

CITY OF SEATTLE
ORDINANCE 126729
COUNCIL BILL 120469

AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of the Department of Finance and Administrative Services or the Director’s designee to negotiate and execute a real property lease with the 2724 6th Ave South, Limited Partnership on behalf of the Seattle Police Department; and ratifying and confirming certain prior acts.

WHEREAS, the 2724 6th Ave South, Limited Partnership (“Landlord”) owns the premises located at 2724 6th Avenue South, Seattle, WA (“2724 6th Ave S Property”); and

WHEREAS, the 2724 6th Ave S Property consists of approximately 43,742 square feet of which 12,454 square feet of warehouse and office space, plus common areas, is available to lease; and

WHEREAS, The City of Seattle (“City”), and specifically the Seattle Police Department (“SPD”), impounds vehicles as set forth in SMC Chapter 11.30 and chapter 46.55 RCW, wherein the custody of the vehicle remains with SPD for the pendency of any associated trial or hearing on the charge or violation; and

WHEREAS, a December 2020 report by the Office of the Inspector General recommended that SPD take “steps to address capacity issues . . . at the vehicle storage facility, which is at 100 percent capacity”; and

WHEREAS, the City Council allocated \$500,000 for evidence storage capacity in one-time funds to the Department of Finance and Administrative Services (“FAS”) in Ordinance 126249 as item 2.47; and

WHEREAS, FAS received carryforward budget authority for the unspent \$500,000 in Ordinance 126586; and

1 WHEREAS, SPD, in consultation with FAS, believes that the 2724 6th Ave S Property is suitable
2 in location, security, and size to alleviate the immediate capacity issues for vehicular
3 evidence storage; and

4 WHEREAS, the Landlord has agreed to lease the property to the City for a five-year lease term
5 with two five-year renewal options beginning January 1, 2023; and

6 WHEREAS, the monthly lease rate beginning January 1, 2023 is \$12,454 per month, with an
7 option for the Landlord to increase the monthly rate by three percent each year thereafter;
8 and

9 WHEREAS, FAS has sufficient budget authority in the 2022 Budget to pay the rent for 30
10 months for the premises; and

11 WHEREAS, FAS has negotiated an option to terminate the lease after 30 months, once the
12 \$500,000 one-time funding allocated for this purpose will be exhausted, unless additional
13 funding can be secured; and

14 WHEREAS, the authority of the Director of Finance and Administrative Services under Seattle
15 Municipal Code Section 3.127.020 is limited to negotiating and executing leases, for and
16 on behalf of the City, that do not exceed a lease term of five years and that do not consist
17 of leased warehouse space greater than 9,000 square feet; NOW, THEREFORE,

18 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**


19 Section 1. The Director of Finance and Administrative Services (“Director”) or the
20 Director’s designee is authorized to negotiate and execute, for and on behalf of The City of
21 Seattle (“City”), a lease, with the 2724 6th Ave South, Limited Partnership, substantially in the
22 form of Attachment A to this ordinance and identified as Lease Agreement, providing for the
23 City’s use and occupancy of the real property known as the 2724 6th Ave S Property in Seattle.

1 Section 2. The lease payments contemplated by the terms of the Lease Agreement or any
2 amendment authorized in Section 1 of this ordinance shall be charged to the appropriate Budget
3 Control Level in the Finance and Administrative Services Fund.

4 Section 3. Any act consistent with the authority of this ordinance taken after its passage
5 and prior to its effective date is ratified and confirmed.

1 Section 4. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.


4 Passed by the City Council the 13th day of December, 2022,
5 and signed by me in open session in authentication of its passage this 13th day of
6 December, 2022.

7 
8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this 15th day of December, 2022.

10 
11 Bruce A. Harrell, Mayor

12 Filed by me this 15th day of December, 2022.

13 
14 Elizabeth M. Adkisson, Interim City Clerk

15 (Seal)

16
17
18
19 Attachments:
20 Attachment A – 2724 6th Ave S Property Lease Agreement

LEASE AGREEMENT

THIS LEASE AGREEMENT (the “Lease”) is entered into as of this ___ day of December 2022, by and between 2724 6th Ave South, LP (“Landlord”), and the City of Seattle, Department of Finance and Administrative Services on behalf of the Seattle Police Department. (“Tenant”).

1. LEASE SUMMARY AND EXHIBITS.

1.1. LEASED PREMISES. The leased premises (“Premises”) consists of an agreed area of approximately 12,454 square feet of warehouse space, plus common areas as outlined on the floor plan attached hereto as **EXHIBIT A** (“Floor Plan”) and incorporated herein by this reference, located on the real property legally described on the attached **EXHIBIT B** and incorporated herein by this reference, and is commonly known as 2724 6th Ave South, Seattle, Washington. For purposes of calculating rent payable, rentable square footage shall be calculated on the ground floor space, not including any mezzanine space located inside the leased Premises. Tenant shall have unlimited access to the common area bathroom located in the eastern staircase.

The Premises does not include the real property beneath the Premises or structural elements of the building in which the Premises is located (“Building”). The Building, the real property upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to herein as the “Property.”

Tenant understands and acknowledges that the Premises is located in an industrial area subject to potential nuisances, such as, by way of illustration only, excessive noise, dust and pungent odors. Tenant represents and warrants that its intended use is consistent with the location of the Premises and such potential nuisances.

1.2. LEASE COMMENCEMENT DATE. The Lease shall commence January 1, 2023, contingent upon the City of Seattle Council formally approving the Director of the Department of Finance and Administrative Services to enter into the Lease agreement (the “Commencement Date”).

1.3. LEASE EXPIRATION DATE. The Lease shall expire at midnight sixty (60) months from the Commencement Date (the “Expiration Date”).

1.4. OPTION TO RENEW. Tenant shall have the option to renew the Lease for two (2) consecutive five (5) year periods at the prevailing market rate and adjusted for actual Operating Expenses. All other terms shall remain the same. Tenant shall give Landlord six (6) months prior written notice of its intent to renew for each renewal period.

