



COMMISSION REGULAR MEETING AGENDA

February 27, 2024

To be held virtually via MS Teams and in person at the Seattle-Tacoma International Airport – Conference Center, International Room, located at 17801 International Blvd, Seattle WA, Mezzanine Level. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and Conference ID 859 194 958#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

► 12:00 noon – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

4. SPECIAL ORDERS OF THE DAY

4a. Proclamation in Honor of Black History Month. (**proclamation distributed under separate cover**)

5. EXECUTIVE DIRECTOR'S REPORT

6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

During the regular order of business, those wishing to provide public comment (in accordance with the Commission's bylaws) on Commission agenda items or on topics related to the conduct of Port business will have the opportunity to:

1) Deliver public comment via email: All written comments received by email to commission-public-records@portseattle.org will be distributed to commissioners and attached to the approved minutes.

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and agenda item or topic related to the conduct of Port business you wish to speak to by 9:00 a.m. PT on Tuesday, February 27, 2024. (**Please be advised that public comment is limited to agenda items and topics related to the conduct of Port business only.**) You will then be provided with instructions and a link to join the Teams meeting.

3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location: To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on agenda items and topics related to the conduct of Port business.

For additional information, please contact commission-public-records@portseattle.org.

8. CONSENT AGENDA (*consent agenda items are adopted by one motion without discussion*)

8a. Approval of Minutes of the Special Meetings of February 7 and February 8, 2024; and the Regular Meeting of February 13, 2024. (p.3)

8b. Commission Authorization for \$700,000 in Additional Funds to Support Costs Associated with the Current Approved Port of Seattle’s Lease and Occupancy of the SeaTac Office Center for Contract Payments Through the Remainder of the Current Lease Term. ([memo](#) and [lease](#) enclosed) (p.16)

8c. Commission Approval of the Port’s 2024 International Policy Agenda and Directing the Executive Director to Authorize Staff to Engage in Advocacy Efforts to Support Implementation of These Policy Priorities. ([memo](#) and [presentation](#) enclosed) (p.96)

10. NEW BUSINESS

10a. Order No. 2024-04: An Order Setting a Timeline for the Completion of the Assessment of Prior Sound Insulated Properties; Creating a Sound Insulation Repair and Replacement Pilot Program; and Setting Equity Guidelines for this Program. ([order](#) enclosed)

(p.107)

10b. Introduction of Resolution No. 3819: A Resolution Adopting the 2021 Editions of the International, Building, Mechanical, Fire, Energy Conservation and Fuel Gas Codes; the 2021 Edition of the Uniform Plumbing Code; and the Editorial Changes Made to the State Building Code by the Washington State Legislature; and Repealing Resolution No. 3783, as Amended. ([memo](#), [draft resolution](#), [presentation](#) enclosed)

(p.109)

11. PRESENTATIONS AND STAFF REPORTS

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

**APPROVED MINUTES
COMMISSION SPECIAL MEETING FEBRUARY 7, 2024**

The Port of Seattle Commission met in a special meeting Wednesday, February 7, 2024. The meeting was held at the Meydenbayer Center, Central Hall A, 11100 NE 6th Street, Bellevue, Washington. Commissioners Calkins, Cho, Felleman, Hasegawa, and Mohamed were present.

CALL to ORDER

Pursuant to RCW 42.30 and Article IV, Section 8, of the commission bylaws, the meeting convened at 7:30 a.m. for the purpose of presenting the 'State of the Port.'

This meeting was held on location only and no action was taken.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:30 a.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Ryan Calkins, Commission Secretary

Minutes approved: February 27, 2024.



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APPROVED MINUTES COMMISSION SPECIAL MEETING FEBRUARY 8, 2024

The Port of Seattle Commission met in a special meeting Thursday, February 8, 2024. The meeting was held at the Port of Seattle Headquarters Building, Conf Rm. 3CC01 and the Commission Chambers, located at: 2711 Alaskan Way, Seattle, Washington. Commissioners Calkins, Cho, Felleman, and Mohamed were present. Commissioner Hasegawa was absent and excused from the meeting.

CALL to ORDER

Pursuant to RCW 42.30 and Article IV, Section 8, of the commission bylaws, the meeting convened at 8:30 a.m. for the purpose of holding a planning and organizing retreat.

Summary and Themes:

Pre-retreat main topics discussed:

- NWSA relationship and processes;
- transportation;
- workforce development; and
- Government to Government partnerships and funding processes.

The Port needs to continue to evaluate and address issues surrounding capacity and efficiency.

Commissioner retreat requests and staff action items:

- General Request(s)
 - Reorganize Executive Director priorities to reflect how they connect to the Century Agenda.
- External Relations Requests:
 - Determine the ability to combine/integrate the SEA app with Delta, Alaska, and other apps for streamlining purposes. Chris Guizlo, Communications and Marketing Program Manager, will provide more information.
- Community Relations:
 - Request to create more flexibility to provide boat tours.
 - Community Engagement for K-12 students – Look to create or implement engagement with school districts for field trips that can expose youth to the maritime and other port industries. This action should extend to tribal governments to enhance engagement and outreach with tribal youth and introduce them to port related industries and workforce.
 - The Commission would like to see a Tribal engagement strategy.

- Request to bring back the port tour program.
- Maritime
 - Maritime capital delivery and development status reporting.
 - Request to break-out the NWSA and Port of Seattle priorities, funding, and key performance indicators to get a better understanding of where there are issues.
- Commission Office
 - Century Agenda evaluation - Request to develop a process to reevaluate the Century Agenda goals and objectives. Commission Chief of Staff Aaron Pritchard will develop a path forward and present it to Commissioners.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:47 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Ryan Calkins, Commission Secretary

Minutes approved: February 27, 2024.



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APPROVED MINUTES COMMISSION REGULAR MEETING

February 13, 2024

The Port of Seattle Commission met in a regular meeting Tuesday, February 13, 2024. The meeting was held at the Port of Seattle Headquarters Building, Commission Chambers, 2711 Alaskan Way, Seattle Washington, and virtually on Microsoft Teams. Commissioners Calkins, Cho, Felleman, and Mohamed were present. Commissioner Hasegawa was absent and excused from attendance.

1. CALL to ORDER

The meeting was convened at 10:31 a.m. by Commission Secretary Ryan Calkins.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss one item regarding collective bargaining negotiations, per RCW 42.30.140(4) and one item regarding national security per RCW 42.30.110(1)(a)(i) for approximately 60 minutes, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:05 p.m. Commission President Mohamed led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved as amended, with Agenda Item 8i removed from the Consent Agenda to be addressed separately and Agenda Item 10b removed and moved to the February 27, 2024, Commission meeting, without objection.

In favor: Calkins, Cho, Felleman, and Mohamed (4)

Opposed: (0)

4. SPECIAL ORDERS OF THE DAY

4a. Proclamation in Recognition of the 'Boldt Decision' Federal Landmark Ruling Affirming Tribal's Sovereignty Rights of Fishing in Washington State.

Request document(s) included a proclamation.

Presenter(s):

Chelsea Cannon Rodriguez, Airport Volunteers and Customer Accessibility Manager, Kiowa Tribe of Oklahoma

Digital recordings of the meeting proceedings and meeting materials are available online – www.portseattle.org.

Brian Newman, Facilities Project Manager, Waterfront Project Management, Haida and Tsimshian of Alaska
Marie Bell, Asset Management Analyst, Aviation Maintenance, Tlingit Tribe of Alaska
Tonisha Simmons, Financial Analyst, Aviation Finance & Budget, Aleut of Alaska
Roxanne Murphy, Senior Manager, Tribal Relations, Nooksack Tribe of Washington State

Clerk Hart read Item 4a into the record.

The order was read into the record by members of the Port's Native American Committee Employee Resource Group.

Members of the Commission spoke in support of the proclamation, remembering and honoring the anniversary of the Boldt decision and the actions taken to secure and reaffirming tribal sovereignty rights of fishing in Washington State.

**The motion, made by Commissioner Felleman carried by the following vote:
In favor: Calkins, Cho, Felleman, and Mohamed (4)
Opposed: (0)**

5. EXECUTIVE DIRECTOR'S REPORT

Executive Director Metruck previewed items on the day's agenda and made general and meeting-related announcements.

6. COMMITTEE REPORTS

Commission Strategic Advisor Erica Chung provided committee reports.

Highline Forum

The first Highline Forum meeting of the year was held January 24, 2024, with Commissioner Felleman chairing. The main focus of the meeting was review of the top issues from each of the nine Forum members' 2024 State Legislative Agendas, including Highline College, Highline School District, cities of Tukwila, SeaTac, Normandy Park, Federal Way, Des Moines, Burien, and the Port of Seattle. Common issues among the Forum members included: funding options; workforce development; support for funding behavioral health services and facilities; helping to facilitate the funding and recruitment of public safety professionals; legislation concerning aviation impacts on near-airport communities; funding and guidance on addressing the large influx of asylum seekers and immigrants; bills to enhance tourism and tourism promotion; and various capital budget requests. Members also received updates from Chipper Maney, Aviation Natural Resources Program Manager on Aviation Land Stewardship Plan and Tree Replacement Standards for Commission consideration in March 2024 and Aviation Managing Director Lyttle on December 2023 StART meeting focused on the start of the process for a new Part 150 noise study. Members further selected the Forum's Community Co-Chair for 2024 – Des Moines Councilmember Matt Mahoney.

Equity and Workforce Development Committee

On January 26, Commissioners Hasegawa and Calkins convened the Equity and Workforce Development Committee. There were two items for briefing and discussion: a review of the proposed Equity and Workforce Development Committee workplan for 2024 and a high-level preview from

Economic Development Division, the Office of Equity, Diversity, and Inclusion, and the Workforce Development team on what the teams will be working on in 2024.

7. PUBLIC COMMENT

- The following person spoke in support of Agenda Item 10a, the 2024 Economic Development Partnership Program and the benefits it has to the City of Bothell: Jeanie Ashe.
- The following people spoke in support of Agenda Item 10b, Order No. 2024-04 (removed from the agenda and scheduled for the February 27, 2024, meeting), regarding creating a sound insulation repair and replacement pilot program: Denise Utley (*written comments also submitted*); Traci Buxton, City of Des Moines Mayor; and JC Harris, City of Des Moines Councilmember.
- The following person spoke in opposition to Agenda Item 8i, 2024/25 Tourism Marketing Grant Program, stating that the program will increase airplane travel climate impacts: Elizabeth Burton (*written comments also submitted*).
- The following person spoke regarding the Commission's change to its bylaws applicable to public comment rules of participation: Alex Tsimerman.
- The following people spoke in support of Agenda Item 8g, the collective bargaining agreement for airport duty managers and spoke regarding pay equity: Matthew Fink, Nicole Grant, and Katie Garrow.
- In lieu of spoken comment, the following persons submitted written comments in support of Agenda Item 10a: James Henderson; Janet Quinn; Derek Speck; Kimberly Ellertson; Michelle Evans; Jen Davis Hayes; and Nicole Wiebe.
- In lieu of spoken comment, the following persons submitted written comments in support of Agenda Item 10b: Sharyn Parker and Senayet Negusse.

[Clerk's Note: All written comments are combined and attached here as Exhibit A.]

8. CONSENT AGENDA

[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]

8a. Approval of Minutes of the Regular Meeting of January 23, 2024.

8b. Approval of the Claims and Obligations for the Period January 1, 2024, through January 31, 2024, Including Accounts Payable Check Nos. 951695 through 952114 in the Amount of \$12,421,331.89 Accounts Payable ACH Nos. 062391 through 063490 in the Amount of \$62,451,681.93; Accounts Payable Wire Transfer Nos. 016216 through 016246 in the Amount of \$15,962,059.71; Payroll Check Nos. 210787 through 211164 in the Amount of \$107,636.72; and Payroll ACH Nos. 1174981 through 1179747 in the Amount of \$15,384,526.63 for a Fund Total of \$106,327,236.88.

Request document(s) included an agenda memorandum.

8c. Monthly Notification of Prior Executive Director Delegation Actions January 2024.

Request document(s) included an agenda memorandum.

8d. Commission Approval of International Travel Requests for Known Travel in the First Quarter of 2024.

Request document(s) included an agenda memorandum.

8e. Commission Adoption of the 2024 Local and Regional Government Policy Priorities.

Request document(s) included an agenda memorandum and presentation.

8f. Authorization for the Executive Director to Execute up to Three Indefinite Delivery, Indefinite Quantity Consultant Agreements for Services Related to Construction Testing and Special Inspection Services for Projects at the Seattle-Tacoma International Airport and Seaport Locations, with a Cumulated Total Amount Not-to-Exceed \$6,000,000.

Request document(s) included an agenda memorandum.

8g. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and PROTEC17, Representing Airport Duty Managers at the Port of Seattle Covering the Period from May 21, 2022, through May 20, 2025.

Request document(s) included an agenda memorandum and agreement.

8h. Authorization for the Executive Director to Approve Construction Costs in the Amount of \$4,500,000 for the T91 Domestic Waterline Renewal Project and to Use Port Crews to Perform the Work Over an Eight-Year Period, for a Total Project Cost of \$4,750,000. (CIP #C801243)

Request document(s) included an agenda memorandum and presentation.

~~**8i¹. Commission Authorization of the 2024/25 Tourism Marketing Grant Program and Authorization for the Executive Director to Approve Execution for All Related Contract Agreements for the 2024/25 Selected Tourism Marketing Support Program Recipients in an Amount Not-to-Exceed \$600,000.**~~

~~Request document(s) included an agenda memorandum and presentation.~~

8j. Authorization for the Executive Director to Take All Steps Necessary, Including the Execution of All Contracts, Including Public Works, Alternative Public Work Procedures in Accordance with RCW 39.10, Goods and Services Personal Services,

¹ Item 8i was removed from the Consent Agenda and addressed separately below.

Professional Services, Other Consulting Services, and Any Other Types of Contracts or Agreements to Complete the Automated Screening Lanes Checkpoint Conversion Project in the Amount of \$12,000,000, for a Total Estimated Project Cost of \$12,250,000. (CIP #C801420)

Request document(s) included an agenda memorandum.

The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, 8f, 8g, 8h, and 8j carried by the following vote:

In favor: Calkins, Cho, Felleman, and Mohamed (4)

Opposed: (0)

ITEMS REMOVED FROM THE CONSENT AGENDA

8i. Commission Authorization of the 2024/25 Tourism Marketing Grant Program and Authorization for the Executive Director to Approve Execution for All Related Contract Agreements for the 2024/25 Selected Tourism Marketing Support Program Recipients in an Amount Not-to-Exceed \$600,000.

Request document(s) included an agenda memorandum and presentation.

Presenter(s):

Nick Leonti, Director of Tourism Development

Commissioner Felleman inquired regarding the panel review process for grant awards and spoke regarding the Port considering external panel participants. He also spoke regarding diversity in contracting with respect to the grant award process and separately regarding environmental tourism and inquired how those resources are stewarded.

The motion, made by Commissioner Felleman carried by the following vote:

In favor: Calkins, Cho, Felleman, and Mohamed (4)

Opposed: (0)

10. NEW BUSINESS

10a. Authorization for the Executive Director to Execute Contract Agreements and to Implement the 2024 Economic Development Partnership Program with King County Cities in an Amount Not-to-Exceed \$900,000, Including Authorization for the Executive Director to Execute Contracts Using Unutilized Program Funding to Advance Regional Initiatives to Further Equitable and Small Business Recovery.

Requested document(s) included an agenda memorandum and presentation.

Presenter(s):

Dave McFadden, Managing Director, Economic Development Division

Annie Tran, Economic Development Manager, Economic Development Administration

Clerk Hart read Item 10a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- program background;
- data related to the previous grant cycle;
- cumulative small business assistance impacts;
- small business assistance initiatives;
- cumulative tourism impacts and tourism initiatives;
- buy local/placemaking impacts;
- return on investment;
- program insights;
- improving outcomes and focus; and
- the 2024 request to authorize the program for one year and providing more assistance to cities without economic development staff to support projects.

Discussion ensued regarding standardizing gathered quantitative metrics to evaluate program success.

The motion, made by Commissioner Cho, carried by the following vote:

In favor: Calkins, Cho, Felleman, and Mohamed (4)

Opposed: (0)

~~**10b². Order No. 2024-04: An Order Setting a Timeline for the Completion of the Assessment of Prior Sound Insulated Properties; Creating a Sound Insulation Repair and Replacement Pilot Program; and Setting Equity Guidelines for this Program.**~~

~~Request document(s) included an order.~~

10c. Authorization to Execute an Interlocal Agreement with the Puget Sound Partnership Enabling the Port to Receive State Funding to Support the Purchase of Equipment to Monitor Juvenile Salmonid Utilization of Duwamish River People's Park and Shoreline Habitat in the Amount of \$115,000.

Requested document(s) included an agenda memorandum, agreement, and presentation.

Presenter(s):

Sarah Ogier, Director, Maritime Environment and Sustainability

Jenn Stebbings, Environmental Programs Manager, Environmental Planning Permit and Compliance

Kathleen Hurley, Senior Environmental Program Manager, Environmental Planning Permit and Compliance

² Agenda Item 10b was removed from the agenda and moved to the February 27, 2024, Commission meeting.

Clerk Hart read Item 10c into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- importance of the Duwamish in the watershed;
- the Duwamish River People's Park and shoreline habitat;
- the request to execute an interlocal agreement with Puget Sound Partnership for funding to purchase a PIT array to monitor juvenile salmon use at the park; and
- scope and schedule of the project.

Discussion ensued regarding PIT tagging for wild fish.

The motion, made by Commissioner Felleman, carried by the following vote:

In favor: Calkins, Cho, Felleman, and Mohamed (4)

Opposed: (0)

10d. (Number Not Used.)

10e. Authorization for the Executive Director to Approve Additional Funding in the Amount of \$22,000,000 for Construction of the Terminal 91 Berth 6 and 8 Redevelopment and to Award and Execute a Contract with the Lowest Responsible Bidder, for a Total Estimated Project Cost of \$98,000,000. (CIP# C102475 and C801350).

Requested document(s) included an agenda memorandum and presentation.

Presenter(s):

Stephanie Jones Stebbins, Managing Director, Maritime Division
Kelli Goodwin, Senior Manager, Maritime Operations
Mark Longridge, Capital Project Manager V, Waterfront Project Management

Clerk Hart read Item 10e into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- Terminal 91 berths 6 and 8 impacts to budget;
- project location;
- project contribution to the community;
- construction bid summary;
- project schedule;
- remaining project risks; and
- the authorization request and next steps.

Discussion ensued regarding:

- overage in the costs of the project;
- predicting actual costs;

- considerable escalation in certain sectors of construction and market pricing;
- negligible difference between the lowest successful bidder and the next submitter's bid;
- reviewing the design/build contracting method utilized, which leans itself to escalation;
- de-risking projects as much as possible;
- investing in the heavy demand piers and the very positive spot on the waterfront;
- third-party review of cost estimates;
- improvements to the capital delivery as a process improvement;
- bid award and grant funding; and
- looking for grant funding for any ancillary components of the project that may not interfere with the bid delivery.

The motion, made by Commissioner Cho, carried by the following vote:

In favor: Calkins, Cho, Felleman, and Mohamed (4)

Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. 2024 International Policy Priorities Briefing.

Presentation document(s) included agenda memorandum and presentation.

Presenter(s):

Melissa Parks, Government Relations Policy Analyst, External Relations
Stephanie Meyn, Senior Environmental Program Manager, Aviation Environmental Programs
Group

Clerk Hart read Item 11a into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- creation of an international agenda;
- international engagement;
- 2024 international priorities identified; and
- adoption of the agenda at the next Commission meeting.

(Commissioner Calkins exited the meeting at 2:32 p.m.)

Discussion ensued regarding:

- Commissioner input into the agenda;
- attending international events with clear objectives; and
- the importance of establishing relationships in international conversations.

Members of the Commission thanked staff for their report.

11b. 2023 Internal Audit Annual Report.

Presentation document(s) included agenda memorandum and presentation.

Presenter(s):

Glenn Fernandes, Director, Internal Audit

Clerk Hart read Item 11b into the record.

Executive Director Metruck introduced the item and presenters.

Internal Audit Director, Glenn Fernandes, provided the 2023 annual audit report to the Members of the Commission. The report included an overview of the 2023 audit plan; audits completed in 2023; and 2024 audit strategy.

Discussion ensued regarding improvement on contract language.

Members of the Commission thanked staff for their report and public Audit Committee member, Sarah Holmstrom, for their work in 2023.

11c. 2023 Committee Review and 2024 Committee Work Plans Briefing.

Presentation document(s) included agenda memorandum and presentation.

Presenter(s):

Vy Nguyen, Commission Strategic Advisor, Commission Office
LeeAnne Schirato, Deputy Chief of Staff, Commission Office

Clerk Hart read Item 11c into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed accomplishments of 2023 committee workplans and workplans set for 2024.

Discussion ensued regarding utilizing the 2:2:1 briefing process for Commissioners for items that are only subjects of interest, as opposed to more policy or substantive committee discussion items; and separately, regarding distinguishing small business work from the Equity and Workforce Development Committee.

Members of the Commission thanked staff for their report.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Mohamed spoke regarding her earlier meeting with the FAA Administrator and Executive Director Metruck at which they showcased SEA projects and, elevated community concerns from the airport StART Committee.

Discussion ensued regarding the FAA reauthorization bill and status of the repair and replace sound program included therein.

Commissioner Cho wished everyone a happy Lunar New Year.

13. ADJOURNMENT

There was no further business and the meeting adjourned at 3:34 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Ryan Calkins, Commission Secretary

Minutes approved: February 27, 2024



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting February 27, 2024

DATE : February 2, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Kyra Lise, Director, Real Estate Development
Rick Duncan, Director, AV Business & Properties

SUBJECT: SeaTac Office Center (STOC) Changes in Port Lease and CAM Expenses

Amount of this request: \$700,000

Total Estimated Lease Costs: \$9,818,285

Previously authorized Lease Costs: \$9,118,285

Incremental Lease Costs Requested: \$ 700,000

ACTION REQUESTED

Request Commission authorization for \$700,000 in additional funds to support costs associated with the current approved Port of Seattle’s lease and occupancy of the SeaTac Office Center (AKA International Place). These funds have already been approved within the 2024 Budget and now require additional Commission authorization to increase the authorized funding for contract payments through the remainder of the current lease term.

EXECUTIVE SUMMARY

Since 2015, the Port of Seattle has leased approximated 47,000 sf of office space (non-contiguous) at SeaTac Office Center (AKA International Place) an office property opposite the SEA Terminal property currently owned by STOC OWNER, LLC. The office and related parking supply leased by the Port has supported various Aviation related capital projects, mainly for Airport Building Department, Aviation Project Management, Port Construction Services, Central Procurement Office, Engineering teams and Port contractors. This leased location allows the Port to provide a flexible, near-terminal accommodation for employees and contractors supporting AV project delivery, in particular IAF and related capital upgrade projects for the Terminal. The original lease term was for 5 years and included provisions for both rent on a per square foot basis as well as Common Area Maintenance (CAM) costs of which the Port was responsible for its pro-rata share.

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The Port has authorized rent and CAM expenditures at STOC over the years in various annual budgets and has also renewed and modified the original the lease terms under various amendments; currently under a 7th amendment to the original 2015 lease.

The funding requests for this lease previously authorized by Commission were based on historic estimations of annual increases in CAM expenses, modelled parking utilization based on historic parking usage, and leased space premises durations based on capital project schedules. Actual inflation impact on CAM expenses in recent years have exceeded historic averages and as a result actual annual pro-rata CAM expenses over recent years have exceeded the estimates in the previous Commission funding authorizations. In addition, actual parking utilization by Port users of this leased office space have exceeded initial estimates, and leased premises for some capital projects have been extended due to changes in project schedules – notably the IAF timeline. All these factors have contributed to the need to request an increase in total contract funding for this lease.

This request for \$700,000 is a one-time request to increase the total authorization for lease contract payments through the remaining term of the current lease. Without the additional \$700,000 funding increase, contractual lease payments will deplete the remaining authorized funding in March 2024 – well before the end of our existing lease terms which continue through August 31st of 2024.

JUSTIFICATION

This authorization request allows the Port to meet its existing obligations under the STOC office lease for CAM expenses, leased premises, and incremental parking utilization. Per the terms of the lease, CAM expenses are not capped but represented real costs of Port occupancy. Over the years of this lease, the Port pursued some time extensions in leased space within the building, as well as a modest increase in additional parking usage. This incremental funding authorization request will enable the Port to pay current lease obligations through the remaining term of the existing lease.

Diversity in Contracting

No new contracting opportunity applies to this request.

DETAILS

ALTERNATIVES AND IMPLICATIONS CONSIDERED

As this authorization deals with complying to the terms and conditions of an already executed contract, the STOC lease, there are no alternatives that will allow us to exit the lease obligations without legal and financial consequences to the Port. Section 3 of the lease broadly requires us to pay for our pro-rata share of the operating costs of the building; common area utilities and maintenance costs, insurance, janitorial expenses and so forth. Section 18 of the lease puts us in default of the lease contract if we do not pay according to its terms. We do not offer any

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alternative that would put us in default of the lease. If we were to continue non-payment, the STOC ownership not only could successfully pursue full payment of the current terms in a court of law, but the Port may also engender additional monetary damages to compensate the landlord.

Alternative 1 – Negotiate with the STOC building ownership for an extension of time to pay the lease.

Cost Implications: \$700,000

Pros:

- (1) Would provide the Port more time to socialize the obligation of lease payments among the departments who are obliged to pay for this lease expense.

Cons:

- (1) The Port intends to continue its occupancy of the STOC property past the current term provision under a new lease. Were we to delay payment, this might sour ongoing discussions of the Port’s new lease.
- (2) Property owners may still require immediate payment of the existing terms of the lease, even if building management were to agree to wait for payments, and could trigger additional costs due to default.
- (3) Delayed payment may further complicate accounting for payment internal to the Port and trigger a bad audit finding.

This is not the recommended alternative.

Alternative 2 – Authorize funds to meet the obligations due per the lease terms.

Cost Implications: \$700,000

Pros:

- (1) Allows us to meet our financial and contractual obligations per our existing lease.
- (2) Allows us to continue our relationship with STOC management in good order.

Cons:

- (1) There are no additional potential risks associated with this recommended alternative.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Authorization History

The total of all previous authorizations related to this existing STOC lease agreement is \$9,118,285.

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This includes the initial authorization in July 2015 of \$1,995,285 for a four-year lease agreement for International Arrivals Facility (IAF) Program Management office space, an additional authorization in November 2017 of \$6,829,000 to add additional space for the Capital Development Department (CDD) and Central Procurement Office (CPO) Major Works Department through August 2024, and an additional authorization of \$294,000 from the Executive Director in August 2023 to add supplemental parking stalls for the Employee Parking cost recovery program over one year.

