

CITY OF SEATTLE
ORDINANCE 127046
COUNCIL BILL 120792

AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of Finance and Administrative Services to negotiate and execute a real property lease with Neptune III TT, LLC, on behalf of the Human Services Department for its Aging and Disability Services Division; and ratifying and confirming certain prior acts.

WHEREAS, the Aging and Disability Services Division of the Human Services Department (HSD) operates as the federal- and state-designated Area Agency on Aging (AAA) for King County and is responsible for providing aging network services to over 50,000 clients across the County, including over 14,000 clients receiving Medicaid long-term care case services, the majority of whom reside in south King County; and

WHEREAS, the Aging and Disability Services Division has had a long-standing presence in south King County and has leased office space since 2004 to better serve its King County clients in a building in a suburban office park known as Time Square, located at 600 Southwest 39th Street, Renton, Washington; and

WHEREAS, the Time Square lease expires on August 31, 2024; and

WHEREAS, the HSD Aging and Disability Services Division recently determined that the Time Square office space is no longer suitable and has opted to move to a new location that better serves the needs of its clients and staff; and

WHEREAS, the HSD Aging and Disability Services Division retained the Real Estate and Planning Services Division of the Department of Finance and Administrative Services (FAS) to conduct a search for new office space; and

1 WHEREAS, several lease options were identified by FAS for a decision by HSD, including the
2 option of moving to a new location or staying at its current location, with the goal being
3 to downsize the footprint for HSD to better align with workplace needs and realize cost
4 savings in rent; and

5 WHEREAS, as a result of such search, HSD has elected to relocate its Aging and Disability
6 Services Division offices from Time Square to Triton Towers Three, located at 707 South
7 Grady Way, in Renton, Washington; and

8 WHEREAS, the FAS Real Estate and Planning Services Division and the Triton Towers Three
9 landlord, Neptune III TT, LLC, have reached agreement on the form of the lease for new
10 HSD Aging and Disability Services Division offices, some 12,410 square feet, for an
11 initial term of ten years, with a right on the part of the City to extend the term for two
12 additional terms of five years each; and

13 WHEREAS, pursuant to Seattle Municipal Code Sections 3.127.010 and 3.127.020, leases of
14 office space with a term of more than five years and where the premises exceed 5,000
15 square feet require City Council authorization for execution by the Director of Finance
16 and Administrative Services; NOW, THEREFORE,

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

18 Section 1. The Director of Finance and Administrative Services, or the Director's
19 designee (the "Director"), is authorized to execute for and on behalf of The City of Seattle (the
20 "City") the lease by and between Neptune III TT, LLC, as landlord, and the City, as tenant,
21 substantially in the form attached to this ordinance as Attachment 1 (the "Lease"), which when
22 fully executed will provide for the City's use and occupancy of the premises within the real
23 property located at 707 South Grady Way, in Renton, Washington.


1 Section 2. The Director may make technical, conforming, or otherwise nonmaterial
2 changes to the Lease, and may take other actions that the Director deems necessary to
3 consummate the Lease.

4 Section 3. The rent payments as provided for in the Lease will be charged to the
5 appropriate expenditure allowance in the budget of the Department of Finance and
6 Administrative Services, subject to reimbursement by the Human Services Department.

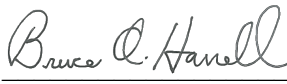
7 Section 4. Any act consistent with the authority of this ordinance taken after its passage
8 and prior to its effective date is ratified and confirmed.

1 Section 5. This ordinance shall take effect as provided by Seattle Municipal Code
2 Sections 1.04.020 and 1.04.070.


3 Passed by the City Council the 25th day of June, 2024,
4 and signed by me in open session in authentication of its passage this 25th day of
5 June, 2024.

6 
7 _____
President Pro Tem of the City Council

Approved / returned unsigned / vetoed this 27th day of June, 2024.

8 
9 _____
Bruce A. Harrell, Mayor

10 Filed by me this 28th day of June, 2024.

11 
12 _____
Scheereen Dedman, City Clerk

13 (Seal)

14
15
16 Attachments:
17 Attachment 1 – FAS HSD Triton Towers Lease

OFFICE LEASE

BETWEEN

NEPTUNE III TT, LLC

as Landlord

AND

CITY OF SEATTLE

as Tenant

Dated: _____, 2024

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LIST OF EXHIBITS

Exhibit A-1	Plan Showing Premises
Exhibit A-2	Legal Description of Land
Exhibit B	Work Agreement
Exhibit C	Rules and Regulations
Exhibit D	Confirmation of Commencement Date

OFFICE LEASE

THIS OFFICE LEASE ("Lease") is made as of the _____ day of _____, 2024 ("Date of Lease"), by and between NEPTUNE III TT, LLC, a Delaware limited liability company ("Landlord"), and the City of Seattle, a Washington State municipal corporation ("Tenant").

I. BASIC LEASE PROVISIONS AND DEFINITIONS

1.1 Premises. 12,410 Rentable Square Feet known as Suite 700 and located on the seventh floor(s) of the Building as depicted on Exhibit A-1 attached hereto and made a part hereof.

1.2 Building. The building known as Tower Three of Triton Towers, located at 707 S. Grady Way, Renton, WA 98057, containing approximately 133,255 Rentable Square Feet.

1.3 Project. The development known as Triton Towers consisting of each of the buildings owned by Landlord from time to time commonly known as Tower One located at 555 S. Renton Village Place, Tower Two located at 700 S. Renton Village Place, and Tower Three located at 707 S. Grady Way.

1.4 Land. The parcel of land on which the Building is located, as more particularly described on Exhibit A-2 attached hereto and made a part hereof, and all rights, easements and appurtenances thereunto belonging or pertaining.

1.5 Common Area. All areas from time to time designated by Landlord for the general and nonexclusive common use or benefit of Tenant, other tenants of the Project, and Landlord, including, without limitation, conference facilities, fitness center, premium bike storage, roadways, entrances and exits, loading areas, landscaped areas, open areas, park areas, service drives, walkways, atriums, courtyards, concourses, ramps, hallways, stairs, washrooms, lobbies, elevators, common trash areas, vending or mail areas, common pipes, conduits, wires and appurtenant equipment within the Building, maintenance and utility rooms and closets, exterior lighting, exterior utility lines, and Parking Facilities.

1.6 Parking Facilities. All parking areas now or hereafter designated by Landlord for use by tenants of the Building and/or their guests and invitees, including, without limitation, surface parking, parking decks, parking structures and parking areas under or within the Building whether reserved, exclusive, non-exclusive or otherwise.

1.7 Rentable Square Feet or Rentable Area. The rentable area within the Premises and Building are deemed to be the amounts set forth in this Article I. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Premises and Building are correct and shall not be remeasured.

1.8 Permitted Use. Tenant may use the Premises subject to and in accordance with the terms, covenants and conditions set forth in this Lease, and applicable governmental regulations, restrictions and permitting (without the necessity of obtaining any zoning changes, conditional use permits or other special permits), solely for general business office purposes.

1.9 Commencement Date. September 1, 2024.

1.10 Expiration Date. That certain date that is One Hundred Twenty (120) months after the Commencement Date.

1.11 Term. One Hundred Twenty (120) months, beginning on the Commencement Date and expiring on the Expiration Date.

1.12 Extension Option. As set forth in Section 3.3, Tenant shall have two (2) options to extend the term of the Lease for the Premises, as expanded or contracted from time to time, for an additional Sixty (60) months (each an “Extension Term”), at an amount that is equal to Prevailing Market Rent for the Premises, subject to the rent escalation set forth in Section 1.13, by providing Landlord with no less than nine (9) months prior written notice prior to expiration of the then current Term. The initial term, as extended by one or both extension options if applicable, is referred to herein as the “Term” or the “Lease Term”.

1.13 Basic Rent. Annual Basic Rent is Twenty Six and 00/100 Dollars (\$26.00) per Rentable Square Foot of the Premises with an annual Zero and 75/100 Dollar (\$0.75) escalation on each anniversary of the Commencement Date, subject to adjustment as specified in **Article IV**, and as follows:

<u>Period in Months</u>	<u>Annual Rate Per SF</u>	<u>Monthly Base Rent</u>
9/1/24 - 8/31/25	\$26.00	\$26,888.33
9/1/25 - 8/31/26	\$26.75	\$27,663.96
9/1/26 - 8/31/27	\$27.50	\$28,439.58
9/1/27 - 8/31/28	\$28.25	\$29,215.21
9/1/28 - 8/31/29	\$29.00	\$29,990.83
9/1/29 - 8/31/30	\$29.75	\$30,766.46
9/1/30 - 8/31/31	\$30.50	\$31,542.08
9/1/31 - 8/31/32	\$31.25	\$32,317.71
9/1/32 - 8/31/33	\$32.00	\$33,093.33
9/1/33 - 8/31/34	\$32.75	\$33,868.96

1.14 TI Allowance. Pursuant to the terms and conditions contained in this Lease, Landlord shall provide an allowance equal to Thirty Five and 00/100 Dollars (\$35.00) per Rentable Square Foot of the Premises (the “TI Allowance”) for the purposes set forth below. The TI Allowance may be used for permit and construction drawings, fees and permits, construction costs, Washington State Sales Tax, and other applicable taxes and other costs related to the construction of the Tenant Improvements (as defined in Section 12 herein) to the Premises, or for other work requested by Tenant and approved by Landlord. For the avoidance of doubt, the Tenant Improvements shall not include Tenant’s fixtures, furnishings and equipment. Tenant shall install its own security system within the Premises, subject to Landlord’s reasonable approval. The TI Allowance shall be provided and applied pursuant to the terms and conditions of the **Exhibit B** Work Agreement. No portion of the TI Allowance shall be applied to Basic Rent until all costs, fees and expenses associated with the Tenant Improvements have been paid in full. Landlord shall be entitled to a construction management fee (“Construction Management Fee”) equal to three percent (3%) of the Tenant Improvements work, if any, being overseen by Landlord and said fee shall be paid out of the TI Allowance. Landlord’s Construction Management Fee shall be net of any third party costs, fees or expenses incurred by Landlord in relation to the design, approval, permitting, procurement and construction of the Tenant Improvements which costs, fees and expenses shall be paid out of the TI Allowance. The final cost of the Tenant Improvements, Construction Management Fee, and all other costs, fees or expenses incurred in connection with the Tenant Improvements shall not exceed the TI Allowance. If the final cost of the Tenant Improvements is less than the sum of the TI Allowance or if such TI Allowance is not used in its entirety by December 31, 2024, then Landlord shall notify Tenant of the credit amount in writing, and Tenant may use the remaining portion of the TI Allowance as Basic Rent credit as set forth herein. Notwithstanding anything to the contrary, Tenant shall not be entitled to any portion of the TI Allowance if an Event of Default occurs prior to the disbursement of the TI Allowance and remains uncured, and in

such case, Tenant shall pay Landlord all amounts due in connection with the Tenant Improvements upon demand.

1.15 Lease Year. Each consecutive 12 month period elapsing after: (i) the Commencement Date if the Commencement Date occurs on the first day of a month; or (ii) the first day of the month following the Commencement Date if the Commencement Date does not occur on the first day of a month. Notwithstanding the foregoing, the first Lease Year shall include the additional days, if any, between the Commencement Date and the first day of the month following the Commencement Date, in the event the Commencement Date does not occur on the first day of a month.

1.16 Calendar Year. For the purpose of this Lease, Calendar Year shall be a period of 12 months commencing on each January 1 during the Term, except that the first Calendar Year shall be that period from and including the Commencement Date through December 31 of that same year, and the last Calendar Year shall be that period from and including the last January 1 of the Term through the earlier of the Expiration Date or date of Lease termination.

1.17 Tenant's Proportionate Share. 9.31%, as further defined in **Section 4.5.**

1.18 Parking Space Allocation. Tenant shall have the ongoing right to park in the Parking Facilities or in any parking easement that may now or hereafter benefit the Land and shall be allocated six (6) reserved parking spaces, provided that the location of the reserved parking spaces shall be subject to the Landlord's approval and any signage associated with the reserved parking spaces shall be Tenant's sole cost and expense.

1.19 Security Deposit. None.

1.20 Brokers:

Landlord's:

Cavan O'Keefe
Tracy Turnure
Newmark Knight Frank

Tenant's:

Derek Hermsen
**Union Street Corporate Real Estate,
LLC**

1.21 Guarantor(s). None.

1.22 Landlord's Notice Address.

Neptune III TT, LLC
555 S. Renton Village Place Suite, 100
Renton, WA 98057
Attention: Sean Munger

With copies at
the same time to.

Schwabe, Williamson & Wyatt
1420 Fifth Ave, Suite 3400
Seattle, WA 98101
Attention: Milt Reimers
Email: mreimers@schwabe.com

1.23 Tenant's Notice Address.

City of Seattle
700 Fifth Avenue, Suite 5200,
Seattle, WA 98104
Attn: Director, Real Estate &

Planning Services Division

Mailing Address:

City of Seattle

PO Box 94689

Seattle, WA 98124-4689

Attn: Director, Real Estate &

Planning Services Division

With copies at
the same time to.

Seattle City Attorney's Office

701 5th Avenue, Suite 2050

Seattle, WA 98104

Attn: Civil Division, Contracts and Utilities

1.24 Interest Rate. The per annum interest rate listed as the U.S. "prime" rate as published from time to time under "Money Rates" in the Wall Street Journal plus 5% but in no event greater than the maximum rate permitted by law. In the event the Wall Street Journal ceases to publish such rates, Landlord shall choose, at Landlord's reasonable discretion, a similarly published rate.

1.25 Agents. Officers, partners, members, owners, directors, employees, agents, licensees, contractors, customers and invitees; to the extent customers and invitees are under the principal's control or direction.

II. PREMISES

2.1 Lease of Premises. In consideration of the agreements contained herein, Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term and upon the terms and conditions set forth in this Lease. Except for compliance with delivery of the Tenant Improvements pursuant to the terms and conditions in this Lease, Landlord is delivering the Premises in its As-Is, Where-Is Condition without any further representations or warranties. Landlord and Tenant agree that the existing furniture, fixtures, and equipment in the Premises as of the Date of Lease, including, without limitation, all existing cubicles, shall remain in the Premises and become the property of Tenant. Concurrently with execution of this Lease, Landlord and Tenant shall execute a bill of sale to effect Tenant's ownership of the FF&E. As an appurtenance to the Premises, Tenant shall have the general and nonexclusive right, together with Landlord and the other tenants of the Project, to use the Common Area subject to the terms and conditions of this Lease; provided, however, except to the extent Landlord's prior written approval is obtained, Landlord excepts and reserves exclusively to itself the use of (i) roofs; (ii) maintenance and utility equipment rooms and closets, and (iii) conduits, wires and appurtenant equipment within the Building and equipment rooms and closets, and exterior utility lines.

2.2 Landlord's Reservations. Provided Tenant's use of and access to the Premises is not materially adversely affected, Landlord reserves the right from time to time to: (i) install, use, maintain, repair, replace and relocate pipes, ducts, conduits, wires and appurtenant meters and equipment above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas of the Building; (ii) make changes to the design and layout of the Project, including, without limitation, changes to buildings, driveways, entrances, loading and unloading areas, direction of traffic, landscaped areas and walkways, parking spaces and parking areas; and (iii) use or close temporarily the Common Areas, and/or other portions of the Project while engaged in making improvements, repairs or alterations to the Building, the Project or any portion thereof. In addition, Landlord expressly reserves the right to change the name of the Building or the Project.

III. TERM

3.1 **Commencement Date.** Subject to the earlier termination or extension as otherwise provided in this Lease, the Term shall commence on the Commencement Date and expire at midnight on the Expiration Date. Promptly following the request of either party, Landlord and Tenant shall enter into an agreement confirming the Commencement Date and the Expiration Date, and certain other information, in the form of the Confirmation of Commencement Date attached hereto as **Exhibit D.**

3.2 **Early Possession.** If Tenant takes possession of the Premises before the Commencement Date, such possession shall be subject to the terms and conditions of **Section 3.8(c)** of the Work Agreement attached hereto as **Exhibit B.**

3.3 **Option to Extend.**

(a) Provided that no Event of Default then exists beyond any applicable notice and cure period, Tenant shall have two (2) options to extend the term of the Lease for all or any portion of the Premises, as expanded or contracted from time to time, each for an additional five (5) year term, at an amount that is equal to Prevailing Market Rent for the Premises by providing Landlord with no less than nine (9) months prior written notice prior to expiration of the then current term (the "**Option**"). Upon exercise the Option, the terms and conditions of the Lease shall remain the same except that there shall be no additional TI Allowance or construction of Initial Improvements, and Landlord shall adjust the Basic Rent to an amount that is equal to Prevailing Market Rent for the Premises; provided, however, that in no event shall Basic Rent be adjusted downward from the Basic Rent in effect immediately prior to the Option term. For purposes of this **Section 3.3**, "**Prevailing Market Rent**" shall mean the arms-length fair market annual rental rate per rentable square foot under extension leases and amendments entered into on or about the date on which the Prevailing Market Rent is being determined hereunder for space comparable to the Premises in mid-rise Class A suburban office buildings comparable to the Building in Renton, Washington, as of the date the applicable extension term is to commence, taking into account the specific provisions of this Lease which will remain constant. The determination of Prevailing Market Rent shall take into account the creditworthiness of Tenant, the economic terms (including, if applicable, provisions pertaining to operating expense and tax reimbursement) of this Lease and any comparison lease or amendment (including any concessions and inducements being offered under this Lease and any such comparison lease or amendment); provided that in no event shall the Prevailing Market Rent include a premium for Tenant's specialized or custom tenant improvements (paid for by Tenant). The determination of Prevailing Market Rent shall also take into consideration any reasonably anticipated changes in the Prevailing Market Rent from the time such Prevailing Market Rent is being determined and the time such Prevailing Market Rent will become effective under this Lease.

(b) If Tenant and Landlord are unable to agree on the determination of Prevailing Market Rent within such thirty (30) days of Tenant's notice of its exercise of the Option, Prevailing Market Rent for such Option shall be determined pursuant to this Section. The parties shall promptly designate in writing a single mutually acceptable arbitrator experienced in commercial real estate and prevailing market rental rates in the Puget Sound region, who is independent of each party. If the parties cannot agree on an arbitrator within ten (10) Business Days after referral of such matter, the arbitrator shall be selected by the Seattle Office of JAMS, 1420 Fifth Ave. Suite 1650, Seattle, WA 98101. Within ten (10) Business Days of the arbitrator's appointment, each Party shall prepare and deliver to both the arbitrator and other party its position on the Prevailing Market Rent for the Premises. Each party may submit to the arbitrator (with a copy to the other Party) a rebuttal to the other party's support memorandum and will at such time have the opportunity to amend its last such offer based on any new information contained in the other party's support memorandum. Within thirty (30) days after the arbitrator's appointment, the arbitrator will select from the

two (2) proposals provided by the parties. The decision of the arbitrator shall be final and binding on the parties. The foregoing “baseball-style” arbitration shall be the exclusive remedy of either party if the parties cannot agree on the Prevailing Market Rent.