1.5. MONTHLY BASE RENT. The base monthly rent (“Monthly Base Rent”) shall be \$1.00 PRSF with fixed annual increases of three (3%) percent. Additional Rent per Section 1.7 is in addition to Monthly Base Rent.

| Months | Total Monthly Base Rent | Total Annual Base Rent |
|---------------|--------------------------------|-------------------------------|
| 01-12 | \$12,454.00 | \$149,448.00 |
| 13-24 | \$12,827.62 | \$153,931.44 |
| 25-36 | \$13,212.45 | \$158,549.38 |
| 37-48 | \$13,608.82 | \$163,305.86 |
| 49-60 | \$14,017.09 | \$168,205.03 |

Rent shall be payable at Landlord's address shown in Section 1.10 below, or such other place designated in writing by Landlord.

1.6. PREPAID RENT. Intentionally Deleted.

1.7. ESTIMATED ADDITIONAL RENT. The Additional Rent estimate for the first year of the Term (as defined in Section 3.1) is *approximately* \$.30 cents per square foot per month (\$3,736.20) monthly total, including management fees and utilities as provided in Section 4.2. Additional Rent, excluding real estate taxes and insurance, will not increase by more than three percent (3%) per annum. Tenant shall be responsible for garbage removal and alarm system at Tenant's sole cost and expense. The components of Additional Rent are further defined in Section 4.2.

1.8. SECURITY DEPOSIT. Intentionally Deleted.

1.9. PERMITTED USES. The Premises shall be used for warehousing, storage, office, and related support including vehicles and material storage, and for no other purpose without the prior written consent of Landlord.

1.10. NOTICE AND PAYMENT ADDRESSES.

Landlord: c/o American Life, Inc.
270 S Hanford St, Suite 100.
Seattle, WA 98134
Telephone: 206-381-1690
Fax: 206-631-2166

| | |
|--|--|
| Tenant: | Attn: Stephen McKenzie, Manager of Property Management City of Seattle FAS Facility Operations Mailing: PO Box 94689 Seattle, WA 98124-4689 Physical Address: 700 5th Avenue, Suite 5200 Stephen.mckenzie@seattle.gov C: 206-666-0465; O:206-684-0690 |
| Tenant Emergency Contact: | City of Seattle Police Department Attn: CD Central Dispatch Telephone: 206-684-8639 |
| Tenant Regularly Scheduled Maintenance Contact: | Attn: CSI Sergeant – Mark Grinstead Telephone: 206-684-5154 Cell: 206-375-3862 |

1.11. TENANT’S PRO RATA SHARE. Landlord and Tenant agree that Tenant’s Pro Rata Share is twenty-eight and 00/100th (28%) Percent (“Tenant’s Pro Rata Share”). The total building square footage is 43,742.

1.12. TENANT AND LANDLORD WORK. Landlord shall, at its sole expense, replace the existing west fire exit door with a steel door and crash bar and repair any damaged drywall in the Premises. Landlord shall also replace burnt out light bulbs servicing the Premises, install an additional access card reader and electric strike on the exterior door facing 6th Place South, and deliver the Premises with all Building systems, including plumbing, electrical, mechanical, structural and roofing systems servicing the Premises in good working order. Roll up doors and all windows will be repaired, secured, and in good working order.

EXHIBIT A Floor Plan
EXHIBIT B Legal Description

2. AGREEMENT TO LEASE PREMISES. Notwithstanding section 1.12 above, Landlord hereby agrees to lease to Tenant, and Tenant hereby agrees to lease from Landlord the Premises “as is” and upon the terms and conditions set forth herein.

3. TERM AND CONDITION OF PREMISES.

3.1. TERM. The Lease shall commence on the Commencement Date set forth in Section 1.2 and shall expire on the Expiration Date set forth in Section 1.3, unless the Lease is sooner terminated as provided herein ("Term").

3.2. CONDITION OF PREMISES. Notwithstanding section 1.12 and Section 12, Tenant accepts the Premises in "as is" condition. By signing this Lease, Tenant acknowledges that it has had adequate opportunity to investigate the Premises and the Building, acknowledges responsibility for making any corrections, alterations and repairs to the Premises, and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.

3.3 TERMINATION OPTION. In the event the Seattle City Council does not provide funding for a full Lease Term, Tenant has the right to cancel the Lease in month thirty (30) of the Term with no penalty by providing Landlord at least six (6) month's written notice.

3.4 HOLDOVER. Tenant shall have the right to holdover in the Premises for up to six (6) months following the expiration of the Lease at the then base rental rate plus 3% plus their continued prorated share of the triple nets.

4. RENT. All Rent (as defined in Section 4.4, below) payments shall be made without any prior demand and therefore without deduction or offset to the Landlord at the address set forth in Section 1.10. In addition, Landlord may, in its discretion, require Tenant to provide it with the information and authorization necessary to establish a periodic electronic funds transfer for payment of all Rent due hereunder.

4.1. PAYMENT OF MONTHLY BASE RENT. Tenant agrees to pay the Monthly Base Rent for the Premises on or before the first day of each calendar month. Tenant shall pay Landlord first month's Monthly Base Rent when Tenant executes the Lease. If Tenant takes possession of the Premises after the Commencement Date, Tenant's first month's Monthly Base Rent charge shall be adjusted (pro-rated) accordingly, and any credit balance will be applied to the second month's Monthly Base Rent. The Monthly Base Rent shall be paid to the Landlord at such place as Landlord may from time to time designate in writing.

4.2. ADDITIONAL RENT.

(a) Real Property Taxes. Tenant shall pay Landlord as Additional Rent (as defined herein), in the manner described below, an amount equal to Tenant's Pro Rata Share of Real Property Taxes, defined below, payable by Landlord for the Property in any full or partial calendar year. "Real Property Taxes" shall mean real and personal property taxes, assessments, including omit tax, and other governmental impositions and charges of every kind and nature, now or hereafter imposed, including surcharges with respect thereto and interest thereon, if Landlord, at its sole option, elects to amortize assessments over a period exceeding one year, which may during the Term of this Lease be levied, assessed, imposed, or otherwise become due and payable with respect

to the Property, including the tenant improvements, and the Real Property and all improvements, fixtures, and equipment thereon, or the use, occupancy or possession thereof; taxes on Property of Tenant which have not been paid by Tenant directly to the taxing authority; any taxes levied or assessed upon or measured by the Premises, the Building, or the Property, or any amounts received by Landlord in connection therewith or hereunder, but not including any federal or state net income, estate, or inheritance tax imposed upon the Landlord, all determined with respect to the period for which such taxes are (or would have been if timely levied) due and payable; and any taxes levied or assessed in lieu of, or as a substitute for, the foregoing in whole or part.

