

Item No.	6b_attach
Date of Meeting	September 12, 2017

WORLD TRADE CENTER WEST BUILDING

# LEASE AGREEMENT

BETWEEN

PORT OF SEATTLE

Landlord

and

WASHINGTON TECHNOLOGY INDUSTRY  
ASSOCIATION

Tenant

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# LEASE AGREEMENT

## WORLD TRADE CENTER WEST BUILDING

THIS LEASE made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (“Effective Date”) between the PORT OF SEATTLE, a Washington municipal corporation (“Landlord”), and WASHINGTON TECHNOLOGY INDUSTRY ASSOCIATION, a Washington 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 9,155 rentable square feet within Suite 390 on the third floor of the Building, as outlined on the floor plan attached hereto and incorporated herein as Exhibit B.

1.1.3. Expansion Space. “Expansion Space” shall mean the additional 2,516 rentable square feet that is a component of the Premises.

#### 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 FIFTY THOUSAND THREE HUNDRED SIXTY AND 00/100 (\$50,360.00) 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, 13.17%, therefore, Tenant's "Pro Rata Share" shall mean 13.17%. 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, 2017.

1.3.2. Rent Commencement Date. "Rent Commencement Date" shall mean:

1.3.2.1. October 1, 2017 for the Premises excluding the Expansion Space.

1.3.2.2. The earlier of November 15, 2017 or substantial completion of tenant improvements for the Expansion Space. "Substantial Completion" shall be established by the certificate of substantial completion provided by either the architect or contractor.

1.3.3. Expiration Date. "Expiration Date" shall mean September 30, 2024.

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 24507  
Seattle, WA 98124-0507

*For Tenant:*

Washington Technology Industry Association  
Attn: Michael Schutzler

2200 Alaskan Way, Suite 390  
Seattle, Washington 98121

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.

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 seven years ("Term"), commencing on the Possession Date and, unless earlier terminated pursuant to any provision hereof, ending on the Expiration Date.

2.2. Termination of Current Lease. To enable the execution of this Lease, that certain lease between the Landlord and Tenant dated September 3, 2014 (the "Terminating Lease") shall terminate at midnight September 30, 2017.

## 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 September 30, 2018:

9,155 rsf Office Space @ \$19.00/rsf/yr = \$14,495.42/mo.

Effective October 1, 2018 through September 30, 2019:

9,155 rsf Office Space @ \$20.00/rsf/yr = \$15,258.33/mo.

Effective October 1, 2019 through September 30, 2020:

9,155 rsf Office Space @ \$21.00/rsf/yr = \$16,021.25/mo.

Effective October 1, 2020 through September 30, 2021:

9,155 rsf Office Space @ \$22.00/rsf/yr = \$16,784.17/mo.

Effective October 1, 2021 through September 30, 2022:

9,155 rsf Office Space @ \$23.00/rsf/yr = \$17,547.08/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 Base Rent. As inducement to enter into this lease and as long as Lessee is not in default, Lessee's obligation to pay Base Rent on the Expansion Space shall be abated until the sooner of substantial completion of Tenant Improvements or November 15, 2017.

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. Late Charges.

3.5.1. 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.

3.5.2. 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. 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.

4.2. Transfer of Security. Notwithstanding the foregoing, the Landlord currently holds THIRTY FOUR THOUSAND NINE HUNDRED SIXTY-ONE AND 03/100 DOLLARS (\$34,961.03) in cash deposit provided by Lessee in connection with the Terminating Lease. Except to the extent required to remedy any failure to comply with the terms of the Terminating Lease, the Landlord and Tenant agree that this amount will be transferred and applied to the Security required for this Lease upon termination of the Terminating Lease.

4.3. Return of Security. The Security is a part of the consideration for execution of this Lease. 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.

4.4. 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 or interfere with, in Landlord's reasonable judgment, 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. 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.

## 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. 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 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 Port. 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 31<sup>st</sup> thereafter, and at any other time the Port deems adjustment necessary, the Port 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 Port 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 Port. 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 Port 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 Port 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 Port's offices or a local location designated by the Port, the Port'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 Port which are on or measured by the Rent payments hereunder, Tenant shall pay to the Port with each Rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Tenant shall be payable by Tenant to the Port 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 Port or the Port's property, and if the Port pays the taxes based upon such increased assessment, Tenant shall, upon demand, repay to the Port 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 and 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 described in Exhibit D, 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, including but not limited to the cracking or breaking of any glass of windows and doors, shall be paid for by Tenant.

8.4. Prevailing Wage. Lessee shall, in connection with the labor associated with any Tenant Improvements or Alterations under this Lease, comply with all prevailing wage laws in the State of Washington, as set forth in RCW 39.12 as amended, and the rules and regulations of the Department of Labor and Industries. The wage rates to be paid all laborers, workers and mechanics that perform any part of the work on any Tenant Improvements or Alterations shall

meet or exceed the prevailing wage rates as required by Chapter 39.12 of the Revised Code of Washington, as amended. This requirement applies to laborers, workers and mechanics whether they are employed by Lessee, Contractors, Subcontractors, Sub-subcontractors, or any other person who performs a portion of the work on any Tenant Improvements or Alterations.

8.4.1. The rules and regulations of the Department of Labor and Industries and the schedule of prevailing wage rates for the locality or localities where any work under this Lease will be performed as determined by the Industrial Statistician of the Department of Labor and Industries, are by this reference made a part of this Lease as though fully set forth herein. The Washington Administrative Code Chapter 296-127 relating to prevailing wage can be found at: <http://apps.leg.wa.gov/wac/default.aspx?cite=296-127>. In any contracts for Tenant Improvements or Alterations approved by the Port, Lessee's contract with any general contractor and/or sub-contractor shall require the payment of the local prevailing wage.

8.4.2. In connection with this Lease, Lessee will be required to submit to the Port "Statements of Intent to Pay Prevailing Wages" for its employees, contractors and subcontractors at all tiers prior to commencing work. The Statements of Intent require the approval of the industrial statistician of the Department of Labor and Industries — which shall include the contractor's registration certificate number; the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020; and the estimated number of workers in each classification. Lessee shall ensure that each Statement of Intent to Pay Prevailing Wages that is submitted to the Port has been approved by the industrial statistician of the Department of Labor and Industries before said statement is submitted to the Port. Such Statements of Intent shall be filed in accordance with the practices and procedures required by the Department of Labor and Industries.

8.4.3. Lessee will further be required to submit to the Port "Affidavits of Wages Paid" for its employees, contractors and subcontractors at all tiers. The Affidavits of Wages Paid require the certification of the industrial statistician of the Department of Labor and Industries — which shall include the contractor's registration certificate number; the prevailing rate of wage for each classification of workers entitled to prevailing wages under RCW 39.12.020; and the estimated number of workers in each classification. Lessee shall ensure that each Affidavit of Wages Paid that is submitted to the Port has been certified by the industrial statistician of the Department of Labor and Industries before said Affidavit is submitted to the Port. Such Affidavits of Wages Paid shall be filed in accordance with the practices and procedures required by the Department of Labor and Industries. No reimbursement for Tenant Improvements or Alterations may be made until proper and approved Statements of Intent to Pay Prevailing Wages and Affidavits of Wages Paid have been provided and approved by the Port.

