

Item No. 6a attach 1
Date of Meeting August 19, 2014

WORLD TRADE CENTER WEST BUILDING

LEASE AGREEMENT

BETWEEN

PORT OF SEATTLE

Landlord

and

WOUNDED WARRIOR PROJECT, INC.

Tenant

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LEASE AGREEMENT

WORLD TRADE CENTER WEST BUILDING

THIS LEASE made this _____ day of _____, 2014 (“Effective Date”) between the PORT OF SEATTLE, a Washington municipal corporation (“Landlord”), and WOUNDED WARRIOR PROJECT, INC., a Virginia non-profit corporation (“Tenant”).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Landlord and Tenant agree as follows:

SECTION 1: DEFINITIONS.

The following terms as used in this Lease shall have the meanings provided in this Section, unless otherwise specifically modified by provisions of this Lease. Other terms may be defined elsewhere in the Lease.

1.1. Building and Premises.

1.1.1. Building. “Building” shall mean The World Trade Center West Building, or such other name as Landlord may designate from time to time, situated on a portion of the real property located in the City of Seattle, legally described in its entirety on Exhibit A attached hereto and incorporated herein, and with an address of 2200 Alaskan Way, Seattle, Washington 98121 in King County. Unless the context clearly requires otherwise, the Building specifically includes the land upon which the Building is located.

1.1.2. Premises. “Premises” shall mean 11,388 rentable square feet within Suite 130, Suite 160, and Suite 190 herein collectively referred to as Suite 130 on the first floor of the Building, as outlined on the floor plan attached hereto and incorporated herein as Exhibit B.

1.2. Rent and Security—Defined.

1.2.1. Rent. “Rent” shall mean and refer collectively to sums denominated as either Base Rent as set forth in Section 3.1, Additional Rent as set forth in Section 7, or any such other sums or charges otherwise payable by Tenant under the terms of this Lease. Landlord will adjust Rent and Additional Rent from time-to-time as set forth in Sections 3 and 7. Failure by Tenant to pay any sum denominated as Rent shall entitle Landlord 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.

1.2.2. Security. “Security” or “Security Deposit” shall mean FORTY SEVEN THOUSAND SIX HUNDRED EIGHTY-SEVEN AND 25/100 DOLLARS(\$47,687.25)) which is equal to an average of three months’ rent over the term of the lease, which is due not later than ten (10) business days before the Possession Date of the Lease pursuant to Section 4.1.

1.2.3. Tenant's Pro Rata Share. It is agreed by the parties that, as of the date of this lease, the total square footage of the Building is 69,507 rentable square feet, and therefore Tenant's pro rata share of Operating Costs is, as of the date of this Lease, 16.28%, therefore, Tenant's "Pro Rata Share" shall mean 16.28%. In the event that a portion of the Building is damaged or condemned or any other event occurs which alters the rentable area of the Premises or the rentable area of the Building, Landlord may adjust Tenant's Pro Rata Share of the Building to properly reflect the proportion of the rentable area of the Building (as altered by such event) which is attributable to the rentable area of the Premises (as altered by such event).

1.3. Term.

1.3.1. Possession Date. "Possession Date" shall mean October 1, 2014.

1.3.2. Rent Commencement Date. "Rent Commencement Date" shall mean October 1, 2014.

1.3.3. Expiration Date. "Expiration Date" shall mean January 31, 2020.

1.4. Addresses for Notice. The initial addresses for purposes of giving any notices required by this lease shall be:

For Landlord:

Port of Seattle
Attn: Lease Administration
2711 Alaskan Way
Seattle, WA 98121

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

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

For Tenant:

WOUNDED WARRIOR PROJECT, INC.
Attn: Regional Expansion/Facilities Manager
4899 Belfort Road, Suite 300
Jacksonville, Florida 32256

With copy to:

WOUNDED WARRIOR PROJECT, INC.
Attn: General Counsel
4899 Belfort Road, Suite 300
Jacksonville, Florida 32256

1.5. Premises. The Landlord leases to Tenant and Tenant leases from Landlord, upon the terms and conditions herein set forth, the Premises, together with rights of ingress and egress over Common Areas. Subject to the rights reserved to Landlord in this Lease, the Premises extend to the centerline of party/demising walls and to the exterior faces of any exterior walls and from the structural flooring to ceiling, specifically including any plenum above a drop/suspended ceiling. Tenant's lease of the Premises will include the nonexclusive right to use the Common Areas and facilities (as defined in Section 10.1 of this Lease) for their intended and normal purposes in connection with its use and occupancy of the Premises.

1.6. Acceptance of the Premises. Tenant has examined the Premises, accepts them in their condition as of the Possession Date and agrees to make any changes in the Premises necessary to conform to federal, state and local law applicable to Tenant's use of the Premises. Landlord represents and warrants that as of the Effective Date, to the best of Landlord's knowledge the Building is free from hazardous waste or materials as defined in Section 21.1 of this Lease and the Building is in compliance with all state and local building codes, including the Americans with Disabilities Act.

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

SECTION 2: TERM

2.1. Term. The initial term of this Lease is approximately five (5) years and four (4) months ("Term"), commencing on the Possession Date and, unless earlier terminated pursuant to any provision hereof, ending on the Expiration Date

2.2. Option of Extend. If Tenant is not in default, Tenant shall have the option to renew this Lease for two (2) additional five (5) year terms, upon written notice to the Landlord given not less than 120 days or more than 270 days in advance of expiration of the initial or (extended) Lease term.

2.3. Termination of Existing Lease at Pier 66. The parties agree to terminate Tenant's existing Lease at Pier 66 between the Port of Seattle and Wounded Warrior Project dated June 6, 2012 ("Current Lease"), upon substantial completion of Tenant's Tenant Improvement Work at the Building under this Lease herein and provided Tenant has vacated the leased Premises at Pier 66 no later than two weeks after receipt of substantial completion of Tenant's Tenant Improvement Work.

SECTION 3: RENT

3.1. Rent. Commencing on the Rent Commencement Date, Tenant agrees to pay as rent ("Base Rent") for the Premises as follows:

Effective on the Rent Commencement Date through January 31, 2016:

11,388 rsf Office Space @ \$15.25/rsf/yr = \$173,667.00/yr ÷ 12 = \$14,472.25/mo.

Effective February 1, 2016 through January 31, 2017:

11,388 rsf Office Space @ \$16.00/rsf/yr = \$182,208.00 yr ÷ 12 = \$15,184.00/mo.

Effective February 1, 2017 through January 31, 2018:

11,388 rsf Office Space @ \$16.75/rsf/yr = \$190,749.00/yr ÷ 12 = \$15,895.75/mo.

Effective February 1, 2018 through January 31, 2019:

11,388 rsf Office Space @ \$17.50/rsf/yr = \$199,290.00/yr ÷ 12 = \$16,607.50/mo.

Effective February 1, 2019 through January 31, 2020:

11,388 rsf Office Space @ \$18.25/rsf/yr = \$207,831.00/yr ÷ 12 = \$17,319.25/mo.

The Base Rent shall constitute the contract rent for purposes of determining taxable rent for assessment of leasehold excise tax.

3.2. Payment of Base Rent. The Base Rent shall be paid to Landlord in advance on the first day of each and every month during the term, at such place as Landlord may designate, without any prior demand, and without any abatement, deduction or setoff whatsoever. The initial address for payment is set forth in Section 1.4. If the term commences on any day other than the first day of a calendar month, Base Rent for any fractional month shall be prorated based upon the actual number of days in such fractional month.

3.3. Adjustment to Rent. As inducement to enter into this lease and as long as Tenant is not in default, Tenant's obligation to pay Rent shall be abated for the period October 1, 2014 through February 1, 2015.

3.4. Additional Rent. In addition to the Base Rent as set forth in Section 3.1 Tenant shall pay, as Additional Rent, its pro rata share as follows of the Operating Costs (defined in Section 7.1):

3.4.1. Tenant's pro rata share of the Operating Costs shall be that proportion that the rentable square footage of the Premises bears to the total rentable square footage of the Building; provided, however, if any space in the Building is leased to a tenant who is separately responsible for paying the cost of a service that would otherwise be included in Operating Costs, the rentable area of such tenant's space shall be excluded from the rentable area of the Building for the purpose of determining Tenant's pro rata share of the balance of the cost of such services and if any space in the building is leased to a tenant who creates an exemption from real property taxes or any other category of Operating Costs so as to reduce the Building's total cost of the

same in proportion to that tenant's rentable area, then the rentable area of such tenant's space shall be excluded from the rentable area of the Building for the purpose of determining Tenant's percentage share of the real property tax or other category of Operating Costs.