PRIOR AUTHORIZATION HISTORY	
Initial Authorization – April 2015	\$1,995,285
Additional Authorization – November 2017	\$6,829,000
Additional Authorization – August 2023	\$294,000
Cumulative Authorizations	\$9,118,285

Authorization Request

Based on an analysis of remaining expense obligations anticipated through the August 31, 2024 end of this lease agreement, we are expected to require additional funding beyond the \$9,118,285 already authorized - by a minimum of \$673,717. To ensure that we will not require further authorization before the end of this lease period, we are requesting total additional one-time Commission authorization of \$700,000 to sufficiently cover this shortfall.

AUTHORIZATION REQUEST	
Previous Authorizations	\$9,118,285
Current Request for Authorization	\$700,000
Total Authorizations, Including this Request	\$9,818,285
Remaining Amount to be Authorized	\$0

The table below shows the key elements that contributed to this \$673,717 shortfall – the gap between the \$9,118,285 previously authorized and a \$9,792,002 minimum anticipated need.

SUMMARY OF VARIANCES (Cumulative through 2024)	
Cumulative Authorizations	\$9,118,285
Plus: Higher Operating & Common Area Maintenance Charges	\$388,834
Plus: Longer Duration of Rented Space for IAF	\$173,357
Plus: Supplemental Parking Spaces Used by Port Employees	\$92,484
Plus: Other Miscellaneous Costs	\$19,043
Minimum Anticipated Need through August 31, 2024	\$9,792,002
Plus: Additional Contingency Included in this \$700,000 Request	\$26,283
Total Authorizations, Including this Request	\$9,818,285

Meeting Date: February 27, 2024

The single largest contribution to this higher anticipated funding need is from Operating and Common Area Maintenance charges, which have increased faster than originally contemplated due to a much higher inflationary environment than initially estimated. The estimates from 2017 assumed a 2.0% annual growth rate for these charges, while several years included actual increases between 5% and 10% that have compounded over time.

The next largest contributor was a longer duration of space usage for the IAF Program Management, as the timeline for substantial completion of the project extended further than initially planned.

During the COVID-19 pandemic, there was also a greater demand for parking stalls that exceeded the quantity assigned in our lease agreement, resulting in supplemental parking charges incurred.

Annual Budget Status and Source of Funds

Approving this request will have no incremental impact to the 2024 Budget. All space rent, operating expense, common area maintenance expense, and parking expense have already been anticipated and captured in the 2024 Budget that was adopted in November 2023. This funding request is needed to allow contractual lease payments under the remaining lease term, with no additional expense in this year’s operating budget.

ATTACHMENTS TO THIS REQUEST

- (1) Lease (Fully Executed, dated 7-1-2015; this is the main body of the current lease agreement which currently has 7 amendments in it’s current form, however all lease issues referenced in this authorization are contained herein.)

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 1, 2023 – The Executive Director approved, under delegated authority, a \$294,000 amendment to the existing STOC lease agreement for the lease of additional parking stalls for employee parking through August 31, 2024

November 14, 2017 – The Commission authorized the Executive Director to approve a lease amendment for office space for two additional departments to move into the SeaTac Office Center (STOC) for \$6,829,000

October 24, 2017 – The Commission was briefed on a proposal to execute a lease amendment for office space for two additional departments to move into the SeaTac Office Center (STOC) for \$6,829,000

April 28, 2015 – The Commission was briefed on, and authorized, a request to execute a four-year lease agreement to provide office space for the IAF Program Management Group in the SeaTac Office Center (STOC) for \$1,995,285

**TRIPLE NET
LEASE AGREEMENT**

by and between

Port of Seattle, a municipal corporation (“Tenant”)

and

**SeaTac Venture 2010 LLC, a Delaware limited liability company
 (“Landlord”)**

May 6, 2015

**SeaTac Office Center
SeaTac, Washington**

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BASIC LEASE TERMS AND DESCRIPTION OF EXHIBITS

The following list is a summary of certain basic terms of this Lease. In case of a conflict between any provision of this Lease and the information contained in this summary, the applicable provision of this Lease shall control. Terms set forth in the left-hand column, below, and used in this Lease shall, unless otherwise defined in the Lease, have the meaning given opposite each such term in the right-hand column, below.

LANDLORD: SEATAC VENTURE 2010 LLC, a Delaware limited liability company

ADDRESS OF LANDLORD: c/o ScanlanKemperBard Companies
810 NW Marshall Street
Suite 300
Portland, OR 97209
Attn: Asset Manager
Telecopy: (503) 220-2648

TENANT: PORT OF SEATTLE, a municipal corporation of the State of Washington

TENANT'S NAICS CODE: _____

DOING BUSINESS AS: _____

ADDRESS OF TENANT: 17801 International Blvd, Rm 6012M
Seattle, WA 98168

Attn: _____
Fax: _____

CITY, COUNTY AND STATE: City of SeaTac, County of King, State of Washington, respectively

PREMISES: 21,003 rentable square feet of space known as Suite 400 of the Building located at 18000 International Blvd., SeaTac, Washington (the "Building"), as identified on the description and/or floor plans attached as Exhibit B.

LEASE TERM: Forty-eight (48) full calendar months plus any first partial calendar month

EFFECTIVE DATE: The date on which this Lease has been executed by both Landlord and Tenant, as indicated following the signature block for each.

PLAN APPROVAL DATE: April 13, 2015

COMMENCEMENT DATE: July 1, 2015, or as otherwise set forth in Section 1.3.1

EXPIRATION DATE: June 30, 2019, or as otherwise set forth in Section 1.3.1

LEASE YEAR: Each 12-month period beginning on the Commencement Date (the first Lease Year to also include any first partial calendar month) and on the first day following each Lease Year

BASE RENT: The following Base Rents:

Months	Monthly Amount	Annual Rate Per Rentable Square Foot
1 (plus any first partial month)-12	\$23,190.81	\$13.25
13-24	\$24,941.06	\$14.25
25-36	\$26,691.31	\$15.25
37-48	\$28,441.56	\$16.25

BUILDING SQUARE FOOTAGE: 209,904 RSF

PROJECT SQUARE FOOTAGE: 539,039 RSF

INITIAL PROPORTIONATE SHARE OF OPERATING EXPENSES: 10.01% of the Building and 3.90% of the multiple-building Project of which the Building is a part, subject to adjustment pursuant to Section 4.

PERMITTED USE: General office and project management administration.

SECURITY DEPOSIT: \$0.00

ALLOWANCE: \$252,036

PARKING: 84 unreserved spaces at the rates charged from time to time. See Exhibit G.

BROKERS: Kidder Matthews (representing Landlord)

EXHIBITS

Exhibit A	Legal Description of Land
Exhibit B	Premises
Exhibit C	Work Letter
Exhibit D	Rules and Regulations
Exhibit E	Acceptance Letter
Exhibit F	Standards for Utilities and Services
Exhibit G	Parking

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease" or this "Agreement") is made and entered into as of the Effective Date identified in the Basic Lease Terms preceding this Lease by and between the Tenant and Landlord also identified in the Basic Lease Terms.

1. Demise and Premises.

1.1 Demise. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, upon the terms and subject to the conditions set forth in this Lease, the Premises described in Section 1.2 within the Building, SUBJECT, HOWEVER, to any and all existing liens and encumbrances of record (the "Existing Encumbrances"), and the terms of this Lease. The Building is located upon a portion of the land legally described in Exhibit A (the "Land"). The Building is part of a multiple-building complex (the "Project").

1.2 Premises and Associated Rights. The premises leased to Tenant consist of the interior space in the Building having the square footage and location generally identified in the Basic Lease Terms preceding this Lease, as more particularly identified on the description and/or floor plans attached as Exhibit B (the "Premises"), excluding, however, the roof and exterior walls, if any, of such space. The Premises also include the appurtenant right to use, in common with others, the public portions of the Building, including public hallways and lobbies, elevators, parking facilities to the extent allocated to Tenant in the Basic Lease Terms, restrooms, sidewalks, ramps, landscape areas, and driveways. The Premises shall be improved by Landlord with the leasehold improvements described in and in accordance with the provisions of the Work Letter attached as Exhibit C.

1.3 Commencement and Expiration Dates. The term of this Lease shall be for the period of months designated in the Basic Lease Terms, and shall have the Commencement Date and Expiration Date designated in the Basic Lease Terms (the "Term"). If the Premises are for any reason not delivered by the Commencement Date set forth in the Basic Lease Terms, this Lease shall not be void or voidable, and Landlord shall not be liable or responsible for any claims, damages or liabilities in connection therewith or by reason thereof and the Term of this Lease shall be for the same term of months as set forth in the Basic Lease Terms, but the Commencement Date shall occur only at the time that the Premises are delivered in accordance with the terms and conditions set forth herein; provided, in the event delivery of possession is delayed by any act, omission or request of Tenant, then the Premises shall be deemed to have been delivered (and the Commencement Date shall occur) on the earlier of the actual date of delivery or the date delivery would have occurred absent the number of days of such delay attributable to Tenant and the Term shall then be for such number of full calendar months (plus any partial first month). If for any reason possession of the Premises is not delivered within one hundred eighty (180) days of scheduled Commencement Date set forth in the Basic Lease Terms, Landlord or Tenant may terminate this Lease by written notice given after such one hundred eighty (180) day period but prior to delivery of possession; provided, Tenant's right of termination shall not arise until such one hundred eighty (180) day period expires, as the same shall automatically be extended by (a) the number of days of delays attributable to Tenant (including but not limited to delays in approvals of plans or cost estimates, delays related to changes in plans requested by Tenant whether or not approved by Landlord, delays caused by Tenant installing any "Alterations," delays caused by

other early entry or early occupancy by Tenant, and/or other delays attributable to Tenant), plus (b) the number of days of delays caused by events of Force Majeure. Any such termination shall be without liability of Landlord. Any such termination by Tenant shall be Tenant's sole remedy for delay in delivery of possession. Tenant shall, upon Landlord's request, execute an acceptance letter in the form of Exhibit E. Except for Punchlist Items specified pursuant to the Work Letter, Tenant shall be deemed to have accepted the Premises in their then condition, as is. The existence of Punchlist Items shall not postpone the Commencement Date.

2. Rent. Tenant shall pay to Landlord rent consisting of a Base Rent, as set forth in this Section 2, and Additional Rent, as set forth in Section 3 (Base Rent and Additional Rent, along with all other sums that become payable by Tenant under this Lease, whether to Landlord directly, or to a third party for the benefit of Landlord and the Premises, are referred to herein as "Rent"). All Rent shall be paid in advance on the first day of each month unless otherwise provided herein. Notwithstanding any other provision hereof, Tenant shall pay to Landlord, with all Rent, any transaction, privilege or other tax now or hereafter imposed on any Rent due under this Lease. All Rent shall be paid in lawful money of the United States to Landlord at the address or at such place as Landlord shall designate by written notice to Tenant from time to time. Tenant shall pay all Rent promptly when due without notice or demand therefor and without any abatement, deduction or offset, for any reason whatsoever, except as may be expressly provided in this Lease. If the Tenant's obligation to pay Base Rent does not commence on the first day of a calendar month, or does not expire on the last day of the calendar month, the Base Rent payable by Tenant on the first fractional month, or the last fractional month, as the case may be, shall be prorated for said month. Base Rent for the first full calendar month of the Term for which Base Rent is payable shall be paid upon execution of this Lease, and Base Rent for any partial month at the beginning of the Term shall be due on the Commencement Date. Tenant acknowledges that Tenant's late payment of Rent due Landlord will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such cost being extremely difficult and impractical to ascertain. Therefore, if Landlord does not receive any Rent due from Tenant within five (5) days of when due, Tenant shall pay to Landlord an additional sum equal to five percent (5%) of the overdue amount, which late charge (a) shall be due and payable on demand, (b) constitutes liquidated damages for each delinquent payment under applicable law, and (c) the payment of late charges and the payment of interest are distinct and separate from one another in that the payment of interest is to compensate Landlord for the use of Landlord's money by Tenant, while the payment of late charges is to compensate Landlord for the additional administrative expenses incurred by Landlord in handling and processing delinquent payments. By their execution of this Lease, Landlord and Tenant confirm that such late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment, that the late charge is in addition to any and all remedies available to Landlord and that the assessment and/or collection of the late charge shall not be deemed a waiver by Landlord of such failure or to any other default under this Lease. Additionally, all such delinquent Rent, plus any late charge, shall bear interest at the rate of fourteen percent (14%) per annum, or, if lower, the maximum interest rate permitted by law (as applicable, the "Default Rate"), from the date due until paid. If any payment of Rent is returned for insufficient funds, Landlord may require Tenant to pay all future payments by cashier's check.

2.1 Base Rent. Subject to adjustment as provided in Section 2.1.1, the monthly Base Rent shall be the amount specified in the Basic Lease Terms preceding this Lease (the "Base Rent").

2.1.1 Rentable Square Footage Adjustment. The Base Rent specified in the summary of Basic Lease Terms preceding this Lease has been calculated based on the approximate rentable square feet contained within the Premises, as specified in the Basic Lease Terms, resulting in a monthly Base Rent per square foot represented by the total monthly Base Rent specified divided by the approximate number of square feet specified. Landlord may, from time to time, recalculate the rentable square feet contained within the Premises or the Building (including, without limitation, in connection with any expansion, contraction or reconfiguration of either) and, upon completion thereof, Landlord shall adjust the Base Rent hereunder based upon the actual rentable square footage of the Premises and the monthly rent per square foot represented by the Base Rent and approximate square footage set forth in the Basic Lease Terms, and shall notify Tenant in writing of any such adjustment stating therein the effective date of such adjustment. The rentable square footage of the Premises and the Building will be determined based on current BOMA measurement standards.

3. Additional Rent. Tenant, throughout the Term, shall be obligated to pay its Proportionate Share (as that term is defined in Section 4) of all Operating Expenses (as that term is defined in Section 3.1) actually incurred by Landlord. Tenant's Proportionate Share of Operating Expenses shall be Additional Rent.

3.1 Operating Expenses. The term "Operating Expenses" shall mean all expenses paid or incurred by Landlord or on Landlord's behalf as determined by Landlord to be necessary or appropriate for the operation, maintenance and repair of the Land and/or Building, including the common areas thereof, and the curbs, sidewalks and plazas adjoining the same, including without limitation:

3.1.1 Salaries, wages, medical, insurance, union and general welfare benefits, pension payments, payroll taxes, worker's compensation insurance, uniforms and related expenses and benefits of employees of Landlord engaged in the repair, operation, maintenance, management, engineering and security of the Land and/or Building;

3.1.2 All expenses incurred for gas, steam, electricity, heat, ventilation, air-conditioning, water, elevator service and other services or utilities furnished to the Building, together with any taxes thereon;

3.1.3 All maintenance costs relating to public and service areas of the Building and/or Land, including, but not limited to sidewalks, landscaping, parking, service areas, mechanical rooms, loading areas, and Building exteriors;

3.1.4 The cost of all insurance premiums and charges including but not limited to rent loss insurance, casualty, liability, fire with extended coverage endorsement, flood and fidelity insurance, and such other insurance with regard to the Land and/or Building and the maintenance and/or operation thereof as Landlord may elect to maintain;

3.1.5 The cost or rental of all supplies, including without limitation, cleaning supplies, light bulbs, tubes and ballasts, materials and equipment, and all taxes thereon;

3.1.6 The cost of hand tools and other moveable equipment used in the repair, maintenance or operation of the Building and Land;

3.1.7 The cost of all charges for window and other cleaning, janitorial and security services;

3.1.8 Charges of independent contractors performing repairs or services to the Land and/or Building not otherwise chargeable to a specific tenant;

3.1.9 Repairs, replacement (except as set forth in Section 3.2.7) and general maintenance made by Landlord including the cost to repair and restore casualty losses to the extent not covered by insurance proceeds received by Landlord;

3.1.10 All taxes and assessments and governmental charges, whether federal, state, county, or municipal, and whether by taxing districts or authorities presently taxing the Land and/or Building, or by others, whether subsequently created or otherwise, whether foreseen or unforeseen, and any other taxes and assessments attributable to the Land and/or Building, whether or not directly paid by Landlord, including local improvement district assessments, traffic or signalization improvement assessments, rent taxes, gross receipt taxes, business license taxes and fees for permits for the Building, and any other tax or charge, including income taxes and sales taxes, levied wholly or partly in lieu thereof and any increase in any tax, including income taxes and any imposition of any taxes such as a sales tax, if increased or imposed due to a reduction in property taxes, excepting only inheritance or estate taxes and state or federal income taxes computed on the basis of the net income of the owners of the Building;

3.1.11 Alterations and improvements to the Building made by reason of the laws and requirements of any public authorities or the requirements of insurance companies or the holders of any encumbrances against the land and/or Building;

3.1.12 Management fees paid to a third party, or, if no managing agent is employed by Landlord, a management fee which is not in excess of the then-prevailing rates for management fees of other first-class buildings devoted to similar uses in the City;

3.1.13 The costs of any capital improvements, replacements (except as set forth in Section 3.2.7) or repairs to the Building and/or of any machinery or equipment installed in the Building amortized over the useful life of the same as estimated by Landlord;

3.1.14 Legal, accounting and other professional fees incurred in connection with operation, maintenance and management of the Land and/or Building;

3.1.15 Rental and other amounts payable under any ground lease or master lease of the Land or Project.

3.1.16 The cost of air monitoring within the Building in order to detect and monitor the level of any hazardous materials within the air in the Building;

3.1.17 All other charges properly allocable to the operation, repair and maintenance of the Land and/or Building in accordance with generally accepted accounting principles; and

3.1.18 Reasonable reserves for payment of any of the expenses described in this Section.

3.2 Operating Expense Exclusions. Notwithstanding anything contained in the foregoing Section 3.1 the following expenses shall be excluded from Operating Expenses:

3.2.1 Depreciation or amortization on the initial construction of the Building;

3.2.2 Debt service (including without limitation, interest, principal and any impound payments) required to be made on any mortgage or deed of trust recorded with respect to the Building and/or Land;

3.2.3 The cost of leasehold improvements made for any tenants of the Building;

3.2.4 Leasing commissions, costs and disbursements and other expenses (including advertising) incurred in connection with leasing, renovating, or improving space for tenants or other occupants of the Building;

3.2.5 Repairs, replacements, supplies, alterations, janitorial services, and general maintenance paid for by insurance proceeds or by Tenant or other third parties;

3.2.6 Specific costs incurred for the account of, or separately billed to and paid by specific tenants of the Building; or

3.2.7 Replacement of the roof and structural components of the Building, and replacement of the parking lot.

3.3 Operating Expenses. The provisions for payment of Tenant's Proportionate Share of Operating Expenses are intended to pass on to Tenant, and reimburse Landlord for, all costs and expenses of the nature described in Section 3.1 incurred in connection with ownership and operating of the Building. In determining the amount of Operating Expenses for any Operating Year, if less than 100% of the rentable area in the Building shall have been occupied by tenants at any time during such year, Operating Expenses shall be deemed to be increased to an amount equal to the Operating Expenses that would be expected to be incurred had such occupancy been 100%.

3.4 Direct Tenant Obligations.

3.4.1 Business Taxes. Tenant shall be directly liable for, and shall pay as and when due throughout the Term, all license and excise fees and occupation taxes covering the business conducted on the Premises. If any governmental authority or unit under any present or future law effective at any time during the Term shall in any manner levy a tax on rents payable under this Lease or rents accruing from use of the Premises, or a tax in any form against Landlord because of, or measured by, income derived from the leasing or rental thereof, such tax shall be paid by Tenant, either directly or through Landlord, and Tenant's failure to do so shall constitute an Event of Default. Tenant shall not, however, be liable to pay any net income tax imposed on Landlord unless, and then only to the extent that, the net income tax is a substitute for real estate taxes. Tenant shall pay as and when first due any tax based upon or measured by this transaction

or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

3.4.2 Taxes on Tenant's Property. Tenant shall be liable for and shall pay at least ten (10) days before delinquency, taxes levied against any personal property or trade fixtures placed by Tenant in or about the Premises. If any such taxes on Tenant's personal property or trade fixtures are levied against the Premises, Landlord or Landlord's property, or if the assessed value of the Premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures, then Landlord shall have the right to pay the taxes based upon such increased assessments, regardless of the validity thereof, but only under proper protest if requested by Tenant in writing. If Landlord shall so pay such taxes, then Tenant shall, upon demand, repay to Landlord the taxes so levied and paid by Landlord, or the proportion of such taxes resulting from such increase in the assessment. In any such event, Tenant, shall have the right, at Tenant's sole cost and expense, in the name of Landlord and with Landlord's full cooperation, to bring suit in any court of competent jurisdiction to recover the amount of any such taxes so paid under protest, any amount so recovered to belong to Tenant.

3.4.3 Alterations. If the Alterations in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the real property taxes and assessments levied against Landlord or the Premises by reason of such excess assessed valuation shall be deemed to be property taxes and assessments levied against personal property of Tenant and shall be governed by the provisions of Section 3.4.2, above. If the records of the County assessor are available and sufficiently detailed to serve as a basis for determining whether said Alterations are assessed at a higher valuation than Landlord's "building standard", such records shall be binding on both Landlord and Tenant. If the records of the County assessor are not available or sufficiently detailed to serve as a basis for making said determination, the actual costs of construction shall be used.

4. Payment of Additional Rent.

4.1 Operating Year. As used in this Section 4 the term "Operating Year" shall mean each calendar year of the Lease Term specified in Section 1.3 and if this Lease begins or ends on any date other than the first day of the calendar year, the calculations, costs and payment referred to herein shall be prorated on a daily basis.

4.2 Tenant's Proportionate Share.

4.2.1 Defined. Tenant's Proportionate Share of Excess Operating Expenses shall equal the rentable square feet of the Leased Premises divided by the total rentable square feet from time to time of the Building. As of the date of this Lease Tenant's Proportionate Share is the percentage stated in the Basic Lease Terms preceding this Lease. Landlord may recalculate the rentable square feet contained within the Premises and/or the Building (including, without limitation, in connection with any expansion, contraction or reconfiguration of either) as provided in Section 2.1.1 above and, upon completion thereof, Landlord shall adjust Tenant's Proportionate

Share and shall notify Tenant in writing of any such adjustment stating therein the effective date of such adjustment.

4.2.2 Allocations. Unless Landlord otherwise elects, Tenant shall pay each Operating Expense in accordance with Tenant's Proportionate Share. Landlord shall have the right to make allocations ("Allocations") to Tenant of any one or more Operating Expenses on a different basis (including use of estimates) if Landlord has a reasonable basis to do so. For example, if Landlord deems it reasonable to do so, Landlord shall have the right to elect at any time and from time to time (a) to make Allocations of certain Operating Expense items among less than all lessees and/or other than based upon the respective square footages of the lessees, (b) to make different Allocations for different Operating Expenses, and/or (c) to alter an Allocation or the method of determining an Allocation from time to time.

4.2.3 Project Operating Expenses. At the election of Landlord from time to time, one or more Operating Expenses may be calculated, allocated and charged on a Project basis instead of separately for the Building.

4.3 Written Statement of Estimated Operating Expenses. As Landlord prepares written estimates of future Operating Expenses, Landlord will provide Tenant with a copy of such estimates, but Tenant acknowledges that such estimates are preliminary only, are only for Tenant's information, and cannot be relied upon by Tenant. At least ten (10) days prior to the commencement of each Operating Year during the Term of this Lease, Landlord shall furnish Tenant with a written statement setting forth Landlord's estimate of Tenant's Proportionate Share of the estimated Operating Expenses for the next Operating Year. Failure of Landlord to deliver the statement of estimated Operating Expenses shall not relieve Tenant of its obligation to pay Tenant's Proportionate Share of Operating Expenses. Tenant shall each month pay to Landlord as Additional Rent commencing on January 1 of each Operating Year an amount equal to one-twelfth of the amount of Tenant's Proportionate Share of estimated Operating Expenses for that year as shown in Landlord's written statement.

4.4 Final Written Statement. Within ninety (90) days after the close of each Operating Year during the Term, or as soon thereafter as available, Landlord shall deliver to Tenant a written statement (the "Operating Statement") setting forth Tenant's actual Proportionate Share of the Operating Expenses for the preceding Operating Year. If Tenant's Proportionate Share of the actual Operating Expenses is in excess of the amount billed to Tenant for the prior year, Tenant shall pay the amount of such excess to Landlord as Additional Rent within thirty (30) days following the date of such statement. If Tenant's Proportionate Share of actual Operating Expenses is less than the amount billed to Tenant for estimated Operating Expenses, then Landlord shall apply the overpayment to Tenant's next Operating Expense payment(s), as and when due. In no event shall Landlord be liable for damages to Tenant based upon any incorrect or disputed Operating Expense or Allocation nor shall Tenant have any right to terminate this Lease by reason of any incorrect or disputed Operating Expense or Allocation. The sole remedy of Tenant regarding any Operating Expense or Allocation dispute shall be refund of any charge which exceeds the amount allowed by this Lease. Tenant may review Landlord's books and records regarding Operating Expenses for a year if Tenant requests such review by written notice given within 30 days of receipt of the Operating Statement for such year. Such books and records shall be kept strictly confidential; Tenant may review the same and may cause the same to be reviewed

by the CPA employed by Tenant to prepare its tax returns (who shall first agree in writing to maintain the confidentiality of the books and records) but Tenant shall not otherwise disclose the contents of Landlord's books and records. Any dispute regarding an Operating Expense must be commenced by written notice specifying the disputed item given within sixty (60) days of receipt of the first Operating Statement which includes the disputed amount; otherwise such dispute is waived by Tenant. Any such dispute shall be determined, at the election of Landlord, by an independent CPA or property manager at the expense of Tenant.

4.5 Payment Following Lease Expiration. If an Operating Year ends after the expiration or termination of this Lease, Tenant shall pay the Additional Rent in respect thereof payable under this Section within ten (10) days of Tenant's receipt of the Operating Statement for such Operating Year.

5. Use.

5.1 General.

5.1.1 Tenant shall use and occupy the Premises continuously during the Term of this Lease for uses specified in the Basic Lease Terms preceding this Lease and for no other use or purpose whatsoever.

5.1.2 If any governmental license or permit, other than a Certificate of Occupancy, shall be required for the proper and lawful conduct of Tenant's business in the Premises, Tenant, at its expense, shall procure, maintain and comply with the terms and conditions of each such license or permit. Tenant shall, at Tenant's expense, comply with all laws and requirements of public authorities relating to Tenant's use and occupancy of the Premises and shall observe the Rules and Regulations as may be adopted pursuant to Section 5.4 hereof of which Landlord notifies Tenant from time to time for the safety and general order of the Premises, Building or Project.

5.1.3 Tenant shall observe and comply with all legal requirements which apply to the Premises or the use or occupancy thereof by Tenant, including but not limited to the obligation to alter, maintain, repair, improve or restore the Premises, and all parts thereof structural and otherwise, in compliance and conformity with all legal requirements. Tenant acknowledges that Tenant may be required by the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 et seq. or comparable State law (and related statutes and regulations) to make improvements to the Premises to facilitate access and use of the Premises by Tenant's employees and others in connection with Tenant's improvement, alteration and use of the Premises, and all costs associated with such compliance shall be borne exclusively by Tenant. Notwithstanding the foregoing, Landlord reserves the right to perform any such alteration to the Premises (or other portion of the Building or Project necessary for compliance with legal requirements if such work is required due to any act, omission, use or other matter attributable to Tenant), and Tenant shall reimburse Landlord for all costs of such work within ten (10) days of written request.