8.4.4. Pursuant to WAC 296-127-040 and WAC 296-127-045, Lessee shall be responsible for payment to the Department of Labor and Industries the applicable processing fee(s) set forth in RCW 39.12.070 due with the submittal of each "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid." Lessee shall monitor contractors' and subcontractors' compliance with the requirements of this Section 8.4; any failure by Lessee or contractor or subcontractor at any tier to meet the requirements of this Section 8.4 or violation of prevailing wage laws or regulations shall be a material breach of this Lease.

8.4.5. Although not required, the Port encourages Lessee to examine the applicability of a Project Labor Agreement (“PLA”) in light of any (i) project needs for labor continuity and stability, including analysis of labor needs by trade; (ii) project complexity, including cost and duration; (iii) value of having uniform working conditions; (iv) potential impact of PLA on small business opportunities; (v) past labor disputes or issues indicating risk of delay; (vi) potential PLA impact on project cost; (vii) project presents specific safety concerns to the public; (viii) value of an established PLA grievance process to resolve labor-management or jurisdictional disputes; and (ix) any other considerations particular to the project.

## 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 or removal 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 time 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. Nine (9) 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. 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. 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 are located is reserved to Landlord, which shall have the right to utilize the same for any purpose, including the maintenance of signs.

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. 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 estimated 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.

12.1.3. 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.

12.1.4. 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 on Tenant’s insurance. 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. 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.

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, each party (for itself and on behalf of anyone claiming through or under it by way of subrogation or otherwise) hereby waives any rights it may have against the other, its officers, agents and employees (whether in contract or in tort) on account of any loss or damage to property arising out of or incident to the perils required to be insured against under this Lease. Accordingly, each party shall cause each insurance policy required by this Lease 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 negligence 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 may, in its sole discretion, consent to such proposed assignment, sublease or license. The Port's failure to provide Tenant with such written consent within the stated twenty (20) day period shall constitute Landlord's refusal to consent to the proposed assignment, sublease or license.

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 for thirty (30) days after written notice is provided by the Landlord to Tenant (or for ten (10) days after written notice in the case of default for failure to pay any rent, or other required payment when due) and Tenant has failed to diligently work to remedy or cure the default during such time, 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, to Tenant's knowledge, 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 Tenant for execution 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 for an unreasonable period of time, not to exceed thirty (30) working days, without consent of Tenant.

## 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 Landlord 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 Landlord of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Landlord. The consent or approval of Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar acts by Tenant.

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 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 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 Mark Fox and Pat Pendergast with Jones Lang LaSalle representing the Tenant and Tim Jones with Jones Lang LaSalle representing the Landlord 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. Landlord shall be solely responsible for the payment of \$64,085.00 to Tenant's broker and \$3,774.00 to Landlord's broker 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.

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.

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. Nondiscrimination – Services.

22.13.1. 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.

22.13.2. 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.

22.14. 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:

22.14.1. 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

22.14.2. 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.

22.15. 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.

22.16. 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.

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

22.18. 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.

22.19. 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.

22.20. 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.

22.21. 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.

22.22. 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.

22.23. 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

WASHINGTON TECHNOLOGY  
INDUSTRY ASSOCIATION

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

SECTION 23: ACKNOWLEDGMENTS

LANDLORD

STATE OF WASHINGTON )
) ss
COUNTY OF KING )

On this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ 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

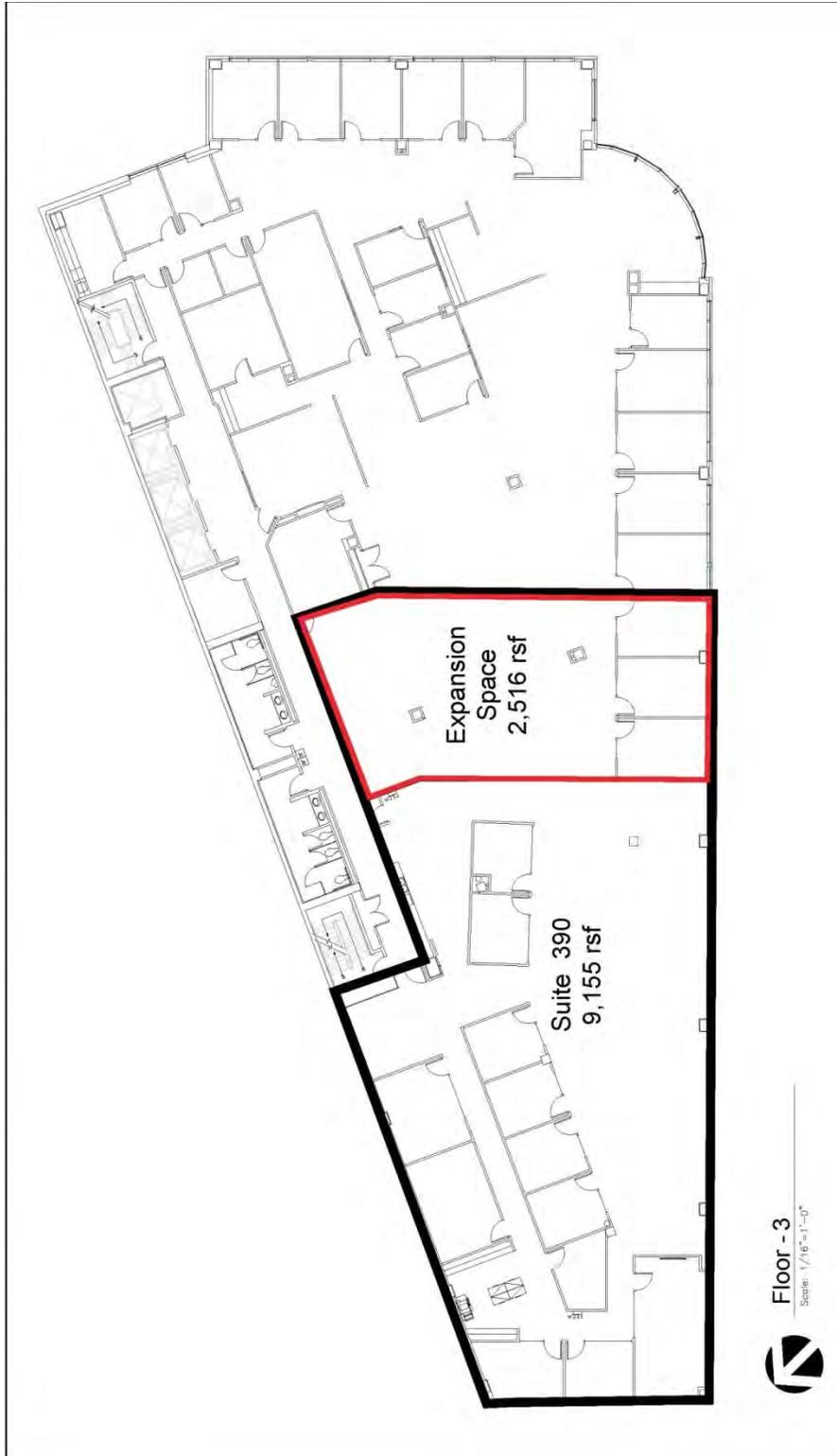
– LEGAL DESCRIPTION –

LEGAL DESCRIPTION OF LAND ON WHICH BUILDING IS LOCATED

All that portion of Block 171B, Seattle Tide Lands, according to the official maps thereof on file in the Office of the Commissioner of Public Lands in Olympia, Washington, and of Block 32, Addition to the Town of Seattle as laid out by A. A. Denny (commonly known as A. A. Denny's Sixth Addition to the City of Seattle), according to the plat thereof recorded in Volume 1 of Plats, page 99, in King County, Washington, described as follows:

Beginning at the most southerly corner of Lot 6, said Block 171B; thence north  $47^{\circ}41'27''$  west along the southwesterly line of said block, 262.21 feet to an intersection with a line concentric with and 15.0 feet southwesterly from the centerline of Burlington Northern Railroad Company's (formerly Great Northern Railway Company) most southerly track which passes through said blocks, as said track was located on May 16, 1989, said concentric line being on a curve of 1,560.60 foot radius, the origin of which bears north  $25^{\circ}12'42''$  east 1,560.60 feet from said intersection; thence southeasterly along said curve and concentric line an arc distance of 122.16 feet through a central angle of  $4^{\circ}29'06''$  to a point of tangency therein; thence south  $69^{\circ}16'24''$  east along aforesaid line parallel with and 15.0 feet southwesterly from track centerline a distance of 69.24 feet to the beginning of a curve to the right of 1,451.11 foot radius; thence along said curve concentric with and 15.0 feet southwesterly from said track centerline an arc distance of 85.35 feet through a central angle of  $3^{\circ}22'12''$  to the beginning of a curve to the right of 659.64 foot radius; thence along said curve concentric with and 15.0 feet southwesterly from said track centerline an arc distance of 2.47 feet through a central angle of  $0^{\circ}12'13''$  to the southeasterly line of aforesaid Lot 11, Block 32; thence south  $42^{\circ}18'55''$  west along said southeasterly line and along the southeasterly line of said Lot 6, Block 171B, 95.73 feet to the point of beginning: TOGETHER WITH that portion of vacated Blanchard Street, as vacated by City of Seattle Ordinance Number 117279, which attached to said Blocks 32 and 171B by operation of law, and that portion of the vacated northeasterly 31 feet of Alaskan Way, as vacated by City of Seattle Ordinance Number 117279 which lies northwesterly of the southwesterly extension of the centerline of said vacated Blanchard Street; all lying southwesterly of a line concentric and/or parallel with and 15.0 feet southwesterly from the centerline of Burlington Northern Railroad Company's (formerly Great Northern Railway Company's) most southwesterly track which passes through said Avenue and Street.

EXHIBIT B  
- PREMISES -



## EXHIBIT C

### BUILDING SPECIFIC RULES AND REGULATIONS –

#### EXHIBIT C

#### WORLD TRADE CENTER WEST CONTRACTORS RULES AND REGULATIONS AND BUILDING SPECIFIC RULES AND REGULATIONS

##### GENERAL REQUIREMENTS

1. A copy of these rules and regulations, acknowledged and accepted by the General Contractor, must be posted on the job-site in a manner allowing easy access by all workers. It is the General Contractor's responsibility to instruct their workers and all subcontract workers to familiarize themselves with these rules. A copy of the approved construction drawings must be posted on the job site, per the Building Specific Rules and Regulations for World Trade Center West attached hereto.
2. Landlord reserves the right to approve, or refuse all sub-contractors who will be asked to bid and perform construction work in the Building. The General Contractor is to use Master Subcontractor List to be provided by Landlord.
3. Landlord's attendance and participation is required in the weekly job site construction progress meetings. Landlord should be copied on all correspondence related to the construction of the premises.
4. Any damage caused to base building (freight elevator(s), corridors, etc.) or tenant space(s) attributable to the General Contractor or their sub-contractors will be back charged to the General Contractor.
5. All drawings and materials must be approved by the Building Chief Engineer and Property Manager prior to the start of construction. All materials used must meet City, State and Federal building codes.
6. The General Contractor and sub-contractors will provide for their own parking. Monthly passes can be purchased from the Garage Manager if desired. Parking in the loading dock area is prohibited.
7. Where possible incorporate all reusable doors, light fixtures, etc. scheduled for demolition into the buildback of the space with approval from Building Property Manager.

##### PRIOR TO THE COMMENCEMENT OF ANY WORK OR DELIVERY OF MATERIALS (DOCUMENTS REFERENCED TO BE SUBMITTED BY THE GENERAL CONTRACTOR IN THE JOB START PACKAGE)

1. The General Contractor will make arrangements with the Building Chief Engineer to visit a space prior to bidding. The General Contractor should include all appropriate sub-contractors in the scheduled walkthrough.

2. The General Contractor will provide a complete contact list of all lead personnel working on the project including sub-contractors at least two business days prior to job start. This list will include both the work and after hour emergency phone numbers for the contacts. The list will be submitted to the Building Chief Engineer.
3. Storage of all job related materials must be within the premises under construction. Base building areas such as corridors, vestibules, stairwells and electrical/mechanical/telephone rooms are not to be used for storage.
4. Should the General Contractor be hired by Tenant to perform any vertical or horizontal cabling for phone, data, etc., in base building telephone/data closets, Tenant shall follow the Building Riser Management Policy designated by Building Chief Engineer.
5. The common area side of any exterior wood doors, on multi-tenant floors, must match the building standard door and hardware finish, unless prior written approval is received from Property Manager.
6. No walls should be designed or constructed such that any existing or new mechanical equipment would be located above any type of wall partition as this would preclude future service requirements to the Building HVAC system. If there is any question, contact the Building Chief Engineer for direction. The General Contractor will incur all costs associated with relocating said equipment.
7. No drywall ceiling areas should be constructed without providing full access (via access panels, etc.) to all equipment, valves, junction boxes, clean-outs, etc., that may be located in the plenum ceiling area above.
8. When constructing walls perpendicular to the exterior perimeter wall, such walls shall be anchored at the ceiling and at the floor. Contractors shall not physically attach to exterior window mullions, sills, metal base board, etc., that would damage or create holes to these base building improvements.
9. No new construction within the plenum area including installation of duct work, piping or hangers of any kind can be suspended or hung from any existing base building improvements other than above the floor slab. "Trapeze" type of suspension should be used where necessary. No exception to this requirement.
10. The General Contractor is responsible for insuring that all materials used in construction do not contain asbestos. The General Contractor will keep a MSDS book including sheets for all materials used in the project.
11. Should the construction affect the public corridor of any floor, it is the General Contractor's responsibility to duplicate the finishes in the corridor so that the new construction is seamless.
12. All existing window coverings shall be cleaned prior to the tenant's move-in (occupancy) date. It is highly recommended the General Contractor remove and bag all existing window treatments. The General Contractor to include price for this work in their base bid.