(b) Operating Expenses. Tenant shall pay Landlord as Additional Rent, in the manner described below, an amount equal to Tenant's Pro Rata Share of the Property's Operating Expenses, defined below, payable by Landlord in any full or partial calendar year. "Operating Expenses" shall mean all expenses paid or incurred by Landlord for maintaining, operating and repairing the Property and the personal property used in conjunction therewith, including, without limitation, the costs of utility and other services not paid separately by Tenant, services of independent contractors, compensation, including employment taxes and fringe benefits, of all persons who perform duties in connection with the operation, maintenance and repair of the Property and its equipment, insurance premiums, licenses, permits and inspection fees, commercially reasonable management fees of five percent (5%), commercially reasonable legal and accounting expenses, amortization of capital improvements that Landlord reasonably anticipates will improve the operating efficiency of the Property, but the amortization expense shall not exceed reasonably expected savings in operating costs resulting from such capital improvements, and any other expense or charge, which in accordance with generally accepted accounting and management practices would be considered an expense of maintaining, operating or repairing the Property, but excluding costs of any special services rendered to individual tenants, including Tenant, for which a special charge is made. As the Premises is located inside a mixed use Building, Landlord shall charge Tenant a rate consistent with Tenants actual use of non-separately metered utilities.

(c) Common Area Maintenance Expenses. Tenant shall pay Landlord as Additional Rent, in the manner described below, an amount equal to Tenant's Pro Rata Share of the Common Area Maintenance Expenses, defined below, for the Property incurred or payable by Landlord for the Development in any partial or full calendar year. The terms "Common Area Maintenance Expenses" shall mean all expenses paid or incurred by Landlord for maintaining, operating and repairing the common areas of the Property, including, without limitation, streets, parking areas, landscaping ("Common Areas"), including costs of obtaining services and products for maintaining, operating and repairing such Common Areas and the personal property used in conjunction therewith, services of independent contractors compensation, including employment taxes and fringe benefits, of all persons who perform duties in connection with the operating, insurance premiums, personal property taxes, licenses, seasonal decorations, activities and events, permits and inspection fees, management fees, legal and accounting expenses, administrative and office expenses, amortization of capital improvements that Landlord reasonably anticipates will improve the operating efficiency of the Property, but such amortization expenses shall not exceed reasonably expected savings in operating costs

resulting from such capital improvements, and any other expense or charge described, which in accordance with generally accepted accounting and management practices would be considered an expense of maintaining, operating or repairing the Common Areas of the Property. In no event shall any such charges, modifications or alterations to the Common Areas increase Tenant's Pro Rata Share as specified in Section 1.11. Landlord acknowledges that Tenant's acceptance of the Lease is based on the condition and location of the parking, loading, private yard and Common Areas of the Property and Premises as of the Commencement Date herein. Landlord shall, at all times, act in good faith and with due diligence to minimize interruption, reduction or discontinuation as to not unreasonably interfere with the ordinary conduct of Tenant's business operations in the Premises.

(d) Manner of Payment. Tenant's Pro Rata Share of Real Property Taxes, Operating Expenses, and Common Area Maintenance Expenses, sometimes collectively referred to herein as "Additional Rent":

(1) Landlord may reasonably estimate in advance the amounts Tenant shall owe for Additional Rent for any full or partial calendar year of the Term. Tenant shall pay such estimated amounts of Additional Rent, on a monthly basis, on or before the first day of each such calendar month. Such estimate may be reasonably adjusted from time to time by Landlord.

(2) Within ninety (90) days after the end of each calendar year, or as soon thereafter as practicable, Landlord shall provide a statement (the "Statement") to Tenant showing: (a) the amount of actual Additional Rent for such calendar year, with a listing of amounts for major categories of Operating Expenses and Common Area Maintenance Expenses, (b) any amount paid by Tenant toward such Additional Rent during such calendar year on an estimated basis and (c) any revised estimate of Tenant's obligations for Additional Rent for the current calendar year.

(3) If the Statement shows that Tenant's estimated payments were less than Tenant's actual obligations for Additional Rent for such year, Tenant shall pay the difference. If the Statement shows an increase in Tenant's estimated payments for the current calendar year, Tenant shall pay the difference between the new and former estimates, for the period from January 1 of the current calendar year through the month in which the Statement is sent. Tenant shall make such payments within sixty (60) days after Landlord sends the Statement.

(4) If the Statement shows that Tenant's estimated payments exceeded Tenant's actual obligations for Additional Rent, Tenant shall receive a credit for the difference against payments of Rent next due. If the Term shall have expired and no further Rent shall be due, Tenant shall receive a refund of such difference, within thirty (30) days after Landlord sends the Statement.

(5) So long as Tenant's obligations hereunder are not materially adversely affected thereby, Landlord reserves the right to reasonably change, from time to time, the manner or timing of the foregoing payments. In lieu of providing one (1) Statement covering Real Property Taxes, Operating Expenses, and Common Area

Maintenance Expenses, Landlord may provide separate statements, at the same or different times. No delay by Landlord in providing the Statement, or separate statements, shall be deemed in default by Landlord or a waiver of Landlord's right to require payment of Tenant's obligations for actual or estimated Real Property Taxes, Operating Expenses, or Common Area Maintenance Expenses. Any delay by Landlord in providing the Statement or separate statements shall result in respective time given to Tenant for payment.

(e) Proration. If the Term commences other than on January 1, or ends other than on December 31, Tenant's obligations to pay estimated and actual amounts towards Additional Rent for such first or final calendar year shall be prorated to reflect the portion of such years included in the Term. Such proration shall be made by multiplying the total estimated or actual, as the case may be, Additional Rent, for such calendar years by a fraction, the numerator of which shall be the number of days of the Term during such calendar year, and the denominator of which shall be 365. Other amounts payable or to be expended pursuant to this Lease on an annual or quarterly basis shall be similarly prorated.