5.1.4 Sustainability.

(a) Sustainability Plan. Landlord reserves the right to adopt and to modify, from time to time, a plan and/or programs and rules to reduce energy consumption and/or

carbon emissions, to obtain and maintain one or more sustainability certifications, to promote indoor air quality, and/or to operate the Project in a sustainable or more sustainable manner. Such plans, programs and rules as are in effect from time to time are collectively referred to as the "Sustainability Plan."

(b) Compliance. Tenant agrees to comply with, and to cause its employees, agents, contractors and invitees to comply with, the Sustainability Plan. Tenant agrees and acknowledges that such compliance will include compliance with all components of the Sustainability Plan, including but not limited to those related to energy conservation and recycling, the manner in which Tenant does any maintenance, repair, alteration, restoration, improvement or removal work in the Premises, and the types of materials used in any such work. Tenant agrees to comply with all legal requirements related to energy conservation and/or sustainability including those related to indoor air quality and carbon emissions.

(c) Operating Expenses. The parties agree that Operating Expenses shall include costs to implement the Sustainability Plan (any capital costs shall be amortized, without interest, over the useful life of each capital item), and any carbon emission tax, and any fee or tax based upon carbon emissions or energy efficiency or usage.

(d) Reporting. Tenant shall provide such information as is required by the Sustainability Plan including but not limited to information requested by Landlord for governmental reporting or to obtain or maintain any certifications desired by Landlord.

5.2 Negative Covenants as to Use. Tenant shall not, without the prior written consent of Landlord, use any apparatus, machinery or device in or about the Premises that will cause any substantial noise, vibration, fumes or electronic interference. Tenant shall not at any time use or occupy, or suffer or permit anyone to use or occupy the Premises, or permit anything to be done in the Premises, in any manner that: (a) violates the Certificate of Occupancy for the Premises or for the Building, or provisions of zoning laws or ordinances, or use permits, applicable to the Building; (b) causes injury to the Premises or the Building or any equipment, facilities or systems therein; (c) constitutes a violation of the laws or requirements of any public authorities or the requirements of insurance bodies, or the requirements of any restrictive covenants of record; (d) involves gambling in any form, or the use of lottery, gaming or arcade devices, (e) involves the sale, rental or viewing of pornographic, obscene or "adult materials," or involves adult entertainment of any kind, (f) otherwise impairs the character, reputation or appearance of the Building as a first-class office building; (g) impairs the proper and economic maintenance, operation and repair of the Building and/or its equipment, facilities or systems; or (h) annoys or inconveniences other tenants or occupants of the Building.

5.3 Hazardous Substances.

5.3.1 Tenant Shall Not Permit Hazardous Substances Upon the Premises. Tenant will not cause or permit any Hazardous Substances to be brought upon, kept, stored, discharged, released or used in, under or about any portion of the Building or Project by Tenant or its agents without the prior written consent of Landlord, which consent may be withheld or conditioned in Landlord's sole discretion; provided, Tenant may bring into the Premises small amounts of Hazardous Substances (such as cleaning products and copy toner) which are readily available to

Tenant by unregulated retail purchase if the same are necessary in Tenant's normal office operations and are of the type and amount customarily kept in office suites by office use tenants. If Tenant brings any Hazardous Substances to the Premises or Building, with or without the prior written consent of Landlord (without waiver of the requirement of prior written consent), Tenant shall: (1) use such Hazardous Substance only as is reasonably necessary to Tenant's business, in small, properly labeled quantities; (2) handle, use, keep, store, and dispose of such Hazardous Substance using the highest accepted industry standards and in compliance with all applicable Laws and shall not allow any release, spill or disposal of the same at the Premises or Building; (3) maintain at all times with Landlord a copy of the most current MSDS sheet for each such Hazardous Substance; and (4) comply with such other rules and requirements Landlord may from time to time impose. Upon expiration or earlier termination of this Lease, Tenant will, at Tenant's sole cost and expense, cause all Hazardous Substances brought to the Premises or the Building by Tenant, its agents, contractors, employees, suppliers, licensees or invitees, to be removed from the Building in compliance with any and all applicable laws.

5.3.2 Notification. Tenant shall immediately notify Landlord should Tenant (a) become aware of the existence of any Hazardous Substance on the Premises or the Building, (b) receive any notice of, or become aware of, any actual or alleged violation with respect to the Premises or Building of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances, or (c) become aware of any lien or action with respect to any of the foregoing. Tenant shall deliver to Landlord, promptly upon receipt, (i) copies of any documents received from the United States Environmental Protection Agency ("EPA") and/or any state, county, or municipal environmental or health agency concerning Tenant's ownership, use, or operations upon or in connection with the Premises; and (ii) copies of any documents submitted by Tenant to the EPA and/or any state, county, or municipal environmental or health agency concerning the Premises.

5.3.3 Inspection and Remedial Action. Landlord is hereby authorized to enter the Premises at reasonable times, and after reasonable notice, for the purpose of inspecting the Premises, to ascertain Tenant's compliance with all covenants made in this Section. Upon Landlord's written request (a) Tenant, through professional engineers approved by Landlord and at Tenant's cost, shall thoroughly investigate suspected Hazardous Substances contamination of the Premises occurring after the Commencement Date, or of the Building, Land or Project and caused by a breach of Tenant's covenant at Section 5.3.1, and (b) Tenant shall forthwith take such remedial action with respect to any such contamination as may be necessary to entirely remove and clean up all such Hazardous Substances present on the Premises or in the groundwater of the Premises, Building, Land or Project. Tenant's obligations under this Section shall arise upon Landlord's demand as provided herein, regardless of whether the EPA or any other federal, state, or local agency or governmental authority has taken or threatened any action in connection with the presence of any Hazardous Substance on, or release of any Hazardous Substance from, the Premises, Building, Land or Project. Notwithstanding any provisions to the contrary in this Lease, Tenant shall indemnify and hold free and harmless the Landlord and each of Landlord's direct or indirect members, representatives, affiliates, employees, and agents for, from, against and regarding any claims, losses, expenses or damages, suits or procedures arising from or attributable to action, refusal, negligence or failure on the part of the Tenant to comply with laws, rules and regulations applicable to Hazardous Substances. If Tenant shall fail promptly to discharge its obligations under this Section, Landlord may, at its election, but without the obligation to do so,

cause such investigation to be made or remedial action to be taken and/or take any and all other actions that Landlord may deem necessary or advisable to protect its interests or to avoid or minimize its liability for the existence of Hazardous Substances on the Premises, the Building, the Land or the Project, or for a release thereof from the Premises, the Building, Land or Project. All amounts expended by Landlord under this Section shall be payable by Tenant to Landlord upon demand.

5.3.4 Definition of Hazardous Substance(s). The term "Hazardous Substance" shall mean:

- (a) "Hazardous substances", as defined by 40 CFR Part 302;
- (b) "Extremely hazardous substance", as defined by 40 CFR Part 355;
- (c) "Toxic chemicals", as defined by 40 CFR Part 372;
- (d) "Hazardous substance" or "hazardous waste" as defined by 29 CFR § 1910.120;
- (e) "Hazardous Waste" as defined by applicable administrative rules;
- (f) Petroleum, including crude oil and any fraction thereof;
- (g) Any material that contains more than 1% of asbestos; and
- (h) Any other chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, petroleum and petroleum products, asbestos, asbestos containing materials, radon, polychlorinated biphenyls (PCBs) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any environmental law based upon, directly or indirectly, such properties or effects.
- (i) "Hazardous Materials" or "Contaminants", as such terms are defined under any Environmental Law, and shall be deemed to include any material that, owing to its properties, presents a real and potential danger to the environment or to the health of the users of the Premises or the Project.

5.3.5 Definition of Environmental Laws. The term "Environmental Laws" shall mean any and all federal, or municipal legislative and regulatory provisions of an environmental nature, including, in all cases, any judgments, orders, notices, notices of infraction or non-compliance, decrees, codes, rules, directives, policies, guidelines and guides, authorizations, authorization certificates, approvals, permissions and permits issued by any competent authorities, the whole as they may have been amended from time to time.

5.3.6 Compliance. Tenant hereby acknowledges that asbestos-containing materials may have been used in the construction of the Building and that Landlord may abate those materials in various areas throughout the Building. Tenant further acknowledges that those materials may remain at certain locations in the Premises and Building, and Tenant will comply with Landlord's requirements regarding precautions and actions to be taken in respect to those materials; those precautions include, but are not limited to, notifying Landlord within a reasonable time frame before any above ceiling and/or structural work done in to be done within or adjacent to the Premises.

5.3.7 Survival. Tenant's covenants set forth in this Section 5.3 shall survive the termination of the Lease or any transfer by Tenant, by assignment or otherwise, of any or all right, title, or interest of Tenant in the Premises.

5.4 Rules and Regulations. Tenant and its employees and agents shall faithfully observe and comply with, and Tenant shall cause its invitees and licensees to observe and comply with, the rules and regulations attached as Exhibit D and with such changes therein as Landlord may from time to time make and of which Landlord has notified Tenant (the "Rules and Regulations"). Landlord shall not be liable to Tenant for violation of the Rules and Regulations by any other tenant or such other tenant's employees, agents, invitees or licensees.

5.5 Parking. Tenant shall be entitled to the use of up to the number of parking spaces set forth in the Basic Lease Terms. Landlord shall not be liable to Tenant nor shall this Lease be affected if such parking privileges are impaired by reason of any moratorium, initiative, referendum, statute, regulation, or other governmental decrees or action which could in any manner prevent or limit the parking rights of Tenant hereunder. Tenant understands a separate parking contract may be required for persons parking in the parking garage and that such a contract may include restrictions related to parking. The current parking rates are set forth in the Basic Lease Terms; Landlord has the right to revise parking rates from time to time. Tenant shall comply with the additional parking provisions set forth in Exhibit G.

6. Condition of Premises, Maintenance and Repair.

6.1 Tenant's Acceptance. By taking possession of the Premises on the Commencement Date, Tenant shall be deemed to have accepted the Premises AS IS, and as being in good, sanitary and working order, condition, and repair.

6.2 Tenant's Maintenance and Repair Obligations. Tenant, at its expense, shall be responsible for maintaining and repairing the Premises, the fixtures and improvements in the Premises, and Tenant's Property (defined at Section 9.2), except for the maintenance and repair of structural elements of the Building included in the Premises, and the lighting, plumbing, mechanical, and electrical systems and networks serving the Premises, which shall be maintained and repaired by Landlord pursuant to Section 6.5. However, notwithstanding any provision of this Lease, if the Premises includes one or more server rooms served by separate HVAC equipment, then Tenant shall maintain, repair and replace all HVAC equipment serving Tenant's server room(s). Tenant, at its expense, shall promptly replace all scratched, damaged or broken doors and glass in and about the Premises and shall be responsible for all repairs, maintenance and replacement of millwork, cabinets, wall and floor coverings in the Premises. Tenant shall be

responsible for all repairs and alterations, interior and exterior, structural and non-structural, ordinary and extraordinary, in and to the Premises and the Building and the facilities and systems thereof, the need for which arises out of the performance or existence of Alterations (defined at Section 7.1); the installation, use or operation of Tenant's Property in the Premises; the moving of Tenant's Property in or out of the Building; laws or regulations now or hereafter in effect which require changes to the Premises and any related changes elsewhere at the Land or Building (and any changes elsewhere at the Land or Building if due to the use of the Premises by Tenant or any legal requirement applicable to Tenant); or the act, omission, misuse or neglect of Tenant or any of its subtenants or its or their employees, agents, contractors or invitees. Tenant shall promptly report to Landlord any damage or injury occurring on or to the Premises or the Building.

6.3 Manner. Tenant shall promptly make, at Tenant's expense, all repairs in or to the Premises and the Building for which Tenant is responsible. Such work shall be performed only by contractors approved by Landlord. Any such repairs in or to the Building and the facilities and systems thereof for which Tenant is responsible may, at Landlord's election be performed by Landlord at Tenant's expense, and Landlord may, at its option before commencing any such work or at any time thereafter, require Tenant to furnish to Landlord such security, bond or surety in a form and amount as Landlord shall reasonably deem necessary to assure the payment for such work by Tenant.

6.4 Janitorial Services. Landlord shall provide routine janitorial services to the Building and the Premises of a standard that is substantially equivalent to the services provided in similar buildings in the City, and in accordance with the Standards for Utilities and Services attached as Exhibit F. Such services shall be provided at Landlord's cost and expense, but such cost and expense shall be an Operating Expense.

6.5 Landlord's Maintenance and Repair Obligations. Landlord shall maintain, and cause to be made all structural repairs to, the roof, walls and foundations of the Building as and when needed in or about the Premises, and the lighting, plumbing, HVAC, mechanical, and electrical systems or network serving the Premises and other parts of the Building, as and when needed and, subject to the exclusions and limits therein, the cost thereof shall be an item of Operating Expenses as defined in (and limited by) Section 3.1 hereof, except for those repairs for which Tenant is responsible pursuant to any of the provisions of this Lease.

6.6 Waiver. Landlord shall have no liability to Tenant, nor shall Tenant's covenants and obligations under this Lease be reduced or abated in any manner whatsoever, by reason of any inconvenience, annoyance, interruption of or injury to Tenant's business arising from Landlord's making any repairs or changes that Landlord is required or permitted by this Lease or required by law to make in or to any portion of the Project, the Building or the Premises, or in or to the fixtures, equipment or appurtenances of the Project, the Building or the Premises. Landlord shall have no liability to Tenant nor shall Tenant's covenants and obligations under this Lease be reduced or abated in any manner whatsoever, by reason of any act or failure to act of any security personnel or mechanism used at the Project, or by reason of any lack of security in the Project. To the fullest extent permitted by applicable law, Tenant hereby waives any and all rights under any law in existence during the Term that is inconsistent with the provisions of this Section 6.6 including, without limitation, any right arising under any law purporting to authorize a tenant to make repairs at the expense of a landlord or to terminate a lease.

6.7 End of Term. Upon termination of this Lease for any reason whatsoever Tenant will peacefully surrender to Landlord the entire Premises, together, subject to the provisions of Section 7.5, with all improvements, changes, alterations and replacements thereto, in good order, condition and repair, but in any event with all windows, walls, floors, and carpets cleaned, all equipment in good working order, and the Premises restored to their original condition as of the Commencement Date, ordinary wear and tear excepted. Upon such termination, Tenant shall have the right to remove Tenant's Property, as provided at Section 9.2.

7. Alterations.

7.1 Landlord's Consent. Tenant shall make no alterations, additions, or improvements in or to the Premises (herein, "Alterations") without Landlord's prior written consent, to be granted or withheld pursuant to Sections 7.2 and 7.3 below, and, if such consent is granted, then only contractors or mechanics that are approved by Landlord shall effect such Alterations.

7.2 Procedure for Approval. If Tenant wishes to make any Alterations to the Premises that either (a) are of a structural nature, or (b) involve a cost greater than \$2,500.00, or (c) involve the roof, foundation, exterior walls or interior load-bearing walls of the Building (collectively, "Major Work"), Tenant shall submit to Landlord, for Landlord's written approval, a written description of the Major Work that Tenant proposes to perform together with detailed plans and specifications for such Major Work. If Tenant wishes to make any alterations, additions, or improvements to the Premises that do not constitute Major Work, Tenant shall submit to Landlord, for Landlord's written approval, a written description of such work. Reference herein to "structural work" or "work of a structural nature" shall have the meaning that such terms normally connote in the construction industry. By way of example, alteration of interior non-load bearing walls and partitions, alteration of ceilings, installation of wall coverings, painting, installation of rugs, and similar work shall not be deemed to constitute structural work; alteration to any exterior wall, load bearing wall, roof, plumbing system, heating, ventilation, and air conditioning system or similar work shall be deemed to be of a structural nature.

7.3 Standard for Approval. Landlord's approval of proposed work shall not be unreasonably withheld or delayed if such work (a) does not adversely affect, in Landlord's judgment, the appearance of the Premises and/or Building or the value of the Premises and/or Building, (b) does not adversely affect, in Landlord's judgment, Landlord's ability to release the Premises, (c) does not affect the structural integrity of the Building or its systems, (d) conforms to the requirements of all building codes and any other applicable laws and regulations, and (e) can be performed and completed without disrupting the business or operation of the Building or of any other tenant of the Building. Tenant's failure to obtain Landlord's prior written consent to any proposed work shall constitute an Event of Default hereunder.

7.4 Compliance with Laws. All work done by Tenant shall be performed in full compliance with all laws, rules, orders and ordinances. Without limiting the generality of the foregoing: (a) Tenant, at its expense, shall obtain all necessary governmental permits and certificates for the commencement and prosecution of Alterations and for final approval thereof upon completion, and shall cause the Alterations work to be performed in compliance with all such permits and certificates, applicable laws and requirements of public authorities and with all applicable requirements of insurance, and (b) Tenant shall be responsible for assuring that the

Premises complies with any and all requirements of the Americans with Disabilities Act and any other Federal, State or local governmental agency requirements relating to Tenant's specific use of the Premises or Tenant's business operation. Landlord's approval or consent to any proposed work shall not be deemed a waiver of, or an opinion respecting, the compliance of the proposed work with the requirements of this Section 7.4.

7.5 Title to Alterations. All Alterations upon the Premises, including (without limiting the generality of the foregoing) all wall covering, built-in cabinet work, paneling, and the like shall, unless Landlord elects otherwise in writing, become the property of Landlord, and shall remain upon and be surrendered with the Premises as a part thereof at expiration or earlier termination of this Lease, except that Landlord may, by written notice to Tenant, require Tenant, at Tenant's cost, (a) to remove any or all Alterations, and (b) to repair all damage resulting from such removal. If Tenant fails to perform the foregoing, Tenant shall pay to Landlord all costs arising from Landlord's performance of the same, which shall be due and payable upon Landlord's demand. Notwithstanding any other provision hereof, Tenant and not Landlord shall have the obligation to insure, repair, maintain, replace and restore all Alterations.

7.6 Schedule/Manner of Work. All of Tenant's contractors, suppliers, workmen, and mechanics for any Alterations shall comply with such rules and conditions as Landlord may reasonably impose from time to time, which rules and conditions shall be enforced by Tenant at the discretion of Landlord. At any time any contractor, supplier, workman, or mechanic performing construction of any Alterations performs any work that may or does impair the quality, integrity, or performance of any portion of the Building, Tenant shall cause such contractor, supplier, workman, or mechanic to leave the Building and remove all his tools, equipment, and materials immediately upon written notice delivered to Tenant and Tenant shall reimburse Landlord for any repairs or corrections of any portion of the building caused by or resulting from the work of any contractor, supplier, workman, or mechanic performing any Alterations work. The quality of all Alterations to or involving structural, electrical, mechanical, life/safety, energy management, or plumbing systems in the Premises shall be at least equal to the quality of such systems as on the Commencement Date. In the event of any labor disturbance caused by persons employed by Tenant or Tenant's contractor, Tenant shall immediately take all actions necessary to eliminate such disturbance in connection with the construction of the Alterations.

7.7 Debris. Tenant will cause construction of any Alterations to be accomplished in a neat, clean, and workmanlike manner. Tenant shall not permit any trash, rubbish, or debris to accumulate in the Premises or the Building, and Tenant shall remove or cause to be removed all such trash, rubbish, and debris from the Premises and the Building and on a timely basis. Tenant shall be responsible for any additional costs incurred by Landlord for cleaning the Building or any portion thereof, and for removing any trash, rubbish, or debris therefrom to the extent caused by Tenant's construction of the Alterations.

7.8 Right of Entry/Inspection. At all times during the period of construction of any portion of any Alterations, Landlord and Landlord's architects and engineers shall have the right to enter upon the Premises to inspect the work of construction and the progress thereof. Tenant shall not close any work affecting any portion of the life safety, heating, ventilation, and air conditioning, plumbing, or electrical systems in the Premises or building until the same has been inspected and approved by Landlord's engineers. No inspection or approval by Landlord's

engineers of any such work shall constitute an endorsement thereof or any representation as to the adequacy thereof for any purpose or the conformance thereof with any governmental ordinances, codes, or regulations, and Tenant shall be fully responsible and liable therefor.

7.9 Insurance. In addition to the insurance requirements set forth in Section 8, during the period of construction of any Alterations, Tenant and Tenant's general contractor shall maintain worker's compensation, builder's all-risk and public liability insurance, and such other insurance as Landlord may reasonably require in amounts satisfactory to Landlord. All policies shall have such coverage limits, and be underwritten by such companies, as Landlord shall approve, and shall name Landlord as an additional insured thereunder. Before the commencement of construction of any Alterations, Tenant and Tenant's general contractor must deliver certificates of all such insurance policies and such insurance policies must be approved by Landlord.

7.10 Non-Responsibility of Landlord; Indemnification. Tenant hereby acknowledges that Landlord shall have no responsibility whatsoever for the construction of any Alterations or for any defects therein. Tenant shall notify Landlord in writing no less than ten (10) days before the commencement of construction of any Alterations in order to afford Landlord an opportunity to post and record appropriate notices of non-responsibility. Tenant, at its expense, shall procure the cancellation or discharge of all notices of violation arising from or otherwise connected with Alterations work, or any other work, labor, services or materials done for or supplied to Tenant, or any other person claiming through or under Tenant, in or about the Premises or Building. Tenant shall defend, indemnify and save harmless Landlord and any mortgagee from and against any and all mechanics and other liens and encumbrances filed in connection with, and any other claims, charges, liabilities, obligations, penalties, causes of action, liens, damages, cost and expense (including attorneys fees) arising or incurred by or against Landlord and arising in connection with, the Alterations work, or any other work, labor, services or materials done for or supplied to Tenant, or any person claiming through or under Tenant, in or about the Premises, Land or Building. Tenant, at its expense, shall procure the satisfaction or discharge of record of all such liens and encumbrances of record within fifteen (15) days after the filing thereof; provided, Tenant may contest, in good faith and at its own expense, any notice of violation, or lien, provided Tenant posts for the protection of Landlord security in an amount and form acceptable to Landlord. Such indemnification obligation shall extend to all reasonable costs, attorneys' fees, and liabilities incurred in connection with the defense of any such claim (including appeals and petitions for review) or any action or proceeding brought thereon. Tenant shall record a Notice of Completion as permitted or required by law at the earliest possible date.

8. Liability and Insurance.

8.1 Action by Tenant. Tenant shall not do, or permit anything to be done, or keep or permit anything to be kept in the Premises that would subject Landlord to any liability or responsibility for personal injury, death or property damage, or that would increase insurance rates in respect of the Land, Building or the property therein over the rates that would otherwise then be in effect or that would result in insurance companies of good standing refusing to insure the Building or the property therein in amounts satisfactory to Landlord, or that would result in the cancellation of or the assertion of any defense by the insurer in whole or in part to claims under any policy of insurance in respect of the Land, Building or the property therein. If, by reason of any failure of Tenant to comply with the provisions of Section 5 or this Section 8.1, the premiums

on Landlord's insurance on the Building and/or property therein shall be higher than they otherwise would be, Tenant shall reimburse Landlord, on demand, for that part of such premiums attributable to such failure on the part of Tenant.

8.2 Landlord's Insurance. Landlord shall procure and maintain at all times during the Term of this Lease a policy or policies of insurance covering loss or damage to the Premises in the amount of the full replacement value thereof (exclusive of Tenant's trade fixtures, Alterations, equipment and personal property), providing protection against all perils included within the classification of fire, extended coverage, all risk of loss as it relates to the standard insuring clause, loss of rental income, Landlord's risk liability coverage, and to the extent any mortgagee of the Building may require or as Landlord may deem prudent, coverage against earthquake and such other hazards that are then commonly insured against for similar properties. Such insurance shall provide for payment of loss thereunder to Landlord and/or the holder of any mortgages or deeds of trust or real estate contracts on the Land and/or Building.

8.3 Waiver of Subrogation. Each party hereby releases the other party and its agents and employees in respect of any claim that the releasing party might otherwise have against the other party or its agents or employees for, and waives any right of subrogation in respect of, loss, damage or other casualty to tangible property owned by the releasing party occurring during the term of this Lease to the extent of insurance proceeds received by the releasing party from insurance required to be carried hereunder (or which would have been received had such party complied with such requirements) or, if greater, the proceeds actually received from all insurance maintained by the releasing party. Tenant shall secure an appropriate clause in, or an endorsement upon, each insurance policy obtained by it and covering or applicable to the Premises or the personal property, fixtures and equipment located therein, pursuant to which the insurance company waives subrogation or permits the insured, prior to any loss, to make the waiver set forth in this Section 8.3, without invalidating the coverage under the insurance policy. The waiver of subrogation or permission for waiver of any claim shall extend to Landlord and its agents and employees.

8.4 Commercial General Liability Insurance. Tenant, at its expense, shall procure and maintain at all times during the Term and at any time prior to the Term that Tenant is given possession of the Premises, commercial general insurance in respect of the Premises and the conduct or operation of business therein, on an occurrence basis, with Landlord, Landlord's Operating Manager and Landlord's managing agent, if any, and any mortgagee whose name and address shall previously have been furnished to Tenant, as additional named insureds, with limits of not less than \$3,000,000 on a combined single limit basis.

8.5 Tenant's Property Insurance. Tenant shall also at its own expense maintain, during the Term, and at any time prior to the Term that Tenant is given possession of the Premises, insurance covering all of its personal property including its furniture, fixtures, trade fixtures, equipment, and inventory, and all Alterations and other betterments, in an amount equal to not less than one hundred percent (100%) of the full replacement value thereof and insuring against fire and all risk perils coverage as provided by a standard all risk coverage endorsement (commonly known as "causes of loss – special form"). The plate glass and all other glass is the responsibility of the Tenant in the event of breakage from any cause.

8.6 Insurance Policies. All insurance policies required to be carried by Tenant hereunder shall name Landlord as additional insured and shall be with companies and with loss-payable clauses satisfactory to Landlord, and certified copies or originals of policies or other evidence of such insurance shall be delivered to Landlord by Tenant prior to Tenant commencing occupancy and thereafter within thirty (30) days prior to each renewal thereof. Such evidence of insurance shall be from a company holding a "Best's Rating" of at least A: Class IX, shall indicate that the insurance policy is in full force and effect, and that the policy bears an endorsement that the same not be canceled or amended unless thirty (30) days prior written notice by U.S. Certified Mail of the proposed cancellation or amendment has been given to Landlord and any mortgagee of which Landlord has given Tenant notice. All such evidence of insurance and each such policy of insurance required to be maintained by Tenant hereunder shall expressly evidence insurance coverage as required by the Lease. All such policies shall be written as primary policies not contributing with and not in excess of coverage which Landlord may carry, and shall not have a "deductible" in excess of a commercially reasonable amount approved in advance by Landlord.

