

Item No.:	<u>6d Attach 1</u>
Date of Meeting:	<u>June 25, 2013</u>

TERMINAL LEASE AGREEMENT

Between

PORT OF SEATTLE

And

USO NORTHWEST

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TERMINAL LEASE AGREEMENT

THIS TERMINAL LEASE AGREEMENT (the "Lease") is made as of this ____ day of May 2013 by and between the PORT OF SEATTLE, a Washington municipal corporation ("the Port"), and USO NORTHWEST, A Washington nonprofit corporation ("Lessee").

For and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties agree as follows:

SECTION 1: DEFINITIONS

1.1 Airport. "Airport" shall mean the Seattle-Tacoma International Airport, a legal description of which is attached as Exhibit A.

1.2 Alterations. "Alterations" shall have the meaning set forth in Section 9.1 of this Lease.

1.3 Base Rent. "Base Rent" shall have the meaning set forth in Section 4.1 of this Lease.

1.4 Beneficial Occupancy Date. "Beneficial Occupancy Date" shall mean the date on which the Initial Improvements are substantially complete and Lessee first opens for operations from the Premises; provided, however, the Beneficial Occupancy Date shall not be later than the first anniversary of the Commencement Date.

1.5 Commencement Date. "Commencement Date" shall mean and refer to _____.

1.6 Default Rate. "Default Rate" shall mean and refer to the rate of 18% per annum or the maximum rate provided by law, whichever is less.

1.7 Initial Improvements. "Initial Improvements" shall mean and refer to _____.

1.8 Legal Requirements. "Legal Requirements" shall mean and refer to all laws, statutes and ordinances including building codes and zoning regulations and ordinances and the orders, rules, regulations and requirements of all federal, state, county, city or other local jurisdiction departments, agencies, bureaus, offices and other subdivisions thereof, or any official

thereof, or of any other governmental, public or quasi-public authority, including the Port, which may be applicable to or have jurisdiction over the Premises.

1.9 Net Book Value of Leasehold Improvements. “Net Book Value of Leasehold Improvements” shall have the meaning set forth in Section 18.3 of this Lease.

1.10 Port Standards. “Port Standards” shall mean the Sea-Tac Rules and Regulations, the Regulations for Airport Construction, the Tenant Design and Construction Process Manual (also known as, and referred to herein, as the “Tenant Roadmap”), the CAD Standards Manual, the Concession Design Guidelines, the Port’s mechanical, electrical, water and waste, and industrial waste and storm drainage standards and any other, similar document establishing requirements and/or standards for design and construction at the Airport.

1.11 Premises. “Premises” shall mean and refer to approximately seven thousand (7,000) square feet of space located within the Main Terminal of the Airport. A drawing reflecting the exact location of the Premises within the Main Terminal is attached as Exhibit B.

1.12 Rent. “Rent” shall mean and refer collectively to sums denominated as Base Rent or any such other sums or charges otherwise payable by Lessee under the terms of this Lease. Failure by Lessee to pay any sum denominated as Rent shall entitle the Port to pursue any or all remedies specified in this Lease as well as remedies specified in RCW Chapter 59.12 or otherwise allowed by law.

SECTION 2: LEASED PREMISES

2.1 Premises. The Port hereby leases to Lessee, and Lessee hereby leases from the Port, the Premises. Subject to the rights reserved to the Port in this Lease, the Premises: (i) include any improvements and appurtenances located within the Premises, (ii) extend to the centerline of party/demising walls and to the exterior faces of any exterior walls, and (iii) extend from the structural flooring to ceiling. The Port and Lessee agree that the Premises are, and shall be deemed for all purposes to be, as set forth on Exhibit B.

2.2 Acceptance of the Premises. Lessee shall promptly examine the Premises following the Port’s completion of the improvements required by Section 7.1. Unless Lessee provides the Port with written notice of any defect or problem within ten (10) working days of the Commencement Date, Lessee shall have accepted them in their present, “as-is” condition, and agrees to make any changes in the Premises necessary to conform to federal, state and local law applicable to Lessee’s use of the Premises, and obtain necessary permits therefor.

2.3 Quiet Enjoyment. So long as Lessee is not in default under this Lease and subject to the specific provisions, covenants and agreements contained in this Lease, the Port covenants and agrees that the quiet and peaceful possession and enjoyment of the Premises by Lessee shall not be disturbed or interfered with by the Port or by any other party claiming by or through the Port.

SECTION 3: TERM

3.1 Lease Term. This Lease shall begin on the Commencement Date and end on the last day of the month on or after the tenth (10th) anniversary of the Beneficial Occupancy Date.

3.2 Option to Extend. If Lessee is in compliance with the terms and conditions of this Lease, Lessee has, upon written notice to the Port given not less than one hundred twenty (120) days or more than three hundred sixty five (365) days in advance of expiration of the initial (or extended) Lease term, the option to renew this Lease for two (2) additional five (5) year term(s).

3.3 Possession. If the Port shall be unable for any reason to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this Lease, the Port shall not be liable for any damage caused thereby to Lessee, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Lessee shall not be liable for any Rent until such time as the Port can deliver possession. If Lessee shall, in the interim, take possession of any portion of the Premises, Lessee shall pay as Rent the full rent specified herein reduced pro rata for the portion of the Premises not available for possession by Lessee. If the Port shall be unable to deliver possession of the Premises at the commencement of the term of this Lease, Lessee shall have the option to terminate this Lease by at least thirty (30) days' written notice, unless the Port shall deliver possession of the Premises prior to the effective date of termination specified in such notice. If Lessee shall, with the Port's consent, take possession of all or any part of the Premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable, with the exception that Lessee shall not be obligated to pay any Rent for the period prior to the commencement of the term of this Lease unless otherwise mutually agreed.

SECTION 4: RENT

4.1 Base Rent. Commencing on the commencement date, Lessee agrees to pay as rent ("Base Rent") for the Premises the sum of ten dollars and no cents (\$10.00) per year, plus applicable taxes. The Base Rent shall be paid to the Port in advance on the first day of each and every year during the term, at such place as the Port may designate, without any prior demand, and without any abatement, deduction or setoff whatsoever.

4.2 Late Charges. In the event that any amount due under this Lease is not paid within ten (10) days of when due, interest shall accrue on any unpaid Rent and/or other remuneration, or any other sums due hereunder, at the Default Rate from the date due until paid.

SECTION 5: SECURITY

5.1 Security. Lessee shall not be required to post any amount to secure Lessee's full performance of this Lease.

SECTION 6: USE OF PREMISES

6.1 Use of Premises. Lessee shall use the Premises for lounge for military personnel and their families and shall not use them for any other purpose without the written consent of the Port. The permitted use specifically includes the ability to install restrooms, quiet areas and other space supporting rest and personal hygiene as well as kitchen and other food service space for providing light snack and beverage service. The permitted use shall specifically be understood to extend to and encompass bag storage, resting, bathing, sleeping, laundry, child care, internet café, reading and television viewing.

6.2 General Standards Regarding Use.

6.2.1 Lessee shall occupy and use the entire Premises for the purpose set forth in Section 6.1 in a first-class manner continuously during the entire term of this Lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control.

6.2.2 Lessee shall not use or occupy the Premises, or permit the Premises or any part thereof to be used or occupied, in whole or in part, in a manner which would in any way: (i) violate any present or future Legal Requirements, (ii) violate any of the covenants, agreements, provisions and conditions of this Lease, (iii) violate the certificate of occupancy then in force with respect thereto, (iv) constitute a public or private nuisance, (v) impair, in the Port's reasonable judgment, with the character, reputation or appearance of the Port, or (vi) occasion discomfort, inconvenience or annoyance to the Port, adjoining tenants or the traveling public.

6.2.3 Lessee shall take all reasonable measures, using the latest known and practicable devices and means, to eliminate any unusual, nauseous or objectionable noise, gases, vapors, odors and vibrations from emanating from the Premises. Lessee shall not conduct or permit to be conducted without the prior written consent of the Port, any auction, fire, bankruptcy, "going out of business" or other distress sales of any nature upon or from the Premises, whether voluntary, involuntary, pursuant to any assignment for the payment of creditors, or pursuant to any bankruptcy or other insolvency proceeding, unless ordered by a court of competent jurisdiction.

6.3 Continuing Compliance. Throughout the term of this Lease, Lessee shall, at its own cost and expense, promptly and diligently observe and comply with: (i) all Legal Requirements (including, without limitation, those relating to environmental matters) and the requirements of any fire insurance rating organization and all insurance companies writing policies covering the Premises or any part or parts thereof; (ii) all applicable rules and regulations of the Port pertaining to the building or other realty of which the Premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public; and (iii) all permits, licenses, franchises and other authorizations required for Lessee's use of the Premises or any part thereof. Lessee shall comply with each of these whether or not they are now in force or at any time in the future may be passed, enacted, or directed.