(f) Landlord's Records. The determination of Additional Rent shall be made by Landlord. Landlord or its agents shall keep records in reasonable detail showing all expenditures made or items enumerated above, which records shall be available for inspection by Tenant at its cost at any reasonable time on reasonable notice.

4.3. ADDITIONAL RENT. If Tenant fails to pay when due Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any installment of Monthly Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within ten (10) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall preclude Tenant's default with respect to such nonpayment by Tenant.

4.4. RENT AND OTHER CHARGES. Monthly Base Rent, Additional Rent, and any other amounts which Tenant is or becomes obligated to pay Landlord under this Lease or other agreement entered into in connection herewith, are sometimes herein referred to collectively as "Rent" and all remedies applicable to the nonpayment of Rent shall be applicable thereto.

5. SECURITY DEPOSIT. Intentionally deleted.

6. TENANT'S USE OF THE PREMISES. Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause in Section 1.9 ("Permitted Uses"). Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or the certificate of occupancy issued for the Building, which Tenant has been made aware of by the Landlord, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Section 6. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises.

7. COMPLIANCE WITH LAWS. Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Tenant shall be responsible for complying with all laws applicable to the Premises solely as a result of Tenant's particular use, such as modifications required by the Americans With Disabilities Act as a result of Tenant opening the Premises to the public as a place of public accommodation. If the enactment or enforcement of any law, ordinance, regulation or code during the Lease Term requires any changes to the Premises during the Lease Term, Tenant shall perform all such changes at its expense if the changes are required due to the nature of Tenant's activities at the Premises, which shall be clarified and agreed upon in writing by Tenant and Landlord, or to alterations that Tenant seeks to make to the Premises; otherwise, Landlord shall perform all such legally required changes at its expense. Landlord shall not be in default of any of the terms of this Lease in the event Landlord is unable to obtain a building permit through no fault of the Landlord to complete any tenant improvements specified in this Lease.

8. GUARANTY. Intentionally Deleted.

9. UTILITIES. Tenant shall not be responsible for providing any utilities to the Premises, and Landlord represents and warrants to Tenant that as of the Commencement Date that electricity, water, sewer and telephone utilities connections are available at or adjacent to the Premises and are included in Operating Expenses. Tenant shall determine whether the available capacity of such utilities will meet Tenant's needs. Tenant shall directly pay for all janitorial and garbage removal, telephone service, and other services used specifically by Tenant on the Premises during the Term. Landlord will also procure, or cause to be procured, without cost to Tenant, all necessary permits, licenses or other authorizations required for the lawful and proper installation, maintenance, replacement, and removal on or from the Premises of wires, pipes, conduits, tubes, and other equipment and appliances for use in supplying all utilities or services to the Premises.

10. TAXES. Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, by reason of Tenant's occupancy of the Premises, and all Taxes on Tenant's personal property located on the Premises. Landlord shall pay all Taxes with respect to the Building and the Property, including any Taxes resulting from a reassessment of the Building and the Property due to a change of ownership or otherwise, which shall be included in Operating Expenses.

11. ALTERATIONS. Tenant may make alterations, additions or improvements to the Premises ("Alterations") with the prior written consent of Landlord, which consent shall not be unreasonably withheld. The term "Alterations" shall not include the installation of shelves, partitions, Tenant's equipment and trade fixtures which may be performed without damaging existing improvements or the structural integrity of the Premises, and Landlord's consent shall not be required for Tenant's installation of those items. Tenant shall complete all Alterations at Tenant's expense in compliance with all applicable laws and in accordance with plans and specifications approved by Landlord. Landlord shall be deemed the owner of all fixed Alterations except for those which Landlord requires to be removed at the end of the Lease term. At the time of Landlord's consent to alterations, additions, or improvements, Landlord will designate alterations, additions or improvements to be removed at Lease expiration. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

12. REPAIRS AND MAINTENANCE. Tenant shall, at its sole expense, maintain the Premises in good condition and promptly make all repairs and replacements, necessary to keep the Premises in safe operating condition, including glass and window damage, but excluding the roof, structure, foundation, all utilities, heat, common bathroom and exterior walls, which Landlord shall maintain in good condition and repair at Landlord's expense. Tenant shall not disturb the structural integrity of the Premises and shall promptly repair any damage or injury done to the structural elements caused by Tenant or its employees, agents, contractors or invitees. Notwithstanding anything in this

Section 12 to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the acts of Landlord or its agents, employees, contractors or invitees therein.

Upon expiration or termination of the Lease Term, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

13. ACCESS. After reasonable notice from Landlord (except in cases of emergency, where no notice is required) defined as 24-hour notice by email, Tenant shall permit Landlord and its agents and employees to enter the Premises at reasonable times for the purposes of repair or inspection. This Section 13 shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease.

Landlord may, upon reasonable notice to Tenant, be granted access to and enter the Premises to perform or cause to have performed an environmental inspection, site assessment, or audit. Such environmental inspector or auditor may be chosen by Landlord, in its sole discretion, and be performed at Landlord's sole expense. To the extent that the report prepared upon such inspection, assessment, or audit indicates the presence of Hazardous Materials (as defined in Section 30) in violation of Applicable Environmental Laws (as defined in Section 30), or provides recommendations or suggestions to prohibit the release, discharge, escape, or emission of any Hazardous Materials at, upon, under or within the Premises, or to comply with any Applicable Environmental Laws, Tenant shall promptly, at Tenant's sole expense, comply with such recommendations or suggestions, including but not limited to performing such additional investigative or subsurface investigations or remediation(s) as recommended by such inspector or auditor.

Notwithstanding the above, if at any time Landlord has actual notice or reasonable cause to believe that Tenant has violated, or permitted any violations of any Applicable Environmental Laws, then Landlord will be entitled to perform its environmental inspection, assessment or audit at any time without reasonable notice, and Tenant must reimburse Landlord for the cost or fees incurred for such as Additional Rent only in the event that Tenant has in fact violated, or permitted any violations of any Applicable Environmental Laws.

14. SIGNAGE. Tenant shall obtain Landlord's written consent before installing any signs upon the Premises, which consent shall not be unreasonably withheld. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.