8.7 Increase in Coverage. Landlord may from time to time require that the amount of public liability insurance to be maintained by Tenant under Section 8.4 be increased to an amount determined by Landlord to be necessary to adequately protect Landlord's interest. Upon receipt by Tenant of a notice from Landlord stating the increased amount of insurance, Tenant shall thereafter carry the insurance as set forth in such notice. In no event shall the amount of public liability insurance to be carried by Tenant be less than the amount specified in Section 8.4.

9. Landlord's Property, Tenant's Property.

9.1 Landlord's Property. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises, whether or not by or at the expense of Tenant, shall be and remain a part of the Premises, shall be deemed the property of Landlord and shall not be removed by Tenant, except as provided in Section 7.5. Any carpeting or other personal property in the Premises on the Commencement Date shall be and remain Landlord's property and shall not be removed by Tenant; provided, that at Landlord's written request, Tenant shall, at its sole expense upon termination of the Lease and in accordance with, and subject to the provisions of, Section 7.5, remove those items specified by Landlord, including any or all fixtures, equipment, improvements, appurtenances and other personal property, that are deemed herein the property of Landlord.

9.2 Tenant's Property. All unattached business and trade fixtures, machinery and equipment, communications equipment and office equipment that are installed in the Premises by or for the account of Tenant without expense to Landlord and that can be removed without structural damage to the Building and all furniture, furnishings (excluding window coverings) and other articles of movable personal property owned by Tenant and located in the Premises (together, the "Tenant's Property") shall be and remain the property of Tenant and may be removed by Tenant at any time during the Term of this Lease; provided, that if any of Tenant's Property is removed, Tenant shall repair or pay the cost of repairing any damage to the Premises or to the Building resulting from the installation and/or removal thereof. Any equipment or other property for which Landlord shall have granted any allowance or credit to Tenant shall not be deemed to have been installed by or for the account of Tenant without expense to Landlord, shall not be considered Tenant's Property, and shall be deemed to be the property of Landlord.

9.3 Removal. At or before the Expiration Date of this Lease, or any earlier termination of this Lease, Tenant, at its expense, shall remove from the Premises all of Tenant's Property (except such items thereof as Landlord shall have expressly permitted to remain, which property shall become the property of Landlord), and Tenant shall repair any damage to the Premises or the Building resulting from any installation and/or removal of Tenant's Property. Notwithstanding any other provision of this Lease, unless Landlord otherwise elects by separate written notice, Tenant shall remove, at or prior to the expiration or termination of this Lease, at its expense, all wiring and cabling installed at the Premises which shall have been installed by Tenant or which Landlord shall have installed pursuant to this Lease or at the request of Tenant. Such wiring and cabling shall include but not be limited to (a) wiring and cabling above the ceiling panels, behind or within walls, and under or within floors, (b) wiring and cabling for voice, data, security or other purposes, and (c) all related installations, equipment and items whatsoever. If Tenant fails to remove, by the earliest of the date of expiration or termination of this Lease or of Tenant's right of possession (the "Removal Date") all items required to be removed by this Lease (including all of Tenant's Property, cabling, and Alterations to be removed), or to accomplish by the Removal Date all restoration required by this Lease, then Landlord shall have, in addition to all other rights, the right to collect as additional damages rent at the rate of all holdover rent described in Section 10 below from the Removal Date until all such obligations are performed. Collection of these additional damages is not a waiver of any Event of Default or of any other remedy, is not a waiver of any other damages, and does not extend the Lease Term nor grant Tenant any possessory right following the Removal Date.

9.4 Abandonment. In addition to Landlord's rights at Section 18.2.1, any items of Tenant's Property that shall remain in the Premises after the Expiration Date of this Lease, or any earlier termination of this Lease, at the option of Landlord, may, at Landlord's election, be deemed to have been abandoned, and in such case such items may be retained by Landlord, and Landlord may deal with Tenant's Property in such manner as Landlord shall determine, at Tenant's expense.

10. Holding Over. If Tenant holds over after the Expiration Date or earlier termination of the Term without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, at a rental rate equal to two hundred percent (200%) of the Base Rent in effect upon the date of such expiration or termination (prorated on the basis of a thirty-day month and actual days elapsed), and otherwise subject to the terms, covenants, and conditions herein specified, so far as applicable. At the written election of Landlord made at any time during such tenancy at sufferance, the term of this Lease shall be extended from the date of such notice until the 90th day thereafter, on all the terms and conditions set forth herein (other than any rights of extension, renewal, purchase or expansion in favor of Tenant) at the rental rate specified in this Section 10. Acceptance by Landlord of rental after such expiration or earlier termination shall not result in a renewal or extension of this Lease. The foregoing provisions of this Section 10 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise provided by law. Tenant shall pay to Landlord all losses, and indemnify Landlord for all claims (including those made by any succeeding lessee), arising from any holdover by Tenant.

11. Electric Energy.

11.1 High Voltage Equipment. Tenant shall not, without the prior written consent of Landlord, use any equipment, machine, apparatus or device within the Premises that individually uses electricity in excess of 110 volts.

11.2 Cost of Increasing Capacity. Tenant shall not, without Landlord's prior written consent (which Landlord may give or withhold in its sole discretion) install or use equipment, machinery or other apparatus in the Premises that have electrical requirements that exceed the electrical load capacity of the Premises existing on the Commencement Date. Should Landlord consent to installation or use of any such equipment, machine or apparatus, the additional equipment required to increase the electrical capacity of the Premises to accommodate such installation and usage shall be provided by Landlord at Tenant's expense. Tenant shall, prior to purchase and installation thereof, pay to Landlord the cost to purchase, install, service and maintain such additional equipment. The cost of the electric energy used on the Premises in excess of the original design load for the Premises as determined by Landlord and its engineers and consultants shall be an Operating Expense allocable in full to Tenant.

11.3 Light Fixtures. Landlord shall attend to any replacement of electric light bulbs, tubes and ballasts in the Premises throughout the Term of this Lease. Landlord may adopt a system of relamping and rebalasting periodically on a group basis in accordance with generally accepted management practice. The expenses associated with relamping and rebalasting shall be an item of Operating Expenses.

12. Climate Control. Landlord shall maintain and operate the lighting, heating, ventilating and air-conditioning systems serving the Premises and shall furnish heat, ventilating and air-conditioning in the Premises, the expense of which shall be included as an Operating Expense (except as otherwise provided in the Standards for Utilities and Services attached as Exhibit F or elsewhere in this Lease, and except for any special requirements of Tenant for its particular use of the Premises) for occupancy of the Premises during Business Hours of Business Days. As used herein, and unless otherwise stated in the Rules and Regulations "Business Hours" shall mean generally customary daytime business hours, but not before 7:00 a.m. or after 6:00 p.m. on weekdays, and "Business Days" shall mean all days except Sundays and days observed by the Federal or the State government as legal holidays. If Tenant shall require lighting, ventilation, heat or air-conditioning service at any other time, Landlord shall furnish such service subject to such terms and conditions including cost reimbursement, as Landlord may from time to time prescribe. Notwithstanding any provision of this Lease, if the Premises includes one or more server rooms served by separate HVAC equipment, then Tenant shall pay upon request all costs of electricity for HVAC equipment serving its server room(s) in an amount determined by Landlord (either by an engineering estimate or metering).

13. Signs, Displays, Auctions, and Sales.

13.1 General. Landlord shall provide building standard lobby directory and floor directory signage. Other than Building standard suite door signage, Tenant shall not place or suffer to be placed on the exterior walls or windows of the Premises or upon the roof or any exterior door or wall or on the exterior or interior of any window thereof any sign, awning, canopy, marquee,

advertising matter, decoration, picture, letter or other thing of any kind without the prior written consent of Landlord. If Tenant shall install any sign without Landlord's consent, Landlord shall have the right and authority without liability to Tenant to enter upon the Premises, remove and store the subject sign and repair at Tenant's cost all damage caused by the removal of the sign.

13.2 Tenant's Interior Signs. Tenant shall have the right, at its sole cost and expense, to erect and maintain within the interior of the Premises all signs and advertising matter customary or appropriate in the conduct of Tenant's business; provided, however, that Tenant shall upon demand of Landlord immediately remove any sign, advertisement, decoration, lettering or notice which Tenant has placed or permitted to be placed in, upon or about the Premises and that Landlord reasonably deems objectionable or offensive, and if Tenant fails or refuses to so do, Landlord may enter upon the Premises and remove the same at Tenant's cost and expense. In this connection, Tenant acknowledges that the Premises are a part of an integrated business environment, and that control of all signs by Landlord is essential to the maintenance of uniformity, propriety and the aesthetic values in or pertaining to the Building.

13.3 Displays. Tenant may not display or sell merchandise or allow carts or other similar devices within the control of Tenant to be stored or to remain outside the defined demising walls and permanent doorways of the Premises. Tenant shall not install any exterior lighting, amplifiers, or similar devices or use in or about the Premises such items as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts, nor make, or allow to be made, any odor or excessive noise in or around the Premises. No advertisement or sound of advertising shall be permitted to be heard outside of the Premises.

13.4 Auctions. Tenant shall not conduct or permit to be conducted any sale by auction upon or from the Premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding. No auction, fire, bankruptcy, "going out of business" or other distress sales of any nature may be conducted on the Premises without prior written consent of Landlord, which consent may be conditioned as Landlord deems appropriate.

14. Access and Control of Premises.

14.1 Access to Premises. Landlord shall have access to the Premises at all reasonable times to: (a) inspect the Premises; (b) exhibit the Premises to prospective purchasers, lenders or tenants; (c) determine whether Tenant is complying with its obligations hereunder; (d) supply any service to be provided by Landlord to Tenant hereunder; (e) post notices of non-responsibility; (f) make repairs required of Landlord hereunder or repairs to any adjoining space or utility services or make repairs, alterations or improvements to any other portion of the Building, provided, however, that all such work shall be done in a commercially reasonable and prompt manner; or (g) exercise any of its rights hereunder including, without limitation, its cure rights under Section 17.1. Landlord may, in order to carry out such purposes, erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, and during the course of work being performed keep and store upon the Premises all necessary material, supplies, and equipment, provided that the business of Tenant shall be interfered with as little as is reasonably practicable. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises,

excluding Tenant's vaults and safes, if any. No additional locks shall be placed by Tenant upon any doors in the Premises and if more than two keys for any lock are desired, such additional keys shall be paid for by Tenant. All keys shall be duplicated only by Landlord, and under no circumstance shall Tenant cause any key to be duplicated. Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency or in re-taking possession in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstance be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof, and any damages caused on account thereof shall be paid by Tenant.

14.2 Waiver in Connection with Landlord's Entry. Tenant hereby waives any claim against Landlord for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by entry on the Premises regardless of negligence or intentional misconduct of Landlord.

14.3 Building Changes. Landlord reserves the right, at any time, without incurring any liability by Tenant therefor, and without affecting or reducing any of Tenant's covenants and obligations hereunder, to make such changes, alterations and improvements in or to the Project, the Building and the fixtures and equipment thereof, as well as in or to the doors, halls, passages, elevators, escalators and stairways thereof, and other public parts and common areas of the Project, the Building and Land, as Landlord shall reasonably deem necessary or desirable, including the temporary or permanent closure or inoperability. Landlord reserves the right, and Tenant shall permit Landlord, to install, erect, use and maintain pipes, ducts and conduits in and through the Premises, so long as the installation and maintenance thereof do not detract from the use or appearance of the Premises.

15. Damage or Destruction.

15.1 Rights and Obligations.

15.1.1 Obligation to Rebuild. If rentable area of the Building, or any portion thereof, is damaged, destroyed, or rendered untenable due to fire or other casualty (which is not due to the fault or negligence of Tenant or its agents, employees, or invitees and is not due to any default by Tenant), and if

(a) the damage or destruction does not exceed twenty-five percent (25%) of the insurable value of the Building,

(b) the Building is capable of being repaired, reconstructed or restored within a period of ninety (90) days from commencement of such work, and

(c) Landlord will receive insurance proceeds sufficient to cover the cost of such repairs, reconstruction or restoration,

then Landlord shall be obligated to restore the Building to a condition reasonable comparable to its condition prior to such casualty. In such event, this Lease shall remain in full force and effect, Rent shall be adjusted pursuant to Section 15.2, Landlord will commence restoring that portion of

the Building so damaged as soon as commercially practicable, and will diligently complete the restoration.

15.1.2 Right to Terminate. In the case of a casualty loss not described in Section 15.1.1, then within sixty (60) days after such a casualty Landlord shall have the right to elect either to terminate this Lease or to restore the Building. Landlord shall make its election by written notice to Tenant within such sixty (60) day period of time. If Landlord elects to terminate this Lease, the termination shall be effective thirty (30) days after receipt of the notice by Tenant. If Landlord does not elect to terminate this Lease, then Rent shall be abated in accordance with Section 15.2 and Landlord shall restore the Building in accordance with the requirements of Section 15.1.1.

15.1.3 Tenant's Property. If Landlord undertakes to repair the Building after an event of casualty, such restoration shall not include replacement of furniture, equipment or other items designated as Tenant's Property herein.

15.1.4 Late Term Casualty. Regardless of Sections 15.1.1 and 15.1.2, if the casualty loss occurs within the last two (2) years of the Term, then, regardless of the extent of the damage, Section 15.1.2 shall establish the rights and obligations of Landlord and Tenant.

15.2 Rent Abatement. If all or part of the Premises shall be damaged or destroyed or rendered untenantable as a result of fire or other casualty, not caused by Tenant, its agents, employees or invitees, the Base Rent shall be abated or reduced based on the number of square feet of space rendered untenantable and Additional Rent provided herein shall be abated or reduced, as the case may be, in the proportion that the untenantable area of the Premises bears to the total area of the Premises, for the period from the date of the damage or destruction to the date the damage to the Premises shall be substantially repaired, or the date on which Tenant again uses the untenantable portion, whichever first occurs.

15.3 Interference with Tenant's Business. Tenant shall not be entitled to terminate this Lease and 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 pursuant to this Section 15. The provisions of this Lease, including this Section 15, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building, or the Project, and any applicable State, federal or local law or ordinance with respect to any rights or obligations concerning damage or destruction, whether now or hereafter in effect, shall have no application to this Lease or to any damage to or destruction of all or any part of the Premises, the Building, or the Project.

15.4 Insurance on Tenant's Property. Landlord will not carry insurance of any kind on Tenant's Property, and, except as provided by law or by reason of Landlord's breach of any of its obligations under this Lease, Landlord shall not be obligated to repair any damage to or replace any improvements paid for by Tenant, or any of Tenant's Property. If Landlord elects to restore the Premises as provided in this Section 15, Tenant shall use all proceeds from the insurance it carries on Tenant's Property to restore Tenant's Property on the Premises.

16. Eminent Domain.

16.1 Total Condemnation. If the whole of the Building or the Premises shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose, (including a sale under threat of condemnation) this Lease shall terminate as of the date of vesting of title on such taking (herein called the "Date of Taking"), and the Base Rent and Additional Rent shall be prorated and adjusted as of the Date of Taking.

16.2 Partial Condemnation. If a part of the Building or the Land shall be so taken, this Lease shall be unaffected by such taking, except that:

16.2.1 Landlord's Option to Terminate. Landlord may, at its option, terminate this Lease by giving Tenant notice to that effect within ninety (90) days after the Date of Taking; and

16.2.2 Tenant's Option to Terminate. If twenty percent (20%) or more of the Premises shall be so taken and the remaining area of the Premises shall not be reasonably sufficient for Tenant to continue feasible operation of its business, Tenant may terminate this Lease by giving Landlord notice to that effect within ninety (90) days after the Date of Taking.

16.3 Effect of Termination or Continuation. This Lease shall terminate on the date that such notice from the Landlord or Tenant to the other shall be given, and the Base Rent and Additional Rent shall be prorated and adjusted as of such termination date. Upon a partial taking this Lease shall continue in force as to the remaining part of the Premises, and the Base Rent and Additional Rent shall be adjusted according to the rentable Area remaining.

16.4 Award. Landlord shall be entitled to receive the entire award or payment in connection with any taking without deduction therefrom for any estate vested in Tenant by this Lease and Tenant shall receive no part of such award. Tenant shall have no claim against Landlord or the condemning authority for the unexpired portion of the Lease term. Nothing contained in this Section 16.4 shall be deemed to prevent Tenant from making a claim in any condemnation proceeding for the value of any fixtures or furnishings installed by Tenant at its sole expense and which are included in the taking.

16.5 Temporary Taking. A temporary taking (or transfer in lieu thereof) of any portion of the Premises by any authorized authority shall not cause a termination of this Lease, but Tenant shall be entitled to a rent reduction or abatement during the period its possession is interfered with because of any such taking of the Premises. Such rent reduction or abatement shall equal the lesser of the Rent that would have been payable by Tenant during the period of such temporary taking or an amount equal to the award paid by the condemning authority for such taking. If the taking is for a period of longer than one year, or for an indefinite period that extends beyond one year, either Landlord or Tenant may elect to terminate this Lease by notice to the other given within thirty (30) days after the event giving rise to the right of termination. No temporary taking of the Land or of any portion of the Building not including the Premises shall give Tenant the right to any rent abatement, reduction, or lease termination.

16.6 Law. This Section 16 governs the rights of the parties regarding any taking or condemnation, notwithstanding any law now or hereafter in effect.

17. Landlord's Self-Help Rights; Liability and Indemnification.

17.1. Landlord's Right to Cure. If Tenant fails to pay or perform any of its obligations under this Lease, Landlord may, without waiving or releasing Tenant from its obligations hereunder, but shall not be required to, pay or perform such obligations on Tenant's behalf upon ten (10) days' notice to Tenant (except where, in Landlord's opinion, an emergency exists, in which event no notice shall be required), and Tenant shall reimburse or pay promptly to Landlord the reasonable cost thereof as Additional Rent. "Reasonable cost," as used in this Section 17, means Landlord's actual out-of-pocket costs to effect such cure plus twenty percent (20%) to cover overhead, administrative and collection charges. There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from Landlord's exercise of its rights under this Section 17.1.

17.2. Tenant's Indemnity. Landlord shall not be liable for injury to any person, or for the loss of or damage to any property (including property of Tenant) occurring in or about the Premises from any cause whatsoever. Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause whatsoever. Tenant hereby indemnifies and holds Landlord harmless, and shall defend Landlord, for, from, against and regarding any and all claims, charges, liabilities, obligations, penalties, causes of action, liens, damages, costs and expenses (including attorneys' fees) arising, claimed, charged or incurred against or by Landlord and arising from or in connection with: (a) Tenant's use or occupancy of, or any activity, work or other thing done, permitted or suffered by Tenant on or about, the Premises, whether before, after or during the Term, (b) any breach or default in the performance of any obligation on Tenant's part to be performed under this Lease, or (c) any act or omission of Tenant, or any officer, contractor, agent, employee, guest, licensee, or invitee of Tenant. Such indemnification obligation shall extend to all costs, attorneys' fees, and liabilities incurred in connection with the defense of any such claim (including appeals and petitions for review) or any action or proceeding brought thereon.

17.3. Limit on Landlord's Liability. Landlord and its agents shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster or other material, steam, gas, electricity, or from bursting, overflowing, or leaking of water, water or rain which may leak from or into any part of the Premises or from pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place, from dampness, from electrical wiring, circuitry, power surges, overloads, spiking or interruption of any kind, from air conditioning equipment, or from gas or odors, sprinkler leakage, or from any other cause whatsoever. Landlord and its agents shall not be liable for interference with the light, air, or other incorporeal hereditaments or for any latent defect in or on the Premises, the Building or the Project. Tenant shall give prompt notice to Landlord in case of casualty or accidents on or about the Premises. Landlord or its agents shall not be liable for any damage to property entrusted to employees of the Building or its management. Landlord shall not be liable, regardless of cause (including negligence or breach) for the loss of or damage to any property, income or business, nor in any event for consequential damages.

17.4. Defense of Claims. In case any action or proceeding shall be brought against Landlord by reason of a claim covered by the provisions of Section 17.2, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense, by counsel approved in writing by Landlord.

18. Defaults and Remedies.

18.1 Events of Default. In addition to events described elsewhere in this Lease as constituting a “default” or an “Event of Default,” the occurrence of any one or more of the following events shall constitute an Event of Default hereunder by Tenant:

(a) Tenant’s vacation or abandonment of the Premises. Abandonment is herein defined to include, but is not limited to, failure to conduct its business at the Premises during any five (5) business-day period;

(b) Tenant’s failure to make any payment of Rent hereunder as and when due, where such failure shall continue for a period of three (3) days after Tenant’s receipt of written notice thereof; provided that, unless otherwise required by applicable law, no such notice shall be required more frequently than once in any consecutive 12-month period and, where no notice is required, an Event of Default shall arise automatically upon the due date for the Payment of Rent;

(c) Tenant’s failure to observe or perform any of the covenants or provisions of Section 5, or Tenant’s failure at any time to carry and provide proof of insurance, with the coverage and in the amounts, required to be carried by this Lease;

(d) Tenant’s failure to observe or perform any of the other covenants or provisions of this Lease to be observed or performed by Tenant, where such failure shall continue for a period of five (5) days after written notice thereof from Landlord to Tenant (unless this Lease elsewhere provides that such failure alone constitutes an Event of Default hereunder upon its occurrence). If the nature of Tenant’s default is such that more than five (5) days are reasonably required for its cure, then an Event of Default shall not be deemed to occur if Tenant shall commence such cure within said five (5) day period and shall thereafter diligently prosecute such cure to completion, but in no event shall such default extend beyond thirty (30) days. If necessary to avoid Landlord being in breach of any Ground Lease, any loan document, or any lease to another lessee, Landlord shall have the right to shorten such cure period. Once notice of default has been given, no additional notice shall be required in order for Landlord to exercise remedies under Section 18.2 by reason of a recurrence or continuation of such default; or

(e) If (i) Tenant or any Guarantor named in the Basic Lease Terms preceding this Lease shall make any general assignment for the benefit of creditors; (ii) a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy shall be filed by or against Tenant or any such Guarantor (unless the same is dismissed within 30 days); (iii) a trustee or receiver is appointed to take possession of substantially all of Tenant’s assets located at the Premises or of Tenant’s interest in this Lease, where possession is not restored to Tenant within 30 days; or (iv) substantially all of Tenant’s assets located at the Premises, or of Tenant’s interest in this Lease, is attached, executed upon, or otherwise judicially seized, where such seizure is not discharged within 30 days.

The notices of defaults to be given under this Section may be the same as any notice required under State law, and this Lease shall not be construed to require Landlord to give two separate notices to Tenant before proceeding with any remedies.

18.2 Remedies. Upon the occurrence of an Event of Default, Landlord may exercise any one or more of the remedies set forth in this Section 18, or any other remedy available under applicable law or contained in this Lease.

18.2.1 Re-Entry. To the greatest extent allowed by applicable law, Landlord or Landlord's agents and employees may immediately or at any time thereafter re-enter the Premises, or any part thereof, peaceably but using such reasonable force as may be required, and without judicial process, or by any suitable action or proceeding at law, and may repossess the Premises, and may remove any persons, fixtures or chattels therefrom, to the end that Landlord may have, hold and enjoy the Premises. In the event of any such retaking of possession of Premises by Landlord, Tenant shall remove all personal property located thereon and upon failure to do so upon demand of Landlord, Landlord may in addition to any other remedies allowed by law, remove and store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of Tenant. If Tenant shall fail to pay all sums due hereunder together with the cost of storing any such property within thirty (30) days after it has been stored, Landlord may sell any or all of such property at public or private sale and shall apply the proceeds of such sale first, to the cost of such sale; second, to the payment of the charges and expenses for reentry, removal and storage; third, to the payment of any other sums of money that may be due from Tenant to Landlord under the terms of this Lease; and the balance, if any, to Tenant. Tenant hereby waives all claims for damages that may be caused by Landlord's re-entering and taking possession of Premises or removing and storing or selling the property of Tenant as herein provided, and will indemnify, defend and save Landlord harmless from loss, costs or damages to Tenant occasioned thereby, and no such re-entry shall be considered or construed to be a forcible entry. RE-ENTRY OR TAKING POSSESSION OF SAID PREMISES BY LANDLORD SHALL NOT BE CONSTRUED AS AN ELECTION ON ITS PART TO TERMINATE THIS LEASE UNLESS A WRITTEN NOTICE OF SUCH INTENTION IS GIVEN TO TENANT.

18.2.2 Continue the Lease. Landlord may elect to continue this Lease in effect, whether or not Tenant shall have abandoned or Landlord shall have re-entered the Premises. If Landlord continues this Lease in effect, Landlord shall be entitled to enforce all Landlord's rights and remedies under this Lease, including the right to recover the Rent as the same may become due hereunder and to recover damages from Tenant in accordance with the provisions of this Section 18.

18.2.3 Terminate Lease. Terminate Tenant's right to possession and use of the Premises and/or terminate this Lease and Tenant shall immediately surrender possession of the Premises to Landlord and shall pay Landlord damages as provided at this Section 18.

18.2.4 Monetary Damages and Recovery. Tenant shall have full liability for payment of all damages directly or indirectly suffered by Landlord which are proximately caused by any Event of Default under this Lease, whether or not such Event of Default is declared by Landlord, and such elements of damage and recovery by Landlord from Tenant shall specifically include, but not be limited to:

(a) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination of the Lease or possession; plus

(b) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination of the Lease or possession until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; plus

(d) the worth at the time of award of any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including but not limited to, all legal expenses and other related costs incurred by Landlord following Tenant's default; the unamortized portion of any rent abatement, tenant improvement costs and leasing commission paid or incurred by Landlord related to the then current Term of this Lease which is attributable to the unexpired portion of this Lease (amortized evenly over the then current Term with 8% interest); all costs incurred by Landlord in restoring the Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Premises for reletting; all other costs incurred by Landlord in reletting the Premises, including, without limitation, any brokerage commissions, legal fees and the value of Landlord's time; and interest, late charges and administrative fees, as herein provided.

The "worth at the time of award" referred to in Paragraphs (a), (b), and (d) above will additionally include interest at the Default Rate. The "worth at the time of award" referred to in Paragraph (c) will be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco in effect at the time of award, plus one percent (1%).

"Rent" shall be calculated for each month by adding (i) the monthly Base Rent and (ii) one-twelfth ($1/12^{\text{th}}$) of the Additional Rent payable by Tenant hereunder during the twelve (12) consecutive month period prior to the month in which Tenant's default occurred (or one-twelfth ($1/12^{\text{th}}$) of the annualized amount of Additional Rent payable by Tenant for the period between the Commencement Date and the last day of the calendar month prior to the month in which Tenant's default occurred, if such default occurs during the first twelve (12) calendar months of the Term).

Landlord shall not be obligated to relet the Premises to a particular tenant, or, in the event of any such reletting, for refusal or failure to collect any rent due upon such reletting; and no such refusal or failure shall operate to relieve Tenant of any liability under this Lease or otherwise affect any such liability. Landlord at its option may make such physical changes to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting Tenant's liability. If there is other unleased space in the Building, Landlord shall have no obligation to attempt to relet the Premises prior to leasing such other space in the Building.