6.4 Security Requirements. Without limiting the generality of either Section 6.2 or 6.3, Lessee and its employees, agents, and contractors shall comply at all times with all local,

state and federal laws, rules and regulations relating to homeland security (“Security Laws”) as well as any government-required security plan (“Security Plan”) applying at the Airport. Lessee shall be solely responsible for all of its costs of complying with any applicable Security Laws or Security Plan as well as any fines or penalties incurred (whether by Lessee or the Port) as result of its failure to comply with such Security Laws or Security Plan.

6.5 No Liens. Lessee will not directly or indirectly create or permit to be created and/or to remain, a Lien upon the Premises, including the Initial Improvements and any subsequent Alterations, fixtures, improvements or appurtenances thereto, except those Liens expressly permitted in writing by the Port. In the event any such Lien(s) have been created by or permitted by Lessee in violation of this provision, Lessee shall immediately discharge as of record, by bond or as otherwise allowed by law, any such Lien(s). Lessee shall also defend (with counsel approved by the Port), fully indemnify, and hold entirely free and harmless the Port from any action, suit or proceeding brought on or for the enforcement of such Lien(s). As used in this Section, “Lien” shall mean and refer to any mortgage, lien, security interest, encumbrance, charge on, pledge of, conditional sale or other encumbrance on the Premises, any Alteration, fixture, improvement or appurtenance thereto, or any larger building and/or property of which the Premises may be a part.

6.6 Signs. No sign, symbols or other advertising matter shall be attached to or painted on or within the Premises, including windows and doors thereof, without the prior written approval of the Port. At the termination or sooner expiration of this Lease, all signs, symbols, advertising matter or canopies placed on or in the Premises by Lessee shall be removed by Lessee at its expense, and Lessee shall repair any damage or injury to the Premises and correct any unsightly condition caused by the maintenance or removal of said signs or other advertising matter. Notwithstanding the foregoing, however, (i) Lessee shall – subject to the Port’s prior, reasonable review consistent with the Port Standards – be permitted to install an exterior, “storefront” sign at the entrance Premises in sufficient size and illumination to be visible from the terminal floor from a distance of 360 feet; and (ii) the Port shall install such other directional signage throughout the Airport (including in the vicinity of elevators MT2 and MT6) so as to reasonably facilitate the use of the Premises by service members and service members’ families and dependents.

SECTION 7: IMPROVEMENTS BY PORT

7.1 Port Improvements. The Premises are currently part of approximately 17,500 square feet of undemised space located on the second floor of the original 1947 terminal building that is not adequately served by electrical, mechanical and HVAC capacity for occupancy. Prior to the Commencement Date, the Port shall, at its sole cost and expense, complete the following improvements to render the Premises suitable for occupancy:

7.1.1 Demising. The Port will construct shell walls for the Premises. These walls will consist of bare metal studs as required by applicable Legal Requirements. The interior surfaces of the wall will be unfinished. The floor and ceiling of the Premises shall be as-is with no improvements whatsoever except as necessary to accommodate any of the other improvements required by this Section 7.1.

7.1.2 Ingress/Egress. The Port will ensure the Premises are adequately served by pathways for emergency ingress/egress as required by applicable Legal Requirements.

7.1.3 Utilities Services. The Port supply the following utility services:

7.1.3.1 HVAC. The Port of Seattle will supply, at a location reasonably agreed by the Port and Lessee, a connection to its central mechanical systems providing, at a minimum, outdoor air at a rate of 5 CFM/person or 0.06 CFM/ft² of occupied space and return air in accordance with WAC 51-52-0403.

7.1.3.2 Electricity. The Port of Seattle will supply, at a location reasonably agreed by the Port and Lessee, a 480V 400 AMP electrical power connection at a metered disconnect.

7.1.3.3 Water. The Port will supply a one-inch cold water supply line.

7.1.3.4 Drain/Sewer. The Premises are currently served, in approximately the location indicated on Exhibit B, by a four-inch sanitary sewer connection immediately below the floor of the USO space for connection by Lessee. Unless otherwise agreed, the Port shall have no obligation to relocate or otherwise improve this point of connection.

7.1.3.5 Fire Suppression. The Premises are currently served, in approximately the location indicated on Exhibit B, by an available fire system riser and supply for connection by the Lessee.

7.1.3.6 Communications. The Port will supply a small demarcation cabinet for communications that contains (i) six (6) strands of single mode and six (6) strands of multimode fiber optic cable, (ii) six (6) Category 6 1071E gigaSpeed XL cables, (iii) one (1) 25-pair Category 5 cable, and (iv) one (1) Series 6 (RG 6 Type) 75-ohm coaxial cable.

7.1.3.7 Connection Points. Unless otherwise agreed, all utilities connection points shall be within five feet – in any direction, vertical or horizontal – of the Premises boundary.

7.1.4 WiFi. The Port will install and connect wireless access points/antennae for 802.11 wireless service to provide free WiFi service within the Premises; provided, however, Lessee shall – as part of its Initial Improvements – be responsible for the installation of the conduit necessary for all cable runs from the communications connection point identified by the Port to the location of the access points/antennae reasonably identified by the Port.

7.1.5 Regulated Materials Abatement. The Port shall, at no cost to Lessee, completely abate any regulated materials in the Premises and shall, to the extent necessary for Lessee to connect to any utilities connection points identified by the Port pursuant to Section 7.1.3.7, abate any regulated materials beyond the boundary of the Premises to reasonably permit such connection.

7.2 Future Airport Improvements. It is understood that the Port may from time to time elect to alter, improve or remodel portions of the Airport, and Lessee agrees that the portion of the Premises, if any, which is visible to the general public may be altered, remodeled or improved at the Port's expense in connection with any such work, provided during such interruption, the Port shall provide reasonable ingress and egress to the Premises and exercise commercially reasonable efforts to minimize the disruption to Lessee. Lessee agrees that any temporary inconvenience resulting from any such work by the Port or its contractors and agents shall not be grounds for reduction of rent or fee if the same shall not unreasonably interfere with Lessee's use of the Premises.

SECTION 8: INITIAL IMPROVEMENTS

8.1 Initial Improvements. Lessee shall make minimum investments in leasehold improvements including architectural and engineering fees, construction costs, fixtures and equipment and other expenditures for the Premises in an amount not less One Million Two Hundred Thousand (\$1,200,00.00) and generally consistent with the conceptual plan attached hereto as Exhibit C (the "Initial Improvements"); provided, however, the Port may, in its sole discretion, agree to a lower amount in the event that Lessee can nonetheless satisfy all of the requirements of the Agreement, specifically including the Port Standards. This dollar amount is exclusive of furniture and other personal property that may be installed as part of Lessee's build-out of the Premises. These Initial Improvements to the Port's otherwise unimproved Premises are specifically intended as consideration for this Lease.

8.2 General Requirements for Initial Improvements. All Initial Improvements shall be of high quality and designed, constructed and performed: (i) in a good and workmanlike manner; (ii) in compliance with all Legal Requirements and Port Standards; (iii) by licensed, reputable and qualified architects, engineers and contractors; and (iv) in a manner which will not unreasonably interfere with or disturb other tenants of the Port. Lessee understands that the Airport is undergoing extensive remodeling. At all times during construction and installation of the Initial Improvements, Lessee, its agents, employees and independent contractors shall cooperate with and coordinate activities and work with the Port Construction Managers and other tenants at or near the Premises. Prior to commencement of the Initial Alterations, Lessee shall furnish to the Port proof of insurance for any and all contractors working on behalf of Lessee in the minimum form and limits as set forth in Section 14.2.1.1.

8.3 Design and Permitting. Before any construction of any leasehold improvement is commenced on the Premises, Lessee shall prepare plans and specifications and otherwise comply with the Port Standards. Except as otherwise specifically provided in this Lease, Lessee shall obtain all necessary permits, including any discretionary permits. In the event the Port is required or has obtained any of the necessary permits, Lessee will reimburse the Port for any permit fees and associated costs in obtaining said permits.

8.4 Port Approvals. The Port agrees that it not unreasonably withhold, delay or conditions its approval of the Initial Improvements provided they are consistent with the requirements of this SECTION 8. The Port's approval of Lessee's plans and specifications, the

Port's recommendations or approvals concerning contractors, subcontractors, engineers or architects (if any), and the Port's inspection of any of the Initial Improvements shall not be deemed a warranty as to the quality or adequacy of the Initial Improvements, or the design or construction thereof, or of their compliance with applicable Legal Requirements and Port Standards.

8.5 Prosecution of Construction. Lessee shall commence the Initial Improvements promptly following the Port's approval of the plans and specifications therefor and shall thereafter diligently prosecute the same to completion. All work shall conform with the approved plans and specifications, and the Port may periodically inspect the work for such compliance. Lessee agrees not later than one (1) year following the Commencement Date, the Initial Improvements shall be completed, and Lessee shall complete the relocation of its operations from the its current leased premises; provided, however, said time period may be extended to the extent of delays directly caused by the Port and/or force majeure events beyond the control of Lessee as set forth in Section 23.6.