3.5. Rent Renegotiation of Option Periods. The parties shall negotiate in good faith for a renegotiated Rent for the Option Term. Unless expressly provided to the contrary in another paragraph of this Lease, such renegotiated Rent shall be the fair market rental value of the Premises. The value of any improvements to the Premises financed by Tenant at no cost to the Landlord shall be excluded in determining the fair market rental value of the Premises. In the Landlord's initial offer during renegotiation of Rent, the Landlord may rely on past appraisals of properties that the Landlord deems comparable. In the event that the parties cannot agree on the Rent prior to one hundred eighty (180) days before the effective date for renegotiated rent for the Option Term, the Rent shall be determined, according to the foregoing formula, by three arbitrators, each of whom shall be a member of either the Society of Industrial Realtors or of the Washington-British Columbia Chapter of the American Institute of Real Estate Appraisers and shall be experienced in the valuation of the type of premises subject to this Lease. The appraisal arbitration shall be based on an approach to valuation consistent with the standards of professional appraisal practice and shall include reference to the fair market rental value of comparable properties. The selection of comparable properties and the application of appropriate valuation methodology are to be determined by the arbitrators as a panel. The arbitration panel may ask questions and request further information from each party and will issue a conclusion with regard to valuation. Each party shall select an appraiser to be a member of the arbitration panel within 21 days of either party invoking the arbitration process and each party shall compensate the member selected by the party. The third arbitrator shall be selected by the other two members of the panel and be compensated in equal shares by the parties. Each party shall cooperate to expedite the selection of the three arbitrators and in no case may either party delay the selection of the arbitration panel

3.6. Late Charges.

3.6.1. Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent, or any portion thereof, or any other sums due hereunder will cause Landlord to incur costs not otherwise contemplated by this Lease. Accordingly, if any installment of Rent, or any portion thereof, or any other sum due from Tenant shall not be received by Landlord within ten (10) days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay Landlord a late charge equal to 5% of such overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

3.6.2. In addition to the late charges provided for in this Section, interest shall accrue on any unpaid Rent and/or other remuneration, or any other sums due hereunder, at

the rate of 18% per annum or the maximum rate provided by law, whichever is less, (“the Default Rate”) from the date due until paid.

SECTION 4: SECURITY

4.1. Security. Tenant shall, not later than ten (10) business days before the Possession Date of this Lease, obtain and deliver to the Landlord a good and sufficient corporate surety company bond, irrevocable stand-by letter of credit, cash deposit or other security in an amount as set forth in Section 1.2.2, to secure Tenant’s full performance of this Lease, including the payment of all fees and other amounts now or hereafter payable to the Landlord hereunder. Notwithstanding the foregoing, Landlord currently has EIGHTEEN THOUSAND ONE HUNDRED EIGHTY-ONE AND 96/100 DOLLARS (\$18,181.96) in a cash deposit provided by Tenant in connection with the current lease. Except to the extent required to remedy any failure to comply with the terms of the current lease, Landlord and Tenant agree that this amount will be transferred and applied to the Security for this Lease as of the Possession Date. The amount, form, provisions and nature of the Security, and the identity of the surety or other obligor thereunder, shall at all times be subject to the Landlord’s approval. The Security shall remain in place at all times throughout the full term of this Lease and throughout any holdover period. No interest shall be paid on the Security and the Landlord shall not be required to keep the Security separate from its other accounts. No trust relationship is created with respect to the Security.

The Security is a part of the consideration for execution of this Lease. If Tenant shall not then be in default under this Lease beyond any applicable cure periods, then on the first day of the 37th month which follows the Possession Date (“Security Reduction Date”), the amount of Security Deposit shall be reduced to FIFTEEN THOUSAND NINE HUNDRED SIXTY-TWO AND 75/100 DOLLARS (\$15,962.75). In such an event, Landlord shall pay Tenant the amount of the Security Deposit then held by Landlord which is greater than such reduced amount within thirty (30) days of the Security Reduction Date.

4.2. Return of Security. If Tenant shall have fully performed all terms and conditions of this Lease, any cash deposit security shall be paid to Tenant within thirty (30) days following the termination (or expiration) date without interest; otherwise the Landlord shall, in addition to any and all other rights and remedies available under this Lease or at law or equity, retain title thereto.

4.3. Application of Security. The Landlord may apply all or part of the Security to unpaid rent or any other unpaid sum due hereunder, or to cure other defaults of Tenant. If the Landlord uses any part of the Security, Tenant shall restore the Security to its then-currently required amount within fifteen (15) days after the receipt of the Landlord’s written request to do so. The retention or application of such Security by the Landlord pursuant to this subparagraph does not constitute a limitation on or waiver of the Landlord’s right to seek further remedy under law or equity.

SECTION 5: USES

5.1. General Office Purposes. The Premises are to be used only for general office purposes and for no other business or purpose without the prior written consent of Landlord,

which consent may be withheld by Landlord, in its sole discretion, if it determines that any proposed use is inconsistent with other uses within the Building, is the sort of use that is inappropriate for a building owned by a municipal corporation, is detrimental to the maintenance and operation of the Building as a first-class office building or is inconsistent with any restriction on use of the Building contained in any lease, mortgage, or other instrument or agreement by which the Landlord is bound or to which the Building is subject.

5.2. General Standards Regarding Use.

5.2.1. Tenant shall not use or occupy 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) as will constitute a public or private nuisance, (v) impair, in Landlord's reasonable judgment, with the character, reputation or appearance of the Building or Landlord, or (vi) occasion discomfort, inconvenience or annoyance to either the Landlord or adjoining tenants. For purposes of this Lease, the term "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, which may be applicable to or have jurisdiction over the Premises, or the sidewalks or streets adjacent thereto and all requirements, obligations and conditions of all instruments of record on the date of this Lease.

5.2.2. Tenant shall not commit any act that will increase the then existing cost of insurance on the Building without Landlord's prior written consent. Tenant shall promptly pay upon demand the amount of any increase in insurance costs caused by any act or acts of Tenant.

5.2.3. Tenant shall not, without the prior written consent of Landlord, use any apparatus, machinery or device in or about the Premises which will cause any substantial noise, vibration or fumes. Tenant shall not permit smoking in the Premises. Landlord has designated all internal portions of the Building as a smoke-free zone. If any of Tenant's office machines or equipment should disturb the quiet enjoyment of any other tenant in the Building, then Tenant shall provide adequate insulation, or take any other action determined by Landlord as may be necessary to eliminate the disturbance.

5.2.4. Subject to Section 5.4 of this Lease, Tenant shall not place upon or install in windows or other openings or exterior sides of doors or walls of the Premises or any part of the Premises visible from the exterior of the Premises any signs, symbols, drapes or other materials, without the prior written consent of Landlord.

5.2.5. Tenant shall observe all reasonable rules and regulations (not inconsistent with the terms of this Lease) as may be adopted and made available to Tenant by Landlord from time to time for the safety, care and cleanliness of the Premises or the Building, and for the preservation of good order therein. A copy of the current Contractor's Rules and

Regulations and current Building Specific Rules and Regulations are attached hereto as Exhibit C.

5.3. No Liens. Tenant will not directly or indirectly create or permit to be created and/or to remain, a Lien upon this Lease, the Building or Premises, including any Tenant Improvements or Alterations (as defined below in Sections 8.2 and 8.3, respectively), fixtures, improvements or appurtenances thereto, except those Liens expressly permitted by in writing by Landlord. In the event any such Lien(s) have been created by or permitted by Tenant in violation of this provision, Tenant shall immediately discharge as of record, by bond or as otherwise allowed by law, any such Lien(s). Tenant shall also defend (with counsel approved by Landlord), fully indemnify, and hold entirely free and harmless Landlord 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.

