Commencement Date, unless the Term of this Lease is extended under Subsection 3.B.
 - E. **Base Rent and Additional Charges:** For use and occupancy of the Premises during the Initial Term hereof, Tenant shall pay Landlord \$10.00 per Rentable Square Foot per year (i.e., an initial annual amount of \$23,600.00) as Base Rent, which amount shall be increased by three percent (3%) annually as provided in the table below. Rent shall be payable as and when specified in Section 4. Whether or not so designated, all other sums due from Tenant under this Lease, including but not limited to Leasehold Excise Tax due under Section 10 shall constitute Additional Charges, payable when specified in this Lease.

Lease Years	Monthly Rent	Monthly Leasehold Excise Tax (12.84%, subject to	Total Monthly Rent
Year 1	\$ 1,966.67	\$ 252.52	\$ 2,219.19
Year 2	\$ 2,025.67	\$ 260.10	\$ 2,285.77
Year 3	\$ 2,086.44	\$ 267.90	\$ 2,354.34

- F. Security Deposit: \$3,098.00
- G. Base Year: N.A.
- H. Expense Year: Each full calendar year.
- I. Tenant Improvement Allowance: \$15.00 per Rentable Square Foot, payable as provided under Section 12 and Exhibit B.
- J. Parking: The license granted under Section 37 of this Lease is limited to one (1) automobile.
- K. Permitted Use: Tenant shall have the right to use the Premises for the purpose of an eat-in/take-out/delivery restaurant offering a menu substantially the same as the menu shown on Exhibit D ("Menu"). Tenant shall not add any item to its menu without first having given Landlord written notice of Tenant's desire to add the item(s) described in such notice and having received Landlord's written consent for such addition.
- L. Notice Addresses:
- | | |
|--------------|--|
| To Landlord: | City of Seattle c/o CBRE, Inc.
700 Fifth Avenue, Suite 4040
Seattle, WA 98104 |
| To Tenant: | RVJ Corporation, Inc.
d/b/a Core Bistro
700 Fifth Avenue, Suite 602
Seattle, WA 98104 |
- M. Exhibits: The following exhibits are made a part of this Lease:
- | |
|-------------------------------------|
| Exhibit A - Floor Plan of Premises. |
| Exhibit B - Tenant Improvements. |
| Exhibit C - Rules and Regulations. |
| Exhibit D - Copy of Current Menu |
| Exhibit E - Personal Guaranty |

2. Premises.

- A. Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain premises (the "Premises") located on the floor(s) and having the Rentable Area set forth in paragraph 1.B. The Premises are part of the Building which is located on and includes the real property described as follows: Lots 1, 4, 5, 6, 7 and 8 in Block 29 of addition to the Town of Seattle, as laid out by the claim of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D.

Boren's addition to the City of Seattle), as per Plat recorded in Volume 1 of Plats, Page 25, Records of King County; together with the westerly 1/2 of vacated alley adjoining Lots 1 and 4; and together with all of the vacated alley adjoining Lots 5, 6, 7 and 8; Lots 2 and 3 in Block 29 of addition to the Town of Seattle, as laid out on the claim of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's addition to the City of Seattle), as per plat recorded in Volume 1 of Plats, Page 25, Records of King County; together with the northeasterly 1/2 of vacated alley adjoining; situate in the City of Seattle, County of King, State of Washington.

- B. Rentable Area. The Rentable Area set forth in Subsection 1.B shall be used to calculate Base Rent regardless of any discrepancy with the actual measured area of the Premises or any alterations that affect the area of the Premises.
- C. Condition. The Landlord leases the Premises and the Tenant accepts the Premises in "as is" condition. The Landlord disclaims all representations, statements, and warranties, expressed or implied, with respect to the condition or suitability of the Premises other than those contained in this Lease.
- D. Common Areas. During the Lease Term, Tenant and its licensees, invitees, and employees shall have the non-exclusive right to use the Building garage and all entrances, lobbies, elevators, stairs, corridors, restrooms and other public areas of the Building which the Landlord designates for use in common with Landlord, other Building tenants and their respective licensees, invitees, and employees (the "Common Areas"). Landlord shall at all times have exclusive control and management of the Common Areas and diminution of the Common Area shall not be deemed a constructive or actual eviction or entitle Tenant to compensation or a reduction or abatement of rent.
- E. Landlord Alterations. Landlord, in its discretion, may increase, decrease or change the number, locations and dimensions of any hallways, lobby areas, Common Areas and other areas of the Building that are not within the Premises. Landlord 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, and within the walls of 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. Landlord reserves the right from time to time to access the Premises for the forgoing purposes, subject to Section 25.
- F. Prospective Tenants. During the final twelve (12) months of the Lease Term, or after an event of Tenant Default that is not cured within the time specified in Section 20.A, Landlord reserves the right to enter the Premises at reasonable hours for purposes of showing the Premises to prospective tenants. Additionally, at any time during the final nine (9) months of the Lease Term or after an event of Default that is not timely cured, Landlord reserves the right to place signs in, at, and around the

Premises for purposes of re-letting the Premises after the expiration or termination of the Lease.

- G. Personal Guaranty. This Lease is made expressly contingent upon the concurrent execution of a personal lease guaranty by Johnny Wei in the form attached and incorporated herein as Exhibit E (the "Guaranty"). The Guaranty is provided as the Landlord's security for full performance of Tenant's obligations under the this Lease and will remain in effect throughout the Term of the Lease.

3. Lease Term.

- A. Term. The term of this Lease shall be for an initial term of five years beginning on the Commencement Date in 1.C and expiring on the Expiration Date (the "Term" or "Lease Term") unless extended as provided under Section 3.B or terminated earlier as provided herein. .
- B. Tenant's Opportunity to Extend Lease Term. Tenant shall have the option to extend the Lease Term for one period of five (5) years (the "Extended Term") on the same terms and conditions, except for Rent which shall be Fair Market Rent determined under Section 4.B and C. To exercise its option to extend, Tenant must give Landlord written notice no later than two hundred seventy (270) days before the expiration of the then-current Term. Tenant's right to any extended term under this Lease is expressly conditioned upon the following: (1) Tenant must not have materially Defaulted (as defined in Section 21) in the performance of its obligations under this Agreement at any time prior to the expiration of the then-current Lease Term, and (2) Tenant must exercise its option in the time and manner required under this Subsection. As used in this Lease, all references to "Term" or "Lease Term" mean the Initial Term and any and all Extended Terms.

4. Rent.

- A. Payment of Rent and Additional Charges. On or before the Commencement Date and thereafter on or before the first day of each month during the Term, Tenant shall pay to Landlord at the address and to the account specified by Landlord, without notice or demand or setoff or deduction of any kind, in lawful money of the United States (a) the monthly amount (1/12th) of the annual Base Rent in advance, and (b) the applicable amount of Leasehold Excise Tax as required under Section 10, and (c) other Additional Charges as and when specified elsewhere in this Lease, but if not specified, then within ten days after demand. Base Rent and, if appropriate, as reasonably determined by Landlord, Additional Charges shall be prorated on a daily basis for any partial month within the Lease Term. For any partial initial month in the Lease Term, Base Rent and Leasehold Excise Tax shall be paid on the first day of the Lease Term.
- B. Rent Amount During Extended Term. If Tenant elects to extend the Lease Term under Section 3.B, beginning on the first day of the Extended Term, Base Rent shall

be Fair Market Rent. "Fair Market Rent" means the annual amount per rentable square foot that a willing, non-equity lessee would pay for comparable space in a first-class downtown Seattle office building in an arms-length transaction, considering all relevant factors such as annual rental rates per rentable square foot, building services being provided by the lessor, building operating cost escalators, size and location of premises being leased, tenant improvement allowances and rental concessions. Within thirty (30) days following Tenant's exercise of its option to extend, Landlord shall provide Tenant written notice of Landlord's determination of Fair Market Rent. If Tenant disagrees with Landlord's determination of Fair Market Rent, Tenant shall advise Landlord in writing within 20 days, and the parties may negotiate regarding the Fair Market Rent. If the parties do not agree on the Fair Market Rent within 30 days, either party may submit the matter to arbitration in accordance with the terms of Subsection 4.C so that the Fair Market Rental Rate is determined no later than the expiration of the then current Lease Term. The Extended Term shall have a new Base Year, which shall be the calendar year in which the Extended Term commences.

- C. Arbitration of Fair Market Rental Rate. If the parties are unable to reach agreement on the Fair Market Rent during the period specified in Subsection 4.B, then within ten days either party may initiate arbitration by advising the other in writing of the name and address of its arbitrator. Each arbitrator appointed under this Section shall be qualified as a real estate appraiser and shall be familiar with rental rates in comparable first class Seattle office buildings. Within ten days after receipt of notice from the initiating party, the other party shall respond in writing with the name and address of the person it designates to act as arbitrator on its behalf. If the second party fails to notify the other of the appointment of its arbitrator within or by the time required, then the first arbitrator shall be the only arbitrator to determine Fair Market Rent, otherwise the duty of the arbitrator(s) shall be to jointly determine the Fair Market Rent. If the two (2) arbitrators are unable to agree upon a determination of the Fair Market Rent, then within ten (10) days, they shall appoint a third qualified arbitrator, or alternatively may request appointment of such a qualified arbitrator by the then presiding judge of King County Superior Court acting in his private non-judicial capacity or by Judicial Dispute Resolution. The three arbitrators shall decide the dispute, if it has not been previously resolved, by following the procedure set forth in this section. The arbitrators selected by each of the parties shall state in writing his/her determination of the Fair Market Rent supported by the reasons for the determination. The arbitrators shall arrange for the simultaneous exchange of such proposed determinations and the delivery of a counterpart copy to each party within three days of the appointment of the third arbitrator. The role of the third arbitrator shall be to select which of the two proposed resolutions most closely approximates the third arbitrator's own determination of Fair Market Rent. The third arbitrator shall make this selection within ten days after receiving the proposed resolutions from the other two arbitrators. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed determinations. The determination chosen by the third arbitrator as most closely approximating his/her own

determination shall constitute the collective decision of the arbitrators and be final and binding upon the parties.

- (1) If an arbitrator appointed by either party withdraws or is unable to complete the process for any reason, the applicable party may appoint a successor. If the third arbitrator withdraws or is unable to complete the process, a successor shall be appointed in the same manner as provided for appointment of the third arbitrator. Any decision in which the arbitrator appointed by Landlord and the arbitrator appointed by Tenant concur shall be binding and conclusive upon the parties. Each party shall pay the fee and expenses of its respective arbitrator and both parties shall share equally the fee and expenses of the third arbitrator, if any. The attorneys' fees and expenses of counsel for the respective parties and of witnesses shall be paid by the respective party engaging such counsel or calling such witness.
- (2) The arbitrators shall have the right to consult experts and competent authorities with factual information or evidence pertaining to a determination of the Fair Market Rental Rate, but any such consultation shall be made in the presence of both parties with full right on their part to cross examine. The arbitrators shall render their determination in writing and deliver a counterpart copy thereof to each party. The arbitrators shall have no power to modify the provisions of this Lease.

5. Tenant's Share of Building Operating Costs and Real Property Taxes. - OMITTED

- 6. Late Charge; Interest.** If Tenant fails to pay any Base Rent or Additional Charge within ten days after the due date, a late charge equal to five percent (5%) of the unpaid amount shall be assessed and be immediately due and payable. In addition, interest shall accrue at the rate of twelve percent (12%) per annum on any Base Rent or Additional Charge that is not paid when due. If Tenant defaults in making any payment of Base Rent or Additional Charges, Landlord shall have the right to require that subsequent Base Rent or Additional Charges payments be made by cashiers or certified check.
- 7. Security Deposit.** Beginning upon the Effective Date and as partial consideration for this Lease, Landlord shall continue to hold Tenant's deposit under a prior lease in the sum specified in Subsection 1.F (the "Deposit"). This Deposit shall be retained by Landlord as security for Tenant's payment of Rent and performance of all its obligations under this Lease. If Tenant Defaults in the payment of Rent or the performance of any obligation under this Lease, the Landlord shall have the right, in its discretion, to apply the full Deposit or any portion thereof to the Rent owing or to the expense incurred by Landlord as a result of Tenant's Default. Tenant shall restore any amount of the Deposit applied by Landlord against Tenant's obligations within ten (10) days of written demand from Landlord. Landlord shall not be required to retain the Deposit in a separate account and the Deposit shall not accrue interest. Landlord shall pay Tenant the Deposit within 30 days after the Expiration Date or earlier termination of the Lease, less the amount, if any, applied by Landlord to remedy any Tenant Default as provided for under this Section.

Tenant's Operations.

- A. **Use of Premises.** Tenant shall use the Premises only for the Section 1 Permitted Use. As Landlord's willingness to enter into this Lease with Tenant was predicated, in part, on the nature of Tenant's business, and the compatibility of such business with other tenants in the Building, Tenant shall not use or permit the use of the Premises for any other business, or purpose, or under any other name, without Landlord's prior written consent. Tenant shall promptly comply, at its sole cost and expense, with the Exhibit C rules and regulations and other such rules and regulations relating to the use of the Premises, Building and Common Areas as Landlord, from time to time, may promulgate. Tenant shall maintain the Premises in a clean, orderly and neat fashion to conform with the high standards of the Building, permitting no objectionable odors to be emitted from the Premises and shall neither commit waste nor permit any waste to be committed thereon. Tenant shall not permit any accumulation of trash on or about the Premises. Tenant shall not create or contribute to the creation of a nuisance in either the Premises or the Building, and Tenant shall not engage in or permit any action that will disturb the quiet enjoyment of any other tenant in the Building.
- B. **Unlawful Use.** Tenant shall not use or permit the Premises or any part thereof to be used for any purpose in violation of any municipal, county, state or federal law, ordinance or regulation, or for any purpose offensive to the standards of the community of which the Building is a part. Tenant shall promptly comply, at its sole cost and expense, with all laws, ordinances and regulations now in force or hereafter adopted relating to or affecting the condition, use or occupancy of the Premises including but not limited to all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington and The City of Seattle, including the Seattle Municipal Code ("SMC"), notably SMC Ch. 14.04, 14.10, and 20.42, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.
- C. **Liens and Encumbrances.** Tenant shall keep the Premises and Building free and clear of, and shall indemnify, defend and hold Landlord harmless from, any and all, liens and encumbrances arising or growing out of any act or omission, or breach of this Lease or the use, improvement, or occupancy of the Premises by Tenant or any of its principals, officers, agents, or employees. If any lien is filed against the Premises or Building, Tenant shall either cause the same to be fully discharged and released of record within ten days after Landlord's written demand therefor or within such period, provide Landlord with cash or other security acceptable to Landlord in an amount equal to one and one-half (1½) times the amount of the claimed lien as security for its prompt removal. Landlord shall have the right to disburse such security to cause the removal of the lien if a judgment is entered against Tenant in the lien proceeding, if such lien causes difficulties for Landlord in connection with its financing of the Building, if Tenant is otherwise in default under this Lease or if Landlord otherwise deems such necessary, in Landlord's sole discretion.

- D. Hazardous Substances. Tenant shall not, without Landlord's prior written consent, keep on or about the Premises or Building any substance designated as, or containing any component now or hereafter designated as hazardous, dangerous, toxic or harmful and/or subject to regulation under any federal, state or local law, regulation or ordinance ("Hazardous Substances"), except customary office, kitchen, cleaning, and other related supplies in normal quantities handled in compliance with applicable laws. With respect to any Hazardous Substances stored with Landlord's consent, Tenant shall promptly, timely and completely comply with all governmental requirements for reporting and record keeping; submit to Landlord true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities; within five days after Landlord's request therefor, provide evidence satisfactory to Landlord of Tenant's compliance with all applicable governmental rules, regulations and requirements; and comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of Hazardous Substances. Any and all costs incurred by Landlord and associated with Landlord's inspections of the Premises and Landlord's monitoring of Tenant's compliance with this Subsection 8.D, including Landlord's attorneys' fees and costs, shall be Additional Charges and shall be due and payable to Landlord within ten days after Landlord's demand for payment if Lessee's violation of this Subsection 7.4 is discovered as a result of such inspection or monitoring. Tenant shall be fully and completely liable to Landlord for any and all cleanup costs and expenses and any and all other charges, expenses, fees, fines, penalties (both, civil and criminal) and costs imposed with respect to Tenant's use, disposal, transportation, generation, release and/or sale of Hazardous Substances in or about the Premises or Building. Tenant shall indemnify, defend and hold Landlord and lenders to Landlord ("Lender") harmless from any and all of the costs, fees, penalties, charges and expenses assessed against, or imposed, upon Landlord, and Lender (as well as Landlord's and Lender's attorneys' fees and costs) as a result of Tenant's use, disposal, transportation, generation, release and/or sale of Hazardous Substances on or about the Premises or Building. The indemnification obligation of this subsection shall survive the expiration or earlier termination of this Lease.

8. Utilities and Services.

- A. Tenant's Responsibility. Tenant shall be solely responsible for and shall promptly pay when due all charges for telecommunications and internet service and all other utilities that are separately metered and supplied to the Premises.
- B. Services. As long as Tenant is not in default under this Lease, Landlord shall cause the Common Areas of the Building to be maintained in reasonably good order and condition, except for damage occasioned by any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, the repair of which shall be paid for by Tenant. Landlord shall furnish the Premises with

electricity for office use (including for lighting and for low power usage, 110-volt office machines), water, sewer, and elevator services. Landlord shall also provide customary common area janitorial service on weekdays, other than holidays. From 7:00 a.m. to 6:00 p.m. on weekdays, excluding legal holidays ("Normal Business Hours"), Landlord shall furnish the Premises with heat and air conditioning services. If requested by Tenant, Landlord shall furnish heat and air conditioning services at times other than Normal Business Hours, and janitorial services on other days, and Tenant shall pay for the cost of such services at rates established by Landlord as Additional Charges.

- (1) Additional Service. The Building standard mechanical system is designed to accommodate heating loads generated by lights and equipment using up to 4.2 watts per square foot. Tenant shall obtain Landlord's prior written consent before installing lights and equipment in the Premises that, in the aggregate, exceed such amount. Landlord may refuse to grant such consent unless Tenant agrees to pay (1) the costs incurred by Landlord for installation of supplementary air conditioning capacity or electrical systems as necessitated by such equipment or lights and (2) in advance, on the first day of each month during the Lease Term, the amount estimated by Landlord as the excess cost of furnishing electricity for the operation of such equipment or lights above normal Building levels and the amount estimated by Landlord as the cost of operation and maintenance of supplementary air conditioning units as necessitated by Tenant's use of such equipment or lights. Landlord shall be entitled to install, operate and maintain at Tenant's sole cost a monitoring/metering system in the Premises to measure the added demands on electricity, heating, ventilation and air conditioning systems, resulting from such equipment and lights and from Tenant's after-hours requirements, and Tenant shall pay Landlord the cost thereof in advance on the first day of each month.
- (2) Interruption. Landlord 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 services due to any cause whatsoever, including, but not limited to, electrical surges, 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 events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or to relieve Tenant from any of Tenant's obligations hereunder or to give Tenant a right of action against Landlord for damages. Tenant acknowledges its understanding that there will be Landlord-planned utility outages affecting the Building and that such outages may interfere, from time to time, with Tenant's use of the Premises. Landlord shall endeavor to provide Tenant with 48 hours prior notice of any Landlord-planned electricity outage in the Building but shall not be liable to Tenant for Landlord's failure to provide such notice. Landlord has no obligation to provide emergency or backup power to Tenant. Providing

emergency or backup power to the Premises and enabling the equipment in the Premises to properly function shall be the sole responsibility of Tenant. If utilities are interrupted at the Premises so as to render them unfit for the Permitted Uses for more than 24 hours, then the Rent for the year shall be abated for the duration of the disruption in the proportion that the number of days of the disruption bears to the number of days of the year.

9. **Licenses and Taxes.** Tenant shall be liable for, and shall pay prior to delinquency, all license and excise fees and occupation taxes covering the business conducted on the Premises and all personal property taxes and other impositions levied with respect to Tenant's personal property located at the Premises. Tenant shall be responsible for, and shall pay prior to delinquency, all fees, charges, or costs, for any governmental inspections or examinations relating to Tenant's use and occupancy of the Premises.

Additionally, Tenant shall pay all taxes on Tenant's interest in this Lease and any leasehold interest deemed to have been created thereby under RCW Ch. 82.29A (Leasehold Excise Tax or "LET"). In the event the State of Washington makes any demand upon the Landlord for payment of leasehold excise taxes or withholds future payments due to the Landlord to enforce collections of leasehold excise taxes and Tenant has not paid the LET to the Landlord, Tenant shall remit the taxes demanded along with any interest and penalties associated therewith, or at no expense to the Landlord, contest such collection action and indemnify Landlord for all sums paid by Landlord or withheld by the State of Washington from Landlord in connection with such action. As of the execution of this Lease, the applicable LET rate is 12.84% of Base Rent, which rate and amount is subject to change from time to time.

10. **Delivery of Premises; Signage.**

- A. **Delivery of Premises.** Landlord shall deliver the Premises to Tenant in an "AS IS" condition on the Commencement Date. Except for improvements which are eligible for the Tenant Improvement Allowance under Section 12, Tenant shall complete any tenant improvements at its sole cost. All Tenant improvements shall be completed in compliance with the provisions of Section 12 and Exhibit B.
- B. **Signage.** Landlord shall install Tenant's name and suite number in the Building directory on the main floor of the Building and in any directory on the floor on which the Premises are located, all in the style and manner of other Building lessees. Tenant shall be permitted to install, at its sole cost, signage at the Premises provided that the Landlord must provide prior written approval.

11. Alterations by Tenant.

- A. Tenant Improvement Allowance; Required Improvements. Landlord is providing a tenant improvement allowance in the amount provided in Section 1.I ("Tenant Improvement Allowance") for certain Landlord-required improvements to the Premises. Tenant shall use the Tenant Improvement Allowance to make improvements to the Premises as follows: (i) \$15.00 per Rentable Square Foot (\$35,400) shall be used for replacement of flooring, ceiling tile, and paint improvements, (collectively referred to as "Required Improvements"). Tenant shall begin construction of the Required Improvements promptly following receipt of a notice to proceed from Landlord, and shall diligently prosecute such work to its completion, all on the terms and conditions provided in the Tenant Improvement Requirements attached as Exhibit B. Landlord shall reimburse Tenant up to the amount of the Tenant Improvement Allowance for actual costs of completing the Required Improvements in compliance with the requirements of this Section and Exhibit B. Tenant shall be solely responsible for payment of all costs of improvements, alterations, or modifications to the Premises which exceed the amount of the Tenant Improvement Allowance. If Tenant completes the Required Improvements according to all applicable requirements for an amount less than the Tenant Improvement Allowance, Tenant shall be permitted to apply the remaining balance to Base Rent.
- B. General Conditions for Tenant Improvements. Tenant shall not make any alterations, additions or improvements in or to the Premises without first obtaining Landlord's written approval. If required under Exhibit B, Tenant shall also submit for Landlord's approval professionally-prepared plans and specifications for such work as provided in Exhibit B. Tenant covenants that it will cause all alterations, additions and improvements to the Premises to be completed at Tenant's sole cost and expense by a contractor approved by Landlord and in a manner that (a) is consistent with the Landlord-approved plans and specifications and any conditions imposed by Landlord in connection therewith; (b) is in conformity with first-class, commercial standards; (c) includes acceptable insurance coverage for Landlord's benefit; (d) does not affect the structural integrity of the Building or the integrity of any of the Building's systems; (e) does not disrupt the business or operations of any other tenant; and (f) does not invalidate any system warranty then in effect with respect to the Building. Tenant shall complete design and construction of all improvements and alterations within the Premises in compliance with all permitting requirements and all other governmental requirements and restrictions, including but not limited to compliance with applicable building codes and with the Americans with Disabilities Act (ADA). Tenant expressly acknowledge that the provisions of the ADA may exceed requirements contained in building codes and other regulations and that such instances, the ADA requirements shall control. Tenant shall reimburse Landlord for all expenses incurred in connection with these permitting and governmental requirements. Except as provided in Section 15.C with regard to concurrent negligence, Tenant shall indemnify, defend and hold

Landlord harmless from and against all losses, liabilities, damages, liens, costs, penalties and expenses (including attorneys' fees) arising from or out of the performance of such alterations, additions and improvements, including, but not limited to, all which arise from or out of Tenant's breach of its obligations under terms of this Section 12.

- C. Ownership of Improvements. Upon the expiration or termination of this Lease, all alterations, additions and improvements (expressly including all light fixtures; heating, ventilation and air conditioning units; floor, window and wall coverings; and electrical wiring), except Tenant's property under Sections 14.B and 14.C, shall immediately become the property of Landlord without any obligation on its part to pay for any of the same. These improvements remain Landlord's and Tenant shall not remove all or any portion thereof on the termination of this Lease except as specifically directed by Landlord in writing.
- D. As-Built Plans. Within ninety (90) days after the completion of any alteration, addition or improvement to the Premises, Tenant shall deliver to Landlord a full set of "as-built" plans of the Premises showing the details of all alterations, additions and improvements made to the Premises

12. Care of Premises.

- A. Tenant's Obligation. Tenant shall maintain the Premises, including all improvements, in good, clean and safe condition and prevent damage to the Premises, the Building and surrounding areas. If Tenant fails to maintain the Premises or if the Premises or Building is damaged by Tenant, its employees, contractors, licensees, or invitees, Landlord shall have the right, but not the obligation, to maintain and repair the Premises, and Tenant shall pay within thirty days of invoice the actual and reasonable cost to repair all damage done to the Building or Premises that results from any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, including, but not limited to, cracking or breaking of glass. Landlord shall have the right to enter the Premises for such purposes. Landlord shall not be liable for interference with light, air or view.
- B. Landlord's Obligation. All normal repairs necessary to maintain the Building in a reasonable condition, as determined by Landlord, shall be performed under Landlord's direction and at Landlord's expense, except as otherwise provided here. Except as provided in Section 19, there shall be no abatement or reduction of Rent arising by reason of Landlord's making of repairs, alterations or improvements.
- C. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises Without Landlord's Consent. Landlord reserves to and for itself the right to approve or disapprove of the installation or integration on or in the Premises of any "work of visual art," as that term is defined in the Visual Artists Rights Act of 1990, as now existing or as later amended, and to approve or disapprove of each

and every agreement regarding any such installation or integration. Tenant shall not install on or integrate into, or permit any other person or entity to install on or integrate into, the Premises any such work of visual art without the prior, express, written consent of Landlord. Landlord's consent to the installation of any such art work may be granted, granted upon one or more conditions, or withheld in Landlord's discretion.