8.6 Closing Documentation. Within sixty (60) calendar days of the completion of construction of the Initial Improvements, Lessee shall provide the Port with: (i) a certified statement (subject to verification, audit and approval by the Port) specifying the total construction cost (including architectural, engineering and permitting costs) in such detail as reasonably necessary to ascertain the costs of the Initial Improvements; (ii) a certification that the improvements have been constructed in accordance with the approved drawings and specifications and in strict compliance with all Legal Requirements and the Port Standards; (iii) a certified proof in writing demonstrating that no liens exist on any or all of the construction; and (iv) a reproducible final copy of the plans as-built for all improvements along with computer discs as electronic files in a format compatible with the Port's CAD Standards Manual, to enable the Port to upgrade its existing files to reflect the as-constructed changes made by Lessee.

8.7 Ownership; Trade Fixtures. Those Initial Improvements/Alterations that are installed in and become such a part of the Premises and the building of which it is a part that they cannot be removed without substantial injury to the Premises or the building of which it is a part shall immediately become the property of the Port following installation. Lessee shall retain ownership of all furniture, trade fixtures and equipment from time to time installed in the Premises as part of the Initial Improvements, and subsequent Alterations, or otherwise. Lessee may remove any of such furniture, trade fixtures or equipment at any time during the term and shall remove all thereof prior to the expiration of the term. Any such property not removed at the expiration of the term shall, at the election of the Port, become the property of the Port without payment to Lessee, or be deemed abandoned and removed by the Port, at Lessee's expense. Upon any removal of such property, Lessee shall promptly repair any and all damage to the Premises caused thereby and reimburse the Port for its costs and expenses in removing any such property not removed by Lessee and repairing any such damage not repaired by Lessee; this covenant shall survive the termination of this Lease.

SECTION 9: ALTERATIONS

9.1 Limitation on Alterations. After Lessee has completed the Initial Improvements, Lessee shall make no changes, alterations, additions, substitutions or improvements (collectively

referred to as “Alterations”) to the Premises, unless Lessee shall first deliver to the Port plans and specifications for, and obtain the Port’s prior written approval of, such Alterations. All such Alterations shall be done at Lessee’s sole cost and expense and at such times and subject to such conditions as the Port may from time to time designate. Unless otherwise specifically agreed, Lessee shall obtain all necessary permits, including any discretionary permits, for any Alteration. In the event the Port is required or has obtained any of the necessary permits, Lessee will reimburse the Port for any permit fees and associated costs in obtaining said permits.

9.2 Requirements for All Alterations. In addition to, and not in lieu of, conditions imposed by the Port pursuant to Section 9.1, any alterations or improvements permitted by the Port shall be constructed and performed: (i) in a good and workmanlike manner; (ii) in compliance with all Legal Requirements and Port Standards; (iii) by licensed, reputable and qualified architects, engineers and contractors; and (iv) in a manner which will not unreasonably interfere with or disturb other tenants of the Port. In addition, prior to commencement of any Alterations, Lessee shall furnish to the Port proof of insurance for any and all contractors working on behalf of Lessee in the minimum form and limits as set forth in Section 14.2.1.1. Any Alterations shall immediately become the property of the Port without any obligation on its part to pay therefor, and shall not be removed by Lessee unless directed to do so in connection with any consent issued under Section 9.1 or pursuant to SECTION 21.

9.3 As Built Drawings. Within sixty (60) days of the completion of any Alteration, Lessee shall provide the Port with: (i) a certified statement (subject to verification, audit and approval by the Port) specifying the total construction cost (including architectural, engineering and permitting costs) in such detail as reasonably necessary to ascertain the costs of the Alteration, (ii) a certification that the Alteration has been constructed in accordance with the approved drawings and specifications and in strict compliance with all Legal Requirements and the Port Standards; (iii) a certified proof in writing demonstrating that no liens exist on the Alteration; and (iv) a reproducible final copy of the plans as-built for the Alteration along with computer discs as electronic files in a format compatible with the Port’s CAD Standards Manual, to enable the Port to upgrade its existing files to reflect the as-constructed changes made by Lessee.

9.4 Ownership; Trade Fixtures. See Section 8.7.

SECTION 10: UTILITIES

10.1 Utilities.

10.1.1 HVAC. The Port will, consistent with the supply to be provided pursuant to Section 7.1.3.1 and at no cost to Lessee, furnish normal and reasonable quantities of conditioned air from the central HVAC system. Lessee shall, at its expense, furnish, install and maintain any ductwork and other connections within the Premises and shall connect and complete the HVAC from the Airport’s central system. Subject to conditions beyond its control, the Port will maintain under normal conditions a temperature adequate for comfortable occupancy according to the season and the nature of the use; provided, that Lessee properly maintains the ductwork and other connections within the Premises and complies with the recommendations of the Port regarding reasonable occupancy and use of the Premises.

10.1.2 Electricity. The Port will provide normal and reasonable quantities of electrical power to the Premises considering the supply to be provided pursuant to Section 7.1.3.2 and the nature of the permitted use, and Lessee shall pay the costs of all electricity used within the Premises at the then-current rate published in Sea-Tac International Airport Tariff No. 1 (as it may be amended or replaced from time-to-time) subject to the following adjustments: (i) Lessee shall, at all times, be subject to and pay the Base Monthly Charge, (ii) Lessee shall *not* be responsible for the Demand Charge, and (iii) Lessee shall, for each year after the first year of this Lease be responsible for the Energy Charge only to the extent that Lessee's actual monthly usage exceeds one hundred ten percent (110%) of the average monthly usage during the first year of this Lease. The charge for electricity shall, without regard to the frequency with which it is billed, be determined on a monthly basis and a monthly demand less than the stated KWH threshold in any one month shall *not* operate to offset or otherwise extinguish a monthly demand in excess of the stated KWH threshold in any other month. Lessee shall furnish, install and maintain all power circuits and connections required for equipment and mechanical systems used in the Premises.

10.1.3 Water. The Port will, at no cost to Lessee, provide normal and reasonable quantities of water and sewer service to the Premises considering the supply to be provided pursuant to Section 7.1.3.3 and the nature of the permitted use. Lessee shall be responsible for all water hook-up of its equipment and for extending its drain lines to the point of connection identified by the Port.

10.1.4 Communications. Consistent with the facilities to be provided pursuant to Section 7.1.3.6, Lessee agrees to use the Port's cabling and communications system for its operations at the Airport, but Lessee shall not be subject to any user fee for such use. Lessee shall, however, be responsible for procuring and pay the cost of any communications services (i.e. internet, telephone, television, etc.) required by Lessee for its own use. In the event Lessee is allowed to install communication equipment, any such installation shall be subject to the Port regulation.

10.1.5 Sewer and Fire Protection Service. The Port will provide, at no cost to Lessee, reasonable service the Port's sewer and fire protection service considering the service to be provided pursuant to Section 7.1.3.4 and 7.1.3.5 and the nature of the permitted use. Lessee shall be responsible for the cost of connection and any necessary extension of the sewer or fire protection service necessary to serve the Premises.

10.1.6 Trash, Recycling and Other Common Services. The Port will, at no cost to Lessee in a manner consistent with how the services are currently provided to Lessee under its lease for Airport premises, provide reasonable trash and refuse removal and recycling services.

10.1.7 Janitorial. Lessee shall be solely responsible for any janitorial or other custodial services and expenses associated with the Premises.

10.1.8 WiFi Service. The Port will, utilizing the infrastructure provided by the Port pursuant to Section 7.1.4 and at no cost to Lessee, provide free WiFi services within the Premises in a manner similar to that which it supplies free WiFi service to the travelling public

within the Airport terminals. The Port may, utilizing the infrastructure provided by the Port pursuant to Section 7.1.4 and subject to the terms of a separate agreement with Lessee, provide Lessee a private, wireless VLAN for the use of Lessee and its customers within the Premises.

10.2 Utility Interruptions.

10.2.1 With respect to any utility service provided to the Premises, the Port shall have the right to shut down electrical or other utility services to the Premises when necessitated by safety, repairs, alterations, connections, upgrades, relocations, reconnections, or for any other reason, with respect to any such utility system (singularly or collectively, "Utility Work"), regardless of whether the need for such Utility Work arises in respect of the Premises, any other part of the building or larger premises of which the Premises are a part. Whenever possible, the Port shall give Lessee no less than two (2) days prior notice for such utility shutdown. The Port shall not be liable to Lessee for any losses, including loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Premises, except when such losses result from the Port's gross negligence.