5.4. Signs. Tenant shall not place or in any manner display any sign, graphics, or other advertising matter anywhere in or about the Premises or the Building at places visible (either directly or indirectly) from anywhere outside the Premises without first obtaining Landlord's written consent thereto. Any such consent by Landlord shall be upon the understanding and condition that Tenant shall remove the same at the expiration or sooner termination of this Lease and Tenant shall repair any damage to the Premises or the Building caused thereby. Landlord shall not unreasonably withhold its consent to normal Tenant signage within the Premises which is consistent in Landlord's opinion with the Building's image and signage and graphics program. Signage approved by Landlord, other than the standard Building directory or elevator lobby directory signage, is at Tenant's sole expense. Tenant shall provide Landlord the design and plans for its signage prior to Possession Date. Landlord shall display Tenant's name and location in the main Building lobby and Building directory. Notwithstanding anything to the contrary contained in the foregoing or this Lease, Landlord acknowledges that it has approved Tenant's placing of (i) its vinyl logo on the front door glass at the entry of the Premises and (ii) and exterior facing window graphics on up to four single window panels along the west façade of the Premises, which Tenant shall obtain approval on which window panels graphics will be installed, all of which Tenant shall remove upon the expiration or earlier termination of this Lease.

SECTION 6: SERVICES AND UTILITIES

6.1. Standard Services. Landlord shall maintain the Premises and the public and common areas of the Building in good order and condition consistent with the operation and maintenance of a first-class office building in downtown Seattle, Washington. Landlord shall also maintain, repair and replace all structural components of the Building, including, without limitation, the foundations, bearing and exterior walls, subflooring, roof, unexposed electrical, plumbing and sewage systems, and heating ventilation and air conditioning systems. Landlord shall also maintain in good condition and repair, elevators, alarm monitoring, building systems, including without limitation parking areas, lobbies, stairwells, restrooms and outdoor

landscaping. Landlord shall furnish the Premises with utilities and services for normal office use, including the following: electricity; lighting and operation of low power usage office machines; natural gas; water; passenger and freight elevator service; hot and cold water for drinking, restroom and office cleaning purposes; sanitary sewer service; sprinkler riser monitoring; heating, ventilation and air conditioning; local telephone service; and all other utility services used in the Premises at all times during the Term of the Lease or any extension thereof. Landlord shall also provide lamp replacement service for the Building's standard light fixtures, toilet room supplies, window washing at reasonable intervals, and customary building janitorial service. No janitorial service shall be provided for Saturdays, Sundays or legal holidays. The costs of any janitorial or other service provided by Landlord to Tenant which are in addition to the services ordinarily provided Building tenants shall be paid by Tenant as Additional Rent upon receipt of billings. Landlord shall not be obligated to repair or replace any fixtures or equipment installed by or for Tenant and Landlord shall not be obligated to make any repair or replacement occasioned by any act or omission of Tenant or of Tenant's employees, agents, invitees, or licensees.

6.2. Normal Business Hours. From 7:00 a.m. to 6:00 p.m. Monday through Friday excluding legal holidays ("Normal Business Hours"), Landlord shall furnish to the Premises heat and air conditioning. If requested by Tenant, Landlord shall furnish heat and air conditioning at times other than Normal Business Hours and the cost of such services as reasonably estimated by Landlord in advance and agreed by Tenant shall be paid by Tenant as Additional Rent. During other than Normal Business Hours, Landlord may restrict access to the Building in accordance with the Building's security system, provided that Tenant shall have at all times during the Term of this Lease and during any extension thereof (24 hours of all days) reasonable access to the Premises.

6.3. Interruption of Services. Landlord will not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption, or failure of any services or facilities provided by Landlord pursuant to this Lease due to any cause whatsoever, except when such losses result from Landlord's gross negligence or willful misconduct. No temporary interruption or failure of such services or facilities incident to the making of repairs, alterations, or improvements, or due to accident, strike or conditions or events beyond Landlord's reasonable control will be deemed an eviction of Tenant or relieve Tenant from any of Tenant's obligations. Landlord shall use all reasonable efforts in good faith to give notice of and minimize any disruption of Tenant's use of the Premises arising from any interruption or failure of such services or facilities.

6.4. Additional Services. The Building mechanical system is designed to accommodate heating loads generated by lights and equipment using up to 2.5 watts per square foot. Before installing lights and equipment in the Premises which in the aggregate exceed such amount, Tenant shall obtain the written permission of Landlord. Landlord may refuse to grant such permission unless Tenant agrees to pay the Landlord's costs for installation of supplementary air conditioning capacity or electrical systems as necessitated by such equipment or lights.

6.5. Costs of Additional Services. Tenant shall in advance, on the first day of each month during the Lease, pay Landlord as Additional Rent the reasonable amount estimated by Landlord as the cost of furnishing electricity for the operation of such supplemental equipment or lights and the reasonable amount estimated by Landlord as the costs of operation and maintenance of supplementary air conditioning units necessitated by Tenant's use of such equipment or lights. Landlord shall be entitled to install and operate at Tenant's cost a monitoring/metering system in the Premises to measure the added demands on electricity, heating, ventilation, and air conditioning systems resulting from such equipment or lights and from Tenant's after-hours heating, ventilation and air conditioning service requirements. Tenant shall comply with Landlord's reasonable instructions for the use of drapes, blinds and thermostats in the Building.

SECTION 7: COSTS OF OPERATIONS AND TAXES

7.1. As used in this Lease, "Operating Costs" or "Costs" mean all expenses of Landlord for maintaining, operating and repairing the Building and the personal property used in connection therewith, including without limitation, insurance premiums and deductibles; taxes and assessments such as real property taxes and taxes arising from inclusion of the Premises in improvement districts as well as assessments by governments such as impact fees attributable to the Premises; water, sewer and all other utility charges (other than utilities separately metered and paid directly by Tenant or other tenants); janitorial and other cleaning services; refuse, recycling and trash removal; pest control; lighting systems, fire detection and security services; roof repairs and maintenance; landscape maintenance; patching, resurfacing and maintenance of parking, sidewalks and driveway serving the Building; customary management fees; and other expenses which in accordance with generally accepted accounting and management practices would be considered an expense of maintaining, operating or repairing the Building ("Operating Costs" or "Costs"). Operating Costs, or Costs shall exclude: (i) Leasehold excise tax or any other tax based on leasehold interest or contract rent for the Premises, or based on activities conducted on the Premises or on Tenant's personal property; (ii) Payments of principal and interest charges incurred on debt, or depreciation expenses; (iii) Costs of any items for which Landlord is entitled to receive a reimbursement from insurance proceeds, from a tenant or from any other third party; (iv) Legal fees and costs, settlements, judgments and awards arising out of costs incurred in connection with the negotiation or disputes with other tenants or potential tenant of the Building; (v) Costs of any tenant improvements or special services rendered to individual tenants for which a separate charge is made; (vi) Leasing commissions, and other leasing expenses; and (vii) Costs of improvements required to be capitalized in accordance with generally accepted accounting principles, except Operating Costs shall include amortization of capital improvements (A) made subsequent to initial development of the Building which are designed with a reasonable probability of improving the operating efficiency of the Building, or providing savings in the cost of operating the Building; or, (B) which are reasonably responsive to requirements imposed with respect to the Building under any amendment to any applicable building, health, safety, fire, nondiscrimination, or similar law or regulation ("law"), or any new law, or any new interpretation of an existing law ("new interpretation"), which amendment, law or new interpretation is adopted or arose after the Possession Date of this Lease. For purposes of this Lease, a new interpretation shall mean any interpretation, enforcement or application of a law enacted prior to the Possession Date that imposes requirements with respect to the Building

that Landlord in the exercise of sound business judgment and good faith at the time of Landlord's execution of this Lease would not have deemed applicable to the Building. If less than ninety five percent (95%) of the rentable area of the Building is actually occupied during any year, Operating Costs for that year shall be the amount that Operating Costs would be for such period had ninety five percent (95%) of the rentable area of Building been occupied during all such year, as determined by the Landlord. Operating Costs are not intended to be part of contract rent; different categories of operating costs charged to Tenant shall be separately stated on the invoice billed to the Tenant.

7.2. As used in this Section, "Year" means the calendar year.

7.3. Prior to the commencement date of this Lease, and by each January 31st thereafter, and at any other time the Landlord deems adjustment necessary, the Landlord shall submit to Tenant a statement of the Tenant's anticipated pro rata share of Operating Costs through the following December, and Tenant shall pay one-twelfth (1/12) thereof monthly, concurrent with the payment of Rent. Within ninety (90) days after the end of each calendar year, the Landlord shall give Tenant a statement showing the total actual costs for the prior calendar year and Tenant's Pro Rata Share thereof. In the event that the total of the monthly payments which Tenant has made for such calendar year is less than Tenant's actual pro rata share, Tenant shall pay the difference within fifteen (15) days after receipt of such statement from the Landlord. Any overpayment by Tenant shall be credited toward the Additional Rent next becoming due or, in the event that the Lease has expired (and there is no outstanding default), refunded to Tenant. Notwithstanding the above, any delay or failure of the Landlord in computing or billing Additional Rent shall not constitute a waiver of or in any way impair Tenant's obligation to pay the Base Rent, Additional Rent or any other sum hereunder. In the event of any such delay or failure, Tenant shall continue paying the Additional Rent currently being paid until notified by the Landlord of the adjustment.