- D. Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990. Tenant shall protect, defend, and hold Landlord harmless from and against any and all claims, suits, actions or causes of action, damages and expenses (including attorneys' fees and costs) arising as a consequence of (a) the installation or integration of any work of visual art on or into the Premises; (b) the destruction, distortion, mutilation or other modification of the art work that results by reason of its removal; or (c) any breach of Subsection 13.B of this Lease; or (d) any violation of the Visual Artists Rights Act of 1990, as now existing or hereafter amended by Tenant or any subtenant, licensee, assignee or concessionaire of Tenant, or of any officer, agent, employee, guest or invitee of any of the same.. This indemnification obligation shall exist regardless of whether Landlord or any other person employed by Landlord has knowledge of such installation, integration, or removal.

13. Surrender of Premises.

- A. General Matters. At the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord in the same condition in which received (or, if altered, then the Premises shall be returned in such altered condition unless otherwise directed by Landlord pursuant to Section 12), reasonable wear and tear excepted. Prior to such return, Tenant shall remove its moveable trade fixtures and appliances and equipment and other personal property that have not been attached to the Premises, and shall repair any damage resulting from their removal. In no event shall Tenant remove heating, ventilating and air conditioning equipment; lighting equipment or fixtures; or floor, window or wall coverings unless otherwise specifically directed by Landlord in writing. Tenant's obligations under this Section 14 shall survive the expiration or termination of this Lease. Tenant shall indemnify Landlord for all damages and losses suffered as a result of Tenant's failure to remove voice and data cables, wiring and communication lines and moveable trade fixtures and appliances and to redeliver the Premises on a timely basis.
- B. Cable and Wiring. On or before the Expiration Date, or if this Lease is terminated before the Expiration Date then within fifteen (15) days after the effective termination date, Tenant shall remove all voice and data communication and transmission cables and wiring installed by or for Tenant to serve any telephone, computer or other equipment located in the Premises, which wiring and cabling shall include all of the same located within the interior and exterior walls and through or above the ceiling or through or below the floor of the Premises or located in any Building equipment room, vertical or horizontal riser, raceway, conduit,

channel, or opening connecting to the Premises. Tenant shall remove any raceway installed or used exclusively for Tenant's communication and transmission cables except those raceways Landlord directs to leave in place. Tenant shall leave the mud rings, face plates and floor boxes in place.

- C. Personal Property. Landlord may, at its election, retain or dispose of in any manner any of Tenant's moveable trade fixtures, appliances, equipment, and other personal property (collectively, "Personal Property") that Tenant does not remove from the Premises at the expiration of the Lease Term or within fifteen (15) days after termination of the Lease. Landlord will give written notice to Tenant specifying the Personal Property to be removed and requesting removal, and if Tenant does not remove the Personal Property within ten days from the date of notice, the Personal Property will be deemed abandoned by Tenant and title to the Personal Property shall vest in Landlord. Landlord may retain or dispose of the Personal Property in Landlord's discretion. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any Personal Property not removed by Tenant as required under this Section 14. Tenant shall be liable to Landlord for Landlord's reasonable costs for storing, removing and disposing of Tenant's trade fixtures and Personal Property.

14. Waiver; Indemnification.

- A. Tenant's Indemnification. Except as otherwise provided in this section, Tenant shall indemnify, defend (using legal counsel acceptable to Landlord) and hold Landlord, its officers, contractors, agents, and employees, Lenders and other tenants and occupants of the Building harmless from all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including Landlord's personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) resulting from any actual or alleged injury (including death) of any person or from any actual or alleged loss of or damage to, any property arising out of or in connection with (i) Tenant's occupation, use or improvement of the Premises, or that of any of its employees, agents or contractors, (ii) Tenant's breach of its obligations hereunder, or (iii) any act or omission of Tenant or any subtenant, licensee, assignee or concessionaire of Tenant, or of any officer, agent, employee, guest or invitee of any of the same in or about the Building. Tenant agrees that the foregoing indemnity specifically covers actions brought by its own employees. This indemnity with respect to acts or omissions during the Lease Term shall survive termination or expiration of this Lease. The foregoing indemnity is specifically and expressly intended to constitute a waiver of Tenant's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide Landlord with a full and complete indemnity from claims made by Tenant's employees. Tenant shall promptly notify Landlord of casualties or accidents occurring in or about the Premises.

- B. Release of Claims. Tenant hereby fully and completely waives and releases all claims against Landlord for any losses or other damages sustained by Tenant or any person claiming through Tenant 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 component; or any act, omission or negligence of co-tenants, licensees or any other persons or occupants of the Building.
- C. Limitation of Tenant's Indemnification. In compliance with RCW 4.24.115 as in effect on the date of this Lease, all provisions of this Lease pursuant to which Landlord or Tenant (the "Indemnitor") agrees to indemnify the other (the "Indemnitee") against liability for damages arising out of bodily injury to Persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, road, or other structure, project, development, or improvement attached to real estate, including the Building, (i) shall not apply to damages caused by or resulting from the sole negligence of the Indemnitee, its agents or employees, and (ii) to the extent caused by or resulting from the concurrent negligence of (a) the Indemnitee or the Indemnitee's agents or employees, and (b) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence; PROVIDED, HOWEVER, the limitations on indemnity set forth in this section shall automatically and without further act by either Landlord or Tenant be deemed amended so as to remove any of the restrictions contained in this section no longer required by then applicable law.
- D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 12 AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

15. Insurance.

- A. Tenant's Insurance Coverages and Limits. Tenant shall, at its sole cost and expense, maintain, and cause its Subtenant(s), if any, to maintain in full force and effect the following minimum limits of insurance, and adhere to all terms and conditions set forth below, throughout the entire Lease Term:
- (1) Commercial General Liability (CGL) written on an occurrence form at least as broad as ISO CG 00 01, with Minimum Limits of Liability:
 - \$1,000,000 per Occurrence
 - \$2,000,000 General Aggregate
 - \$2,000,000 Products/Completed Operations Aggregate
 - \$1,000,000 Personal/Advertising Injury Liability
 - \$ 1,000,000 Damage to Premises Rented to You

Employers Liability / Washington Stop
\$1,000,000 Each Accident / Each Disease / Policy Limit

Alternatively, may be evidenced as Employer's Liability insurance under Part B of a Workers Compensation insurance policy.

Coverage shall include: Premises and Operations; Broad Form Property Damage (Including Completed Operations); Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract); Personal Injury and Advertising Liability; Independent Contractors; Severability of Interest Clause; Waiver of Subrogation endorsement in favor of Owner as required by contract; General Aggregate Limits of Insurance shall apply separately; "Claims Made" and "Modified Occurrence" policy forms are not acceptable.

The limits of liability described above are minimum limits of liability only. Regardless of provisions to the contrary under the terms of any insurance policy maintained by Tenant, the specification of any such minimum limits shall neither be (1) intended to establish a maximum limit of liability to be maintained by Tenant regarding this Agreement, nor (2) construed as limiting the liability of any of Tenant's insurers, which must continue to be governed by the stated limits of liability of the relevant insurance policies.

- (2) Automobile Liability insurance at least as broad as ISO CA 00 01 including coverage for owned, non-owned, leased or hired vehicles as applicable, with a minimum limit of \$1,000,000 each accident for bodily injury and property damage.
- (3) Workers' Compensation insurance securing Tenant's liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington.
- (4) Umbrella or Excess Liability insurance if and as necessary to maintain total CGL and Automobile Liability insurance limits of \$5,000,000 Each Occurrence and be no less broad than coverages described above.
- (5) Property Insurance under which the Tenant's furniture, trade fixtures, equipment and inventory ("Business Personal Property") and all alterations, additions and improvements that Tenant makes to the Premises are insured throughout the Lease Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (earthquake optional), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form" (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus

now or hereafter installed on the Premises; (iv) loss from business interruption or extra expense, with sufficient coverage to provide for the payment of Rent and Additional Charge and other fixed costs during any interruption of Tenant's business. Coverage shall contain a waiver of coinsurance or agreed amount endorsement(s). Landlord shall be named as a loss payee, as its interest may appear, as respects property insurance covering the alterations, additions and improvements under such policy.

- (6) Pollution Legal Liability is required if the Tenant will be using or storing hazardous materials or regulated substances, such as fuel, with a minimum limit of \$1,000,000 per claim for bodily injury, property damage, clean up and emergency response costs. It is acceptable to add ISO endorsement CG 24 15 Limited Pollution Liability Extension or its equivalent to the CGL policy or obtain a separate pollution legal liability policy.
- (7) In the event that Landlord deems insurance to be inadequate to protect Tenant and Landlord, Tenant shall increase coverages and/or liability limits as Landlord shall deem reasonably adequate within sixty (60) days after the date of written notice.

B. Terms and Conditions for Tenant's Insurance.

- (1) City of Seattle as Additional Insured: The CGL insurance and, in addition, Excess and/or Umbrella liability insurance, if any, shall include "City of Seattle, its officers, officials, employees, agents and volunteers" as additional insureds. Tenant's insurance shall be primary and non-contributory to any insurance maintained by or available to Landlord. The term "insurance" in this paragraph shall include insurance, self-insurance (whether funded or unfunded), alternative risk transfer techniques, capital market solutions or any other form of risk financing.
- (2) Required Separation of Insured Provision; Cross-Liability Exclusion and other Endorsements Prohibited: Tenant's insurance policy shall include a "separation of insureds" or "severability" clause that applies coverage separately to each insured and additional insured, except with respect to the limits of the insurer's liability. Tenant's insurance policy shall not contain any provision, exclusion or endorsement that limits, bars, or effectively precludes City of Seattle from coverage or asserting a claim under the Tenant's insurance policy on the basis that the coverage or claim is brought by an insured or additional insured against an insured or additional insured under the policy. Tenant's CGL policy shall NOT include any of the following Endorsements (or their equivalent endorsement or exclusions): (a) Contractual Liability Limitation, (CGL Form 21 39 or equivalent), b) Amendment Of Insured Contract Definition, (CGL Form 24 26 or equivalent), (c) Limitation of Coverage to Designated Premises or Project, (CGL Form 21 44 or equivalent), (d) any endorsement modifying or

deleting the exception to the Employer's Liability exclusion, (e) any "Insured vs. Insured" or "cross-liability" exclusion, and (f) any type of punitive, exemplary or multiplied damages exclusion. Tenant's failure to comply with any of the requisite insurance provisions shall be a material breach of, and grounds for, the immediate termination of the Agreement with City of Seattle; or if applicable, and at the discretion of City of Seattle, shall serve as grounds for Landlord to procure or renew insurance coverage with any related costs of premiums to be repaid by Tenant or reduced and/or offset against the Agreement.

- (3) **Cancellation Notice:** Coverage shall not be cancelled without 45 day written notice of such cancellation, except ten day written notice as respects cancellation for non-payment of premium, to Landlord at its notice address except as may otherwise be specified in Revised Code of Washington (RCW) 48.18.290 (Cancellation by insurer.). Landlord and Tenant mutually agree that for the purpose of RCW 48.18.290 (1) (b), for both liability and property insurance Landlord is deemed to be a "mortgagee, pledge, or other person shown by (the required insurance policies) to have an interest in any loss which may occur thereunder."
- (4) **Minimum Security Requirements:** Each insurance policy required hereunder shall be (1) subject to reasonable approval by Landlord that it conforms with the requirements of this Section, and (2) be issued by an insurer rated A-:VIII or higher in the then-current A. M. Best's Key Rating Guide and licensed to do business in the State of Washington unless procured under the provisions of chapter 48.15 RCW (Unauthorized insurers).
- (5) **Deductible or Self-Insured Retention:** Any deductible or self-insured retention ("S.I.R.") must be disclosed to, and shall be subject to reasonable approval by, Landlord. Tenant shall cooperate to provide such information as Landlord may reasonably deem to be necessary to assess the risk bearing capacity of the Tenant to sustain such deductible or S.I.R. The cost of any claim falling within a deductible or S.I.R. shall be the responsibility of Tenant. If a deductible or S.I.R. for CGL or equivalent insurance is not "fronted" by an insurer but is funded and/or administered by Tenant or a contracted third party claims administrator, Tenant agrees to defend and indemnify Landlord to the same extent as Landlord would be protected as an additional insured for primary and non-contributory limits of liability as required herein by an insurer.

C. City's Property Insurance Coverage and Limits.

- (1) City will maintain at its expense Property Insurance or self-insurance under which the Building and Premises, excluding Tenant's Business Personal Property and Tenant Improvements, are insured throughout the Lease Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (including earthquake), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises. City's Property Insurance currently is subject to a \$250,000 deductible for most claims for which Tenant shall be responsible only to the proportional extent to which the loss or damage is attributable to Tenant's negligent acts that are, or should be, covered by Tenant's Fire/Tenant Legal Liability insurance.
- (2) During such time as Tenant is engaged in the performance of the Improvements or other renovation of the Premises, the Tenant shall maintain in full force and effect "All Risks" Builder's Risk Property insurance or equivalent for the portion of the Premises under renovation, including fire and flood, on a replacement cost new basis subject to a deductible of no more than \$50,000 each loss. In the event of a claim under the builder's risk policy, Tenant or its contractor(s) shall be responsible for paying any deductible under the policy if Tenant or any of its agents, employees, or contractors is responsible for the loss or damage. It shall be Tenant's responsibility to properly coordinate with Landlord's Risk Management Division the placement of Builder's Risk Property insurance prior to any new construction on, or structural alteration of, the Premises.
- (3) Landlord may change the terms of its insurance in Sections 15.2.1 and 15.2.2 at any time based on market conditions, with no compensation due to the Tenant.

- D. Waiver of Subrogation. Unless such waiver would void the property insurance coverage to be provided pursuant to this section, Landlord and Tenant waive all subrogation rights each may have against the other, or any suhtenant, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this section or other property insurance applicable to the Premises, except such rights as they have to proceeds of such insurance held by Landlord or the Tenant or both as fiduciary. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid

the insurance premium directly or indirectly, and whether or not the person or entity has an insurable interest in the property damaged.

- E. Evidence of Insurance. On or before the Commencement Date, and thereafter not later than the last business day prior to the expiration date of each such policy, the following documents must be delivered to City at its notice address as evidence of the insurance coverage required to be maintained by Tenant:
- (1) Certification of insurance documenting compliance with the coverage, minimum limits and general requirements specified herein; and
 - (2) A copy of the policy's declarations pages, showing the insuring company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements specifying all endorsements listed on the policy including any company-specific or manuscript endorsements;
 - (3) A copy of the CGL insurance policy provision(s) and endorsements expressly including City of Seattle and its officers, elected officials, employees, agents and volunteers as additional insureds (whether on ISO Form CG 20 26 or an equivalent additional insured or blanket additional insured policy wording), showing the policy number, and the original signature and printed name of the representative of the insurance company authorized to sign such endorsement;
 - (4) Pending receipt of the documentation specified in this Section, Tenant may provide a copy of a current complete binder. An ACORD certificate of insurance will not be accepted in lieu thereof.
- F. Evidence of Insurance as set forth above, shall be issued to:
The City of Seattle
Care of CBRE
700 Fifth Avenue, Suite 4040
Seattle, WA 98104
- G. Damage or Destruction. See Section 19.
- H. Assumption of Property Risk. The placement and storage of Tenant's Business Personal Property in or about the Premises shall be the responsibility, and at the sole risk, of Tenant.
- I. Adjustments of Claims: The Tenant shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of the Tenant under this Agreement.
- J. Tenant's Responsibility: The procuring of the policies of insurance required by this Agreement shall not be construed to limit the Tenant's liability hereunder.

Notwithstanding said insurance, the Tenant shall be obligated for the full and total amount of any damage, injury or loss caused by negligence of the Tenant, or any of its agents, officers and employees or through use or occupancy of the Premises.

16. **Assignment or Sublease.** Tenant shall not sublet or encumber the whole or any part of the Premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of Landlord. The granting of consent to a given transfer shall not constitute a waiver of the consent requirement as to future transfers. In lieu of giving its consent, Landlord shall have the right to terminate the Lease as to the portion of the Premises affected by the action for which Landlord's consent is requested and recover possession thereof from Tenant within twenty (20) days following written notice thereof to Tenant. All costs incurred by Landlord in separating the remainder of the Premises from the area so retaken shall be paid by Tenant as an Additional Charge. Any assignment or sublease, without Landlord's prior written consent shall be voidable by the Landlord. No assignment or sublease shall release Tenant from primary liability hereunder. Each assignment and sublease shall be by an instrument in writing in form satisfactory to Landlord. If Tenant assigns its interest in this Lease, or sublets the Premises, then the Base Rent shall be increased, effective as of the date of such assignment or subletting, to the higher of (i) the rentals payable by the assignee or sublessee pursuant to such assignment or sublease, or (ii) the Base Rent then being charged by Landlord for comparable space in the Building; provided, however, in no event shall the base monthly rent, after such assignment or subletting, be less than the Base Rent specified in Section 1. If Tenant assigns its interest in this Lease or sublets the Premises, Tenant shall pay to Landlord any and all consideration received by Tenant for such assignment or sublease. If Tenant 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, Tenant's outstanding voting stock, shall constitute an assignment for the purposes of this Lease. If Tenant is a partnership, then a change in general partners in or voting or decision-making control of the partnership shall also constitute an assignment. Tenant shall also pay all legal fees and other costs incurred by Landlord in connection with Landlord's evaluation of Tenant's request for approval of assignments or subleases, including assignments for security purposes.
17. **Assignment by Landlord.** If Landlord sells or otherwise transfers the Building, or if Landlord assigns its interest in this Lease (other than an assignment solely for security purposes, or a transfer in foreclosure, or a deed in lieu of foreclosure) such purchaser, transferee, or assignee thereof shall be deemed to have assumed Landlord's obligations under this Lease arising after the date of such transfer, and Landlord shall thereupon be relieved of all liabilities under this Lease arising thereafter, but this Lease shall otherwise remain in full force and effect. Tenant shall attorn to Landlord's successor.
18. **Destruction.** If the Premises or the Building are rendered partially or totally untenable by fire or other casualty, the Landlord may elect to repair or replace the damaged or destroyed portion or to terminate this Lease. If Landlord elects to repair or replace any portion of the Building, Landlord shall proceed with reasonable diligence to prepare plans

and specifications for, and thereafter to carry out, all work necessary to repair or replace the Building, the Premises or any portions thereof that were damaged or destroyed by a fire or other casualty. In determining reasonable diligence, Landlord and Tenant shall take into account when and if sufficient insurance, self-insurance, or other funds are available for the repair and replacement work. If Landlord elects to terminate this Lease, Landlord shall give Tenant at least 30-day written notice and Landlord shall retain the insurance proceeds for the Building, the Premises or any portions thereof that were damaged or destroyed by a fire or other casualty. Base Rent and Tenant's Share of excess Operating Expenses shall be abated in the proportion that the untenable portion of the Premises bears to the whole thereof, as determined by Landlord, for the period from the date of the casualty to the termination of this Lease or the completion of the repairs, unless the casualty results from or is contributed to by the negligence of Tenant or any of its officers, contractors, agents, invitees, guests or employees or Tenant's breach of this Lease. If the Premises cannot be repaired within six months from the date of the casualty or if 30% or more of the Building Rentable Area is destroyed or damaged regardless of whether the Premises are damaged or not, then Tenant may terminate this Lease by giving Landlord 30-day written notice within 60 days after the casualty. Landlord shall advise Tenant of Landlord's election to repair or terminate by giving notice to Tenant thereof within 30 days after the casualty. Unless Landlord elects to terminate this Lease, Tenant shall, at its sole cost and expense, repair all damage to its own personal property and to all improvements that Tenant has made to the Premises as soon as reasonably possible and in less than 24 months. Landlord shall not be liable to Tenant for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Building or Premises.

19. Eminent Domain.

- A. Taking. If all of the Premises are taken by Eminent Domain, this Lease shall terminate as of the date Tenant is required to vacate the Premises and all Base Rent and Additional Charges shall be paid to that date. The term "Eminent Domain" shall include the taking or damaging of property by, through or under any governmental or statutory authority, and any purchase or acquisition in lieu thereof, whether the damaging or taking is by government or any other person. If a taking of any part of the Premises by Eminent Domain renders the remainder thereof unusable for the business of Tenant, in the reasonable judgment of Landlord, the Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after Landlord gives Tenant written notice of the taking, and such termination shall be effective as of the date when Tenant is required to vacate the portion of the Premises so taken. If this Lease is so terminated, all Base Rent and Additional Charges shall be paid to the date of termination. Whenever any portion of the Premises is taken by Eminent Domain and this Lease is not terminated, Landlord, at its expense, shall commence and complete at the earliest reasonable time the restoration of, to the extent of the compensation from the taking and to the extent it is reasonably prudent to do so, the remainder of the Premises to the condition they were in immediately prior to such taking, and Tenant, at its expense, shall commence and complete at the earliest reasonable time the

restoration of its personal property and all improvements made by it to the Premises to the same condition they were in immediately prior to such taking. The Base Rent shall be recalculated using the Base Rent per Rentable Square Foot specified in Subsection 1.E. and the remaining, untaken area of the Premises from the date Tenant is required to partially vacate the Premises.

- B. Award. Landlord reserves all right to the entire damage award or payment for any taking by Eminent Domain, and Tenant waives all claim whatsoever against Landlord for damages for termination of its leasehold interest in the Premises or for interference with its business. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to such damages and agrees to execute and deliver such further instruments of assignment as Landlord, from time to time, may request. Tenant, however, shall have the right to claim from the condemning authority all compensation that may be recoverable by Tenant on account of any loss incurred by Tenant in moving Tenant's merchandise, furniture, trade fixtures and equipment, provided, however, that Tenant may claim such damages only if they are awarded separately in the eminent domain proceeding and not out of or as part of Landlord's damages.

20. Default by Tenant.

- A. Definition. If Tenant violates or breaches or fails to keep or perform any covenant, term or condition of this Lease, or if Tenant or any guarantor of Tenant's obligations under this Lease ("Guarantor") files or is the subject of a petition in bankruptcy, or if a trustee or receiver is appointed for Tenant's or Guarantor's assets or if Tenant or Guarantor makes an assignment for the benefit of creditors, or if Tenant or Guarantor is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or liquidated, voluntarily or otherwise or vacates or abandons the Premises as described in Section 21.B below then Tenant shall be deemed in default hereunder (a "Default"). If Tenant does not cure its Default after written notice from Landlord within (i) three days for any Default in Payment Base Rent or Additional Charges, or (ii) the time specified by Landlord's notice for any other Default, but in any case no less than ten days or such other time for any other Default, then Landlord shall have the following nonexclusive rights and remedies, at its option: (i) to terminate this Lease and all of the rights of Tenant in or to the Premises and to reenter and re-take possession of the Premises for which actions Tenant shall have no claim; or (ii) to cure such default on Tenant's behalf and at Tenant's sole expense and to charge Tenant for all costs and expenses incurred by Landlord in effecting such cure as an Additional Charge; or (iii) without declaring this Lease terminated, to reenter the Premises and to occupy the whole or any part thereof for and on account of Tenant and to collect any unpaid Base Rent and Additional Charges that have become payable or that may thereafter become payable; or (iv) even after Landlord may have reentered the Premises without terminating the Lease, to thereafter to terminate this Lease and all of the rights of Tenant in or to the Premises.

- B. Vacation or Abandonment. If Lessee vacates or abandons the Premises in their entirety and fails to reoccupy them within thirty (30) days after City (1) delivers a notice to Lessee's notice address set forth in Section 1.9 above demanding such reoccupancy and (2) mails by certified or registered mail a copy of the notice to any forwarding address given by Lessee to City in writing, Lessee shall be in default under this Lease and Landlord may terminate this Lease without further notice or opportunity for cure notwithstanding Subsection 21.A.
- C. Reentry. If Landlord reenters the Premises under option (iii) of Subsection 21.A or takes any other action to regain possession (such as unlawful detainer), Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any Rent thereafter accruing as it becomes due unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease; and Tenant shall be liable for and shall reimburse Landlord upon demand for all costs and expenses of every kind and nature incurred in retaking possession of the Premises and all other losses suffered by Landlord as a consequence of Tenant's Default. In the event of any entry or taking possession of the Premises, Landlord shall have the right, but not the obligation, to remove from the Premises all or any part of the personal property located there and may place the same in storage at a public warehouse at the expense and risk of Tenant, or to treat such property as abandoned as provided under Section 14.C.
- D. Termination. If Landlord elects to terminate this Lease for Tenant's Default,, in addition to termination, Landlord reserves the right to pursue any amount of damages from Tenant resulting from such Default which may be allowed at law or any remedy in equity.
- E. Adequate Security. If a petition is filed by or against Tenant or Guarantor under any provision of the Bankruptcy Code or successor act, Tenant shall post a cash bond with Landlord equal to six (6) months' Base Rent and Additional Charges to provide Landlord with adequate security for Tenant's performance of its obligations under this Lease.
21. Landlord's Remedies Cumulative; Waiver. Landlord's rights and remedies hereunder are not exclusive, but cumulative, and Landlord's exercise of any right or remedy due to a default or breach by Tenant shall not be deemed a waiver of, or alter, affect or prejudice any other right or remedy that Landlord may have under this Lease or by law or in equity. Neither the acceptance of Rent nor any other act or omission of Landlord at any time or times after the happening of any event authorizing the termination 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 Landlord of its right to terminate this Lease, upon the written notice provided for here, at any time that cause for termination may exist, or be construed so as to estop Landlord at any future time from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease.