10.2.2 Lessee acknowledges that interruptions in utility services (including, without limitation, electrical service) are not uncommon in facilities such as the Airport, and Lessee acknowledges that it will, at its cost and expense, protect any sensitive electronic equipment which may be used in the Premises from utility service interruptions through the use of backup power supplies, surge protectors, and other appropriate safety systems as Lessee deems reasonable and necessary. Lessee acknowledges that it has taken or will take all precautions it deems necessary to protect its equipment in, on and around the Airport, including the acquisition of insurance

10.3 Energy Conservation. The Port shall have the right to institute such reasonable policies, programs and measures as may be necessary or desirable, in the Port's discretion, for the conservation and/or preservation of energy or energy related services, or as may be required to comply with any applicable codes, rules and regulations, whether mandatory or voluntary.

SECTION 11: MAINTENANCE AND REPAIR

11.1 Maintenance and Repair by Lessee. Lessee shall, at its sole cost and expense, keep the Premises (specifically including all Initial Improvements, Alterations, equipment and installations) in good order, condition and repair at all times. Lessee shall make all repairs and replacements (ordinary as well as extraordinary, foreseen and unforeseen) which may be necessary or required so that at all times the Premises are in good order, condition and repair. With limiting the generality of the foregoing, Lessee shall keep the glass of all windows and doors on the Premises clean and presentable, shall replace all cracked or broken glass in the Premises, shall keep the mechanical and electrical systems and all drains clean and in a good state of repair, shall protect the sprinkler system and all pipes and drains so that they will not freeze or become clogged and shall not permit or suffer any waste, damages, or disfigurement to or upon the Premises or any part thereof. Lessee shall also keep the Premises and entryways neat, clean and in sanitary condition, free from infestation of pests and conditions which might result in harborage for, or infestation of pests.

11.2 Maintenance and Repair by Port. Notwithstanding anything to the contrary in Section 11.1, the Port shall repair and maintain the structural floor, structural ceiling, exterior walls, foundation and building structure (including roof covering/membrane) of the Premises in good order, condition and repair. The Port shall likewise provide building-wide pest control services as part of its unified pest management contract. The Port shall perform this work at its sole cost and expense, except to the extent that any such repairs may be required as a result of damage caused by negligence of Lessee or its agents, employees, invitees or licensees, in which event the work shall be at the cost or expense of Lessee. The Port shall perform such repair or maintenance work called to its attention by Lessee within a reasonable period of time after receipt of such notice by Lessee. There shall be no abatement or reduction of Rent, and the Port shall not be responsible for any loss or damages to Lessee's business, arising by reason of the Port making any repairs, alterations or improvements.

SECTION 12: TAXES

12.1 Payment of Taxes. Lessee shall be liable for, and shall pay throughout the term of this Lease, all license fees and all taxes payable for, or on account of, the activities conducted on the Premises and all taxes on the property of Lessee on the Premises and any taxes on the Premises and/or on the leasehold interest created by this Lease and/or any taxes levied in lieu of a tax on said leasehold interest and/or any taxes levied on, or measured by, the rentals payable hereunder, whether imposed on Lessee or on the Port. With respect to any such taxes payable by the Port which are on or measured by the Rent payments hereunder, Lessee shall pay to the Port with each Rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Lessee shall be payable by Lessee to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Lessee shall be entitled to a minimum of ten (10) days' written notice of the amounts payable by it.

12.2 Personal Property Taxes. Lessee shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other real or personal property placed or installed in and upon the Premises by Lessee. If any such taxes on Lessee's personal property or trade fixtures are levied against the Port or the Port's property, and if the Port pays the taxes based upon such increased assessment, Lessee shall, upon demand, repay to the Port the taxes so levied.

SECTION 13: COMMON AREAS

13.1 Control of Common Areas by Port. The Port shall at all time have the exclusive control and management of the common areas of the Airport and other areas, improvements, facilities and/or special services provided by the Port for the general use, in common, of the traveling public and/or tenants of the Airport ("common areas and facilities"). Without limiting the Port's right of control and management, the Port specifically reserves the right to: (i) establish, modify from time to time, and enforce reasonable rules and regulations governing the use of the common areas and facilities (specifically including, but not limited to, security requirements in non-public areas of the Airport); (ii) change the area, level, location and arrangement of common areas and facilities; (iii) provided Lessee is not deprived of reasonable access to its Premises, close all or any portion of the common areas and facilities; and (iv) do and

perform such other acts in and to the common areas and facilities as, in the use of good business judgment, the Port shall determine to be advisable with a view to the improvement of the convenience and use thereof by authorized users.

13.2 Parking. While the Port may provide parking facilities to Lessee and its employees in common with employees of other tenants and users of the Airport, it retains the right to impose a reasonable charge for the privilege of utilizing these parking facilities. Nothing herein, however, shall be deemed to require the Port to provide parking facilities to Lessee's employees.

13.3 License. All common areas and facilities that Lessee is permitted to use and occupy are used and occupied under a revocable license. If the amount of such areas or facilities is revised or diminished, such revision or diminution shall not be deemed a constructive or actual eviction, and the Port shall not be subject to any liability, nor shall Lessee be entitled to any compensation or reduction or abatement of Rent.

13.4 Inconvenience. Lessee recognizes that from time to time during the term of this Lease, it may be necessary for the Port to commence or complete extensive programs of construction, expansion, relocation, maintenance and repair in order that the Airport and its facilities may be completed and operated in accordance with any present or future master layout plan, and that such construction, expansion, relocation, maintenance, repair or other management of the common areas and facilities may inconvenience the Lessee in its operation at the Airport. Lessee agrees that no liability shall attach to the Port, its officers, agents, employees, contractors, subcontractors and representatives by way of such inconveniences, and Lessee waives any right to claim damages or other consideration therefrom.

SECTION 14: INSURANCE AND INDEMNITY

14.1 Indemnity

14.1.1 The Port, its officers, employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Lessee or by others, including but not limited to all persons directly or indirectly employed by Lessee, or any agents, contractors, subcontractors, licensees or invitees of Lessee, as a result of any condition (including existing or future defects in the Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to Lessee's use or occupancy of the Premises and of areas adjacent thereto.

14.1.2 Lessee shall defend (with counsel approved by the Port), fully indemnify, and hold entirely free and harmless the Port and its Commissioners, officers, agents and employees from any and all loss, damages, expenses, attorneys' fees, consultants' fees, court costs and other costs for or from: (a) anything and everything whatsoever arising from the condition of the Premises or out of the occupancy by the Lessee or subtenant, licensee, invitee or concessionaire of Lessee; and (b) any accident, injury, death or damage to any party however caused in or about the Premises or upon the sidewalks adjacent to the Premises, whether or not caused by the negligence of Lessee or any third party; and (c) any fault or negligence by Lessee

or any sublessee, licensee, invitee or concessionaire of the Lessee or of any officer, agent, employee, guest or invitee of any such person; and (d) any failure on Lessee's part to comply with any of the covenants, terms and conditions contained in this Lease; *provided, however*, nothing herein shall require Lessee to indemnify the Port from any accident, injury, death or damage arising out of the negligence of the Port or its Commissioners, officers, agents and employees. Lessee agrees that the foregoing indemnity specifically covers actions brought by its own employees, and thus Lessee expressly waives its immunity under industrial insurance, Title 51, as necessary to effectuate this indemnity.

14.1.3 LESSEE AND PORT AGREE AND ACKNOWLEDGE THAT THIS PROVISION IS THE PRODUCT OF MUTUAL NEGOTIATION. Lessee's obligations under this Section shall survive the expiration or earlier termination of this Lease.

14.2 Insurance.

14.2.1 Required Policies. Lessee shall obtain and keep in force, at its sole cost and expense the following types of insurance, in the amounts specified and in the form hereinafter provided for:

14.2.1.1 *Liability Insurance.* Lessee shall obtain and keep in force a commercial general liability policy of insurance protecting Lessee and the Port, as an additional insured using ISO Form 20 26 (either 11 85 or 06 04 revision) or an equivalent endorsement approved by the Port, against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the tenancy, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, and specifically including the action/inaction of any subtenant, licensee or concessionaire. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than One million dollars (\$1,000,000) per occurrence. The policy shall not contain any intra-insured exclusions as between insured persons or organizations. The policy shall contain a minimum \$250,000 sublimit that covers damage to premises rented or leased to Lessee, including fire damage. This limit shall be identified on the Certificate of Insurance.

14.2.1.2 *Automobile Liability Insurance.* Lessee shall obtain and keep in force a commercial automobile liability policy of insurance, written on ISO Form CA 00 01 07 97 (or equivalent), that protects Lessee and the Port against claims for bodily injury and property damage based upon, involving or arising out of motor vehicle operations on or about the Premises and all areas appurtenant thereto. Such insurance shall cover any "Auto" (i.e. owned, hired and non-owned) and shall be on an occurrence basis providing single limit coverage in an amount not less than one million dollars (\$1,000,000) per occurrence. The policy shall not contain any intra-insured exclusions as between insured persons or organizations.