13. The General Contractor may not start construction until they have received written notification from the Building Chief Engineer, or Property Manager.
14. Mechanical sub-contractor(s) must include air balancing and thermostat calibration in their scope of work for bidding.
15. In the event the Contractor utilizes any existing base building condenser water system tap, waste, vent or water connection valve, the contractor will install another connection valve for future connection purposes. In the case of the condenser water tap, a future connection valve with a capped stub is necessary (not just a capped stub) to avoid shut down of the existing users of the system.
16. All keying must match the base building master keying system. Coordinate all keying requirements with the Building Chief Engineer.
17. Any materials taken from the Building's Central Stores must be approved by the Building Chief Engineer or engineer. Depending on the item taken, the Building Chief Engineer or engineer will either require the item to be replaced or the contractor to purchase from the Building. No materials are to be borrowed from Central Stores or from other tenant or base building spaces without the express permission of the Building Chief Engineer or engineer.
18. Contractor will coordinate with the Building Chief Engineer for the potential salvage of any existing base building installations/materials (i.e. HVAC boxes, etc.) that are scheduled for demolition. Under no circumstance will installations/materials be removed from the construction site without the authorization of the Building Chief Engineer.
19. All floor penetrations shall be caulked, cemented or filled with materials which are fire-rated and match specifications of original floor composition. The General Contractor shall submit to the Building Chief Engineer for approval a specification sheet for the materials used for penetration sealing.

#### **DURING CONSTRUCTION**

1. Smoking is prohibited anywhere in the building. The Building Chief Engineer will determine the location for a designated smoking area.
2. No abusive language or action on the part of the workers will be tolerated. Radios are not permitted.
3. All contractors are to conduct themselves in a professional manner. No drugs or alcohol are to be consumed on the property. Anyone working on the property under the influence of drugs or alcohol will be removed from the property permanently.
4. Clothing is required to be clean with no holes, tears, etc. Shirts must be tucked in at all times. No offensive pictures or verbiage may be displayed on any person.

5. Under no circumstance should any worker venture to any floor or tenant space other than the construction area(s) on which they are working. Workers found in unauthorized areas will be removed from the premises and will not be allowed to return.
6. Contractor shall notify the Building Chief Engineer prior to commencement of extremely dusty work (sheet rock cutting, sanding, extensive brooming, etc.). The Building Chief Engineer may determine the need for additional filtering capacity on the affected HVAC equipment as well as taking the necessary precautions with the Life Safety Systems. Failure to make such notification will result in the contractor absorbing the costs to return the equipment to proper condition.
7. Contractor will coordinate with the Building Chief Engineer all temporary shutdown (including sprinkler piping drain-down) of existing base building MEP and fire protection systems. Under no circumstance will the system(s) be left inoperable overnight. Any costs associated with false alarms caused by the General Contractor or sub-contractors will be charged to the General Contractor.
8. Sources of water and electricity will be furnished to the contractor without cost to them, in reasonable quantities for use in lighting, for portable power tools, and other such common usages during construction. The contractor shall make all connections, furnish any extensions and remove same upon completion of work. If you expect to use electricity from a source other than within the space where you are working, contact the Building Chief Engineer for specific instructions.
9. Any utility (i.e. air, electricity, and water) that affects other tenants may not be shut down/off without prior approval from the Building Chief Engineer with the request coming through the Passdown Form. The Building Chief Engineer needs at least five business days notice to review the request and clear the request with the tenants affected.
10. The air delivery system for space conditioning will operate from 8:00 a.m. to 5:00 p.m., Monday through Friday and 8:00 a.m. to 1:00 p.m. on Saturday. Special arrangements for air will need to be coordinated using the Passdown Form.
11. Contractor will not perform construction work that will create a nuisance to existing Tenants (i.e. demolition, material stocking, floor coring, track or hanger shooting, painting, staining or other work that creates noxious fumes, loud machine noise or vibrations, etc.) during working hours 7:30 a.m. to 6:00 p.m. Monday through Friday or 8:00 a.m. to 2:00 p.m. on Saturday. This type of work will be scheduled after hours using the Passdown Form. Tenant complaints regarding noise or fumes will be investigated and could cause work to be delayed or rescheduled.
12. All stairwell doors must remain closed at all times. Base building areas such as mechanical and electrical rooms on occupied floors must have their doors closed at all times. Propping of such doors is not acceptable.
13. At no time is any welding or cutting torch to be used in the Building without approval of the Project Coordinator. The General Contractor must schedule the time and date. This type of work will be scheduled after hours using the Passdown Form. There must be a fire watch present while the torch is in use. The General Contractor must coordinate with the building engineer to fill out a "Hot Work Permit" as required.

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14. All construction materials, tools and trash are to be transferred to and from the construction area via the freight elevator. At no time shall the passenger elevators be used to move personnel, materials, equipment, tools or trash.
  15. Material deliveries of any significance (i.e. drywall/studs, sheet metal, etc.) will be restricted to after hours 6:00 p.m. to 7:00 a.m. to accommodate daily use of the freight elevator by existing Tenants and Night Janitorial Staff. Such after hour's use of the freight elevator must be scheduled with Property Management through the Passdown Form. If materials, etc. are too large for the freight elevator other arrangements will need to be made. Any costs incurred due to these special circumstances are the responsibility of the General Contractor. Situations may arise when the General Contractor may be required to share the freight elevators with the Building crew or tenants. This sharing will be carried out in a professional manner.
  16. Property Management will make the determination as to which restroom(s) will be used by construction personnel. Under no circumstance will restroom facilities be used for cleaning tools or paint materials.
  17. The General Contractor will advise Property Management whenever any construction activity will occur after hours (6:00 p.m. to 7:00 a.m.).
  18. Drywall material (or any other similarly heavy materials or items) is to be stored and or stacked directly above structural beams or trusses. Drywall will not be leaned up against perimeter window units or curtain wall at anytime.
  19. The contractor shall notify the Building Chief Engineer prior to ceiling cover-up so that the Landlord may perform an overhead inspection. Any deficiencies noted must be corrected prior to cover-up. If the General Contractor covers up ceiling without scheduling with the Building Chief Engineer, ceiling tiles will be required to be removed so that the inspection can be completed properly. All costs for this will be incurred by the General Contractor.
  20. The contractor shall, at all times, on a day-to-day basis keep the site free from accumulations of waste material, debris (especially food and beverage trash) or rubbish caused by their employees or work. Trash must be removed via the freight elevator. All base-building areas must be policed on a regular basis so as not to affect existing tenants. The General Contractor must maintain a vacuum cleaner at the jobsite to meet this requirement. If the Building has to clean up these areas, the General Contractor will be charged back for all costs.
  21. All electrical panels, junction boxes and pull boxes which are opened or removed for additional circuits or terminations shall be covered, closed or replaced, with out exception.
  22. The mounting location of any new circuit breaker panels, service switches, meters, etc. shall be approved by the Building Chief Engineer. All light switches and outlets are to be building standard height. Any missing wallplates should be replaced by the General Contractor. All outlets, switches and plates must match the standard on the floor of construction.

23. During construction, all lights are to be turned off each night. Failure to comply will result in a \$30.00 a day charge billed to the General Contractor.
24. Upon completion of work, all light fixtures in the work area are to be working properly and fully lit and cleaned, including replacement of tubes and ballasts as required in light fixture.
25. All electrical panels shall be clearly identified by tenant suite, room numbers and equipment serviced.
26. Any change orders must be approved by the Construction Manager and Tenant in writing before the additional work can be started.
27. Coordinate punch list walkthrough with Construction Manager and Property Management.