22. Default by Landlord.

- A. Landlord's Cure Period. Landlord shall be in default if Landlord fails to perform its obligations under this Lease within sixty (60) days after its receipt of notice of nonperformance from Tenant; provided, that if the failure cannot reasonably be cured within the sixty (60) day period, Landlord shall not be in default if Landlord commences the cure within the sixty (60) day period and thereafter diligently pursues such cure to completion.
- B. Notice to Lender and Lender's Cure Period. If Landlord provides Tenant notice that any Lender has an interest in this Lease, then in the event of a default by Landlord that would otherwise entitle Tenant to terminate this Lease, Tenant shall not terminate this Lease or pursue any other remedy unless (i) Tenant has notified Lender of the nature and extent of the default, at least sixty (60) days before the proposed effective date of termination, and (ii) Lender has not cured the default within sixty (60) days of the notice. If the default is not reasonably possible to cure with due diligence within sixty (60) days, the Lease shall not be terminated if the Lender commences the cure within sixty (60) days and pursues the cure with due diligence to completion. If the Landlord is in default and the Lender fails to cure the default within the required period, then the Tenant shall have the right to terminate this Lease.

23. Attorneys' Fees. If either party retains the services of an attorney in connection with enforcing the terms of this Lease, each party agrees to bear its own attorneys' fees and costs.

24. Access by Landlord. Landlord and its agents shall have the right to enter the Premises at any time upon reasonable notice to Tenant in order to examine the same, and to show them to prospective purchasers, lenders or tenants, and to make such repairs, alterations, improvements, additions or improvements to the Premises or Building as Landlord may deem necessary or desirable. If Tenant is not personally present to permit entry and an entry is necessary in an emergency, Landlord may enter the Premises by master key or may forcibly enter the Premises without notice and without rendering Landlord liable therefor. Nothing contained in this Lease shall be construed to impose upon Landlord any duty of repair or other obligation not specifically stated in this Lease. Tenant shall change the locks to the Premises only through Landlord and upon paying Landlord for all costs related to the change.

25. Holding Over. Unless otherwise agreed in writing by the parties hereto, any holding over by Tenant after the expiration of the then current Lease Term, whether or not consented to by Landlord, shall be construed not as an Extended Term or renewal but as a periodic tenancy from month-to-month on the terms and conditions set forth here, except for Base Rent, which shall be increased to one and one-half (1½) times the Base Rent in effect during the last month of the Lease Term immediately preceding the holdover period. Any holdover tenancy may be terminated by either party by written notice delivered to the other party not later than thirty (30) days prior to the end of month. If Tenant fails to surrender the Premises

upon the expiration or termination of this Lease, Tenant shall indemnify, defend and hold harmless Landlord 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.

26. **Lease Subordinate to Mortgages.** This Lease shall be automatically subordinate to all of Landlord's mortgages or deeds of trust that heretofore and hereafter affect the Premises or Building; to any sale and leaseback; 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; all provided that for so long as Tenant is not in default hereunder beyond the applicable Section 21 cure period, Tenant shall have continued enjoyment of the Premises and the rights provided under this Lease, free from any disturbance or interruption by reason of any exercise of remedies by Lender under or in connection with its deed of trust or mortgage. This subordination shall be self-operative, and no further instrument of subordination shall be necessary to effect such subordination. Tenant, nevertheless, shall execute such instrument of subordination as may be required by any Lender if such instrument of subordination carries out the terms of this Section 27. 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, Tenant shall attorn to the purchaser (or transferee) of the Building at such foreclosure or sale and recognize such purchaser (or transferee) as Landlord under this Lease if so requested by such purchaser (or transferee). Such attornment shall be self-operative and no further instrument need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.
27. **Estoppel and Other Certificates.** As a material inducement to Landlord to enter into this Lease, Tenant covenants that it shall, within ten days of the receipt thereof, acknowledge and deliver to Landlord (a) any subordination or non-disturbance or attornment agreement or other instrument that Landlord may require to carry out the provisions of Section 27, and (b) any estoppel certificate requested by Landlord from time to time in the commercially reasonable standard form of Landlord or any mortgagee or beneficiary of such deed of trust certifying, to the extent such be true that (i) Tenant shall be in occupancy, (ii) this Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as modified and stating the modification(s), (iii) Base Rent and Additional Charges have been paid only through a certain specified date, (iv) Tenant has no offset, defense or claim against Landlord and (v) such other matters as Landlord may reasonably request. Tenant's failure to deliver an estoppel certificate within the ten day period shall be deemed its confirmation of the accuracy of the information supplied by Landlord to the prospective lender or purchaser. Tenant acknowledges and agrees that Landlord and others will be relying and are entitled to rely on the statements contained in such estoppel certificates.
28. **Quiet Enjoyment.** If Tenant fully complies with and promptly performs all of the terms, covenants and conditions of this Lease on its part to be performed, it shall have quiet

enjoyment of the Premises throughout the Lease Term, subject, however, to matters of record on the day hereof and to those matters to which this Lease may be subsequently subordinated.

29. **Notices.** Any notice, demand or request required hereunder shall be given in writing to the party's address set forth in Subsection 1.K hereof by any of the following means: (a) personal service; (b) commercial or legal courier; or (c) registered or certified, first class mail, postage prepaid, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner as above provided. Notices shall be deemed to have been given upon the earlier of actual receipt, as evidenced by the deliverer's affidavit, the recipient's acknowledgment of receipt, or the courier's receipt, except in the event of attempted delivery during the recipient's normal business hours at the proper address by an agent of a party or by commercial or legal courier or the U.S. Postal Service but refused acceptance, in which case notice shall be deemed to have been given upon the earlier of the day of attempted delivery, as evidenced by the messenger's affidavit of inability to deliver stating the time, date, place and manner in which such delivery was attempted and the manner in which such delivery was refused or forty-eight (48) hours following deposit in the U.S. mail.
30. **Successors or Assigns.** All of the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and, subject to the terms of Section 17, their respective heirs, administrators, executors, successors and permitted assigns, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.
31. **Tenant Authority and Liability.** Tenant warrants that this Lease has been duly authorized, executed and delivered by Tenant, and that the individual signing on the Tenant's behalf has the requisite power and authority to enter into this Lease and perform its obligations hereunder. Tenant covenants to provide Landlord with evidence of its authority and the authorization of this Lease upon request. All persons and entities named as Tenant here shall be jointly and severally liable for Tenant's liabilities, covenants and agreements under this Lease.
32. **Brokers' Commission.** Landlord represents that CBRE, Inc. has represented it in connection with this Agreement. Tenant represents that only CBRE, Inc. represents Tenant for purposes of this Agreement. Landlord shall pay CBRE, Inc. a commission which is calculated pursuant to a separate Agreement. If any person or entity not identified in this section makes a claim for a brokerage commission or finder's fee of any kind, then the party through whom or on whose behalf such services are claimed shall defend and indemnify the other party for any claims, costs or fees for unpaid broker's fees or commissions.
33. **Partial Invalidity.** If any court determines that any provision of this Lease or the application hereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby

and each other term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

34. **Recording.** Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request by either party, both parties shall execute a memorandum of this Lease, in a form customarily used for such purpose of recordation. The memorandum shall describe the parties, the Premises and the Lease Term and shall incorporate the other terms of this Lease by reference.
35. **Financial Statements.** Within ten days after Landlord's request therefor, Tenant shall deliver to Landlord a financial statement for Tenant's prior quarter and fiscal year. Tenant shall certify the accuracy of such statements. Landlord may make these financial statements available to potential lenders or purchasers, but shall otherwise preserve their confidentiality except in connection with legal proceedings between the parties or as otherwise directed by court rule or order.
36. **Parking.** Tenant shall have a license to use up to the number of parking spaces specified in Subsection 1.1 on an unassigned basis at the prevailing monthly rates established by the Building garage, subject to such reasonable rules and regulations as may be established from time to time by Landlord or its parking operator. Monthly parking charges shall be payable in advance on the first day of each month as Additional Charges. Tenant may reduce the number of parking spaces licensed to it after giving Landlord thirty (30) days prior written notice of the reduction; provided that no such reduction shall be effective until Tenant surrenders to Landlord the key cards, stickers or other identification materials used to provide garage access for the parking spaces surrendered.
37. **Relocation.** Landlord reserves the right without Tenant's consent, on thirty (30) days prior notice to Tenant, to substitute other space within the Building (the "Substitute Premises") for the Premises, provided that the Substitute Premises: (a) are situated on a floor not lower than floor 16 in the Building; (b) contain at least the same Rentable Area as the Premises; (c) contain comparable tenant improvements; and (d) are made available to Tenant at the then-current monthly Base Rental rate for such space. If the substitution occurs prior to the date Tenant initially occupies the Premises, then Landlord shall reimburse Tenant for the necessary and reasonable costs incurred by Tenant in planning for the space in the initial Premises, which expenses have been previously approved by Landlord and have no benefit to Tenant in the Substitute Premises. If Tenant is occupying the Premises at the time Landlord gives notice of any such relocation, Landlord shall pay the cost of moving Tenant, its property and equipment to the Substitute Premises and shall, without cost or expense to Tenant, improve the Substitute Premises with improvements substantially similar to those located in the Premises. All of the other terms, covenants and conditions of the Lease shall remain unchanged and in full force and effect, except that Section 1 and Exhibit A shall be revised to identify the Substitute Premises, to state the Rentable Area of the Substitute Premises and to make the change, if any, in Base Rent.
38. **Liability of Landlord.** Tenant shall look solely to rents, issues and profits from the Building for the satisfaction of any judgment or decree against Landlord, whether for

breach of the terms hereof or arising from a right created by statute or under common law. Tenant agrees that no other property or assets of the Landlord or any partner in or of Landlord shall be subject to levy, execution or other enforcement procedures for satisfaction of any such judgment or decree; no partner in or of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction over the partnership); no service of process shall be made against any partner in or of Landlord (except as may be necessary to secure jurisdiction over the partnership); no judgment will be taken against partner in or of Landlord; no writ of execution will ever be levied against the assets of any partner in or of Landlord; and these covenants, limitations and agreements are enforceable both by Landlord and by any partner in or of Landlord. References in this Section 39 to a partner in or of Landlord shall mean and include all past, present and future partners of The City of Seattle and any subsequent owner of the Building.

39. **Force Majeure.** Landlord shall not be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such is due to any cause beyond its reasonable control, including, but not limited to an act of Nature, act of civil or military authority, fire, flood, windstorm, earthquake, strike or labor disturbance, civil commotion, delay in transportation, governmental delay, or war.
40. **Counterparts.** This Lease may be executed by the parties in counterparts, which, taken together, constitute the entire Lease.
41. **Name of Building.** Landlord reserves the right to change the name of the Building. Tenant agrees that such change shall not require amendment of this Lease or affect in any way its obligations under this Lease, and that, except for the name change, all terms and conditions of this Lease shall remain in full force and effect.
42. **Headings.** The section headings used in this Lease are used for purposes of convenience and do not alter in any manner the content of the sections.
43. **Context.** Whenever appropriate from the context, the use of any gender shall include any other or all genders, and the singular shall include the plural, and the plural shall include the singular.
44. **Execution by Landlord and Tenant; Effective Date; Approval of Seattle City Council.** This Lease shall become effective on the date (the "Effective Date") on which this Lease is executed by Landlord and Tenant. Landlord shall not be deemed to have made an offer to Tenant by furnishing Tenant with a copy of this Lease with particulars inserted. No contractual or other rights shall exist or be created between Landlord and Tenant until all parties hereto have executed this Lease and, if required under Seattle Municipal Code, until it has been authorized by an ordinance of Seattle City Council. All provisions of this Lease shall become effective upon the Effective Date.
45. **Time of Essence; Time Calculation Method.** Time is of the essence with respect to this Lease. Except as otherwise specifically provided, any reference in this Lease to the word

"day" means a "calendar day;" Provided, that if the final day for any action required hereunder is a Saturday, Sunday or City holiday, such action shall not be required until the next succeeding day that is not a Saturday, Sunday or City holiday. Any reference in this Lease to the word "month" means "calendar month."

46. **Entire Agreement; Applicable Law.** This Lease and the Exhibits listed in Section 1. , set forth the entire agreement of Landlord and Tenant concerning the Premises and Building, and there are no other agreements or understanding, oral or written, between Landlord and Tenant concerning the Premises and Building. Any subsequent modification or amendment of this Lease shall be binding upon Landlord and Tenant only if reduced to writing and signed by them. This Lease shall be governed by, and construed in accordance with the laws of the State of Washington.
47. **Negotiated Agreement.** The parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year indicated below.

LANDLORD:
THE CITY OF SEATTLE

TENANT:
RVJ CORPORATION, INC.

By: _____
Fred Podesta, Director
Department of Finance and
Administrative Services

By: Johnny Wei
Johnny Wei
President

Date: _____

Date: 06-08-16

Next page for acknowledgements

STATE OF WASHINGTON)
) ss. (Acknowledgement for Lessor, The City of Seattle)
COUNTY OF KING)

On this _____ day of _____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Fred Podesta, known to me to be the Director of Finance and Administrative Services of THE CITY OF SEATTLE, the municipal corporation that executed the foregoing Lease, and acknowledged it to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he was authorized to execute Lease for the City.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

[Signature]

[Printed Name]

NOTARY PUBLIC in and for the State of Washington residing at _____

My commission expires _____.

STATE OF WASHINGTON)
) ss. (Acknowledgement for Tenant)
COUNTY OF KING)

On this 8TH day of JUNE, 2016, before me, a Notary Public in and for the State of WASHINGTON, duly commissioned and sworn, personally appeared JOHNNY WEI, to me known to be the PRESIDENT of RUT CORPORATION INC the entity that executed the foregoing Lease as Tenant; and acknowledged the same as the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said Lease for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.

Kurt W. Sarchet
[Signature]

KURT W. Sarchet
[Printed Name]

NOTARY PUBLIC in and for WA residing at SEATTLE

My commission expires 8/2/19.



EXHIBIT A

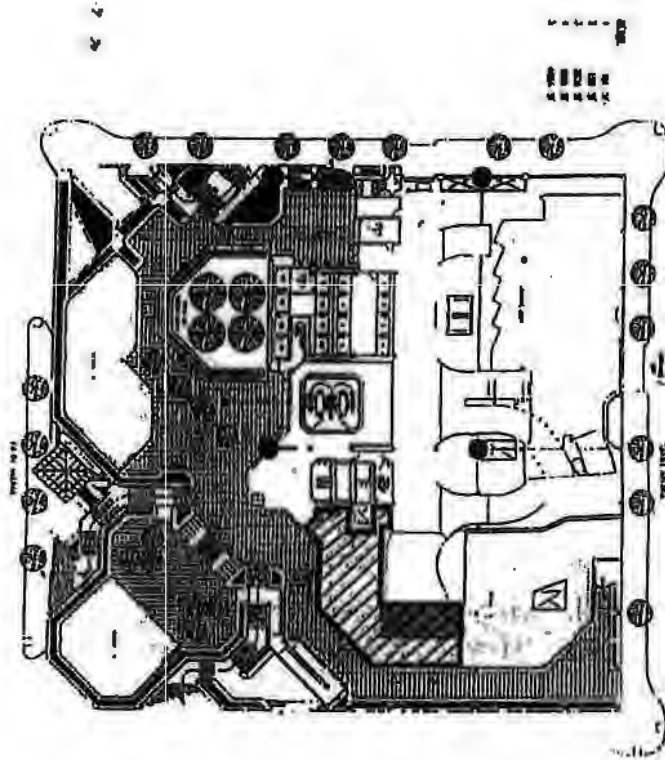


EXHIBIT B
SEATTLE MUNICIPAL TOWER LEASE
TENANT IMPROVEMENT REQUIREMENTS

A. DEFINITION OF TENANT IMPROVEMENTS.

Landlord is making the Premises available to Tenant in "AS IS" condition. As used in this Exhibit B, "Tenant Improvements" means all alterations, improvements and installations to the Premises to be completed by Tenant. Unless the Lease includes a tenant improvement allowance, all alterations, improvements, and installations shall be at Tenant's sole cost. All Tenant Improvements shall be subject to the terms of the Lease and this Work Letter.

B. TENANT IMPROVEMENTS.

Certain conditions, materials, and products are defined in the Seattle Municipal Tower Tenant Improvement Manual (the "Building Standard"), as it may be amended by Landlord from time to time. All Tenant Improvements shall comply with the Building Standard in effect at the time of the work for all alterations to any portion of the walls; ceiling; floor; electrical distribution equipment; heating and air conditioning equipment and ducting, including but not limited to standard size variable air volume air terminal units; restrooms; drinking fountains; fire and life safety equipment; telephone service to the telephone closet located within the core area of the Building; and the basic sprinkler distribution grid. Before making any upgrade or other departure from Building Standard, Tenant shall obtain Landlord's and, if applicable, Landlord's Architect's approval and Tenant shall pay the cost thereof pursuant to the terms of Section C.2 of this Exhibit. (Non-Building Standard items are sometimes referred to here as "special" items.)

Unless expressly provided otherwise in the main body of the Lease, Tenant, rather than Landlord, shall be responsible for the cost of all Tenant Improvements, which includes but is not limited to the following items:

1. All partitioning (solid, glazed or otherwise), including walls separating the Premises from the space to be occupied by other tenants in the Building, all partitioning within the Premises, and the walls separating the Premises from the public corridor.

2. Paint or other wall coverings, all of which shall be subject to Landlord's approval prior to application or installation. Painted walls shall receive at least one prime coat and one finish coat. The brand of paint shall be Building Standard or an equivalent brand subject to Landlord's prior approval.

3. Doors, door frames, relite frames and door hardware.

4. Ceiling, including suspension system, hangers and finish materials.
5. Cabinetry and millwork.
6. Carpeting, pad or other floor covering.
7. Window coverings for exterior windows as designated by Landlord.
8. Light fixtures, including Building Standard fixtures and switching, all in accordance with applicable Seattle codes and the Energy Edge Program.
9. Electrical receptacles, wiring and conduit from electrical panels to electrical receptacles and light fixtures, and other electrical items.
10. Mudrings and pullstrings for telephone and computer receptacles. Tenant is responsible for Tenant's telephone and computer equipment, service and cabling. Tenant shall select a telephone system and coordinate its installation with Landlord.
11. Air terminal units including related ducting, round low pressure run out ducting, flexible ducting, diffusers and any other items for heating and air conditioning.
12. Modifications to the sprinkler distribution system and installation of sprinkler heads, emergency speakers, exit signs and fire extinguishers and cabinets within the Premises.
13. All removal of debris for any item of work installed pursuant to Section B of this Exhibit.
14. The fees due for any architectural or interior design services provided with respect to the Premises including but not limited to the furnishings, furniture, art work, fixtures, equipment, and other personal property therein.
15. All Washington State sales tax applicable to Tenant Improvements made to the Premises.
16. The fee charged by Landlord's architect for the reviewing on Landlord's behalf, Tenant's proposed plans and specifications for the Tenant Improvements.
17. All signage in excess of that provided by Landlord under the Lease.

C. DESIGN OF TENANT IMPROVEMENTS.

1. Landlord Approval of Design of Tenant Improvements.
 - a. Responsibility of Tenant for Contract Documents. As used in this Exhibit B, "Contract Documents" means all documents required by Landlord for review in order to approve

the Tenant Improvements prior to installation, including but not limited to contractor proposals, working drawings, specifications, engineering drawings and any other document representing the Tenant Improvements. "Final Contract Documents" means the final for construction version of the Contract Documents which has been approved by Landlord. The Contract Documents shall comply with the requirements of Section 12 of the Lease and this Exhibit B. For Tenant Improvements which are not Substantial Alterations (defined in Section C.1.b), Tenant shall submit to Landlord the Tenant's contractor proposal with itemized bid categories and any other information reasonably requested by Landlord in order to approve the proposed Tenant Improvements.

b. Substantial Alterations. The requirements in this Section shall be followed for any Substantial Alteration. As used in this Section, "Substantial Alteration" means any alteration to the Premises which (i) in any way modifies, connects with, or relates to the Building mechanical, electrical, plumbing or structural systems, or (ii) relocates walls or utilities. "Substantial Alteration" does not include replacing flooring or carpeting, installing fixtures which may be removed without damage to the surrounding areas, painting, or installations which do not alter any utility or Building system. Tenant shall cause Tenant's architect to submit two (2) blackline sets of Contract Documents to Landlord. Landlord shall have ten days to review and return one (1) marked up set of Contract Documents to Tenant's architect; Provided, that if structural or mechanical work is proposed, and Landlord, in the exercise of its discretion, requires consultation with Landlord's structural engineer or mechanical engineer to evaluate the Contract Documents, Landlord shall give notice to Tenant's architect of such need, and Landlord shall have up to an additional thirty (30) days for its review of the Contract Documents. Tenant's architect shall incorporate Landlord's comments into the proposed Final Contract Documents and submit two (2) complete sets of the proposed Final Contract Documents, as modified, to Tenant. Tenant shall have ten days to review and approve the modified Final Contract Documents. Tenant shall indicate its approval by signing the cover sheet of the modified Final Contract Documents and returning one (1) complete set to Landlord and one to Tenant's architect. The Final Contract Documents, as modified to incorporate Landlord's comments, shall be prepared in accordance with the standards developed by the Landlord including common symbols, legends and abbreviations together with information required to obtain a building permit. Unless otherwise approved by Landlord, the Final Contract Documents, as approved and signed by Tenant, shall include:

(1) Architectural Floor Plan: A plan, fully dimensioned, showing partition layout and type identifying each room with a number and each door with a number and the extent of floor finishes, casework, relites, etc. Plumbing requirements must also be noted on this plan. This plan shall indicate HVAC zoning requirements.

(2) Reflected Ceiling Plan: A plan showing all Building Standard and special ceiling conditions and materials. This plan shall include the location and type of all Building Standard and special light fixtures including switching, together with a legend indicating fixture type, quantity of fixtures, and connected wattage of each fixture as necessary for compliance with The City of Seattle codes.

(3) **Electrical, Telephone and Computer Receptacles Plan:** A plan locating all power, telephone and computer requirements dimensioned to give exact location of receptacle, height above concrete slabs and position from a corner. This plan shall identify all dedicated circuits and identify all power receptacles greater than 120 volts. For equipment utilizing receptacles that require dedicated circuits and/or that require greater than 120 volts, Tenant shall specify the type of equipment, the manufacturer's name and model number. The plan must also identify the name of the manufacturer of the phone and computer system to be used and the power requirements, size and location of its primary equipment.

(4) **Furniture Layout:** Basic layout showing furniture location.

(5) **Millwork/Casework Details:** Complete elevations, sections and construction details of all special millwork including but not limited to cabinets, paneling, trim, bookcases, doors, door frames and relite frames.

(6) **Hardware Specifications and Keying Schedule:** Complete specifications for all special hardware. Key ways in special locks must be compatible with building master key system. The keying schedule must indicate which doors are locked and which keys open each lock, together with a symbol indicating which side of the door is to be locked to prohibit entry.

(7) **Room Finish and Color Schedule; Signage:** Complete information showing on the drawings the location and specifications for all finishes including wall, floor covering, wall base, ceiling and special conditions; as well as the size, design, method of installation, and desired location of all signage.

(8) **Construction Notes and Specifications:** Any special notes required and complete specifications for all special items including but not limited to instructions for bidders, special conditions incorporating the AIA standard form of general conditions and technical specifications for all special Building work.

(9) **Structural Drawings:** If required, Tenant shall engage the services of its structural engineer, a separate structural permit will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. A drawing will be prepared for Landlord's review, indicating the extent of structural modifications proposed for the Premises.

(10) **Mechanical Drawings:** Tenant shall engage the services of its mechanical engineer, separate plumbing and HVAC permits will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. Drawings shall be prepared for Landlord's review indicating plumbing and HVAC requirements as follows:

(a) **Plumbing:** Clearly indicating all waste, vent and water requirements, locations and connections to stub-outs located at the Building core.

(b) HVAC: Clearly indicating the basic system, modifications to the basic system if required, including any special cooling or stand-alone system, special ventilation system, and supply air diffusers, return air grilles and space temperature sensors.

2. Delays and Costs. Tenant shall be responsible for all costs of design of Tenant Improvements, including delays and additional costs necessary for Landlord's review and approval of the Tenant Improvements, including but not limited to the fees of Landlord's architect, except to the extent any costs result from Landlord's failure to review and to approve or comment upon the Contract Documents within the time provided herein, unless the delay is attributable to Tenant. Tenant shall reimburse Landlord for any such costs upon the commencement of the Lease Term or within thirty days of invoice. The Rent Commencement Date shall not be delayed as a result of delays to the design or completion of Tenant Improvements, unless and to the extent such delays are the result of Landlord's failure to review and approve the Contract Documents or to perform any other obligation of Landlord herein.

3. Notice to Proceed and Approval. Once Landlord reviews and approves Tenant's Contract Documents and determines that any other requirements under this Exhibit B are satisfied, Landlord shall provide Tenant notice to proceed. Landlord's approval of the Contract Documents under the Lease is for Landlord's own purposes in managing the Building, and shall not constitute an opinion or representation by the City of Seattle as to the Contract Documents' compliance with any law or ordinance or their adequacy for other than the purposes of managing the Building, and such approval shall not create or form the basis of any liability on the part of the City for any injury or damage resulting from any inadequacy or error therein or any failure to comply with applicable law, ordinance, rule or regulation.