14.2.1.3 *Property Insurance.* Lessee shall obtain and keep in force "Special Extended" or "all risk" property insurance insuring loss or damage to Lessee's personal property on or about the Premises and any Alterations made by or for Lessee to the Premises. The policy shall include coverage for any additional costs resulting from debris removal and

reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of the Premises including any undamaged sections of the Premises required to be demolished or removed by reason of the enforcement of any Legal Requirement as the result of a covered cause of loss. The amount of such insurance shall be equal to the full replacement cost of the Premises (or the commercially reasonable and available insurable value thereof if, by reason of the unique nature or age of the improvements involved, such latter amount is less than full replacement cost). The policy shall also contain an agreed valuation provision in lieu of any coinsurance clause.

14.2.1.4 *Other Insurance.* Lessee shall further obtain and keep in force such other and further insurance as the Port may from time to time reasonably request for the protection by insurance of its interest in the Premises.

The limits of insurance specified in this Section shall be subject to periodic adjustment to reflect changes in insuring practices for similar properties in the same geographic area and changes in insurance products.

14.2.2 Insurance Policies.

14.2.2.1 *Insurance Companies.* Insurance required hereunder shall be in companies duly licensed to transact business in the State of Washington, and maintaining during the policy term a General Policyholders Rating of ‘A-’ or better and a financial rating of ‘IX’ or better, as set forth in the most current issue of “Best’s Insurance Guide.”

14.2.2.2 *Policies Primary; Deductibles; Per Location Endorsement.* All insurance to be carried by Lessee shall be primary to and not contributory with any similar insurance carried by the Port, whose insurance shall be considered excess insurance only. No insurance required herein shall contain a deductible or self-insured retention in excess of \$100,000 without the prior written consent of the Port. If at any time during the term, Lessee shall have in full force and effect a blanket policy of commercial general liability and umbrella liability insurance covering the Premises and other premises and/or properties of Lessee, such insurance shall satisfy the requirements hereof, provided said policy contains a specific endorsement providing a minimum amount of coverage applicable to the Premises equal to or greater than the amount required above (i.e. a “per location” endorsement).

14.2.2.3 *Duration of Coverage.* All policies of insurance shall be kept current and in force throughout the duration of this lease and at no time shall the insurance lapse or be terminated without a concurrent renewal or purchase of new insurance that meets the requirements of this lease.

14.2.2.4 *Evidence of Insurance.* Lessee shall deliver, or cause to be delivered, to the Port certified copies of the policies of insurance or certificates evidencing the existence and amounts of such insurance, the inclusion of the Port as an insured as required by this Lease, and the amounts of all deductibles and/or self insured retentions.

14.2.2.5 No Limitation of Liability. The limits of insurance required by this Lease or as carried by Lessee shall not limit the liability of Lessee nor relieve Lessee of any obligation hereunder.

14.3 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee (for itself and on behalf of anyone claiming through or under it by way of subrogation or otherwise) hereby waives any rights it may have against the Port, its officers, agents and employees (whether in contract or in tort) on account of any loss or damage occasioned to Lessee arising out of or incident to the perils required to be insured against under this Lease. Accordingly, Lessee shall cause each insurance policy required by this Section 14.2 to further contain a waiver of subrogation clause. The effect of such release and waiver of the right to recover damages shall not be limited by the amount of insurance carried or required, or by any deductibles applicable thereto.

14.4 Increase in Port's Cost of Insurance. Lessee shall not use the Premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of Rent and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

SECTION 15: DAMAGE OR DESTRUCTION

15.1 Duty to Repair. If the Premises or any buildings or structures of which the Premises are a part are damaged by fire, the elements, earthquake, accident or other casualty (collectively, "Casualty"), the Port shall, except to the extent either party has the right to terminate this Lease under Section 15.2, use reasonable efforts to repair and restore the Premises and/or the buildings or structures of which the Premises are a part to substantially their former condition to the extent permitted by then-applicable Legal Requirements; *provided, however*, the Port's obligation to repair and restore shall not extend to the Initial Improvements, any subsequent Alterations, or any of Lessee's personal property, specifically including that which Lessee retains ownership of under Section 9.4.

15.2 Right to Terminate. Either party may elect to terminate this Lease in the event that such party concludes, in its reasonable judgment, that the damage to the Premises or any portion of the buildings or structures of which the Premises are a part and which portion is necessary for access to and reasonable use of the Premises cannot be repaired within one hundred twenty (120) days of the Casualty (with the repair work and the preparations therefor to be done during regular working hours on regular work days). In the event that either party elects to terminate this Lease, that party shall advise the other of that fact within thirty (30) days of the date of the Casualty and notify the other party of the date, not more than ninety (90) days after the Casualty, on which the Lease will terminate.

15.3 Abatement of Rent. Unless the casualty results from Lessee's negligence or breach of the terms of this Lease, the Base Rent shall be abated for any portion of the Premises

that is rendered untenable or inaccessible from the period from the date of the Casualty through the date of substantial completion of the repairs to the Premises (or to the date of termination of the Lease if either party shall elect to terminate the Lease). The Port shall not otherwise be liable to Lessee for any loss in the use in the whole or any part of the Premises (including loss of business) and/or any inconvenience or annoyance occasioned by the Casualty, by any damage resulting from the Casualty, or by any repair, reconstruction or restoration.

15.4 Waiver. Except as specifically set forth in this Lease, Lessee hereby waives any right that Lessee may have, under any applicable existing or future law, to terminate this Lease in the event of any damage to, or destruction of, the Premises or any buildings or structures of which the Premises are a part.

SECTION 16: ASSIGNMENT AND SUBLEASE

16.1 Prohibition. Lessee shall not, in whole or in part, assign, sublet, license or permit occupancy by any party other than Lessee of all or any part of the Premises, without the prior written consent of the Port in each instance. Lessee shall at the time the Lessee requests the consent of the Port, deliver to the Port such information in writing as the Port may reasonably require respecting the proposed assignee, subtenant or licensee including, without limitation, the name, address, nature of business, ownership, financial responsibility and standing of such proposed assignee, subtenant or licensee. Within twenty (20) business days after receipt of all required information, the Port shall, in its sole discretion, elect one of the following: (a) to consent to such proposed assignment, sublease or license or (b) to refuse such consent.

16.1.1 As a condition for the Port's consent to any assignment, encumbrance or sublease, the Port may require that the assignee, sublessee or licensee remit directly to the Port on a monthly basis, all monies due to Lessee by said assignee, sublessee or licensee (except with respect to excess rentals otherwise due Lessee pursuant to Section 16.2). In addition, a condition to the Port's consent to any assignment, sublease or license of this Lease or the Premises shall be the delivery to the Port of a true copy of the fully executed instrument of assignment, sublease or license and an agreement executed by the assignee, sublessee or licensee in form and substance satisfactory to the Port and expressly enforceable by the Port, whereby the assignee, sublessee or licensee assumes and agrees to be bound by the terms and provisions of this Lease and perform all the obligations of Lessee hereunder.

16.1.2 In the event of any assignment, Lessee and each respective assignor, waives notice of default by the tenant in possession in the payment and performance of the Rent, covenants and conditions of this Lease and consents that the Port may in each and every instance deal with the tenant in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Lease and modify the same, and in general deal with the tenant then in possession without notice to or consent of any assignor, including Lessee; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Lessee and of each respective assignor.

16.1.3 Lessee agrees that any sublease or license will contain a provision in substance that if there be any termination whatsoever of this Lease then the subtenant or licensee, at the request of the Port, will attorn to the Port and the sublessee or licensee, if the Port so

requests, shall continue in effect with the Port, but the Port shall be bound to the subtenant or licensee in such circumstances only by privity of estate. Nothing herein shall be deemed to require the Port to accept such attornment.

16.1.4 No assignment, subletting or license by Lessee shall relieve Lessee of any obligation under this Lease, including Lessee's obligation to pay Rent or any other sum hereunder. Any purported assignment, subletting or license contrary to the provisions hereof without consent shall be void. The consent by the Port to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting.

16.1.5 Lessee shall reimburse the Port in the sum of Five Hundred Dollars (\$500.00) plus any reasonable professionals' fees and expenses incurred by the Port in connection with any request by Lessee for consent to an assignment, subletting or license.

16.2 Excess Rental. If in connection with any assignment, sublease or license, Lessee receives rent or other monetary consideration, either initially or over the term of the assignment or sublease, in excess of the Rent called for hereunder, or in case of the sublease of a portion of the Premises, in excess of such Rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder and out-of-pocket expenditures, operating costs or concessions incurred by Lessee in connection with such assignment, sublease or license, are appropriately taken into account, Lessee shall pay to the Port, as Additional Rent hereunder, seventy-five percent (75%) of the excess of each such payment of rent or other consideration received by Lessee after its receipt.