18.2.5 Form of Action for Damages. To the extent permitted under State law, Landlord may sue periodically for damages as they accrue without barring a later action for further damages. If the Lease or possession is terminated and the Premises are subsequently re-let, no portion of the rents from such new Lease that is in excess of the contracted rent hereunder shall be treated as an offset to monies owed by defaulting Tenant. All unpaid Rent after its due date shall bear interest from the date due at the Default Rate in addition to any late charges and administration costs related to such delinquency, whether or not a default is declared.

18.2.6 Deposit. Landlord may apply any deposit held pursuant to Section 21.2, or pursuant to or in connection with any guarantee of Tenant's obligations under this Lease, in payment of any sums due from Tenant hereunder.

18.3 Cumulative Remedies. The remedies provided for in this Lease are cumulative and in addition to any other remedy available to Landlord at law or in equity. In the event of a breach by Tenant, of any of its obligations under this Lease, Landlord shall also have the right to obtain an injunction and any other appropriate equitable relief.

18.4 Termination. Even though Tenant has breached this Lease, Tenant's contractual obligations under this Lease shall continue in effect for so long as Landlord does not terminate the same (and even though Landlord may have terminated Tenant's estate and right to possession) by written notice to Tenant, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover the Rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's rights to possession unless written notice of termination is given by Landlord to Tenant.

18.5 Redemption. Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

19. Transfers By Tenant.

19.1 General.

19.1.1 Assignment and Subletting. Tenant shall not assign this Lease or any interest therein, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant, or hypothecate, mortgage, encumber or otherwise transfer or dispose of Tenant's interest in the Premises, either voluntarily or involuntarily, without the prior written consent of Landlord, which consent may be withheld or conditioned in Landlord's sole discretion. If Tenant requests consent to a proposed transfer, Tenant shall pay for Landlord's reasonable legal and administrative expenses in reviewing the request for consent to transfer. Consent to one such assignment or sublease shall not imply any future consent, and all subsequent assignments and subleases shall be made only upon obtaining prior written consent of Landlord. Notwithstanding that Landlord has consented to an assignment or subletting hereunder, any assignment or sublease hereof shall cause an automatic termination of any renewal options, expansion options, purchase options or rights of first refusal.

19.1.2 Obligations of Assignees. Assignees or subtenants shall become directly liable to Landlord for all obligations of Tenant hereunder, but Tenant shall remain liable for the performance of all obligations owed to Landlord under this Lease. The instrument by which any assignment or subletting consented to by Landlord is accomplished shall expressly provide that the assignee or subtenant will perform and observe all the agreements, covenants, conditions and provisions to be performed and observed by Tenant under this Lease and that Landlord will have the right to enforce such agreements, covenants and conditions directly against such assignee or subtenant.

19.1.3 Procedure for Consent. It shall be the responsibility of Tenant to provide Landlord, in a manner acceptable to Landlord, with such information as Landlord reasonably determines is necessary for Landlord to grant or withhold its consent. If Tenant desires to request approval to assign, hypothecate or otherwise transfer this Lease or sublet the Premises, then at least thirty (30) days prior to the date when Tenant desires the assignment or sublease to be effective (the "Assignment Date"), Tenant shall give Landlord a notice (the "Assignment Notice"), which shall set forth the name, address and business of the proposed assignees or subtenant, current and signed financial statements, credit information as required by Landlord, the Assignment Date, any ownership or commercial relationship between Tenant and the proposed assignee or subtenant, and the consideration and all other material terms and conditions of the proposed assignment or sublease, all in such detail as Landlord shall reasonably require. If Landlord requests additional detail, the Assignment Notice shall not be deemed to have been received until Landlord receives such additional detail, and Landlord may withhold action on the request to any assignment or sublease until such information is provided. Landlord may, following receipt of all such information, withhold or grant its consent under this Section 19 in its discretion; any consent may be granted subject to conditions including but not limited to execution of a Consent and Assumption Agreement in form prepared by Landlord. Tenant agrees to pay to Landlord an amount equal to all attorneys fees and other expenses incurred by Landlord related to a request for consent regardless of whether such consent is granted and regardless of whether the transfer is consummated. In considering an Assignment Notice, Landlord may, among other things, consider financial capability, business reputation, business experience, existing and future space requirements of other tenants, existing and future space requirements of the proposed assignee or subtenant, the intended use, the anticipated demand for services by the assignee or subtenant, and the assignee's or subtenant's anticipated contribution to the prestige of the building.

19.1.4 Sublease Income. If Tenant shall sublet all or any portion of the Premises, then any consideration paid by the subtenant for the portion of the Premises being sublet that exceeds one hundred percent (100%) of the Base Rent and Additional Rent provided by this Lease for such portion of the Premises being sublet shall be due, owing and payable from Tenant to Landlord when paid or owing by the subtenant under the sublease. For the purpose of this Section 19, the rent for each square foot of floor space in the Premises shall be deemed equal.

19.2 Listing Premises. Tenant shall not list the Premises for lease through a broker, or advertise or publicize in any way the availability of the Premises, without prior written notice and the written approval of Landlord.

19.3 Corporate Changes. If Tenant is a corporation, partnership or limited liability company, then any transfer of this Lease by merger, consolidation, liquidation, change in the

ownership of or power to vote the majority of the issued and outstanding stock, or of the partnership or membership interest, of Tenant shall constitute an assignment for the purposes of this Section 19. An assignment prohibited within the meaning of this Section 19 includes, without limitation, one or more sales or transfers, direct or indirect, by operation of law or otherwise, or creation of new stock or interests, by which ownership or control of an aggregate of more than fifty percent (50%) of Tenant's stock or voting interests shall be vested in a party or parties who are non-stockholders, partners or members, as applicable, as of the date hereof.

19.4 Unapproved Transfers. Any attempted transfer in violation of the requirements of this Section 19 shall be void and, at the option of Landlord, shall constitute an Event of Default.

19.5 Successors and Assigns. Except as otherwise provided in this Lease, all of the covenants, conditions, and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns.

20. Subordination; Attornment; Quiet Enjoyment.

20.1 Subordination, Nondisturbance. This Lease, and all rights of Tenant hereunder, are and shall be, upon the election of the holder thereof, subject and subordinate to all ground leases, master leases, mortgages, trust deeds and other financing and security instruments ("Mortgages"), that may now or hereafter affect the Premises, and to all renewals, modifications, replacements and extensions of any such Mortgages. This Section shall be self-operative, and no further instrument of subordination shall be required to effect a subordination hereunder; provided, however, that in confirmation of such subordination Tenant shall promptly execute, acknowledge or deliver any instrument that Landlord or any such mortgagee may reasonably request to evidence such subordination. If Tenant fails to execute, acknowledge or deliver any such instruments within the ten (10) days after a request therefor, Landlord may declare an Event of Default hereunder. Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact, coupled with an interest, to execute and deliver any such instruments for and on behalf of Tenant, at Landlord's sole election.

20.2 Attornment. If the interest of Landlord under this Lease is transferred, whether through possession, foreclosure or delivery of a new lease or deed, or through termination of any ground lease or matter lease, then at the request of such party so succeeding to Landlord's rights (herein called "Successor Landlord"), Tenant shall attorn to and recognize such Successor Landlord as Tenant's Landlord under this Lease and shall promptly execute and deliver any instrument that such Successor Landlord may reasonably request to evidence such attornment. Upon such request for attornment, Tenant's rights hereunder shall continue in full force and effect as a direct Lease between the Successor Landlord and Tenant upon all of the terms, conditions and covenants as set forth in this Lease so long as Tenant is not in default.

20.3 Quiet Enjoyment. So long as Tenant pays all Rents and complies with all of the terms and conditions of this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises. This covenant shall, subject to the provisions of this Lease, be binding upon the subsequent successors in interest of Landlord's interest in this Lease including those to whom Tenant is subordinate and/or to whom Tenant agreed to attorn pursuant to Sections 20.1 and 20.2.

20.4 Estoppel Certificates. Within ten (10) days following any written request that Landlord may make from time to time, Tenant shall execute and deliver to Landlord, any ground lessor or master lessor and/or any prospective mortgagee or purchaser designated by Landlord, a statement certifying: (a) the date of commencement of this Lease; (b) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, and stating the date and nature of such modifications); (c) the date to which the rental and other sums payable under this Lease have been paid; (d) that there are no current defaults under this Lease by Landlord except as specified in such statement; and (e) such other matters as may be reasonably requested. Landlord and Tenant intend that any statement delivered by Tenant pursuant to this Section may be relied upon by any ground lessor, master lessor, mortgagee, beneficiary, purchaser, or prospective purchaser of the Premises or any interest therein. Tenant's failure to deliver such statement within such time (x) shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in the Landlord's performance, and (iii) that no more than one month's rental has been paid in advance, and (y) at Landlord's election, shall constitute an Event of Default hereunder. If Landlord desires to finance or refinance the Premises, or any part thereof, Tenant shall, within ten (10) days following Landlord's request therefor, deliver to any lender designated by Landlord such financial information of Tenant as shall be required by such lender. All such information shall be received in confidence and shall be used only for the purpose herein set forth.

20.5 Mortgagee Protection. If there occurs any default on the part of Landlord, Tenant will give notice by registered or certified mail to any ground lessor, master lessor, and beneficiary of a deed of trust or mortgage covering the Premises, and shall offer such lessor, beneficiary and mortgagee a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial foreclosure or otherwise, if such should prove necessary to effect a cure.

20.6 Modification for Lender. If, in connection with obtaining construction, interim, or permanent financing related to the Premises, a lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay, or defer its consent thereto provided that such modifications do not materially, adversely increase Tenant's obligations, or decrease Tenant's rights, hereunder.

21. Security.

21.1 Financial Statements. Tenant shall furnish to Landlord on or before ninety (90) days following the end of each fiscal year, Tenant's unaudited financial statements for the preceding fiscal year, (consisting of Tenant's balance sheet, and profit and loss statement) each prepared by a certified public accountant in accordance with generally accepted accounting principles (or other method approved by Landlord) consistently applied. Tenant shall furnish to Landlord interim financial statements within thirty (30) days following the end of each of Tenant's fiscal quarters.

21.2 Deposit. Contemporaneously with Tenant's execution and delivery of this Lease, Tenant shall deposit with Landlord the amount specified in the Basic Lease Terms preceding this Lease, such amount to be held by Landlord during the Lease Term as security for Tenant's

performance of its obligations hereunder. If Tenant fails to make any payment when due under this Lease, or otherwise defaults with respect to any provision of this Lease, Landlord may use, apply or retain all or any portion of said deposit for the payment of such obligation or default, or for the payment of any other sum to which Landlord may be become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage that Landlord may suffer thereby. If Landlord so uses or applies all or any portion of said deposit, Tenant shall, within ten (10) days after written demand therefor from Landlord, deposit cash with Landlord in an amount sufficient to restore said deposit to the full amount stated in this Section 21.2, and Tenant's failure to do so shall constitute an Event of Default under this Lease. If Tenant performs all of Tenant's obligations hereunder, Landlord shall return said deposit (or so much thereof as has not theretofore been applied by Landlord as permitted under this Section 21.2) within sixty (60) days following the date of expiration of the Lease Term or the date on which Tenant has vacated the Premises. Landlord shall not be required to keep said security deposit separate from its general funds, and Tenant shall not be entitled to interest on said deposit. Landlord shall be entitled to deliver the funds constituting the deposit hereunder to any purchaser of Landlord's interest in the Premises, whether by sale, foreclosure, deed in lieu of foreclosure, or otherwise, and upon such delivery, Landlord shall be discharged from any further liability with respect to said deposit. Tenant hereby grants Landlord a security interest in the deposit.

22. Governing Law. This Lease shall be governed by and construed pursuant to the laws of the State.

23. No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not constitute a merger of the Landlord's and Tenant's estate, and shall, at the option of Landlord, operate either as an assignment to Landlord of any or all subleases or subtenancies or as a termination thereof.

24. Disputes.

24.1 Attorneys' and Collection Fees. In addition to Landlord's attorneys' fees, if any, to be paid pursuant to this Section 24.1 below, if at any time or times hereafter Landlord employs counsel (whether or not any suit has been or shall be filed and whether or not other legal proceedings have been or shall be instituted) for advice or other representation with respect to this Lease or to enforce any rights of Landlord and/or obligations of Tenant hereunder, then Tenant shall pay Landlord on demand all of the attorneys' fees arising from such services and any expenses, costs and charges relating thereto. If Landlord should bring an action or suit for possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provisions of this Lease, or for any other relief against Tenant hereunder, or in the event of any other arbitration or litigation between the parties with respect to this Lease, then all costs and expenses, including collection agency fees and reasonable attorneys' fees incurred by the prevailing party in such arbitration or litigation, including on any arbitration or court proceeding, appeal, petition for review therefrom or in any proceeding before a U.S. Bankruptcy Court, shall be paid by the other party, such amount to be set by the court before which the matter is heard, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

24.2 Arbitration of Disputes. At Landlord's option, any dispute, controversy or claim arising out of or in connection with, or relating to, this Agreement, its interpretation, application, or the rights, duties or liabilities hereunder of either party, or any breach or alleged breach hereof, shall, upon the written request of Landlord, be submitted to, and settled by, binding arbitration in the city where the Premises is located or elsewhere as agreed by the parties, pursuant to the rules then in effect of any private arbitration service actively engaged in providing dispute resolution services as Landlord may designate. Any award rendered in an arbitration initiated under this Section 24 shall be final, binding and conclusive upon the parties and a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be paid as provided in Section 24.1.

25. Project Planning. Upon at least sixty (60) days' notice to Tenant in writing, Landlord shall have the right to relocate Tenant to other space in the Project, at Landlord's cost and expense. Landlord's notice shall identify the relocation space, the date of the relocation, and any improvements Landlord will make to the relocation space. If the relocation space, as it will be improved by Landlord, is not comparable to the Premises in size, condition or configuration, then Tenant may terminate this Lease, as of the relocation date, by written notice given to Landlord within twenty (20) days of Landlord's relocation notice. If this Lease is not so terminated, then Tenant shall be relocated on the date set forth in Landlord's notice and this Lease shall remain in full force and effect on its same terms except that the relocation space shall be the "Premises" for all purposes hereunder.

26. Tenant's Liability and Performance. Except as may be otherwise specifically provided in this Lease, all covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of Rent. If more than one person or entity executes this Lease as Tenant, (a) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant, and (b) the term "Tenant" as used in this Lease shall mean and include each of them jointly and severally. The act or notice from, or notice or refund to, or the signature of any one or more of them, with respect to the tenancy of this Lease, including, but not limited to any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed. In addition to Landlord's lien rights pursuant to applicable State law, if any, Landlord shall have a prior lien upon, and Tenant hereby grants to Landlord a security interest in, all of the fixtures, furniture, equipment, stock, goods, merchandise and other property placed on the Premises during the term of this Lease, which lien and interest shall secure the payment of Rent due hereunder for the Term. In addition to the remedies granted by law, Landlord shall have and may exercise with respect to said collateral, all of the rights, remedies and powers of a secured party under the Uniform Commercial Code as enacted in the State, including, without limitation, the right and power to seize without court process and to sell at public or private sale or sales, or otherwise dispose of, lease or use, the collateral and any part or parts hereof in any manner authorized or permitted under said code upon default by Tenant. At Landlord's request, Tenant shall execute and deliver to Landlord a financing statement appropriate for use under the Uniform Commercial Code as enacted in the State, or a signed counterpart of this Lease or the short form thereof may be used as such financing statement if Tenant is not then in default hereunder.

27. Definition of Landlord; Limitation of Liability. The term "Landlord," as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the lessor's interest in this Lease. In the event of any transfer, assignment, or other conveyance or transfers of any such interest, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer, assignment, or conveyance of all liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed. Without further agreement, the transferee of such interest shall be deemed to have assumed and agreed to observe and perform any and all obligations of Landlord hereunder, during its ownership of the Premises. Landlord may transfer its interest in the Premises without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease. Tenant and all successors and assigns acknowledge that, in the event of any actual or alleged failure, breach or default hereunder by Landlord:

(a) The sole and exclusive remedy shall be a claim against the Landlord, with any judgment against Landlord being satisfied only out of its interest in the Building (no other assets of Landlord shall be subject to levy, execution or other procedure to satisfy such a judgment);

(b) No member or manager of Landlord and no agent or employee shall be sued, named as a party in any suit or action, served with process or subjected to any judgment, and any such judgment taken against any member, manager, agent or employee may be vacated and set aside at any time nunc pro tunc; and

(c) No writ of execution will ever be levied against the assets of any such member, manager, agent or employee.

This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder, or is delayed in doing so, if such inability or delay is caused by reason of strike, labor trouble, inclement weather, war, riot, acts of God or any other cause beyond the reasonable control of Landlord (these are events of "Force Majeure"). Landlord shall be excused from performing any obligation hereunder while such obligation cannot reasonably be performed due to an event of Force Majeure.

28. Waiver. Landlord's waiver of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained, nor shall any custom or practice that may evolve between the parties in the administration of the terms hereof be deemed a waiver of or in any way affect the right of Landlord to insist upon the performance by Tenant in strict accordance with said terms. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant, of any term, covenant, or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of such acceptance of such Rent. 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 the consent or approval to or of any subsequent similar acts by the acting party. Acceptance of one or more rental or other payments after the dates when

the same first became due or after the applicable grace period shall not prevent Landlord, with respect to subsequent payments, (a) from insisting upon prompt payment of all amounts due hereunder, (b) from insisting upon payment of the late fees provided for herein, or (c) from declaring an Event of Default hereunder. Without limiting the generality of the foregoing, no payment by Tenant or receipt by Landlord of a lesser amount than the full Rent then due shall be deemed to be other than on account of the earliest stipulated Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check, or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided for in this Lease or available at law or in equity. Acceptance of Rent from another company or entity does not constitute consent to a purported sublease or assignment.

29. Miscellaneous Provisions.

29.1 Successors or Assigns. Except as otherwise provided herein, all the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and their respective heirs, administrators, executors, successors, subtenants, concessionaires, assigns and marital communities, if any, and upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.

29.2 Authority of Parties. If Tenant is a corporation or other business entity, each individual executing this Lease on behalf of said entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of such entity.

29.3 Interest on Past Due Obligations. Any amount due from Tenant to Landlord hereunder which is not paid when due shall bear interest at the Default Rate from the date due until paid, but the payment of such interest shall not excuse or cure any default by Tenant, and interest shall be compensation for the loss of use of the past due funds, and shall be in addition to late or delinquent charges which are reimbursements for administrative costs associated with collecting and processing such past due amounts. An administrative charge of \$25.00 will be assessed for any check from Tenant which is returned for any reason.

29.4 Broker's Commission. The brokers who negotiated this Lease, if any, are identified in the Basic Lease Terms preceding this Lease. Landlord shall be solely responsible for the payment of brokerage commissions to said brokers, and Tenant shall have no responsibility therefor. If Tenant has dealt with any other person or real estate broker with respect to leasing or renting space in the Building, Tenant shall be solely responsible for the payment of any fee due said person or firm and Tenant shall indemnify and hold Landlord harmless against any liability in respect thereto, including attorney's fees and costs.

29.5 Terms and Headings. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. Words used in any gender include other genders. The Section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

29.6 Examination of Lease. Submission of this document for examination and signature by Tenant is not an offer to lease and does not create a reservation or option to lease. Landlord

may negotiate with, and lease the Premises to, other third parties and may cease negotiation with Tenant at any time. No claim for reliance, estoppel, contract, breach of good faith, or other claim can be made based upon the circulation and negotiation of this Lease. This document will become effective and binding only upon full execution and delivery by both Tenant and Landlord.

29.7 Time. Except as otherwise specifically provided herein, time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.8 Amendments. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

29.9 Partial Invalidity. If any term, covenant, or condition of this Lease or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such terms, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

29.10 Recording. Tenant shall not record or file this Lease, or any assignment or security document pertaining to this Lease or all or any part of Tenant's interest therein without the prior written consent of Landlord, which consent may be subject to such conditions as Landlord shall deem appropriate. Notwithstanding the foregoing, Tenant shall execute, acknowledge and deliver to Landlord, together with the Tenant-executed originals of this Lease, a memorandum of this Lease in a form required by Landlord ("Memorandum of Lease").

29.11 Notices. All notices that either party shall be required or may desire to deliver hereunder shall be given in writing and shall be sent by registered or certified mail, return receipt requested, or by facsimile transmission followed by delivery of a "hard" copy, and shall be deemed received upon the earlier of the date of receipt or refusal thereof. Notices shall be delivered to Tenant at the Premises and to Landlord at both the address for Landlord and the address for Landlord's property manager, if any, each set forth in the Basic Lease Terms preceding this Lease. In addition, a copy of any notice to Landlord shall be delivered to the following address:

Schwabe, Williamson & Wyatt, P.C.
Pacwest Center
1211 SW Fifth Avenue, Suite 1700
Portland, OR 97204
Facsimile: (503) 796-2900
Attn: John Guinasso

Landlord may change its address for notice by giving notice to Tenant in the manner set forth above, which notice shall only be effective upon receipt or refusal. Notice to Tenant hereunder may be given by Landlord's attorney.

29.12 Entire Agreement. This Lease, including the Table of Contents and Basic Lease Terms that precede this Lease, and the Exhibits listed in such Basic Lease Terms and attached hereto, all of which are incorporated herein by this reference to them, together with any other

document to be furnished pursuant to the provisions hereof embody the entire agreement and understanding of the parties hereto as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Lease and such documents supersede all prior agreements and understandings among the parties with respect to the subject matter hereof.

29.13 Survival of Obligations. The covenants, duties, and obligations of Tenant contained herein that by their nature do not depend upon Tenant's possession of the Premises (including, without limitation, obligations arising under Section 17.2) shall survive the expiration or earlier termination of this Lease and such expiration or termination shall not excuse Tenant from the full performance thereof.

29.14 Representations and Warranties. Landlord has made no representations or warranties except as contained herein. No agent or broker of Landlord has authority to make nor has made any promise, warranty or representation to Tenant. Any offering materials or advertisements are specifically disclaimed and are superseded by this Lease; Tenant has not relied upon any of the same. Except only for Landlord's covenants stated in this Lease, the Premises is leased "AS IS." Tenant hereby represents and warrants that financial statements and other information furnished by Tenant to Landlord are true, accurate and complete, and such representation and warranty shall survive the execution and termination of this Lease and is material consideration relied upon by Landlord in executing this Lease. Any false, misleading or inaccurate statement made by Tenant therein shall constitute a material breach and an Event of Default hereunder.

29.15 Scope of Indemnity Obligations. The indemnity obligations of Tenant cover claims and causes of action asserted by Tenant's own employees and Tenant specifically and expressly waives immunity under the Washington Industrial Insurance Act to provide Landlord and the other indemnified parties with full and complete indemnity for such claims and causes of action on the same basis as required hereunder for claims and causes of action asserted by non-employees. In compliance with statutes in effect on the date of this Agreement, all provisions of the Agreement pursuant to which Tenant agrees to indemnify Landlord against liability for damages arising out of bodily injury to persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, road or other structure, project, development, or improvement attached to real estate, including the Buildings, (i) shall not apply to damages caused by or resulting from the sole negligence of the indemnified party, its agents or employees, and (ii) to the extent caused by or resulting from the concurrent negligence of Tenant and the indemnified party, or their respective agents or employees, shall apply only to the extent of Tenant's negligence; provided, however, these limitations on indemnity shall automatically and without further act by either Landlord or Tenant be deemed amended so as to remove any part of the limitation that is no longer required by then-applicable law. The foregoing provision has been mutually negotiated by the parties.

29.16 USA Patriot Act Compliance. Tenant represents to Landlord that Tenant is not (and is not engaged in this transaction on behalf of) a person or entity with which Landlord is prohibited from doing business pursuant to any law, regulation or executive order pertaining to national security ("Anti-Terrorism Laws"). "Anti-Terrorism Laws", as referenced above, shall

specifically include, but shall not limited to, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and obstruct Terrorism Act of 2001, Pub. L. No. 107-56 (aka, the USA Patriot Act); Executive Order 13224; the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq.; the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq.; the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq.; sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control ("OFAC"), as well as laws related to the prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

29.17 Consents. The grant of any consent or approval required from Landlord under this Lease shall be proved only by proof of a written document signed and delivered by Landlord expressly setting forth such consent or approval. Unless otherwise specified herein, any such consent or approval may be withheld in Landlord's sole discretion. Any consent may be issued subject to conditions determined by Landlord, in its sole discretion. Notwithstanding any other provision of this Lease, the sole and exclusive remedy of Tenant for any alleged or actual improper withholding, delaying or conditioning of any consent or approval by Landlord shall be the right to specifically enforce any right of Tenant to require issuance of such consent or approval on conditions not prohibited by this Lease; in no event shall Tenant have the right to terminate this Lease, to collect monetary damages, or to pursue any other remedy for any actual or alleged improper withholding, delaying or conditioning of any consent or approval, regardless of whether this Lease requires that such consent or approval not be unreasonably withheld, conditioned or delayed.

29.18 Confidentiality. Tenant shall not disclose to any third party the terms or provisions of this Lease, nor any communications or information sent to Tenant from Landlord under or pursuant to this Lease, except only as may be required by law.

29.19 Security. Landlord has no duty to provide security for any portion of the Project. To the extent Landlord elects to provide any security, Landlord is not warranting the effectiveness of any security personnel, services, procedures or equipment and Tenant shall not rely on any such personnel, services, procedures or equipment. Landlord shall not be liable for failure of any such security personnel, services, procedures or equipment to prevent or control, or to apprehend anyone suspected of, personal injury or property damage in, on or around the Project.

[signatures follow]



IN WITNESS WHEREOF, the parties have executed this Lease on the Effective Date.

LANDLORD: SeaTac Venture 2010 LLC, a Delaware limited liability company

By: ScanlanKemperBard Companies, LLC
an Oregon limited liability company,
its Manager

By: *[Signature]*
Name: Traci Wall
Title: SVP

STATE OF Oregon)
) ss.
County of Multnomah)

On this 6 day of May, 2015; before me, the undersigned, a Notary Public in and for the state of Oregon, duly commissioned and sworn, personally appeared Traci Wall, known to be the SVP of ScanlanKemperBard Companies, LLC, the limited liability company that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that limited liability company, as Manager of SeaTac Venture 2010 LLC, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute the instrument on behalf of the limited liability company.

WITNESS my hand and official seal hereto affixed the day and year first above written.