IV. RENT

4.1 **Basic Rent.** Tenant shall pay to Landlord the Basic Rent as specified in **Section 1.12.** Basic Rent shall be payable in monthly installments as specified herein, in advance, without demand, notice, deduction, offset or counterclaim, on or before the fifth day of each and every calendar month during the Term; provided, however, the installment of Basic Rent payable for the first full calendar month of the Term in which Basic Rent is due shall be due and payable at the time of execution and delivery of this Lease. Any payment made by Tenant to Landlord on account of Basic Rent may be credited by Landlord to the payment of any late charges then due and payable and to any Basic Rent or Additional Rent (as defined in **Section 4.2**) then past due before being credited to Basic Rent currently due. Tenant shall pay Basic Rent and all Additional Rent electronically via automatic debt, ACH credit, or wire transfer to such account as Landlord designates in writing to Tenant. Landlord may, in its sole discretion, designate an address for payment in lawful U.S. Dollars. If the Term commences on a day other than the first day of a calendar month or terminates on a day other than the last day of a calendar month, the monthly Basic Rent and Additional Rent shall be prorated based upon the number of days in such calendar month. Tenant’s covenant to pay Rent and the obligation of Tenant to perform Tenant’s other covenants and duties hereunder constitute independent, unconditional obligations to be performed at all times provided for hereunder, save and except only when an abatement thereof or reduction therein is expressly provided for in this Lease and not otherwise.

4.2 **Additional Rent; Rent.** All sums payable by Tenant under this Lease, other than Basic Rent, shall be deemed “**Additional Rent**,” and, unless otherwise set forth herein, shall be payable in the same manner as set forth above for Basic Rent. Basic Rent and Additional Rent shall jointly be referred to as “**Rent**”.

4.3 **Net Lease.** This is a net lease. Basic Rent shall be paid to Landlord absolutely net of all costs and expenses. The provisions for payment of Operating Costs by means of periodic payment of Tenant’s Proportionate Share (as defined in **Section 4.5**) of Estimated Operating Costs (as defined in **Section 4.4**) and the Operating Costs Adjustment (as defined in **Section 4.8**) are intended to pass on to Tenant and reimburse Landlord for Tenant’s Proportionate Share of all costs and expenses of the nature described in **Section 4.6**.

4.4 **Estimated Payments.** Tenant shall pay as Additional Rent Tenant’s Proportionate Share of Estimated Operating Costs in advance, on or before the first day of each calendar month, in the same manner as set forth above for Basic Rent. “**Estimated Operating Costs**” for any calendar month shall mean Landlord’s estimate of Operating Costs for the Calendar Year within which such month falls, divided into twelve (12) equal monthly installments. Landlord shall provide Tenant with a statement setting forth the Estimated Operating Costs and Tenant’s Proportionate Share thereof within a reasonable period of time after the Commencement Date and the commencement of each Calendar Year thereafter. Landlord may adjust such estimate from time to time by written notice. Until a new statement of Estimated Operating Costs is received Tenant shall continue to make the monthly payment of Estimated Operating Costs applicable to the prior year.

4.5 **Tenant’s Proportionate Share.** “**Tenant’s Proportionate Share**” shall be calculated by Landlord from time to time and shall mean a percentage equal to the Rentable Square Feet of the Premises divided by the total Rentable Square Feet of the Building, as calculated by Landlord from time to time. As of the Commencement Date, Tenant’s Proportionate Share is 9.31%. Notwithstanding anything herein to

the contrary, in any instance in which Landlord, in Landlord's reasonable discretion, deems Tenant to be responsible for any amounts greater than Tenant's Proportionate Share of any expense, Landlord shall have the right to allocate such costs in any reasonably appropriate manner. Landlord may establish cost pools for certain expenses that benefit some but not all tenants and may allocate such costs only to the tenants benefited by such cost. If Landlord incurs any expense that benefits other buildings in the Project, such expenses shall be allocated by Landlord among each of the buildings benefited by such expense on any commercially reasonable basis selected by Landlord.

4.6 Operating Costs. "Operating Costs" shall mean all expenses and costs (but not specific costs that are separately billed to and paid by specific tenants) of every kind and nature that Landlord shall reasonably pay or incur or become obligated to pay or incur (including, without limitation, costs incurred by managers and agents that are reimbursed by Landlord) because of or in connection with the management, repair, maintenance, replacement, preservation, ownership and operation of the Building and any supporting facilities directly serving the Building (as allocated to the Building in accordance with standard accounting practices, consistently applied). Operating Costs shall include, but not be limited to the following types of expenses:

(a) Wages, salaries, reimbursable expenses and benefits of all on-site and off-site personnel, including employees, independent contractors and agents, engaged in the operation, repair, maintenance, management and security of the Building and the direct costs of training such employees.

(b) Costs (including fair market rental) for the property management office and engineering office for the Project, conference room, exercise facilities and other areas dedicated to amenities for the tenants in the Project that would otherwise be leasable area and the cost of operating such areas and amenities, including the cost of acquiring or leasing equipment therein (net of any revenues actually received from users in connection with the use of such amenities).

(c) All supplies, materials, furniture and equipment used in the operation and maintenance of the Building and tenant amenities, including, without limitation, the cost of erecting, maintaining and dismantling art work and similar decorative displays commensurate with operation of a Class A office project.

(d) Utilities, including, without limitation, water, power, sewer, waste disposal, communication and cable television facilities, heating, cooling, lighting and ventilation of the Building.

(e) All maintenance, extended warranties (amortized over the period of such warranty), janitorial and service agreements for the Building and the equipment therein, including, but not limited to, alarm service, window cleaning, elevator maintenance, and maintenance and repair of the Building and all Building components.

(f) Legal and accounting services for the Building, including, but not limited to, the costs of audits by certified public accountants of Operating Costs records; provided, however, that Operating Costs shall not include legal fees related to (i) negotiating lease terms for prospective tenants, (ii) negotiating termination or extension of leases with existing tenants, or (iii) proceedings against tenants relating solely to the collection of Rent or other sums due to Landlord from such tenants.

(g) All insurance premiums and costs, including but not limited to, the premiums and cost of commercial property, liability, rental abatement or interruption, flood and earthquake insurance applicable to the Building and Landlord's personal property used in connection therewith (and all amounts paid as a result of loss sustained that would be covered by such policies but for "deductible" or self-insurance provisions).

(h) Repairs, replacements and general maintenance of the Building (except for repairs and replacements (i) paid for from the proceeds of insurance, or (ii) paid for directly by Tenant, other tenants or any third party).

(i) Real Estate Taxes (as defined in **Article VII**).

(j) Amortization (together with reasonable financing charges) of capital costs incurred (i) to comply with the requirements of any applicable law, (ii) to repair or replace items which Landlord is obligated to maintain under this Lease; or (iii) to improve the operating efficiency of the Building or reduce Operating Costs. As used in this Section, "amortization" shall mean allocation of the cost equally to each year of useful life of the items being amortized together with interest thereon at a rate reflecting Landlord's actual cost of funds or five percent (5%) per annum, whichever is more. Notwithstanding the foregoing, however, Landlord may treat as expenses (chargeable in the year incurred), and not as capital costs, items that cost less than two percent (2%) of Estimated Operating Costs for the year in question.

(k) All charges of any kind and nature imposed, levied, assessed, charged or collected by any governmental authority or other entity either directly or indirectly (i) for or in connection with public improvements, user, maintenance or development fees, transit, parking, housing, employment, police, fire, open space, streets, sidewalks, utilities, job training, child care or other governmental services or benefits, (ii) for environmental matters or as a result of the imposition of mitigation measures, including compliance with any transportation management plan, or fees, charges or assessments as a result of the treatment of the Building, or any portion thereof or interest therein, as a source of pollution or storm water runoff.

(l) A management fee equal to three percent (3%) of all revenue (excluding such management fee) derived from the Building, including without limitation, all Rent hereunder, all rent and other payments derived from other tenants in the Building, parking revenues and other revenues derived from licenses of any other part of or right in the Building.

Notwithstanding the foregoing, Operating Costs shall not include (i) any sums collected from other Building tenants for special services provided to such tenant in excess of the services provided to Tenant hereunder; (ii) amounts received from insurance claims and costs of repair and reconstruction related thereto to the extent of such insurance proceeds (other than deductible amounts under applicable insurance policies); (iii) ground rent (if any); (iv) principal, interest or loan fees incurred in connection with any loan secured by the Building or the Land; (v) leasing commissions; (vi) except as permitted under **Section 4.6(j)**, depreciation or amortization of the Building or Building components or expenses that should be capitalized in accordance with standard accounting practices, consistently applied; (vii) any penalties due to violation of law or fines imposed for late payment of any Operating Costs by Landlord or interest thereon, unless such penalties, interest or fines were caused directly or indirectly by Tenant; (viii) attorneys' fees, costs, disbursements and other expenses incurred in connection with disputes with tenants, or lease negotiations with prospective tenants; (ix) any costs of removal, remediation or encapsulation of any asbestos containing materials in the Building; (x) the cost of providing tenant improvements or other specific costs incurred for the account of, separately billed to and paid by specific tenants of the Building or Project; (xi) the initial construction cost of the Building; (xii) expenses for which Landlord is reimbursed (except through operating expense reimbursements) or indemnified (either by an insurer, condemnor, tenant or otherwise); (xiii) expenses incurred in leasing or procuring tenants (including, without limitation, lease commissions, legal expenses, and expenses of renovating space for tenants); (xiv) depreciation or accelerated cost recovery of the Building or any equipment, furniture, fixtures or property attached to or installed in the Building, except as allowed above; (xv) interest on, and amortization of, mortgages or deeds of trust; any rents under any ground, overriding and/or underlying leases; costs of selling, financing and/or mortgaging any of Landlord's interest in the Building or Project including, without limitation, mortgage or recording

taxes, points, commissions, legal fees and commitment fees; (xvi) costs of maintaining Landlord's corporate existence; (xvii) any sums paid to a person, firm, corporation or other entity related to Landlord which are in excess of the amount which would have been paid for a comparable level and quality of service in the absence of such relationship; (xiii) compensation, bonuses, salaries, administrative wages and benefits of officers, directors, and executive personnel of Landlord above the level of Building manager (regardless of the employee's actual title); (xix) real estate commissions, marketing and advertising costs, renting commissions or fees incurred in connection with the development and leasing of the Building or any improvements; (xx) legal and other professional fees, court costs, and other expenses incurred in preparing, negotiating and executing leases, amendments, terminations and extensions or in resolving any disputes with tenants or other occupants or enforcing lease obligations; (xxi) auditing fees other than auditing fees in connection with the preparation of statements required to reconcile Operating Costs; (xxii) cost of any work or service performed for any tenant (including Tenant) at such tenant's cost; and/or charges for electricity, HVAC, any other utilities or for janitorial or cleaning for which Landlord is entitled to reimbursement from any tenant other than through Operating Costs; (xxiii) services or benefits provided to some tenants but not to Tenant; (xxiv) costs for replacement of structural components of the Building; (xxv) costs to remove asbestos or Hazardous Materials (as defined by all applicable environmental laws) from the Building; (xxvi) costs to retrofit or reinforce the Building or the Premises to comply with existing laws related to earthquake safety, flood control and/or handicapped access as such laws are interpreted and applied to the Building or Premises at the time of construction; (xxvii) fines or penalties incurred by Landlord due to Landlord's violation of any applicable law; (xxviii) any late fees, penalties, interest charges or similar fees incurred by Landlord; (xxix) charitable or political contributions; and (xxx) gift and income taxes of Landlord.

4.7 Adjustment for Occupancy. Notwithstanding any other provision herein to the contrary, if during any year of the Term the Building is not fully occupied by tenants paying full rent, then an adjustment shall be made in computing Operating Costs for such year so that Operating Costs shall be computed as though the Building had been fully occupied by tenants paying full rent during such year; provided, however, that in no event shall Landlord collect in total, from Tenant and all other tenants of the Building, an amount greater than one hundred percent (100%) of Operating Costs during any year of the Term.

4.8 Computation of Operating Costs Adjustment. The term "Operating Costs Adjustment" for any Calendar Year shall mean the difference, if any, between Estimated Operating Costs and actual Operating Costs for that Calendar Year. Landlord shall, within a reasonable period of time after the end of any Calendar Year for which Estimated Operating Costs differs from actual Operating Costs, give written notice thereof to Tenant (a "Cost Statement"). The Cost Statement shall include a statement of the total Operating Costs applicable to such Calendar Year and the computation of the Operating Costs Adjustment. Landlord's failure to give such Cost Statement within a reasonable period of time after the end of any Calendar Year for which an Operating Costs Adjustment is due shall not release either party from the obligation to make the adjustment provided for in Section 4.9. The Cost Statement shall be final and binding on Tenant unless Tenant objects in writing within ninety (90) days after receipt thereof.

4.9 Adjustment for Variation Between Estimated and Actual. If Tenant's Proportionate Share of Operating Costs for any Calendar Year exceeds the payments received by Landlord towards Tenant's Proportionate Share of Estimated Operating Costs for such year, Tenant shall pay to Landlord Tenant's Proportionate Share of the Operating Costs Adjustment within thirty (30) days after delivery of the Cost Statement. If the Tenant's Proportionate Share of Operating Costs for any Calendar Year is less than the payments received by Landlord towards Tenant's Proportionate Share of Estimated Operating Costs for such year, then Landlord, at Landlord's option, shall either (a) pay Tenant's Proportionate Share of the Operating Costs Adjustment to Tenant in cash, or (b) credit said amount against future installments of Rent payable by Tenant hereunder. If the Term commences or terminates at any time other than the first day of a Calendar Year, Tenant's Proportionate Share of the Operating Costs Adjustment shall be calculated based

upon the exact number of calendar days during such Calendar Year that fall within the Term, and any payment by Tenant required hereunder shall be paid even if the Term has expired when such determination is made.

4.10 Audit Right. If no Event of Default is then outstanding beyond applicable cure periods, Tenant shall have the right to review Landlord's accounting records relating to Landlord's calculation of Operating Costs by delivering written notice to Landlord (the "Audit Notice") no later than ninety (90) days after receipt of the annual Cost Statement. Tenant may issue an Audit Notice and may review Landlord's records of Operating Costs only for the year covered by the Cost Statement. Tenant may not conduct more than one audit in any year. Tenant must complete the audit within ninety (90) days after the date of the Audit Notice, provided that Tenant may receive a reasonable extension to complete its audit in the event of a delay by Landlord in providing records of Operating Costs. Any audit must be performed by an auditor who has at least five years of experience auditing operating costs in class A office projects. Neither the individual auditor nor its employer may be compensated directly or indirectly based on the percentage of the savings found or the results of the audit. Tenant's auditor (both the individual and the company) and any third party (both the individual and the company) who may obtain the audit report or is otherwise involved in the audit must execute Landlord's form of confidentiality agreement before any records will be released to Tenant. The audit shall be limited solely to confirming that the Operating Costs charged to Tenant are consistent with the terms of this Lease.

The audit shall be conducted at a mutually acceptable time during regular business hours at the place where Landlord or its property manager maintains the applicable records in the State of Washington. Landlord shall cooperate with Tenant during the course of the audit and shall make its personnel available to Tenant as is reasonably necessary for the auditor to conduct such audit. Landlord shall have a reasonable opportunity to meet with Tenant's auditor to explain its calculation of Operating Costs. If Tenant's auditor believes that it has found errors or overcharges, Tenant shall provide a full and complete copy of the audit to Landlord and shall advise Landlord in writing of the claimed errors and overcharges with specific reference to the relevant Lease provisions disqualifying such expenses. If Tenant does not deliver an Audit Notice or complete the audit within the time limits set forth above, Landlord's Cost Statement for that year shall be deemed conclusive and binding on Tenant.

If Landlord and Tenant's auditor do not agree on proper treatment of the contested costs, Landlord shall engage its own auditor to review the findings of Tenant's auditor and Landlord's books and records. The two (2) auditors and the parties shall then meet to resolve any difference between the audits. If the parties have not reached agreement within two (2) weeks thereafter, then the auditors shall together select a third auditor (who is not affiliated with and who does not perform services for either party or their affiliates) to whom they shall each promptly submit their explanations of the basis of their opinion. Within two (2) weeks after receipt of such explanations, the third auditor shall determine the final treatment of the contested items which shall be binding on both parties. The auditor shall not have the authority to review any other items of Operating Costs.

If the final audit results show that the amount paid by Tenant was greater than the amount Tenant is obligated to pay, Landlord will credit the overpayment to the next Rent due under this Lease or shall refund the excess to Tenant if this Lease has terminated. If the audit shows that the amount Landlord charged Tenant for Operating Costs was less than the amount Tenant is obligated to pay, Tenant will pay to Landlord the difference between the amount Tenant paid and the amount determined in the audit within thirty (30) days after it receives the final audit results. Pending resolution of any audit under this Section, Tenant will continue to pay to Landlord the estimated amounts of Tenant's Proportionate Share of Operating Costs as billed by Landlord. Tenant and Tenant's auditors and accountants will keep all information obtained in any audit strictly confidential.

V. SECURITY DEPOSIT

Simultaneously with the execution of this Lease and if required by this Lease, Tenant shall deposit the Security Deposit with Landlord to be held in trust by Landlord until disbursement in accordance with the terms of this Lease. The Security Deposit shall not bear interest to Tenant and shall be security for Tenant's obligations under this Lease. Landlord shall be entitled to commingle the Security Deposit with Landlord's other funds. The Security Deposit is not an advance payment of Rent or a measure of Tenant's liability for damages. Within 60 days after the Expiration Date or earlier termination of this Lease, or such lesser period as may be required by law, provided that Tenant has notified Landlord of the address to which the Security Deposit should be returned, Landlord shall (provided an Event of Default does not then exist) return the Security Deposit to Tenant, less such portion thereof as Landlord shall have applied in accordance with this **Article V**. If an Event of Default shall occur or if Tenant fails to maintain the Premises in the condition required by this Lease, Landlord shall have the right, without prejudice to any other remedy which Landlord may have on account thereof, to apply all or any portion of the Security Deposit to cure such default or to remedy the condition of the Premises. If Landlord so applies the Security Deposit or any portion thereof before the Expiration Date or earlier termination of this Lease, Tenant shall deposit with Landlord, upon demand, the amount necessary to restore the Security Deposit to its original amount. If Landlord shall sell or transfer its interest in the Building, Landlord shall have the right to transfer the Security Deposit to such purchaser or transferee, in which event Tenant shall look solely to the new landlord for the return of the Security Deposit, and Landlord thereupon shall be released from all liability to Tenant for the return of the Security Deposit.

VI. INTENTIONALLY OMITTED

VII. REAL ESTATE TAXES

"Real Estate Taxes" shall be collectively defined as all real and personal property taxes, assessments, local improvement or special benefit district charges and other governmental charges, special and general, known and unknown, foreseen and unforeseen, of every kind and nature whatsoever (i) attributable to the Land or the Building or levied, assessed or imposed on, the Land or the Building, or any portion thereof, or interest therein; or (ii) attributable to or levied upon Landlord's personal property located in, or used in connection with the Building; including (A) surcharges and all local improvement or special benefit and other assessments levied with respect to the Building, the Land, and all other property of Landlord used in connection with the operation of the Building; (B) any taxes levied or assessed in lieu of, in whole or in part, or in addition to such real or personal property taxes (including, but not limited to, leasehold taxes, business and occupation taxes and taxes or license fees upon or measured by the leasing of the Building or the rents or other income collected therefrom; (C) any and all costs, expenses and attorneys' fees paid or incurred by Landlord in connection with any proceeding or action to contest in whole or in part, formally or informally, the valuation, imposition, collection or validity of any of the foregoing taxes, assessments, charges or fee. If by law any Real Estate Taxes may be paid in installments at the option of the taxpayer, then Landlord shall include within Real Estate Taxes for any year only those installments (including interest, if any) which would become due by exercise of such option. Real Estate Taxes shall not include (x) inheritance or estate taxes imposed upon or assessed against the Building, or any part thereof or interest therein, or (y) federal or state income taxes computed upon the basis of the Landlord's net income, or (z) real estate excise taxes collected in connection with any sale or transfer of the Building.