16.3 Scope. The prohibition against assigning or subletting contained in this Article shall be construed to include a prohibition against any assignment or subletting by operation of law. Furthermore, for purposes of this Article, any sale, transfer or other disposition in the aggregate of fifty percent (50%) or more of the equity ownership in Lessee (i.e. stock with respect to tenant corporation, partnership interests with respect to a tenant partnership, etc.) shall be deemed an assignment. If this Lease be assigned, or if the underlying beneficial interest of Lessee is transferred, or if the Premises or any part thereof be sublet or occupied by anybody other than Lessee, the Port may collect Rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved and apportion any excess Rent so collected in accordance with the terms of Section 16.2, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants and conditions of this Lease.

SECTION 17: DEFAULT

17.1 Defaults. Time is of the essence of this Lease. The occurrence of any one or more of the following events constitutes a default of this Lease by Lessee with or without notice from the Port:

17.1.1 The vacating or abandonment of the Premises by Lessee.

17.1.2 The failure by Lessee to make any payment of Rent, or any other payment required by this Lease, when due.

17.1.3 The failure by Lessee to observe or perform any covenant, condition, or agreement to be observed or performed by Lessee in this Lease.

17.1.4 The discovery by the Port that any required report, financial statement or background statement provided to the Port by Lessee, any successor, grantee, or assign was materially false.

17.1.5 The filing by Lessee of a petition in bankruptcy, Lessee being adjudged bankrupt or insolvent by any court, a receiver of the property of Lessee being appointed in any proceeding brought by or against Lessee, Lessee making an assignment for the benefit of creditors, or any proceeding being commenced to foreclose any mortgage or other lien on Lessee's interest in the Premises or on any personal property kept or maintained on the Premises by Lessee.

17.1.6 A default under any other lease and/or concession agreement under which Lessee uses or occupies any other premises at the Airport.

17.2 Remedies.

17.2.1 Whenever any default (other than a default under Section 17.1.5 above, upon which termination of this Lease shall, at the Port's option, be effective immediately without further notice) continues unremedied in whole or in part for thirty (30) days after written notice is provided by the Port to Lessee (or for ten (10) days after written notice in the case of default for failure to pay any Rent, or other required payment when due), this Lease and all of Lessee's rights under it will automatically terminate if the written notice of default so provides. Upon termination, the Port may reenter the Premises using such force as may be necessary and remove all persons and property from the Premises. The Port will be entitled to recover from Lessee all unpaid Rent or other payments and damages incurred because of Lessee's default including, but not limited to, the costs of re-letting, including tenant improvements, necessary renovations or repairs, advertising, leasing commissions, and attorney's fees and costs ("Termination Damages"), together with interest on all Termination Damages at the Default Rates from the date such Termination Damages are incurred by the Port until paid.

17.2.2 In addition to Termination Damages, and notwithstanding termination and reentry, Lessee's liability for all Rent or other charges which, but for termination of the Lease, would have become due over the remainder of the Lease term ("Future Charges") will not be extinguished and Lessee agrees that the Port will be entitled, upon termination for default, to collect as additional damages, a rental deficiency, given the nominal value of the stated Base Rent, equal to Future Charges in an accelerated lump-sum payment.

17.2.3 In addition to the rights granted by Section 9.4, if upon any reentry permitted under this Lease, there remains any personal property upon the Premises, the Port, in its sole discretion, may remove and store the personal property for the account and at the expense of Lessee. In the event the Port chooses to remove and store such property, it shall take reasonable steps to notify Lessee of the Port's action. All risks associated with removal and storage shall be on Lessee. Lessee shall reimburse the Port for all expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. The Port has the right to sell any property which has been stored for a period of 30 days or more, unless Lessee has tendered reimbursement to the Port for all expenses incurred in removal and storage. The proceeds of sale will be applied first to the costs of sale (including reasonable attorneys' fees), second to the payment of storage charges, and third to the payment of any other amounts which may then be due and owing from Lessee to the Port. The balance of sale proceeds, if any, will then be paid to Lessee.

17.3 Remedies Cumulative. All rights, options and remedies of the Port contained in this Lease shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and the Port shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease.

SECTION 18: TERMINATION OTHER THAN FOR DEFAULT

18.1 Major Capital Improvement. In the event that the Port, at its sole discretion, shall require the use of the Premises for a major capital improvement for public or private use in connection with the operation of the business of the Port, then this Lease may, as further set forth below, be relocated by the Port during the initial lease term provided by Section 3.1 or terminated by the Port during any option period provided by Section 3.2, both by written notice delivered or mailed by the Port to Lessee not less than one (1) year before the relocation/termination date specified in the notice.

18.1.1 As to any relocation, the Port shall consult with Lessee regarding potential alternative locations and following such consultation reasonably identify the new location to which Lessee shall be relocated. The new location shall be located pre-security and shall be reasonably comparable to the Premises in terms of size, facilities and accessibility. The Port shall be responsible, at its sole costs and expense, to construct, alter and/or improve the new location to a condition reasonably equivalent to Lessee's current Premises and shall pay all reasonable costs incurred by Lessee to physically relocate its furniture, fixtures and equipment from the current Premises to the new location. The Port shall not, however, otherwise be responsible to Lessee for any inconvenience or annoyance occasioned by the relocation.

18.1.2 As to any termination, if Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any Rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee. In addition, the Port shall be obligated to reimburse Lessee the Net Book Value of Leasehold Improvements. Lessee shall not be entitled to any compensation at termination for the bargain value of the leasehold

18.2 Condemnation.

18.2.1 Total Taking. In the case of a taking by eminent domain of either all of the Premises or such portion of either the Premises or any buildings or structures of which the Premises are a part as shall, in the Port's sole judgment, be required for reasonable use of the Premises, this Lease shall terminate as of the date of such taking. If Lessee is not in default under any of the provisions of this Lease on said date, any Rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee. In addition, the Port shall be obligated to reimburse Lessee the Net Book Value of Leasehold Improvements. Lessee shall not be entitled to any compensation at termination for the bargain value of the leasehold.

18.2.2 Partial Taking. In the case of a taking of portion of the Premises or any buildings or structures of which the Premises are a part as shall *not*, in the Port's sole judgment, be required for the continued, reasonable use of the Premises, this Lease shall continue in full force and effect with any necessary reduction in the extent of the Premises. In addition, to the extent of any damages award for such partial taking (but only to such extent), the Port shall be obligated to repair and restore the building or structure of which the Premises are a part to condition sufficient for the reasonable use of the Premises, and Lessee shall be responsible to repair and restore the Premises as nearly as reasonably possible to the condition existing prior to the taking or condemnation. The Port shall apply so much of the damages award as may be necessary to achieve these ends and, with respect to Lessee's efforts, shall hold and disburse such funds on a percentage of completion basis in the manner of a construction lender's disbursement account for application toward Lessee's cost of repairing and restoring the Premises. Only to the extent that there is any remaining balance of the damages award after such repair and restoration shall the Port be obligated to reimburse Lessee the Net Book Value of Leasehold Improvements for such Eligible Improvements (as defined in Section 18.3.1) that are removed as part of the taking. Lessee shall not otherwise be entitled to reimbursement of the Net Book Value of Leasehold Improvements for any other Eligible Improvements or payment of any compensation for the bargain value of the leasehold.

18.2.3 Damages. Subject to payment of the amounts set forth in Sections 18.2.1 and 18.2.2, the Port reserves all right to the entire damage award or payment for taking by eminent domain, and Lessee waives all claim whatsoever against the Port and/or the authority exercising eminent domain for damages for termination of its leasehold or for interference with its business. The Port and Lessee further agree that all decisions regarding how the eminent domain proceeding should be handled shall be made in the sole discretion of the Port (specifically including any response to a motion for order adjudicating public use and necessity or any request for immediate possession), and Lessee shall take no actions or steps which interfere with the Port's ability to control the handling of the eminent domain proceeding. Notwithstanding the foregoing, nothing in this Section shall be considered to be a waiver or assignment by Lessee of any right to relocation assistance payments or relocation advisory services which may be available in connection with the eminent domain proceeding.

18.2.4 Eminent Domain. The term “eminent domain” as used in this Section 18.2 shall including taking or damaging of property by, through or under any governmental or quasi-governmental authority and the purchase or acquisition in lieu thereof.

18.3 Net Book Value of Leasehold Improvements. “Net Book Value of Leasehold Improvements” shall mean and refer to the dollar amount generated through application of the following rules:

18.3.1 Eligible Improvements. “Eligible Improvements” shall mean and refer to any permanently affixed alterations or improvements made to the Premises and to Lessee’s custom designed cabinetry, display fixtures, furnishings and equipment: (a) for which the Port’s consent has been sought and obtained in writing, (b) for which any and all information required by Section 8.6 or 9.3 has been timely submitted, and (c) then currently in use and in such condition as would warrant its continued use. Eligible Improvements shall specifically exclude: (a) any furniture, fixtures and/or equipment (other than Lessee’s custom designed cabinetry, display fixtures, furnishings and equipment as set forth above), the ownership of which is retained by Lessee pursuant to Section 8.7 or otherwise, (b) any inventory maintained by Lessee, and (c) any improvements to the Premises funded by the Port, whether from any damages award pursuant to Section 18.2.2 or otherwise.