[Signature]
NOTARY PUBLIC for the State of Oregon
My Commission Expires: 3-11-19

TENANT:

PORT OF SEATTLE,
a municipal corporation

By: Theodore J. Fick
Name: Theodore J. Fick
Title: Chief Executive Officer

STATE OF WASHINGTON)
) ss.
County of King)

On this 15th day of MAY, 2015, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Theodore J. Fick, known to be the CEO, of the Port of Seattle, the municipal corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that municipal corporation for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute the instrument on behalf of the municipal corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Tammy J. Ashcraft
Print Name: TAMMY J. ASHCRAFT
NOTARY PUBLIC for the State of Washington
My Commission Expires: 8-24-18

EXHIBIT A

Legal Description of Land

PARCEL 1:

THAT PORTION OF THE NORTHERLY 250 FEET, AS MEASURED ALONG THE EASTERLY LINE OF PACIFIC HIGHWAY, OF THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 23 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, LYING EASTERLY OF SAID PACIFIC HIGHWAY SOUTH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF SAID NORTHERLY 250 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33 WITH THE EASTERLY LINE OF PACIFIC HIGHWAY SOUTH (THE ASSUMED BEARING OF SAID PACIFIC HIGHWAY SOUTH BEING SOUTH 1°44'28" EAST);
THENCE ALONG THE SOUTHERLY LINE OF SAID NORTHERLY 250 FEET, SOUTH 88°31'34" EAST 599.88 FEET TO THE EAST LINE OF A TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER RECORDING NUMBER 7212280221;
THENCE NORTH ALONG SAID EAST LINE 231.19 FEET;
THENCE PARALLEL WITH THE ABOVE MENTIONED SOUTHERLY LINE NORTH 88°31'34" WEST 606.51 FEET TO THE EASTERLY LINE OF PACIFIC HIGHWAY SOUTH;
THENCE ALONG SAID EASTERLY LINE SOUTH 1°44'28" EAST 231.48 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 23 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY MARGIN OF PACIFIC HIGHWAY SOUTH AND THE SOUTHERLY MARGIN OF SOUTH 176TH STREET, THE CENTERLINES OF WHICH ARE 75 FEET WESTERLY AND 30 FEET NORTHERLY THEREOF, RESPECTIVELY;
THENCE SOUTH 01°44'28" EAST ALONG SAID EASTERLY MARGIN 836.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 01°44'28" EAST ALONG SAID EASTERLY MARGIN 444.43 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;
THENCE CONTINUING SOUTH 01°44'28" EAST ALONG SAID EASTERLY MARGIN 18.52 FEET;

THENCE SOUTH 88°31'34" EAST PARALLEL WITH THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID NORTHEAST QUARTER OF SECTION 33, A DISTANCE OF 606.91 FEET TO THE EAST LINE OF THAT TRACT OF LAND DESCRIBED IN INSTRUMENT RECORDED UNDER RECORDING NUMBER 7212280221;
THENCE ALONG THE EAST, SOUTH AND WEST BOUNDARIES OF SAID TRACT ON THE FOLLOWING COURSES:

NORTH 10.01 FEET;
THENCE SOUTH 88°31'34" EAST 249.20 FEET TO THE WEST MARGIN OF 32ND AVENUE
SOUTH;
THENCE NORTH 03°04'28" EAST ALONG SAID WESTERLY MARGIN 8.50 FEET TO SAID
SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33
AND THE TERMINUS OF SAID BOUNDARY AS DESCRIBED IN INSTRUMENT RECORDED UNDER
RECORDING NUMBER 7212280221;
THENCE CONTINUING NORTH 03°04'28" EAST ALONG SAID WESTERLY MARGIN 827.91
FEET, MORE OR LESS, TO THE LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF PACIFIC HIGHWAY SOUTH,
HAVING A RIGHT ANGLE WIDTH OF 150 FEET, WITH THE SOUTH LINE OF SOUTH 176TH
STREET, HAVING A RIGHT ANGLE WIDTH OF 60 FEET;
THENCE SOUTHERLY ALONG SAID EAST LINE 636 FEET;
THENCE EASTERLY AT RIGHT ANGLES TO PACIFIC HIGHWAY SOUTH 100 FEET;
THENCE NORTHERLY AT RIGHT ANGLES TO SAID SOUTH 176TH STREET 180 FEET;
THENCE EASTERLY PARALLEL WITH SAID SOUTH 176TH STREET TO THE WEST LINE OF THE
EAST 300 FEET OF SAID NORTHEAST QUARTER AND THE TRUE POINT OF BEGINNING OF
THIS LINE DESCRIPTION;
THENCE CONTINUING EASTERLY ALONG SAID PARALLEL LINE 280 FEET, MORE OR LESS,
TO THE WEST LINE OF THE EAST 20 FEET OF SAID NORTHEAST QUARTER AND THE END OF
THIS LINE DESCRIPTION;

THENCE NORTH 88°25'30" WEST 280.10 FEET;
THENCE SOUTH 03°04'28" WEST 349.92 FEET TO A POINT ON A LINE FROM WHICH THE
TRUE POINT OF BEGINNING BEARS SOUTH 88°15'32" WEST;
THENCE SOUTH 88°15'32" WEST 616.27 FEET TO THE TRUE POINT OF BEGINNING;

EXCEPT THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF
SECTION 33, TOWNSHIP 23 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING
COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY MARGIN OF PACIFIC HIGHWAY
SOUTH, THE CENTERLINE OF WHICH IS 75 FEET WESTERLY THEREOF, AND THE SOUTH
LINE OF SAID SUBDIVISION;
THENCE NORTH 01°44'28" WEST ALONG SAID EASTERLY MARGIN 220.46 FEET;
THENCE SOUTH 88°31'34" EAST 146.32 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 01°27'50" EAST 201.40 FEET;
THENCE SOUTH 88°32'10" EAST 288.80 FEET;
THENCE SOUTH 01°27'50" WEST 201.40 FEET;
THENCE NORTH 88°32'10" WEST 288.80 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 23 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY MARGIN OF PACIFIC HIGHWAY SOUTH, THE CENTERLINE OF WHICH IS 75 FEET WESTERLY THEREOF, AND THE SOUTH LINE OF SAID SUBDIVISION;

THENCE NORTH 01°44'28" WEST ALONG SAID EASTERLY MARGIN 220.46 FEET;
THENCE SOUTH 88°31'34" EAST 146.32 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 01°27'50" EAST 201.40 FEET;
THENCE SOUTH 88°32'10" EAST 288.80 FEET;
THENCE SOUTH 01°27'50" WEST 201.40 FEET;
THENCE NORTH 88°32'10" WEST 288.80 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 4:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 23 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER FROM WHENCE THE NORTHEAST CORNER OF SAID SECTION 33 BEARS NORTH 03°04'28" EAST;

THENCE NORTH 88°31'34" WEST 20.00 FEET TO THE WESTERLY MARGIN OF 32ND AVENUE SOUTH;
THENCE SOUTH 03°04'28" WEST ALONG SAID WESTERLY MARGIN 8.50 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED;
THENCE NORTH 88°31'34" WEST 249.20 FEET TO THE EASTERLY LINE OF THAT TRACT OF LAND DESCRIBED IN INSTRUMENT RECORDED UNDER RECORDING NUMBER 7212280221;
THENCE SOUTH ALONG SAID EASTERLY LINE 398.65 FEET;
THENCE NORTH 82°13'07" EAST 102.00 FEET;
THENCE NORTH 14°11'41" WEST 2.67 FEET;
THENCE NORTH 57°16'42" EAST 39.31 FEET;
THENCE NORTH 59°54'15" EAST 112.28 FEET;
THENCE NORTH 08°04'33" EAST 48.05 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 125.00 FEET;
THENCE NORTHERLY AND NORTHEASTERLY ALONG SAID CURVE 58.45 FEET TO A POINT FROM WHICH THE RADIUS POINT BEARS SOUTH 55°07'54" EAST, AND SAID POINT ALSO BEING ON THE EAST LINE OF SAID SECTION 33;

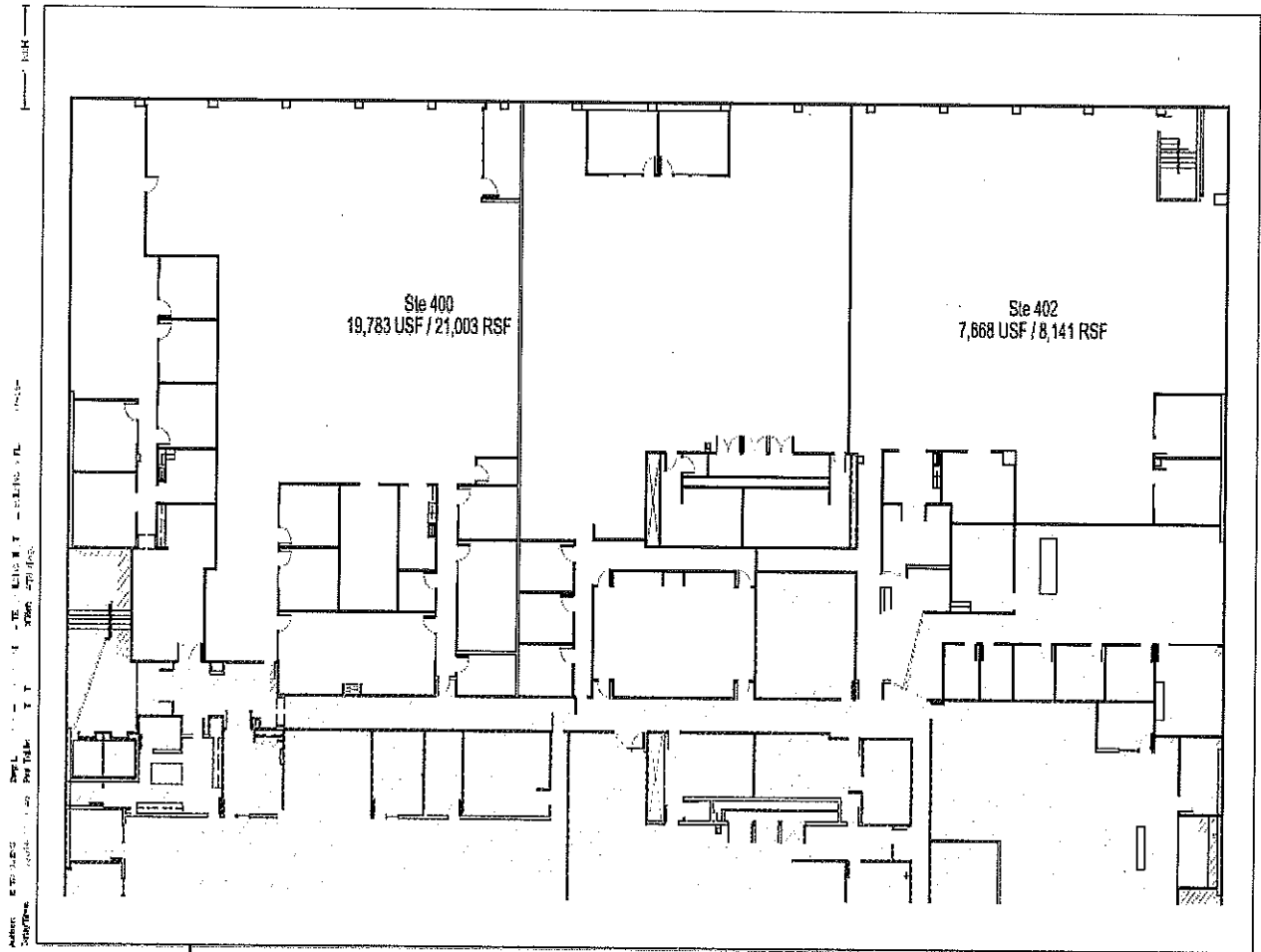
THENCE NORTH 05°21'43" WEST 136.32 FEET;
THENCE NORTH 12°25'03" EAST 43.00 FEET;
THENCE NORTH 17°21'15" WEST 7.85 FEET TO THE SOUTHERLY MARGIN OF SOUTH 180TH STREET;
THENCE ALONG SAID SOUTHERLY MARGIN NORTH 88°31'34" WEST 4.24 FEET TO A POINT ON THE WESTERLY MARGIN OF 32ND AVENUE SOUTH;
THENCE ALONG SAID WESTERLY MARGIN NORTH 03°04'28" EAST 11.51 FEET TO THE POINT OF BEGINNING.

PARCEL 5:

BEGINNING AT HIGHWAY ENGINEER'S STATION 339+37.5 (HEREINAFTER CALLED H.E.S.) ON THE CENTERLINE OF SR 99 IN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 23 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;
THENCE EASTERLY 58 FEET TO THE TRUE POINT OF BEGINNING;
THENCE EASTERLY 42 FEET;
THENCE NORTHERLY 705 FEET PARALLEL TO SAID CENTERLINE;
THENCE WESTERLY 42 FEET;
THENCE SOUTHERLY 705 FEET PARALLEL TO SAID CENTERLINE TO THE TRUE POINT OF BEGINNING.

EXHIBIT B

Premises



Notes:
1. SEE SHEET 14-001B FOR GENERAL NOTES.
2. SEE SHEET 14-001C FOR GENERAL NOTES.
3. SEE SHEET 14-001D FOR GENERAL NOTES.
4. SEE SHEET 14-001E FOR GENERAL NOTES.
5. SEE SHEET 14-001F FOR GENERAL NOTES.
6. SEE SHEET 14-001G FOR GENERAL NOTES.
7. SEE SHEET 14-001H FOR GENERAL NOTES.
8. SEE SHEET 14-001I FOR GENERAL NOTES.
9. SEE SHEET 14-001J FOR GENERAL NOTES.
10. SEE SHEET 14-001K FOR GENERAL NOTES.
11. SEE SHEET 14-001L FOR GENERAL NOTES.
12. SEE SHEET 14-001M FOR GENERAL NOTES.
13. SEE SHEET 14-001N FOR GENERAL NOTES.
14. SEE SHEET 14-001O FOR GENERAL NOTES.
15. SEE SHEET 14-001P FOR GENERAL NOTES.
16. SEE SHEET 14-001Q FOR GENERAL NOTES.
17. SEE SHEET 14-001R FOR GENERAL NOTES.
18. SEE SHEET 14-001S FOR GENERAL NOTES.
19. SEE SHEET 14-001T FOR GENERAL NOTES.
20. SEE SHEET 14-001U FOR GENERAL NOTES.
21. SEE SHEET 14-001V FOR GENERAL NOTES.
22. SEE SHEET 14-001W FOR GENERAL NOTES.
23. SEE SHEET 14-001X FOR GENERAL NOTES.
24. SEE SHEET 14-001Y FOR GENERAL NOTES.
25. SEE SHEET 14-001Z FOR GENERAL NOTES.

JPC ARCHITECTS
1111 1st Ave, Suite 1000
Seattle, WA 98101

SeaTac Office Center - Building III
Demising Study

PROJECT: UJ
DRAWING: AC
DATE: 14-001B
DATE: 11.11.2014



SP.1
© 2014, JPC ARCHITECTS PLLC

EXHIBIT C

Work Letter

1. Landlord's Work.

1.1 Plans. Landlord and Tenant intend to improve the Premises as generally described on Schedule 1 hereto. Landlord shall prepare final plans and specifications (the "Final Plans") to improve the Premises as set forth below. The installation of the tenant improvements shown on the Final Plans is herein referred to as "Landlord's Work." Landlord's Work shall not include voice and data cabling. Tenant shall approve proposed Final Plans delivered by Landlord if they are consistent with Schedule 1 (except for revisions made to comply with laws or to address site conditions). If Tenant has not approved the Final Plans by the Plan Approval Date, then Landlord may terminate this Lease by written notice given after the Plan Approval Date but prior to the date that the Final Plans are approved by Tenant. Approximately five business days after approval of the Final Plans, Landlord shall deliver to Tenant a Cost Statement showing the expected costs of Landlord's Work.

1.2 Construction. Landlord shall perform Landlord's Work substantially in accordance with the Final Plans. At Landlord's election, substantial completion may be demonstrated by a certificate of occupancy or other final inspection (with or without conditions) or a certificate of substantial completion from Landlord's architect. Landlord's Work shall be deemed substantially complete on the earlier of (i) the date that Landlord has substantially completed construction in accordance with the Final Plans, or (ii) the date that Landlord could have achieved such substantial completion absent delays attributable to Tenant, including delays related to changes pursuant to Section 1.3 below, and/or delays in Landlord's Work caused by Tenant.

1.3 Changes in Plans. Tenant may request reasonable changes in the Final Plans; provided, however, that (i) no such request shall affect any structural change in the Premises; (ii) if Landlord approves the request, Tenant shall pay any additional Costs required to implement such change, including, without limitation, architecture fees, increase in construction costs and other charges payable hereunder caused by delay, and Tenant shall pay Landlord for said Costs within fifteen (15) days after written notice from Landlord; and (iii) such requests shall constitute an agreement by Tenant to any delay in substantial completion caused by reviewing, processing and implementing such change.

1.4 Inspection and Punchlist. Prior to the date which Landlord anticipates to be the date of substantial completion, Landlord shall deliver to Tenant written notice of the expected date of such substantial completion. Prior to the date of substantial completion, if Tenant desires, representatives of Landlord and Tenant shall make a joint inspection of the Premises to create an agreed upon list of items yet to be substantially completed. The items included in such list are herein referred to as "Punchlist Items." Certain of the Punchlist Items may be completed by Landlord prior to substantial completion and Landlord shall complete the remaining Punchlist Items with due diligence. If the parties are unable to agree whether any particular item is to be included as a Punchlist Item or whether the same has been satisfactorily completed, then the decision of Landlord's architect shall be binding. Landlord shall continue to have complete access to the Premises for the purpose of taking any and all steps related to any then remaining Punchlist

Items. Landlord's obligation to complete the Punchlist Items shall not alter the date of substantial completion. The obligation of Landlord to perform Punchlist Items work shall be to perform the same to an industry standard level, not to perfection. Except for the obligation to perform Punchlist Items, Landlord shall have no other or further obligation with respect to construction of Landlord's Work.

2. **Costs.** The "Costs" of Landlord's Work are all hard and soft costs related to Landlord's Work including but not limited to architectural plans, permits, construction costs, and Landlord's project management fee of 3%. Landlord shall pay the Costs up to the amount of the Allowance, and Tenant shall pay all Costs in excess of the Allowance ("Excess Costs"). At the time the Cost Statement is delivered, Tenant will pay the Excess Costs to Landlord; if actual Excess Costs vary, the difference shall be paid in cash between the parties promptly following completion of Landlord's Work.

3. **Alternate Use.** If any part of the Allowance is not used to pay Costs (as defined above) then Landlord shall apply such unused Allowance (up to a maximum of \$42,006) against Base Rent next coming due. Notwithstanding any other provision hereof, no part of the Allowance will be disbursed at any time that an Event of Default exists.

4. **Early Access.** Tenant will have access to the Premises during the 14 day period prior to the Commencement Date to prepare the same for Tenant's use. Prior to such access, Tenant shall deliver evidence of insurance as required by this Lease. All provisions of this Lease shall apply during such period of early access except the obligation to pay Base Rent and Operating Expenses. Tenant's activities shall be conducted so as not to interfere with Landlord's Work.

SCHEDULE 1

JPC ARCHITECTS
 801 1st Avenue NE
 Seattle, WA 98101

Port of Seattle
 STOC - Building III
 Floor 4
 17900 Pacific Ave., S.
 Seattle, WA

DATE: 10/11/05
 DRAWN BY: JPC
 CHECKED BY: JPC

Code Notes:

1. THIS PLAN IS TO BE USED FOR THE DESIGN OF THE BUILDING.
2. THE DESIGNER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL JURISDICTIONS.
3. THE DESIGNER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL JURISDICTIONS.
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6. THE DESIGNER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL JURISDICTIONS.

Port of Seattle - Occupant Load:

Room	Area (sq ft)	Occupant Load	Notes
1	100	5	
2	200	10	
3	300	15	
4	400	20	
5	500	25	
6	600	30	
7	700	35	
8	800	40	
9	900	45	
10	1000	50	
11	1100	55	
12	1200	60	
13	1300	65	
14	1400	70	
15	1500	75	
16	1600	80	
17	1700	85	
18	1800	90	
19	1900	95	
20	2000	100	
TOTAL	17900	895	

General Notes:

1. ALL ROOMS SHALL BE DESIGNED TO ACCOMMODATE THE OCCUPANT LOADS SHOWN ON THIS PLAN.
2. THE DESIGNER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL JURISDICTIONS.
3. THE DESIGNER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL JURISDICTIONS.
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15. THE DESIGNER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL JURISDICTIONS.
16. THE DESIGNER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL JURISDICTIONS.
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Legend:

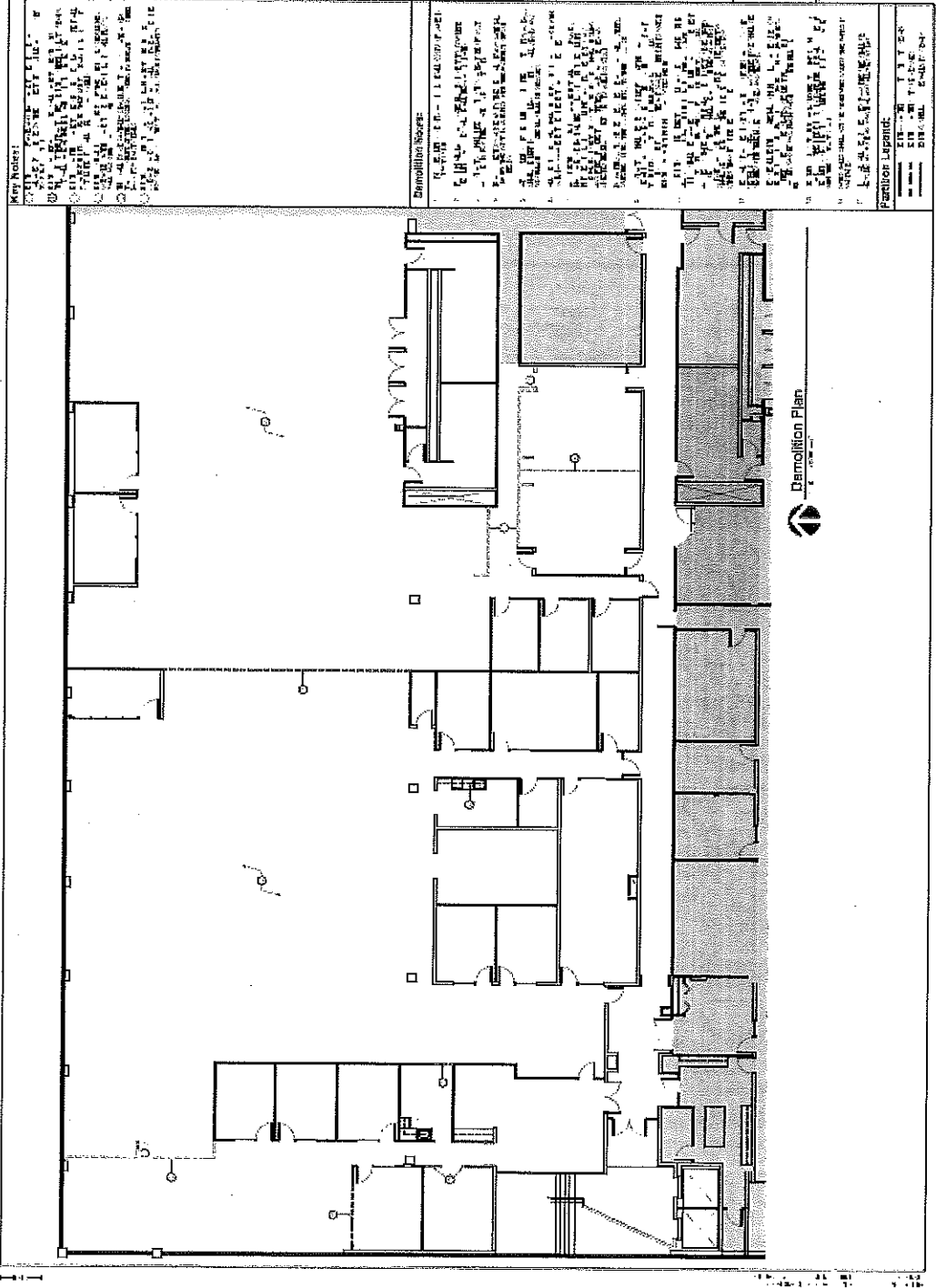
- EXIT
- STAIR
- ELEVATOR
- MECHANICAL
- ELECTRICAL
- PLUMBING
- TELEPHONE
- RECEPTION
- CONFERENCE
- OFFICE
- RESTROOM
- STORAGE
- LOBBY
- RECEPTION
- CONFERENCE
- OFFICE
- RESTROOM
- STORAGE
- LOBBY

Exit Plan

1 - SCHEDULE 1
 PDX\116631\157775\DHE\15460706.5

Demolition Plan

I-14



Key Notes:
 1. DEMOLITION SHALL BE IN ACCORDANCE WITH THE CITY OF SEATTLE'S DEMOLITION ORDINANCE, CHAPTER 22.05.010.
 2. ALL MATERIALS SHALL BE REMOVED TO THE STREET OR TO AN OFF-SITE STORAGE YARD.
 3. ALL EXISTING UTILITIES SHALL BE SHOWN AND PROTECTED.
 4. ALL EXISTING STRUCTURES SHALL BE DEMOLISHED TO THE FOUNDATION.
 5. ALL EXISTING PARTITIONS SHALL BE DEMOLISHED.
 6. ALL EXISTING ROOFING SHALL BE DEMOLISHED.
 7. ALL EXISTING CURBS AND SIDEWALKS SHALL BE DEMOLISHED.
 8. ALL EXISTING DRIVEWAYS SHALL BE DEMOLISHED.
 9. ALL EXISTING SIGNAGE SHALL BE DEMOLISHED.
 10. ALL EXISTING LANDSCAPING SHALL BE DEMOLISHED.
 11. ALL EXISTING UTILITY ENTRIES SHALL BE DEMOLISHED.
 12. ALL EXISTING FOUNDATIONS SHALL BE DEMOLISHED.
 13. ALL EXISTING CONCRETE SHALL BE DEMOLISHED.
 14. ALL EXISTING BRICK SHALL BE DEMOLISHED.
 15. ALL EXISTING METAL SHALL BE DEMOLISHED.
 16. ALL EXISTING WOOD SHALL BE DEMOLISHED.
 17. ALL EXISTING GLASS SHALL BE DEMOLISHED.
 18. ALL EXISTING PLASTER SHALL BE DEMOLISHED.
 19. ALL EXISTING PAINT SHALL BE DEMOLISHED.
 20. ALL EXISTING FLOORING SHALL BE DEMOLISHED.

Demolition Notes:
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 15. ALL EXISTING METAL SHALL BE DEMOLISHED.
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 17. ALL EXISTING GLASS SHALL BE DEMOLISHED.
 18. ALL EXISTING PLASTER SHALL BE DEMOLISHED.
 19. ALL EXISTING PAINT SHALL BE DEMOLISHED.
 20. ALL EXISTING FLOORING SHALL BE DEMOLISHED.