D. CONSTRUCTION OF TENANT WORK.

1. Landlord's Contractor. Tenant shall contract for all Tenant Improvements, provided that all work shall be performed only by Landlord's approved Building contractor(s) ("Approved Contractor(s)") or in conformance with Part F. Special Conditions below.

2. Work to Comply with Final Contract Documents. All Tenant Improvements shall be completed according to the Final Contract Documents. Once the Landlord approves the Final Contract Documents, Tenant shall diligently prosecute the work and shall not make any changes without first obtaining Landlord's written approval. If Tenant submits any proposed changes to the Final Contract Documents, Landlord shall have ten (10) days to review and comment on the proposed changes.

3. Tenant's Network Facilities. Tenant shall be solely responsible for its telephone, computer, and data network system, including selection of equipment, installation, and cost. Responsibility for telecommunications and internet service is addressed in Section 9 of the Lease. Information concerning network equipment size, weight, and electrical and environmental requirements must be provided to Landlord's Architect during the planning phase, and Tenant shall coordinate installation of the network system with Landlord's Tenant Improvement Coordinator during the construction phase.

E. GENERAL CONDITIONS.

The following provisions shall be applicable to all Tenant Improvements.

1. All work shall be completed in compliance with all applicable laws and regulations, including the requirements of any permits. If a building permit is required, no work shall begin until Tenant or its contractor has obtained a valid building permit and provided a copy to Landlord. Tenant acknowledges and agrees that Landlord's review and approval of Final Contract Documents is for Landlord's own purposes, and notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility for Tenant's failure to complete all work in compliance with all applicable laws, regulations, and permits.

2. All work by Tenant or Tenant's contractor shall be scheduled through Landlord.

3. Tenant or Tenant's contractor shall arrange for necessary utility, hoisting and elevator service with Landlord and shall pay such reasonable charges for such services as may be charged by Landlord.

4. Tenant shall promptly reimburse Landlord for costs incurred by Landlord due to faulty work done by Tenant or by any of its contractors, or by reason of any delay caused by such work, or by reason of inadequate clean up.

5. Tenant shall be responsible for the payment to Landlord, as an Additional Charge, any increase in Building energy costs attributable to special lighting or equipment as provided for in Section 9.B (1) of the Lease. Lighting which is inconsistent with Seattle's Energy Code or the Energy Edge Program shall not be installed without the prior approval of Landlord and Landlord's Architect, which may be withheld in the sole discretion of Landlord.

6. Tenant and Tenant's contractors shall keep the Building and the Premises free of liens arising out of Tenant's contractor's work and that of every subcontractor or supplier, all as provided under Section 8.C of the Lease.

7. If Landlord is providing a Tenant Improvement Allowance, the following conditions apply:

(a) Tenant shall require its contractor to pay prevailing wages and comply with Washington's Prevailing Wage Statute, Revised Code of Washington Chapter 39.12. The prevailing wage rates may be found at:
<http://lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>

(b) after completion of the Landlord-approved Tenant Improvements eligible for the Tenant Improvement Allowance, Tenant shall submit its reimbursement request to Landlord, which request shall be accompanied by true and accurate copies of (i) all contractor invoices, which shall include sufficient detail to demonstrate the specific work and charge, (ii) evidence of compliance with the Prevailing Wage Statute, including copies of contractor's filed

intents and affidavits of prevailing wages paid, and (iii) and any back-up receipts or other records reasonably requested by Landlord to substantiate the Tenant Improvement costs. Landlord shall reimburse Tenant within thirty (30) days of receipt of all required invoices and records, up to the amount of the Tenant Improvement Allowance.

F. SPECIAL CONDITIONS.

If a portion of the Tenant Improvements or any other installation within the Premises is to be performed by someone other than Approved Contractors, then the following terms and conditions shall apply:

1. Such work shall proceed upon Landlord's written approval of (i) Tenant's contractor; (ii) Tenant's all risk property insurance required under Section 16 of the lease, (iii) any additional public liability and property damage insurance to be carried by Tenant's contractor which is satisfactory to Landlord and which names the City as an additional insured; and (iv) if applicable, the amount of general conditions to be paid by Tenant to Landlord for the service(s) still provided by an Approved contractor.
2. If required by Landlord, prior to commencement of any work on the Premises by Tenant or any Tenant's contractor, Tenant and Tenant's contractor shall enter into an indemnity agreement and a lien priority agreement satisfactory to Landlord indemnifying and holding harmless Landlord for any liability, losses or damages directly or indirectly from lien claims affecting the land, the Building or the Premises arising out of Tenant's or Tenant's contractor's work or that of every subcontractor or supplier, and subordinating each such lien to the liens of construction and permanent financing for the Building.
3. Landlord shall have the right to post a notice or notices in conspicuous places in or about the Premises stating that the Landlord is not responsible for the work being performed therein.

EXHIBIT C
SEATTLE MUNICIPAL TOWER
BUILDING
RULES

1. Except as specifically provided in the Lease to which these Rules are attached, no signs, a-frames, sandwich boards, banners, placards, pictures, advertisements, names or notices shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

2. Tenant shall not attach, hang, place, use, or allow curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations in connection with any window or ceiling of the Building without the prior written consent of the Landlord, which Landlord may withhold in its sole and absolute discretion. With the prior written consent of Landlord, such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. Tenant shall not alter or remove any exterior window glass of the Building for any reason.

3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators or stairways of the Building. The common area halls, passages, exits, entrances, elevators, escalators and stairways are open to the general public, and are open to Tenant's business invitees, subject to these rules. Landlord shall in all cases retain the right to control and prevent access by all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; providing that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of business, unless such persons are engaged in illegal or unlawful activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building unless approved by Landlord.

4. Landlord provides a Building directory for displaying the name and location of each tenant, and Landlord reserves the right to exclude any other names from the directory. Any additional name that Tenant desires to display in the directory must first be approved by Landlord and, if so approved, a charge will be made for each additional name.

5. Landlord will furnish Tenant, free of charge, keys to each door lock in the Premises. Landlord will also provide for each person occupying an office in the Premises, one electronic Building security system access card that permits access to the Building and control of the elevator to the Premises during the evenings and over weekends when the Building is not normally open for business. Landlord may impose a reasonable charge for any additional key or Building security system access card requested by Tenant.

Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Tenant, upon the expiration or earlier termination of its tenancy, shall deliver to Landlord all Building keys that have been furnished to Tenant, and all Building security system access cards. In the event any keys or Building security system access cards so furnished are not returned as required, Tenant shall pay the then-current lost key or lost card charge as established by Landlord. Tenant may not install its own security system without prior approval by Landlord, which shall not be unreasonably withheld, provided that Landlord shall have access to such security system and the Premises without charge.

6. If Tenant requires telecommunications, internet, burglar alarm, panic alarms or similar services, it shall first obtain, and comply with, Landlord's instructions as to their installation.

7. The Building freight elevator(s) shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord, in its discretion, shall deem appropriate. Use of freight elevators is restricted to Tenants that are transporting larger items or carts only, not for passenger use. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between such hours and in such elevators as may be designated by Landlord. Tenant's initial move in and subsequent deliveries and removals of heavy or bulky items, such as furniture, safes and similar items shall, unless otherwise agreed by Landlord, be made during the hours of 6 P.M. to 6 A.M. or on Saturday or Sunday and subject to such limitations as Landlord may impose. Deliveries during normal office hours shall be limited to normal office supplies and other small items. No delivery shall be made that impedes or interferes with any other tenant or the operation of the Building. In its use of the loading areas for the Building, Tenant shall not obstruct or permit the obstruction of said loading areas, and at no time shall Tenant park vehicles there except for loading and unloading.

8. Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. Any business machine or mechanical equipment belonging to Tenant that causes noise or vibration that may be transmitted to the structure of the Building or to any space therein, to such a degree as to be objectionable to Landlord or to any tenant in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Every person employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at Tenant's expense.

9. Tenant shall not use or store or permit to be used or stored in the Premises any kerosene, gasoline or flammable or combustible fluid or gas other than those used in non-

Office Premises for cooking. Tenant shall not permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or any other occupant of the building by reason of noise, odors or vibrations from the Premises.

10. Tenant shall not bring into or keep on or about the Premises any animal other than a service animal. Landlord's rules regarding service animals are detailed in a separate policy document and is made a part of these rules by reference.

11. Tenant shall not use any method of heating or air conditioning other than that supplied and/or approved by Landlord. No portable fans, heaters, humidifiers, misters, or air-conditioners are allowed in building, tenant spaces or tenant desks at any time.

12. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls. Tenant's shall not obstruct, conceal or close any ceiling heating or cooling vents at any time. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day.

13. Landlord reserves the right to select the name of the Building and to make such change or changes of name as it may deem appropriate from time to time, and Tenant shall not refer to the Building by any name other than: (i) the names as selected by Landlord (as same may be changed from time to time), or (ii) the postal address, approved by the United States Post Office. Tenant shall not use the name of the Building in any respect other than as an address of its operation in the Building without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the street address of the Building.

14. Landlord reserves the right to exclude from the Building between the hours of 7 P.M. and 7 A.M. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays, Saturday's and legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, lights, and gas outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for Tenant's noncompliance with this rule.

16. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown in them. The expense of any breakage, stoppage or damage resulting from violation of this rule shall be borne by the Tenant who, or whose employee or invitee, caused it.

17. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theatre tickets or any other goods or merchandise to the general public in or on the Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the building. Tenant shall not use the Premises for any business or activity other than that specifically provided in Tenant's Lease. Conditions of use for all building general use conference rooms are posted in each conference room; Tenants are required to comply with those conditions.

18. Except as permitted in the Lease or approved in writing by Landlord, Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

19. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster, or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Lease pertaining to alterations. Landlord reserves the right to direct electricians as to where and how telecommunications & data cabling are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering or paint to the floor of the Premises or any wall or ceiling coverings in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

20. Tenant shall not install, maintain or operate upon the Premises any vending machine, video game or other coin-operated or coin-activated device without the written consent of Landlord.

21. Canvassing, soliciting and distribution of any handbill or any other written material and peddling in the Building are prohibited, and Tenant shall cooperate to prevent such activities.

22. Landlord reserves the right to exclude or, expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of any liquor, marijuana, or illegal drug or who is in violation of any of the Rules of the Building.

23. Tenant shall store all its trash, recycling, and compost within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash disposal. All trash, recycling, and compost shall be disposed of in accordance with directions issued, from time to time, by Landlord.

24. The Premises shall not be used for lodging or for manufacturing of any kind, nor shall the Premises be used for any purpose other than the Permitted Use or any use offensive to the community around Building.

25. Tenant shall not use in any space or in any public hall of the Building, any hand truck except one equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Hand trucks are only to be used in the buildings freight elevators and not the passenger elevators. Tenant shall not bring any other vehicle, bicycle, skateboard, or Segway of any kind into the Building. Landlord has designated secured bicycle cages in the Parking Garage for Tenants use as necessary.

26. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

27. Tenant assumes any and all responsibility for protecting its Premises from theft, burglary and pilferage, which includes keeping doors and other means of entry to the Premises closed and locked.

28. Landlord may waive any one or more of these Rules for the benefit of Tenant or any other tenant, but such waiver by Landlord shall not be construed as a waiver of such Rules for any other tenant, nor prevent Landlord from thereafter enforcing any such Rules against any or all of the tenants of the Building.

29. These Rules are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of Tenant's Lease of its Premises in the Building. Where there is a conflict between the Tenant's Lease and these Rules, the Tenant's Lease shall control and take priority over these rules.

30. Landlord reserves the right to make amendments to these rules or make such other reasonable Rules as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules hereinabove stated and any additional rules that are adopted.

31. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

32. Smoking, vaporizing, or use of an electronic cigarette or like equipment is not permitted in any public or Tenant areas inside the building. Public areas include lobbies, restrooms, hallways, stairwells and garage. Smoking, vaporizing, etc. is also not permitted on any of the exterior plaza levels, except for areas designated by the Landlord.

Additional Rules for Office Premises

33. An Office Premises is a Premises where neither food service nor retail sales are included in the Permitted Use in Section 1.K. of the Lease.
34. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises.
35. Tenant shall not obtain for use in an Office Premises ice, drinking water, food, beverage, towel or other similar services or accept barbering or bootblackening service upon the Premises, except at such hours and under such rules as may be fixed by the Landlord.
36. An Office Premises shall not be used for the storage of merchandise held for sale to the general public.
37. Tenant shall not use or keep in an Office Premises any kerosene, gasoline or flammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance.
38. No cooking shall be done or permitted on an Office Premises without Landlord's consent, except that use by Tenant of equipment with auto shut off capability for brewing coffee, tea, hot chocolate and similar beverages, or use of a microwave oven for employee use shall be permitted, provided that such equipment is in good condition and the equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules. Said equipment shall be located in Tenant identified break/kitchen areas only. Plumbed auto-ice making equipment is also not permitted unless equipment is part of a refrigerator/freezer combo. Tenant shall at no time have any personal brewing equipment at Tenant's work desk/cubical areas.

EXHIBIT D

"MENU"



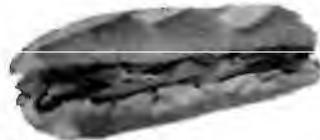
Core Bistro

700 5th Ave Suite 602

(6th level Plaza SMT)

206-829-9050

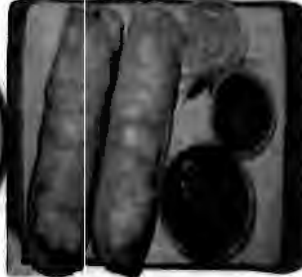
M – F: 10 AM to 5 PM



Pho (Beef Noodle Soup)



Spring Roll



Toasty Croissants

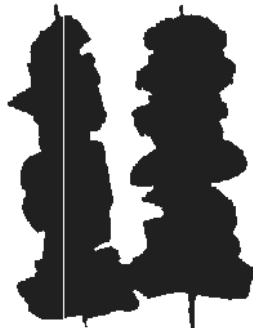


Spring Roll Platter



Fresh Salad

Skews

**Beef Noodle Soup (Pho)****Sm: \$7.49 Lg: \$8.99**

- **Rare Steak***
- **Beef Brisket**
- **Meatball**
- **Chicken** (with beef broth)
- **Combination***
(rare steak, beef brisket, tendons, meatball)

Sm: \$7.99 Lg: \$9.49*For all Pho to go, please reheat the broth to a boil before serving***Sandwiches Sm (5"): \$3.99 Lg (10"): \$6.99**

- **Cheese Steak*** (mayo, steak, sautéed onion, mushroom, bell pepper, swiss cheese)
- **Beef Dip** (mayo, roast beef, sautéed onion, swiss cheese, au jus dipping sauce)
- **Roast Beef** (mayo, mustard, roast beef, cheddar cheese, tomato, lettuce)
- **Turkey Lite** (italian dressing, turkey, tomato, lettuce)
- **Turkey & Cheddar** (mayo, mustard, turkey, tomato, cheddar cheese, lettuce)
- **Turkey Ranch & Swiss** (ranch, turkey, tomato, onion, swiss cheese, lettuce)
- **Honey Mustard Chicken** (honey mustard, tomato, onion, chicken, bacon, swiss cheese, lettuce)
- **Chicken Ranch & Bacon** (ranch, tomato, onion, chicken, bacon, cheddar cheese, lettuce)
- **Chicken Lite** (italian dressing, tomato, chicken, lettuce)
- **VN Style Chicken** (mayo, seasoning sauce, chicken, pickled carrot & daikon, cucumber, cilantro, jalapenos)
- **VN Style Pork** (mayo, seasoning sauce, lemongrass pork, pickled carrot & daikon, cucumber, cilantro, jalapenos)
- **VN Style Veggie** (mayo, seasoning sauce, tofu noodle blend, pickled carrot & daikon, cucumber, cilantro, jalapenos)
- **Meatball** (marinara sauce, meatball, parmesan cheese blend)
- **Ham & Cheddar** (mayo, ham, tomato, cheddar cheese, lettuce)
- **Classic Club** (mayo, ham, turkey, bacon, tomato, cheddar cheese, lettuce)
- **Tuna Melt** (italian dressing, tomato, tuna, cheddar cheese, lettuce)
- **Veggie** (italian dressing, tomato, mushroom, bell pepper, cheddar cheese, lettuce)

Croissant (Plain) \$2.29**Croissant Sandwich \$4.49**

- **Turkey & Cheddar** (turkey, mayo, tomato, lettuce)
- **Ham & Cheddar** (ham, mayo, tomato, lettuce)
- **Roast Beef & Cheddar** (roast beef, mayo, tomato, lettuce)

Soups Cup \$2.79 Bowl \$3.99

- **Chicken Noodle**
- **Broccoli Cheese**

Skews \$2.99

- **Steak*** (steak, bell pepper, broccoli)
- **Chicken** (chicken, bell pepper, pineapple)
- **Shrimp** (shrimp, bell pepper, pineapple)

Fresh Salad**Spring Roll \$3.99**

- **Shrimp & Pork Spring Roll** (shrimp, pork, romaine lettuce, cucumber, basil, rice noodle, house peanut dipping sauce)
- **Vegetarian Spring Roll** (romaine lettuce, cucumber, basil, carrot & tofu noodle blend, rice noodle, house peanut dipping sauce)

Entrée Salad \$6.99

- **Green Papaya Salad** (shrimp, pork, green papaya, pickled carrot & daikon, basil, house dressing)
- **Steak Salad*** (steak, romaine lettuce, tomato, onion, parmesan cheese blend, ranch dressing)
- **Honey Mustard Chicken Salad** (chicken, bacon, romaine lettuce, tomato, onion, cheddar cheese, honey mustard dressing)
- **Chicken Caesar Salad** (chicken, romaine lettuce, tomato, onion, caesar cheese, caesar dressing)

VN (Condensed Milk) Coffee \$2.99

Soft Drink Md: \$1.79 Lg: \$2.09

Bottle Drink

- **Soda/Water:** \$2.09
- **Vitamin Water/Juice:** \$2.19
- **Tea:** \$2.39
- **Energy Drink:** \$2.59

Snack/Desert \$1.39

- **Chips**
- **Cookies**
- **4 Mini Cream Puffs**

Catering

Spring Roll Platter \$44.99

Lunch Bag \$6.99

Choice of any:

- Small sandwiches
- Chips
- Bottle Soda

** Consumption of under cooked meat may increase the risk of food borne illness*

EXHIBIT E

PERSONAL GUARANTY OF FINANCIAL OBLIGATIONS IN LEASE

This Personal Guaranty ("Guaranty") is entered into by Johnny Wei ("Guarantor") in favor of **THE CITY OF SEATTLE**, a municipal corporation of the State of Washington, (the "City" or "Landlord").

A. Johnny Wei ("Tenant") desires to enter into that certain Seattle Municipal Tower Lease between the City and Tenant, initially dated as of the same date hereof and which this Guaranty is incorporated and made a part of as Exhibit E, and as further modified or amended by Landlord and Tenant during the term of this Guaranty (the "Lease").

B. Guarantor desires that the City enter into the Lease with Tenant, and the City is willing to enter into the Lease strictly conditioned upon the Guarantor's guaranty of Tenant's financial obligations under the Lease under the terms herein.

NOW THEREFORE, for other good and valuable consideration receipt of which Guarantor hereby acknowledges, Guarantor agrees as follows:

1. Guarantee. Guarantor unconditionally guarantees to Landlord and its successors and assigns, Tenant's full and punctual performance of all financial obligations, including, but not limited to, payment of rent and any other sum of money due to Landlord from Tenant ("Guaranteed Obligations") pursuant to the Lease.

2. Term of Guaranty. This Guaranty will be effective commencing upon the effective date of the Lease and shall continue in full force until the Guaranteed Obligations have been fully paid and performed. If Landlord agrees to release Tenant from its duties and obligations under the Lease as provided in Section 16 of the Lease, this Guaranty will be released to the extent the Tenant is released.

3. Joint and Several Liability. Tenant and Guarantor shall be jointly and severally liable for the full and complete performance of Tenant's obligations under the Lease.

4. Right of City to Proceed Against Guarantor. In the event of a failure by Tenant to perform any Guaranteed Obligation hereunder, the City shall have the right to proceed first and directly against the Guarantor under this Guaranty and without proceeding against Tenant or exhausting any other remedies against Tenant which the City may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the City (1) file suit or proceed to obtain a judgment against Tenant, (2) make any other effort to obtain payment or performance of the Guaranteed Obligations from Tenant other than providing Tenant with notice of such payment or performance as may be required by the terms of the Lease or required to be

given to Tenant under applicable law, or (3) exercise any other right or remedy to which the City is or may be entitled in connection with the Guaranteed Obligations. Upon any unexcused failure by Tenant in the payment or performance of any Guaranteed Obligation and the giving of such notice or demand, if any, to Tenant and Guarantor as may be required in connection with such Guaranteed Obligation and this Guaranty, the liability of the Guarantor shall be effective and shall immediately be paid or performed. Notwithstanding the City's right to proceed directly against the Guarantor, the City (or any successor) shall not be entitled to more than a single full performance of the obligations in regard to any breach or non-performance thereof.

5. Guaranty Absolute and Unconditional. The obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until Tenant shall have fully discharged the Guaranteed Obligations in accordance with the terms of the Lease and shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such Guaranteed Obligations) based on any claim that the Guarantor may have against Tenant, the City or any other person. Without limiting the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to, knowledge by or further consent of the Guarantor):

(a) any permitted transfer or assignment or rights or obligations under the Lease;

(b) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the City or Tenant in the Lease;

(c) any amendment, change or modification to of any of the Guaranteed Obligations, and in such case the liability of Guarantor shall be deemed modified in accordance with such amendment or modification of the Lease;

(d) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium arrangement, composition with creditors or readjustment of, or other similar proceedings against Tenant or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification had occurred as a result thereof, it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to them by reason of any such proceedings);

(e) any failure on the part of Tenant for any reason to perform or comply with any agreement with the Guarantor;

(f) any failure of the City to mitigate damages resulting from any default by Tenant under the Lease (except to the extent such failure constitutes a legal or equitable defense of Tenant under applicable law);

(g) any sale, lease, transfer, abandonment or other disposition of any or all of the property of Tenant;

(h) any legal disability of any party to the Lease; or

(i) the fact that entering into the Lease by Tenant was invalid or in excess of its powers.

Should any money due or owing under this Guaranty not be recoverable from the Tenant due to any of the matters specified in subparagraphs (a) through (i) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of Tenant pursuant to the terms of the Lease and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty. Notwithstanding anything to the contrary expressed in this Guaranty, nothing in this Guaranty shall be deemed to amend, modify, clarify, expand or reduce Tenant's rights, benefits, duties or obligations under the Lease. To the extent that any of the matters specified in subparagraphs (a) through (c) and (e) through (i) would provide a defense to, release, discharge or otherwise affect Tenant's Guaranteed Obligations, the Guarantor's obligations under this Guaranty shall be treated the same.

Notwithstanding any provision contained herein to the contrary, the Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which Tenant may have under the Lease or under applicable law (other than bankruptcy or insolvency of Tenant and other than any defense which the Guarantor has expressly waived in this Guaranty), and the obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or deductions which Tenant is permitted to assert pursuant to the Lease, if any.

6. Guarantor's Consent. Guarantor hereby consents to the Lease, and further consents and agrees that the City may, without further consent or disclosure and without affecting or releasing the Guaranteed Obligations of Guarantor hereunder, except as otherwise specifically set forth herein: (a) surrender, exchange, release, assign, or sell any collateral securing any Guaranteed Obligation or waive, release, assign, sell, or subordinate any security interest, in whole or in part; (b) waive or delay the exercise of any rights or remedies of the City against Tenant, its successor or permitted assigns; (c) waive or delay the exercise of any rights or remedies of the City against any surety or guarantor (including without limitation, rights or remedies of the City against Guarantor under this Guaranty);

(d) waive or delay the exercise of any rights or remedies of the City in respect of any collateral or security interest now or hereafter held; (e) release any surety or guarantor; or (f) renew, extend, waive or modify the terms of the obligations of any other surety or guarantor, or any instrument or agreement evidencing the same.

7. Guarantor' Waiver. Except for any notice specifically required by the terms of this Guaranty, Guarantor waives notice of (a) the City's acceptance of this Guaranty or its intention to act or its actions in reliance hereon; (b) the present existence or future incurring of any Guaranteed Obligations or any terms or amounts thereof; (c) any default by Tenant, its successor or permitted assigns or any surety or guarantor; (d) the obtaining of any guaranty or surety agreement (in addition to this Guaranty); (e) the obtaining of any pledge, assignment or other security for any Guaranteed Obligations; (f) the release of any surety or guarantor; (g) the release of any collateral; (h) any change in Tenant's business or financial condition or the business or financial condition of its successor or permitted assigns; (i) any acts or omissions of the City consented to in Section 5 hereof; and (j) any other demands or notices whatsoever with respect to the Guaranteed Obligations or this Guaranty. Except for any notice specifically required by the terms of this Guaranty, Guarantor further waive notice of presentment, demand, protest, notice of nonpayment and notice of protest in relation to any instrument or agreement evidencing any Guaranteed Obligation. In addition, Guarantor hereby unconditionally and irrevocably waives:

(a) to the fullest extent lawfully possible, any statute of limitations defense based on a statute of limitations period which may be applicable to Guarantor (or parties in similar relationships) which would be shorter than the applicable statute of limitations period for the underlying claim;

(b) any right to require a proceeding first against Tenant;

(c) the requirement of, or the notice of, the filing of claims by the City in the event of the receivership or bankruptcy of Tenant; and

(d) all demands upon Tenant or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 7, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.

8. Guarantor's Knowledge of Tenant's Economic Condition. Guarantor represents and warrants to the City that it has reviewed such documents and other information as it deemed appropriate in order to permit it to be fully apprised of Tenant's financial condition and operations and has, in entering into this Guaranty made its own credit analysis independently and without reliance upon any information communicated by the City. Guarantor covenants for the benefit of the City to remain apprised of all material economic or other developments relating to or affecting Tenant, its successor or permitted assigns or their properties or businesses.