18.3.2 Cost of Eligible Improvements. The “Costs of Eligible Improvements” shall mean and refer to the direct costs expended by Lessee for any Eligible Improvements, specifically including the cost for the demolition of any existing improvements necessary for the installation of such Eligible Improvements. The Costs of Eligible Improvements” shall be determined from the information timely submitted by Lessee pursuant to by Section 8.6 or 9.3, which information is subject to verification by the Port.

18.3.3 Calculation of Net Book Value of Leasehold Improvements. For each Eligible Improvement, the Cost of that Eligible Improvement shall be amortized over the useful economic life of such Eligible Improvement, where such useful economic life shall in no instance exceed the period of time commencing on the date such Eligible Improvement is installed and terminating on the expiration of this Lease, or any lesser period that may be specified in any consent, sublease or other writing, on a straight-line basis with no salvage value. The “Net Book Value of Leasehold Improvements” shall be the sum of the unamortized portion (as of the effective date of the applicable termination) of the Cost of Eligible Improvements for each Eligible Improvement directly affected by such deletion or termination. As used in this Section, “useful economic life” shall specifically be determined with respect to the initial investment in the Eligible Improvement, Lessee’s repair and maintenance of the Eligible Improvement, and Lessee’s custom and usage for assets similar to the Eligible Improvements, both at the Airport and elsewhere.

SECTION 19: ACCESS; EASEMENTS

19.1 Access to Premises. The Port shall have the right to show the Premises at all reasonable times during business hours of Lessee to any prospective purchasers, tenants or mortgagees of the same, and may at any time enter upon the Premises, or any part thereof, for the purpose of ascertaining the condition of the Premises or whether Lessee is observing and

performing the obligations assumed by it under this Lease, all without hindrance or molestation from the Lessee. The Port shall also have the right to enter upon the Premises for the purpose of making any necessary repairs and performing any work that may be necessary by reason of Lessee's failure to make any such repairs or perform any such work. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Lessee (except that no notice shall be required in the event of an emergency) or an authorized employee of Lessee at the Premises, which notice may be given orally.

19.2 Easements.

19.2.1 The Parties recognize that the Port facilities are continuously being modified to improve the utilities, services and premises used and provided by the Port. The Port and its authorized utility service providers are hereby granted a continuous easement or easements that the Port believes is necessary within the Premises of Lessee, without any additional cost to the Port for the purposes expressed hereinabove. The Port, its authorized utility service providers, and their respective agents, shall have the right to enter the Premises of Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, and the electrical service, and all other services and facilities required by the Port for its own use. Provided, however, that the Port, by virtue of such use, does not substantially deprive Lessee from its beneficial use or occupancy of its leased area for an unreasonable period of time, not to exceed thirty (30) working days, without consent of Lessee.

19.2.2 In the event that the Port permanently deprives Lessee from such beneficial use or occupancy, then an equitable adjustment in Rent, or in the cost required to modify its Premises to allow the Lessee to operate its business, will be negotiated and paid by the Port to Lessee. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse Lessee for the cost required to modify its Premises for the temporary period that Lessee is inconvenienced by such Port entry. The Port will not be responsible to Lessee for any reduced efficiency or loss of business occasioned by such entry.

SECTION 20: NONWAIVER; RIGHT TO PERFORM

20.1 Receipt of Monies Following Termination. No receipt of monies by the Port from Lessee after the termination or cancellation of this Lease in any lawful manner shall (i) reinstate, continue or extend the term of this Lease; (ii) affect any notice theretofore given to Lessee; (iii) operate as a waiver of the rights of the Port to enforce the payment of any Rent and fees then due or thereafter falling due; or (iv) operate as a waiver of the right of the Port to recover possession of the Premises by proper suit, action, proceeding or remedy; it being agreed that after the service of notice to terminate or cancel this Lease, or after the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Premises, the Port may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action or judgment; and any and all such monies collected shall be deemed to be payments on account of the use and occupation and/or Lessee's liability hereunder.

20.2 No Waiver of Breach. The failure of the Port to insist in any one or more instances, upon a strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by the Port of the Rent or fees, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Port of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Port. The consent or approval of the Port to or of any act by Lessee requiring the Port's consent or approval shall not be deemed to waive or render unnecessary the Port's consent or approval to or of any subsequent similar acts by Lessee.

20.3 No Waiver of Rent. The receipt by the Port of any installment of Rent or of any amount shall not be a waiver of any Rent or other amount then due.

20.4 Application of Payments. The Port shall have the right to apply any payments made by Lessee to the satisfaction of any debt or obligation of Lessee to the Port, in the Port's sole discretion and regardless of the instructions of Lessee as to application of any such sum, whether such instructions be endorsed upon Lessee's check or otherwise, unless otherwise agreed upon by both parties in writing. The acceptance by the Port of a check or checks drawn by others than Lessee shall in no way affect Lessee's liability hereunder nor shall it be deemed an approval of any assignment of this Lease or subletting by Lessee.

20.5 Port's Right to Perform. Upon Lessee's failure to perform any obligation or make any payment required of Lessee hereunder, the Port shall have the right (but not the obligation) to perform such obligation of Lessee on behalf of Lessee and/or to make payment on behalf of Lessee to such parties. Lessee shall reimburse the Port the reasonable cost of the Port's performing such obligation on Lessee's behalf, including reimbursement of any amounts that may be expended by the Port, plus interest at the Default Rate.

SECTION 21: SURRENDER AND HOLDING OVER

21.1 Surrender. At the expiration or sooner termination of this Lease, Lessee shall promptly: (i) surrender possession of the Premises to the Port in the same condition in which received (or, if altered, then the Premises shall be returned in such altered condition unless removal was an express, stated condition for the Port's consent to the Alteration), reasonable wear and tear excepted, and (ii) deliver to the Port all keys that it may have to any and all parts of the Premises. If the Premises are not surrendered as provided in this Section, Lessee shall indemnify and hold the Port harmless against loss or liability resulting from the delay by Lessee in so surrendering the Premises, including, without limitation, any claims made by any succeeding occupant founded on such delay.

21.2 Removal of Wires. Within ten (10) days following the expiration or earlier termination of this Lease, the Port may elect by written notice to Lessee to either:

21.2.1 Retain, without necessity of payment, any or all wiring, cables, conduit, risers and similar installations installed by Lessee ("Wiring") in either the Premises or any larger property (including buildings or structures) of which the Premises are a part. In the event that

the Port elects to retain the wiring, Lessee covenants that: (i) it is the sole owner of the assets transferred or passing to the Port, (ii) it shall have right to surrender the assets transferred or passing to the Port, (iii) the Wiring transferred or passing to the Port are free from all liens and encumbrances, (iv) the Wiring transferred or passing to the Port is in good condition, working order, in safe condition and comply with the requirements of this Lease, and (v) that all wiring or cables included within the Wiring transferred or passing to the Port is properly labeled at each end, in each telecommunications/electrical closet and junction box, and otherwise as may be required by Port regulations. OR

21.2.2 Remove, or required Lessee to remove, all such Wiring and restore the Premises and any larger property of which the Premises are a part to their condition existing prior to the installation of the Wiring, all at Lessee's sole cost and expense.

This Section shall survive the expiration or earlier termination of this Lease.

21.3 Holding Over. If Lessee, with the consent of the Port, holds over after the expiration or sooner termination of this Lease, the resulting tenancy will, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay to the Port, at the Port's sole discretion, the same rental rate that was in effect immediately prior to the month-to-month tenancy times 150%. Lessee will continue to be bound by all of the additional provisions of this Lease insofar as they may be pertinent.

SECTION 22 : ENVIRONMENTAL STANDARDS

22.1 Definitions. "Law or Regulation" as used herein shall mean any environmentally related local, state or federal law, regulation, ordinance or order (including without limitation any final order of any court of competent jurisdiction), now or hereafter in effect. "Hazardous Substance" as used herein shall mean any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant, by any Law or Regulation.

22.2 Hazardous Substances. Lessee shall not allow the presence in or about the Premises of any Hazardous Substance in any manner in violation of any Law or Regulation. Lessee shall not allow any Hazardous Substance to migrate off the Premises, or the release of any Hazardous Substance into adjacent surface waters, soils, underground waters or air. Lessee shall provide the Port with Lessee's USEPA Waste Generator Number, and with copies of all Material Safety Data Sheets (MSDS), Generator Annual Dangerous Waste Reports, environmentally related regulatory permits or approvals (including revisions or renewals) and any correspondence Lessee receives from, or provides to, any governmental unit or agency in connection with Lessee's handling of Hazardous Substance or the presence, or possible presence, of any Hazardous Substance on the Premises.