#### **AFTER COMPLETION OF CONSTRUCTION**

1. The General Contractor is required to submit to the Property Management a Close Out Package to include the following: a complete reproducible set of as-built construction documents (including mechanical, electrical and plumbing), fire protection drawings approved (stamped) by the local governing authority, permit drawings, signed off permit from local jurisdiction, occupancy or compliance certificate (if applicable), all operations and maintenance manuals, warranties and guarantees, Central Stores accounting, final and complete lien waivers for the General Contractor and all sub-contractors working on the project, and completed punchlist signed by the Construction Manager. Final payment of Landlord's obligations will be withheld until all of this documentation is received.

#### **BUILDING SPECIFIC**

#### **RULES AND REGULATIONS**

#### **GENERAL CONTRACTOR REQUIREMENTS:**

1. Certificate of Insurance: The General Contractor and associated sub-contractors will submit the required Certificate of Insurance. The Certificate must name the building owner and property manager as additional insureds. The Certificate of Insurance must be submitted to the Chief Engineer a minimum of two days prior to the first day of construction. Detailed insurance requirements are attached will be provided by property management office.
2. Permits: A copy of the construction permit must be submitted to the Chief a minimum of two days prior to the first day of construction. The original shall be displayed at the job site at all times.
3. Informational Board: The General Contractor shall establish a bulletin board at a place accessible to all workers and building personnel. This board shall be where all permits,

inspection reports, MSDS, emergency contact information and related materials will be kept. Permits, inspection forms, etc shall not be taped to any wall or window.

4. **Construction Debris:** The General Contractor shall arrange with the Chief Engineer a means for disposal of construction debris. Under no circumstances will the General Contractor, or related trades, have a dumpster delivered without permission from the Chief Engineer. Dumpsters must be delivered after-hours and will need to be removed prior to building occupancy the next day.
5. **Pre-Construction Inspection:** A pre-construction inspection of the premises and other general building areas that will be used/accessed by the contractor will be made in order to inventory any pre-existing damage. This inspection will need to be scheduled with the Chief Engineer and must occur a minimum of two days prior to the first day of construction. In the event that any new damage occurs, the contractor will be fully liable for all repairs. During the inspection, it will also be determined what areas of protection to base building will be required of the Contractor. Such areas will always include windows, windowsills, wood doors, drinking fountains, and all restrooms.
6. **Walk-off Mats:** Damp walk-off mats are required at all areas of egress during the demolition phase. The General Contractor will appoint someone to regularly check the mats for dampness.
7. **Building Protection:** No items or materials may be placed on windowsills, nor "leaned" up against the windows, window frames or window mullions at any time. For construction access and egress over existing common area corridor floors, masonite and/or plastic shall be placed on the necessary construction traffic path and maintained accordingly. Under no circumstances will materials, tools, etc., be permitted to be stored in building mechanical or electrical rooms.
8. **Project Timeline:** General Contractor will submit a construction "timeline" schedule broken down by trade. Project-significant milestones must be identified. The schedule must also show the projected architect inspection date for determining substantial completion, the move-in (occupancy) date(s), and the period for punch list work. This schedule must be submitted to the Chief Engineer a minimum of two business days prior to the first day of construction. In the event of a change in schedule, the General Contractor will immediately submit an updated schedule to the Chief Engineer.
9. **"High and Tight":** General Contractor will direct tradesmen to install all new piping, ductwork, etc. as high and tight to the above floor slab/structure as possible. Also, all new piping, ductwork, etc. shall be installed to allow building engineers full access to all HVAC equipment, electrical junction boxes, etc. No piping should be installed under existing or new equipment that may preclude the direct lowering of such equipment in the future for service or replacement. If there are any questions, contact the Chief Engineer. The General Contractor will be liable for any materials that have to be relocated not in compliance with this rule.
10. **Borrowing of Equipment:** Items belonging to the building or its Tenants shall not be borrowed. This includes; ladders, carts, pallet jacks, tools, etc.
11. **Post-Construction Inspection:** A post-construction walkthrough must be scheduled with the Chief Engineer after the punch walk through has been completed, and prior to

tenant occupancy. At this time, the General Contractor will be required to return all card keys, hard keys, and determine a schedule for delivering as-built drawings for all trades. All base-building areas that may have been affected by the construction will be examined for cleanliness and damage. The General Contractor will be responsible for returning all base-building areas to the condition prior to construction.

12. **Extra HVAC Charges:** The General Contractor shall be invoiced for all extra HVAC charges incurred during construction. Painters, carpet installers and any trades creating a nuisance odor must request extra HVAC to purge odors. This must be scheduled with the Chief Engineer a minimum of two business days prior to odor-related work commencing. The current HVAC charge at World Trade Center buildings is \$30 per hour.
  
13. **Building Access:** No later than two business days prior to the first day of construction, the General Contractor must submit a request for card keys and keys to the Chief Engineer. Failure to do so may delay the start of the project. The General Contractor is required to check out adequate card keys and keys for all workers, subcontractors and vendors. Any contractor, subcontractor or vendor who shows up to work without card key and/or key access will not be allowed access. The General Contractor will be responsible for scheduling and access of all contractors, subcontractors and vendors. The General Contractor will be held liable for any card keys, or keys not returned and will be financially liable for any charges incurred for such loss. Costs may include re-keying the building.
  
14. **Elevators:** The General Contractor and subcontractors must use the freight elevator only. No materials or tools may go through the main lobby or on the passenger elevators. Masonite or plywood must be put down to protect flooring when construction materials are being moved through common areas, and must be removed as soon as delivery is completed. Should the General Contractor or a subcontractor require sole use of the freight elevator, the contractor must schedule that use with the Property Management Office as soon as possible. Reservations are on a first-come, first-served basis.
  
15. **Loading Dock:** The loading dock is to be used for loading/unloading materials only. There is a 30-minute limit for loading/unloading. The World Trade Center requires a written request if any General Contractor or subcontractor must use the loading dock for longer than 30 minutes. If a contractor or subcontractor shows up to work out of the loading dock without written approval, Property Management will ask that person to immediately leave the loading dock.
  
16. **Access to Tenant Spaces:** Should a contractor require access to another tenant's space to complete work, a separate security passdown must be submitted. Please call the Chief Engineer, a minimum of two-business days prior, to arrange for a passdown. Once a passdown has been secured, Security will access contractors to the tenant space, and will stay with the contractor for a maximum of 15 minutes. In the event a contractor will need access for longer than 15-minutes, the General Contractor will be required to hire an officer, from the security service that the building contracts, to post in that tenant space. Under no circumstances shall a contractor contact any of the tenants directly.
  
17. **Fixtures:** The Chief Engineer must pre-approve any fixtures that are scheduled to be removed from the building because of demolition. Fixtures include; light fixtures, exit signs, cabinets, sinks, doors, hardware, etc. Do not remove any fixtures unless directed so by the Chief Engineer.

18. **Noise Restriction:** All noise-related work such as ram setting walls, core drilling, and roto-hammering on any floor must be done off-hours and coordinated with the Chief Engineer, who will determine when this work can be done. Typically, noisy work cannot be done between 7:00 a.m. and 6:00 p.m., Monday through Friday, or between 8:00 a.m. and 2:00 p.m. on Saturday.