9. Unconditional Guaranty. Except as specifically set forth elsewhere in this Guaranty, the obligations of Guarantor under this Guaranty are absolute and unconditional without regard to the obligations of any other party or person and shall not be in any way limited or affected by any circumstance whatsoever.

10. Separate Obligations; Reinstatement. The joint and several obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (a) give rise to separate and independent causes of action against either or both Guarantor and Tenant (b) apply irrespective of any indulgence granted from time to time by the City. The Guarantor agrees that this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of Tenant is rescinded or must be otherwise restored by the City, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Lease or Tenant's enforcement of such terms under applicable law.

11. Notices. Any notice permitted hereunder may be given to Guarantor by personal delivery, by fax (with confirmation of receipt by telephone), or by certified mail addressed to:

Johnny Wei
1015 NE 92nd Street
Seattle, WA 98115

12. Amendments; Waiver. This Guaranty may not be amended or modified except by written agreement of Guarantor and the City. Except as otherwise provided herein, no provision of this Guaranty may be waived except in writing and then only in the specific instance and for the specific purpose for which given.

13. No Third-Party Beneficiaries. Nothing contained herein shall be construed as creating a third-party beneficiary relationship.

14. Governing Law; Severability. This Guaranty shall be governed by and construed in accordance with the internal laws of the State of Washington. The parties hereto intend and believe that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of the City under the remainder of this Guaranty shall continue in full force and effect.

15. Assignment. Without the prior written consent of the City, this Guaranty may not be assigned by the Guarantor.

16. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meanings given in the Lease unless another meaning is clearly contemplated herein.

Signed this 8th day of JUNE, 2016, in the City of Seattle, King County, Washington.

GUARANTOR:

Johnny Wei 06-08-16
Signature Date
Johnny Wei

STATE OF WASHINGTON)
) ss. (Acknowledgement for Guarantor)
COUNTY OF KING)

On this 8th day of JUNE, 2016 before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHNNY WEI to me known to be the person that executed the foregoing Guaranty as Guarantor; and acknowledged to me that he/she signed the same as his/her own free and voluntary act and deed for the uses and purposes therein mentioned and that he was authorized to execute said Guaranty for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.

Kurt W. Sarchet Kurt W. Sarchet
[Signature] [Printed Name]
NOTARY PUBLIC in and for the State of WA residing at Seattle
My commission expires 8/2/19.



COPY

SEATTLE MUNICIPAL TOWER LEASE
BETWEEN
THE CITY OF SEATTLE,
AS LANDLORD,
AND
DANIEL Y. KIM & MICHELLE H. KIM
D/B/A TREASURES & GIFTS,
AS TENANT

SEATTLE MUNICIPAL TOWER LEASE
BETWEEN
THE CITY OF SEATTLE,
AS LANDLORD,
AND
DANIEL Y. KIM & MICHELLE H. KIM
D/B/A TREASURES & GIFTS
AS TENANT

1. LEASE DATA	1
A. Building:	1
B. Premises	1
C. Commencement Date	1
D. Expiration Date	1
E. Base Rent and Additional Charges	1
F. Security Deposit	2
G. Base Year	2
H. Expense Year	2
I. Tenant's Share	2
J. Parking	2
K. Permitted Use	2
L. Notice Addresses	2
M. Exhibits	2
2. PREMISES	2
A. Grant	2
B. Rentable Area	3
C. Condition	3
D. Common Areas	3
E. Landlord Alterations	3
F. Prospective Tenants	3

3. LEASE TERM.....	4
A. Term.....	4
B. Tenant's Opportunity to Extend Lease Term.....	4
4. RENT.	4
A. Payment of Rent and Additional Charges.....	4
B. Rent Amount During Extended Term.....	5
C. Arbitration of Fair Market Rental Rate.....	5
5. TENANT'S SHARE OF BUILDING OPERATING COSTS AND REAL PROPERTY TAXES.....	6
6. LATE CHARGE; INTEREST.....	6
7. SECURITY DEPOSIT	6
8. TENANT'S OPERATIONS.	7
A. Use of Premises.....	7
B. Unlawful Use.	7
C. Liens and Encumbrances	7
D. Hazardous Substances.....	8
9. UTILITIES AND SERVICES.....	9
A. Tenant's Responsibility	9
B. Services.....	9
(1) Additional Service.....	9
(2) Interruption.....	9
10. LICENSES AND TAXES	10
11. DELIVERY OF PREMISES.....	10
A. Delivery of Premises.....	10
B. Signage.....	11
12. ALTERATIONS BY TENANT	11
13. CARE OF PREMISES.	12
A. Tenant's Obligation	12

B. Landlord's Obligation	13
C. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises	13
D. Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990.....	13
14. SURRENDER OF PREMISES.....	13
A. General Matters.....	13
B. Cable and Wiring	144
C. Personal Property	144
15. WAIVER; INDEMNIFICATION.	144
A. Tenant's Indemnification.	144
B. Release of Claims.	155
C. Limitation of Tenant's Indemnification.....	155
D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 12 AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.	166
16. INSURANCE.....	166
A. Tenant's Insurance Coverages and Limits.....	16
B. Terms and Conditions for Tenant's Insurance.....	18
C. City's Property Insurance Coverage and Limits.....	19
D. Waiver of Subrogation	20
E. Evidence of Insurance.....	20
G. Damage or Destruction	21
H. Assumption of Property Risk.....	21
I. Adjustments of Claims.....	21
J. Tenant's Responsibility.	21
17. ASSIGNMENT OR SUBLEASE.....	21
18. ASSIGNMENT BY LANDLORD	21
19. DESTRUCTION	21
20. EMINENT DOMAIN.	23

A. Taking	23
B. Award.....	23
21. DEFAULT BY TENANT	24
A. Definition	24
B. Vacation or Abandonment	24
C. Reentry.....	24
D. Termination.....	25
E. Adequate Security	25
22. LANDLORD'S REMEDIES CUMULATIVE; WAIVER	25
23. DEFAULT BY LANDLORD.	25
A. Landlord's Cure Period.....	25
B. Notice to Lender and Lender's Cure Period	25
24. ATTORNEYS' FEES.....	26
25. ACCESS BY LANDLORD	26
26. HOLDING OVER.....	26
27. LEASE SUBORDINATE TO MORTGAGES	26
28. ESTOPPEL AND OTHER CERTIFICATES.....	27
29. QUIET ENJOYMENT	27
30. NOTICES.....	27
31 SUCCESSORS OR ASSIGNS..	28
32. TENANT AUTHORITY AND LIABILITY.....	28
33. BROKERS' COMMISSION.....	28
34. PARTIAL INVALIDITY	28

35. RECORDING.....	28
36. FINANCIAL STATEMENTS.....	28
37. PARKING.....	29
38. RELOCATION	29
39. LIABILITY OF LANDLORD	29
40. FORCE MAJEURE	30
41. COUNTERPARTS.....	30
42. NAME OF BUILDING.....	30
43. HEADINGS	30
44. CONTEXT	30
45. EXECUTION BY LANDLORD AND TENANT; EFFECTIVE DATE; APPROVAL OF LENDER	30
46. TIME OF ESSENCE; TIME CALCULATION METHOD.....	30
47. ENTIRE AGREEMENT; APPLICABLE LAW.	30
48. NEGOTIATED AGREEMENT	31

SEATTLE MUNICIPAL TOWER LEASE

THIS LEASE is entered into by THE CITY OF SEATTLE ("Landlord"), a city of the first class of the State of Washington and DANIEL Y. KIM & MICHELLE H. KIM, individually and as a married couple, D/B/A TREASURES & GIFTS ("Tenant").

Landlord and Tenant covenant and agree as follows:

1. **Lease Data; Exhibits.** The following terms shall have the following meanings, except as otherwise specifically modified in this Lease:
 - A. **Building:** Seattle Municipal Tower, 700 Fifth Avenue, Seattle, King County, Washington 98104, situated on real property described more particularly in Subsection 2.A.
 - B. **Premises:** A Rentable Area (as defined in Subsection 2.B) identified as Suite 302 consisting of approximately 1,220 Rentable Square Feet located on Building Floor 3 as outlined on the floor plan of the Building attached hereto as Exhibit A (the "Floor Plan of Premises"), including tenant improvements described in Exhibit B.
 - C. **Commencement Date:** The first day of the month following the Effective Date (as defined in Section 4.5).
 - D. **Expiration Date:** The last day of the 60th full month following the Commencement Date, unless the Term of this Lease is extended under Subsection 3.B.
 - E. **Base Rent and Additional Charges:** For use and occupancy of the Premises during the Initial Term hereof, Tenant shall pay Landlord \$20.00 per Rentable Square Foot per year (i.e., an initial annual amount of \$24,399.96) as Base Rent, which amount shall be increased by three percent (3%) annually as provided in the table below. Rent shall be payable as and when specified in Section 4. Whether or not so designated, all other sums due from Tenant under this Lease, including but not limited to Leasehold Excise Tax due under Section 10, shall constitute "Additional Charges", payable when specified in this Lease.

Lease Months	Lease Rate PSF	Monthly Base Rent	L.E.T. @ 12.84%	Monthly Total
M 01 - 03	\$ 20.00	\$ (2,033.33)	\$ -	\$ (2,033.33)
M 04 - 12	\$ 20.00	\$ 2,033.33	\$ 261.08	\$ 2,294.41
M 11 - 24	\$ 20.60	\$ 2,094.33	\$ 268.91	\$ 2,363.24
M 25 - 35	\$ 21.22	\$ 2,157.16	\$ 276.98	\$ 2,434.14
M 36 - 48	\$ 21.85	\$ 2,221.87	\$ 285.29	\$ 2,507.16
M 49 - 60	\$ 22.51	\$ 2,288.53	\$ 293.85	\$ 2,582.38

- F. Security Deposit: \$4,000.00.
- G. Base Year: N.A.
- H. Expense Year: Each full calendar year.
- I. Tenant Improvement Allowance: \$20.00 per Rentable Square Foot (total \$24,400), payable as provided under Section 12 and Exhibit B.
- J. Parking: The license granted under Section 37 of this Lease is limited to One (1) automobile.
- K. Permitted Use: The retail sale of prepackaged candy, snacks, cosmetic and hair care items, over the counter drug items, stationary and office supplies, fragrances, jewelry and watches, greeting cards, ribbon, wrapping paper, party supplies, newspapers and magazines, lottery tickets, brewed coffee to go (not espresso), US postal stamps, flowers, plants and pre-packaged sandwiches and related convenience and sundry items, and other items typically sold and found in a retail use of the type intended herein.
- L. Notice Addresses:
- | | |
|--------------|---|
| To Landlord: | City of Seattle c/o CBRE, Inc.
700 Fifth Avenue, Suite 4040
Seattle, WA 98104 |
| To Tenant: | Daniel & Michelle Kim
700 Fifth Avenue, Suite 302
Seattle, WA 98104 |
- M. Exhibits: The following exhibits are made a part of this Lease:
- | |
|-------------------------------------|
| Exhibit A - Floor Plan of Premises. |
| Exhibit B - Tenant Improvements. |
| Exhibit C - Rules and Regulations. |

2. Premises.

- A. Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain premises (the "Premises") located on the floor(s) and having the Rentable Area set forth in paragraph 1.B. The Premises are part of the Building which is located on and includes the real property described as follows: Lots 1, 4, 5, 6, 7 and 8 in Block 29 of addition to the Town of Seattle, as laid out by the claim of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's addition to the City of Seattle), as per Plat recorded in Volume 1 of Plats,

Page 25, Records of King County; together with the westerly 1/2 of vacated alley adjoining Lots 1 and 4; and together with all of the vacated alley adjoining Lots 5, 6, 7 and 8; Lots 2 and 3 in Block 29 of addition to the Town of Seattle, as laid out on the claim of C. D. Boren and A. A. Denny and H. L. Yesler (commonly known as C. D. Boren's addition to the City of Seattle), as per plat recorded in Volume 1 of Plats, Page 25, Records of King County; together with the northeasterly 1/2 of vacated alley adjoining; situate in the City of Seattle, County of King, State of Washington.

- B. Rentable Area. The Rentable Area set forth in Subsection 1.B shall be used to calculate Base Rent regardless of any discrepancy with the actual measured area of the Premises or any alterations that affect the area of the Premises. "Rentable Area" shall mean the amount of rentable square feet contained in the Premises, calculated in accordance with the Building Owners and Managers Association's standard for measurement of commercial space.
- C. Condition. The Landlord leases the Premises and the Tenant accepts the Premises in "as is" condition. The Landlord disclaims all representations, statements, and warranties, expressed or implied, with respect to the condition or suitability of the Premises other than those contained in this Lease.
- D. Common Areas. During the Lease Term, Tenant and its licensees, invitees, and employees shall have the non-exclusive right to use the Building garage and all entrances, lobbies, elevators, stairs, corridors, restrooms and other public areas of the Building which the Landlord designates for use in common with Landlord, other Building tenants and their respective licensees, invitees, and employees (the "Common Areas"). Landlord shall at all times have exclusive control and management of the Common Areas and diminution of the Common Area shall not be deemed a constructive or actual eviction or entitle Tenant to compensation or a reduction or abatement of rent, provided that such change and/or diminution of the Common Area shall not adversely affect access to, or the visibility of, the Premises.
- E. Landlord Alterations. Landlord, in its discretion, may increase, decrease or change the number, locations and dimensions of any hallways, lobby areas, Common Areas and other areas of the Building that are not within the Premises. Landlord 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, and within the walls of 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. Landlord reserves the right from time to time to access the Premises for the forgoing purposes, subject to Section 25.
- F. Prospective Tenants. During the final twelve (12) months of the Lease Term, or after an event of Tenant Default that is not cured within the time specified in Section 20.A, Landlord reserves the right to enter the Premises at reasonable hours for

purposes of showing the Premises to prospective tenants. Additionally, at any time during the final nine (9) months of the Lease Term or after an event of Default that is not timely cured, Landlord reserves the right to place "for rent" or "for lease" signs in, at, and around the Premises for purposes of re-letting the Premises after the expiration or termination of the Lease.

3. Lease Term.

- A. Term. The term of this Lease shall be for an initial term of five (5) years beginning on the Commencement Date in 1.C and expiring on the Expiration Date (the "Term" or "Lease Term"), unless extended under Section 3.B or terminated earlier as provided herein. All provisions of this Lease shall become effective on the Commencement Date, except the payment of Rent which shall begin on the Rent Commencement Date in Section 4.
- B. Tenant's Opportunity to Extend Lease Term. Tenant shall have the option to extend the Lease Term for one (1) period of five (5) years (the "Extended Term") on the same terms and conditions, except for Rent which shall be Fair Market Rent determined under Section 4.B and C. To exercise its option to extend, Tenant must give Landlord written notice no later than two hundred seventy (270) days before the expiration of the then-current Term. Tenant's right to any extended term under this Lease is expressly conditioned upon the following: (1) Tenant must not have materially Defaulted (as defined in Section 21) in the performance of its obligations under this Agreement at any time prior to the expiration of the then-current Lease Term, and (2) Tenant must exercise its option in the time and manner required under this Subsection. As used in this Lease, all references to "Term" or "Lease Term" mean the Initial Term and any and all Extended Terms.

4. Rent.

- A. Payment of Rent and Additional Charges. Provided that Tenant is not in default under this Lease after the expiration of any applicable cure period, Tenant's obligation to pay the monthly amount of Base Rent and the Leasehold Excise Tax shall abate for the first three (3) months of the Term, provided that, in the event that this Lease shall terminate solely as a result of Tenant's Default hereunder within the first twenty-four (24) months of the Term, Tenant shall pay to Landlord the amount of such abatement of Base Rent and Leasehold Excise Tax, and Tenant's obligation to pay Base Rent shall begin on the first day of the fourth month of the initial Term (the "Rent Commencement Date"). On or before the Rent Commencement Date, and thereafter on or before the first day of each month during the Term, Tenant shall pay to Landlord at the address and to the account specified by Landlord, without notice or demand or setoff or deduction of any kind, in lawful money of the United States (a) the monthly amount (1/12th) of the annual Base Rent in advance, and (b) the applicable amount of Leasehold Excise Tax as required under Section 10, and (c) other Additional Charges as and when specified elsewhere in this Lease, but if not specified, then within ten (10) days after demand.

Base Rent and, if appropriate, as reasonably determined by Landlord, Additional Charges shall be prorated on a daily basis for any partial month within the Lease Term. For any partial initial month in the Lease Term, Base Rent and Leasehold Excise Tax shall be paid on the first day of the Lease Term.

- B. Rent Amount During Extended Term. If Tenant elects to extend the Lease Term under Section 3.B, beginning on the first day of the Extended Term, Base Rent shall be Fair Market Rent. "Fair Market Rent" means the annual amount per rentable square foot that a willing, non-equity lessee would pay for a renewal of a lease for comparable space in a first-class downtown Seattle office building in an arms-length transaction, considering all relevant factors such as annual rental rates per rentable square foot, building services being provided by the lessor, building operating cost escalators, size and location of premises being leased, tenant improvement allowances and rental concessions. Within thirty (30) days following Tenant's exercise of its option to extend, Landlord shall provide Tenant written notice of Landlord's determination of Fair Market Rent. If Tenant disagrees with Landlord's determination of Fair Market Rent, Tenant shall advise Landlord in writing within twenty (20) days, and the parties may negotiate regarding the Fair Market Rent. If the parties do not agree on the Fair Market Rent within thirty (30) days, either party may submit the matter to arbitration in accordance with the terms of Subsection 4.C so that the Fair Market Rental Rate is determined no later than the expiration of the then current Lease Term.
- C. Arbitration of Fair Market Rental Rate. If the parties are unable to reach agreement on the Fair Market Rent during the period specified in Subsection 4.B, then within ten (10) days either party may initiate arbitration by advising the other in writing of the name and address of its arbitrator. Each arbitrator appointed under this Section shall be qualified as a real estate appraiser and shall be familiar with rental rates in comparable first class Seattle office buildings. Within ten (10) days after receipt of notice from the initiating party, the other party shall respond in writing with the name and address of the person it designates to act as arbitrator on its behalf. If the second party fails to notify the other of the appointment of its arbitrator within or by the time required, then the first arbitrator shall be the only arbitrator to determine Fair Market Rent, otherwise the duty of the arbitrator(s) shall be to jointly determine the Fair Market Rent. If the two (2) arbitrators are unable to agree upon a determination of the Fair Market Rent, then within ten (10) days, they shall appoint a third qualified arbitrator, or alternatively may request appointment of such a qualified arbitrator by the then presiding judge of King County Superior Court acting in his private non-judicial capacity or by Judicial Dispute Resolution. The three arbitrators shall decide the dispute, if it has not been previously resolved, by following the procedure set forth in this Section. The arbitrators selected by each of the parties shall state in writing his/her determination of the Fair Market Rent supported by the reasons for the determination. The arbitrators shall arrange for the simultaneous exchange of such proposed determinations and the delivery of a counterpart copy to each party within three days of the appointment of the third arbitrator. The role of the third arbitrator shall be to select which of the two

proposed resolutions most closely approximates the third arbitrator's own determination of Fair Market Rent. The third arbitrator shall make this selection within ten (10) days after receiving the proposed resolutions from the other two arbitrators. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed determinations. The determination chosen by the third arbitrator as most closely approximating his/her own determination shall constitute the collective decision of the arbitrators and be final and binding upon the parties.

- (1) If an arbitrator appointed by either party withdraws or is unable to complete the process for any reason, the applicable party may appoint a successor. If the third arbitrator withdraws or is unable to complete the process, a successor shall be appointed in the same manner as provided for appointment of the third arbitrator. Any decision in which the arbitrator appointed by Landlord and the arbitrator appointed by Tenant concur shall be binding and conclusive upon the parties. Each party shall pay the fee and expenses of its respective arbitrator and both parties shall share equally the fee and expenses of the third arbitrator, if any. The attorneys' fees and expenses of counsel for the respective parties and of witnesses shall be paid by the respective party engaging such counsel or calling such witness.
- (2) The arbitrators shall have the right to consult experts and competent authorities with factual information or evidence pertaining to a determination of the Fair Market Rental Rate, but any such consultation shall be made in the presence of both parties with full right on their part to cross examine. The arbitrators shall render their determination in writing and deliver a counterpart copy thereof to each party. The arbitrators shall have no power to modify the provisions of this Lease.

5. **Tenant's Share of Building Operating Costs and Real Property Taxes.** N.A.

6. **Late Charge; Interest.** If Tenant fails to pay any Base Rent or Additional Charge within ten (10) days after the due date, a late charge equal to five percent (5%) of the unpaid amount shall be assessed and be immediately due and payable. In addition, interest shall accrue at the rate of twelve percent (12%) per annum on any Base Rent or Additional Charge that is not paid when due. If Tenant defaults in making any payment of Base Rent or Additional Charges, Landlord shall have the right to require that subsequent Base Rent or Additional Charges payments be made by cashier's or certified check.

7. **Security Deposit.** Beginning upon the Effective Date and as partial consideration for this Lease, Landlord shall continue to hold Tenant's deposit with Landlord under a prior lease in the sum specified in Subsection 1.F (the "Deposit"). This Deposit shall be retained by Landlord as security for Tenant's payment of Rent and performance of all its obligations under this Lease. If Tenant Defaults in the payment of Rent or the performance of any obligation under this Lease, the Landlord shall have the right, in its discretion, upon delivery of written notice to Tenant, to apply the full Deposit or any portion thereof to the

Rent owing or to the expense incurred by Landlord as a result of Tenant's Default. Tenant shall restore any amount of the Deposit applied by Landlord against Tenant's obligations within ten (10) days of written demand from Landlord. Landlord shall not be required to retain the Deposit in a separate account and the Deposit shall not accrue interest. Landlord shall pay Tenant the Deposit within thirty (30) days after the Expiration Date or earlier termination of the Lease, less the amount, if any, applied by Landlord to remedy any Tenant Default as provided for under this Section.

8. Tenant's Operations.

- A. Use of Premises. Tenant shall use the Premises only for the Section 1 Permitted Use. As Landlord's willingness to enter into this Lease with Tenant was predicated, in part, on the nature of Tenant's business, and the compatibility of such business with other tenants in the Building, Tenant shall not use or permit the use of the Premises for any other business, or purpose, or under any other name, without Landlord's prior written consent. Tenant shall promptly comply, at its sole cost and expense, with the Exhibit C rules and regulations and other such rules and regulations relating to the use of the Premises, Building and Common Areas as Landlord, from time to time, may promulgate. Tenant shall maintain the Premises in a clean, orderly and neat fashion to conform with the high standards of the Building, permitting no objectionable odors to be emitted from the Premises and shall neither commit waste nor permit any waste to be committed thereon. Tenant shall not permit any accumulation of trash on or about the Premises. Tenant shall not create or contribute to the creation of a nuisance in either the Premises or the Building, and Tenant shall not engage in or permit any action that will disturb the quiet enjoyment of any other tenant in the Building.
- B. Unlawful Use. Tenant shall not use or permit the Premises or any part thereof to be used for any purpose in violation of any municipal, county, state or federal law, ordinance or regulation, or for any purpose offensive to the standards of the community of which the Building is a part. Tenant shall promptly comply, at its sole cost and expense, with all laws, ordinances and regulations now in force or hereafter adopted relating to or affecting the condition, use or occupancy of the Premises including but not limited to all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington and The City of Seattle, including the Seattle Municipal Code ("SMC"), notably SMC Ch. 14.04, 14.10, and 20.42, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.
- C. Liens and Encumbrances. Tenant shall keep the Premises and Building free and clear of, and shall indemnify, defend and hold Landlord harmless from, any and all, liens and encumbrances arising or growing out of any act or omission, or breach of this Lease or the use, improvement, or occupancy of the Premises by Tenant or any of its principals, officers, agents, or employees. If any lien is filed against the Premises or Building, Tenant shall either cause the same to be fully discharged and released of record within ten (10) days after Landlord's written demand therefor or

within such period, provide Landlord with cash or other security acceptable to Landlord in an amount equal to one and one-half (1½) times the amount of the claimed lien as security for its prompt removal. Landlord shall have the right to disburse such security to cause the removal of the lien if a judgment is entered against Tenant in the lien proceeding, if such lien causes difficulties for Landlord in connection with its financing of the Building, if Tenant is otherwise in default under this Lease or if Landlord otherwise deems such necessary, in Landlord's sole discretion.

- D. Hazardous Substances. Tenant shall not, without Landlord's prior written consent, keep on or about the Premises or Building any substance designated as, or containing any component now or hereafter designated as hazardous, dangerous, toxic or harmful and/or subject to regulation under any federal, state or local law, regulation or ordinance ("Hazardous Substances"), except customary office, kitchen, cleaning, and other related supplies in normal quantities handled in compliance with applicable laws. With respect to any Hazardous Substances stored with Landlord's consent, Tenant shall promptly, timely and completely comply with all governmental requirements for reporting and record keeping; submit to Landlord true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities; within five (5) days after Landlord's request therefor, provide evidence satisfactory to Landlord of Tenant's compliance with all applicable governmental rules, regulations and requirements; and comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of Hazardous Substances. Any and all reasonable costs incurred by Landlord and associated with Landlord's inspections of the Premises and Landlord's monitoring of Tenant's compliance with this Subsection 8.D, including Landlord's attorneys' fees and costs, shall be Additional Charges and shall be due and payable to Landlord within ten (10) days after Landlord's demand for payment if Lessee's violation of this Subsection 8.D is discovered as a result of such inspection or monitoring. Tenant shall be fully and completely liable to Landlord for any and all cleanup costs and expenses and any and all other charges, expenses, fees, fines, penalties (both, civil and criminal) and costs imposed with respect to Tenant's use, disposal, transportation, generation, release and/or sale of Hazardous Substances in or about the Premises or Building. Tenant shall indemnify, defend and hold Landlord and lenders to Landlord ("Lender") harmless from any and all of the costs, fees, penalties, charges and expenses assessed against, or imposed, upon Landlord, and Lender (as well as Landlord's and Lender's attorneys' fees and costs) as a result of Tenant's use, disposal, transportation, generation, release and/or sale of Hazardous Substances on or about the Premises or Building. The indemnification obligation of this subsection shall survive the expiration or earlier termination of this Lease.