VIII. PARKING

During the Term, Tenant shall have the right to use the Parking Space Allocation (as defined in **Section 1.18**). All parking rights are subject to the Rules and Regulations (as defined in **Article XVIII**),

validation, key-card, sticker or other identification systems set forth by Landlord from time to time. Landlord may restrict certain portions of the Parking Facilities for the exclusive use of one or more tenants of the Building and may designate other areas to be used at large only by customers and visitors of tenants of the Building. Landlord reserves the right to delegate the operation of the Parking Facilities to a parking operator which shall be entitled to all the obligations and benefits of Landlord under this **Article VIII**; provided, however, Landlord shall have no liability whatsoever for claims arising through acts or omissions of any independent operator of the Parking Facilities. Except in connection with an assignment or sublease that is expressly permitted under this Lease, Tenant's parking rights and privileges described herein are personal to Tenant and may not be assigned or transferred. Landlord shall have the right to cause to be removed any vehicles of Tenant or its Agents that are parked in violation of this Lease or in violation of the Rules and Regulations of the Building, without liability of any kind to Landlord.

IX. USE AND REQUIREMENTS OF LAW

9.1 **Use.** The Premises will be used only for the Permitted Use. Tenant and Tenant's Agents will not: (i) do or permit to be done in or about the Premises, nor bring to, keep or permit to be brought or kept in the Premises, anything which is prohibited by or will in any way conflict with any law, statute, ordinance or governmental rule or regulation which is now in force or which may be enacted or promulgated after the Date of Lease; (ii) 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 of the Building or Project; (iii) do or permit anything to be done in or about the Premises which is dangerous to persons or property; or (iv) cause, maintain or permit any nuisance in, on or about the Premises or commit or allow to be committed any waste in, on or about the Premises. At its sole cost and expense, Tenant will promptly comply with (a) all laws, statutes, ordinances, transportation management plans, and governmental rules, regulations or requirements now in force or in force after the Commencement Date of this Lease regarding the operation of Tenant's business and the use, condition, configuration and occupancy of the Premises (except to the extent of Landlord's obligations under **Section 9.3** and **Exhibit B** with respect to the Landlord Work, if any); (b) the certificate of occupancy issued for the Building and the Premises; and (c) any recorded covenants, conditions and restrictions, if any, which affect the use, condition, configuration and occupancy of the Premises. The term "Permitted Use" specifically excludes any use as a call center or similar high-density use; as an employment agency for day labor; or that is inconsistent with the Building being a Class A professional office building consistent with other Class A office buildings in geographic area in which the Building is located.

9.2 **Hazardous Materials.** Tenant shall not bring or allow any of Tenant's Agents to bring on the Premises or the Project, any asbestos, petroleum or petroleum products, used oil, explosives, toxic materials or substances defined as hazardous wastes, hazardous materials or hazardous substances under any federal, state or local law or regulation ("**Hazardous Materials**"), except for routine office and janitorial supplies used on the Premises and stored in the usual and customary manner and quantities, and in compliance with all applicable environmental laws and regulations. In the event of any release of Hazardous Materials on, from, under or about the Premises or the Project as the result of Tenant's occupancy of the Premises, Landlord shall have the right, but not the obligation, to cause Tenant, at Tenant's sole cost and expense, to clean up, remove, remediate and repair any soil or groundwater contamination or other damage or contamination in conformance with the requirements of applicable law. To the extent permitted by Washington law, Tenant shall indemnify, protect, hold harmless and defend (by counsel reasonably acceptable to Landlord) Landlord, and its Agents and each of their respective successors and assigns, from and against any and all claims, damages, penalties, fines, liabilities and cost (including reasonable attorneys' fees and court costs) caused by or arising out of (i) a violation of the foregoing prohibitions or (ii) the presence or release of any Hazardous Materials on, from, under or about the Premises, the Project or other properties as the result of Tenant's occupancy of the Premises. Neither the written consent of Landlord to the presence of the Hazardous Materials, nor Tenant's compliance with all laws applicable to such

Hazardous Materials, shall relieve Tenant of its indemnification obligation under this Lease. Tenant shall immediately give Landlord written notice (a) of any suspected breach of this **Section 9.2**, (b) upon learning of the presence or any release of any Hazardous Materials, or (c) upon receiving any notices from governmental agencies or other parties pertaining to Hazardous Materials which may affect the Premises. Landlord shall have the right from time to time, but not the obligation, to enter upon the Premises in accordance with **Article XIV** to conduct such inspections and undertake such sampling and testing activities as Landlord deems necessary or desirable to determine whether Tenant is in compliance with this provision. Landlord shall indemnify, defend and hold harmless Tenant and its Agents and each of their respective successors and assigns from and against any and all claims, damages, fines, judgments, penalties, costs, liabilities, losses and reasonable attorneys fees and court costs to the sole extent arising out of or in connection with the existence or release of Hazardous Materials brought on the Premises, Building or Project by Landlord. The obligations of Landlord and Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this Lease.

9.3 **ADA Compliance.** Notwithstanding any other statement in this Lease, the following provisions shall govern the parties' compliance with the Americans With Disabilities Act of 1990, as amended from time to time, Public Law 101-336; 42 U.S.C. §§12101, et seq. (the foregoing, together with any similar state statute governing access for the disabled or handicapped collectively referred to as the "**ADA**"):

(a) To Landlord's actual knowledge, the Premises are in compliance with the requirements of the ADA.

(b) To the extent governmentally required as of or subsequent to the Commencement Date of this Lease as a result of an amendment to Title III of the ADA or any regulation thereunder enacted subsequent to the Commencement Date of this Lease, Landlord shall be responsible for compliance with Title III of the ADA with respect to any repairs, replacements or alterations to the Common Area of the Project, and such expense shall be included as an Operating Cost of the Project.

(c) Prior to the Commencement Date, Landlord shall be responsible for constructing a new ADA-compliant restroom on the 7th floor of the Building adjacent to the Premises.

(d) To the extent governmentally required, Tenant shall be responsible for compliance, at its expense, with Titles I and III of the ADA with respect to the Premises.

X. ASSIGNMENT AND SUBLETTING

10.1 **Landlord's Consent.**

(a) Tenant shall not assign, transfer, mortgage or otherwise encumber this Lease or sublet or rent (or permit a third party to occupy or use) the Premises, or any part thereof, nor shall any assignment or transfer of this Lease or the right of occupancy hereunder be effected by operation of law or otherwise, without the prior written consent of Landlord, such consent not to be unreasonably withheld. Within 30 days following Landlord's receipt of Tenant's request for Landlord's consent to a proposed assignment, sublease, or other encumbrance, together with all information required to be delivered by Tenant pursuant to the provisions of this **Section 10.1**, Landlord shall: (i) consent to such proposed transaction; (ii) refuse such consent; or (iii) elect to terminate this Lease in the event of an assignment, or in the case of a sublease, terminate this Lease as to the portion of the Premises proposed to be sublet in accordance with the provisions of **Section 10.2**. Any assignment, sublease or other encumbrance without Landlord's written consent shall be voidable by Landlord and, at Landlord's election, constitute an Event of Default hereunder. Without limiting other instances in which Landlord may reasonably withhold consent

to an assignment or sublease, Landlord and Tenant acknowledge that Landlord may withhold consent (a) if an Event of Default exists under this Lease or if an Event of Default would exist but for the pendency of any cure periods provided under **Section 20.1**; or (b) if the proposed assignee or sublessee is: a governmental entity; a person or entity with whom Landlord has negotiated for space in the Project during the prior six months; a present tenant in the Project; a person or entity whose tenancy in the Project would not be a Permitted Use or would violate any exclusivity arrangement which Landlord has with any other tenant; a person or entity of a character or reputation or engaged in a business which is not consistent with the quality of the Project; or not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under this Lease on the date consent is requested. If Tenant requests Landlord's consent to a specific assignment or subletting, Tenant will submit in writing to Landlord: (1) the name and address of the proposed assignee or subtenant; (2) a counterpart of the proposed agreement of assignment or sublease; (3) reasonably satisfactory information as to the nature and character of the business of the proposed assignee or subtenant, and as to the nature of its proposed use of the space; (4) banking, financial or other credit information reasonably sufficient to enable Landlord to determine the financial responsibility and character of the proposed assignee or subtenant; (5) executed estoppel certificates from Tenant containing such information as provided in **Section 24.4**; and (6) any other information reasonably requested by Landlord.

(b) Notwithstanding that the prior express written permission of Landlord to any of the aforesaid transactions may have been obtained, the following shall apply:

(i) In the event of an assignment, contemporaneously with the granting of Landlord's aforesaid consent, Tenant shall cause the assignee to expressly assume in writing and agree to perform all of the covenants, duties, and obligations of Tenant hereunder and such assignee shall be jointly and severally liable therefor along with Tenant.

(ii) All terms and provisions of this Lease shall continue to apply after any such transaction.

(iii) In any case where Landlord consents to an assignment, transfer, encumbrance or subletting, the undersigned Tenant and any Guarantor shall nevertheless remain directly and primarily liable for the performance of all of the covenants, duties, and obligations of Tenant hereunder (including, without limitation, the obligation to pay all Rent and other sums herein provided to be paid), and Landlord shall be permitted to enforce the provisions of this instrument against the undersigned Tenant, any Guarantor and/or any assignee without demand upon or proceeding in any way against any other person. Neither the consent by Landlord to any assignment, transfer, encumbrance or subletting nor the collection or acceptance by Landlord of rent from any assignee, subtenant or occupant shall be construed as a waiver or release of the initial Tenant or any Guarantor from the terms and conditions of this Lease or relieve Tenant or any subtenant, assignee or other party from obtaining the consent in writing of Landlord to any further assignment, transfer, encumbrance or subletting.

(iv) Tenant hereby assigns to Landlord the rent and other sums due from any subtenant, assignee or other occupant of the Premises and hereby authorizes and directs each such subtenant, assignee or other occupant to pay such rent or other sums directly to Landlord; provided however, that until the occurrence of an Event of Default, Tenant shall have the license to continue collecting such rent and other sums. Notwithstanding the foregoing, in the event that the rent due and payable by a sublessee under any such permitted sublease (or a combination of the rent payable under such sublease plus any bonus or other consideration therefor or incident thereto) exceeds the hereinabove provided Rent payable under this Lease, or if with respect to a permitted assignment, permitted license, or other transfer by Tenant permitted by Landlord, the consideration payable to Tenant by the assignee, licensee, or other transferee exceeds the Rent payable under this Lease, then Tenant shall be bound and obligated to pay

Landlord, in accordance with **Section 10.3**, the Net Profits (as defined in **Section 10.3**) and any other excess consideration within 10 days following receipt thereof by Tenant from such sublessee, assignee, licensee, or other transferee, as the case may be.

(v) Tenant shall pay Landlord a fee in the amount of \$1,000.00 to reimburse Landlord for all its expenses under this **Article X**, including, without limitation, reasonable attorneys' fees, in connection with any request for Landlord's consent to a sublease, assignment or deemed assignment, whether or not Landlord consents to such request.

10.2 **Landlord's Option to Recapture Premises.** If Tenant proposes to assign this Lease, Landlord may, at its option, upon written notice to Tenant given within 30 days after its receipt of Tenant's notice of proposed assignment, together with all other necessary information, elect to recapture the Premises and terminate this Lease. If Tenant proposes to sublease all or part of the Premises, Landlord may, at its option upon written notice to Tenant given within 30 days after its receipt of Tenant's notice of proposed subletting, together with all other necessary information, elect to recapture such portion of the Premises as Tenant proposes to sublease and upon such election by Landlord, this Lease shall terminate as to the portion of the Premises recaptured. If a portion of the Premises is recaptured, the Rent payable under this Lease shall be proportionately reduced based on the square footage of the Rentable Square Feet retained by Tenant and the square footage of the Rentable Square Feet leased by Tenant immediately prior to such recapture and termination, and Landlord and Tenant shall thereupon execute an amendment to this Lease in accordance therewith. Landlord may thereafter, without limitation, lease the recaptured portion of the Premises to the proposed assignee or subtenant without liability to Tenant. Upon any such termination, Landlord and Tenant shall have no further obligations or liabilities to each other under this Lease with respect to the recaptured portion of the Premises, except with respect to obligations or liabilities which accrue or have accrued hereunder as of the date of such termination (in the same manner as if the date of such termination were the date originally fixed for the expiration of the Term).

10.3 **Distribution of Net Profits.** In the event that Tenant assigns this Lease or sublets all or any portion of the Premises during the Term, Landlord shall receive 50% of any "Net Profits" (as hereinafter defined) and Tenant shall receive 50% of any Net Profits received by Tenant from any such assignment or subletting. The term "Net Profits" as used herein shall mean such portion of the Rent payable by such assignee or subtenant in excess of the Rent payable by Tenant under this Lease (or pro rata portion thereof in the event of a subletting) for the corresponding period, after deducting from such excess Rent all of Tenant's documented reasonable third party costs associated with such assignment or subletting, including, without limitation, broker commissions, attorney fees and any costs incurred by Tenant to prepare or alter the Premises, or portion thereof, for the assignee or sublessee.

10.4 **Transfers to Related Entities.** Notwithstanding anything in this **Article X** to the contrary, provided no Event of Default exists under this Lease or would exist but for the pendency of any cure periods provided for under **Section 20.1**, Tenant may, without Landlord's consent, but after providing written notice to Landlord and subject to the provisions of **Section 10.1(b)(i-v)**, assign this Lease or sublet all or any portion of the Premises to any Related Entity (as hereinafter defined) provided that (i) such Related Entity is not a governmental entity or agency; (ii) such Related Entity's use of the Premises would not cause Landlord to be in violation of any exclusivity agreement within the Project; and (iii) the tangible net worth (computed in accordance with generally accepted accounting principles exclusive of goodwill) of any assignee after such transfer is greater than or equal to the greater of (a) the tangible net worth of Tenant as of the Date of Lease; or (b) the tangible net worth of Tenant immediately prior to such transfer, and proof satisfactory to Landlord that such tangible net worth standards have been met shall have been delivered to Landlord at least 10 days prior to the effective date of any such transaction. "Related Entity" shall be defined as any parent company, subsidiary, affiliate or related corporate entity of Tenant that controls, is controlled by, or is under common control with Tenant.

XI. MAINTENANCE AND REPAIR

11.1 **Landlord's Obligation.** Landlord will maintain, repair and restore in reasonably good order and condition (i) the Common Area; (ii) the mechanical, plumbing, electrical and HVAC equipment serving the Building; (iii) the structure of the Building (including roof, exterior walls and foundation); (iv) exterior windows of the Building; and (v) Building standard lighting, including lighting within the Premises (e.g., Landlord to promptly replace nonfunctioning lightbulbs in the Premises). The cost of such maintenance and repairs to the Building shall be included in the Operating Costs and paid by Tenant as provided in **Article IV**; provided, however, Tenant shall bear the full cost, plus 5% of such cost for Landlord's overhead, of any maintenance, repair or restoration necessitated by the negligence or willful misconduct of Tenant or its Agents. Tenant waives all rights to make repairs at the expense of Landlord, to deduct the cost of such repairs from any payment owed to Landlord under this Lease, to claim a lien against the Rent, the Project or Landlord's property, or to vacate the Premises.

11.2 **Tenant's Obligation.** Subject to Landlord's express obligations set forth in **Section 11.1**, Tenant, at its expense, shall maintain the Premises in good condition and repair, reasonable wear and tear and casualty governed by the provisions of **Article XIX** excepted. Tenant's obligation shall include without limitation the obligation to maintain and repair all (i) interior walls; (ii) floor coverings; (iii) ceilings; (iv) doors; (v) entrances to the Premises; (vi) supplemental HVAC systems within the Premises; and (vii) private restrooms and kitchens, including hot water heaters, plumbing and similar facilities serving Tenant exclusively. Tenant will promptly advise Landlord of any damage to the Premises or the Project. All damage or injury to the Premises (excluding Tenant's equipment, personal property and trade fixtures) may be repaired, restored or replaced by Landlord, at the expense of Tenant, and such expense (plus 5% of such expense for Landlord's overhead) will be collectible as Additional Rent and will be paid by Tenant upon demand. If Tenant fails to make any repairs to the Premises for more than 30 days after notice from Landlord (although notice shall not be required in the event of an emergency as defined in **Article XIV**), Landlord may, at its option, cause all required maintenance or repairs, restorations or replacements to be made and Tenant shall pay Landlord pursuant to this **Section 11.2**.

XII. TENANT IMPROVEMENTS; ALTERATIONS

12.1 **Tenant Improvements.** The parties shall comply with the terms and conditions and deadlines set forth in the Work Agreement attached hereto as **Exhibit B** and in the construction manual for the Building, which is incorporated herein by this reference (the "**Construction Manual**") with respect to design and construction of Tenant Improvements in the Premises. As used in this Lease, "**Tenant Improvements**" shall mean all improvements in the Premises in addition to the Base Building (as defined in **Exhibit B**), including Building Standard Improvements (as defined in **Exhibit B**) and Above Standard Improvements (as defined in **Exhibit B**), and specifically including the following: the construction of a training room and the installation of interior doors including three HIPAA-compliant security doors in the Premises. Except for construction of the (i) Tenant Improvements, and (ii) improvements included as Landlord Work as defined in Section 2.1 of Exhibit B to this Lease, both as depicted in the preliminary Space Plan attached as Exhibit A-1, Landlord shall have no obligations whatsoever to construct any improvements to the Premises and Tenant accepts the Premises "AS IS", "WHERE IS" and "WITH ANY AND ALL FAULTS", and Landlord neither makes nor has made any representations or warranties, express or implied, with respect to the quality, suitability or fitness thereof of the Premises, or the condition or repair thereof. Tenant taking possession of the Premises shall be conclusive evidence for all purposes of Tenant's acceptance of the Premises in good order and satisfactory condition, and in a state and condition satisfactory, acceptable and suitable for Tenant's use pursuant to this Lease, unless Tenant provides notice to Landlord to the contrary. Notwithstanding the foregoing or any other provisions of this Lease to the contrary, if Tenant discovers any defects in the Premises (collectively, "latent defects") during the first 90

days following the Delivery Date, Tenant shall have the right, by written notice to Landlord, to require Landlord to correct such latent defects as are set forth in particularity in the Tenant's notice and which have not been exacerbated by the acts or omissions of Tenant, its agents, contractors or employees. Landlord shall promptly repair any such latent defects of which the Tenant has timely notified the Landlord in accordance with this **Section 12.1**. Landlord shall be solely responsible for the design, permitting and construction of all Tenant Improvements in accordance with the Work Agreement, which total cost (including the Construction Management Fee and any other fees, costs, or expenses incurred by Landlord in connection with the Tenant Improvements) shall not exceed the maximum amount set forth in **Section 1.13** (the "**TI Allowance**"). The TI Allowance may not be used to pay for any furniture, fixtures or equipment (including the purchase or installation of removable workstations and office equipment), wiring, or telecommunications equipment or cabling except as allowed under **Exhibit B**. All additions to or improvements of the Premises, whether of Building Standard Improvements or Above Standard Improvements, shall be and become the property of Landlord upon installation and shall be surrendered to Landlord upon termination of this Lease by lapse of time or otherwise, except as otherwise stated herein. Although Tenant Improvements become the property of Landlord upon installation, they are intended to be for the convenience of Tenant and are not intended to be a substitute for Rent or any part thereof.