7.4. Audit Rights; Records and Adjustments. Tenant, at its cost, shall have the right to inspect during usual business hours, in the Landlord's offices or a local location designated by the Landlord, the Landlord's records regarding the Operating Costs referred to in the annual statement. This right to inspect shall extend for a period of sixty (60) days following delivery of the statement. If within such sixty-day period neither party delivers notice to the other a notice referring in reasonable detail to one or more errors in such statement or calculation, the information and calculation in such statement shall conclusively be deemed correct.

7.5. Payment of Taxes. Tenant is liable for, and shall pay throughout the Term of this Lease and any extension thereof, all license fees and all taxes payable for, or on account of, the activities conducted on the Premises; all taxes on the property of Tenant on the Premises; any taxes on the Premises and/or on the leasehold interest created by this Lease; and any tax levied on contract rent under this Lease. With respect to any such taxes payable by the Landlord which are on or measured by the Rent payments hereunder, Tenant shall pay to the Landlord with each Rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Landlord is or will be entitled to reimbursement from Tenant shall be payable by Tenant to the Landlord at least fifteen (15) days prior to the due dates of the

respective tax amounts involved; provided, that Tenant shall be entitled to a minimum of ten (10) days' written notice of the amounts payable by it.

7.6. Personal Property Taxes. Tenant 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 Tenant. If any such taxes on Tenant's personal property or trade fixtures are levied against the Landlord or the Landlord's property, and if the Landlord pays the taxes based upon such increased assessment, Tenant shall, upon demand, repay to the Landlord the taxes so levied.

SECTION 8: CARE AND IMPROVEMENT OF PREMISES

8.1. General Obligations. Landlord shall perform all normal maintenance and repairs reasonably determined by Landlord as necessary to maintain the Premises and the Building as a first-class office building; provided that Landlord shall not be required to maintain or repair any property of Tenant or any appliances (such as refrigerators, water heaters, microwave ovens and the like), which are part of the Premises. Tenant shall take good care of the Premises and at all times keep the Premises neat, clean, in a safe and sanitary condition and free from pests.

8.2. Tenant Improvements. As of the Possession Date, Tenant accepts the Premises in an as-is condition/may enter the Premises to make certain tenant improvements (the "Tenant Improvements") as provided on Exhibit D.

8.3. Alterations. After the completion of the initial Tenant Improvements (if any), Tenant shall not make any alterations, additions, substitutions or improvements ("Alterations") in or to the Premises, or make changes to locks on doors, or add, disturb or in any way change any plumbing or wiring ("Changes") without first obtaining the written consent of Landlord, and, where applicable, in accordance with plans and specifications reasonably approved by Landlord. As a condition to its approval, Landlord in its sole discretion may require Tenant to remove such Alterations or Changes upon the expiration or earlier termination of the Term and any extension period thereof, and to restore the Premises to the condition they were in prior to such Alterations or Changes, including restoring any damage resulting from such removal, all at Tenant's expense, but excepting reasonable use and wear and tear. Any Alterations or Changes, but excluding Tenant Improvements, approved by Landlord and not required to be removed upon the expiration or earlier termination of the Lease shall become a part of the realty and become property of the Landlord upon the expiration or earlier termination of this Lease. Any Alterations or Changes required to be made to Tenant's Premises by any amendment to any applicable building, health, safety, fire, nondiscrimination, or similar law or regulation ("law"), or any new law shall be made at Tenant's sole expense and shall be subject to the prior written consent of Landlord. Except with respect to the initial Tenant Improvements, Tenant shall reimburse Landlord for any reasonable sums expended for examination and approval of the architectural and mechanical plans and specifications of the Alterations and Changes and direct costs reasonably incurred during any inspection or supervision of the Alterations or Changes. All damage or injury done to the Premises or Building by Tenant or by any persons who may be in or upon the Premises or Building with the express or implied consent of Tenant for the purpose

of making Changes or Alterations, including but not limited to the cracking or breaking of any glass of windows and doors, shall be paid for by Tenant.

SECTION 9: TELECOMMUNICATIONS LINES AND EQUIPMENT

9.1. Location of Tenant's Equipment and Landlord Consent.

9.1.1. Tenant may install, maintain, replace, remove and use communications or computer wires, cables and related devices (collectively, the "Lines") at the Building in or serving the Premises, only with Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. In no event shall Landlord prohibit Tenant from installing in the Building computer network cabling; however, Landlord may limit the location and amount of such computer network cabling through the approval of Tenant's Preliminary Plans and Working Drawings (if any) pursuant to Section 8.28.2 and Exhibit D and any subsequent Alterations or Changes, pursuant to Section 8.3. Tenant shall locate all electronic telecommunications equipment within the Premises and shall relocate all Tenant's equipment which is located within the Building telephone closets or riser spaces, at Tenant's cost, to the Tenant's Premises. Any request for Landlord's consent shall contain detailed plans, drawings and specifications identifying all work to be performed, the time schedule for completion of the work, the identity of the entity that will provide service to the Lines and the identity of the entity that will perform the proposed work (which entity shall be subject to Landlord's approval). Landlord shall have a reasonable period of time in which to evaluate the request after it is submitted by Tenant, except that Lines proposed as part of the initial Tenant's Preliminary Plans and Working Drawings described in Section 8.2 and Exhibit D of this Lease shall be subject to the review procedure set forth in Section 8.2 and Exhibit D.

9.1.2. Landlord's approval of, or requirements concerning, the Lines or any equipment related thereto, the plans, specifications or designs related thereto, the contractor or subcontractor, or the work performed hereunder, shall not be deemed a warranty as to the adequacy thereof, and Landlord hereby disclaims any responsibility or liability for the same. Landlord disclaims all responsibility for the condition or utility of the intra-building network cabling ("INC") and makes no representation regarding the suitability of the INC for Tenant's intended use.

9.1.3. If Landlord consents to Tenant's proposal, Tenant shall (a) pay all costs in connection therewith (including all costs related to new Lines); (b) comply with all requirements and conditions of this Section; and (c) use, maintain and operate the Lines and related equipment in accordance with and subject to all laws governing the Lines and equipment. Tenant shall further insure that (i) Tenant's contractor complies with the provisions of this Section and Landlord's reasonable requirements governing any work performed; (ii) Tenant's contractor provides all insurance required by Landlord; (iii) any work performed shall comply with all federal, state and local laws and regulations; and (iv) as soon as the work is completed, Tenant shall submit "as-built" drawings to Landlord.

9.1.4. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which

are at any time in violation of any laws or present a dangerous or potentially dangerous condition (whether such Lines were installed by Tenant or any other party), within three (3) days after written notice. Tenant shall remove any Lines located in or serving the Premises promptly upon expiration or sooner termination of this Lease.

9.1.5. Notwithstanding anything in this Section 9 to the contrary, Lines shall not include basic telephone wiring and cabling.

9.2. Landlord's Rights. Landlord may (but shall not have the obligation to):

9.2.1. Install new Lines at the Building;

9.2.2. Create additional space for Lines at the Building; and

9.2.3. Direct, monitor and/or supervise the installation, maintenance, replacement and removal of, the allocation and periodic re-allocation of available space (if any) for, and the allocation of excess capacity (if any) on, any Lines now or hereafter installed at the Building by Landlord, Tenant or any other party (but Landlord shall have no right to monitor or control the information transmitted through such Lines).

9.3. Indemnification. In addition to any other indemnification obligations under this Lease, Tenant shall indemnify and hold harmless Landlord and its employees, agents, officers, and contractors from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses (including reasonable attorneys' fees) arising out of or in any way related to the acts and omissions of Tenant, Tenant's officers, directors, employees, agents, contractors, subcontractors, subtenants, and invitees with respect to: (i) any Lines serving Tenant or equipment related thereto serving Tenant in the Building; (ii) any personal injury (including wrongful death) or property damage arising out of or related to any Lines serving Tenant or equipment related thereto serving Tenant in the Building to the extent arising from the negligence or willful misconduct of the Tenant or Tenant's officers, directors, employees, agents, contractors, subcontractors, subtenants, and invitees; and (iii) any violations of federal, state or local laws and regulations or demands of governmental authorities, or any reasonable written policies or requirement of Landlord, which are based upon or in any way related to Tenant's installation, maintenance, use of removable of any Lines or equipment. This indemnification and hold harmless agreement shall survive the termination of this Lease.