9. Utilities and Services.

- A. **Tenant's Responsibility.** Tenant shall be solely responsible for and shall promptly pay when due all charges for telecommunications and internet service and all other utilities that are separately metered and supplied to the Premises.
- B. **Services.** As long as Tenant is not in Default under this Lease, Landlord shall cause the Common Areas of the Building to be maintained in reasonably good order and condition, except for damage caused by any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, the repair of which shall be paid for by Tenant. Landlord shall furnish the Premises with electricity for office use (including for lighting and for low power usage, 110-volt office machines), water and elevator services. Landlord shall also provide customary common area janitorial service on weekdays, other than holidays. From 7:00 a.m. to 6:00 p.m. on weekdays, excluding legal holidays ("Normal Business Hours"), Landlord shall furnish the Premises with heat and air conditioning services. If requested by Tenant, Landlord shall furnish heat and air conditioning services at times other than Normal Business Hours, and janitorial services on other days, and Tenant shall pay for the cost of such services at rates established by Landlord as Additional Charges.
- (1) **Additional Service.** The Building standard mechanical system is designed to accommodate heating loads generated by lights and equipment using up to 4.2 watts per square foot. Tenant shall obtain Landlord's prior written consent before installing lights and equipment in the Premises that, in the aggregate, exceed such amount. Landlord may refuse to grant such consent unless Tenant agrees to pay (1) the costs incurred by Landlord for installation of supplementary air conditioning capacity or electrical systems as necessitated by such equipment or lights and (2) in advance, on the first day of each month during the Lease Term, the amount estimated by Landlord as the excess cost of furnishing electricity for the operation of such equipment or lights above normal Building levels and the amount estimated by Landlord as the cost of operation and maintenance of supplementary air conditioning units as necessitated by Tenant's use of such equipment or lights. Landlord shall be entitled to install, operate and maintain at Tenant's sole cost a monitoring/metering system in the Premises to measure the added demands on electricity, heating, ventilation and air conditioning systems, resulting from such equipment and lights and from Tenant's after-hours requirements, and Tenant shall pay Landlord the cost thereof in advance on the first day of each month.
- (2) **Interruption.** Landlord 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 services due to any cause whatsoever, including, but not limited to, electrical surges, 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 events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or to relieve Tenant from any of Tenant's obligations hereunder or to give Tenant a right of action against Landlord for damages. Tenant acknowledges its understanding that there will be Landlord-planned utility outages affecting the Building and that such outages may interfere, from time to time, with Tenant's use of the Premises. Landlord shall exercise best efforts to provide Tenant with forty eight (48) hours prior written notice of any Landlord-planned electricity outage in the Building but shall not be liable to Tenant for Landlord's failure to provide such notice. Landlord has no obligation to provide emergency or backup power to Tenant. Providing emergency or backup power to the Premises and enabling the equipment in the Premises to properly function shall be the sole responsibility of Tenant. If utilities are interrupted at the Premises so as to render them unfit for the Permitted Uses for more than 24 hours, then the Rent for the year shall be abated for the duration of the disruption in the proportion that the number of days of the disruption bears to the number of days of the year.

10. **Licenses and Taxes.** Tenant shall be liable for, and shall pay prior to delinquency, all license and excise fees and occupation taxes covering the business conducted on the Premises and all personal property taxes and other impositions levied with respect to Tenant's personal property located at the Premises. Tenant shall be responsible for, and shall pay prior to delinquency, all fees, charges, or costs, for any governmental inspections or examinations relating to Tenant's use and occupancy of the Premises.

Additionally, Tenant shall pay all taxes on Tenant's interest in this Lease and any leasehold interest deemed to have been created thereby under RCW Ch. 82.29A ("Leasehold Excise Tax" or "LET"). In the event the State of Washington makes any demand upon the Landlord for payment of leasehold excise taxes or withholds future payments due to the Landlord to enforce collections of leasehold excise taxes and Tenant has not paid the LET to the Landlord, Tenant shall remit the taxes demanded along with any interest and penalties associated therewith, or at no expense to the Landlord, contest such collection action and indemnify Landlord for all sums paid by Landlord or withheld by the State of Washington from Landlord in connection with such action. As of the execution of this Lease, the applicable LET rate is 12.84% of Base Rent, which rate and amount is subject to change from time to time.

11. **Delivery of Premises; Signage.**

- A. **Delivery of Premises.** Landlord shall deliver the Premises to Tenant in an "AS IS" condition on the Commencement Date. Except for any improvements eligible for the Tenant Improvement Allowance under Section 12, Tenant shall complete any tenant improvements at its sole cost. All Tenant improvements shall be completed in compliance with the provisions of Section 12 and Exhibit B.

- B. Signage. Landlord shall install Tenant's name and suite number in the Building directory on the main floor of the Building and in any directory on the floor on which the Premises are located, all in the style and manner of other Building lessees. Tenant shall be permitted to install, at its sole cost, signage at the Premises provided that the Landlord must provide prior written approval. Notwithstanding the foregoing, any and all Tenant's existing signage at the Premises are expressly approved by Landlord and shall be permitted to remain.

12. Alterations by Tenant.

- A. Tenant Improvement Allowance; Required Improvements. Landlord is providing a tenant improvement allowance in the amount provided in Section 1.1 ("Tenant Improvement Allowance") for certain Landlord-required improvements to the Premises. Tenant shall use the Tenant Improvement Allowance to make improvements to the Premises as follows: (i) \$15.00 per Rentable Square Foot (\$18,300.00) shall be used for flooring and paint improvements, and (ii) \$5.00 per Rentable Square Foot (\$6,100.00) shall be used for countertop finish work (collectively referred to as "Required Improvements"). Tenant shall begin construction of the Required Improvements promptly following receipt of a notice to proceed from Landlord, and shall diligently prosecute such work to its completion, all on the terms and conditions provided in the Tenant Improvement Requirements attached as Exhibit B. Landlord shall reimburse Tenant up to the amount of the Tenant Improvement Allowance for actual costs of completing the Required Improvements in compliance with the requirements of this Section and Exhibit B. Tenant shall be solely responsible for payment of all costs of improvements, alterations, or modifications to the Premises which exceed the amount of the Tenant Improvement Allowance. If Tenant completes the Required Improvements according to all applicable requirements for an amount less than the Tenant Improvement Allowance, Tenant shall be permitted to apply the remaining balance to (as a credit against) Base Rent.
- B. General Conditions for Tenant Improvements. Tenant shall not make any alterations, additions or improvements in or to the Premises without first obtaining Landlord's written approval. If required under Exhibit B, Tenant shall also submit for Landlord's approval professionally-prepared plans and specifications for such work as provided in Exhibit B. Tenant covenants that it will cause all alterations, additions and improvements to the Premises to be completed at Tenant's sole cost and expense by a contractor approved by Landlord and in a manner that (a) is substantially consistent with the Landlord-approved plans and specifications and any conditions imposed by Landlord in connection therewith; (b) is in conformity with first-class, commercial standards; (c) includes acceptable insurance coverage for Landlord's benefit; (d) does not affect the structural integrity of the Building or the integrity of any of the Building's systems; (e) does not disrupt the business or operations of any other tenant; and (f) does not invalidate any system warranty then in effect with respect to the Building. Tenant shall complete design and construction of all improvements and alterations within the Premises in compliance with all

permitting requirements and all other governmental requirements and restrictions, including but not limited to compliance with applicable building codes and with the Americans with Disabilities Act (ADA). Tenant expressly acknowledge that the provisions of the ADA may exceed requirements contained in building codes and other regulations and that such instances, the ADA requirements shall control. Tenant shall reimburse Landlord for all out of pocket expenses incurred in connection with these permitting and governmental requirements. Except as provided in Section 15 with regard to concurrent negligence, Tenant shall indemnify, defend and hold Landlord harmless from and against all losses, liabilities, damages, liens, costs, penalties and expenses (including attorneys' fees) arising from or out of the performance of such alterations, additions and improvements, including, but not limited to, all which arise from or out of Tenant's breach of its obligations under terms of this Section 12. Notwithstanding anything to the contrary in this Section 12 or Exhibit B of this Lease, Landlord hereby acknowledges and agrees that the Required Improvements are purely decorative, that no plans, specifications, drawings or other documents relating to the design of the Required Improvements will be prepared, and that the terms and provisions of this Lease relating to Landlord's review and approval of any of drawings, plans and specifications for Tenant's alteration or improvement of, addition to, the Premises shall not apply to the Required Improvements, it being agreed by the parties hereto that Tenant shall provide to Landlord, for Landlord's review and approval, samples of the materials proposed to be used by Tenant for the Required Improvements, and that Landlord's approval thereof shall constitute its notice to proceed with commencement of the Required Improvements.

- C. Ownership of Improvements. Upon the expiration or termination of this Lease, all alterations, additions and improvements (expressly including all light fixtures; heating, ventilation and air conditioning units; floor, window and wall coverings; and electrical wiring), except Tenant's property under Sections 14.B and 14.C, shall immediately become the property of Landlord without any obligation on its part to pay for any of the same. These improvements remain Landlord's and Tenant shall not remove all or any portion thereof on the termination of this Lease except as specifically approved by Landlord in writing or as otherwise agreed to by the parties at the time of any alteration, improvement or addition to the Premises.
- D. As-Built Plans. Within ninety (90) days after the completion of any alteration, addition or improvement to the Premises, Tenant shall deliver to Landlord a full set of "as-built" plans of the Premises, if any, showing the details of all alterations, additions and improvements made to the Premises.

13. Care of Premises.

- A. Tenant's Obligation. Tenant shall maintain the Premises, including all improvements, in good, clean and safe condition taking reasonable care to not cause any damage to the Premises and the Building, and surrounding areas. If Tenant fails to maintain the Premises or if the Premises or Building is damaged by Tenant, its

employees, contractors, licensees, or invitees, Landlord shall have the right upon delivery of prior written notice to Tenant, but not the obligation, to maintain and repair the Premises, and Tenant shall pay within thirty (30) days of invoice the actual and reasonable cost to repair all damage done to the Building or Premises that results from any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, including, but not limited to, cracking or breaking of glass. Landlord shall have the right to enter the Premises for such purposes. Landlord shall not be liable for interference with light, air or view.

- B. Landlord's Obligation. All normal repairs necessary to maintain the Building in a reasonable condition, as determined by Landlord, shall be performed under Landlord's direction and at Landlord's expense, except as otherwise provided here. Except as expressly set forth in this Lease, there shall be no abatement or reduction of Rent arising by reason of Landlord's making of repairs, alterations or improvements.
- C. Prohibition Against Installation or Integration of Any Work of Visual Art on Premises Without Landlord's Consent. Landlord reserves to and for itself the right to approve or disapprove of the installation or integration on or in the Premises of any "work of visual art," as that term is defined in the Visual Artists Rights Act of 1990, as now existing or as later amended, and to approve or disapprove of each and every agreement regarding any such installation or integration. Tenant shall not install on or integrate into, or permit any other person or entity to install on or integrate into, the Premises any such work of visual art without the prior, express, written consent of Landlord. Landlord's consent to the installation of any such art work may be granted, granted upon one or more conditions, or withheld in Landlord's discretion.
- D. Tenant's Indemnification of Landlord Against Liability under Visual Artists Rights Act of 1990. Tenant shall protect, defend, and hold Landlord harmless from and against any and all claims, suits, actions or causes of action, damages and expenses (including attorneys' fees and costs) arising as a consequence of (a) the installation or integration of any work of visual art on or into the Premises; (b) the destruction, distortion, mutilation or other modification of the art work that results by reason of its removal; or (c) any breach of Subsection 13.B of this Lease; or (d) any violation of the Visual Artists Rights Act of 1990, as now existing or hereafter amended by Tenant or any subtenant, licensee, assignee or concessionaire of Tenant, or of any officer, agent, employee, guest or invitee of any of the same.. This indemnification obligation shall exist regardless of whether Landlord or any other person employed by Landlord has knowledge of such installation, integration, or removal.

14. Surrender of Premises.

- A. General Matters. At the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord in the same condition in which received (or, if

altered, then the Premises shall be returned in such altered condition unless otherwise directed by Landlord pursuant to Section 12), reasonable wear and tear excepted. Prior to such return, Tenant shall remove its moveable trade fixtures and appliances and equipment and other personal property that have not been attached to the Premises, and shall repair any damage resulting from their removal. In no event shall Tenant remove heating, ventilating and air conditioning equipment; lighting equipment or fixtures; or floor, window or wall coverings unless otherwise specifically approved by Landlord in writing or as otherwise agreed to by the parties in writing. Tenant's obligations under this Section 14 shall survive the expiration or termination of this Lease. Tenant shall indemnify Landlord for all damages and losses suffered as a result of Tenant's failure to remove voice and data cables, wiring and communication lines installed by or for Tenant and moveable trade fixtures and appliances and to redeliver the Premises on a timely basis.

- B. Cable and Wiring. On or before the Expiration Date, or if this Lease is terminated before the Expiration Date then within fifteen (15) days after the effective termination date, Tenant shall remove all voice and data communication and transmission cables and wiring installed by or for Tenant to serve any telephone, computer or other equipment located in the Premises, which wiring and cabling shall include all of the same located within the interior and exterior walls and through or above the ceiling or through or below the floor of the Premises or located in any Building equipment room, vertical or horizontal riser, raceway, conduit, channel, or opening connecting to the Premises. Tenant shall remove any raceway installed or used exclusively for Tenant's communication and transmission cables except those raceways Landlord directs to leave in place. Tenant shall leave the mud rings, face plates and floor boxes in place.
- C. Personal Property. Landlord may, at its election, retain or dispose of in any manner any of Tenant's moveable trade fixtures, appliances, equipment, and other personal property (collectively, "Personal Property") that Tenant does not remove from the Premises at the expiration of the Lease Term or within fifteen (15) days after termination of the Lease. Landlord will give written notice to Tenant specifying the Personal Property to be removed and requesting removal, and if Tenant does not remove the Personal Property within ten (10) days from the date of notice, the Personal Property will be deemed abandoned by Tenant and title to the Personal Property shall vest in Landlord. Landlord may retain or dispose of the Personal Property in Landlord's discretion. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any Personal Property not removed by Tenant as required under this Section 14. Tenant shall be liable to Landlord for Landlord's reasonable costs for storing, removing and disposing of Tenant's trade fixtures and Personal Property.

15. Waiver; Indemnification.

- A. Tenant's Indemnification. Except as otherwise provided in this section, Tenant shall indemnify, defend (using legal counsel acceptable to Landlord) and hold

Landlord, its officers, contractors, agents, and employees, Lenders and other tenants and occupants of the Building harmless from all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including Landlord's personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) resulting from any actual or alleged injury (including death) of any person or from any actual or alleged loss of or damage to, any property arising out of or in connection with (i) Tenant's occupation, use or improvement of the Premises, or that of any of its employees, agents or contractors, (ii) Tenant's breach of its obligations hereunder, or (iii) any act or omission of Tenant or any subtenant, licensee, assignee or concessionaire of Tenant, or of any officer, agent, employee, guest or invitee of any of the same in or about the Building. Tenant agrees that the foregoing indemnity specifically covers actions brought by its own employees. This indemnity with respect to acts or omissions during the Lease Term shall survive termination or expiration of this Lease. The foregoing indemnity is specifically and expressly intended to constitute a waiver of Tenant's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide Landlord with a full and complete indemnity from claims made by Tenant's employees. Tenant shall promptly notify Landlord of casualties or accidents occurring in or about the Premises.

- B. Release of Claims. Tenant hereby fully and completely waives and releases all claims against Landlord for any losses or other damages sustained by Tenant or any person claiming through Tenant 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 component; or any act, omission or negligence of co-tenants, licensees or any other persons or occupants of the Building.
- C. Limitation of Tenant's Indemnification. In compliance with RCW 4.24.115 as in effect on the date of this Lease, all provisions of this Lease pursuant to which Landlord or Tenant (the "Indemnitor") agrees to indemnify the other (the "Indemnatee") against liability for damages arising out of bodily injury to Persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, road, or other structure, project, development, or improvement attached to real estate, including the Building, (i) shall not apply to damages caused by or resulting from the sole negligence of the Indemnatee, its agents or employees, and (ii) to the extent caused by or resulting from the concurrent negligence of (a) the Indemnatee or the Indemnatee's agents or employees, and (b) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence; PROVIDED, HOWEVER, the limitations on indemnity set forth in this section shall automatically and without further act by either Landlord or Tenant be deemed

amended so as to remove any of the restrictions contained in this section no longer required by then applicable law.

- D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 12 AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

16. Insurance.

- A. Tenant's Insurance Coverages and Limits. Tenant shall, at its sole cost and expense, maintain, and cause its Subtenant(s), if any, to maintain in full force and effect the following minimum limits of insurance, and adhere to all terms and conditions set forth below, throughout the entire Lease Term:

- (1) Commercial General Liability (CGL) written on an occurrence form at least as broad as ISO CG 00 01, with Minimum Limits of Liability:

\$1,000,000 per Occurrence
\$2,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$1,000,000 Personal/Advertising Injury Liability
\$ 1,000,000 Damage to Premises Rented to You

Employers Liability / Washington Stop
\$1,000,000 Each Accident / Each Disease / Policy Limit

Alternatively, may be evidenced as Employer's Liability insurance under Part B of a Workers Compensation insurance policy.

Coverage shall include: Premises and Operations; Broad Form Property Damage (Including Completed Operations); Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract); Personal Injury and Advertising Liability; Independent Contractors; Severability of Interest Clause; Waiver of Subrogation endorsement in favor of Owner as required by contract; General Aggregate Limits of Insurance shall apply separately; "Claims Made" and "Modified Occurrence" policy forms are not acceptable.

The limits of liability described above are minimum limits of liability only. Regardless of provisions to the contrary under the terms of any insurance policy maintained by Tenant, the specification of any such minimum limits shall neither be (1) intended to establish a maximum limit of liability to be maintained by Tenant regarding this Agreement, nor (2) construed as limiting the liability of any of Tenant's insurers, which must continue to be governed by the stated limits of liability of the relevant insurance policies.

- (2) Automobile Liability insurance at least as broad as ISO CA 00 01 including coverage for owned, non-owned, leased or hired vehicles as applicable, with a minimum limit of \$1,000,000 each accident for bodily injury and property damage.
- (3) Workers' Compensation insurance securing Tenant's liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington.
- (4) Umbrella or Excess Liability insurance if and as necessary to maintain total CGL and Automobile Liability insurance limits of \$5,000,000 Each Occurrence and be no less broad than coverages described above.
- (5) Property Insurance under which the Tenant's furniture, trade fixtures, equipment and inventory ("Business Personal Property") and all alterations, additions and improvements that Tenant makes to the Premises are insured throughout the Lease Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (earthquake optional), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form" (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises; (iv) loss from business interruption or extra expense, with sufficient coverage to provide for the payment of Rent and Additional Charge and other fixed costs during any interruption of Tenant's business. Coverage shall contain a waiver of coinsurance or agreed amount endorsement(s). Landlord shall be named as a loss payee, as its interest may appear, as respects property insurance covering the alterations, additions and improvements under such policy.
- (6) Pollution Legal Liability is required if the Tenant will be using or storing hazardous materials or regulated substances, such as fuel, with a minimum limit of \$1,000,000 per claim for bodily injury, property damage, clean up and emergency response costs. It is acceptable to add ISO endorsement CG 24 15 Limited Pollution Liability Extension or its equivalent to the CGL policy or obtain a separate pollution legal liability policy.
- (7) In the event that Landlord deems insurance to be inadequate to protect Tenant and Landlord, Tenant shall increase coverages and/or liability limits as Landlord shall deem reasonably adequate within sixty (60) days after the date of written notice.

B. Terms and Conditions for Tenant's Insurance.

- (1) City of Seattle as Additional Insured: The CGL insurance and, in addition, Excess and/or Umbrella liability insurance, if any, shall include "City of Seattle, its officers, officials, employees, agents and volunteers" as additional insureds. Tenant's insurance shall be primary and non-contributory to any insurance maintained by or available to Landlord. The term "insurance" in this paragraph shall include insurance, self-insurance (whether funded or unfunded), alternative risk transfer techniques, capital market solutions or any other form of risk financing.
- (2) Required Separation of Insured Provision; Cross-Liability Exclusion and other Endorsements Prohibited: Tenant's insurance policy shall include a "separation of insureds" or "severability" clause that applies coverage separately to each insured and additional insured, except with respect to the limits of the insurer's liability. Tenant's insurance policy shall not contain any provision, exclusion or endorsement that limits, bars, or effectively precludes City of Seattle from coverage or asserting a claim under the Tenant's insurance policy on the basis that the coverage or claim is brought by an insured or additional insured against an insured or additional insured under the policy. Tenant's CGL policy shall NOT include any of the following Endorsements (or their equivalent endorsement or exclusions): (a) Contractual Liability Limitation, (CGL Form 21 39 or equivalent), b) Amendment Of Insured Contract Definition, (CGL Form 24 26 or equivalent), (c) Limitation of Coverage to Designated Premises or Project, (CGL Form 21 44 or equivalent), (d) any endorsement modifying or deleting the exception to the Employer's Liability exclusion, (e) any "Insured vs. Insured" or "cross-liability" exclusion, and (f) any type of punitive, exemplary or multiplied damages exclusion. Tenant's failure to comply with any of the requisite insurance provisions shall be a material breach of, and grounds for, the immediate termination of the Agreement with City of Seattle; or if applicable, and at the discretion of City of Seattle, shall serve as grounds for Landlord to procure or renew insurance coverage with any related costs of premiums to be repaid by Tenant or reduced and/or offset against the Agreement.
- (3) Cancellation Notice: Coverage shall not be cancelled without 45 day written notice of such cancellation, except ten day written notice as respects cancellation for non-payment of premium, to Landlord at its notice address except as may otherwise be specified in Revised Code of Washington (RCW) 48.18.290 (Cancellation by insurer.). Landlord and Tenant mutually agree that for the purpose of RCW 48.18.290 (1) (b), for both liability and property insurance Landlord is deemed to be a "mortgagee, pledge, or other person shown by (the required insurance policies) to have an interest in any loss which may occur thereunder."

- (4) Minimum Security Requirements: Each insurance policy required hereunder shall be (1) subject to reasonable approval by Landlord that it conforms with the requirements of this Section, and (2) be issued by an insurer rated A-;VIII or higher in the then-current A. M. Best's Key Rating Guide and licensed to do business in the State of Washington unless procured under the provisions of chapter 48.15 RCW (Unauthorized insurers).
- (5) Deductible or Self-Insured Retention: Any deductible or self-insured retention ("S.I.R.") must be disclosed to, and shall be subject to reasonable approval by, Landlord. Tenant shall cooperate to provide such information as Landlord may reasonably deem to be necessary to assess the risk bearing capacity of the Tenant to sustain such deductible or S.I.R. The cost of any claim falling within a deductible or S.I.R. shall be the responsibility of Tenant. If a deductible or S.I.R. for CGL or equivalent insurance is not "fronted" by an insurer but is funded and/or administered by Tenant or a contracted third party claims administrator, Tenant agrees to defend and indemnify Landlord to the same extent as Landlord would be protected as an additional insured for primary and non-contributory limits of liability as required herein by an insurer.

C. City's Property Insurance Coverage and Limits.

- (1) City will maintain at its expense Property Insurance or self-insurance under which the Building and Premises, excluding Tenant's Business Personal Property and Tenant Improvements, are insured throughout the Lease Term in an amount not less than the replacement cost new thereof, against the following hazards: (i) loss from the perils of fire and other risks of direct physical loss (including earthquake), not less broad than provided by the insurance industry standard "Causes of Loss - Special Form (ISO form CP 1030 or equivalent); (ii) loss or damage from water leakage or sprinkler systems now or hereafter installed in or on the Premises; (iii) loss or damage by explosion of steam boilers, pressure vessels, or above-ground oil or gasoline storage tanks or similar apparatus now or hereafter installed on the Premises. City's Property Insurance currently is subject to a \$250,000 deductible for most claims for which Tenant shall be responsible only to the proportional extent to which the loss or damage is attributable to Tenant's negligent acts that are, or should be, covered by Tenant's Fire/Tenant Legal Liability insurance.
- (2) During such time as Tenant is engaged in the performance of the Improvements or other renovation of the Premises, the Tenant shall maintain in full force and effect "All Risks" Builder's Risk Property insurance or equivalent for the portion of the Premises under renovation, including fire and flood, on a replacement cost new basis subject to a deductible of no more than \$50,000 each loss. In the event of a claim under

the builder's risk policy, Tenant or its contractor(s) shall be responsible for paying any deductible under the policy if Tenant or any of its agents, employees, or contractors is responsible for the loss or damage. It shall be Tenant's responsibility to properly coordinate with Landlord's Risk Management Division the placement of Builder's Risk Property insurance prior to any new construction on, or structural alteration of, the Premises.

- (3) Landlord may change the terms of its insurance in Sections 15.2.1 and 15.2.2 at any time based on market conditions, with no compensation due to the Tenant.