15. DESTRUCTION OR CONDEMNATION.

15.1. DAMAGE AND REPAIR. If the Premises are partially damaged but not rendered untenantable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and this Lease shall not terminate. The Premises shall not be deemed untenantable if less than twenty-five percent (25%) of the Premises are damaged. Landlord shall have no obligation to restore the Premises if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the entire cost of restoring the Premises, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises are entirely destroyed, or partially damaged and rendered untenantable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises to its previous condition. If, within sixty (60) days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises untenantable, Landlord fails to notify Tenant of its election to restore the Premises, or if Landlord is unable to restore the Premises within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease.

If Landlord restores the Premises under this Section 15.1, Landlord shall proceed with reasonable diligence to complete the work, and the Monthly Base Rent, Additional Rent, and all other charges associated with the Lease shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole Premises, provided that there shall be a Rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises. Landlord will not carry insurance of any kind for the protection of Tenant or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by Landlord's negligence.

15.2. CONDEMNATION. If the Premises are made untenantable by eminent domain or conveyed under a threat of condemnation, this Lease shall automatically terminate as of the earlier of the date title to the Property vests in the condemning authority or the condemning authority first has possession of the Premises and all Rent shall be paid to that date. In the event of a taking of a portion of the Property that does not render the Premises untenantable, then this Lease shall continue in full force and effect and the Monthly Base Rent shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced, such reduction in Monthly Base Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim

against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award.

16. INSURANCE.

16.1. TENANT'S INSURANCE.

(a) The City of Seattle maintains a fully funded self-insurance program, approved by the State of Washington, for the protection and handling of the City's liabilities including injuries to persons and damage to Property. Landlord acknowledges, agrees and understands that the City is self-funded for all its liability exposures. The City agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Agreement. The City agrees to provide Landlord with at least thirty (30) days prior written notice of any material change in the City's self-funded program and, if requested, will provide Landlord with a letter of self-insurance as adequate proof of coverage. Landlord further acknowledges, agrees and understands that the City does not purchase Commercial General Liability insurance and is a self-insured governmental entity; therefore, the City does not have the ability to add Landlord as an additional insured. The City shall keep its self-insurance program in full force during the Term and any other period of occupancy of the Property by Tenant.

16.2. LANDLORD INSURANCE. Landlord shall carry standard form extended coverage fire insurance of the Building shell and core in the amount of their full replacement value, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. The cost of any such insurance may be included in the Operating Expenses by a "blanket policy" insuring other parties and/or locations in addition to the Building, in which case the portion of the premiums therefor allocable to the Building and the Property shall be included in the Operating Expenses. In addition to the foregoing, in the event Tenant fails to provide or keep in force any of the insurance as required above, Landlord, in its discretion, may provide such insurance, in which event, the cost thereof shall be payable by Tenant to Landlord as Additional Rent on the first day of the calendar month immediately following demand therefor from Landlord.

16.3. WAIVER OF SUBROGATION. Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by insurance required to be carried by each of them. Each party shall provide notice to the insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such policies or to the extent of liabilities exceeding the limits of such policies.

17. INDEMNIFICATION.

17.1. TENANT'S DUTY. Tenant shall indemnify, defend and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity or other things allowed or suffered by Tenant to be done in, on or about the Premises or the Property; (2) any breach or default by Tenant of any of Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees or contractors. Tenant shall at Tenant's expense, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against such costs.

17.2. LANDLORD'S DUTY. Landlord shall indemnify, defend and hold Tenant harmless against and from any liability, loss, cost, expense or claim of any nature resulting from: (1) any injury to person or damage to property arising from the negligence or willful misconduct of Landlord, its employees, contractors, agents, or invitees or any activities conducted on or about the Premises by anyone other than Tenant, Tenant's employees, contractors or agents; (2) any breach or default by Landlord of Landlord's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Landlord, its agents, employees, invitees or contractors. Landlord shall, at Landlord's expense, defend Tenant in any action or proceeding arising from any such claim and shall indemnify Tenant against such costs.

When the claim is caused by the joint negligence or willful misconduct of Tenant and Landlord or Tenant and a third party unrelated to Tenant (except Tenant's agents, officers, employees or invitees), Tenant's duty to indemnify and defend shall be proportionate to Tenant's allocable share of joint negligence or willful misconduct. When the claim is caused by the joint negligence or willful misconduct of Tenant and Landlord or Landlord and a third party unrelated to Landlord (except Landlord's agents, officers, employees or invitees), Landlord's duty to indemnify and defend shall be proportionate to Landlord's allocable share of joint negligence or willful misconduct.

In the absence of comparative or concurrent negligence on the part of the party claiming indemnity under this Section 17 or its employees, contractors, agents or invitees, the foregoing indemnity shall also include reasonable costs, and expenses incurred in successfully establishing the right to indemnity. The indemnifying party shall have the right to assume the defense of any claim subject to this indemnity. The indemnified party agrees to cooperate fully with the indemnifying party and its counsel in any matter where the indemnifying party elects to defend.

17.3. LIMITATION ON LANDLORD'S LIABILITY. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon

other portions of the Building or Property or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or the Property.

18. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a “Transfer”) or any part of the Premises, without first obtaining Landlord’s written consent which consent shall not be unreasonably withheld or delayed. Interdepartmental use of the Premises shall not constitute an assignment or sublease. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord’s consent to such transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord’s consent to any subsequent Transfer.

If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change(s) in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section 18.

As a condition to Landlord’s approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption instruments.

19. LIENS. Tenant shall keep the Property and the Premises free from any liens created by or through Tenant. Tenant shall indemnify, defend and hold Landlord harmless from liability from any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Property or the Premises by any person claiming by, through or under Tenant, Tenant shall, upon request of Landlord, at Tenant’s expense, immediately furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys’ fees, which Landlord could reasonably incur as a result of such lien(s).

20. DEFAULT. The following occurrences shall each be deemed an event of default (“Event of Default”) by Tenant:

20.1. FAILURE TO PAY. Tenant fails to pay any sum, including Rent, due under this Lease following five (5) days’ written notice from Landlord of the failure to pay.