12.2 **Installing and Operating Tenant's Equipment.** Without first obtaining the written consent of Landlord, Tenant shall not install or operate in the Premises (i) any electrically operated equipment or other machinery, other than standard office equipment that does not require wiring, cooling or other service in excess of Building standards; (ii) any equipment of any kind or nature whatsoever which will require any changes, replacements or additions to, or changes in the use of, any water, heating, plumbing, air conditioning or electrical system of the Premises or the Project; or (iii) any equipment which exceeds the electrical or floor load capacity per square foot for the Building. Landlord's consent to such installation or operation may be conditioned upon the payment by Tenant of additional compensation for any excess consumption of utilities and any additional power, wiring, cooling or other service that may result from such equipment. Machines and equipment which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein so as to be objectionable to Landlord or any other Project tenant shall be installed and maintained by Tenant, at its expense, on vibration eliminators or other devices sufficient to eliminate such noise and vibration. Tenant and Tenant's telecommunications companies, including but not limited to, local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to the Land, Building or the Project for the installation and operation of telecommunications systems, including but not limited to, voice, video, data, and any other telecommunications services provided over wire, fiber optic, microwave, wireless, and any other transmission systems, for part or all of Tenant's telecommunications within the Building without Landlord's prior written consent, such consent not to be unreasonably withheld.

12.3 **Alterations.** Tenant shall not make or permit any structural alterations, additions or improvements of any kind or nature to the Premises or the Project, whether interior, exterior or otherwise ("**Alterations**") without the prior written consent of Landlord, said consent not to be unreasonably withheld, conditioned, or delayed. Tenant shall be permitted to make decorations and nonstructural alterations or improvements to the Premises (e.g., installing a partition) that do not impact or damage the Building or Premises upon prior written notice to Landlord, provided that the cost of designing, constructing and installing such decorations and nonstructural alterations do not exceed Fifteen Thousand and No/100 Dollars (\$15,000.00). Landlord may impose any reasonable conditions to its consent, including, without limitation: (i) prior approval of the plans and specifications and contractor(s) with respect to the Alterations (provided that Landlord may designate specific contractors with respect to Building systems); (ii) supervision by Landlord's representative, at Tenant's expense, of the Alterations; (iii) proof of worker's compensation insurance and commercial general liability insurance in such amounts and meeting such requirements as reasonably requested by Landlord; (iv) delivery to Landlord of written and unconditional waivers of mechanic's and materialmen's liens as to the Project for all work, labor and services to be

performed and materials to be furnished, signed by all contractors, subcontractors, materialmen and laborers participating in the Alterations; (v) delivery of permits, certificates of occupancy, "as-built" plans, and equipment manuals; and (vi) any security for performance or payment that is reasonably required by Landlord. The Alterations shall conform to the requirements of federal, state and local governments having jurisdiction over the Premises, including, without limitation, the ADA, the OSHA General Industry Standard (29 C.F.R. Section 1910.1001, et seq.), and the OSHA Construction Standard (29 C.F.R. Section 1926.1001, et seq.) and shall be performed in accordance with the terms and provisions of this Lease and in a good and workmanlike manner using material of a quality that is at least equal to the quality designated by Landlord as the minimum standard for the Building. All computer, telecommunications or other cabling, wiring and associated appurtenances (collectively, "Cabling") installed by Tenant inside any of the interior walls of the Premises, above the ceiling of the Premises, in any portion of the ceiling plenum above or below the Premises, or in any portion of the Common Areas of the Building, including but not limited to any of the shafts or utility rooms of the Building, shall be clearly labeled or otherwise identified as having been installed by Tenant. All Cabling installed by Tenant shall comply with the requirements of the National Electric Code and any other applicable fire and safety codes. Landlord may designate reasonable rules, regulations and procedures for the performance of work in the Building and, to the extent reasonably necessary to avoid disruption to the occupants of the Building, shall have the right to designate the time when Alterations may be performed. If the Alterations are not performed as herein required, Landlord shall have the right, at Landlord's option, to halt any further Alterations, or to require Tenant to perform the Alterations as herein required or to require Tenant to return the Premises to its condition before such Alterations. All or any part of the Alterations, whether made with or without the consent of Landlord, shall, at the election of Landlord, either be removed by Tenant at its expense before the expiration of the Term or shall remain upon the Premises and be surrendered therewith at the Expiration Date or earlier termination of this Lease as the property of Landlord without disturbance, molestation or injury; provided, Tenant shall remove all Cabling installed by Tenant anywhere in the Premises or the Building to the point of the origin of such Cabling. If required by Tenant, Landlord's election shall be made at the time Landlord approves installation of such Alterations. If Landlord requires the removal of all or part of the Alterations, Tenant, at its expense, shall repair any damage to the Premises or the Project caused by such removal and restore the Premises and the Project to its condition prior to the construction of such Alterations, reasonable wear and tear excepted. If Tenant fails to remove the Alterations upon Landlord's request and repair and restore the Premises and Project, then Landlord may (but shall not be obligated to) remove, repair and restore the same and the cost of such removal, repair and restoration together with any and all damages which Landlord may suffer and sustain by reason of the failure of Tenant to remove, repair and restore the same, shall be charged to Tenant and paid upon demand. Notwithstanding the foregoing, Tenant may remove any trade fixtures, business equipment, personal property and furniture provided that no Event of Default exists under this Lease and Tenant repairs any damage to the Premises resulting from the removal of such items and restores the Premises to its condition prior to the installation of such items, reasonable wear and tear excepted.

12.4 Mechanics' Liens. Tenant will pay or cause to be paid all costs and charges for: (i) work done by Tenant or caused to be done by Tenant, in or to the Premises; and (ii) materials furnished for or in connection with such work. Tenant will indemnify Landlord against and hold Landlord, the Premises, and the Project free, clear and harmless of and from all mechanics' liens and claims of liens, and all other liabilities, liens, claims, and demands on account of such work by or on behalf of Tenant. If any such lien, at any time, is filed against the Premises, or any part of the Project, Tenant will cause such lien to be discharged of record within 10 days after the filing of such lien, except that if Tenant desires to contest such lien, it will furnish Landlord, within such 10-day period, a bond or other security reasonably satisfactory to Landlord of at least 150% of the amount of the claim. If a final judgment establishing the validity or existence of a lien for any amount is entered, Tenant will immediately pay and satisfy the same. If Tenant fails to pay any charge for which a mechanic's lien has been filed, and has not given Landlord a bond or other security as described above, Landlord may, at its option, pay such charge and related costs and

interest, and the amount so paid, together with attorneys' fees incurred in connection with such lien, will be immediately due from Tenant to Landlord as Additional Rent. Nothing contained in this Lease will be deemed the consent or agreement of Landlord to subject Landlord's interest in all or any portion of the Project to liability under any mechanics' lien or to any other lien law. If Tenant receives notice that a lien has been or is about to be filed against the Premises or any part of the Project or any action affecting title to the Project has been commenced on account of work done by or for or materials furnished to or for Tenant, it will immediately give Landlord written notice of such notice. At least 15 days prior to the commencement of any work (including, but not limited to, any maintenance, repairs or Alteration) in or to the Premises, by or for Tenant, Tenant will give Landlord written notice of the proposed work and the names and addresses of the persons supplying labor and materials for the proposed work. Landlord will have the right to post notices of non-responsibility or similar notices, if applicable, on the Premises or in the public records in order to protect the Premises and Project against such liens.

XIII. SIGNS

Except as expressly provided for in this **Article XIII**, no sign, advertisement or notice shall be inscribed, painted, affixed, placed or otherwise displayed by Tenant on any part of the Project or the outside or the inside (to the extent visible from the exterior of the Premises or Building) of the Building or the Premises. Landlord shall provide, at Tenant's expense, a listing on the directory in the lobby of the Building listing all Building tenants. Landlord also shall, at Tenant's expense, place the suite number and/or Tenant name on or in the immediate vicinity of the entry door to the Premises using Building standard sign material and lettering. If any prohibited sign, advertisement or notice is nevertheless exhibited by Tenant, Landlord shall have the right to remove the same, and Tenant shall pay upon demand any and all expenses incurred by Landlord in such removal, together with interest thereon at the Interest Rate from the demand date.

XIV. RIGHT OF ENTRY

Tenant shall permit Landlord or its Agents to enter the Premises in compliance with all applicable law without charge therefor to Landlord and without diminution of Rent or claim of constructive eviction: (i) to clean, inspect and protect the Premises and the Project; (ii) to make such alterations and repairs to the Premises or any portion of the Building, including other tenants' premises, which Landlord determines to be reasonably necessary; (iii) to exhibit the same to prospective purchaser(s) of the Building or the Project or to present or future Mortgagees; or (iv) to exhibit the same to prospective tenants during the last 9 months of the Term. Landlord will endeavor to minimize, as reasonably practicable, any interference with Tenant's business and shall provide Tenant with reasonable prior notice of entry into the Premises (which may be given verbally), except with respect to the provision of janitorial services after Normal Business Hours or in the event of an apparent emergency condition arising within or affecting the Premises that endangers or threatens to endanger property or the safety of individuals.

XV. INSURANCE

15.1 **Certain Insurance Risks.** Tenant will not do or permit to be done any act or thing upon the Premises or the Project that would: (i) jeopardize or be in conflict with commercial property insurance covering the Project, and fixtures and property in the Project; or (ii) increase the rates for the commercial property insurance applicable to the Project to an amount higher than it otherwise would be for general office use of the Project; or (iii) subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being conducted upon the Premises.

15.2 **Landlord's Insurance.** At all times during the Term, Landlord will carry and maintain:

- (a) Commercial property insurance covering the Building, its equipment and common area furnishings, and leasehold improvements in the Premises to the extent of any initial build out of the Premises by Landlord;
- (b) Commercial general liability insurance; and
- (c) Such other insurance as Landlord reasonably determines from time to time.

The insurance coverages and amounts in this **Section 15.2** will be determined by Landlord in an exercise of its reasonable discretion.

15.3 **Tenant's Insurance.** On or before the earlier to occur of (i) the Commencement Date; or (ii) the date Tenant commences any work of any type in the Premises pursuant to this Lease (which may be prior to the Commencement Date) and continuing throughout the Term, Tenant will carry and maintain, at Tenant's expense, the following insurance, in the minimum amounts specified below or such other amounts as Landlord may from time to time reasonably request, with insurance companies currently rated A VIII or higher and licensed or authorized to write insurance in the state of Washington, and issued on forms reasonably satisfactory to Landlord as follows:

(a) Commercial general liability insurance written on an occurrence basis with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate per location. All such insurance will include coverage for bodily injury, property damage, personal injury, advertising injury, products and completed operations liability, tenant's legal liability, pollution exclusion modified to include coverage for pollution claims related to a hostile fire and contractual liability coverage for the performance by Tenant of the indemnity agreements set forth in this Lease. Coverage shall be written as primary, not contributing with and not supplemental to the coverage that Landlord may carry. Commercial general liability insurance required to be maintained by Tenant by this **Article XV** will not be subject to a deductible or any self-insured retention;

(b) Commercial property insurance written on a cause of loss special-perils form, covering 100% of Tenant's furniture and fixtures, machinery, equipment, stock and any other personal property owned and used in Tenant's business and found in, on or about the Project, and any leasehold improvements to the Premises in excess of any initial buildout of the Premises by Landlord, in an amount not less than the full replacement cost, agreed amount. Coverage to include business interruption covering loss of income, extra expense and contingent business interruption in an amount not less than annual base rent, with an extended period of indemnity not less than 12 months; as well as equipment breakdown with limits sufficient to cover the sudden and accidental breakdown of Tenant's equipment and machinery, Tenant's commercial property policy to be primary with regard to any insurance Landlord carries;

(c) Workers' compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the state of Washington, including employers' liability with limits not less than \$1,000,000;

(d) If Tenant operates owned, hired, or nonowned vehicles on the Project, commercial automobile liability with limits not less than \$1,000,000 combined single limit per accident for bodily injury and property damage;

(e) Umbrella or excess liability insurance in excess of Tenant's commercial general liability, employers' liability and commercial automobile liability coverage listed in **paragraphs (a), (c) and (d)** above, with limits not less than \$4,000,000 per occurrence and \$4,000,000 aggregate; and

(g) All insurance required under this **Section 15.3** shall be issued by such good and reputable insurance companies qualified to do business in the state of Washington and having a policyholder rating of not less than "A" and a financial rating of "VIII" in the most current copy of Best's Insurance Report.

15.4 Forms of the Policies. Landlord and its affiliates, Landlord's management company, Landlord's Mortgagee (as defined in **Article XXI**), and such other parties as Landlord shall designate to Tenant who have an insurable interest in the Premises or Project shall be: (i) named as additional insureds (other than for Worker's Compensation) and have waiver of subrogation rights with respect to the coverages provided for under **Section 15.3 (a), (c), (d) and (e)**, and (ii) as loss payees as their interest may appear with respect to the coverage provided under **Section 15.3 (b)**.

15.5 Waiver of Subrogation. Landlord and Tenant each waive and shall cause their respective insurance carriers to waive any and all rights to recover against the other or against the employees, Agents and/or mortgagees of such other party for any loss or damage to such waiving party (including deductible amounts) arising from any cause covered by any property insurance required to be carried by such party pursuant to this **Article XV** or any other property insurance actually carried by such party to the extent of the limits of such policy.

15.6 Adequacy of Coverage. Landlord makes no representation that the limits of liability specified to be carried by Tenant pursuant to this **Article XV** are adequate to protect Tenant and Tenant should obtain such additional insurance or increased liability limits as Tenant deems appropriate. Furthermore, in no way does the insurance required herein limit the liability of Tenant assumed elsewhere in this Lease.

15.7 Proof of Coverage. Tenant shall deposit the required policies (or original Acord certificates) with Landlord prior to the date of occupancy by Tenant. Such policies shall provide that the insurer agrees to notify Landlord in writing not less than 30 days in advance of the modification or cancellation thereof. Tenant shall provide updated certificates to Landlord of the foregoing insurance coverages annually not less than ten days in advance of each respective policy anniversary date. All such insurance policies or original certificates submitted by Tenant shall clearly indicate an obligation on the insurer's part to provide Landlord with at least 30 days prior written notice of intent to cancel or non-renew.

15.8 Self Insurance. Notwithstanding the foregoing provisions, Landlord acknowledges that Tenant administers a self-insurance program and that Tenant will use its self insurance to meet the requirements set forth in this **Article XV**. Tenant shall provide a copy of its self-insurance letter to Landlord upon request.

XVI. SERVICES AND UTILITIES

16.1 Ordinary Services to the Premises. Landlord shall furnish to the Premises throughout the Term so long as the Premises are occupied: (i) heating, ventilation, and air conditioning ("HVAC") appropriate for the Permitted Use during Normal Business Hours (as defined in the Rules and Regulations), except for legal holidays observed by the federal government; (ii) reasonable janitorial service for normal office use, including trash removal from the Premises; (iii) reasonable use of all existing basic intra-Building and/or Project telephone and network cabling; (iv) hot and cold water from points of supply; (v) restrooms; (vi) elevator service, provided that Landlord shall have the right to remove such elevators from service as may reasonably be required for moving freight or for servicing or maintaining the elevators or the Building; and (vii) proper facilities to furnish sufficient electrical power for Building standard lighting, facsimile machines, personal computers, printers, copiers and other customary business equipment, but not including electricity and air conditioning units required for equipment of Tenant that is in excess of Building

standard. The cost of all services provided by Landlord hereunder shall be included within Operating Costs, unless charged directly (and not as a part of Operating Costs) to Tenant or another tenant of the Project. Landlord may establish reasonable measures to conserve energy and water.

16.2 Additional Services. Should Tenant desire any additional services beyond those described in **Section 16.1**, or a rendition of any of such services outside the normal times for providing such service, Landlord may (at Landlord's option), upon reasonable advance notice from Tenant to Landlord, furnish such services, and Tenant agrees to pay Landlord upon demand Landlord's additional expenses resulting therefrom. Tenant shall be charged Thirty Five Dollars (\$35.00) per hour, subject to adjustment by Landlord, for additional or after hours HVAC service, subject to rate changes by Landlord. Landlord may, from time to time during the Term, set a charge for such additional services, or a per hour charge for additional or after hours service which shall include the utility, service, labor, and administrative costs and a cost for depreciation of the equipment used to provide such additional or after hours service.

16.3 Interruption of Utilities or Services. Landlord will not be liable to Tenant or any other person for direct or consequential damages (including, without limitation, damages to persons or property or for injury to, or interruption of, business), Tenant shall not be entitled to any abatement or reduction of rent except as expressly set forth in this **Section 16.3**, nor shall a constructive eviction exist or shall Tenant be released from any of Tenant's obligations under this Lease (a) for any failure to supply any heat, air conditioning, elevator, cleaning, lighting or security or for any surges or interruptions of electricity, telecommunications or other service Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply such services; (b) as a result of the admission to or exclusion from the Building or Project of any person; or (c) for any discontinuance permitted under this **Article XVI**. Landlord reserves the right temporarily to discontinue the services set forth in the foregoing sentence, or any of them, at such times as may be necessary by reason of accident, repairs, alterations or improvement, strikes, lockouts, riots, acts of God, governmental preemption in connection with a national or local emergency, any rule, order or regulation of any governmental agency, conditions of supply and demand which make any product unavailable, Landlord's compliance with any mandatory or voluntary governmental energy conservation or environmental protection program, or any other happening beyond the control of Landlord. In the event of invasion, mob, riot, public excitement or other circumstances rendering such action advisable in Landlord's reasonable opinion, Landlord will have the right to prevent access to the Building or Project during the continuance of the same by such means as Landlord, in its reasonable discretion may deem appropriate, including, without limitation, locking doors and closing Parking Facilities and the Common Areas. Notwithstanding the foregoing, in the event of any failure to furnish, or any stoppage of, the following specified services for a period in excess of five consecutive days, and if: (a) such interruption is restricted to the Building and is not a neighborhood blackout or caused by an Event of Force Majeure; (b) such failure to furnish or stoppage is caused by the negligence or willful misconduct of Landlord or by the failure of Landlord to commence and diligently pursue repairs for which Landlord is responsible under this Lease; (c) such interruption results in the Premises becoming untenable; and (d) Tenant actually ceases to occupy the Premises as a result thereof, Tenant shall be entitled to an abatement of Rent which shall commence on the sixth day (and shall not be retroactive) and shall continue for the remainder of the period of such failure to furnish or stoppage of such specified services. As used in this **Section 16.3**, the specified services are electricity, water, natural gas and sewer service.

16.4 Meters. In the event Tenant's electrical usage exceeds normal business office usage levels as reasonably determined by Landlord, Landlord reserves the right to separately meter or monitor the utility services provided to the Premises, at Tenant's expense, and bill the charges directly to Tenant, or to separately meter any other tenant and bill the charges directly to such tenant and to make appropriate adjustments to the Operating Costs based on the meter charges.

16.5 Utility Charges. All telephone and other utility service used by Tenant in the Premises shall be paid for directly by Tenant except to the extent the cost of same is included within Operating Costs.