19. **Post-Construction Fire Walkthrough:** The General Contractor must include a \$125.00 Fire Walkthrough fee in their initial bid. Once the job is complete, the Chief Engineer will hire a Fire Sprinkler contractor, not associated with the job, to do an independent walkthrough. This walkthrough will be to assess the proper installation of fire sprinklers. The General Contractor will be notified of any discrepancies found, and will have two weeks to have them repaired. The General Contractor can get a waiver for these repairs, if the Fire Inspector writes a letter to the Chief Engineer indicating so.

20. **As-Builts/Panel Schedules:** An updated panel schedule and As-Built drawings must be delivered to the Chief Engineer, within 30 days of completion of the job.

21. **Electrical:** The Electrical Contractor must attend to the following items:

- Remove all unused conduit, ceiling hangers, telecommunications cable, etc., from the ceiling plenum on all jobs;
- All abandoned circuits must be removed all the way to the panel. Under no circumstances shall abandoned circuits be permitted to be left in the junction boxes. The panel must be re-labeled;
- Field verify all locations of smoke detectors, strobes and alarm horns and modify as required;
- Demo all abandoned outlets and switches;
- Connect water heaters, heat pumps and VAV's to power.

Back-to-back outlets and rough-ins between offices are not acceptable. They must always be staggered for sound control. The Electrical Contractor must also make sure that all breaker panels and receptacles are properly identified on the circuit diagrams and on the building electrical panels as they are modified. All floor penetrations in the electrical room must be fire-stopped by the completion of the job. All high voltage wiring installed in walls must be in EMT. Flexible cable is not permitted.

22. **HVAC Controls:** Powers controls will be provided by the building-approved mechanical contractor to control all HVAC equipment. All new HVAC equipment shall be controlled by the building energy management system. The Chief Engineer does not permit stand-alone units without written approval.

23. **Plumbing:** All abandoned plumbing lines are to be removed and brought back to the core or riser. Under no circumstances shall an existing water heater be permitted to be reused on a remodel, or new construction.

24. **Fire Sprinklers:** All fire sprinkler work must be completed after normal business hours. Contractor will coordinate with Chief Engineer all temporary shutdown (including sprinkler piping drain-down) of existing base building MEP and fire protection systems.

25. **Window Coverings:** Only building standard drapes will be permitted as window coverings.

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26. Piping: All new piping (electrical, fire protection, plumbing, etc.) in any common area corridor must run along side of the corridor side walls stacked vertically not running side by side horizontally down the middle areas of the corridor ceiling. Corrections to this rule will be made at the contractor's expense.

27. Flooring: It is expected that the flooring contractor bid a job so as to incur minimal waste. Any remaining carpet is to be stored in the Tenant space. If the excess carpet quantity is too large to be stored in the Tenant space, the Tenant shall make arrangements to have the carpet stored off-site. Flooring installers must contact the Chief Engineer, a minimum of two business days, to arrange for extra HVAC to dissipate odors. A flooring contractor who installs flooring without arranging for extra HVAC will be removed from the buildings list of preferred contractors, and may be asked to leave the job. All carpet should be pre-cut as there are no large areas to roll out the carpet for cutting. The loading dock may not be used for cutting carpet. All pad seams must be taped with duct tape.

28. Painting: Depending on material, the Chief Engineer may request HVLP equipment. All painting, staining, etc. must be done after normal business hours. At least two days prior to painting, staining, etc., the painting contractor must supply MSDS for all material to be used. Unless requested by tenant, painting contractor must remove all unused paint from the building. The painting contractor is required to schedule extra HVAC to purge odors. Painters must contact the Chief Engineer, a minimum of two business days, to arrange for extra HVAC to dissipate odors. A painting contractor who fails to arrange for extra HVAC may be removed from the building list of preferred contractors, and may be asked to leave the job.

29. Locks and Keying: All locks are to be pinned by the Engineering staff. Please contact the Chief Engineer to arrange this. The General Contractor will be charged \$28.00 per lock for labor and materials to pin the lock. Two keys are included per lock, additional keys are \$3.00 each. A two-week notice must be given to the Chief Engineer for locks to be pinned. The General Contractor will supply locks and hardware.

Any variation from the building standard hardware locking devices must be pre-approved, in writing, with the Landlord. Pre-approved variances must have the ability to receive a building standard cylinder that is pinned to the building's master keying system.

30. Strobes: The Americans with Disabilities Act requires the installation of fire strobes in all tenant spaces. The following baseline rules regarding these strobes has been established:

- If a new tenant is moving into the building, whether taking the space "as-is" or doing any portion of a remodel, strobes will be required to be installed in the entire space.
- If an existing tenant remodels a portion of their existing space, only that portion will be required to add strobes. The "Scope of Work" as designated on the drawing will determine which area is to be upgraded.

The financial burden shall be on the part of the tenant.

31. Fire Alarm: In the event work on the floor creates a false alarm, contact the property management office.

32. Fire Doors/Stairwell Doors: Under no circumstances will fire doors, including stairwell doors, be blocked open, or held open by any means. This includes taping the strike. Doing so will compromise the fire rating of the building.

33. Life Safety Equipment: The Fire and Life Safety System at World Trade Center West is not addressable. During construction, all smoke detectors for that floor must be removed and stored in a dust-proof container. Prior to removal, the detector, and the base must be labeled, this must be coordinated with the Chief Engineer. They must be reinstalled daily, as soon as work has concluded. The General Contractor shall ensure someone has been assigned to reinstall the detectors nightly. Failure to do so may result in termination of the General Contractor. The Property Management Office must be notified whenever the Fire and Life Safety System will be compromised. A valid Washington State driver's license will be retained by Security while the system is on bypass.

The Life Safety System must be designed according to all appropriate governing authorities. Following the completion of all work associated with the Life Safety System, the General Contractor shall test this new installation and submit a report to the chief engineer with the test results to insure the system is fully operational and operating properly.

34. Cabling/Low Voltage: The low voltage/telecommunications contractor must install only plenum rated cable and installed per code. In addition, the following will be included in this contractors bid:

- Any unused cabling shall be completely removed, including any distribution equipment.
- Any new cable must be tied tight to the deck and must be suspended from it's own hangers.
- Any whips left from the hangers shall be cut back to eliminate potential safety related injuries.
- Any existing cable in the construction area must be bundled and tied up per code. If possible, tie the existing cable to the deck.
- Any floor penetrations, within the scope of work, must be fire stopped.
- All telecommunications related equipment **MUST** be installed in the tenant's leased space. Under no circumstances will tenant-specific equipment be installed in the building telephone riser closets.

39. Final Clean: Tenant shall require its general contractor to provide a final cleaning following job completion and prior to Tenant's occupancy. This cleaning shall provide the space to be "move-in" condition.