20.2. VACATION/ABANDONMENT. Tenant vacates the Premises (defined as an absence for at least sixty (60) consecutive days without prior notice to Landlord), or Tenant abandons the Premises (defined as an absence of ten (10) days or more while Tenant is in breach of some other term of this Lease). From the date that written notice is given by Landlord to Tenant, Tenant shall have ten (10) business days to cure Tenant’s vacation or abandonment of the Premises.

20.3. INSOLVENCY. Tenant becomes insolvent, or involuntary bankrupt or a receiver, assignee or other liquidating officer is appointed for Tenant's business, provided that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within sixty (60) days after its institution or commencement.

20.4. LEVY OR EXECUTION. Tenant's interest in this Lease or the Premises, or any part thereof, is taken by execution or other process of law directed against Tenant, or is taken upon or subjected to any attachment by any creditor of Tenant, if such attachment is not discharged within fifteen (15) days after being levied.

20.5. OTHER NON-MONETARY DEFAULTS. Tenant breaches any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section 20, and the breach continues for a period of thirty (30) days after notice by Landlord to Tenant of the breach.

20.6. FAILURE TO TAKE POSSESSION. Tenant fails to take possession of the Premises within one year of the Commencement Date.

20.7. PERMITTED USE DEFAULT. Tenant fails to use the Premises in accordance with and in the manner required by Section 1.9 or Section 30 and does not cure such failure within forty-eight (48) hours after receipt of written notice from Landlord.

21. REMEDIES. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

21.1. TERMINATION OF LEASE. Landlord may terminate the Lease and re-enter the Premises and take possession thereof, but no act by Landlord other than written notice from Landlord to Tenant of termination shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease Term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which Rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid Rent which had been earned at the time of termination; (ii) the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of Rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid Rent for the balance of the Term of the Lease after the time of award exceeds the amount of Rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%)); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's

failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described in Section 21.2.

21.2. RE-ENTRY AND RELETTING. Landlord may continue this Lease in full force and effect, and notice of ten (10) business days, re-enter with Tenant and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either with Tenant present. Prior to the Landlord reletting the Premises, Landlord shall provide Tenant with a twenty (20) business days written notice to allow Tenant to remove Tenants' possessions from the Premises. Landlord may relet the Premises, or any part of them, in Landlord's name for the account of Tenant, for such period of time and at such other terms and conditions, as Landlord, in its discretion, may determine. Landlord may collect and receive the Rents for the Premises. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a written notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. During the Event of Default, Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, plus the net proceeds if any, after reletting the Premises, after deducting Landlord's Reletting Expenses. "Reletting Expenses" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions, attorneys' fees, remodeling and repair costs, costs for removing and storing Tenant's property and equipment, and Rent concessions granted by Landlord to any new Tenant, prorated over the life of the new Lease.

21.3. WAIVER OF REDEMPTION RIGHTS. Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, as it may have been extended.

21.4. NONPAYMENT OF ADDITIONAL RENT. All costs which Tenant agrees to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have all the rights herein provided for in case of nonpayment of Rent.

21.5. FAILURE TO REMOVE PROPERTY. If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option and without notice, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the

payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law to foreclose Landlord's lien for unpaid rent.

22. MORTGAGE SUBORDINATION AND ATTORNMENT. This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"), provided the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage.. This Lease shall continue in full force and effect regardless of the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding. Tenant shall attorn to the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided such person(s) assume the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section are conditioned on the holder of each of Landlord's Mortgage and each person acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default exists.

23. NON-WAIVER. Landlord's waiver of any breach of any term contained in this Lease shall not be deemed to be a waiver of the same term for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any breach by Tenant preceding such acceptance.

24. HOLDOVER. If Tenant shall, without the written consent of Landlord, hold over after the expiration or termination of the Term, such tenancy shall be deemed to be on a month-to-month basis and may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord one hundred twenty five percent (125%) the Monthly Base Rent last payable under this Lease, unless a different rate is agreed upon by Landlord and subject to Section 3.4. Holdover. All other terms of the Lease shall remain in effect.

25. NOTICES. All notices under this Lease which are related to the administration of this Lease shall be in writing and effective (i) when delivered in person, (ii) three (3) days after being sent by registered or certified mail or by email to Landlord or Tenant, as the case may be, at the Notice Addresses set forth in Section 1.10; (iii) upon confirmed transmission by email to such persons at the email addresses set forth in Section 1.10 or such other addresses as may from time to time be designated by such parties in writing, or (iv) upon confirmed transmission by email to such persons at the email address set forth in Section 1.10. Except as otherwise provided for in this Lease, written communications between the Parties related to general Landlord/Tenant matters shall not be subject to this Section 25. and may instead be transmitted by email to

Landlord at darrells@americanlifeinc.com and to Tenant at Tenant's Emergency Contact email provided in Section 1.10.

26. ESTOPPEL CERTIFICATES. Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the date the Lease Term commenced and the date it expires; (ii) the amount of Monthly Base Rent and the date to which such Rent has been paid; (iii) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (iv) that this Lease represents the entire agreement between the parties; (v) that all conditions under this Lease to be performed by Landlord have been satisfied; (vi) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (vii) that no Rent has been paid more than one month in advance; and (viii) that no security has been deposited with Landlord (or, if so, the amount thereof). Any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) business days of receipt by Tenant of a written request by Landlord as herein provided, Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee, or, in Landlord's sole discretion, such failure shall be deemed an un-curable Event of Default.

27. TRANSFER OF LANDLORD'S INTEREST. This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Property or the Premises, other than a transfer for security purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, and Tenant shall attorn to the transferee. Any retained prepaid rent shall transfer to the transferee.

28. RIGHT TO PERFORM. If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Tenant shall, on demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section 29 as in the case of default by Tenant in the payment of Rent.