9.4. Limitation of Liability. Landlord shall have no liability for damages arising from, and Landlord does not warrant that the Tenant's use of any Lines will be free from the following (collectively called "Line Problems"): (i) any shortages, failures, variations, interruptions, disconnections, loss or damage caused by the installation, maintenance, or replacement, use or removal of Lines by or for other tenants or occupants at the Building, by any failure of the environmental conditions or the power supply for the Building to conform to any requirement of the Lines or any associated equipment, or any other problems associated with any Lines by any other cause; (ii) any failure of any Lines to satisfy Tenant's requirements; or (iii) any eavesdropping or wire-tapping by unauthorized parties. Landlord in no event shall be liable for damages by reason of loss of profits, business interruption or other consequential damage arising from any Line Problems. Under no circumstances shall any Line Problems be deemed an actual

or constructive eviction of Tenant, render Landlord liable to Tenant for abatement of Rent, or relieve Tenant from performance of Tenant's obligations under this Lease.

9.5. Electromagnetic Fields. If Tenant at any time uses any equipment that may create an electromagnetic field exceeding the normal insulation ratings of ordinary twisted pair riser cable or cause radiation higher than normal background radiation, Landlord reserves the right to require Tenant to appropriately insulate the Lines therefore (including riser cables) to prevent such excessive electromagnetic fields or radiation.

SECTION 10: COMMON AREAS

10.1. Common Areas. "Common Areas" means those parts of the Building and the land upon which it is located outside the Premises that are provided and designated by Landlord from time to time for the general use and convenience of Tenant and of other tenants of the Building and their respective authorized representatives, guests and invitees. Common Areas may include, without limitation, designated pedestrian walkways, plazas and sky bridges, landscaped areas, public lobbies, elevators, sidewalks, loading areas, parking areas, service corridors, central business systems, restrooms, stairways, and arcades.

10.2. Control of Common Areas by Port. Landlord shall at all times have the exclusive control and management of the Common Areas. Without limiting Landlord's right of control and management, Landlord 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; (ii) police the Common Areas; (iii) change the area, level, location and arrangement of areas or facilities within the Common Areas; (iv) provided Tenant is not deprived of reasonable access to its Premises, close all or any portion of the Common Areas; and (v) do and perform such other acts in and to the Common Areas as, in the use of good business judgment, Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by Landlord and tenants of any larger property of which the Premises are a part.

10.3. Parking. Parking is available at the Bell Street Pier Garage at prevailing monthly rates on an unassigned, self-park basis. Eleven (11) parking spaces (one [1] per 1,000 square feet of rentable space) will be available to Tenant in the Bell Street Pier Garage, however Tenant shall be responsible for arranging the terms and conditions for such for parking directly with the third-party operator of the Bell Street Pier Garage. Of the eleven (11) parking spaces ten (10) parking spaces will be "reserved" for the Tenant. The ten (10) parking spaces will be located on the fifth floor of the Bell Street Pier Garage within the Central Garage having direct access to the lower Bell Street skybridge, however Tenant shall be responsible for arranging the terms and conditions for such parking directly with the third-party operator of the Bell Street Pier Garage. Additional parking spaces will be available to Tenant on a space-available basis and pursuant to the terms and conditions established by the third-party operator of the Bell Street Pier Garage. Tenant's use of parking in the Bell Street Parking Garage is subject to all rules and regulations of Landlord or of the parking garage operator, and the ordinances, rules, regulations and permit conditions of the City of Seattle, Washington, which may be published from time to time. Tenant shall also have two (2) unassigned parking stalls in the World Trade Center West Garage if granted by the Columbia Hospitality, Inc. Short-term hourly parking will be available on a

space-available basis during Normal Business Hours (as defined in Section 6.2) except Saturdays, and except Sundays or legal holidays, for Tenant's clients and customers.

10.4. Outside Areas and Roof. The use of the outside area of the walls (other than the front of the Premises) and the roof of the building in which the Premises is located is reserved to Landlord, which shall have the right to utilize the same for any purpose, including the maintenance of signs. Notwithstanding the foregoing, as permitted by the City and neighboring building and interference with other tenants, Landlord shall provide Tenant the necessary space to install a wireless signal booster or antennae, together with ancillary equipment ("Rooftop Equipment"), on the roof of the building in which the Premises is located free of Rent and other charges, in the event Tenant in its reasonable discretion determines the quality of wireless signals or services from third party telecommunications providers (e.g., Verizon, AT&T, etc.) for users located within the Premises is unsatisfactory. For purposes of this Lease, any Rooftop Equipment shall be considered "Lines" as that term is defined in this Lease and be subject to all provisions applicable to the same set forth herein.

10.5. License. All Common Areas which Tenant 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 Landlord shall not be subject to any liability, nor shall Tenant be entitled to any compensation or reduction or abatement of Rent.

SECTION 11: INDEMNIFICATION

11.1. Landlord Not Liable Unless Negligent. The Landlord, its 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 Tenant or by others, including but not limited to all persons directly or indirectly employed by the Tenant, its employees, agents, contractors, subcontractors, licensees, or invitees 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 the Premises and the areas adjacent thereto, or related in any way to Tenant's use or occupancy of the Premises and of areas adjacent thereto, except to the extent caused by the negligence or willful misconduct of Landlord, its employees, agents and contractors. Tenant agrees to defend (with counsel approved by Landlord) and to hold and save the Landlord harmless from all liability or expenses incurred by Landlord (including attorneys' fees, costs, and all expenses of litigation) in connection with any such items of actual or alleged injury or damage, except when such injury or damage is caused by the negligence or willful misconduct of the Landlord, its employees, agents and contractors.

11.2. Industrial Immunity. In consideration of the execution of this Lease, Landlord and Tenant hereby waive any immunity the waiving party may have under applicable workers' compensation benefit or disability laws, (including but not limited to Title 51 RCW) in connection with the foregoing indemnity. Such waiver shall not prevent Landlord or Tenant from asserting such immunity against any other persons or entities. Tenant and Landlord agree and acknowledge that this provision is the product of mutual negotiation.

SECTION 12: INSURANCE

12.1. Required Policies. Tenant shall obtain and keep in force throughout the Term of the Lease, at its sole cost and expense the following types of insurance, in the amounts specified and in the form hereinafter provided for:

12.1.1. General Liability Insurance. Tenant shall obtain and keep in force a commercial general liability policy of insurance, written on ISO Form CG 00 01 10 01 (or equivalent). Landlord shall be added to the policy as an additional insured for ongoing and completed operations using ISO Form 20 26 (either 11 85 or 07 04 revision) or equivalent, 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 sub-limit that covers damage to premises rented or leased to Tenant, including fire damage. This limit shall be identified on the Certificate of Insurance.

12.1.2. Automobile Liability Insurance. Tenant 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 Tenant and Landlord 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. Tenant shall provide a Waiver of Subrogation on this policy in favor of Landlord. 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.

12.1.3. Property Insurance. Tenant shall obtain and keep in force "Special Extended" or "all risk" property insurance insuring loss or damage to Tenant's personal property on or about the Premises and any Tenant Improvements and Alterations (specifically including "betterments" and "improvements") made by or for Tenant 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 personal property and any Tenant Improvements and Alterations (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). Tenant shall release the Landlord and others working on behalf of the Landlord from any and all liability to Tenant or anyone claiming through Tenant by way of subrogation or otherwise, for any loss or damage to such property caused by fire or other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of Landlord, or others working on behalf of Landlord. This provision shall be applicable and in full force and effect only with respect to loss

or damage occurring during this Lease and the Tenant's occupancy and use of the Premises during the Lease.

12.1.4. Other Insurance. Tenant shall further obtain and keep in force such other and further insurance as Landlord may from time to time reasonably request for the protection by insurance of its interest in the premises.

12.1.5. Limits. 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.

12.2. Insurance Policies.

12.2.1. 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."

12.2.2. Deductibles. Tenant is fully responsible for all insurance deductibles and self-insured retentions. All insurance to be carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, 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 Landlord.

12.2.3. Termination; Renewal. No policy of insurance required under this Lease shall be cancelable or subject to non-renewal or modification except after forty-five (45) days prior written notice to Landlord except after 10 days prior written notice to Landlord in the case of non-payment of premium by Tenant. Tenant shall at least forty-five (45) days prior to the expiration of such policies, furnish Landlord with evidence of renewals including additional insured endorsements and certificates of insurance evidencing renewal.