XVII. LIABILITY OF THE PARTIES

17.1 Indemnification by Tenant. Except to the extent caused by the negligence or willful misconduct of Landlord and subject to the waiver of subrogation set forth in Section 15.5, Tenant will neither hold nor attempt to hold Landlord, its Agents or Mortgagee liable for, and to the extent permitted by law, Tenant will indemnify, hold harmless and defend (with counsel reasonably acceptable to Landlord) Landlord, its Agents and Mortgagee, from and against, any and all demands, claims, causes of action, fines, penalties, damages, liabilities, judgments, and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with or arising from (i) the use or occupancy or manner of use or occupancy of the Premises or the Common Areas by Tenant or its Agents; (ii) any activity, work or thing done, permitted or suffered by Tenant or its Agents in or about the Premises or the Project; (iii) any acts, omissions or negligence of Tenant or its Agents; (iv) any breach, violation or nonperformance by Tenant or its Agents of any term, covenant or provision of this Lease or any law, ordinance or governmental requirement of any kind; and (v) any injury or damage to the person, property or business of Tenant or its Agents, including, without limitation, to vehicles (or the contents thereof) of Tenant or Tenant's Agent's that are parked in the Parking Facilities, whether incurred in connection with the removal of any vehicles of Tenant or its Agents that are parked in violation of this Lease, the Rules and Regulations or otherwise.

17.2 Indemnification by Landlord. Except to the extent caused by the negligence or willful misconduct of Tenant and subject to the waiver of subrogation set forth in Section 15.5, Landlord will neither hold nor attempt to hold Tenant or its Agents liable for, and Landlord will indemnify, hold harmless and defend (with counsel reasonably acceptable to Tenant) Tenant, and its Agents, from and against, any and all demands, claims, causes of action, fines, penalties, damages, liabilities, judgments, and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with or arising from (i) the use or occupancy or manner of use or occupancy of the Premises, Project, Building or the Common Areas by Landlord or its Agents; (ii) any activity, work or thing done, permitted or suffered by Landlord or its Agents in or about the Premises, Building, or the Project, including the Tenant Improvements; (iii) any acts, omissions or negligence of Landlord or its Agents; (iv) any breach, violation or nonperformance by Landlord or its Agents of any term, covenant or provision of this Lease or any law, ordinance or governmental requirement of any kind; and (v) any injury or damage to the person, property or business of Landlord or its Agents, including, without limitation, to vehicles (or the contents thereof) of Landlord or Landlord's Agent's that are parked in the Parking Facilities, whether incurred in connection with the removal of any vehicles of Landlord or its Agents that are parked in violation of this Lease, the Rules and Regulations or otherwise.

17.3 Industrial Insurance. Solely to the extent required to enforce the indemnification provisions of this section, each party voluntarily and knowingly waives its immunity under Title 51 RCW, Washington's Industrial Insurance Act; provided, however, the foregoing waiver shall not in any way preclude a party from raising such immunity as a defense against any claim brought by any of their respective employees. This waiver has been mutually negotiated by the Parties.

17.4 Survival. The covenants, agreements and indemnification obligations under this **Article XVII** will survive the expiration or earlier termination of this Lease. Tenant's covenants, agreements and indemnification obligations are not intended to and will not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease.

XVIII. RULES AND REGULATIONS

Tenant and its Agents shall at all times abide by and observe the Rules and Regulations set forth in **Exhibit C** and any amendments thereto that may reasonably be promulgated from time to time by Landlord for the operation and maintenance of the Project and the Rules and Regulations shall be deemed to be covenants of this Lease to be performed and/or observed by Tenant. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations, or the terms or provisions contained in any other lease, against any other tenant of the Project, provided that Landlord is not discriminatory in its enforcement of the Rules and Regulations with respect to Tenant in relation to other tenants of the Project. Landlord shall not be liable to Tenant for any violation by any party of the Rules and Regulations or the terms of any other Project lease. If there is any inconsistency between this Lease (other than **Exhibit C**) and the then current Rules and Regulations, this Lease shall govern.

XIX. DAMAGE; CONDEMNATION

19.1 **Damage to the Premises.** If a fire or other casualty in the Premises or the Building occurs, Tenant shall immediately give notice thereof to Landlord. The following provisions shall apply to any fire or other casualty:

(a) If the damage is limited solely to the Premises and the Premises can, in the reasonable opinion of Landlord, be made tenantable with all damage repaired within six (6) months from the date of damage or destruction, then Landlord shall diligently rebuild the same; **provided, however,** that Landlord shall not be obligated to expend for such repair an amount in excess of the insurance proceeds recovered or recoverable as a result of such damage.

(b) If portions of the Building outside the boundaries of the Premises are damaged or destroyed (whether or not the Premises are also damaged or destroyed) and (i) the Premises and the Building can both, in the reasonable opinion of Landlord, be made tenantable with all damage repaired within six (6) months from the date of damage or destruction, and (ii) Landlord reasonably determines that such reconstruction is economically feasible, then Landlord shall diligently rebuild the same; **provided, however,** that Landlord shall not be obligated to expend for such repair an amount in excess of the insurance proceeds recovered or recoverable as a result of such damage and Landlord shall have no obligation to repair or restore Tenant's furniture, equipment, machinery, trade-fixtures, personal property, goods or supplies ("**Tenant's Personal Property**"), Above Standard Improvements or Alterations.

(c) If (i) the Premises should be damaged by any occurrence not covered by Landlord's insurance, or (ii) the Premises or the Building should be damaged to the extent that the damage cannot, in Landlord's reasonable opinion be restored within six (6) months from the date of damage, or (iii) the Building should be damaged to the extent of more than fifty percent (50%) of the cost of replacement thereof, notwithstanding that the Premises may be undamaged, or (iv) if the damage occurs during the last two (2) years of the Term, Landlord may elect either to repair or rebuild the Premises or the Building or to terminate this Lease upon giving notice in writing of such election to Tenant within sixty (60) days after the happening of the event causing the damage.

(d) During any period when the Premises are rendered untenable because of any casualty, Rent shall abate proportionately until such time as the Premises are made tenantable as reasonably determined by Landlord, and no portion of the Rent so abated shall be subject to subsequent recapture; **provided, however,** that there shall be no such abatement (i) except to the extent that the amount thereof is compensated for and recoverable from the proceeds of rental abatement or business interruption insurance maintained by Landlord with respect to this Lease, the Premises or the Building or (ii) if the damage is caused by Tenant or any Tenant party.

(e) The proceeds from any insurance paid by reason of damage to or destruction of the Building or any part thereof, the Building Standard Improvements or any other element, component or property insured by Landlord shall belong to and be paid to Landlord subject to the rights of any mortgagee of Landlord's interest in the Building or Land or the beneficiary of any deed of trust that constitutes an encumbrance thereon. If this Lease is terminated by either party as a consequence of a casualty in accordance with any of the provisions of this **Section 19.1**, all proceeds of insurance required to be maintained either by Landlord or Tenant shall be paid to Landlord subject to the rights of any mortgagee of Landlord's interest in the Building or Land or the beneficiary of any deed of trust that constitutes an encumbrance thereon; provided, however, that Tenant shall be paid all proceeds of insurance payable in connection with Tenant's Personal Property. If Tenant has failed to maintain any policy of insurance required under this Lease, then Tenant shall pay to Landlord on demand an amount equal to proceeds which Landlord reasonably concludes would have been available for the repair and reconstruction from such policies had Tenant maintained all of the required policies of insurance.

(f) If the Premises, or any part thereof, or any portion of the Building necessary for Tenant's use of the Premises, are damaged or destroyed during the last twelve (12) months of the Term, or any extension thereof, Landlord or Tenant may terminate this Lease by giving written notice thereof to the other party within thirty (30) days after the date of the casualty, in which case this Lease shall terminate as of the later of the date of the casualty or the date of Tenant's vacation of the Premises.

(g) Except to the extent expressly provided in this Lease, nothing contained in this Lease shall relieve Tenant of any liability to Landlord or to Landlord's insurance carriers that Tenant may have under law or under the provisions of this Lease in connection with any damage to the Premises or the Building by fire or other casualty.

(h) If Landlord rebuilds the Premises under any provision of this **Article XIX**, Tenant shall repair and restore Above Standard Improvements and any Alterations at Tenant's expense so as to restore the Premises to the condition existing prior to such damage or destruction, or, at Landlord's election, Landlord may repair and rebuild the Above Standard Improvements or Alterations, at Tenant's sole cost in accordance with **Section 12.3** of this Lease. Landlord shall have no duty to make any repairs if Tenant was not occupying the Premises at the time of the casualty.

19.2 Condemnation.

(a) If such portion of the Premises or any portion of the Building or Land shall be taken or condemned for any public purpose and the remainder of the Premises are rendered untenable, as reasonably determined by Landlord, this Lease shall, at the option of either party, terminate as of the date of such taking. If this Lease is not terminated in its entirety then it shall terminate only as to the portion of the Premises taken and Basic Rent and Tenant's Proportionate Share shall be adjusted to reflect the new Rentable Area of the Premises and/or the Building. If any portion of the Building or Land shall be taken or condemned for any public purpose to such an extent as to render the Building not economically viable in Landlord's discretion, then whether or not the Premises or any part thereof is taken or conveyed, Landlord may by notice in writing to Tenant terminate this Lease, and the Basic Rent and other charges shall be paid or refunded as of the date of termination.

(b) If during the Term of this Lease the entire Premises shall be taken by eminent domain or destroyed by the action of any public or quasi-public authority or in the event of conveyance in lieu thereof, this Lease shall terminate as of the day possession shall be taken by such authority, and Tenant shall pay Rent up to that date with an appropriate refund by Landlord of such rent as shall have been paid in advance for a period subsequent to the date of the taking of possession.

(c) If a temporary taking of all or a portion of the Premises occurs, there shall be no abatement of Rent and Tenant shall remain fully obligated for performance of all of the covenants and obligations on its part to be performed pursuant to the terms of this Lease. All proceeds awarded or paid with respect thereto shall belong to Tenant.

(d) Except as provided in **Section 19.2(c)** above, all compensation awarded for any such taking or conveyance whether for the whole or a part of the Premises shall be the property of Landlord, whether such damages shall be awarded as compensation for diminution in the value of the leasehold or of the fee of or underlying leasehold interest in the Premises, and Tenant waives all claims against Landlord and the condemning authority for damages for termination of its leasehold interest or interference with its business and hereby assigns to Landlord all of Tenant's right, title and interest in and to any and all such compensation; provided, however, that Tenant shall be entitled to claim, prove and receive in the condemnation proceedings such separate award as may under the laws of the State of Washington be expressly allocated to Tenant's personal property or relocation expenses, provided that such award shall be made by the court in addition to and shall not result in a reduction of the award made to Landlord.

XX. DEFAULT OF TENANT

20.1 **Events of Default.** Each of the following shall constitute an Event of Default: (i) Tenant fails to pay Rent within three business days after notice from Landlord; provided that no such notice shall be required if at least two such notices shall have been given during the previous 12 months; (ii) Tenant fails to observe or perform any other term, condition or covenant herein binding upon or obligating Tenant within 30 days after notice from Landlord; provided, however, that if such failure cannot reasonably be cured within said 30-day period, Tenant shall have such longer period as shall be necessary to cure such failure so long as Tenant proceeds promptly to cure the same, prosecutes the cure to completion with due diligence and advises Landlord from time to time, upon Landlord's request, of the actions which Tenant is taking and the progress being made (notwithstanding the foregoing, if Landlord provides Tenant with notice of Tenant's failure to observe or perform any term, condition or covenant under this **Subsection (ii)** on two or more occasions during any 12 month period, then Tenant's subsequent violation shall, at Landlord's option, be deemed an Event of Default immediately upon the occurrence of such failure, regardless of whether Landlord provides Tenant notice, or Tenant has commenced the cure of the same); (iii) Tenant fails to execute and return a subordination agreement or estoppel within the time periods provided for in **Article XXI** or **Section 24.4**; (iv) Tenant or any Guarantor makes or consents to a general assignment for the benefit of creditors or a common law composition of creditors, or a receiver of the Premises for all or substantially all of Tenant's or Guarantor's assets is appointed; (v) Tenant or Guarantor hereafter files a voluntary petition in any bankruptcy or insolvency proceeding, or an involuntary petition in any bankruptcy or insolvency proceeding is filed against Tenant or Guarantor and is not discharged by Tenant or Guarantor within 60 days; or (vi) Tenant fails to immediately take steps to remedy or discontinue any hazardous conditions which Tenant has created or permitted in violation of law or of this Lease. Any notice periods provided for under this **Section 20.1** shall run concurrently with any statutory notice periods and any notice given hereunder may be given simultaneously with or incorporated into any such statutory notice.

20.2 **Landlord's Remedies.** Upon the occurrence of an Event of Default, Landlord, at its option, without further notice or demand to Tenant, may, in addition to all other rights and remedies provided in this Lease, at law or in equity, elect one or more of the following remedies:

(a) Terminate this Lease, and with or without reentering and repossessing the Premises. Upon any termination of this Lease, Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord. If Tenant fails to surrender possession and vacate the Premises, Landlord and its Agents shall have full and free license to lawfully enter into and upon the

Premises with or without process of law for the purpose of repossessing the Premises, removing Tenant and removing, storing or disposing of any and all Alterations, signs, personal property, equipment and other property therefrom. Landlord may take these actions without (i) being deemed guilty of trespass, eviction or forcible entry or detainer, (ii) incurring any liability for any damage resulting therefrom, for which Tenant hereby waives any right to claim, (iii) terminating this Lease (unless Landlord intends to do so), (iv) releasing Tenant or any Guarantor, in whole or in part, from any obligation under this Lease or any Guaranty thereof, including, without limitation, the obligation to pay Rent, Rental Deficiency (as defined herein) or Damages (as defined herein) or (v) relinquishing any other right given to Landlord hereunder or by operation of law;

(b) Recover one or more of the following: (i) unpaid Rent (whether accruing prior to, on or after the date of termination of this Lease or Tenant's right of possession and/or pursuant to the holdover provisions of **Section 22.2**, it being agreed that Landlord has the right to accelerate unpaid Rent following an uncured Tenant default), (ii) Rental Deficiency (as defined herein) or (iii) any Damages (as defined herein). As used in this **Section**, the terms used herein have the following definitions:

(i) "**Rental Deficiency**" means a contractual measure of damages for Tenant's non-payment of Rent measured by (A) for any period during which Landlord has relet the Premises, either the (i) "**Actual Rental Deficiency**", which means the difference (never less than zero) between (1) the Basic Rent due for, and other Rent allocable under this Lease to, each calendar month beginning with the first month with respect to which Landlord receives rent from reletting the Premises and (2) the proceeds, if any, that Landlord actually collects from any substitute tenant for any part of the Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap; or (B) for any period during which Landlord has not relet the Premises, "**Market Rental Deficiency**", which is the present value (determined using a discount rate of 7% per annum) of the difference (never less than zero) between (1) the total Rent which would have accrued to Landlord under this Lease for the remainder of the Term of this Lease (or such portion of the Term in which Landlord elects to recover this damage measure), if the terms of this Lease had been fully complied with by Tenant, and (2) the total fair market rental value of the Premises for the remainder of the Term of this Lease (or such portion of the Term in which Landlord elects to recover this damage measure). In determining the Market Rental Deficiency, the total fair market rental value will be the prevailing market rate for full service basic rent for tenants of comparable quality for leases in buildings of comparable size, age, use location and quality in the marketplace in which the Project is located, taking into consideration the extent of the availability of space as large as the Premises in the marketplace.

(ii) "**Damages**" means all reasonable and documented actual damages, court costs, interest and attorneys' fees arising from Tenant's breach of this Lease, including, without limitation, (A) reletting costs, including, without limitation, the cost of restoring the Premises to the condition necessary to rent the Premises at the prevailing market rate, normal wear and tear excepted (including, without limitation, cleaning, decorating, repair and remodeling costs), brokerage fees, legal fees, advertising costs and the like); (B) Landlord's cost of recovering possession of the Premises; (C) the cost of removing, storing and disposing of any of Tenant's or other occupant's property left on the Premises after reentry; (D) any increase in insurance premiums caused by the vacancy of the Premises; (E) the amount of any unamortized improvements to the Premises in connection with this Lease paid for by Landlord as well as any portion of any Tenant work allowance which was not used to construct improvements to the Premises; (F) the amount of any unamortized brokerage commission paid by Landlord in connection with the leasing of the Premises to Tenant; (G) costs incurred in connection with collecting any money owed by Tenant or a substitute tenant; (H) any other sum of money or damages owed by Tenant to Landlord or incurred by Landlord as a result of or arising from, Tenant's breach of this Lease or Landlord's exercise of its rights and remedies for such breach; (I) any contractual or liquidated type or measures of damages specified in this Lease, if any; and (J) any other type of measure of damages recoverable for any particular

breach under applicable law, statute, ordinance or governmental rule or regulation. Landlord may file suit to recover any sums falling due under the terms of this **Section 20.2(b)** from time to time, and no delivery to or recovery by Landlord of any portion due Landlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Landlord. Nothing contained in this Lease shall limit or prejudice the right of Landlord to prove for and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

(c) Reserved.

(d) Take any lawful self-help or judicial action, including using a master or duplicate key or changing or picking the locks and security devices, without having any civil or criminal liability therefor to (i) reenter the Premises, repossess the Premises and exclude Tenant and other occupants from the Premises, and/or (ii) make such payment or do such act as Landlord determines is necessary (without obligation to do so) to cure the Event of Default or otherwise satisfy Tenant's obligations under the terms of this Lease. Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in connection with the foregoing actions, which expenses shall bear interest until paid at the Interest Rate, and that Landlord shall not be liable for any damages resulting to Tenant from such actions.

(e) Withhold or suspend payment or performance that this Lease would otherwise require Landlord to pay or perform.

(f) No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute. In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this Lease, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity.