29. HAZARDOUS MATERIALS.

29.1. COMPLIANCE WITH ENVIRONMENTAL LAWS. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property (or migrate off the Property) by Tenant, its agents, employees, contractors or invitees, except in accordance with Section 1.9 and all Applicable Environmental Laws (as hereinafter defined). In

addition, Tenant agrees that it: (a) shall not cause or suffer to occur, the release, discharge, escape, or emission of any Hazardous Materials at, upon, under, or within the Premises or any contiguous or adjacent premises; (b) shall not engage in activities at the Premises that could result in, give rise to, or lead to the imposition of liability upon Tenant or Landlord or the creation of a lien upon the Building or land upon which the Premises is located; (c) shall notify Landlord promptly following receipt of any knowledge with respect to any actual releases, discharge, escape, or emission (whether past or present) of any Hazardous Materials at, upon, under or within the Premises and (d) shall promptly forward to Landlord copies of all orders, notices permits, applications, and other communications and reports in connection with any release, discharge, escape, or emission of any Hazardous Materials at, upon, under or within the Premises or any contiguous or adjacent premises.

The term "Hazardous Materials" shall mean (i) all petroleum products and constituents, and (ii) all substances and materials defined as a hazardous substance, hazardous waste or otherwise considered unsafe for human health or the environment by any federal, state or local governmental law, rule, regulation, ordinance, or guidance document, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601, et seq.; the Clean Air Act, as amended, 42 U.S.C. 7401, et seq., the Federal Water Pollution Control Act, as amended by The Clean Water Act of 1977 PL 92-500, et seq., as amended, the Occupational Safety and Health Act, as amended, 29 U.S.C. 651 et seq., and the regulations adopted and publications promulgated pursuant to said laws, ordinances, rules, regulations and guidance documents. The phrase "Applicable Environmental Laws" shall mean all federal, state and local laws, regulations, ordinances, rules, orders and guidance documents concerning or relating to the presence, release, use, generation, storage, handling, transportation or disposal of Hazardous Materials, including, by way of illustration only the Model Toxic Control Act.

Tenant shall not be responsible for any pre-existing Hazardous Materials existing on or about the Premises prior to the commencement of the Lease.

29.2. HAZARDOUS MATERIALS DISCLOSURE CERTIFICATE. Prior to the Commencement Date, Tenant shall complete, execute, and deliver to Landlord a Hazardous Materials Disclosure Certificate identifying all of the Permitted Hazardous Materials ("Initial Disclosure Certificate"), a fully completed copy of which is attached hereto and incorporated herein by this reference as Exhibit E. Landlord shall be entitled to rely fully on the information contained Initial Disclosure Certificate. The parties agree that Tenant can submit a CD ROM containing data that identifies all of the Hazardous Materials it intends to store at the Premises and that the CD ROM shall be incorporated by reference to Exhibit E and shall satisfy Tenant's obligations under this Section 30.2. Tenant shall, upon written request from Landlord, and at such other times as Tenant desires to handle, store, use, discharge, or dispose of new or additional Permitted Hazardous Materials on or about the Premises that were not listed on the Initial Disclosure Certificate, complete, execute, and deliver to Landlord an updated Disclosure Certificate (each, an

“Updated Disclosure Certificate”) describing Tenant’s then current and proposed future uses of Hazardous Materials on or about the Premises. Tenant shall deliver an Updated Disclosure Certificate to Landlord not less than thirty (30) days prior to the date Tenant intends to commence the use, storage, handling, discharge or disposal of new or additional Hazardous Materials on or about the Premises, and Landlord shall have the right to approve or disapprove such new or additional Hazardous Materials in its reasonable discretion.

29.3. TENANT INDEMNIFICATION. Tenant agrees to indemnify, defend, protect, and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Property or the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property or the Premises, or elsewhere, damages arising from any adverse impact on marketing of space at the Property, and sums paid in settlement of claims, , consultant fees and expert fees incurred or suffered by Landlord during the Lease Term. The indemnification by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Materials present in or on or the Property or the Premises,. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Materials on the Property or the Premises or adjacent property.

Without limiting the foregoing, if the presence of any Hazardous Materials brought upon, kept or used in or about the Property or the Premises by Tenant, its agents, employees, contractors or invitees, results in any unlawful release or discharge of Hazardous Materials on the Property or the Premises or any other property, Tenant shall promptly take all actions, at its sole expense, as are necessary to properly remediate the Property, the Premises or other property in accordance with federal and state standards applicable to the release of any such Hazardous Materials; provided that Landlord’s approval of such actions shall first be obtained, which approval may be withheld at Landlord’s sole discretion. For avoidance of doubt, all Permitted Hazardous Materials are Hazardous Materials.

Notwithstanding anything to the contrary herein, Tenant’s obligations under this Lease to indemnify Landlord with respect to Hazardous Materials and to remediate Hazardous Materials are not applicable to Hazardous Materials on, in or under the Property or the Premises prior to the Commencement Date.

30. QUIET ENJOYMENT. So long as Tenant pays the Rent and performs all of its obligations set forth herein, Tenant’s possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord, or by the holders of any Landlord’s Mortgage or any successor thereto.

31. GENERAL.

31.1. HEIRS AND ASSIGNS. This Lease shall apply to and be binding upon Landlord and its respective heirs, executors, administrators, successors and assigns.

31.2. BROKERS' FEES. Tenant represents and warrants to Landlord that it has engaged The Jacobson Group and no other finder, broker or other person who would be entitled to any commission or fees for the negotiation, execution, or delivery of this Lease other than as disclosed in this Lease. Landlord shall pay The Jacobson Group a commission equal to five percent (5%) of the total gross payable Monthly Base Rent over the first thirty (30) months of the Term due at Lease execution. The commission equal to five percent (5%) for months 31 through 60 shall be paid in month 31 of the Term should Tenant not cancel the Lease. Tenant shall indemnify, defend and hold Landlord harmless against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord and Tenant recognize The Jacobson Group as a dual agent.

31.3. ENTIRE AGREEMENT. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior agreements or understanding pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

31.4. SEVERABILITY. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.

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

31.6. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

31.7. MEMORANDUM OF LEASE. This Lease shall not be recorded. However, Landlord and Tenant shall, at the other's request, execute and record a memorandum of Lease in recordable form that identifies Landlord and Tenant, the Commencement and Expiration Dates of the Lease, and the legal description of the Premises as set forth on attached **EXHIBIT B**.

31.8. SUBMISSION OF LEASE FORM NOT AN OFFER. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both Landlord and Tenant.