12.2.4. Evidence of Insurance. Tenant shall deliver, or cause to be delivered, to Landlord, certificates of insurance, additional insured endorsements, and any other documentation or endorsement that provides evidence of the existence and amounts of such insurance, the inclusion of Landlord as an insured as required by this Lease, and the amounts of all deductibles and/or self insured retentions. Upon written request by Landlord, Tenant shall deliver or cause to be delivered to Landlord, certified copies of the policies of insurance that Tenant has purchased in order for Landlord to verify insurance coverage, limits, and endorsements or view any exclusions to the Tenant's insurance policies.

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

12.3. Waiver of Subrogation. Without affecting any other rights or remedies, (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 Landlord its officers, agents and employees (whether in

contract or in tort) on account of any loss or damage occasioned to Tenant arising out of or incident to the perils required to be insured against under this Lease. Accordingly, Tenant shall cause each insurance policy required by this Section 12 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.

12.4. Increase in Port's Cost of Insurance. Tenant 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 Landlord, the full amount of any resulting increase in premiums paid by Landlord 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 Tenant to Landlord upon the monthly rental day next thereafter occurring.

SECTION 13: DAMAGE OR DESTRUCTION

13.1. Damage and Repair. If the Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed thirty percent (30%) of the replacement value of the Building (exclusive of foundations) just prior to the occurrence of the damage, or if insurance proceeds sufficient for restoration are for any reason unavailable, or if the Building cannot be fully restored within 365 days of the casualty event, then Landlord may no later than sixty (60) days following the damage, give Tenant a notice of election to terminate this Lease. In the event of such election, this Lease shall be deemed to terminate on the third day after the giving of said notice, and Tenant shall surrender possession of the Premises within a reasonable time thereafter, and the Rent and Additional Rent shall be apportioned as of the date of said surrender and any Rent and Additional Rent paid for any period beyond such date shall be repaid to Tenant. If the cost of restoration as estimated by Landlord shall amount to less than thirty percent (30%) of said replacement value of the Building, the Building can be fully restored within 365 days of the date of the casualty event, and insurance proceeds plus Landlord's deductibles and retention are sufficient for restoration, Landlord shall restore the Building and the Premises to the extent of the improvements to the Premises originally provided by Landlord or if Landlord does not elect to terminate this Lease with reasonable promptness, subject to delays beyond Landlord's control and delays in the making of insurance adjustments by Landlord, and Tenant shall have no right to terminate this Lease except as herein provided. To the extent that the Premises are rendered untenantable, the Rent and Additional Rent shall proportionately abate, except to the extent that such damage resulted from or was contributed to, directly or indirectly, by the act, fault or neglect of Tenant, Tenant's officers, contractors, agents, employees, clients, customers, or licensees, in which event Rent and Additional Rent shall abate only to the extent Landlord receives proceeds from any rental income insurance policy to compensate Landlord for such loss. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Premises or of the Building. Landlord shall use all reasonable efforts to affect such repairs promptly.

13.2. Destruction During Last Year of Term. In case the Building is substantially destroyed by fire or other cause at any time during the last twelve months of the Term of this Lease or during the last twelve months of any extension thereof, either Landlord or Tenant may terminate this Lease upon written notice to the other party given within sixty (60) days of the date of such destruction.

13.3. Tenant Improvements. Landlord will not carry insurance of any kind on any Tenant Improvements, Alterations or Changes paid for by Tenant or on Tenant's furniture or furnishings or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease and Landlord shall not be obligated to repair any damage thereto or replace the same.

SECTION 14: ASSIGNMENT AND SUBLETTING

14.1. Prohibition. Tenant shall not, in whole or in part, assign, sublet, license or permit occupancy by any party other than Tenant of all or any part of the Premises, without the prior written consent of Landlord in each instance. Tenant shall at the time the Tenant requests the consent of Landlord, deliver to Landlord such information in writing as Landlord 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, Landlord 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.

14.1.1. As a condition for Landlord's consent to any assignment, encumbrance or sublease, Landlord may require that the assignee, sublessee or licensee remit directly to Landlord on a monthly basis, all monies due to Tenant by said assignee, sublessee or licensee (except with respect to excess rentals otherwise due Tenant pursuant to Section 14.2). In addition, a condition to Landlord's consent to any assignment, sublease or license of this Lease or the Premises shall be the delivery to Landlord 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 Landlord and expressly enforceable by Landlord, 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 Tenant hereunder.

14.1.2. In the event of any assignment, Tenant 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 Landlord 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 Tenant; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Tenant and of each respective assignor.

14.1.3. Tenant 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 Landlord, will attorn to Landlord and the sublessee or licensee, if Landlord so

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

14.1.4. No assignment, subletting or license by Tenant shall relieve Tenant of any obligation under this Lease, including Tenant'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 Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting.

14.1.5. Tenant shall reimburse Landlord in the sum of FIVE HUNDRED DOLLARS (\$500.00) plus any reasonable professionals' fees and expenses incurred by Landlord in connection with any request by Tenant for consent to an assignment, subletting or license.

14.2. Excess Rental. If in connection with any assignment, sublease or license, Tenant 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 Tenant in connection with such assignment, sublease or license, are appropriately taken into account, Tenant shall pay to Landlord, as Additional Rent hereunder, seventy-five percent (75%) of the excess of each such payment of rent or other consideration received by Tenant after its receipt.

14.3. Scope. The prohibition against assigning or subletting contained in this Section 14 shall be construed to include a prohibition against any assignment or subletting by operation of law. Furthermore, for purposes of this Section 14, any sale, transfer or other disposition in the aggregate of fifty percent (50%) or more of the equity ownership in Tenant (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 Tenant is transferred, or if the Premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord 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 14.2, 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 Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. No assignment or subletting shall affect the continuing primary liability of Tenant (which, following assignment, shall be joint and several with the assignee), and Tenant shall not be released from performing any of the terms, covenants and conditions of this Lease.

SECTION 15: DEFAULTS AND REMEDIES

15.1. Defaults. The occurrence of any one or more of the following events constitutes a default of this Lease by Tenant with or without notice from the Landlord:

15.1.1. The vacating or abandonment of the Premises by Tenant.

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

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

15.1.4. The discovery by the Landlord that any financial or background statement provided to the Landlord by Tenant, Guarantor, or any successor, grantee, or assign of Tenant or Guarantor, was materially false.

15.1.5. The filing by Tenant of a petition in bankruptcy, Tenant being adjudged bankrupt or insolvent by any court, a receiver of the property of Tenant being appointed in any proceeding brought by or against Tenant, Tenant making an assignment for the benefit of creditors, or any proceeding being commenced to foreclose any mortgage or other lien on Tenant's interest in the Premises or on any personal property kept or maintained on the Premises by Tenant, which proceeding is not dismissed within ten (10) days of its having been filed.

15.2. Remedies.

15.2.1. Whenever any default (other than a default under subsection 15.1.5) above, upon which termination of this Lease shall, at the Landlord's option, be effective immediately without further notice) continues unremedied in whole or in part (a) for thirty (30) days after written notice is provided by the Landlord to Tenant (except that if such default is of a nature that it cannot be cured within thirty (30) days, Tenant shall have such additional period as may be reasonably necessary to cure such default, other than default in payment of rent so long as Tenant commences such cure promptly after written notice from the Landlord and continues to diligently pursue such cure to completion), or (b) 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 Tenant's rights under it will automatically terminate if the written notice of default so provides. Upon termination, the Landlord may reenter the Premises using such force as may be necessary and remove all persons and property from the Premises. The Landlord will be entitled to recover from Tenant all unpaid Rent or other payments and damages incurred because of Tenant'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 rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is less, from the date such Termination Damages are incurred by the Landlord until paid.