22.3 Violation of Environmental Law. If Lessee, or the Premises, is in violation of any Law or Regulation concerning the presence or use of any Hazardous Substance or the handling or storing of hazardous wastes, Lessee shall promptly take such action as is necessary to mitigate and correct the violation. If Lessee does not act in a prudent and prompt manner, the Port reserves the right, but not the obligation, to come onto the Premises, to act in place of the Lessee

(Lessee hereby appoints the Port as its agent for such purposes) and to take such action as the Port deems necessary to ensure compliance or to mitigate the violation. If the Port has a reasonable belief that Lessee is in violation of any Law or Regulation, or that Lessee's actions or inactions present a threat of violation or a threat of damage to the Premises, the Port reserves the right to enter onto the Premises and take such corrective or mitigating action as the Port deems necessary. All costs and expenses incurred by the Port in connection with any such actions shall become immediately due and payable by Lessee upon presentation of an invoice therefor.

22.4 Inspection; Test Results. The Port shall have access to the Premises to conduct an annual environmental inspection. In addition, Lessee shall permit the Port access to the Premises at any time upon reasonable notice for the purpose of conducting environmental testing at the Port's expense. Lessee shall not conduct or permit others to conduct environmental testing on the Premises without first obtaining the Port's written consent. Lessee shall promptly inform the Port of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the Premises whenever the same becomes known to Lessee, and Lessee shall provide copies to the Port.

22.5 Removal of Hazardous Substances. Prior to vacation of the Premises, in addition to all other requirements under this Lease, Lessee shall remove any Hazardous Substance placed on the Premises during the term of this Lease or Lessee's possession of the Premises, and shall demonstrate such removal to the Port's satisfaction. This removal and demonstration shall be a condition precedent to the Port's payment of any Security to Lessee upon termination or expiration of this Lease.

22.6 Remedies Not Exclusive. No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, the Port shall be entitled to full reimbursement from Lessee whenever the Port incurs any costs resulting from Lessee's use or management of any Hazardous Substance on the Premises, including but not limited to, costs of clean-up or other remedial activities, fines or penalties assessed directly against the Port, injuries to third persons or other properties, and loss of revenues resulting from an inability to re-lease or market the property due to its environmental condition (even if such loss of revenue occurs after the expiration or earlier termination of this Lease).

22.7 Environmental Indemnity. In addition to all other indemnities provided in this Lease, Lessee agrees to defend, indemnify and hold the Port free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence or discovery of any Hazardous Substance on the Premises, or the migration of any Hazardous Substance from the Premises to other properties or into the surrounding environment, whether (i) made, commenced or incurred during the term of this Lease, or (ii) made, commenced or incurred after the expiration or termination of this Lease if arising out of events occurring during the term of this Lease.

SECTION 23: MISCELLANEOUS

23.1 Notice. All notices hereunder shall be in writing and shall be delivered personally, by certified or registered mail, by facsimile or by recognized overnight courier addressed as follows:

To Lessor:

Street Address:

Seattle-Tacoma International Airport
Attention: Aviation Properties
17801 Pacific Highway South
Main Terminal Building
Mezzanine Level, Room A6012M
Seattle, WA 98158

Mailing Address:

Seattle-Tacoma International Airport
Attention: Aviation Properties
P.O. Box 68727
Seattle, WA 98168

For payments only, the following mailing address should be used:

Port of Seattle
P. O. Box 34249-1249
Seattle, WA 98124-1249

To Lessee:

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered (i) when personally delivered; (ii) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; or (iii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient.

Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by the Port.

23.2 Brokers. The Port and Lessee each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. The Port and Lessee each agree to indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party's discussions, negotiations and/or dealings with any real estate broker or agent.

23.3 Consent. Whenever the Port's prior consent or approval is required by this Lease, the same shall not be unreasonably delayed but may, unless otherwise specifically provided by this Lease, be granted or denied in the Port's sole and absolute discretion.

23.4 Wireless Devices. Lessee shall not install any wireless devices and/or transmitters on or about the Premises without the prior written consent of the Port and subject to any and all conditions in such consent. Lessee specifically grants to the Port the power to regulate and control the use of unlicensed frequency bands (including, but not limited to, FCC Part 15 Subpart C, FCC Part 15 Subpart D (both asynchronous and Isochronous), IEEE 802.11 and Bluetooth (ISM), and FCC UNII 1 and UNII 2 (IEEE 802.11a)) on or about the Premises.

23.5 Relationship to the Port and Lessee. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Lease nor any acts of Lessee and the Port shall be deemed to create any relationship other than that of Lessee and the Port.

23.6 Force Majeure. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, fire or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the party, delayed in performing work, or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Delays or failures to perform resulting from lack of funds shall not be deemed delays beyond the reasonable control of a party. This provision shall not, however, operate to excuse Lessee from the prompt payment of Rent as required by this Lease and shall not extend the term of this Lease.

23.7 Recording. Lessee shall not record this Lease or any memorandum thereof without the Port's prior written consent.

23.8 Promotion of Port Commerce. Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities

within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

23.9 Nondiscrimination.

23.9.1 Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Airport for a purpose for which a United States Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulation may be amended.

23.9.2 Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (ii) in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination, and (iii) Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

23.9.3 Lessee assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates Lessee or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates Lessee or any transferee for the longer of the following periods: (i) the period during which the property is used by the Port or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (ii) the period during which the Port or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract.

23.9.4 In addition, Lessee agrees that, whether or not this Lease is conducted with, or benefits from, Federal assistance, it shall in all matters pertaining to the performance of this Lease conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons without respect to race, sex, age, color, creed, sexual preference, marital status, national origin, or the presence of any sensory, mental or physical handicap.

23.9.5 Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from all qualified individuals.

23.9.6 It is the policy of the Department of Transportation that disadvantaged business enterprises as defined in the Airport and Airway Improvement Act, as amended, and as implemented by Federal regulations shall have the maximum opportunity to participate in the performance of services as defined in 49 CFR 23.5. Consequently, this Lease is subject to 49 CFR Part 23 as applicable.

23.9.7 Lessee will, at the timely request of the Port, provide any information needed in preparation of necessary reports, forms, documents, and other data relative to equal employment.

23.9.8 Lessee hereby assures that it will include the above clauses in any subcontract(s) approved by the Port and cause subcontractor(s) to similarly include clauses in further subcontracts.

23.10 Labor Unrest. Lessee agrees to join with the Port and use its best efforts in avoiding labor unrest, or in the event of a wildcat strike or other labor difficulty, to use its good offices in negotiating and bringing to a swift and satisfactory conclusion any kind of labor dispute that may affect the interests of the Port.

23.11 Joint and Several Liability. Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder. It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual lessee or lessees under this agreement.

23.12 Captions. The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

23.13 Governing Law; Venue. This Lease shall be construed under the laws of the state of Washington. Exclusive jurisdiction and venue for any action relating hereto shall be in the state or federal courts located in King County, Washington.

23.14 Attorneys' Fees. In the event that either party shall be required to bring any action to enforce any of the provisions of this Lease, or shall be required to defend any action brought by the other party with respect to this Lease, and in the further event that one party shall substantially prevail in such action, the losing party shall, in addition to all other payments required therein, pay all of the prevailing party's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in the trial court and in any appellate courts.

23.15 Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable,

the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

23.16 Survival of Indemnities. All indemnities provided in this Lease shall survive the expiration or any earlier termination of this Lease. In any litigation or proceeding within the scope of any indemnity provided in this Lease, Lessee shall, at the Port's option, defend the Port at Lessee's expense by counsel satisfactory to the Port.

23.17 Entire Agreement; Amendments. This Lease, together with any and all exhibits attached hereto, shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this Lease shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

23.18 Exhibits. Exhibits A, B, and C are attached to this Lease after the signatures and by this reference incorporated herein.

SECTION 24: SIGNATURES

IN WITNESS WHEREOF the parties hereto have signed this Lease as of the day and year first above written.

PORT OF SEATTLE

USO NORTHWEST

By: _____
Its: _____

By: _____
Its: _____

SECTION 25: ACKNOWLEDGMENTS

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ___ day of _____, 2013 before me personally appeared _____, to me known to be the _____ of the PORT OF SEATTLE, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was 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)

(Print Name)
Notary Public, in and for the State of Washington,
residing at _____
My Commission expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ___ day of _____, 2013 before me personally appeared _____, to me known to be the _____ of USO NORTHWEST, the entity that executed the within and foregoing instrument at Lessee, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that s/he was 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)

(Print Name)
Notary Public, in and for the State of Washington,
residing at _____
My Commission expires: _____

EXHIBIT A

-- Legal Description --

EXHIBIT B

-- Premises --

EXHIBIT C

-- Initial Improvements --