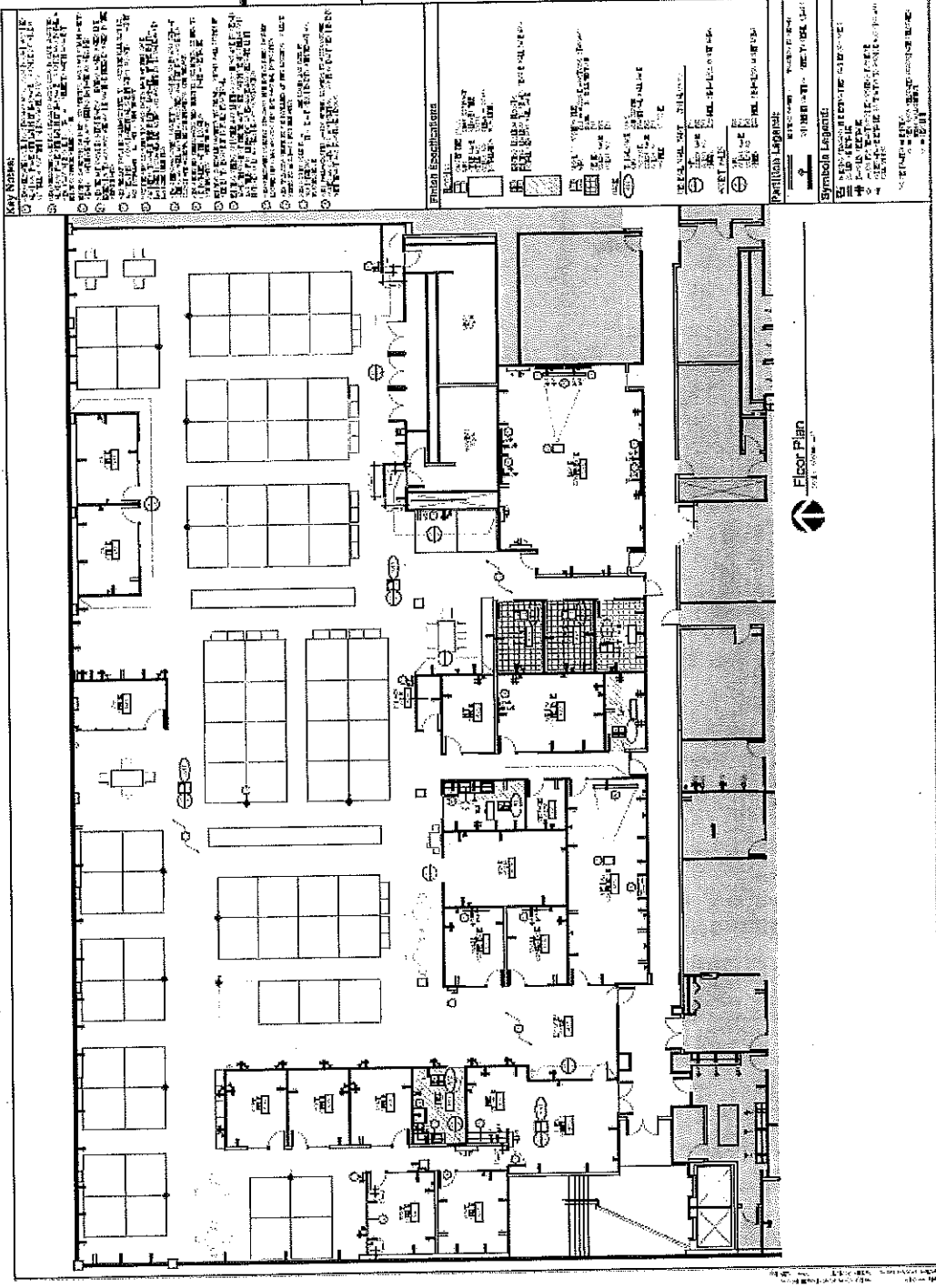
Partition Legend:
 --- EXISTING PARTITION
 --- NEW PARTITION
 --- EXISTING PARTITION TO BE DEMOLISHED
 --- EXISTING PARTITION TO BE RELOCATED
 --- EXISTING PARTITION TO BE RECONSTRUCTED

JPC ARCHITECTS
 17500 Pacific Hwy, S.
 Seattle, WA

Port of Seattle
 5700 - Building III
 Floor 5
 17500 Pacific Hwy, S.
 Seattle, WA

REVISIONS
 NO. DATE BY





Key Notes:
 1. ALL FINISHES TO BE AS SHOWN ON THIS PLAN.
 2. ALL FINISHES TO BE APPROVED BY THE ARCHITECT.
 3. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTRUCTIONS.
 4. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE PORT OF SEATTLE SPECIFICATIONS.
 5. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE PORT OF SEATTLE SPECIFICATIONS.
 6. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE PORT OF SEATTLE SPECIFICATIONS.
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 8. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE PORT OF SEATTLE SPECIFICATIONS.
 9. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE PORT OF SEATTLE SPECIFICATIONS.
 10. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE PORT OF SEATTLE SPECIFICATIONS.

Finish Specifications:
 1. WALLS: 1/2" GYP BOARD, 1/2" GYP BOARD, 1/2" GYP BOARD.
 2. CEILING: 2' x 4' GYP BOARD, 2' x 4' GYP BOARD, 2' x 4' GYP BOARD.
 3. FLOOR: POLISHED CONCRETE, POLISHED CONCRETE, POLISHED CONCRETE.
 4. DOORS: 1 3/4" SOLID CORE, 1 3/4" SOLID CORE, 1 3/4" SOLID CORE.
 5. WINDOWS: 1/2" GYP BOARD, 1/2" GYP BOARD, 1/2" GYP BOARD.
 6. PARTITIONS: 1/2" GYP BOARD, 1/2" GYP BOARD, 1/2" GYP BOARD.
 7. STAIRS: 1/2" GYP BOARD, 1/2" GYP BOARD, 1/2" GYP BOARD.
 8. ELEVATORS: 1/2" GYP BOARD, 1/2" GYP BOARD, 1/2" GYP BOARD.
 9. RECEPTION: 1/2" GYP BOARD, 1/2" GYP BOARD, 1/2" GYP BOARD.
 10. OFFICES: 1/2" GYP BOARD, 1/2" GYP BOARD, 1/2" GYP BOARD.

Symbol Legend:
 1. 1/2" GYP BOARD
 2. 1/2" GYP BOARD
 3. 1/2" GYP BOARD
 4. 1/2" GYP BOARD
 5. 1/2" GYP BOARD
 6. 1/2" GYP BOARD
 7. 1/2" GYP BOARD
 8. 1/2" GYP BOARD
 9. 1/2" GYP BOARD
 10. 1/2" GYP BOARD

Port of Seattle
 5700 - Building III
 Floor 5
 17500 Pacific Hwy, S.
 Seattle, WA

Floor Plan
 17500 Pacific Hwy, S.
 Seattle, WA

Floor Plan
 I-3.4

3 - SCHEDULE 1
 PDX\16631\157775\DH\15460706.5

1 Non-Bearing, Non-Structural Limiting Wall Height Table

Wall Height	Minimum Wall Thickness	Minimum Wall Weight	Minimum Wall Density
0 to 8 ft	8 in.	15 lb/ft²	120 lb/ft³
8 to 10 ft	10 in.	20 lb/ft²	120 lb/ft³
10 to 12 ft	12 in.	25 lb/ft²	120 lb/ft³
12 to 14 ft	14 in.	30 lb/ft²	120 lb/ft³
14 to 16 ft	16 in.	35 lb/ft²	120 lb/ft³
16 to 18 ft	18 in.	40 lb/ft²	120 lb/ft³
18 to 20 ft	20 in.	45 lb/ft²	120 lb/ft³
20 to 22 ft	22 in.	50 lb/ft²	120 lb/ft³
22 to 24 ft	24 in.	55 lb/ft²	120 lb/ft³
24 to 26 ft	26 in.	60 lb/ft²	120 lb/ft³
26 to 28 ft	28 in.	65 lb/ft²	120 lb/ft³
28 to 30 ft	30 in.	70 lb/ft²	120 lb/ft³

2 Section Elevation Detail

3 Section Elevation Detail

4 Section Elevation Detail

5 Section Elevation Detail

6 Section Elevation Detail

7 Section Elevation Detail

8 Section Elevation Detail

9 Section Elevation Detail

10 Section Elevation Detail

11 Section Elevation Detail

EXHIBIT D

Rules and Regulations

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed, or printed or affixed on or to any part of the Building or Premises if visible from outside the Premises, without the prior written consent of Landlord. Tenant's identification signs and lettering shall be in accordance with Landlord's standard requirements for the Building unless otherwise approved in writing by Landlord, and shall be printed, painted, affixed, or inscribed at the expense of Tenant by a person approved by Landlord.
2. Tenant shall not place or maintain any window covering, blinds or drapes on any window without Landlord's prior written approval. A breach of this rule will directly and adversely affect the exterior appearance of the Building. Upon request by Landlord, Tenant shall remove any window covering, or any other item visible from outside the Premises, if installed or placed without Landlord's written approval. In the event that the Premises are adjacent to the Building's ground-floor lobby, then i) Tenant shall be responsible for maintaining the portion of the Premises which are visible through the lobby glass in a clean and orderly fashion consistent with a first-class office building, so as to maintain a professional appearance to the Premises and the Building; and ii) Tenant will maintain the blinds on the lobby glass in either a fully raised or fully closed position, with no object of any kind being placed on the lobby glass or between the lobby glass and the blinds.
3. [Omitted]
4. The sidewalks, halls, passages, exits, entrances, elevators, escalators, and stairways shall not be obstructed by Tenant or used by it for any purpose other than for ingress to and egress from the Premises. The halls, passages, exits, entrances, elevators, escalators, stairways, balconies and roof are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord might be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed so as to prevent such access to persons with whom Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities or are creating a nuisance. No employee, invitee, contractor or agent of Tenant shall go upon the roof of the Building.
5. Tenant shall be responsible for assuring that doors to the Premises are locked during non business hours. Such doors shall not be left open during business hours, except while moving furniture or other items in or out of the Premises, unless Landlord consents otherwise.
6. The toilet rooms and urinals, wash bowls and other apparatus therein shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be placed therein; the expense of breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees, invitees, contractors or agents, shall have caused it.

7. Except as to normal pictures and furnishings, Tenant shall not mark, drive nails, screw or drill into partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires shall be permitted except with the prior written consent of Landlord and as Landlord may direct. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by Tenant.

8. Tenant shall not overload any floor of the Premises or the Building. No furniture, freight or equipment of any kind shall be brought into the Building by Tenant or its contractors or agents without prior consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects brought into the Building and also the time and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute weight. Landlord will not be responsible for loss or damage to any property from any such cause, and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant. There shall not be used in any part of the Building any hand truck unless it is equipped with rubber tires and side guards.

9. Tenant shall not employ any person or persons other than the janitor of Landlord for the purpose of cleaning the Premises unless otherwise agreed to in writing by Landlord. Except with the prior written consent of Landlord, no person or persons other than those approved by Landlord shall be permitted to enter the Building for the purpose of cleaning same. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall in no way be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant or any of its employees or other persons by the janitor of Landlord. Janitor service shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include clearing of carpets or rugs, except normal vacuuming, or moving of furniture and other special services. Janitor service will not be furnished to rooms which are occupied after 9:30 p.m. Window cleaning shall be done only by Landlord at reasonable intervals and as Landlord deems necessary.

10. Tenant shall not use, keep or permit to be used or kept any noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein. No tenant shall make or permit to be made any loud or disturbing noises or disturb or interfere with occupants of the Building or those having business with them whether by the use of any musical instrument, radio, phonograph, shouting or in any other manner. Tenant shall not throw anything out of doors or down the passageways.

11. The Premises shall not be used for the storage of merchandise except as such storage may be incidental to the use of the Premises authorized by the Lease. No cooking shall be done or permitted in the Premises without Landlord's consent, except that use by Tenant of Underwriter's Laboratory approved microwave ovens or equipment for brewing coffee or similar beverages shall

be permitted. Tenant shall not advertise for day laborers giving an address at the Premises. The Premises shall not be used for lodging or for any illegal purposes. Tenant shall not keep or maintain pets or animals of any type and shall not store or keep bicycles, mopeds or motorcycles in the Premises or the Building.

12. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or flammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied or permitted by Landlord.

13. Landlord will direct electricians as to where and how electrical, telephone and telegraph wires are to be introduced to the Premises. No boring or cutting for wires will be allowed without the prior consent of Landlord. The location of telephone switching equipment, call boxes and other similar equipment in the Premises shall be subject to the approval of Landlord.

14. Landlord will furnish Tenant free of charge two (2) keys for each locking door in the Premises. Any additional or replacement keys will be furnished at a reasonable charge. All keys to offices, rooms and toilet rooms shall be obtained from Landlord and Tenant shall not duplicate or obtain such keys from any other source. Upon termination of the Lease, Tenant shall deliver to Landlord the keys to the offices, rooms and toilet rooms which were previously furnished to Tenant, failing which Tenant shall pay Landlord the cost of replacing same or of changing the lock or locks opened by any unreturned key if Landlord deems it necessary to make such changes. Landlord shall have the right periodically to change all locks and furnish Tenant with new keys therefor. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the prior written consent of Landlord (except as to safes, vaults and other secured areas of Tenant approved by Landlord).

15. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours and in such elevators as shall be designated by Landlord.

16. Landlord reserves the right to close and keep locked all entrances and exit doors of the Building on Saturdays, Sundays, legal holidays and on other days between non business hours, and during such further hours as Landlord may deem advisable for the adequate protection of the Building and the property of its tenants (such hours are referred to as "After Hours"). However, during such After Hours Tenant and/or authorized employees as well as guests, licensees or invitees of Tenant who are accompanied by Tenant or an authorized employee of Tenant, shall be allowed access to the Building upon proper identification. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of same.

17. All hours other than Business Hours on Business Days are deemed "After Hours".

18. Tenant shall not canvass or solicit other tenants in the Building and Tenant shall cooperate to prevent any such canvassing and/or solicitation. Canvassing and peddling in the Building is prohibited. Tenant shall not obtain for use in the Premises food, beverage, shoe shine or other services except as expressly permitted by Landlord.

19. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, has no legitimate purpose to be in the Building, or is violating the rules and regulations of the Building.
20. The requirements of Tenant will be attended to only upon application to Landlord's designated property manager. Tenant acknowledges that employees of Landlord shall have no obligation to perform work for Tenant or do anything outside their regular duties for Tenant unless under special instructions from Landlord, and that no employee will have any obligation to admit any person (Tenant or otherwise) to any office of Landlord without specific instructions from Landlord.
21. No vending machines of any description shall be installed, maintained, or operated by Tenant upon the Premises or in the Building, without the prior written consent of Landlord.
22. Tenant agrees that it shall comply with all fire and security regulations that may be issued from time to time by Landlord, and Tenant shall also provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire or security regulations.
23. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building. Tenant shall not interfere with broadcasting or reception from or in the Building or elsewhere.
24. Tenant shall store its trash and garbage within the Premises or in other facilities designated by Landlord. Tenant shall not place in any trash receptacle any material which cannot be disposed of in the ordinary practice of trash disposal. All trash and garbage disposal shall be made pursuant to directions issued from time to time by Landlord.
25. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.
26. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of premises in the Building.
27. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted.
28. Tenant shall be responsible for the observance of all of the foregoing rules of Tenant's employees, agents, clients, customers, invitees and guests.

EXHIBIT E

Acceptance Letter

[date]

SEATAC VENTURE 2010 LLC, a Delaware limited liability company
c/o ScanlanKemperBard Companies
810 NW Marshall Street, Suite 300
Portland, Oregon 97209

RE: Lease Dated: _____
Landlord: SEATAC VENTURE 2010 LLC, a Delaware limited liability company
Tenant: _____
Premises: _____

Ladies & Gentlemen:

The undersigned, Tenant under the above-described Lease, hereby confirms, as of the date hereof, the following:

1. That it is in full and complete possession of the Premises, such possession having been delivered by Landlord and having been accepted by the undersigned.
2. That the improvements and space required to be furnished by the terms of the Lease have been completed in all respects to the satisfaction of the undersigned and are open for the use of, the undersigned, its employees and invitees.
3. That all duties of an inducement nature required of Landlord in said Lease have been fulfilled.
4. That said Lease is in full force and effect; that there are no existing defaults on the part of the Landlord under the terms thereof.
5. That said Lease has not been amended, modified, supplemented or superseded except as follows:

6. That no rents have been prepaid except as provided by said Lease.

7. The rents provided in said Lease commenced to accrue, and that the Commencement Date occurred, on _____, _____.

Very truly yours,

(Tenant)

By: _____
(Title)

EXHIBIT F

Standards for Utilities and Services

The following Standards for Utilities and Services are in effect. Landlord reserves the right to adopt nondiscriminatory modifications and additions hereto:

As long as Tenant is not in default under any of the terms, covenants, conditions, provisions or agreements of this Lease, Landlord shall:

a. Provide non-attended automatic elevator facilities during Business Hours on Business Days, and have one elevator available at all other times.

b. During Business Hours on Business Days (and other times for a reasonable additional charge to be fixed by Landlord), ventilate the Premises and furnish air conditioning or heating on such days and hours, when in the judgment of Landlord it may be required for the comfortable occupancy of the Premises. The air conditioning system achieves maximum cooling when the window coverings are closed. Landlord shall not be responsible for room temperatures if Tenant does not keep all window coverings in the Premises closed whenever the system is in operation. Tenant agrees to cooperate fully at all times with Landlord, and to abide by all regulations and requirements which Landlord may prescribe for the proper function and protection of said air conditioning system. Tenant agrees not to connect any apparatus, device, conduit or pipe to the Building chilled and hot water air conditioning supply lines. Tenant further agrees that neither Tenant nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or adjust, tamper with, touch or otherwise in any manner affect said installations or facilities.

c. Landlord shall furnish to the Premises, during the usual Business Hours on Business Days, electric current. Tenant agrees, should its electrical installation or electrical consumption be in excess of the aforesaid quantity or extend beyond Business Hours, to reimburse Landlord monthly for the measured consumption at the terms, classifications and rates charged to similar consumers by said public utility serving the neighborhood in which the Building is located. If a separate meter is not installed at Tenant's cost, such excess cost will be established by an estimate agreed upon by Landlord and Tenant, and if the parties fail to agree, as established by an independent licensed engineer. Tenant agrees not to use any apparatus or device in, or upon, or about the Premises which may in any way increase the amount of such services usually furnished or supplied to said Premises, and Tenant further agrees not to connect any apparatus or device with wires, conduits or pipes, or other means by which such services are supplied, for the purpose of using additional or unusual amounts of such services without written consent of Landlord. Should Tenant use the same to excess, the refusal on the part of Tenant to pay upon demand of Landlord the amount established by Landlord for such excess charge shall constitute a breach of the obligation to pay rent under this Lease and shall entitle Landlord to the rights therein granted for such breach. At all times Tenant's use of electric current shall never exceed the capacity of the feeders to the Building or the risers or wiring installation.

d. Water will be available in public areas for drinking and lavatory purposes only, but if Tenant requires, uses or consumes water for any purposes in addition to ordinary drinking and

lavatory purposes of which fact Tenant constitutes Landlord to be the sole judge, Landlord may install a water meter and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Landlord for the cost of the meter and the cost of the installation thereof and throughout the duration of Tenant's occupancy Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expenses, in default of which Landlord may cause such meter and equipment to be replaced or repaired and collect the cost thereof from Tenant. Tenant agrees to pay for water consumed, as shown on said meter, as and when bills are rendered, and on default in making such payment, Landlord may pay such charges and collect the same from Tenant. Any such costs or expenses incurred, or payments made by Landlord for any of the reasons or purposes hereinabove stated shall be deemed to be additional rent payable by Tenant and collectible by Landlord as such.

e. Provide janitor service to the Premises, provided the same are used exclusively as offices, and are kept reasonably in order by Tenant, and if to be kept clean by Tenant, no one other than persons approved by Landlord shall be permitted to enter the Premises for such purposes. If the Premises are not used exclusively as offices, they shall be kept clean and in order by Tenant, at Tenant's expense and to the satisfaction of Landlord, and by persons approved by Landlord. Tenant shall pay to Landlord the cost of removal of any of Tenant's refuse and rubbish, to the extent that the same exceeds the refuse and rubbish usually attendant upon the use of the Premises as offices.

Landlord reserves the right to stop service of the elevator, plumbing, ventilation, air conditioning and electric systems, when necessary, by reason of accident or emergency or for repairs, alterations or improvements, in the judgment of Landlord desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilating, air conditioning or electric service, when prevented from so doing by strike or accident or by any cause beyond Landlord's reasonable control, or by laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority or failure of gas, oil, or other suitable fuel supply or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel.

Tenant shall obtain, at its sole cost and expense, any services required for its use and occupancy of the Premises other than those described in the Lease as being provided by Landlord. Tenant shall pay, as and when due, all charges for all such facilities and services.

Tenant acknowledges and agrees that the number and type of telecommunication lines to the Premises, and all other telephone, telecommunication and other communication equipment serving the Premises, including those, if any, contemplated to be installed prior to delivery of possession as specifically provided in this Lease, are fully adequate for the intended uses and purposes of Tenant. In the event Tenant later wishes additional telecommunication lines or equipment, no such additional lines or equipment shall be installed without first securing the prior written consent of Landlord. Landlord shall not be required to incur any expense regarding additional lines or equipment, nor shall Landlord be required to allow additional service providers to access the Building; if Landlord allows access by an additional provider, Landlord may impose conditions in connection with such access, including but not limited to execution of additional agreements by Tenant and any such provider in form prepared by Landlord. Landlord shall have the right to determine whether there is sufficient space in the Building for the placement of additional lines or

equipment. Tenant agrees to compensate Landlord for the reasonable amount determined by Landlord for space used by additional lines or equipment and for any costs that may be incurred by Landlord, including a reasonable charge for installation, inspection and oversight. The refusal of Landlord to allow additional lines or equipment shall not be deemed a default hereunder by Landlord nor be grounds for any termination, claim or offset by Tenant. Landlord does not represent or warrant the suitability of the present or planned telecommunication lines or equipment for the use or activities of the Tenant. The provisions of this paragraph are solely for the benefit of Landlord and Tenant, and are not for the benefit of any third party (specifically, without limitation, these provisions are not for the benefit of any telephone or telecommunications provider). In no event shall Landlord be liable for, nor have any obligation to restore or repair, any damage from any cause whatsoever to any telecommunications equipment or cabling installed by or at the request of Tenant.

Landlord shall not be liable to Tenant for any claims, losses or costs (including but not limited to loss or injury to person or property, or loss of business or income), nor shall Tenant have any right to abatement or diminution of rent nor any right to terminate this Lease, in the event of any failure to provide or any interruption or disruption of services or utilities from any cause whatsoever including any actual or alleged negligence or failure of Landlord.

EXHIBIT G

Parking

1. Type and Number of Parking Spaces. Tenant shall have the right to use up to the number of spaces specified in the Lease. If the area of Tenant's Premises in the Project is reduced, Tenant's allotment of parking spaces will be adjusted proportionately. If the area of Tenant's Premises is increased, Tenant may, at its option, increase the number of its allotted parking spaces proportionately. Notwithstanding the preceding, Tenant shall have no right to use any number of parking spaces in excess of the number of employees Tenant actually employs at the Premises.
2. Monthly Fee. Tenant shall pay for the right granted hereby the prevailing rates charged for such spaces by Landlord from time to time ("market rate"). Such sums shall be payable in advance on the first day of each calendar month. Landlord shall have no obligation to accept any such payment from anyone other than Tenant (e.g. Tenant's employees, subtenants, etc.). If Tenant fails to make any such payment when due, Landlord, at its option and after five (5) days' notice to Tenant, may forthwith terminate this license and all rights of Tenant hereunder. Any late payment of the monthly fee will result in additional administrative and processing costs being incurred by Landlord, the exact amount of which would be extremely difficult to determine, and it is agreed that with respect thereto a late fee of Ten Dollars (\$10.00) per space is a reasonable estimate thereof and will be payable by Tenant with regard to any monthly fee not paid when due.
3. Term. Tenant shall be entitled to the foregoing parking rights so long as the Lease to which this Exhibit G is attached is in full force and effect. Notwithstanding the above, Tenant's rights to any and all parking spaces shall automatically be revoked and shall terminate upon any material default hereunder, or any expiration or termination of the Lease, as well as upon any assignment of the Lease or sublease of the Premises, in violation of the terms of the Lease. Tenant must exercise its parking rights by delivering the initial monthly fee for the parking spaces described above within thirty (30) days after the "Commencement Date" of the Lease unless otherwise agreed by Landlord. Failure of Tenant to so exercise its rights will entitle Landlord without notice to transfer to others Tenant's rights to park in any and all parking spaces as to which Tenant has not so exercised its rights hereunder, and Tenant will be deemed to have waived its rights hereunder with regard thereto.
4. Location of Parking Spaces. Landlord shall have the right in its sole discretion to designate the particular location of said parking space(s), which designation is subject to change from time to time.
5. Rights Non-Transferable. The foregoing parking rights are personal to Tenant and Tenant shall not assign, convey, or otherwise transfer said rights in any manner whatsoever without Landlord's prior written consent. Any attempt by Tenant to do so shall be null and void and, at Landlord's election, shall constitute a material default hereunder.
6. Tenant Indemnification. Use of said parking spaces and of the parking areas in the Project shall be at the sole risk of Tenant. Tenant hereby agrees to defend, indemnify and hold Landlord harmless against any liability, loss, cost or expense (including reasonable attorneys' fees) for any damage to or loss or theft of any vehicle or property within any vehicle or any other property

(including property of Tenant), or injury to or death of any person (including Tenant and Tenant's family, agents, employees, visitors or customers), arising directly or indirectly out of or in connection with the use by Tenant or such other persons of the parking areas or any part thereof.

7. Interruption of Use. Landlord shall not be liable to Tenant for any interruption of Tenant's use of the rights granted hereunder due to repairs, improvements or alterations of the parking areas or the Project, or due to any labor controversy, or resulting from any cause beyond the reasonable control of Landlord. However, Tenant shall be entitled to an abatement of the monthly fee with regard to any assigned parking space to the extent it is prevented from using such space and no reasonably similar alternative space is made available to it by Landlord.

8. Rules and Regulations. Landlord's parking rules and regulations are attached hereto. Landlord may adopt such other rules and regulations relating to the use of the parking areas as in Landlord's opinion are necessary or desirable for the proper, orderly and safe use of the parking areas. If Tenant fails to comply with the parking rules and regulations and modifications thereto after receiving notice thereof, Landlord may at its option forthwith terminate all rights of Tenant hereunder, and may also, whether or not such rights are so terminated, take such action as shall be required to remedy such failure, and Tenant agrees to pay Landlord on demand the reasonable cost to Landlord of such actions including attorneys' fees. Tenant shall at all times be required to park in a lawful manner, and no vehicle shall at any time be parked in more than one marked space at a time. Landlord shall be entitled to tow away any vehicle which is improperly parked, at the vehicle owner's sole cost and expense. In the event of such tow away, neither Landlord nor any Mortgagee of Landlord shall have any liability therefor to Tenant or to such vehicle owner.