## EXHIBIT D

### – TENANT IMPROVEMENTS WORK LETTER –

1. The Tenant Work. Under the Lease, Tenant has agreed to accept the Premises in their current condition without any obligations for the performance of additional improvements or other work by Landlord. Notwithstanding the foregoing, Landlord has agreed that Tenant may perform certain Tenant Improvements, which shall be limited to architectural fees for design and construction drawings, permit fees, demolition of existing demising wall, installation of cabling and telephone lines, new carpet and new paint. The Tenant Improvements shall be in accordance with the provisions of this Work Letter and, to the extent not inconsistent herewith, the provisions of the Lease. Performance of the Tenant Improvements shall not serve to abate the payment of Rent or otherwise extend the Rent Commencement Date under the Lease.
2. Cost of the Work. Except as provided hereinafter, Tenant shall pay all costs (the “Costs of the Work”) associated with the Tenant Improvements whatsoever, including without limitation, all permits, inspection fees, fees of architects, engineers, and contractors, utility connections, the cost of all labor and materials, bonds, insurance, and any structural or mechanical work, additional HVAC equipment or sprinkler heads, or modifications to any building mechanical, electrical, plumbing or other systems and equipment or relocation of any existing sprinkler heads, either within or outside the Premises required as a result of the layout, design, or construction of the Tenant Improvements.
3. Review and Approval.
  - 3.1. Preliminary Plan and Specifications.
    - 3.1.1. Submission. No later than thirty (30) days after the mutual execution of the Lease, Tenant shall submit two (2) sets of a “Preliminary Plan” (as described in Section 12 herein) to Landlord for approval.
    - 3.1.2. Review. Landlord shall, within ten (10) working days after receipt thereof, either approve said Preliminary Plan, or disapprove the same advising Tenant of the reasons for such disapproval. If necessary, Landlord shall also endeavor to obtain Landlord’s insurers approval of any sprinkler drawings. In the event Landlord disapproves said Preliminary Plan, Tenant shall modify the same, taking into account the reasons given by Landlord for said disapproval, and shall submit two (2) sets of the revised Preliminary Plan to Landlord within five (5) days after receipt of Landlord’s initial disapproval.
  - 3.2. Working Drawings and Engineering Report.
    - 3.2.1. Submission. No later than sixty (60) days after mutual execution of this lease, Tenant shall submit to Landlord for approval two (2) sets of “Working Drawings” (as defined in Section 8 herein), and a report (the “Engineering Report”) from Tenant’s mechanical, structural and electrical engineers indicating any special heating, cooling, ventilation, electrical, heavy load or other special or unusual requirements of Tenant.

3.2.2. Review. Landlord shall, within ten (10) working days after receipt thereof, either approve the Working Drawings and Engineering Report, or disapprove the same advising Tenant of the reasons for disapproval. If necessary, Landlord shall also endeavor to obtain Landlord's insurers approval of any sprinkler drawings. If Landlord disapproves of the Working Drawings or Engineering Report, Tenant shall modify and submit two (2) sets of revised Working Drawings, and a revised Engineering Report, taking into account the reasons given by Landlord for disapproval, within ten (10) days after receipt of Landlord's initial disapproval.

3.3. Change Orders. No changes, modifications, alterations or additions to the approved Preliminary Plan or Working Drawings may be made without the prior written consent of Landlord after written request therefore by Tenant. In the event that the Premises are not constructed in accordance with said approved Preliminary Plan and Working Drawings, then Tenant shall not be permitted to occupy and/or conduct business from the Premises until the Premises reasonably comply in all respects with said approved Preliminary Plan and Working Drawings; in such case, the Rent shall nevertheless commence to accrue and be payable as otherwise provided in the Lease.

3.4. Final Inspection. Landlord's acceptance of the Tenant Improvements as being complete in accordance with the approved Preliminary Plan and Working Drawings shall be subject to Landlord's inspection and written approval. Tenant shall give Landlord five (5) days prior written notification of the anticipated completion date of the Tenant Improvements.

3.5. Landlord's Approval.

3.5.1. Landlord shall not unreasonably withhold approval of any Preliminary Plan, Working Drawings, Engineering Report, or Change Order submitted hereunder if they provide for a customary layout, are compatible with the Building's shell and core construction, and will not require any structural modifications to the Building, whether required by heavy loads or otherwise.

3.5.2. Landlord's approval of Tenant's Preliminary Plans, Working Drawings, Engineering Report or Change Order, and Landlord's recommendations or approvals concerning contractors, subcontractors, engineers or architects (if any) shall not be deemed a warranty as to the quality or adequacy of the Tenant Improvements, or the design thereof, or of its compliance with Laws, codes and other legal requirements.

4. Compliance. The Tenant Improvements shall comply in all respects with the following: (a) the Building Code of the City and State in which the Building is located and State, County, City or other laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other such person, (b) applicable standards of the National Board of Fire Underwriters and National Electrical Code, (c) building material manufacturer's specifications, and (d) all prevailing wage laws in the State of Washington, as set forth in RCW 39.12 as amended, and the rules and regulations of the Department of Labor and Industries. If necessary, the Tenant Improvements shall also comply with the requirements of Landlord's insurer.

5. Architects, Engineers, and Contractors.

5.1. Qualified Professionals. The Preliminary Plan, Working Drawings, Engineering Report and the Tenant Improvements, shall be prepared and performed by licensed, reputable and qualified architects, engineers and contractors.

5.2. Insurance Requirements.

5.2.1. Professional Liability. All architects and engineers shall carry professional liability insurance with limits not less than one million dollars per claim (\$1,000,000).

5.2.2. Worker's Compensation. All contractors and subcontractors shall carry Worker's Compensation Insurance covering all of their respective employees in the statutorily required amounts.

5.2.3. General Liability. All contractors and subcontractors shall each separately obtain and keep in force a policy of general liability insurance consistent with the requirements of Section 12.1.1 of the Lease; provided, however: (i) the limit for such insurance shall be at least three million dollars (\$3,000,000) notwithstanding any other amount set forth in the Lease; and (ii) the policies therefore shall cover both Landlord and Tenant, as additional insureds. Evidence of such insurance shall be delivered to Landlord before the construction is commenced or contractor's equipment is moved onto the building.

6. Performance.

6.1. The Tenant Improvements shall commence promptly following the Possession Date, and shall thereafter be diligently executed to completion, subject only to delays for reasons beyond Tenant's control (except financial matters). All Tenant Improvements shall conform with the Working Drawings approved by Landlord in writing, and Landlord may periodically inspect the Tenant Improvements for such compliance. The Tenant Improvements shall be coordinated under Landlord's direction with other work being done or to be performed for or by other tenants in the building so that the Tenant Improvements will not interfere with or delay the completion of any other construction work in the building.

6.2. Tenant shall perform the Tenant Improvements in a thoroughly safe, first-class and professional manner in conformity with the approved Preliminary Plan and Working Drawings, and shall be in good and usable condition at the date of completion.

6.3. Tenant shall be required to obtain and pay for all necessary permits and/or fees with respect to the Tenant Improvements, copies of which shall be provided to Landlord prior to commencement of the Tenant Improvements.

6.4. Each contractor and subcontractor shall be required to obtain prior written approval from Landlord for any space outside the Premises within the building, which such contractor or subcontractor desires to use for storage, handling, and moving of his materials and

equipment, as well as for the location of any facilities or personnel. Nothing in the paragraph shall, however, give rise to any obligation on Landlord to provide such space.

6.5. The contractors and subcontractors shall be required to remove from the Premises and dispose of, at least once a week and more frequently as Landlord may direct, all debris and rubbish caused by or resulting from the construction. Upon completion of the Tenant Improvements, the contractors and subcontractors shall remove all surplus materials, debris and rubbish of whatever kind remaining within the building which has been brought in or created by the contractors and subcontractors in the performance of the Tenant Improvements. If any contractor or subcontractor shall neglect, refuse or fail to remove any such debris, rubbish, surplus material or temporary structures within two (2) days after notice to Tenant from Landlord with respect thereto, Landlord may cause the same to be removed by contract or otherwise as Landlord may determine expedient, and charge the cost thereof to Tenant as additional Rent under the Lease.