20.3 **Mitigation of Damages.** Notwithstanding the foregoing, to the extent (but no further) Landlord is required by applicable law to mitigate damages, or is required by law to use efforts to do so, and such requirement cannot be lawfully and effectively waived (it being the intention of Landlord and Tenant that Tenant waive and Tenant hereby waives such requirements to the maximum extent permitted by applicable law), Tenant agrees that if Landlord markets the Premises in a manner substantially similar to the manner in which Landlord markets other space in the Building, then Landlord shall be deemed to have used commercially reasonable efforts to mitigate damages. Tenant shall continue to be liable for all Rent (whether accruing prior to, on or after the date of termination of this Lease or Tenant's right of possession and/or pursuant to the holdover provisions of **Section 22.2** below) and Damages, except to the extent that Tenant receives any credit against unpaid Rent under **Section 20.2(b)** or pleads and proves by clear and convincing evidence that Landlord fails to exercise commercially reasonable efforts to mitigate damages to the extent required under this **Section 20.3** and that Landlord's failure caused an avoidable and quantifiable increase in Landlord's damages for unpaid Rent. Without limitation to the foregoing, Landlord shall not be deemed to have failed to mitigate damages, or to have failed to use efforts required by law to do so, because: (i) Landlord leases other space in the Building which is vacant prior to re-letting the Premises; (ii) Landlord refuses to relet the Premises to any Related Entity of Tenant, or any principal of Tenant, or any Related Entity of such principal; (iii) Landlord refuses to relet the Premises to any person or entity whose creditworthiness is not acceptable to Landlord in the exercise of its reasonable discretion; (iv)

Landlord refuses to relet the Premises to any person or entity because the use proposed to be made of the Premises by such prospective tenant is not general office use of a type and nature consistent with that of the other tenants in the portions of the Building leased or held for lease for general office purposes as of the date Tenant defaults under this Lease (by way of illustration, but not limitation, call center or other high-density use, government offices, consular offices, doctor's offices or medical or dental clinics or laboratories, or schools would not be uses consistent with that of other tenants in the Building), or such use would, in Landlord's reasonable judgment, impose unreasonable or excessive demands upon the Building systems, equipment or facilities; (v) Landlord refuses to relet the Premises to any person or entity, or any affiliate of such person or entity, who has been engaged in litigation with Landlord or any of its affiliates; (vi) Landlord refuses to relet the Premises because the tenant or the terms and provisions of the proposed lease are not approved by the holders of any liens or security interests in the Building, or would cause Landlord to be in default of, or to be unable to perform any of its covenants or obligations under, any agreements between Landlord and any third party; (vii) Landlord refuses to relet the Premises because the proposed tenant is unwilling to execute and deliver Landlord's standard lease form or such tenant requires improvements to the Premises to be paid at Landlord's cost and expense; (viii) Landlord refuses to relet the Premises to a person or entity whose character or reputation, or the nature of such prospective tenant's business, would not be acceptable to Landlord in its reasonable discretion; (ix) Landlord refuses to expend any material sums of money to market the Premises in excess of the sums Landlord typically expends in connection with the marketing of other space in the Building. As used in this **Section 20.3**, an "affiliate" means a person or entity that controls, is controlled by, or is under common control with another person or entity.

20.4 **No Waiver.** If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any other covenant, condition or agreement herein contained, nor of any of Landlord's rights hereunder. No waiver by Landlord of any breach shall operate as a waiver of such covenant, condition or agreement itself, or of any subsequent breach thereof. No payment of Rent by Tenant or acceptance of Rent by Landlord shall operate as a waiver of any breach or default by Tenant under this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Rent herein stipulated shall be deemed to be other than a payment on account of the earliest unpaid Rent, nor shall any endorsement or statement on any check or communication accompanying a check for the payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease. No act, omission, reletting or re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of this Lease, shall be construed as an actual or constructive eviction of Tenant, or an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant by Landlord.

20.5 **Late Payment.** If Tenant fails to pay any Rent within 10 days after such Rent becomes due and payable, Tenant shall pay to Landlord a late charge of 10% of the amount of such overdue Rent. Such late charge shall be deemed Rent and shall be due and payable within two days after written demand from Landlord.

20.6 **Waiver of Landlord's Lien.** Landlord hereby specifically disclaims, waives and disavows any statutory, contractual or common law lien of distraint, if any, attaching or relating to Tenant's personal property, including without limitation, all equipment, furniture, machinery, furnishings or trade fixtures.

XXI. MORTGAGES

This Lease is subject and subordinate to all ground or underlying leases (each a "Ground Lease") and to any mortgage, deed of trust, security interest, or title retention interest now affecting the Land,

Building or Project (each a "Mortgage") and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, that Tenant's possession and enjoyment of this Lease, including any options to extend the Term and all other benefits to Tenant hereunder, shall not be disturbed so long as Tenant is not in breach of any provision of this Lease and Tenant attorns to the record owner of the Premises. Tenant shall, within 10 days of receipt thereof, execute any instrument that Landlord, any ground lessor under a Ground Lease ("Ground Lessor") or any holder of any note or obligation secured by a Mortgage (the "Mortgagee") may request confirming such subordination. Notwithstanding the foregoing, before any foreclosure sale under a Mortgage or termination of a Ground Lease, the Mortgagee or Ground Lessor, as applicable, shall have the right to subordinate the Mortgage or Ground Lease, as applicable, to this Lease, in which case, in the event of such foreclosure or termination, this Lease may continue in full force and effect and Tenant shall attorn to and recognize as its landlord, as applicable, the Ground Lessor or the purchaser at foreclosure of Landlord's interest under this Lease. Tenant shall, upon the request of a Mortgagee, Ground Lessor or purchaser at foreclosure, execute, acknowledge and deliver any instrument that has for its purpose and effect the subordination of any Ground Lease or the lien of any Mortgage to this Lease or Tenant's attornment to such Ground Lessor or purchaser of Landlord's interest under this Lease, as applicable.

XXII. SURRENDER; HOLDING OVER

22.1 Surrender of the Premises. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, in broom-clean condition and in as good condition as when Tenant took possession, including, without limitation, the repair of any damage to the Premises caused by the removal of any of Tenant's personal property, Alterations, or trade fixtures from the Premises, except for reasonable wear and tear and loss by fire or other casualty (as provided for in **Article XIX**). All Alterations which Tenant is required to remove and all trade fixtures, equipment, furniture, inventory, effects left on or in the Premises or the Project after the Expiration Date or earlier termination of this Lease will be deemed conclusively to have been abandoned and may be appropriated, removed, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant or any other person and without obligation to account for them; and Tenant will pay Landlord for all expenses incurred in connection with the same, including, but not limited to, the costs of repairing any damage to the Premises or the Project caused by the removal of such property. Tenant's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

22.2 Holding Over. In the event that Tenant shall not immediately surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, including removing all trade fixtures, equipment, furniture, inventory, effects and Alterations from the Premises, Tenant shall be deemed to be a tenant-at-will pursuant to the terms and provisions of this Lease, except the daily Basic Rent shall be 150% of the daily Basic Rent in effect on the Expiration Date or earlier termination of this Lease (computed on the basis of a 30 day month). Notwithstanding the foregoing, if Tenant shall hold over after the Expiration Date or earlier termination of this Lease, and Landlord shall desire to regain possession of the Premises, then Landlord may forthwith re-enter and take possession of the Premises without process, or by any legal process provided under applicable state law. In addition to the payment of the amounts provided above, if Landlord gives Tenant written notice of any letters of intent or leases with respect to all or any portion of the Premises prior to Tenant's surrender thereof, then, if Landlord is unable to deliver possession of the Premises to such tenant, or to perform improvements for such tenant, as a result of Tenant's holdover, Tenant shall be liable to Landlord for any actual, consequential, incidental or special damages that Landlord suffers as a result of such holdover.

XXIII. QUIET ENJOYMENT

Landlord covenants that if Tenant shall pay Rent and perform all of the terms and conditions of this Lease to be performed by Tenant, Tenant shall during the Term peaceably and quietly occupy and enjoy possession of the Premises without molestation or hindrance by Landlord or any party claiming through or under Landlord, subject to the provisions of this Lease, any restrictions and any Mortgage to which this Lease is subordinate. Subject to the provisions of this Lease, and circumstances outside the reasonable control of Landlord such as casualty and emergencies, Tenant shall have access to the Premises, seven (7) days per week, twenty-four (24) hours per day.

XXIV. MISCELLANEOUS

24.1 No Representations by Landlord. Tenant acknowledges that neither Landlord nor its Agents nor any broker has made any representation or promise with respect to the Premises, the Project, the Land or the Common Area, except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth.

24.2 No Partnership. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between Landlord and Tenant other than that of landlord and tenant.

24.3 Brokers. Landlord recognizes Brokers as the sole brokers procuring this Lease and shall pay Brokers a commission therefor pursuant to a separate agreement between Brokers and Landlord, to be paid in two (2) payments, the first payment to be upon this Lease execution and the second upon Lease Commencement Date. Landlord and Tenant each represents and warrants to the other that it has dealt with no broker, agent, finder or other person other than Brokers relating to this Lease. Landlord shall indemnify and hold Tenant harmless, and to the extent permitted by law, Tenant shall indemnify and hold Landlord harmless, from and against any and all loss, costs, damages or expenses (including, without limitation, all attorneys fees and disbursements) by reason of any claim of liability to or from any broker or person arising from or out of any breach of the indemnitor's representation and warranty.

24.4 Estoppel Certificate. Tenant shall, without charge, at any time and from time to time, within 30 days after request therefor by Landlord, execute, acknowledge and deliver to Landlord a written estoppel certificate certifying, as of the date of such estoppel certificate, the following: (i) that this Lease is unmodified and in full force and effect (or if modified, that this Lease is in full force and effect as modified and setting forth such modifications); (ii) that the Term has commenced (and setting forth the Commencement Date and Expiration Date); (iii) that Tenant is presently occupying the Premises; (iv) the amounts of Basic Rent and Additional Rent currently due and payable by Tenant; (v) that any Landlord Work or Alterations required by this Lease to have been made by Landlord have been made to the satisfaction of Tenant; (vi) that there are no existing set-offs, charges, liens, claims or defenses against the enforcement of any right hereunder, including, without limitation, Basic Rent or Additional Rent (or, if alleged, specifying the same in detail); (vii) that no Basic Rent (except the first installment thereof) has been paid more than 30 days in advance of its due date; (viii) that Tenant has no knowledge of any then uncured default by Landlord of its obligations under this Lease (or, if Tenant has such knowledge, specifying the same in detail); (ix) that Tenant is not in default; (x) that the address to which notices to Tenant should be sent is as set forth in this Lease (or, if not, specifying the correct address); and (xi) any other certifications reasonably requested by Landlord. In the event Tenant fails to deliver to Landlord an estoppel certificate as required by this Section within the specified 30-day period, Tenant shall be conclusively presumed to have adopted and affirmed the contents of the form of estoppel certificate delivered to Tenant by Landlord, and any prospective mortgagee, purchaser, or other third-party may rely on the accuracy of such estoppel certificate as if executed and affirmed by Tenant.

24.5 Waiver of Jury Trial. Landlord and Tenant each waive trial by jury in connection with proceedings or counterclaims brought by either of the parties against the other with respect to any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant hereunder or Tenant's use or occupancy of the Premises.

24.6 Notices. All notices, demands and requests which may be given or which are required to be given by either party to the other, shall be in writing and shall be deemed effective either: (i) on the date personally delivered to the address set forth in **Article I**, as evidenced by written receipt for the same, whether or not actually received by the person to whom addressed; (ii) on the third business day after being sent, by certified or registered mail, return receipt requested, postage prepaid, addressed to the intended recipient at the address specified **Article I**; and (iii) on the next succeeding business day after being deposited into the custody of a nationally recognized overnight delivery service such as Federal Express, addressed to such party at the address specified **Article I**.

24.7 Invalidity of Particular Provisions. If any provisions of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the full extent permitted by law.

24.8 Gender and Number. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number or gender as the context may require.

24.9 Benefit and Burden. Subject to the provisions of **Article X** and except as otherwise expressly provided, the provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective representatives, heirs, successors and assigns.

24.10 Entire Agreement. This Lease (which includes the Exhibits attached hereto) contains and embodies the entire agreement of the parties hereto, and no representations, inducements or agreements, oral or otherwise, between the parties not contained in this Lease shall be of any force or effect. This Lease (other than the Rules and Regulations, which may be changed from time to time as provided herein) may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by Landlord and Tenant.

24.11 Authority. Tenant hereby represents and warrants that Tenant is duly formed, validly existing, in good standing (with respect to a corporation or limited liability company), and qualified to do business in the state in which the Project is located, that Tenant has full power and authority to enter into this Lease and that the person signing on behalf of Tenant is authorized to execute this Lease on behalf of Tenant.

24.12 Attorneys' Fees. If either Landlord or Tenant commences, engages in, or threatens to commence or engage in any legal action or proceeding against the other party (including, without limitation, litigation or arbitration) arising out of or in connection with this Lease, the Premises, or the Project (including, without limitation (a) the enforcement or interpretation of either party's rights or obligations under this Lease (whether in contract, tort, or both) or (b) the declaration of any rights or obligations under this Lease), the substantially prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, together with any costs, and expenses incurred in any such action or proceeding, including any attorneys' fees, costs, and expenses incurred on collection and on appeal.

24.13 Interpretation. This Lease is governed by the laws of the state in which the Project is located. Furthermore, this Lease shall not be construed against either party more or less favorably by reason of authorship or origin of language.

24.14 Limitation of Liability. Neither Landlord nor its shareholders, partners, members, managers, directors, officers or employees, whether disclosed or undisclosed, shall have any personal liability under any provisions of this Lease. If Landlord defaults in the performance of any of its obligations hereunder or otherwise, Tenant shall look solely to Landlord's equity, interest and rights in the Building for satisfaction of Tenant's remedies on account thereof, including, subject to the rights of any Mortgagee, Landlord's interest in the rents of the Building and any insurance proceeds payable to Landlord. Before filing suit for an alleged default by Landlord, Tenant shall give Landlord and any Mortgagee(s) of whom Tenant has been notified, notice and a reasonable time to cure any alleged default. Landlord or any successor owner shall have the right to transfer and assign to a third party, in whole or part, all of its rights and obligations hereunder and in the Building and Land, and in such event, all liabilities and obligations on the part of the original Landlord, or such successor owner, under this Lease occurring thereafter, shall terminate as of the day of such sale, and thereupon all such liabilities and obligations shall be binding on the new owner.

24.15 Time of the Essence. Time is of the essence as to the parties' obligations contained in this Lease.

24.16 Force Majeure. Landlord and Tenant (except with respect to the payment of Rent) shall not be chargeable with, liable for, or responsible to the other for anything or in any amount for any failure to perform or delay caused by: fire; earthquake; explosion; flood; hurricane; the elements; acts of God or the public enemy; actions, restrictions, governmental authorities (permitting or inspection), governmental regulation of the sale of materials or supplies or the transportation thereof; war; invasion; insurrection; rebellion; riots; strikes or lockouts, inability to obtain necessary materials, goods, equipment, services, utilities or labor; or any other cause whether similar or dissimilar to the foregoing which is beyond the reasonable control of such party (collectively, "Events of Force Majeure"); and any such failure or delay due to said causes or any of them shall not be deemed to be a breach of or default in the performance of this Lease.

24.17 Headings. Captions and headings are for convenience of reference only.

24.18 Memorandum of Lease. Neither Landlord nor Tenant shall record this Lease or a memorandum thereof without the written consent of the other.

24.19 Intentionally Omitted.

24.20 Reserved.

24.21 Landlord's Fees. Whenever Tenant requests Landlord to take any action or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for all of Landlord's reasonable and documented costs incurred in reviewing the proposed action or consent, including, without limitation, attorneys', engineers' or architects' fees, within 30 days after Landlord's delivery to Tenant of a reasonably detailed statement of such costs; provided, however, that Tenant's obligation to reimburse any such costs shall be limited to the maximum amount of \$3,000. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

24.22 Effectiveness. The furnishing of the form of this Lease shall not constitute an offer and this Lease shall become effective upon and only upon its execution by and delivery to each party hereto.

24.23 Light, Air or View Rights. Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to or in the vicinity of the Building and Project shall not affect this Lease, abate any payment owed by Tenant hereunder or otherwise impose any liability on Landlord.

24.24 Special Damages. Except as set forth in Section 22.2, under no circumstances whatsoever shall either party ever be liable hereunder for special, consequential or punitive damages.

24.25 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Lease may be executed by a party's signature transmitted by facsimile or e-mail, and copies of this Lease executed and delivered by means of faxed or e-mailed signatures shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon faxed or e-mailed signatures as if such signatures were originals. All parties hereto agree that a faxed or e-mailed signature page may be introduced into evidence in any proceeding arising out of or related to this Lease as if it were an original signature page.

24.26 Nondisclosure of Lease Terms. Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms could adversely affect the ability of Landlord to negotiate other leases and impair Landlord's relationship with other tenants. Accordingly, Tenant agrees that it, and its Agents shall not intentionally or voluntarily disclose the terms and conditions of this Lease to any newspaper or other publication or any other tenant or apparent prospective tenant of the Building or the Project, without the prior written consent of Landlord, provided, however, that Tenant may disclose the terms to prospective subtenants or assignees under this Lease. Notwithstanding the foregoing, in the event that Tenant is required by applicable law (including, without limitation, any Washington laws governing disclosure of public records), rule (including any stock exchange rule), regulation or lawful order or ruling of any court, government agency or regulatory commission to disclose any confidential information, the Tenant agrees that it will provide the Landlord with prompt notice of such requirement to enable the Landlord to seek an appropriate protective order or to take steps to protect the confidentiality of such confidential information. In the event Landlord elects to seek a protective order or otherwise take steps to protect the confidentiality of its confidential information, Landlord shall promptly notify Tenant of such election and take any such action it deems appropriate within ten (10) business days. If such protection is not obtained or Landlord waives compliance with the provisions of this Agreement, Tenant agrees that it will disclose only that portion of the confidential information which it is legally required to disclose and no more. Tenant shall have no obligation to seek a protective order or, if applicable, assert an exemption to disclosure on Landlord's behalf.

24.27 Reserved.

24.28 Anti-Terrorism. Tenant represents and warrants to and covenants with Landlord that (i) neither Tenant nor any of its owners or affiliates currently are, or shall be at any time during the term hereof, in violation of any laws relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and regulations of the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) related to Specially Designated Nationals and Blocked Persons (SDN's OFAC Regulations), and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act"); (ii) neither Tenant nor any of its officers, directors, or employees is or shall be during the term hereof a "Prohibited Person" which is defined as follows: (1) a person or entity owned or controlled by, affiliated with, or acting for or on behalf

of, any person or entity that is identified as an SDN on the then-most current list published by OFAC at its official website, <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>, or at any replacement website or other replacement official publication of such list, and (2) a person or entity who is identified as or affiliated with a person or entity designated as a terrorist, or associated with terrorism or money laundering pursuant to regulations promulgated in connection with the USA Patriot Act; and (iii) Tenant has taken appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented appropriate procedures to assure its continued compliance with such laws.

24.29 Green Initiatives. The parties agree it is in their mutual best interest that the Building and Premises be operated and maintained in a manner that is environmentally responsible, fiscally prudent, and provides a safe and productive work environment. Accordingly, Tenant shall endeavor to conduct its operations in the Building and within the Premises to: (1) minimize to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of material entering the waste stream; and (iv) negative impacts upon the indoor air quality of the Building; and (2) permit the Building to achieve and maintain its LEED rating and an Energy Star label, to the extent applicable. Landlord shall endeavor to operate and maintain the Common Area to minimize, to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of material entering the waste stream; and (iv) negative impacts upon the indoor air quality of the Building. In addition, if requested by Landlord or a governmental entity having jurisdiction over the Premises, Tenant shall report to Landlord and such requesting entity the Tenant's utility usage and such other related information as may be requested within the time required by the governmental entity or such other reasonable time frame as may be requested by Landlord or, at Landlord's option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant's utility usage with respect to the Premises directly from the applicable utility company.

24.30 Amenities. Subject to force majeure, events of casualty and condemnation, and pursuant to periods of disruption for remodeling and repurposing, Tenant shall have access to and use of the Project's amenities which, as of the date hereof, consist of conference facilities, fitness center and premium bike storage, for the duration of the Term of this Lease.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Date of Lease.

LANDLORD:

NEPTUNE III TT, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

CITY OF SEATTLE,
a Washington State municipal corporation

By: _____

Name: _____

Title: _____

Date: _____

STATE OF _____

ss.

COUNTY OF _____

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of _____, a _____, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said _____ for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

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

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of _____

residing at _____

My appointment expires _____

STATE OF _____

ss.