- D. Waiver of Subrogation. Unless such waiver would void the property insurance coverage to be provided pursuant to this section, Landlord and Tenant waive all subrogation rights each may have against the other, or any subtenant, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this section or other property insurance applicable to the Premises, except such rights as they have to proceeds of such insurance held by Landlord or the Tenant or both as fiduciary. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid the insurance premium directly or indirectly, and whether or not the person or entity has an insurable interest in the property damaged.
- E. Evidence of Insurance. On or before the Commencement Date, and thereafter not later than the last business day prior to the expiration date of each such policy, the following documents must be delivered to City at its notice address as evidence of the insurance coverage required to be maintained by Tenant:
 - (1) Certification of insurance documenting compliance with the coverage, minimum limits and general requirements specified herein; and
 - (2) A copy of the policy's declarations pages, showing the insuring company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements specifying all endorsements listed on the policy including any company-specific or manuscript endorsements;
 - (3) A copy of the CGL insurance policy provision(s) and endorsements expressly including City of Seattle and its officers, elected officials, employees, agents and volunteers as additional insureds (whether on ISO Form CG 20 26 or an equivalent additional insured or blanket additional insured policy wording), showing the policy number, and the original signature and printed name of the representative of the insurance company authorized to sign such endorsement;

- (4) Pending receipt of the documentation specified in this Section, Tenant may provide a copy of a current complete binder. An ACORD certificate of insurance will not be accepted in lieu thereof.
- F. Evidence of Insurance as set forth above, shall be issued to:
The City of Seattle
Care of CBRE
700 Fifth Avenue, Suite 4040
Seattle, WA 98104
- G. Damage or Destruction. See Section 19.
- H. Assumption of Property Risk. The placement and storage of Tenant's Business Personal Property in or about the Premises shall be the responsibility, and at the sole risk, of Tenant.
- I. Adjustments of Claims: The Tenant shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of the Tenant under this Agreement.
- J. Tenant's Responsibility: The procuring of the policies of insurance required by this Agreement shall not be construed to limit the Tenant's liability hereunder. Notwithstanding said insurance, the Tenant shall be obligated for the full and total amount of any damage, injury or loss caused by negligence of the Tenant, or any of its agents, officers and employees or through use or occupancy of the Premises.
17. Assignment or Sublease. Tenant shall not sublet or encumber the whole or any part of the Premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of Landlord. The granting of consent to a given transfer shall not constitute a waiver of the consent requirement as to future transfers. In lieu of giving its consent, Landlord shall have the right to terminate the Lease, by delivery of written notice to Tenant, as to the portion of the Premises affected by the action for which Landlord's consent is requested and recover possession thereof from Tenant within twenty (20) days following written notice thereof to Tenant. All costs incurred by Landlord in separating the remainder of the Premises from the area so retaken shall be paid by Tenant as an Additional Charge. Any assignment or sublease, without Landlord's prior written consent shall be voidable by the Landlord. No assignment or sublease shall release Tenant from primary liability hereunder. Each assignment and sublease shall be by an instrument in writing in form satisfactory to Landlord. If Tenant assigns its interest in this Lease, or sublets the Premises, then the Base Rent shall be increased, effective as of the date of such assignment or subletting, to the higher of (i) the rentals payable by the assignee or sublessee pursuant to such assignment or sublease, or (ii) the Base Rent then being charged by Landlord for comparable space in the Building; provided, however, in no event shall the base monthly rent, after such assignment or subletting, be less than the Base Rent specified in Section 1. If Tenant assigns its interest in this Lease or sublets the Premises, Tenant shall pay to

Landlord any and all consideration received by Tenant for such assignment or sublease, in excess of the Rent and Additional Charges payable hereunder, after first deducting any and all costs and expenses incurred by Tenant in connection with such assignment or sublease, including, without limitation, any brokers' commissions, advertising costs, tenant improvement costs, and any other reasonable third party costs that Tenant has incurred in connection with such sublease or assignment. If Tenant 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, Tenant's outstanding voting stock, shall constitute an assignment for the purposes of this Lease. If Tenant is a partnership, then a change in general partners in or voting or decision-making control of the partnership shall also constitute an assignment. Tenant shall also pay all legal fees and other costs incurred by Landlord in connection with Landlord's evaluation of Tenant's request for approval of assignments or subleases, including assignments for security purposes.

18. **Assignment by Landlord.** If Landlord sells or otherwise transfers the Building, or if Landlord assigns its interest in this Lease (other than an assignment solely for security purposes, or a transfer in foreclosure, or a deed in lieu of foreclosure) such purchaser, transferee, or assignee thereof shall be deemed to have assumed Landlord's obligations under this Lease arising after the date of such transfer, and Landlord shall thereupon be relieved of all liabilities under this Lease arising thereafter, but this Lease shall otherwise remain in full force and effect. Tenant shall attorn to Landlord's successor.
19. **Destruction.** If the Premises or the Building are rendered partially or totally untenantable by fire or other casualty, the Landlord may elect to repair or replace the damaged or destroyed portion or to terminate this Lease. If Landlord elects to repair or replace any portion of the Building, Landlord shall proceed with reasonable diligence to prepare plans and specifications for, and thereafter to carry out, all work necessary to repair or replace the Building, the Premises or any portions thereof that were damaged or destroyed by a fire or other casualty. In determining reasonable diligence, Landlord and Tenant shall take into account when and if sufficient insurance, self-insurance, or other funds are available for the repair and replacement work. If Landlord elects to terminate this Lease, Landlord shall give Tenant at least thirty (30)-day written notice and Landlord shall retain the insurance proceeds for the Building, the Premises or any portions thereof that were damaged or destroyed by a fire or other casualty. Base Rent and Tenant's Share of excess Operating Expenses shall be abated in the proportion that the untenantable portion of the Premises bears to the whole thereof, as determined by Landlord, for the period from the date of the casualty to the termination of this Lease or the completion of the repairs, unless the casualty results from or is contributed to by the negligence of Tenant or any of its officers, contractors, agents, invitees, guests or employees or Tenant's breach of this Lease. If the Premises cannot be repaired within six months from the date of the casualty or if 30% or more of the Building Rentable Area is destroyed or damaged regardless of whether the Premises are damaged or not, then Tenant may terminate this Lease by giving Landlord 30-day written notice within 60 days after the casualty. Landlord shall advise Tenant of Landlord's election to repair or terminate by giving notice to Tenant thereof within 30 days after the casualty. Unless Landlord elects to terminate this Lease, Tenant shall, at its sole cost and expense, repair all damage to its own personal property and to all improvements

that Tenant has made to the Premises as soon as reasonably possible and in less than 24 months. Landlord shall not be liable to Tenant for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Building or Premises.

20. Eminent Domain.

- A. Taking. If all of the Premises are taken by Eminent Domain, this Lease shall terminate as of the date Tenant is required to vacate the Premises and all Base Rent and Additional Charges shall be paid to that date. The term "Eminent Domain" shall include the taking or damaging of property by, through or under any governmental or statutory authority, and any purchase or acquisition in lieu thereof, whether the damaging or taking is by government or any other person. If a taking of any part of the Premises by Eminent Domain renders the remainder thereof unusable for the business of Tenant, in the reasonable judgment of Landlord, the Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after Landlord gives Tenant written notice of the taking, and such termination shall be effective as of the date when Tenant is required to vacate the portion of the Premises so taken. If this Lease is so terminated, all Base Rent and Additional Charges shall be paid to the date of termination. Whenever any portion of the Premises is taken by Eminent Domain and this Lease is not terminated, Landlord, at its expense, shall commence and complete at the earliest reasonable time the restoration of, to the extent of the compensation from the taking and to the extent it is reasonably prudent to do so, the remainder of the Premises to the condition they were in immediately prior to such taking, and Tenant, at its expense, shall commence and complete at the earliest reasonable time the restoration of its personal property and all improvements made by it to the Premises to the same condition they were in immediately prior to such taking. The Base Rent shall be recalculated using the Base Rent per Rentable Square Foot specified in Subsection 1.E. and the remaining, untaken area of the Premises from the date Tenant is required to partially vacate the Premises.
- B. Award. Landlord reserves all right to the entire damage award or payment for any taking by Eminent Domain, and Tenant waives all claim whatsoever against Landlord for damages for termination of its leasehold interest in the Premises or for interference with its business. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to such damages and agrees to execute and deliver such further instruments of assignment as Landlord, from time to time, may request. Tenant, however, shall have the right to claim from the condemning authority all compensation that may be recoverable by Tenant on account of any loss incurred by Tenant in moving Tenant's merchandise, furniture, trade fixtures and equipment, provided, however, that Tenant may claim such damages only if they are awarded separately in the eminent domain proceeding and not out of or as part of Landlord's damages.

21. Default by Tenant.

- A. Definition. If Tenant violates or breaches or fails to keep or perform any covenant, term or condition of this Lease and does not cure the same within the applicable notice and cure period(s) provided in this Lease, or if Tenant or any guarantor of Tenant's obligations under this Lease ("Guarantor"), if any, files or is the subject of a petition in bankruptcy, or if a trustee or receiver is appointed for Tenant's or Guarantor's assets or if Tenant or Guarantor makes an assignment for the benefit of creditors, or if Tenant or Guarantor is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or liquidated, voluntarily or otherwise or vacates or abandons the Premises as described in Section 21.B below then Tenant shall be deemed in default hereunder (a "Default"). If Tenant does not cure its Default after written notice from Landlord within (i) three days for any Default in Payment Base Rent or Additional Charges, or (ii) the time specified by Landlord's notice for any other Default, but in any case no less than ten days or such other time for any other Default, then Landlord shall have the following nonexclusive rights and remedies, at its option: (i) to terminate this Lease and all of the rights of Tenant in or to the Premises and to reenter and re-take possession of the Premises for which actions Tenant shall have no claim; or (ii) to cure such default on Tenant's behalf and at Tenant's sole expense and to charge Tenant for all reasonable out of pocket costs and expenses incurred by Landlord in effecting such cure as an Additional Charge; or (iii) without declaring this Lease terminated, to reenter the Premises and to occupy the whole or any part thereof for and on account of Tenant and to collect any unpaid Base Rent and Additional Charges that have become payable or that may thereafter become payable; or (iv) even after Landlord may have reentered the Premises without terminating the Lease, to thereafter to terminate this Lease and all of the rights of Tenant in or to the Premises.
- B. Vacation or Abandonment. If Lessee vacates or abandons the Premises in their entirety and fails to reoccupy them within thirty (30) days after City (1) delivers a notice to Lessee's notice address set forth in Section 1.9 above demanding such reoccupancy and (2) mails by certified or registered mail a copy of the notice to any forwarding address given by Lessee to City in writing, Lessee shall be in default under this Lease and Landlord may terminate this Lease without further notice or opportunity for cure notwithstanding Subsection 21.A.
- C. Reentry. If Landlord reenters the Premises under option (iii) of Subsection 21.A or takes any other action to regain possession (such as unlawful detainer), Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any Rent thereafter accruing as it becomes due unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease; and Tenant shall be liable for and shall reimburse Landlord upon demand for all costs and expenses of every kind and nature incurred in retaking possession of the Premises and all other losses suffered by Landlord as a consequence of Tenant's Default. In the event of any entry or taking possession of the Premises, Landlord shall have the right, but

not the obligation, to remove from the Premises all or any part of the personal property located there and may place the same in storage at a public warehouse at the expense and risk of Tenant, or to treat such property as abandoned as provided under Section 14.C.

- D. Termination. If Landlord elects to terminate this Lease for Tenant's Default, in addition to termination, Landlord reserves the right to pursue any amount of damages from Tenant resulting from such Default which may be allowed at law or any remedy in equity.
- E. Adequate Security. If a petition is filed by or against Tenant or Guarantor, if any, under any provision of the Bankruptcy Code or successor act, Tenant shall post a cash bond with Landlord equal to six (6) months' Base Rent and Additional Charges to provide Landlord with adequate security for Tenant's performance of its obligations under this Lease.

22. Landlord's Remedies Cumulative; Waiver. Landlord's rights and remedies hereunder are not exclusive, but cumulative, and Landlord's exercise of any right or remedy due to a default or breach by Tenant shall not be deemed a waiver of, or alter, affect or prejudice any other right or remedy that Landlord may have under this Lease or by law or in equity. Neither the acceptance of Rent nor any other act or omission of Landlord at any time or times after the happening of any event authorizing the termination 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 Landlord of its right to terminate this Lease, upon the written notice provided for here, at any time that cause for termination may exist, or be construed so as to estop Landlord at any future time from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease.

23. Default by Landlord.

- A. Landlord's Cure Period. Landlord shall be in default if Landlord fails to perform its obligations under this Lease within sixty (60) days after its receipt of notice of nonperformance from Tenant; provided, that if the failure cannot reasonably be cured within the sixty (60) day period, Landlord shall not be in default if Landlord commences the cure within the sixty (60) day period and thereafter diligently pursues such cure to completion.
- B. Notice to Lender and Lender's Cure Period. If Landlord provides Tenant notice that any Lender has an interest in this Lease, then in the event of a default by Landlord that would otherwise entitle Tenant to terminate this Lease, Tenant shall not terminate this Lease or pursue any other remedy unless (i) Tenant has notified Lender of the nature and extent of the default, at least sixty (60) days before the proposed effective date of termination, and (ii) Lender has not cured the default within sixty (60) days of the notice. If the default is not reasonably possible to cure with due diligence within sixty (60) days, the Lease shall not be terminated if the

Lender commences the cure within sixty (60) days and pursues the cure with due diligence to completion. If the Landlord is in default and the Lender fails to cure the default within the required period, then the Tenant shall have the right to terminate this Lease.

24. **Attorneys' Fees.** If either party retains the services of an attorney in connection with enforcing the terms of this Lease, each party agrees to bear its own attorneys' fees and costs.
25. **Access by Landlord.** Landlord and its agents shall have the right to enter the Premises at any time upon reasonable notice to Tenant in order to examine the same, and to show them to prospective purchasers, lenders or tenants (but showings to other prospective tenants shall only be permitted during the last twelve (12) months of the Term), and to make such repairs, alterations, improvements, additions or improvements to the Premises or Building as Landlord may deem necessary or desirable. If Tenant is not personally present to permit entry and an entry is necessary in an emergency, Landlord may enter the Premises by master key or may forcibly enter the Premises without notice and without rendering Landlord liable therefor. Nothing contained in this Lease shall be construed to impose upon Landlord any duty of repair or other obligation not specifically stated in this Lease. Tenant shall change the locks to the Premises only through Landlord and upon paying Landlord for all costs related to the change.
26. **Holding Over.** Unless otherwise agreed in writing by the parties hereto, any holding over by Tenant after the expiration of the then current Lease Term, whether or not consented to by Landlord, shall be construed not as an Extended Term or renewal but as a periodic tenancy from month-to-month on the terms and conditions set forth here, except for Base Rent, which shall be increased to one and one-half (1½) times the Base Rent in effect during the last month of the Lease Term immediately preceding the holdover period. Any holdover tenancy may be terminated by either party by written notice delivered to the other party not later than thirty (30) days prior to the end of month. If Tenant fails to surrender the Premises upon the expiration or termination of this Lease, Tenant shall indemnify, defend and hold harmless Landlord 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.
27. **Lease Subordinate to Mortgages.** This Lease shall be automatically subordinate to all of Landlord's mortgages or deeds of trust that heretofore and hereafter affect the Premises or Building; to any sale and leaseback; 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; all provided that for so long as Tenant is not in default hereunder beyond the applicable Section 21 cure period, Tenant shall have continued enjoyment of the Premises and the rights provided under this Lease, free from any disturbance or interruption by reason of any exercise of remedies by Lender under or in connection with its deed of trust or mortgage. This subordination shall be self-operative, and no further instrument of subordination shall be necessary to effect such subordination. Tenant, nevertheless, shall execute such instrument of subordination as may be required by

any Lender if such instrument of subordination carries out the terms of this Section 27. 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, Tenant shall attorn to the purchaser (or transferee) of the Building at such foreclosure or sale and recognize such purchaser (or transferee) as Landlord under this Lease if so requested by such purchaser (or transferee). Such attornment shall be self-operative and no further instrument need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.

28. **Estoppel and Other Certificates.** As a material inducement to Landlord to enter into this Lease, Tenant covenants that it shall, within ten (10) days of the receipt thereof, acknowledge and deliver to Landlord (a) any subordination or non-disturbance or attornment agreement or other instrument that Landlord may require to carry out the provisions of Section 27, and (b) any estoppel certificate requested by Landlord from time to time in the commercially reasonable standard form of Landlord or any mortgagee or beneficiary of such deed of trust certifying, to the extent such be true, and to Tenant's actual knowledge, that (i) Tenant shall be in occupancy, (ii) this Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as modified and stating the modification(s), (iii) Base Rent and Additional Charges have been paid only through a certain specified date, (iv) Tenant has no offset, defense or claim against Landlord and (v) such other matters as Landlord may reasonably request. Tenant's failure to deliver an estoppel certificate within the ten (10) day period shall be deemed its confirmation of the accuracy of the information supplied by Landlord to the prospective lender or purchaser. Tenant acknowledges and agrees that Landlord and others will be relying and are entitled to rely on the statements contained in such estoppel certificates.
29. **Quiet Enjoyment.** If Tenant fully complies with and promptly performs all of the terms, covenants and conditions of this Lease on its part to be performed, it shall have quiet enjoyment of the Premises throughout the Lease Term, subject, however, to matters of record on the day hereof and to those matters to which this Lease may be subsequently subordinated.
30. **Notices.** Any notice, demand or request required hereunder shall be given in writing to the party's address set forth in Subsection 1.K hereof by any of the following means: (a) personal service; (b) commercial or legal courier; (c) registered or certified, first class mail, postage prepaid, return receipt requested, or (d) by email, provided that delivery of any notice by one of the foregoing methods shall promptly follow. Such addresses may be changed by notice to the other parties given in the same manner as above provided. Notices shall be deemed to have been given upon the earlier of actual receipt, as evidenced by the deliverer's affidavit, the recipient's acknowledgment of receipt, or the courier's receipt, except in the event of attempted delivery during the recipient's normal business hours at the proper address by an agent of a party or by commercial or legal courier or the U.S. Postal Service but refused acceptance, in which case notice shall be deemed to have been

given upon the earlier of the day of attempted delivery, as evidenced by the messenger's affidavit of inability to deliver stating the time, date, place and manner in which such delivery was attempted and the manner in which such delivery was refused or forty-eight (48) hours following deposit in the U.S. mail.

31. **Successors or Assigns.** All of the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and, subject to the terms of Section 17, their respective heirs, administrators, executors, successors and permitted assigns, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.
32. **Tenant Authority and Liability.** Tenant warrants that this Lease has been duly authorized, executed and delivered by Tenant, and that the individual signing on the Tenant's behalf has the requisite power and authority to enter into this Lease and perform its obligations hereunder. Tenant covenants to provide Landlord with evidence of its authority and the authorization of this Lease upon request. All persons and entities named as Tenant here shall be jointly and severally liable for Tenant's liabilities, covenants and agreements under this Lease.
33. **Brokers' Commission.** Landlord represents that CBRE, Inc. has represented it in connection with this Agreement. Tenant represents that no broker has represented Tenant for purposes of this Agreement. Landlord shall pay CBRE, Inc., a commission which is calculated pursuant to a separate Agreement. If any person or entity not identified in this section makes a claim for a brokerage commission or finder's fee of any kind, then the party through whom or on whose behalf such services are claimed shall defend and indemnify the other party for any claims, costs or fees for unpaid broker's fees or commissions.
34. **Partial Invalidity.** If any court determines that any provision of this Lease or the application hereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.
35. **Recording.** Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request by either party, both parties shall execute a memorandum of this Lease, in a form customarily used for such purpose of recordation. The memorandum shall describe the parties, the Premises and the Lease Term and shall incorporate the other terms of this Lease by reference.
36. **Financial Statements.** Within ten (10) business days after Landlord's request therefor, Tenant shall deliver to Landlord a financial statement for Tenant's prior quarter and fiscal year. Tenant shall certify the accuracy of such statements. Landlord may make these financial statements available to potential lenders or purchasers, but shall otherwise

preserve their confidentiality except in connection with legal proceedings between the parties or as otherwise directed by court rule or order.

37. **Parking.** Tenant shall have a license to use up to the number of parking spaces specified in Subsection 1.1 on an unassigned basis at the prevailing monthly rates established by the Building garage, subject to such reasonable rules and regulations as may be established from time to time by Landlord or its parking operator. Monthly parking charges shall be payable in advance on the first day of each month as Additional Charges. Tenant may reduce the number of parking spaces licensed to it after giving Landlord thirty (30) days prior written notice of the reduction; provided that no such reduction shall be effective until Tenant surrenders to Landlord the key cards, stickers or other identification materials used to provide garage access for the parking spaces surrendered.
38. **Relocation.** Landlord reserves the right without Tenant's consent, on thirty (30) days prior notice to Tenant, to substitute other space within the Building (the "Substitute Premises") for the Premises, provided that the Substitute Premises: (a) are situated on a floor not lower than floor 3 in the Building; (b) contain at least the same Rentable Area as the Premises; (c) contain comparable tenant improvements; and (d) are made available to Tenant at the then-current monthly Base Rental rate for such space. If the substitution occurs prior to the date Tenant initially occupies the Premises, then Landlord shall reimburse Tenant for the necessary and reasonable costs incurred by Tenant in planning for the space in the initial Premises, which expenses have been previously approved by Landlord and have no benefit to Tenant in the Substitute Premises. If Tenant is occupying the Premises at the time Landlord gives notice of any such relocation, Landlord shall pay the cost of moving Tenant, its property and equipment to the Substitute Premises and shall, without cost or expense to Tenant, improve the Substitute Premises with improvements substantially similar to those located in the Premises. All of the other terms, covenants and conditions of the Lease shall remain unchanged and in full force and effect, except that Section 1 and Exhibit A shall be revised to identify the Substitute Premises, to state the Rentable Area of the Substitute Premises and to make the change, if any, in Base Rent.
39. **Liability of Landlord.** Tenant shall look solely to rents, issues and profits from the Building for the satisfaction of any judgment or decree against Landlord, whether for breach of the terms hereof or arising from a right created by statute or under common law. Tenant agrees that no other property or assets of the Landlord or any partner in or of Landlord shall be subject to levy, execution or other enforcement procedures for satisfaction of any such judgment or decree; no partner in or of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction over the partnership); no service of process shall be made against any partner in or of Landlord (except as may be necessary to secure jurisdiction over the partnership); no judgment will be taken against partner in or of Landlord; no writ of execution will ever be levied against the assets of any partner in or of Landlord; and these covenants, limitations and agreements are enforceable both by Landlord and by any partner in or of Landlord. References in this Section 39 to a partner in or of Landlord shall mean and include all past, present and future partners of The City of Seattle and any subsequent owner of the Building.

40. **Force Majeure.** Landlord shall not be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such is due to any cause beyond its reasonable control, including, but not limited to an act of Nature, act of civil or military authority, fire, flood, windstorm, earthquake, strike or labor disturbance, civil commotion, delay in transportation, governmental delay, or war.
41. **Counterparts.** This Lease may be executed by the parties in counterparts, which, taken together, constitute the entire Lease.
42. **Name of Building.** Landlord reserves the right to change the name of the Building. Tenant agrees that such change shall not require amendment of this Lease or affect in any way its obligations under this Lease, and that, except for the name change, all terms and conditions of this Lease shall remain in full force and effect.
43. **Headings.** The section headings used in this Lease are used for purposes of convenience and do not alter in any manner the content of the sections.
44. **Context.** Whenever appropriate from the context, the use of any gender shall include any other or all genders, and the singular shall include the plural, and the plural shall include the singular.
45. **Execution by Landlord and Tenant; Effective Date; Approval of Seattle City Council.** This Lease shall become effective on the date (the "Effective Date") on which this Lease is executed by Landlord and Tenant. Landlord shall not be deemed to have made an offer to Tenant by furnishing Tenant with a copy of this Lease with particulars inserted. No contractual or other rights shall exist or be created between Landlord and Tenant until all parties hereto have executed this Lease and, if required under Seattle Municipal Code, until it has been authorized by an ordinance of Seattle City Council. All provisions of this Lease shall become effective upon the Effective Date.
46. **Time of Essence; Time Calculation Method.** Time is of the essence with respect to this Lease. Except as otherwise specifically provided, any reference in this Lease to the word "day" means a "calendar day;" Provided, that if the final day for any action required hereunder is a Saturday, Sunday or City holiday, such action shall not be required until the next succeeding day that is not a Saturday, Sunday or City holiday. Any reference in this Lease to the word "month" means "calendar month."
47. **Entire Agreement; Applicable Law.** This Lease and the Exhibits listed in Section 1 set forth the entire agreement of Landlord and Tenant concerning the Premises and Building, and there are no other agreements or understanding, oral or written, between Landlord and Tenant concerning the Premises and Building. Any subsequent modification or amendment of this Lease shall be binding upon Landlord and Tenant only if reduced to writing and signed by them. This Lease shall be governed by, and construed in accordance with the laws of the State of Washington.

48. **Negotiated Agreement.** The parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year indicated below.

LANDLORD:
THE CITY OF SEATTLE

TENANT:
DANIEL KIM & MICHELLE KIM

By: _____
Fred Podesta, Director
Department of Finance and
Administrative Services



Daniel Y. Kim

Date: 6-28-16

Date: _____



Michelle H. Kim

Date: 6-28-16

[Next page for acknowledgements]

STATE OF _____)
) ss. (Acknowledgement for Tenant)
COUNTY OF _____)

On this _____ day of _____, before me, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of _____, the entity that executed the foregoing Lease as Tenant; and acknowledged the same as the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said Lease for said entity.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal the day and year in this certificate above written.

[Signature]

[Printed Name]

NOTARY PUBLIC in and for _____ residing at _____.

My commission expires _____.