31.9. AUTHORITY OF PARTIES. Any individual signing this Lease on behalf of an entity represents and warrants to the other that such individual has authority to do so and, upon such individual's execution, that this Lease shall be binding upon and enforceable against the party on behalf of whom such individual is signing.

32. PARKING. Tenant and its customers shall be entitled to share parking with Landlord's other tenants and their customers at the designated parking areas for the Property at no charge. Tenant shall comply and shall be responsible for the compliance of its customers with the terms of the Lease and any reasonable rules and regulations adopted by Landlord from time to time for the safe and orderly sharing of parking. The area directly in front of the east side of Premises shall be for the exclusive use of the Tenant for loading and unloading when needed by Tenant. Landlord shall post appropriate signage and shall use its best efforts to enforce exclusive use. Landlord shall be responsible for maintaining the parking areas and keeping them free of debris.

In WITNESS WHEREOF this Lease has been executed the date and year first above written.

LANDLORD:

2724 6th Ave South LP, a Washington
Limited Partnership

By American Life, Inc., a Washington
corporation, its general partner

Name: Henry Liebman
Title: CEO

TENANT:

City of Seattle Department of Finance and
Administrative Services

By

STATE OF WASHINGTON

ss.

COUNTY OF KING

}

On this day personally appeared before me HENRY LIEBMAN, to me known to be the **CEO** of **AMERICAN LIFE, INC.**, a Washington corporation, the **GENERAL PARTNER** of 2724 6th Ave South, LP, a Washington limited partnership, and the person that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such limited partnership, for the uses and purposes therein mentioned, and on oath stated that [he/she] was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 2022.

Printed Name _____
NOTARY PUBLIC in and for the State of Washington, residing
at _____
My Commission Expires _____

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this day personally appeared before me _____ to me known to be the individual that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 2022.

Printed Name _____
NOTARY PUBLIC in and for the State of Washington, residing
at _____
My Commission Expires _____

EXHIBIT A

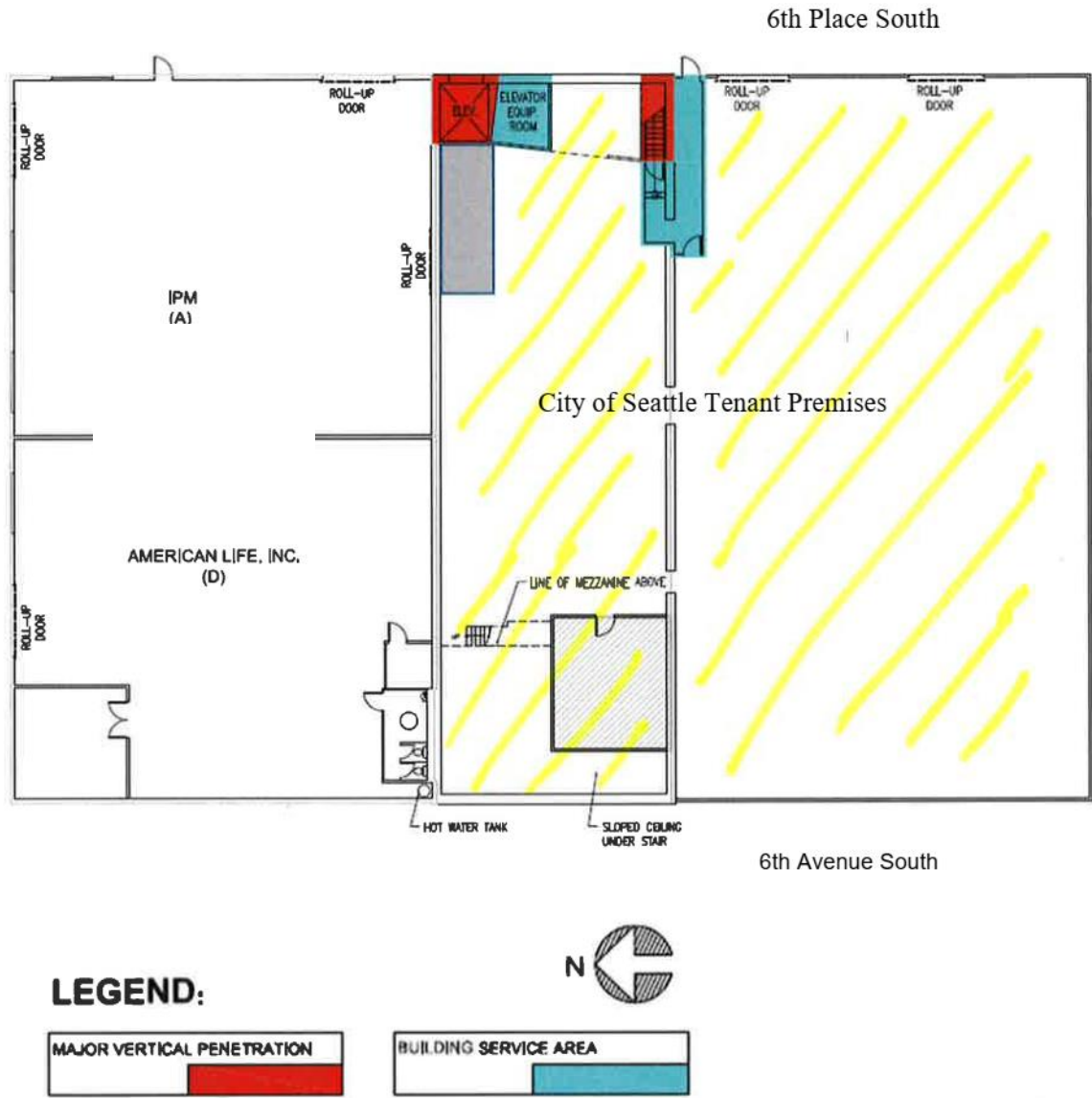


EXHIBIT B

LEGAL DESCRIPTION

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

SEATTLE TIDE LDS LOTS 3-4-5 & N 10 FT OF LOT 6

SEATTLE TIDE LDS S 50 FT OF LOT 6 & ALL OF LOT 7

SEATTLE TIDE LDS