COUNTY OF _____

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of _____, a _____, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said _____ for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

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

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

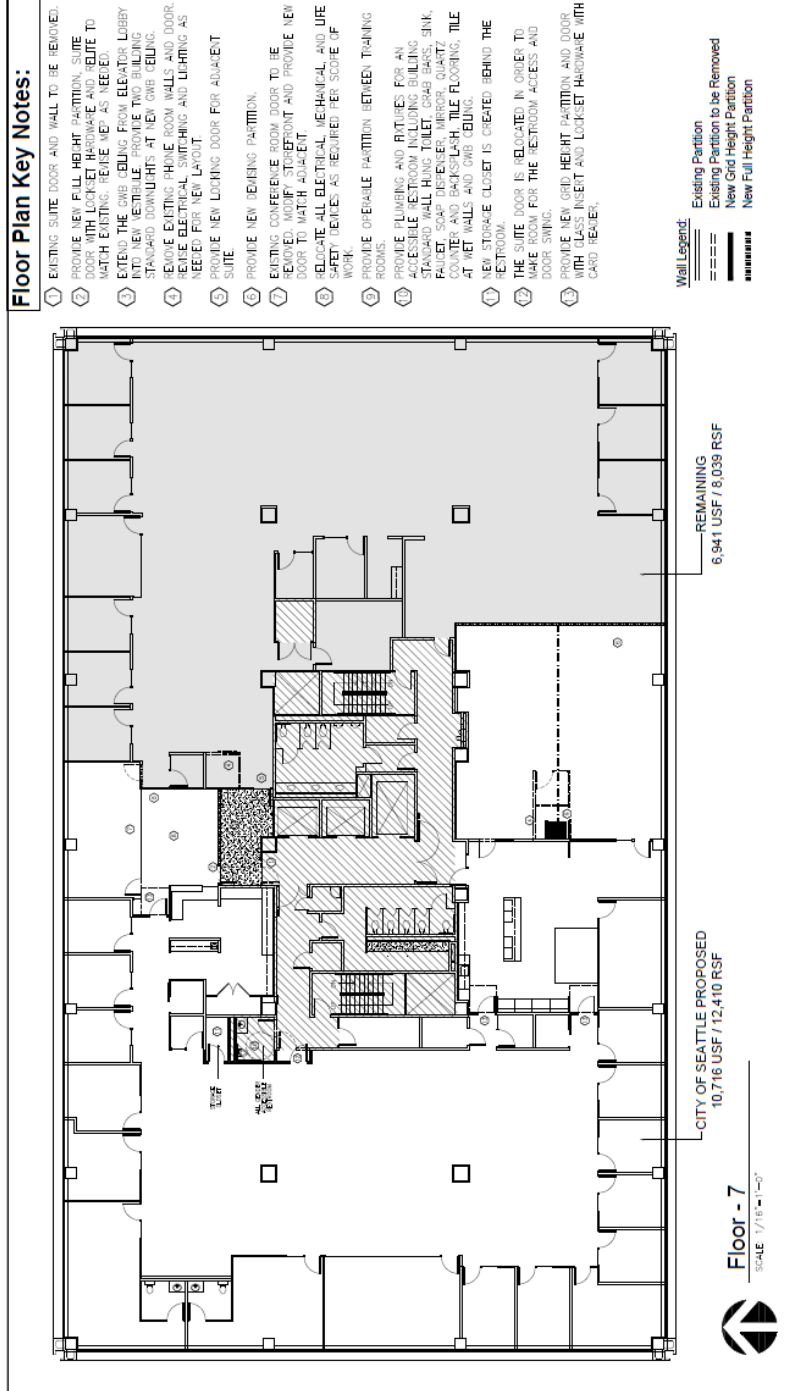
Notary public in and for the State of _____

residing at _____

My appointment expires _____

EXHIBIT A-1

PLAN SHOWING PREMISES AND SPACE PLAN



Floor Plan Key Notes:

- 1 EXISTING SUITE DOOR AND WALL TO BE REMOVED.
- 2 PROVIDE NEW FULL HEIGHT PARTITION, SUITE DOOR AND LOCKS FOR THE SUITE. REMOVE TO MATCH EXISTING. REMOVE METALS, NEED TO EXTEND THE CAB BUILDING FROM ELEVATOR LOBBY INTO NEW SUITE. PROVIDE TWO BUILDING STANDARD DOWNLIGHTS AT NEW GWB CEILING.
- 3 REMOVE EXISTING PHONE ROOM WALLS AND DOOR, REMOVE ELECTRICAL SWITCHING AND LIGHTING AS NEEDED FOR NEW LAYOUT.
- 4 PROVIDE NEW LOCKING DOOR FOR ADJACENT SUITE.
- 5 PROVIDE NEW TEVENS PARTITION.
- 6 EXISTING CONFERENCE ROOM DOOR TO BE REMOVED, MODIFY STOREFRONT AND PROVIDE NEW DOOR TO MATCH ADJACENT.
- 7 RELOCATE ALL ELECTRICAL, MECHANICAL, AND LIFE SAFETY DEVICES AS REQUIRED PER SCOPE OF WORK.
- 8 PROVIDE OPERABLE PARTITION BETWEEN TRAINING ROOMS.
- 9 PROVIDE PLUMBING AND FIXTURES FOR AN ACCESSIBLE RESTROOM INCLUDING BUILDING WATER, SINK, TOILET, SHOWER, CLOSET, COUNTER, SINK, COUNTER AND BACKSLASH TILE FLOORING, TILE AT MET WALLS AND GWB CEILING.
- 10 NEW STORAGE CLOSET IS CREATED BEHIND THE RESTROOM.
- 11 THE SUITE DOOR IS RELOCATED IN ORDER TO MAKE ROOM FOR THE RESTROOM ACCESS AND DOOR SWING.
- 12 PROVIDE NEW GRID HEIGHT PARTITION AND DOOR WITH GLASS INSERT AND LOCKSET HARDWARE WITH CARD READER.

Wall Legend:

—	Existing Partition
---	Existing Partition to be Removed
---	New Grid Height Partition
---	New Full Height Partition

PROJ. NO. SC
 DRAWN BY: RB/SG
 JOB NO: 23-0852
 DATE: 11.30.2023; 12.04.2023

PP-7
 © 2023, JPC ARCHITECTS LLC

JPC ARCHITECTS
 City of Seattle
 Neptune Tower III
 707 South Grand Way Renton, WA

EXHIBIT A-2

LEGAL DESCRIPTION OF LAND

Triton Towers Three

Parcel B, City of Renton Lot Line Adjustment LUA-00-0141-LLA, recorded under recording number 20010507900001, in King County, Washington;

Except that portion thereof condemned by the State of Washington pursuant to stipulated judgment and decree of appropriation filed on October 27, 2008 in King County Superior Court Cause Number 08-2-07273-8KNT.

SITUATE IN THE CITY OF RENTON, COUNTY OF KING, STATE OF WASHINGTON, AND
SUBJECT TO ALL MATTERS NOW OR HEREAFTER OF RECORD

EXHIBIT B

WORK AGREEMENT

I. WORK AGREEMENT DEFINITIONS

1.1 The following terms, as used in this Work Agreement and elsewhere in the Lease, shall have the following meanings:

(a) “Above Standard Improvements” shall mean those Tenant Improvements that are unique to this Tenant or are of a type, quality, size or quantity different from the Building Standard Improvements. All Above Standard Improvements shall be constructed of materials and designed to standards of at least the same or better quality as comparable Building Standard Improvements.

(b) “Architect” means an architect selected by Landlord and approved by Tenant in writing.

(c) “Base Building” means the Building in which the Premises is located (excluding the interior improvements in the Premises) and the Building systems existing as of the date of this Lease.

(d) “Building Standard Improvements” shall mean Tenant Improvements which are consistent with the Landlord’s standard specifications for the Building as to type, quality, size and quantity. Landlord may make changes to the specifications for the Building Standard Improvements from time to time if necessary, with advance notice to Tenant.

(e) “CAD” means the AutoCAD format or another computer assisted design format approved by Landlord.

(f) “Construction Contract” means the contract between Landlord and the Contractor for the construction of the Tenant Improvements for a stipulated sum not to exceed the TI Allowance.

(g) “Construction Drawings” has the meaning given in **Section 3.5** below.

(h) “Construction Payment” means an amount equal to the difference, if any, between (i) the total cost of constructing the Tenant Improvements plus any sums payable to Landlord or its property manager under this Exhibit, and (ii) the amount of the TI Allowance available to pay the construction costs.

(i) “Contractor” means the contractor selected by Landlord and approved by Tenant in writing from Landlord’s list of contractors who are approved to work in the Building or otherwise approved by Landlord to complete the Tenant Improvements.

(j) “FF&E” means the installation of Tenant’s furniture, fixtures and equipment, artwork, nonstandard signage and graphics, workstations, office equipment and wiring, and telecommunications equipment and cabling.

(k) “Space Plan” has the meaning given in **Section 3.4** below.

(l) “Tenant Improvements” has the meaning given in the Lease.

(m) “TI Allowance” has the meaning given in the Lease and shall be used to pay for the design, permitting and construction of Tenant Improvements in the Premises.

II. LANDLORD WORK

2.1 Landlord shall construct only the following improvements, in accordance with Landlord’s plans and specifications therefore: (i) Landlord, at its sole expense, shall perform all necessary improvements to demise the Premises from the balance of the floor, which includes, but is not limited to,

full-height insulated demising walls, all necessary modifications to any and all building systems and common corridors that are impacted to accommodate the demised space, and the construction of a new ADA-compliant restroom on the 7th floor of the Building adjacent to the Premises (together, “Landlord Work”); and (ii) the Tenant Improvements. Landlord shall use its best efforts to complete all Landlord Work and Tenant Improvements on or prior to the Commencement Date. Notwithstanding the foregoing, Landlord shall not be in default of its obligations under this Lease so long as construction of all Tenant Improvements and Landlord Work is completed within eleven (11) weeks of the date on which the building permit is issued by the City of Renton (the “Permit Issuance Date”), subject to any delays due to Force Majeure, or delays caused by Tenant (i.e., in approving the proposed design for the Tenant Improvements or Landlord Work), or delay in the issuance of permits associated with the Landlord Work or Tenant Improvements (for which Landlord is not at fault); provided that any alleged breach by Landlord shall be subject to the cure periods provided for in Section 20.1 of the Lease and Tenant’s exclusive remedy for Landlord’s failure to timely complete the Landlord Work or Tenant Improvements shall be the abatement of Rent, as provided for under Section 3.13. Landlord shall confirm that a restroom on the floor of the Premises and access to the Premises are ADA compliant. Landlord shall perform any necessary corrections to aforementioned areas affecting the Premises to comply with ADA regulations.

III. TENANT IMPROVEMENTS

3.1 **Base Building.** Tenant acknowledges that Landlord’s predecessor-in-interest constructed the Base Building and the improvements currently in the Premises. Except as expressly provided herein and elsewhere in the Lease, (a) Tenant shall accept the Base Building, the Premises and the Project in their “AS IS” condition as of the date of this Lease; and (b) Landlord shall not be obligated to make or pay for any alterations or improvements to the Premises, the Base Building or the Project except as identified in Section 2.1 of this Work Agreement. If Tenant wishes to make any changes, relocations or other modifications or upgrades to the Base Building or any Base Building system beyond the Tenant Improvements, Tenant, at Tenant’s expense, shall prepare all necessary plans for Landlord’s review and approval. Tenant may not make any such modifications unless the plans are approved by Landlord in writing. Landlord’s approval may be given, withheld or subject to such conditions as Landlord in its sole discretion desires. If Landlord approves any changes to the Base Building outside the Premises, then Landlord shall cause such changes to be made and Tenant shall pay Landlord in advance the actual costs associated with the changes approved by Landlord (including all architectural and engineering fees) plus an administrative fee equal to five percent (5%) of the costs of such modifications. If applicable, Landlord may deduct such costs from the TI Allowance. If Tenant does not make such payment upon demand, then it shall be deemed to have withdrawn its request for changes to the Base Building.

3.2 **Design.** Landlord shall manage the Tenant Improvements using its preferred vendors (Contractor: Pennon Construction; Architect: JPC Architects; and Project Management: Lincoln Property Company). At Landlord’s direction and with Tenant’s written approval, the Architect shall design the Tenant Improvements, complete the Space Plan and the Construction Drawings and obtain all required building or other permits to allow construction of the Tenant Improvements in the Premises by Landlord. Landlord shall retain the necessary architects and consultants to design and engineer any changes to the structural, mechanical, electrical, plumbing, life safety, sprinkler, HVAC and telecommunication systems included in the Tenant Improvements. The cost of preparing all plans and specifications for the Tenant Improvements (including without limitation the Space Plan and the Construction Drawings), the cost of preparing any changes thereto and the cost of obtaining all required permits shall be paid from the TI Allowance. Landlord and Architect are solely responsible for ensuring that the Tenant Improvements comply with all applicable laws, are consistent with existing conditions in the Premises and the Building and comply with any applicable fire-safety and insurance requirements. Landlord shall be solely responsible for ensuring that its Contractor and subcontractors of every tier pay and comply with all applicable prevailing wage laws and requirements.

3.3 Payment for Tenant Improvements.

(a) Landlord and Tenant's Responsibility. Landlord shall contribute the amount of the TI Allowance in accordance with this Work Agreement. The total cost of the Tenant Improvements, including design and construction, together with the Construction Management Fee and any other costs, fees, and expenses reasonably incurred by Landlord in connection with the Tenant Improvements, shall not exceed the TI Allowance. Landlord shall in good faith use its best efforts to ensure the total cost of the Tenant Improvements does not exceed the cost of the TI Allowance. If Landlord believes the total cost of the Tenant Improvements will exceed the TI Allowance, Landlord shall promptly notify Tenant in writing and the parties shall work together in good faith to modify or reduce the scope of work in order to maintain costs within the TI Allowance. Tenant shall pay for all costs of the Tenant Improvements in excess of the TI Allowance, if any. If the cost of the Tenant Improvements exceeds the amount of the TI Allowance due to unforeseen circumstances not caused by Landlord, Landlord may require Tenant to deposit the Construction Payment with Landlord for disbursement together with the TI Allowance. Tenant acknowledges that it has no right to allow liens on the Land or the Premises and that Tenant is not acting as Landlord's construction agent and that the Architect, the Contractor and each subcontractor and all materialmen and suppliers shall be required to acknowledge that they do not have any right to lien the Land or the Tenant Improvements. Tenant shall not be entitled to any cash payment for any unused portion of the TI Allowance and Tenant may not apply such excess to any future alterations after completion of the Tenant Improvements specified in the Construction Drawings. Landlord shall have no obligation to disburse all or any portion of the TI Allowance during any period when an Event of Default is outstanding under the Lease.

(b) TI Allowance. Landlord shall deduct the costs of the Tenant Improvements from the TI Allowance as and when due. Landlord shall provide to Tenant invoices for all costs and expenses related to the Tenant Improvements and any additional backup documentation as Tenant may reasonably request evidencing such costs and expenses. Tenant shall be responsible for the cost of the Tenant Improvements that exceeds the TI Allowance, if any; provided, however, that Landlord shall use best efforts to keep the total cost of the Tenant Improvements below the TI Allowance. Landlord shall not be required to advance any of Landlord's funds to pay the cost of Tenant Improvements in excess of the TI Allowance. Tenant shall promptly pay amounts required to be paid by Tenant under this Work Agreement.

(c) Reserved.

(d) Cost of the Tenant Improvements. For purposes hereof, costs of the Tenant Improvements shall include all necessary out of pocket costs incurred by Landlord to construct the Tenant Improvements, including, without limitation, all building permit fees, payments to Architect and any other engineering or design consultants for services, all demolition and other preparatory work (if any), premiums for insurance and bonds, permit costs, inspection fees, and payment of the Construction Management Fee under **Section 1.14 of the Lease.**

(e) Construction Management and Coordination. The Construction Management Fee is intended to compensate and reimburse Landlord (or Landlord's property manager or affiliate) for all overhead, general conditions, fees and other costs and expenses arising from Landlord's (or Landlord's property manager or affiliate's) involvement in the provision of the services relating to the design and construction of the Tenant Improvements, including, without limitation, the design and review of the Space Plan and the Construction Drawings, selection of the Contractor, review of the Construction Contract and coordination and management of the construction of the Tenant Improvements. Neither Landlord nor its property manager or any affiliate shall be required to provide any services except as described in this Work Agreement. Landlord may deduct the fee from the TI Allowance.

3.4 Submittal of Space Plan. Landlord shall cause the Architect to develop a space plan showing the layout of the Tenant Improvements with a designation of all offices, rooms and other partitioning, their intended use, and a general description of the equipment to be contained therein (the

“Space Plan”). The Space Plan as initially shown in Exhibit A-1 and as may be subsequently modified shall be subject to Tenant’s review and written approval in Tenant’s reasonable discretion, which shall not be unreasonably withheld, conditioned, or delayed.

3.5. Submittal of Construction Drawings. Following approval of the Space Plan, Landlord shall cause Architect to prepare a complete set of plans and specifications (including architectural, structural, mechanical, electrical and plumbing) in a form which is sufficiently detailed to submit for permits, obtain bids and serve as the basis for construction (the “Construction Drawings”). The Construction Drawings shall be consistent with and a logical extension of the Space Plan approved by Landlord and Tenant. The final Construction Drawings shall be subject to Tenant’s written approval, which shall not be unreasonably withheld, conditioned, or delayed. When the Construction Drawings are approved by Landlord and Tenant, the parties shall each acknowledge their approval by signing or initialing each sheet of one copy of Construction Drawings and Landlord shall submit the approved Construction Drawings to the City of Renton for permitting.

3.6 Reserved.

3.7 Landlord’s Review Responsibilities; Standard for Approvals. In any instance in which Landlord’s approval of the Space Plan, Construction Drawings or any modifications to such plans is required, such approval shall not be unreasonably withheld except that Landlord reserves the right to approve in its sole discretion any elements of the Space Plan, Construction Drawings or modifications thereto that (a) affect the structural portions of the Building or its electrical, plumbing, mechanical, HVAC, security, communications and life safety systems; (b) affect the exterior appearance of the Building; (c) are visible from outside the Premises; (d) do not comply with applicable laws, or (e) trigger any requirement for upgrades or code compliance in any other part of the Building.

3.8 Completion of Tenant Improvements. The Tenant Improvements shall be designed, constructed, installed or provided by Landlord in accordance with this Work Agreement and Landlord’s design guidelines and with the construction regulations and procedures adopted by Landlord from time to time with respect to the construction in the Building. All Tenant Improvements shall be constructed using materials and designed to standards at least the same or better quality as Building Standard Improvements. Landlord shall use its best efforts to complete all Landlord Work and Tenant Improvements on or prior to the Commencement Date. All Landlord Work and Tenant Improvements shall be fully completed within eleven (11) weeks of the Permit Issuance Date, subject to any delays due to Force Majeure, or delays caused by Tenant (i.e., in approving the proposed design for the Tenant Improvements or Landlord Work), or delay in the issuance of permits associated with the Landlord Work or Tenant Improvements (for which Landlord is not at fault); provided Tenant’s exclusive remedy for Landlord’s failure to timely complete the Landlord Work and Tenant Improvements shall be the abatement of Rent, as provided for under Section 3.13.

(a) Existing Conditions. Other than construction of the Tenant Improvements and other work contemplated by this Lease, Landlord did not construct the existing improvements in the Premises or the Base Building and any information provided by Landlord with respect to existing conditions in the Premises is provided without any warranty of accuracy or completeness.