15.2.2. In addition to Termination Damages, and notwithstanding termination and reentry, Tenant'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 or any extension thereof ("Future Charges") will not be extinguished and Tenant agrees that the Landlord will be entitled, upon termination for default, to collect as additional damages, a Rental Deficiency. "Rental Deficiency" means, at the Landlord's election, either:

15.2.2.1. An amount equal to Future Charges, less the amount of actual rent, if any, which the Landlord receives during the remainder of the Lease term from others to whom the Premises may be rented, in which case such Rental Deficiency will be computed and payable at the Landlord's option either:

15.2.2.1.1 In an accelerated lump-sum payment if the Premises have been relet for the entire remaining Term of this Lease; or

15.2.2.1.2 In monthly installments, in advance, on the first day of each calendar month following termination of the Lease and continuing until the date on which the Lease would have expired but for such termination, and any suit or action brought to collect any portion of Rental Deficiency attributable to any particular month or months, shall not in any manner prejudice the Landlord's right to collect any portion of Rental Deficiency by a similar proceeding; or

15.2.2.2. An amount equal to Future Charges less the aggregate fair rental value of the Premises over the remaining term of the Lease, reduced to present worth. In this case, the Rental Deficiency must be paid to the Landlord in one lump sum, on demand, and will bear interest at a rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is less, until paid. For purposes of this subsection, "present worth" is computed by applying a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank in, or closest to, Seattle, Washington.

15.2.3. If this Lease is terminated for default as provided in this Lease, the Landlord shall use reasonable efforts to re-let the Premises in whole or in part, alone or together with other premises, for such term or terms (which may be greater or less than the period which otherwise would have constituted the balance of the term of the Lease), for such use or uses and, otherwise on such terms and conditions as the Landlord, in its sole discretion, may determine, but the Landlord will not be liable for, nor will Tenant's obligations under this Lease be diminished by reason for any failure by the Landlord to re-let the Premises (unless due to failure to use reasonable efforts to do so) or any failures by the Landlord to collect any rent due upon such re-letting.

15.2.4. If upon any reentry permitted under this Lease, there remains any personal property upon the Premises, the Landlord, in its sole discretion, may remove and store the personal property for the account and at the expense of Tenant. In the event the Landlord chooses to remove and store such property, it shall take reasonable steps to notify Tenant of the Landlord's action. All risks associated with removal and storage shall be Tenant's responsibility. Tenant shall reimburse the Landlord for all expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. The Landlord has the right to sell any property which has been stored for a period of 30 days or more, unless Tenant has tendered reimbursement to the Landlord 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 Tenant to the Landlord. The balance of sale proceeds, if any, will then be paid to Tenant.

15.2.5. The Landlord's action pursuant to this remedies section shall not be construed to limit the Landlord in the exercise of any other additional right or remedy which may be available to the Landlord, at law or in equity, by reason of Tenant's default.

SECTION 16: TERMINATION OTHER THAN FOR DEFAULT

16.1. Condemnation.

16.1.1. 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 the Building as shall, in Landlord's sole judgment, be required for reasonable use of the Premises, this Lease shall terminate as of the date of such taking. If Tenant is not in default under any of the provisions of this Lease on said date, any Rent prepaid by Tenant shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Tenant.

16.1.2. 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 Landlord's sole judgment, be required for reasonable use of the Premises, this Lease shall continue in full force and effect, and the Base Rent shall, as of the date of such taking, be equitably reduced based on the proportion by which the Premises (but not the buildings or structures of which the Premises are a part) is reduced.

16.1.3. Damages. Landlord reserves all right to the entire damage award or payment for taking by eminent domain, and Tenant waives all claim whatsoever against Landlord and/or the authority exercising eminent domain for damages for termination of its leasehold or for interference with its business;. Landlord and Tenant further agree that all decisions regarding how the eminent domain proceeding should be handled shall be made in the sole discretion of Landlord (specifically including any response to a motion for order adjudicating public use and necessity or and request for immediate possession), and Tenant shall take no actions or steps which interfere with Landlord'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 Tenant of any right to relocation assistance payments or relocation advisory services which may be available in connection with the eminent domain proceeding.

16.1.4. Eminent Domain. The term "eminent domain" as used in this Section 16.1 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.

16.2. Court Decree. In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by Landlord of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Tenant is not in default under any of the provisions of this Lease on the effective date of such termination, any Rent prepaid by Tenant shall, to the extent allocable to any period

subsequent to the effective date of the termination, be promptly refunded to Tenant. Tenant is not entitled to any compensation at termination for the bargain value of the leasehold.

SECTION 17: PRIORITY

17.1. Subordination. Tenant agrees that this Lease shall be subordinate to any first mortgage or deed of trust now existing or hereafter placed upon the Premises or the Building created by or at the instance of Landlord and to any and all advances to be made thereunder and to interest thereon and all renewals, replacements, or extensions thereof (“Landlord’s Mortgage”). Upon demand by Landlord or the holder of any Landlord’s Mortgage (“Holder”), Tenant shall execute and deliver subordination and attornment agreements in form and substance satisfactory to such Holder. Tenant shall not be obligated to execute any agreement in favor of Holder to confirm the subordination of this Lease unless such agreement contains non-disturbance provisions reasonably acceptable to Tenant. Notwithstanding the foregoing, upon demand of such Holder, such Landlord’s Mortgage shall be subordinate to this Lease; provided, however, that in such event, notwithstanding such subordination, such Landlord’s Mortgage shall be superior to this Lease with respect to (i) the right, claim and lien of the Landlord’s Mortgage in, to and upon any award or other compensation for any taking by eminent domain of any part of the Premises or the Building and the right of disposition thereof in accordance with the provisions of the Landlord’s Mortgage; and upon any proceeds payable under any policies of fire and rental insurance upon the Premises or the Building and to the right of disposition thereof in accordance with the terms of the Landlord’s Mortgage; (ii) any lien, right or judgment which may have arisen at any time under the terms of the Lease; and (iii) such other matters as may be specifically reserved by the Holder of such Landlord’s Mortgage in writing in connection with such subordination.

17.2. Attornment. Upon Holders’ request Tenant shall attorn to the Holder of any Landlord’s Mortgage or any person or persons purchasing or otherwise acquiring the Building or Premises at any sale or other proceeding under any Landlord’s Mortgage. Tenant shall properly execute, acknowledge and deliver instruments which the Holder of any Landlord’s Mortgage may reasonably require to effectuate the provisions of this Section.

17.3. Estoppel Certificates. Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement prepared by Landlord stating the date this Lease was executed and the date it expires; the date the term commenced and the date Tenant accepted the Premises; the amount of the current minimum monthly Rent and the date to which such Rent has been paid; and certifying to the extent true: that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way (or specifying the date and terms of agreement so affecting this Lease); that this Lease represents the entire agreement between the parties as to this leasing; that all conditions under this Lease to be performed by Landlord have been satisfied; that all required contributions by Landlord to Tenant on account of Tenant’s improvements have been received; that on this date there are no existing claims, defenses or offsets which Tenant has against the enforcement of this Lease by Landlord; that the security deposit is as stated in the Lease; and such other matters concerning the status of the Lease as Landlord may reasonably request. It is intended that any such statement delivered pursuant to this Section may be relied

upon by a prospective purchaser of Landlord's interest or the holder of any mortgage upon Landlord's interest in the Building. If Tenant shall fail to respond within fourteen (14) days of receipt by Tenant of a written request by Landlord as herein provided, Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee and that this Lease is in full force and effect, that there are no uncured defaults in Landlord's performance, that the security deposit is as stated in the Lease, and that not more than one month's Rent has been paid in advance.

SECTION 18: ACCESS AND EASEMENTS.

18.1. Access to Premises. Landlord may at any time enter upon the Premises, or any part thereof, for the purpose of ascertaining the condition of the Premises or whether Tenant is observing and performing the obligations assumed by it under this Lease, all without hindrance or molestation from the Tenant. Landlord shall also have the right to enter upon the Premises for the purpose of cleaning, repairing, altering or improving the Premises or the Building. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Tenant (except that no notice shall be required in the event of an emergency) or an authorized employee of Tenant at the Premises, which notice may be given orally. Landlord shall have the right to show the Premises at all reasonable times during business hours of Tenant to any prospective purchasers, tenants or mortgagees of the same.

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

SECTION 19: NON-WAIVER; RIGHT TO PERFORM

19.1. Receipt of Monies Following Termination. No receipt of monies by Landlord from Tenant 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 Tenant; (iii) operate as a waiver of the rights of Landlord 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 Landlord 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, Landlord 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 Tenant's liability hereunder.

19.2. No Waiver of Breach. The failure of either party 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 Landlord 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 either party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by such party. The consent or approval of a party to or of any act by the other party requiring consent or approval shall not be deemed to waive or render unnecessary such party's consent or approval to or of any subsequent similar acts by the other party.