6.6. Tenant shall obtain utility service, including meter, from the utility company supplying service, unless Landlord elects to supply service and/or meters. Tenant shall obtain and furnish Landlord copies of all approvals with respect to electrical, water and telephone work as may be required by the respective company supplying the service.

6.7. Tenant shall, at its cost and expense construct, purchase, install and perform any and all work included within the Tenant Improvements so as to obtain any governmentally required certificate of occupancy and to occupy the Premises as soon as possible.

6.8. Copies of "as built" drawings shall be provided to Landlord no later than thirty (30) days after completion of the Tenant Improvements. Landlord will not disburse Tenant Improvement reimbursement until "as built" drawings have been provided.

6.9. Landlord shall not be responsible for any disturbance or deficiency created in the air conditioning or other mechanical, electrical or structural facilities within the building or Premises as a result of the Tenant Improvements. If such disturbances or deficiencies result, Tenant shall correct the same and restore the services to Landlord's reasonable satisfaction, within a reasonable time. Tenant shall use Landlord's approved HVAC Service provider for any and all installations and adjustments required to the Premises in the course of the Tenant Improvements. Tenant's mechanical system (heating, ventilating, and air conditioning) shall tie into the central EMCS (emergency management control system) and the type of keys to such system shall match those specified in the Building plans.

6.10. If performance of the Tenant Improvements shall require that additional services or facilities (e.g., common area cleaning services) be provided, Tenant shall pay Landlord's reasonable charges therefore.

6.11. Tenant's contractors shall comply with the rules of the building and Landlord's requirements respecting allowable construction hours and manner of handling materials, equipment and debris. Construction activities, delivery of materials, equipment and removal of debris must be arranged to avoid any inconvenience or annoyance to other occupants. The Tenant Improvements and all cleaning in the Premises must be controlled to prevent dirt, dust or other matter from infiltrating into adjacent Tenant or mechanical areas.

6.12. Landlord may impose reasonable additional requirements from time to time in order to ensure that the Tenant Improvements, and the construction thereof does not disturb or interfere with any other Tenants of the building, or their visitors, contractors or agents, nor interfere with the efficient, safe and secure operation of the building. Tenant's Contractor shall obtain a copy of, and comply at all times with, the then current contractor's rules and regulations for the Building.

7. Liens. Tenant shall keep the Premises, the building and surrounding areas free from any mechanic's, materialman's or similar liens or other such encumbrances in connection with the Tenant Improvements, and shall indemnify and hold Landlord harmless from and against any claims, liabilities, judgments, or costs (including attorneys' fees) arising in connection therewith. Tenant shall remove any such lien or encumbrance by bond or otherwise within thirty (30) days after written notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount paid shall be deemed additional rent under the Lease payable upon demand, without limitation as to other remedies available to Landlord under the Lease. Nothing contained herein shall authorize Tenant to do any act which shall subject Landlord's title to the building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the building or Premises arising in connection with the Tenant Improvements shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the building and Premises.

8. Certain Definitions. As used in this Work Letter, the following terms shall have the meanings provided in this Section.

8.1. Preliminary Plan. "Preliminary Plan" shall mean and refer to a plan, drawn to scale, showing: (i) demising walls, corridor doors, interior partition walls and interior doors (if any); (ii) any restrooms, kitchens, computer rooms, file rooms and other special purpose rooms, and any sinks or other plumbing facilities, or other special facilities or equipment; (iii) all utility connections; (iv) any communications system, indicating telephone and computer outlet location; (v) and other Lines (as defined in the Lease); and (vi) any other details or features required to reasonably delineate the Work to be performed.

8.2. Working Drawings. "Working Drawings" shall mean and refer to fully dimensioned architectural construction drawings and specifications, and any required engineering drawings (including mechanical, electrical, plumbing, air-conditioning, ventilation and heating), and shall include any applicable items described above for the Preliminary Plan, and if applicable: (i) electrical outlet locations, circuits and anticipated usage therefore; (ii) reflected ceiling plan, including lighting, switching, and any special ceiling specifications; (iii) duct locations for heating, ventilating and air-conditioning equipment; (iv) dimensions of all equipment and cabinets to be built in; (v) location of all Lines (as defined in the Lease); (vi) location of any equipment or systems (with brand names wherever possible) which require special consideration relative to air-conditioning, ventilation, electrical, plumbing, structural, fire protection, life-fire-safety system, or mechanical systems; (vii) weight and location of heavy equipment, and anticipated loads for special usage rooms; and

(viii) any other details or features required to completely delineate the Work to be performed.

9. Incorporation into Lease; Defaults.

9.1. Incorporation. The Parties agree that the provisions of this Work Letter are hereby incorporated by this reference into the Lease fully as though set forth therein. In the event of any express inconsistencies between the Lease and this Work Letter, the latter shall govern and control.

9.2. Defaults. If Tenant shall default under this Work Letter, Landlord may order that all Tenant Improvements being performed in the Premises be stopped immediately, and that no further deliveries to the Premises be made, until such default is cured, without limitation as to Landlord's other remedies. Any amounts payable by Tenant to Landlord hereunder shall be paid as additional rent under the Lease. Any default by the other party hereunder shall constitute a default under the Lease and shall be subject to the remedies and other provisions applicable thereto under the Lease. If Tenant shall default under the Lease or this Work Letter and fail to cure the same within the time permitted for cure under the Lease, at Landlord's option, all amounts paid or incurred by Landlord towards the Tenant Improvement Allowance shall become immediately due and payable as additional Rent under the Lease.

10. Tenant Reimbursement. Landlord shall contribute a Tenant Improvement Allowance of up to ONE HUNDRED THIRTY-SEVEN THOUSAND THREE HUNDRED TWENTY-FIVE AND 00/100 DOLLARS (\$137,325.00) (the "Tenant Improvement Allowance") towards Tenant's hard and soft costs and expenses incurred by Tenant in designing, permitting, and constructing the Tenant Improvements. Landlord shall reimburse Tenant within ten (10) business days after Tenant has submitted to Landlord: (i) an invoice for the Tenant Improvement Allowance; (ii) the required "as-built" drawings, including mechanical, plumbing and electrical details; (iii) a certificate from Tenant's architect or contractor setting forth the description of the work performed, materials furnished, and costs thereof incurred by or on behalf of Tenant; and (iv) proper and approved Statements of Intent to Pay Prevailing Wages and Affidavits of Wages Paid have been provided and approved by the Port in accordance with Section 8.4 of the Lease. Tenant must request reimbursement within thirty (30) days of the substantial completion of the Tenant Improvements provided by the Tenant, but not later than December 15, 2018. Landlord's obligation to pay the Tenant Improvement Allowance is expressly conditioned upon the Tenant's timely request for such Tenant Improvement Allowance and submission of all documentation required to make such request for the Tenant Improvement Allowance. Any unused/unclaimed portion of the Tenant Improvement Allowance shall be forfeited and not otherwise payable to Tenant.