(b) Contract. Landlord shall enter into the Construction Contract with Contractor for construction of the Tenant Improvements on a form reasonably acceptable to Landlord. Landlord may not modify the Construction Contract or agree to any substantial change orders without Tenant’s prior written consent.

(c) Early Access. Tenant may, with prior written notice to Landlord, occupy and commence operation in the Premises up to thirty (30) days prior to the Commencement Date with no obligation to pay Basic Rent, though it shall be liable for and pay Operating Costs during such time. Landlord may immediately suspend Tenant’s right of access at any time if an Event of Default occurs under the Lease. Upon and following any entry into the Premises by Tenant prior to the commencement of the

Term (the “Delivery Date”), Tenant shall perform all of the obligations of Tenant applicable under the Lease during the Term, including, without limitation, obligations pertaining to insurance, indemnity, compliance with laws, and Hazardous Materials.

(d) Site Rules. All contractors, subcontractors and materialmen shall be subject to prior approval by Landlord, which shall not be unreasonably withheld, and shall be subject to the administrative supervision of Landlord and any construction rules or regulations reasonably imposed by Landlord. All Tenant Improvements shall be handled in such a manner as to maintain harmonious labor relations and as not to interfere with or delay any other work occurring in the Building. All contractors, subcontractors and materialmen shall take all necessary steps to insure, so far as may be possible, the progress of the work without interruption on account of strikes, work stoppage or similar causes for delay.

(e) Insurance. The Contractor and all subcontractors shall maintain during the construction period the following insurance: (i) commercial general liability insurance, with limits of not less than \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, plus umbrella coverage of at least \$5,000,000 for personal injury, bodily injury or death or property damage or destruction, arising out of or relating to the contractor’s work at or in connection with the Premises and including completed operations for one (1) year following job completion with a waiver of subrogation by the insurance company; (ii) workers’ compensation insurance with respect to each contractor’s workers at the site or involved in the Tenant Improvements, in the amount required by statute; (iii) employer’s liability insurance in the amount of at least \$1,000,000 per accident and at least \$1,000,000 for disease, each employee; (iv) comprehensive automobile liability insurance covering all owned, hired or non-owned vehicles, including the loading and unloading thereof, with limits of not less than \$2,000,000 per occurrence and \$5,000,000 in the aggregate (the portion of such coverage over \$1,000,000 may be provided under an umbrella or excess liability policy); and (v) builder’s risk insurance reasonably satisfactory to Landlord. Landlord shall reasonably consider specific requests to reduce insurance requirements for small subcontractors. Landlord, any lender of Landlord, Landlord’s property manager, and such other parties as reasonably designated by Landlord, shall be additional insureds on a primary and noncontributory basis under the commercial general liability and umbrella policies. All insurance required hereunder shall be provided by responsible insurers rated at least A- and VII in the then current edition of AM Best Rating Guide and shall be authorized to do business in the State of Washington. Tenant shall provide, or cause its contractors to provide, such certificates prior to any work being performed at the Premises. Such certificates shall state that the coverage may not be changed or cancelled without at least thirty (30) days prior written notice to Landlord.

3.9 Landlord’s Management. Landlord shall manage and oversee the construction of the Tenant Improvements. Tenant shall have the right to observe the construction of the Tenant Improvements and to inspect the Tenant Improvements. Landlord shall notify Tenant of all construction meetings relating to the Tenant Improvements and Tenant has the right, but not the obligation, to attend all such meetings.

3.10 Designation of Construction Representatives. Landlord hereby designates Rob Hill at Lincoln Property Company as its representative in connection with the design and construction of the Tenant Improvements and Tenant shall be entitled to rely upon the decisions and agreements made by such representative as binding upon Landlord. Tenant hereby appoints the FAS Capital Development Project Manager to act on its behalf and represent its interests with respect to all matters requiring Tenant action or input in this Work Agreement. Either party may change its construction representative hereunder upon delivery of at least five (5) days prior written notice thereof to the other party. Tenant acknowledges and agrees that no other person claiming to act on behalf of Landlord is authorized to do so. Tenant further acknowledges that Landlord’s construction representative is authorized to approve plans and make decisions regarding construction but is not authorized to amend or modify the Lease or to increase the amount of the TI Allowance or contribute any additional Landlord funds toward the cost of the Tenant Improvements. No consent, authorization or other action shall bind Landlord unless in writing and signed by Landlord’s construction representative. If Tenant complies with any request or direction presented to it by anyone else claiming to act on behalf of Landlord, such compliance shall be at Tenant’s sole risk and

responsibility and shall not in any way alter or diminish the obligations and requirements created and imposed by this Exhibit and Landlord shall have the right to enforce compliance with this Exhibit without suffering any waiver, dilution or mitigation of any of its rights hereunder.

3.11 Obligation to Provide As-Built Plans. Within thirty (30) days after completion of the Tenant Improvements, Landlord shall provide Tenant with a complete set of reproducible plans and specifications reflecting the actual conditions of the Tenant Improvements and FF&E as constructed in the Premises, together with an electronic copy of such plans in the CAD format.

3.12 Specific Performance. Notwithstanding any provision to the contrary contained in the Lease, if a default by Tenant occurs under this Work Agreement or any other provision of the Lease at any time on or before the completion of the Tenant Improvements, then (i) in addition to all other rights and remedies granted to Landlord under the Lease, at law and/or in equity, Landlord shall have the right to cause Contractor to cease the construction of the Tenant Improvements and Landlord shall be entitled to be reimbursed by Tenant for Landlord's costs and expenses associated with the Tenant Improvements, including but not limited to any payments made by Landlord for the costs of the Tenant Improvements up to the amount of the TI Allowance, and (ii) all other obligations of Landlord under the Lease and this Work Agreement shall be forgiven until such time as such default is cured pursuant to the terms of the Lease. In addition, Tenant agrees that if this Lease is terminated prior to completion of the Tenant Improvements, then Landlord may in its discretion require completion of all or part of the Tenant Improvements at Tenant's sole expense or, at Landlord's election, Landlord may elect to remove any or all of the Tenant Improvements previously installed and Tenant shall pay Landlord all costs of such removal and restoration of the Premises to their prior condition. Landlord shall have the right to specific performance of any or all of Tenant's obligations under this Work Agreement.

3.13 Schedule. Except as expressly provided for herein, Tenant acknowledges that the payment of Rent is not tied to completion of any Landlord Work or Tenant Improvements in the Premises, and Rent shall not abate or be deferred in whole or in part if construction is delayed so long as construction of all Landlord Work and Tenant Improvements is completed within eleven (11) weeks of the Permit Issuance Date, subject to any delays due to Force Majeure, or delays caused by Tenant (i.e., in approving the proposed design for the Tenant Improvements or Landlord Work), or delay in the issuance of permits associated with the Landlord Work (for which Landlord is not at fault). If construction of such work is not completed within the time provided for herein, Rent shall abate until such time as construction of that work is complete.

3.14 Landlord's FF&E Utilized by Tenant. Prior to the Date of the Lease, Landlord and Tenant shall compile a mutually agreeable list of all of Landlord's FF&E to be purchased by Tenant. Landlord and Tenant shall execute a bill of sale for One Dollar (\$1.00) to transfer title of Landlord's FF&E to Tenant.

EXHIBIT C

RULES AND REGULATIONS

1. No part or the whole of the sidewalks, plaza areas, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls of the Project shall be obstructed or encumbered by Tenant or used for any purpose other than ingress and egress to and from the Premises. Tenant shall not have access to the roof of the Building, unless accompanied by a representative of Landlord.

2. No equipment, furnishings, personal property or fixtures shall be placed on any balcony of the Building without first obtaining Landlord's written consent. No awnings or other projections shall be attached to the exterior walls of the Building. No skylight, window, door or transom of the Building shall be covered or obstructed by Tenant, and no window shade, blind, curtain, screen, storm window, awning or other material shall be installed or placed on any window or in any window of the Premises except as approved in writing by Landlord. If Landlord has installed or hereafter installs any shade, blind or curtain in the Premises, Tenant shall not remove the same without first obtaining Landlord's written consent thereto.

3. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the Common Area.

4. Tenant shall not place or permit its Agents to place any trash or other objects anywhere within the Project (other than within the Premises) without first obtaining Landlord's written consent.

5. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish bags or other substances (including, without limitation, coffee grounds) shall be thrown therein.

6. Except for minor alterations (such as hanging artwork), Tenant shall not mark, paint, drill into or in any way deface any part of the Project or the Premises. No boring, cutting or stringing of wires shall be permitted.

7. No cooking shall be done or permitted in the Building by Tenant or its Agents except that Tenant may install and use microwave ovens. Tenant shall not cause or permit any unusual or objectionable odors to emanate from the Premises.

8. The Premises shall not be used for the manufacturing or storage of merchandise.

9. Tenant shall not make or permit any unseemly or disturbing noises or disturb or interfere with other tenants or occupants of the Project or neighboring buildings or premises by the use of any musical instrument, radio, television set, other audio device, unmusical noise, whistling, singing or in any other way.

10. Nothing shall be thrown out of any doors, windows or skylights or down any passageways.

11. No additional locks or bolts of any kind shall be placed upon any of the doors or windows of the Premises, nor shall any changes be made in locks or the mechanism thereof without prior notice to and the approval of Landlord. Tenant shall, upon the termination of its Lease, return to Landlord all keys to the Premises and other areas furnished to, or otherwise procured by, Tenant. In the event of the loss of any such keys or card keys, as applicable, Tenant shall pay Landlord the cost of replacement keys.

12. Tenant shall not use or occupy or permit any portion of the Premises to be used or occupied as an employment bureau or for the storage, manufacture or sale of liquor, narcotics or drugs. Tenant shall not engage or pay any employees in the Building except those actually working for Tenant in the Building, and Tenant shall not advertise for non-clerical employees giving the Building as an address. The Premises shall not be used, or permitted to be used, for lodging or sleeping or for any immoral or illegal purpose.

13. Landlord reserves the right to control and operate the Common Area in such manner as it deems best for the benefit of the Project tenants. Landlord may exclude from all or a part of the Common Area at all hours, other than during Normal Business Hours, all unauthorized persons. "Normal Business Hours" shall be deemed to be between the hours of 8:00 A.M. and 6:00 P.M. Monday through Friday, but excluding Building holidays. Tenant shall be responsible for all visitors, invitees, agents and employees of Tenant who enter the Building and Project on Building holidays and during other than Normal Business Hours and shall be liable to Landlord for all acts of such persons.

14. Tenant shall have the responsibility for the security of the Premises and, before closing and leaving the Premises at any time, Tenant shall see that all entrance doors are locked and all lights and office equipment within the Premises are turned off, and Landlord shall have no responsibility relating thereto. Landlord will not be responsible for any lost or stolen personal property, equipment, money or jewelry from Tenant's area or Common Areas regardless of whether such loss occurs when the area is locked against entry or not.

15. Requests and requirements of Tenant shall be attended to only upon application at the office of Landlord. Project employees shall not be required to perform any work outside of their regular duties unless under specific instructions from Landlord.

16. Vending, canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate in seeking their prevention.

17. In connection with the delivery or receipt of merchandise, freight or other matter, no hand trucks or other means of conveyance shall be permitted, except those equipped with rubber tires, rubber side guards or such other safeguards as Landlord may require.

18. No animals of any kind shall be brought into or kept about the Building by Tenant or its Agents, except seeing eye dogs for the visually impaired.

19. No vending machines shall be permitted to be placed or installed in any part of the Project by Tenant without the permission of Landlord. Landlord reserves the right to place or install vending machines in the Project (other than in the Premises).

20. Tenant shall not allow in the Premises, on a regular basis, more than one person for each one hundred sixty-five (165) rentable square feet of the Premises, subject to applicable laws and regulations.

21. So that the Building may be kept in a good state of cleanliness, Tenant shall permit only Landlord's employees and contractors to clean its Premises unless prior thereto Landlord otherwise consents in writing. Tenant shall provide adequate waste and rubbish receptacles, cabinets, bookcases, map cases, etc. necessary to prevent unreasonable hardship to Landlord in discharging its obligation regarding cleaning service.

22. Tenant shall keep the windows and doors of the Premises (including, without limitation, those opening on corridors and all doors between any room designed to receive heating or air conditioning service and room(s) not designed to receive such service) closed while the heating or air conditioning

system is operating in order to minimize the energy used by, and to conserve the effectiveness of, such systems.

23. The elevator designated for freight by Landlord will be available for use by all tenants in the Building during the hours and pursuant to such procedures as Landlord may determine from time to time. The persons employed to move Tenant's equipment, material, furniture or other property in or out of the Building must be acceptable to Landlord. The moving company must be a locally recognized professional mover, whose primary business is the performing of relocation services, and must be bonded and fully insured. A certificate or other verification of such insurance must be received and approved by Landlord prior to the start of any moving operations. Insurance must be sufficient in Landlord's sole opinion, to cover all personal liability, theft or damage to the Project, including, but not limited to, floor coverings, doors, walls, elevators, stairs, foliage and landscaping. Special care must be taken to prevent damage to foliage and landscaping during adverse weather. All moving operations will be conducted at such times and in such a manner as Landlord will direct, and all moving will take place during non-business hours unless Landlord agrees in writing otherwise. Tenant will be responsible for the provision of Building security during all moving operations, and will be liable for all losses and damages sustained by any party as a result of the failure to supply adequate security. Landlord will have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects will, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary properly to distribute the weight. Landlord will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining such property will be repaired at the expense of Tenant. Landlord reserves the right to inspect all such property to be brought into the Building and to exclude from the Building all such property which violates any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part. Supplies, goods, materials, packages, furniture and all other items of every kind delivered to or taken from the Premises will be delivered or removed through the entrance and route designated by Landlord, and Landlord will not be responsible for the loss or damage of any such property unless such loss or damage results from the negligence of Landlord or its Agents.

24. A directory of the Building will be provided for the display of the name and location of tenants only and such reasonable number of the principal officers and employees of tenants as Landlord in its sole discretion approves, but Landlord will not in any event be obligated to furnish more than one (1) directory strip for each 2,500 square feet of Rentable Area in the Premises. Any additional name(s) which Tenant desires to place in such directory must first be approved by Landlord, and if so approved, Tenant will pay to Landlord a charge, set by Landlord, for each such additional name. All entries on the building directory display will conform to standards and style set by Landlord in its sole discretion. Space on any exterior signage will be provided in Landlord's sole discretion.

25. Neither Landlord nor any operator of the Parking Facilities within the Project, as the same are designated and modified by Landlord, in its sole discretion, from time to time will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Facilities, resulting from fire, theft, vandalism, accident, conduct of other users of the Parking Facilities and other persons, or any other casualty or cause. Further, Tenant understands and agrees that: (i) Landlord will not be obligated to provide any traffic control, security protection or operator for the Parking Facilities; (ii) Tenant uses the Parking Facilities at its own risk; and (iii) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property.

26. Tenant (including Tenant's Agents) will use the Parking Space Allocation solely for the purpose of parking passenger model cars, small vans and small trucks and will comply in all respects with any rules and regulations that may be promulgated by Landlord from time to time with respect to the Parking Facilities. The Parking Facilities may be used by Tenant or its Agents for occasional overnight parking of

vehicles. Tenant will ensure that any vehicle parked in any of the Parking Space Allocation will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline. If any of the Parking Space Allocation are at any time used: (i) for any purpose other than parking as provided above; (ii) in any way or manner reasonably objectionable to Landlord; or (iii) by Tenant after default by Tenant under the Lease, Landlord, in addition to any other rights otherwise available to Landlord, may consider such default an Event of Default under the Lease.

27. Tenant shall have the ongoing right to park in the Parking Facilities or in any parking easement that may now or hereafter benefit the Land and shall be allocated six (6) reserved parking spaces, provided that the location of the reserved parking spaces shall be subject to the Landlord's approval and any signage associated with the reserved parking spaces shall be Tenant's sole cost and expense. Landlord reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Landlord provided that Tenant's rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant's designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation) unless such spaces are specifically reserved for Tenant's use.

28. If the Parking Facilities are damaged or destroyed, or if the use of the Parking Facilities is limited or prohibited by any governmental authority, or the use or operation of the Parking Facilities is limited or prevented by strikes or other labor difficulties or other causes beyond Landlord's control, Tenant's inability to use the Parking Space Allocation will not subject Landlord or any operator of the Parking Facilities to any liability to Tenant and will not relieve Tenant of any of its obligations under the Lease and the Lease will remain in full force and effect.

29. Tenant has no right to assign or sublicense any of its rights in the Parking Space Allocation, except as part of a permitted assignment or sublease of the Lease; however, Tenant may allocate the Parking Space Allocation among its employees.

30. Tenant shall cooperate with Landlord in keeping its Premises neat and clean.

31. Smoking of cigarettes, pipes, cigars or any other substance is prohibited at all times within the Premises, elevators, common area restrooms and any other interior common area of the Building or Project.

32. If required by Landlord, each tenant is required to participate in the Building's recycling or other trash management program, as well as any green initiatives that may be in effect from time to time. This includes compliance with all instructions from the Building's recycling or other vendor which Landlord shall distribute to each tenant from time to time. Each tenant shall store all trash and garbage within its premises or in such other areas specifically designated by Landlord. No materials shall be placed in the trash boxes or receptacles in the Building unless such materials may be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage and will not result in a violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be only through entryways and elevators provided for such purposes and at such times as Landlord shall designate.

33. These Rules and Regulations are in addition to, and shall be construed to modify and amend the terms, covenants, agreements and conditions of the Lease; provided, however, in the event of any inconsistency between the terms and provisions of the Lease and the terms and provisions of these Rules and Regulations, the terms and provisions of the Lease shall control.

34. Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.

35. Tenant and its Agents shall not bring into the Building or keep on the Premises any bicycle or other vehicle without the written consent of Landlord.

36. Landlord reserves the right to amend these Rules and Regulations and to make such other and further reasonable Rules and Regulations as, in its judgment, may from time to time be needed and desirable.

37. Tenant will refer all contractors, contractors' representatives and installation technicians rendering any service for Tenant to Landlord for Landlord's supervision and/or approval before performance of any such contractual services. This shall apply to all work performed in the Building, including, but not limited to, installation of telephones, telegraph equipment, electrical devices and attachments, and installations of any and every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building. None of this work will be done by Tenant without first obtaining Landlord's written approval.

EXHIBIT D

CONFIRMATION OF COMMENCEMENT DATE

THIS CONFIRMATION OF COMMENCEMENT DATE is entered into this ____ day of _____, 20__, by and between _____, _____ (“Landlord”), and _____, _____, (“Tenant”).

Landlord and Tenant entered into an Office Lease dated _____ (the “Lease”) for approximately _____ Rentable Square Feet known as Suite _____ located on the _____ floor (the “Premises”) of the building known as _____ located at _____.

In consideration of the foregoing, the parties hereto hereby mutually agree as follows:

1. Landlord and Tenant hereby agree that:
 - a. The Commencement Date of the Lease is _____.
 - b. The Expiration Date of the Lease is _____.
2. Tenant hereby confirms that:
 - a. it has accepted possession of the Premises pursuant to the terms of the Lease;
 - b. the Lease has not been modified, altered, or amended except as follows: _____; and
 - c. on the date hereof, the Lease is in full force and effect.
3. This Confirmation, and each and all of the provisions hereof shall inure to the benefit of, or bind, as the case may require, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the date first above-written.

LANDLORD:

TENANT:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____