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

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

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

SECTION 20: SURRENDER AND HOLDING OVER

20.1. Surrender. At the expiration or sooner termination of this Lease, Tenant shall promptly: (i) surrender possession of the Premises to Landlord in the same condition in which received (or, if altered, then the Premises shall be returned in such altered condition unless otherwise directed), reasonable wear and tear excepted, and (ii) deliver to Landlord 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, Tenant shall indemnify and hold Landlord harmless against loss or liability resulting from the delay by Tenant in so surrendering the Premises, including, without limitation, any claims made by any succeeding occupant founded on such delay.

20.2. Holding Over. If Tenant, with the consent of Landlord, 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, Tenant shall pay to Landlord the greater of (a) the then quoted rates for similar space in the Building or (b) one hundred fifty percent (150%) of the Rent in effect upon the date of such expiration as stated herein. Tenant will continue to be bound by all of the additional provisions of this Lease insofar as they may be pertinent.

20.3. For Rent Signs. Landlord shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for one hundred eighty (180) days prior to the expiration or sooner termination of this Lease.

SECTION 21: ENVIRONMENTAL STANDARDS.

21.1. Release of Hazardous Materials. Tenant shall not use, store, or dispose of or otherwise allow the release of any hazardous waste or materials in, on or under the Premises, the Building, or any adjacent property, or in any improvements placed on the Premises, except in small amounts as ordinarily and customarily used for general office purposes, and then only strictly in accordance with all applicable laws, rules, regulations and ordinances. Tenant represents and warrants to Landlord that Tenant's intended use of the Premises does not involve the use, production, disposal or bringing on to the Premises of any hazardous waste or materials, except in small amounts as ordinarily and customarily used for general office purposes, and then only strictly in accordance with all applicable laws, rules, regulations and ordinances. As used in this Section, the term "hazardous waste or materials" includes any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) pursuant to any statute, regulation, rule or ordinance now or hereafter in effect. Tenant shall promptly comply with all such statutes, regulations, rules and ordinances, and if Tenant fails to so comply Landlord may, after reasonable prior notice to Tenant (except in case of emergency) effect such compliance on behalf of Tenant. Tenant shall immediately reimburse Landlord for all reasonable costs incurred in effecting such compliance.

21.2. Indemnity. Tenant agrees to indemnify and hold harmless Landlord against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, cleanup costs, remedial actions, costs and expenses (including, without limitation, consultant fees, attorneys' fees and disbursements) which may be imposed on, incurred or paid by Landlord, or asserted in connection with (i) any misrepresentation, breach of warranty or other default by Tenant under this Lease, or (ii) the acts or omissions of Tenant, or any subtenant or other person for whom Tenant would otherwise be liable, resulting in the release of any hazardous waste or materials.

SECTION 22: MISCELLANEOUS

22.1. 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 provided in Section 1.4 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; (iii) on the date transmitted by facsimile, if the facsimile is confirmed received; or (iv) 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 Landlord.

22.2. Brokers. Landlord and Tenant each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent other than Century Pacific and Jones Lang LaSalle 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. Landlord and Tenant 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 other than Broker(s). This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders. No commission(s) or finders fee(s) shall be paid to Tenant, employee(s) of Tenant or any unlicensed representative of Tenant. The Landlord has engaged the services of Jones Lang LaSalle, who represented Landlord in this Lease. Landlord shall be solely responsible for the payment of \$28,470.00 to Jones Lang LaSalle and \$71,927.00 to Century Pacific in connection with the negotiation and/or execution of this lease. One half of the fee is payable upon a fully executed Lease and one-half is payable on the Rent Commencement Date as stated in Section 3.1.

22.3. Building Directory. Landlord shall maintain in the lobby of Building a directory which shall include the name of Tenant and any other names reasonably requested by Tenant in proportion to the number of listings given to comparable tenants of the Building.

22.4. Building Name. The Building shall be known by such name as Landlord may designate from time to time.

22.5. Consent. Whenever Landlord'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 Landlord's sole and absolute discretion.

22.6. Wireless Devices. Tenant shall not install any wireless devices and/or transmitters on or about the Premises without the prior written consent of Landlord and subject to any and all conditions in such consent. Tenant specifically grants to Landlord 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.

22.7. Relationship to Landlord and Tenant. 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 Tenant and Landlord shall be deemed to create any relationship other than that of Tenant and Landlord.

22.8. Authority. If Tenant is a corporation, limited liability company, limited liability partnership or limited or general partnership, each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, in accordance with a duly adopted resolution or consents of all appropriate persons or entities required therefore and in accordance with the formation documents of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. At Landlord's request, Tenant shall, prior to execution of this Lease, deliver to Landlord a copy of a resolution or consent, certified by an appropriate officer, partner or manager of Tenant authorizing or ratifying the execution of this Lease.

22.9. Landlord's Liability. Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord's representatives and agents personally, but are made and intended for the purpose of binding only the Landlord and the Landlord's interest in the Premises and Building, as the same may from time to time be encumbered. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against Landlord, or its legal representatives, successors, and assigns on account of the Lease or on account of any covenant, undertaking or agreement of Landlord in this Lease contained.

22.10. Transfer of Landlord's Interest. In the event of any transfers of Landlord's interest in the Premises or in the Building, other than a transfer for security purposes only, Landlord or any transferor of Landlord's interest ("Transferor") shall be automatically relieved of any and all obligations and liabilities on the part of Landlord accruing from and after the date of such transfer and such transferee shall have no obligation or liability with respect to any matter occurring or arising prior to the date of such transfer. Tenant agrees to promptly attorn to the transferee. In the event of any transfer, Landlord shall transfer the Security Deposit to the transferee, if applicable, and such transferee shall expressly assume the obligations and liabilities of Landlord in this Lease.

22.11. Time. Time is of the essence of each and every one of Tenant's obligations, responsibilities and covenants under this Lease.

22.12. Recording. Tenant shall not record this Lease or any memorandum thereof without Landlord's prior written consent.

22.13. Promotion of Port Commerce. Tenant 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 Landlord. Tenant 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 Landlord if there will be no resulting cost or time disadvantage to Tenant.

22.14. Nondiscrimination – Services.

22.14.1. Tenant agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, gender, age, creed, color, national origin or sexual orientation in furnishing, or by refusing to furnish to such person or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

22.14.2. It is agreed that Tenant's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, Landlord may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

22.15. Nondiscrimination – Employment. Tenant covenants and agrees that in all matters pertaining to the performance of this Lease, Tenant shall at all times conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons without respect to race, gender, age, color, creed, national origin or sexual orientation and, in particular:

22.15.1. Tenant will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are member of racial or other minorities, and

22.15.2. Tenant will comply strictly with all requirements of applicable federal, state and local laws or regulations issued pursuant thereto relating to the establishment of nondiscriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, sex, age, creed, color or national origin.

22.16. Labor Unrest. Tenant agrees to join with Landlord 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 Landlord.

22.17. Joint and Several Liability. Each and every party who signs this Lease, other than in a representative capacity, as Tenant, shall be jointly and severally liable hereunder. It is understood and agreed that for convenience the word "Tenant" 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.

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

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

22.20. 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.

22.21. 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.

22.22. 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, Tenant shall, at Landlord's option, defend Landlord at Tenant's expense by counsel satisfactory to Landlord.

22.23. 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 agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

22.24. Right of First Offer. Tenant shall have a "Right of First Offer" for any available space on the first floor with the exception of the space leased to the Pacific Maritime Shipping Association on the first floor of the Building unless Pacific Maritime Shipping Association elects not to renew their lease. Tenant shall also have a one-time Right of First Offer on other space within the Building ("Offering Space"). Tenant's Right of First Offer is subject and subordinate to (i) the renewal or expansion of any tenant leasing all or any portion of the Offering Space, and (ii) the rights (whether such rights are designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building. The Landlord will give Tenant a term sheet describing the terms on which the Landlord will be willing to lease the Offering Space to Tenant, and Tenant shall have fifteen calendar days to accept those terms by signing the term sheet and delivering it (in the manner for notice) to the Landlord. If Tenant does not deliver the signed term sheet to the Landlord within the fifteen calendar days, the one-time Right of First Offer under this section herein will expire.

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

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

PORT OF SEATTLE

WOUNDED WARRIOR PROJECT, INC.

By: _____
Its: _____

By: _____
Its: _____

SECTION 23: ACKNOWLEDGMENTS

LANDLORD

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ___ day of _____, 2014 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: _____

TENANT

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this ___ day of _____, 20_____ before me personally appeared _____, to me known to be the _____ of the _____, the individual/entity that executed the within and foregoing instrument as Tenant, and acknowledged said instrument to be the free and voluntary act and deed of said individual/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 –