EXHIBIT A
SEATTLE MUNICIPAL TOWER LEASE
FLOORPLAN OF THE PREMISES

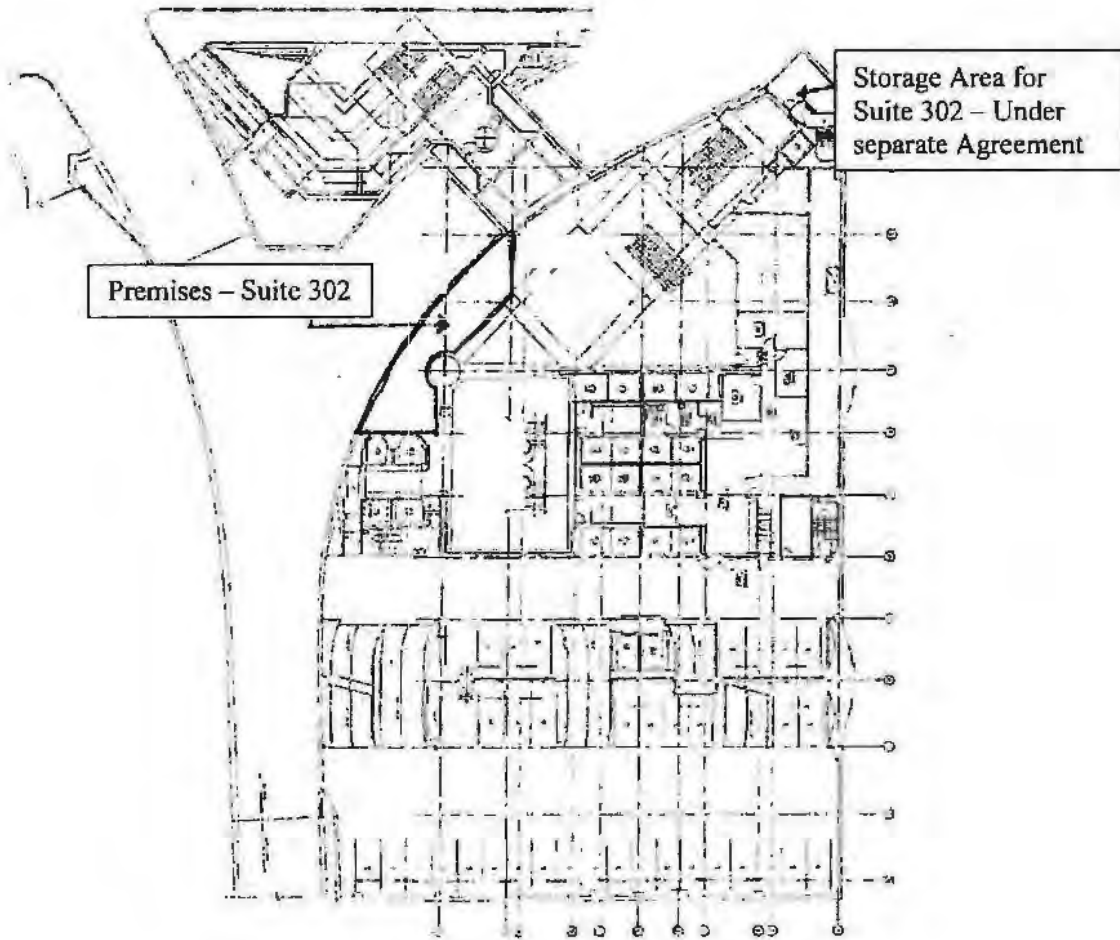


EXHIBIT B
SEATTLE MUNICIPAL TOWER LEASE
TENANT IMPROVEMENT REQUIREMENTS

A. DEFINITION OF TENANT IMPROVEMENTS.

Landlord is making the Premises available to Tenant in "AS IS" condition. As used in this Exhibit B, "Tenant Improvements" means all alterations, improvements and installations to the Premises to be completed by Tenant. Unless the Lease includes a tenant improvement allowance, all alterations, improvements, and installations shall be at Tenant's sole cost. All Tenant Improvements shall be subject to the terms of the Lease and this Work Letter.

B. TENANT IMPROVEMENTS.

Certain conditions, materials, and products are defined in the Seattle Municipal Tower Tenant Improvement Manual (the "Building Standard"), as it may be amended by Landlord from time to time. All Tenant Improvements shall comply with the Building Standard in effect at the time of the work for all alterations to any portion of the walls; ceiling; floor; electrical distribution equipment; heating and air conditioning equipment and ducting, including but not limited to standard size variable air volume air terminal units; restrooms; drinking fountains; fire and life safety equipment; telephone service to the telephone closet located within the core area of the Building; and the basic sprinkler distribution grid. Before making any upgrade or other departure from Building Standard, Tenant shall obtain Landlord's and, if applicable, Landlord's Architect's approval and Tenant shall pay the cost thereof pursuant to the terms of Section C.2 of this Exhibit. (Non-Building Standard items are sometimes referred to here as "special" items.)

Unless expressly provided otherwise in the main body of the Lease, Tenant, rather than Landlord, shall be responsible for the cost of all Tenant Improvements, which includes but is not limited to the following items:

1. All partitioning (solid, glazed or otherwise), including walls separating the Premises from the space to be occupied by other tenants in the Building, all partitioning within the Premises, and the walls separating the Premises from the public corridor.
2. Paint or other wall coverings, all of which shall be subject to Landlord's approval prior to application or installation. Painted walls shall receive at least one prime coat and one finish coat. The brand of paint shall be Building Standard or an equivalent brand subject to Landlord's prior approval.
3. Doors, door frames, relite frames and door hardware.
4. Ceiling, including suspension system, hangers and finish materials.
5. Cabinetry and millwork.

6. Carpeting, pad or other floor covering.
7. Window coverings for exterior windows as designated by Landlord.
8. Light fixtures, including Building Standard fixtures and switching, all in accordance with applicable Seattle codes and the Energy Edge Program.
9. Electrical receptacles, wiring and conduit from electrical panels to electrical receptacles and light fixtures, and other electrical items.
10. Mudrings and pullstrings for telephone and computer receptacles. Tenant is responsible for Tenant's telephone and computer equipment, service and cabling. Tenant shall select a telephone system and coordinate its installation with Landlord.
11. Air terminal units including related ducting, round low pressure run out ducting, flexible ducting, diffusers and any other items for heating and air conditioning.
12. Modifications to the sprinkler distribution system and installation of sprinkler heads, emergency speakers, exit signs and fire extinguishers and cabinets within the Premises.
13. All removal of debris for any item of work installed pursuant to Section B of this Exhibit.
14. The fees due for any architectural or interior design services provided with respect to the Premises including but not limited to the furnishings, furniture, art work, fixtures, equipment, and other personal property therein.
15. All Washington State sales tax applicable to Tenant Improvements made to the Premises.
16. The fee charged by Landlord's architect for the reviewing on Landlord's behalf, Tenant's proposed plans and specifications for the Tenant Improvements.
17. All signage in excess of that provided by Landlord under the Lease.

C. DESIGN OF TENANT IMPROVEMENTS.

1. Landlord Approval of Design of Tenant Improvements.
 - a. Responsibility of Tenant for Contract Documents. As used in this Exhibit B, "Contract Documents" means all documents required by Landlord for review in order to approve the Tenant Improvements prior to installation, including but not limited to contractor proposals, working drawings, specifications, engineering drawings and any other document representing the Tenant Improvements. "Final Contract Documents" means the final for construction version of the Contract Documents which has been approved by Landlord. The Contract Documents shall

comply with the requirements of Section 12 of the Lease and this Exhibit B. For Tenant Improvements which are not Substantial Alterations (defined in Section C.1.b), Tenant shall submit to Landlord the Tenant's contractor proposal with itemized bid categories and any other information reasonably requested by Landlord in order to approve the proposed Tenant Improvements.

b. Substantial Alterations. The requirements in this Section shall be followed for any Substantial Alteration. As used in this Section, "Substantial Alteration" means any alteration to the Premises which (i) in any way modifies, connects with, or relates to the Building mechanical, electrical, or structural systems, or (ii) relocates walls or utilities. "Substantial Alteration" does not include replacing flooring or carpeting, installing fixtures which may be removed without damage to the surrounding areas, painting, or installations which do not alter any utility or Building system. Tenant shall cause Tenant's architect to submit two (2) blackline sets of Contract Documents to Landlord. Landlord shall have ten days to review and return one (1) marked up set of Contract Documents to Tenant's architect; Provided, that if structural or mechanical work is proposed, and Landlord, in the exercise of its discretion, requires consultation with Landlord's structural engineer or mechanical engineer to evaluate the Contract Documents, Landlord shall give notice to Tenant's architect of such need, and Landlord shall have up to an additional thirty (30) days for its review of the Contract Documents. Tenant's architect shall incorporate Landlord's comments into the proposed Final Contract Documents and submit two (2) complete sets of the proposed Final Contract Documents, as modified, to Tenant. Tenant shall have ten days to review and approve the modified Final Contract Documents. Tenant shall indicate its approval by signing the cover sheet of the modified Final Contract Documents and returning one (1) complete set to Landlord and one to Tenant's architect. The Final Contract Documents, as modified to incorporate Landlord's comments, shall be prepared in accordance with the standards developed by the Landlord including common symbols, legends and abbreviations together with information required to obtain a building permit. Unless otherwise approved by Landlord, the Final Contract Documents, as approved and signed by Tenant, shall include:

(1) Architectural Floor Plan: A plan, fully dimensioned, showing partition layout and type identifying each room with a number and each door with a number and the extent of floor finishes, casework, relites, etc. Plumbing requirements must also be noted on this plan. This plan shall indicate HVAC zoning requirements.

(2) Reflected Ceiling Plan: A plan showing all Building Standard and special ceiling conditions and materials. This plan shall include the location and type of all Building Standard and special light fixtures including switching, together with a legend indicating fixture type, quantity of fixtures, and connected wattage of each fixture as necessary for compliance with The City of Seattle codes.

(3) Electrical, Telephone and Computer Receptacles Plan: A plan locating all power, telephone and computer requirements dimensioned to give exact location of receptacle, height above concrete slabs and position from a corner. This plan shall identify all dedicated circuits and identify all power receptacles greater than 120 volts. For equipment utilizing receptacles that require dedicated circuits and/or that require greater than 120 volts,

Tenant shall specify the type of equipment, the manufacturer's name and model number. The plan must also identify the name of the manufacturer of the phone and computer system to be used and the power requirements, size and location of its primary equipment.

(4) Furniture Layout: Basic layout showing furniture location.

(5) Millwork/Casework Details: Complete elevations, sections and construction details of all special millwork including but not limited to cabinets, paneling, trim, bookcases, doors, door frames and relite frames.

(6) Hardware Specifications and Keying Schedule: Complete specifications for all special hardware. Key ways in special locks must be compatible with building master key system. The keying schedule must indicate which doors are locked and which keys open each lock, together with a symbol indicating which side of the door is to be locked to prohibit entry.

(7) Room Finish and Color Schedule; Signage: Complete information showing on the drawings the location and specifications for all finishes including wall, floor covering, wall base, ceiling and special conditions; as well as the size, design, method of installation, and desired location of all signage.

(8) Construction Notes and Specifications: Any special notes required and complete specifications for all special items including but not limited to instructions for bidders, special conditions incorporating the AIA standard form of general conditions and technical specifications for all special Building work.

(9) Structural Drawings: If required, Tenant shall engage the services of its structural engineer, a separate structural permit will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. A drawing will be prepared for Landlord's review, indicating the extent of structural modifications proposed for the Premises.

(10) Mechanical Drawings: Tenant shall engage the services of its mechanical engineer, separate plumbing and HVAC permits will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. Drawings shall be prepared for Landlord's review indicating plumbing and HVAC requirements as follows:

(a) Plumbing: Clearly indicating all waste, vent and water requirements, locations and connections to stub-outs located at the Building core.

(b) HVAC: Clearly indicating the basic system, modifications to the basic system if required, including any special cooling or stand-alone system, special ventilation system, and supply air diffusers, return air grilles and space temperature sensors.

2. Delays and Costs. shall be responsible for all costs of design of Tenant Improvements, including delays and additional costs necessary for Landlord's review and

approval of the Tenant Improvements, including but not limited to the fees of Landlord's architect, except to the extent any costs result from Landlord's failure to review and to approve or comment upon the Contract Documents within the time provided herein, unless the delay is attributable to Tenant. Tenant shall reimburse Landlord for any such costs upon the commencement of the Lease Term or within thirty days of invoice. The Rent Commencement Date shall not be delayed as a result of delays to the design or completion of Tenant Improvements, unless and to the extent such delays are the result of Landlord's failure to review and approve the Contract Documents or to perform any other obligation of Landlord herein.

3. Notice to Proceed and Approval. Once Landlord reviews and approves Tenant's Contract Documents and determines that any other requirements under this Exhibit B are satisfied, Landlord shall provide Tenant notice to proceed. Landlord's approval of the Contract Documents under the Lease is for Landlord's own purposes in managing the Building, and shall not constitute an opinion or representation by the City of Seattle as to the Contract Documents' compliance with any law or ordinance or their adequacy for other than the purposes of managing the Building, and such approval shall not create or form the basis of any liability on the part of the City for any injury or damage resulting from any inadequacy or error therein or any failure to comply with applicable law, ordinance, rule or regulation.

D. CONSTRUCTION OF TENANT WORK.

1. Landlord's Contractor. Tenant shall contract for all Tenant Improvements, provided that all work shall be performed only by Landlord's approved Building contractor(s) ("Approved Contractor(s)") or in conformance with Part F. Special Conditions below.

2. Work to Comply with Final Contract Documents. All Tenant Improvements shall be completed according to the Final Contract Documents. Once the Landlord approves the Final Contract Documents, Tenant shall diligently prosecute the work and shall not make any changes without first obtaining Landlord's written approval. If Tenant submits any proposed changes to the Final Contract Documents, Landlord shall have ten (10) days to review and comment on the proposed changes.

3. Tenant's Network Facilities. Tenant shall be solely responsible for its telephone, computer, and data network system, including selection of equipment, installation, and cost. Responsibility for telecommunications and internet service is addressed in Section 9 of the Lease. Information concerning network equipment size, weight, and electrical and environmental requirements must be provided to Landlord's Architect during the planning phase, and Tenant shall coordinate installation of the network system with Landlord's Tenant Improvement Coordinator during the construction phase.

E. GENERAL CONDITIONS.

The following provisions shall be applicable to all Tenant Improvements.

1. All work shall be completed in compliance with all applicable laws and regulations, including the requirements of any permits. If a building permit is required, no work shall begin until Tenant or its contractor has obtained a valid building permit and provided a copy to Landlord. Tenant acknowledges and agrees that Landlord's review and approval of Final Contract Documents is for Landlord's own purposes, and notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility for Tenant's failure to complete all work in compliance with all applicable laws, regulations, and permits.

2. All work by Tenant or Tenant's contractor shall be scheduled through Landlord.

3. Tenant or Tenant's contractor shall arrange for necessary utility, hoisting and elevator service with Landlord and shall pay such reasonable charges for such services as may be charged by Landlord.

4. Tenant shall promptly reimburse Landlord for costs incurred by Landlord due to faulty work done by Tenant or by any of its contractors, or by reason of any delay caused by such work, or by reason of inadequate clean up.

5. Tenant shall be responsible for the payment to Landlord, as an Additional Charge, of any increase in Building energy costs attributable to special lighting or equipment as provided for in Section 9.B (1) of the Lease. Lighting which is inconsistent with Seattle's Energy Code or the Energy Edge Program shall not be installed without the prior approval of Landlord and Landlord's Architect, which may be withheld in the sole discretion of Landlord.

6. Tenant and Tenant's contractors shall keep the Building and the Premises free of liens arising out of Tenant's contractor's work and that of every subcontractor or supplier, all as provided under Section 8.C of the Lease.

7. If Landlord is providing a Tenant Improvement Allowance, the following conditions apply:

(a) Tenant shall require its contractor to pay prevailing wages and comply with Washington's Prevailing Wage Statute, Revised Code of Washington Chapter 39.12. The prevailing wage rates may be found at:
<http://lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>

(b) after completion of the Landlord-approved Tenant Improvements eligible for the Tenant Improvement Allowance, Tenant shall submit its reimbursement request to Landlord, which request shall be accompanied by true and accurate copies of (i) all contractor invoices, which shall include sufficient detail to demonstrate the specific work and charge, (ii) evidence of compliance with the Prevailing Wage Statute, including copies of contractor's filed intents and affidavits of prevailing wages paid, and (iii) and any back-up receipts or other records reasonably requested by Landlord to substantiate the Tenant Improvement costs. Landlord shall reimburse Tenant within thirty (30) days of receipt of all required invoices and records, up to the amount of the Tenant Improvement Allowance.

F. SPECIAL CONDITIONS.

If a portion of the Tenant Improvements or any other installation within the Premises is to be performed by someone other than Approved Contractors, then the following terms and conditions shall apply:

1. Such work shall proceed upon Landlord's written approval of (i) Tenant's contractor; (ii) Tenant's all risk property insurance required under Section 16 of the lease, (iii) any additional public liability and property damage insurance to be carried by Tenant's contractor which is satisfactory to Landlord and which names the City as an additional insured; and (iv) if applicable, the amount of general conditions to be paid by Tenant to Landlord for the service(s) still provided by an Approved contractor.

2. If required by Landlord, prior to commencement of any work on the Premises by Tenant or any Tenant's contractor, Tenant and Tenant's contractor shall enter into an indemnity agreement and a lien priority agreement satisfactory to Landlord indemnifying and holding harmless Landlord for any liability, losses or damages directly or indirectly from lien claims affecting the land, the Building or the Premises arising out of Tenant's or Tenant's contractor's work or that of every subcontractor or supplier, and subordinating each such lien to the liens of construction and permanent financing for the Building.

3. Landlord shall have the right to post a notice or notices in conspicuous places in or about the Premises stating that the Landlord is not responsible for the work being performed therein.

**EXHIBIT C
SEATTLE MUNICIPAL TOWER
BUILDING
RULES**

1. Except as specifically provided in the Lease to which these Rules are attached, no signs, a-frames, sandwich boards, banners, placards, pictures, advertisements, names or notices shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.
2. Tenant shall not attach, hang, place, use, or allow curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations in connection with any window or ceiling of the Building without the prior written consent of the Landlord, which Landlord may withhold in its sole and absolute discretion. With the prior written consent of Landlord, such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. Tenant shall not alter or remove any exterior window glass of the Building for any reason.
3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators or stairways of the Building. The common area halls, passages, exits, entrances, elevators, escalators and stairways are open to the general public, and are open to Tenant's business invitees, subject to these rules. Landlord shall in all cases retain the right to control and prevent access by all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; providing that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of business, unless such persons are engaged in illegal or unlawful activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building unless approved by Landlord.
4. Landlord provides a Building directory for displaying the name (or at Tenant's request, Tenant's trade name) and location of each tenant, and Landlord reserves the right to exclude any other names from the directory. Any additional name that Tenant desires to display in the directory must first be approved by Landlord and, if so approved, a charge will be made for each additional name.
5. Landlord will furnish Tenant, free of charge, keys to each door lock in the Premises. Landlord will also provide for each person occupying an office in the Premises, one electronic Building security system access card that permits access to the Building and control of the elevator to the Premises during the evenings and over weekends when the Building is not normally open for business. Landlord may impose a reasonable charge for any additional key or Building security system access card requested by Tenant.

Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Tenant, upon the expiration or earlier termination of its tenancy, shall deliver to Landlord all Building keys that have been furnished to Tenant, and all Building security system access cards. In the event any keys or Building security system access cards so furnished are not returned as required, Tenant shall pay the then-current lost key or lost card charge as established by Landlord. Tenant may not install its own security system without prior approval by Landlord, which shall not be unreasonably withheld, provided that Landlord shall have access to such security system and the Premises without charge.

6. If Tenant requires telecommunications, internet, burglar alarm, panic alarms or similar services, it shall first obtain, and comply with, Landlord's instructions as to their installation.

7. The Building freight elevator(s) shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord, in its discretion, shall deem appropriate. Use of freight elevators is restricted to Tenants that are transporting larger items or carts only, not for passenger use. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between such hours and in such elevators as may be designated by Landlord. Tenant's initial move in and subsequent deliveries and removals of heavy or bulky items, such as furniture, safes and similar items shall, unless otherwise agreed by Landlord, be made during the hours of 6 P.M. to 6 A.M. or on Saturday or Sunday and subject to such limitations as Landlord may impose. Deliveries during normal office hours shall be limited to normal office supplies and other small items. No delivery shall be made that impedes or interferes with any other tenant or the operation of the Building. In its use of the loading areas for the Building, Tenant shall not obstruct or permit the obstruction of said loading areas, and at no time shall Tenant park vehicles there except for loading and unloading.

8. Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. Any business machine or mechanical equipment belonging to Tenant that causes noise or vibration that may be transmitted to the structure of the Building or to any space therein, to such a degree as to be objectionable to Landlord or to any tenant in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Every person employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at Tenant's expense.

9. Tenant shall not use or store or permit to be used or stored in the Premises any kerosene, gasoline or flammable or combustible fluid or gas other than those used in non-

Office Premises for cooking. Tenant shall not permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or any other occupant of the building by reason of noise, odors or vibrations from the Premises.

10. Tenant shall not bring into or keep on or about the Premises any animal other than a service animal. Landlord's rules regarding service animals are detailed in a separate policy document and is made a part of these rules by reference.

11. Tenant shall not use any method of heating or air conditioning other than that supplied and/or approved by Landlord. No portable fans, heaters, humidifiers, misters, or air-conditioners are allowed in building, tenant spaces or tenant desks at any time.

12. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls. Tenant shall not obstruct, conceal or close any ceiling heating or cooling vents at any time. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day.

13. Landlord reserves the right to select the name of the Building and to make such change or changes of name as it may deem appropriate from time to time, and Tenant shall not refer to the Building by any name other than: (i) the names as selected by Landlord (as same may be changed from time to time), or (ii) the postal address, approved by the United States Post Office. Tenant shall not use the name of the Building in any respect other than as an address of its operation in the Building without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the street address of the Building.

14. Landlord reserves the right to exclude from the Building between the hours of 7 P.M. and 7 A.M. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays, Saturday's and legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, lights, and gas outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for Tenant's noncompliance with this rule.

16. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown in them. The expense of any breakage, stoppage or damage resulting from violation of this rule shall be borne by the Tenant who, or whose employee or invitee, caused it.

17. Tenant shall not make any room-to-room solicitation of business from other tenants in the building. Tenant shall not use the Premises for any business or activity other than that specifically provided in Tenant's Lease. Conditions of use for all building general use conference rooms are posted in each conference room; Tenants are required to comply with those conditions.

18. Except as permitted in the Lease or approved in writing by Landlord, Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

19. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster, or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Lease pertaining to alterations. Landlord reserves the right to direct electricians as to where and how telecommunications & data cabling are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering or paint to the floor of the Premises or any wall or ceiling coverings in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

20. Tenant shall not install, maintain or operate upon the Premises any vending machine, video game or other coin-operated or coin-activated device without the written consent of Landlord.

21. Canvassing, soliciting and distribution of any handbill or any other written material and peddling in the Building are prohibited, and Tenant shall cooperate to prevent such activities.

22. Landlord reserves the right to exclude or, expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of any liquor, marijuana, or illegal drug or who is in violation of any of the Rules of the Building.

23. Tenant shall store all its trash, recycling, and compost within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash disposal. All trash, recycling, and compost shall be disposed of in accordance with directions issued, from time to time, by Landlord.

24. The Premises shall not be used for lodging or for manufacturing of any kind, nor shall the Premises be used for any purpose other than the Permitted Use or any use offensive to the community around Building.

25. Tenant shall not use in any space or in any public hall of the Building, any hand truck except one equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Hand trucks are only to be used in the buildings freight elevators and not the passenger elevators. Tenant shall not bring any other vehicle, bicycle, skateboard, or Segway of any kind into the Building. Landlord has designated secured bicycle cages in the Parking Garage for Tenants use as necessary.

26. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

27. Tenant assumes any and all responsibility for protecting its Premises from theft, burglary and pilferage, which includes keeping doors and other means of entry to the Premises closed and locked.

28. Landlord may waive any one or more of these Rules for the benefit of Tenant or any other tenant, but such waiver by Landlord shall not be construed as a waiver of such Rules for any other tenant, nor prevent Landlord from thereafter enforcing any such Rules against any or all of the tenants of the Building.

29. These Rules are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of Tenant's Lease of its Premises in the Building. Where there is a conflict between the Tenant's Lease and these Rules, the Tenant's Lease shall control and take priority over these rules.

30. Landlord reserves the right to make amendments to these rules or make such other reasonable Rules as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules hereinabove stated and any additional rules that are adopted.

31. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

32. Smoking, vaporizing, or use of an electronic cigarette or like equipment is not permitted in any public or Tenant areas inside the building. Public areas include lobbies, restrooms, hallways, stairwells and garage. Smoking, vaporizing, etc. is also not permitted on any of the exterior plaza levels, except for areas designated by the Landlord.

Additional Rules for Office Premises

33. An Office Premises is a Premises where neither food service nor retail sales are included in the Permitted Use in Section I.K. of the Lease.

34. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises.

35. Tenant shall not obtain for use in an Office Premises ice, drinking water, food, beverage, towel or other similar services or accept barbering or bootblackening service upon the Premises, except at such hours and under such rules as may be fixed by the Landlord.

36. An Office Premises shall not be used for the storage of merchandise held for sale to the general public.

37. Tenant shall not use or keep in an Office Premises any kerosene, gasoline or flammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance.

38. No cooking shall be done or permitted on an Office Premises without Landlord's consent, except that use by Tenant of equipment with auto shut off capability for brewing coffee, tea, hot chocolate and similar beverages, or use of a microwave oven for employee use shall be permitted, provided that such equipment is in good condition and the equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules. Said equipment shall be located in Tenant identified break/kitchen areas only. Plumbed auto-ice making equipment is also not permitted unless equipment is part of a refrigerator/freezer combo. Tenant shall at no time have any personal brewing equipment at Tenant's work desk/cubical areas.