9. Landlord's Property Rights. Landlord shall have the right to decrease the size of any or all of the parking areas in the Project, to alter or rearrange parking spaces and improvements in the parking areas, to take all or any portion of the parking areas for purposes of maintaining, repairing or restoring same, or for purposes of construction and operating structures thereon or adjacent thereto, to have ingress and egress in connection with the exercise of any such rights, and to do and perform such other acts with respect to the parking areas as Landlord shall in its discretion deem appropriate. Landlord may at any time and from time to time in its discretion designate any portion of the parking areas in the Project for use as assigned parking, visitor parking or employee parking. If Landlord establishes an "employee parking" area or other assigned parking area for Tenant's employees to park in, Tenant shall furnish Landlord, within five (5) days after written request to do so, with a list of the vehicle license numbers of Tenant's employees parking in the Project. Landlord may charge Tenant Ten Dollars (\$10.00) per day for each day or partial day for each vehicle parked by Tenant or any of its employees in a parking space or area other than the space or parking area assigned or designated for such vehicle. Landlord may tow away any such improperly parked vehicles and may also attach violation notices or stickers to improperly parked vehicles. In the event of such tow away, neither Landlord nor any Mortgagee of Landlord shall have any liability therefor to Tenant or to such vehicle owner.

10. Security Deposit. If parking is in a controlled lot, a monthly parking card or decal may be issued to Tenant for each parking space to be used by Tenant hereunder. Tenant will pay a security deposit for each parking card at the time of issuance of the card. Landlord shall have no obligation to accept any such security deposit from anyone other than Tenant. The security deposit shall be held by Landlord to secure Tenant's due performance of its obligations with regard to parking

hereunder and the return to Landlord of such parking card(s) in good condition, normal wear and tear excepted, upon termination of Tenant's rights hereunder. Tenant shall be obligated to take reasonable steps to protect such cards from warping or mutilation. Without limitation as to the generality of the foregoing, Landlord may apply such security deposit to remedy any default by Tenant hereunder and further, if such card (s) are lost or mutilated, Landlord may apply any or all of said deposit toward Landlord's cost of such card(s). If at any time Landlord applies any or all of such security deposit as provided herein, Tenant shall be obligated to deposit with Landlord the amount so applied by Landlord within ten (10) days after written request therefor is given. Upon termination of Tenant's rights hereunder and the return to Landlord of the aforementioned card(s) (or cards issued in substitution thereof) the security deposit or balance thereof shall be returned to Tenant provided Tenant is not then in default hereunder. Landlord need not hold said security deposit in a separate account.

11. Replacement Cards. If for any reason (other than a malfunction for which Tenant is not responsible hereunder) any card issued to Tenant is requested by Tenant to be replaced, Tenant shall pay Landlord the then current non refundable charge for said replacement card.

12. Miscellaneous. No waiver by Landlord of any breach of this agreement by Tenant shall constitute a waiver of any other breach. Any amount due to Landlord that is not paid when due shall bear interest at the maximum rate allowable under law. In the event of any legal action taken or proceeding brought to enforce the provisions hereof, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection therewith.

PARKING RULES AND REGULATIONS

1. Landlord is not liable for damage or theft of vehicles or contents.
2. Tenant shall not park or permit the parking of any vehicle under its control in any parking area designated by Landlord as areas for parking by visitors. Tenant shall not leave vehicles in the parking area overnight nor park any vehicles in the parking areas other than automobiles, motorcycles, motor driven or non motor driven bicycles or four wheeled trucks.
3. Parking stickers or any other device or form of identification supplied by Landlord as a condition of use of the parking facilities shall remain the property of Landlord. Such parking identification device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Devices are not transferable and any device in the possession of an unauthorized holder will be void.
4. No extended term storage of vehicles shall be permitted.
5. Vehicles must be parked entirely within the painted stall lines of a single parking stall.
6. All directional signs and arrows must be observed.
7. The speed limit within all parking areas shall be 5 miles per hour.
8. Parking is prohibited:
 - a. in areas not striped for parking;
 - b. in driveways;
 - c. where "no parking" signs are posted;
 - d. in cross-hatched areas; and
 - e. in such other areas as may be designated by Landlord or its parking operator.
9. Every parker is required to park and lock his own vehicle unless Landlord furnishes valet service. Valet parking attendants may refuse to drive any vehicle reasonably believed to be unsafe.
10. Loss or theft of parking identification devices from vehicles must be reported to the parking operator immediately, and a lost or stolen report must be filed at that time. Landlord has the right to exclude any vehicles from the parking facilities that does not have an identification device.
11. Any parking identification devices reported lost or stolen found on any unauthorized vehicle will be confiscated and the illegal holder will be subject to prosecution.
12. Lost or stolen identification devices found by the Tenant should be reported to the parking facility office or property manager immediately to avoid confusion.

13. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited.

14. Tenant shall acquaint all persons to whom Tenant assigns parking space of these Parking Rules and Regulations. Parking facility managers or attendants are not authorized to make or allow any exceptions to these Parking Rules and Regulations.

15. Landlord reserves the right to refuse the sale of monthly stickers or other parking identification devices to any person and/or his agents or representatives who willfully refuses to comply with these Parking Rules and Regulations.

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting February 27, 2024

DATE: February 16, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Melissa Parks, Government Relations Policy Analyst

SUBJECT: 2024 International Agenda Adoption

ACTION REQUESTED

Commission approval of the Port’s 2024 international policy agenda, and direction for the Executive Director to authorize staff to engage in advocacy efforts to support implementation of these policy priorities.

EXECUTIVE SUMMARY

Port of Seattle Commissioners, executive team members, and internal subject-matter experts are engaging internationally to build relationships, share the opportunities and challenges of operating maritime and aviation gateways, and advocate in support of Port goals that are beyond our direct authority. This draft memo establishes the Port’s international policy priorities, highlighting work underway and emerging opportunities, to enhance transparency and guide our engagement for 2024.

Driven by the Century Agenda, the Port is working to achieve ambitious goals that maintain Puget Sound as a premier international gateway for commerce and tourism that benefits the region while ensuring equity, sustainability, and quality of life for our region’s residents. While the Port can upgrade and modify our facilities, we have limited control over the commercial aircraft and maritime vessels that utilize our gateway. We need international standards to fully achieve these goals and others.

The global climate crisis and energy transition are both significant, complex challenges as well as opportunities. Knowing what is ahead for the future of our industries will create opportunities for innovative business development and sustainability initiatives. As a leader in sustainability the Port can utilize our local action and investments to demonstrate global leadership and influence international outcomes.

Success of these international priorities will be through highlighting the Port’s continued local investments as well as engagement with international ports, the United States Government, industry associations, private industry, and non-governmental organizations.

Meeting Date: February 27, 2024

2024 INTERNATIONAL POLICY PRIORITIES

Promote Transparency, Collaboration, and Consistency

Encourage transparency and broad engagement in developing globally consistent standards and policies for aviation and maritime industries to promote public awareness, industry alignment, and certainty for planning and effective implementation. Coordinate with The Northwest Seaport Alliance on international maritime engagement.

Promote collaboration, share best practices and challenges, and foster relationships to develop comprehensive solutions to complex global issues and help achieve our goals by engaging in key international forums such as the International Civilian Aviation Organization (ICAO), International Maritime Organization (IMO), United Nations Climate Conference of Parties; with international partners including our sister ports, particularly, Busan, Kobe, Rotterdam, and Singapore; and industry associations and non-government organizations including Airports Council International, International Association of Ports and Harbours (IAPH), and Getting to Zero Coalition.

Promote Equity, Environmental Justice, and Sustainable Development

Promote the adoption of principles and values that commit organizations to equity, environmental justice, and sustainable development, as well as committing to engage communities most impacted by industries associated with port operations.

Advocate for policies, programs, projects, and investments that advance equity and support environmental and economic justice and implements the United Nations' Sustainable Development Goals. Solutions need to be co-developed with and center the experiences and voices of the communities most impacted.

Addressing Climate Change and Reducing Air Emissions

Support robust and immediate climate action, policies, and initiatives, like the Paris Agreement and Clydebank Declaration, that demonstrate ambitious, feasible, and equitable approaches to mitigate climate changing factors and prepare for climate impacts.

Encourage international organizations to incorporate environmental justice principles into its climate policy that are people-centered, developed with impacted communities, and seeks mitigation as well as better quality of life for communities who are experiencing the burden of climate change.

Support decision making based on science, quantitative and qualitative data, and that considers lived experiences; progress reporting; and information sharing on global climate impacts and mitigation and adaptation strategies relevant to the Port, King County, or the Pacific Northwest.

Meeting Date: February 27, 2024

Monitor developments of standards for safe handling and storage of emerging alternative aviation and maritime fuels, such as hydrogen and methanol, at the ICAO and IMO. Provide input on issues that could impact worker and community safety and airport and seaport operations.

Support ICAO implementation of policy instruments, including the Carbon Offsetting and Reduction Scheme (CORSIA), to achieve net zero aviation emissions by 2050 and encourage investments that accelerate the uptake and supply of Sustainable Aviation Fuel.

- (1) **Monitor developments related to emissions and other aviation environmental impacts** within the ICAO Committee on Aviation Environmental Protection (CAEP) that assists the ICAO Council in formulating new policies and adopting new Standards and Recommended Practices (SARPs) related to emissions, and more generally to aviation environmental impact.

Support the IMO’s development of policies to reduce climate and air pollution emissions from commercial shipping by 2050 including:

- (1) Global maritime fuel standard that reduces the intensity of greenhouse gas emissions in fuel over time and meets sustainability criteria.
- (2) Economic measures that create a level playing field globally and incentivizes the supply and use of low and zero emission maritime fuels.
- (3) Just Transition policy that works to equitably distribute gains, and reduces the risk to, developing countries in the transition to low and zero emission fuels.

Encourage knowledge sharing between Green Shipping Corridors and their international partners to accelerate supply and uptake of low and zero greenhouse gas emission fuels and maximize participation by ports and ships. Engage the U.S federal government and other international governing bodies in these conversations.

Contribute to efforts coordinated by IAPH to standardize shore power connections and power distribution differences to increase interoperability between ports and ships and increase connection rates.

Monitor development of international standards for offshore wind and other alternative energy developments; and encourage collaboration in standards between governments and leading international developers to reduce barriers to deployment. Support the development of offshore wind and alternative energy supply chains that prioritize low greenhouse gas emissions, economic development, and social equity.

Meeting Date: February 27, 2024

Reducing Aviation and Maritime Noise

Monitor and support developments to reduce noise from commercial aircraft by the ICAO Committee on Aviation Environmental Protection (CAEP), including through aircraft technology and airport operational best practices.

Support the IMO’s voluntary guidelines to reduce underwater radiated noise from ships and share experiences and outcomes from the Port of Seattle’s efforts to help inform uptake and use of the guidelines.

Improving Water Quality/Marine Health

Monitor the IMO’s development of standards for the discharge of wash water from exhaust gas cleaning systems and the use of risk and impact assessments to inform decisions about restrictions or limits to wash water discharge.

Encourage awareness of, and actions to reduce, ocean acidification impacts to global marine ecosystems, communities, and associated industries. Share Port research on local, nature-based carbon remediation including kelp and eelgrass enhancement, with international partners through the International Alliance to Combat Ocean Acidification.

Combat and Reduce Human Trafficking

Monitor and encourage efforts at ICAO, the IMO, and other international organizations we engage with to increase awareness of and combat human trafficking in aviation and maritime industries and share the Port’s experience with implementing the national awareness campaign. Highlight the Port’s public-private partnership with local organizations to combat human trafficking.

Support Sustainable Tourism

Support the Global Sustainable Tourism Council’s best practices that balance the environmental, social, cultural, and economic aspects of tourism and share the Port’s, and our Washington tourism partners’, sustainable and inclusive tourism best practices.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 13, 2024 – Commission briefing on the draft 2024 International Policy Agenda

2024 INTERNATIONAL POLICY PRIORITIES ADOPTION

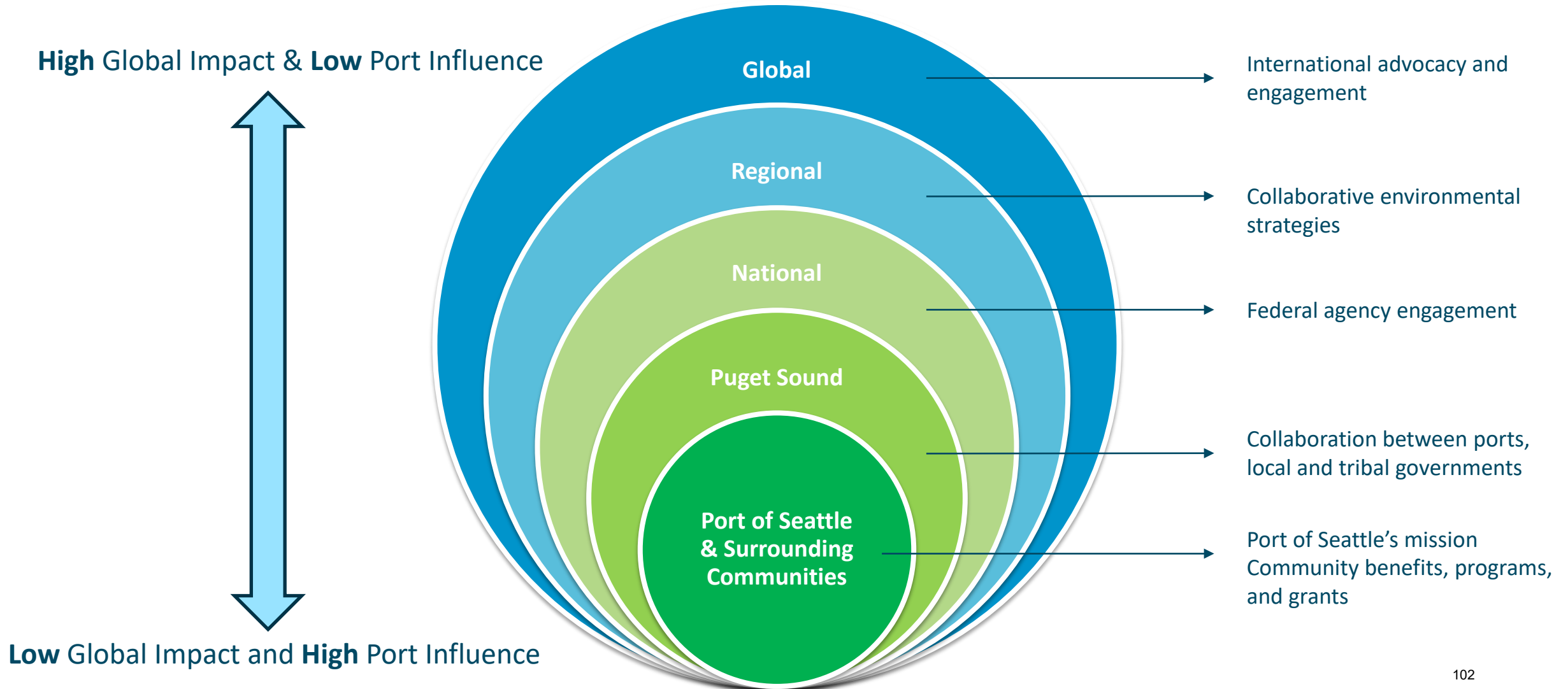
Melissa Parks, Government Relations Policy Analyst

Overview

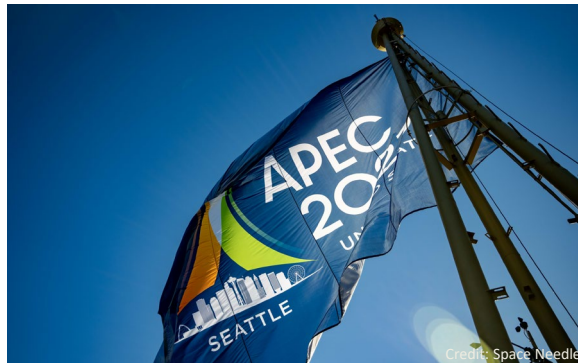
- Why an International Agenda
- International Engagement
- International Priorities for 2024
- Next Steps

Why an International Agenda

Partnership Critical to Port Strategies



International Engagement



Meetings/Forums

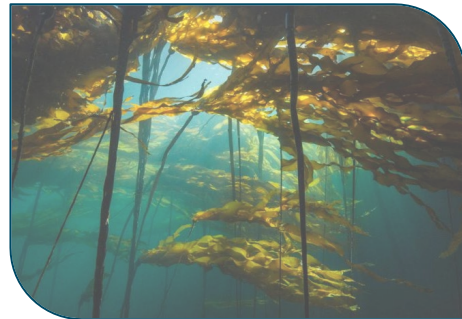
- UN Climate Conference COP 27
- International Maritime Organization
- Port Authorities Roundtable
- Asia-Pacific Economic Cooperation

Associations/NGOs

- Air Transport Action Group (ATAG)
- Airports Council International (ACI)
- Int'l Association of Ports & Harbors (IAPH)
- Getting to Zero Coalition

Written Comments

2024 International Priorities



Addressing Climate Change & Air Pollution

Reduce Aviation and Maritime Noise

Improve Water Quality/Marine Health

Alternative Energy Standards

Combat and Reduce Human Trafficking

Support Sustainable Tourism

2024 International Priorities



CLIMATE ACTION

- Robust and immediate climate action
- Decisions supported by data, people-centered
- Transparency: progress reporting, information sharing



- Int'l Civil Aviation Org (ICAO): Net Zero by 2050
- Sustainable Aviation Fuels
- Emerging environmental standards and recommended practices



- Int'l Maritime Org (IMO): Zero by 2050
- Fuel Standard, Economic Measure, Equitable & Just
- Green Corridor knowledge sharing
- Shore power connections

Next Steps

- Commission Adopts International Priorities
- Staff engage on priorities

Upcoming Engagement Opportunities

- WindEurope in Bilbao, Spain
- International Leadership Mission to Korea
- Singapore Maritime Week
- IMO Marine Environment Protection Committee 81

[RETURN TO AGENDA](#)

Agenda Item: 10a_Order
Meeting Date: February 27, 2024

ORDER NO. 2024-04
AN ORDER OF THE PORT OF SEATTLE COMMISSION

...setting a timeline for the completion of the assessment of prior sound insulated properties; creating a Sound Insulation Repair and Replacement Pilot Program; and setting equity guidelines for this program.

PROPOSED
FEBRUARY 27, 2024

TEXT OF THE ORDER

The Port Commission hereby orders an assessment regarding the effectiveness of previously installed Port of Seattle funded noise insulation packages be conducted and concluded by the end of the year 2024. The assessment will involve extensive outreach, collection of information from property owners and analysis of that information. Results of that assessment shall be delivered to the Commission by January 21, 2025.

The Commission also directs the establishment of a "Sound Insulation Repair and Replacement Pilot Program" at the Port of Seattle to identify the issues involved in the repair and re-insulation for prioritized homes. Effective immediately, the Commission authorizes an initial commitment of up to \$5 million dollars to be used exclusively for the costs of administering the program to carry out activities related to the construction planning and construction repair and replacement of sound insulation in homes identified and prioritized through the Port's process. The Port will seek state matching funds and federal grant funding (if available) as well. The Commission hereby sets the goal of completing the assessment phase and beginning the construction planning and/or construction phase of this pilot program in the year 2025.

The Commission also authorizes the Executive Director to execute any and all contracts and documents necessary for the assessment directed by this order and the Sound Insulation Repair and Pilot Program including but not limited to the use of existing job order contracts, Port crews, purchasing contracts, service agreements, construction contracts, agreements with private property owners, and the acquisition of any property rights associated with Sound Insulation Repair and Pilot Program. The total budget authorized by this Order is \$6.5 million for the assessment directed by this order and the Sound Insulation Repair and Replacement Pilot Program.

Order 2024-04 – Sound Insulation Order

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46 The Port shall use its equity index or other data-driven tool developed by the Port’s Office of
47 Equity, Diversity, and Inclusion, as well as other program criteria to identify and prioritize
48 properties that will be part of this limited pilot program. The equity index shall help determine
49 who should receive priority consideration for repair and/or replacement of their noise insulation
50 during the pilot.

51
52 Upon the completion of the pilot program, a comprehensive report shall be presented to
53 Commissioners, Washington State and Federal Legislators for evaluation and further action.

54 STATEMENT IN SUPPORT OF THE ORDER

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56
57 In the 1980s the Port of Seattle pioneered a type of residential aircraft noise insulation program
58 that was later implemented at many other U.S. airports. The Port has recently expedited efforts to
59 insulate various types of residences and places of worship that are eligible under Federal Aviation
60 Administration guidelines but have not yet received noise insulation. This new Sound Insulation
61 Repair and Replacement Pilot Program is not part of the existing program that is providing
62 insulation to eligible buildings that have not yet received any insulation. This new Sound Insulation
63 Repair and Replacement Pilot Program is not part of the Part 150 program.

64
65 Commissioners routinely hear from constituents that due to several factors, including the age and
66 durability of sound insulation installed several decades ago, some of the Port funded sound
67 insulation packages may no longer be effective. In response to these community concerns and
68 federal noise mandates, this pilot includes an assessment regarding insulation packages paid for
69 by the Port. The Port has not yet identified the number of residents who may have packages not
70 meeting noise standards and in need of repair, which this Order also intends to rectify.

71
72 Both past and present members of the Port’s federal legislative delegation have made efforts to
73 secure federal funds for noise insulation in the communities surrounding SEA. The Port has also
74 supported/advocated for legislative changes to address the issue of re-insulation. Since 1985, the
75 Port’s sound insulation program has reached out to every single homeowner within the relevant 65
76 DNL noise contour and provided sound insulation to over 9000 homes. There are currently
77 approximately 100 homes that have not received packages for a variety of reasons. Additionally,
78 the program is currently providing insulation to apartment buildings, condominiums and places of
79 worship. The Port is committed to completing the insulation of the currently eligible buildings
80 while concurrently making progress to identify, evaluate, and repair packages that may be in need
81 of this work. This Order intends to pilot a solution so that the Port of Seattle can continue to lead
82 the nation in resolving this issue.

83
84 This Order seeks to start a process that will, in a deliberate, equitable, and prioritized fashion,
85 provide Port funding to assist in the repair and replacement of eligible noise insulation.

86

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting February 27, 2024

DATE: February 21, 2024

TO: Executive Director Stephen P. Metruck

FROM: Pat Lawler, Sr. Manager, Airport Building Department

SUBJECT: Introduction of Resolution No. XXXX to adopt the 2021 Building Codes, Amendments and Permit Fee Schedules.

Amount of this request: \$0.00

Total estimated project cost: \$0.00

ACTION REQUESTED

Request introduction of Resolution No. 3819: a Resolution of the Port Commission of the Port of Seattle to adopt the 2021 editions of the International, Building, Mechanical, Fire, Energy Conservation and Fuel Gas Codes, the 2021 Edition of the Uniform Plumbing Code, and the editorial changes made to the State Building Code by the Washington State Legislature; and repealing Resolution No. 3783, as amended.

EXECUTIVE SUMMARY

The building industry, contractors, designers, developers, and project managers depend on statewide uniformity in the codes that impact their businesses. **Current Projects at the Seattle Tacoma International Airport, are built to the 2018 Washington State code. The adoption of this resolution will update the code to the 2021 code implement by March 15, 2024.**

JUSTIFICATION

The State Building Code Council was created to advise the legislature on building code issues and develop building codes used in the State of Washington. To develop the Washington State Building Code (otherwise known as Chapter 19.27 RCW), the Council holds public hearings, considers proposed state amendments, and adopts the international model codes and amendments. This process normally occurs on a three-year cycle. The three-year cycle assures up-to-date performance for fire, health, and life safety codes.

Diversity in Contracting

N/A-No procurement proposed.

Meeting Date: February 27, 2024

DETAILS

Adoption of the following 2021 editions of the model codes enumerated in RCW 19.27 follows:

International Building Code (IBC) with state amendments
ICC/ANSI A117.1-17 Accessible and Usable Buildings and Facilities with state amendments
International Mechanical Code with state amendments
International Fuel Gas Code with state amendments (noted in the IMC adoption)
2020 Liquefied Petroleum Gas Code (NFPA 58)
2021 National Fuel Gas Code (NFPA 54) (for LP Gas installations only)
International Fire Code with state amendments
Uniform Plumbing Code with state amendments
International Energy Conservation Code with state amendments (WSEC)

Scope of Work

N/A-No procurement proposed.

Schedule

N/A-No procurement proposed.

FINANCIAL IMPLICATIONS

None.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution
- (2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

January 26, 2021 - The Commission approved resolution 3783
February 27, 2018 – The Commission approved Resolution No. 3745
June 8, 2004 – The Commission approved Resolution No. 3527
June 6, 2001 – The Commission approved Resolution No. 3454
November 14, 2000 – The Commission approved Resolution No. 3445
August 26, 1997 – The Commission approved Resolution No. 3251
August 8, 1992 – The Commission approved Resolution No. 3119

Item Number: 10b reso
Meeting Date: February 27, 2024

**PORT OF SEATTLE
RESOLUTION NO. 3819**

A RESOLUTION of the Port of Seattle Commission to adopt the 2021 versions of the Washington State building codes as required by RCW 19.27.031 and to repeal Resolution 3783.

WHEREAS, the voters of King County authorized and approved the formation of a port district coterminous with King County to be known as the Port of Seattle in a special election on September 5, 1911; and

WHEREAS, the Port of Seattle Commission is the legally constituted governing body of the Port of Seattle; and

WHEREAS, the Port Commission wishes the Airport Building Code to comply with the current provisions of Washington State law by adopting the 2021 International Codes as set forth in RCW 19.27.031 by the Washington State Legislature to comprise the Airport Building Code.

NOW, THEREFORE, BE IT RESOLVED by the Port of Seattle Commission as follows:

SECTION 1. Resolution No. 3783 is repealed. The 2021 International Building Codes and the 2021 Uniform Plumbing Code, as adopted and defined by Chapter 19.27.31 RCW and included in Title 13 of the City of SeaTac Code are hereby adopted.

SECTION 2. The effective date of this resolution is March 15, 2024.

SECTION 3. The Rules of Airport Construction are to be updated to reference the newly adopted codes.

Resolution No. 3819, 2021 Codes Update

Page 1 of 3
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36 **ADOPTED** by the Port of Seattle Commission at a duly noticed public meeting thereof,
37 held this _____ day of _____, and duly authenticated in
38 open session by the signatures of the commissioners voting in favor thereof and the seal of the
39 commission.

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Port of Seattle Commission

52 **EXHIBIT A to Resolution 3819**

53 **Building Code Update**

54 As proposed February 27, 2024

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57
58 SECTION 1. Washington State Codes to be updated:

59 A. 2021 Codes:

- 60
61
62 (1) International Building Code (IBC), including the Existing Building Code (IEBC)
- 63 (2) International Mechanical Code (IMC)
- 64 (3) International Fire Code (IFC)
- 65 (4) International Energy Conservation Code (IECC)
- 66 (5) International Wildland-Urban Interface Code (WUII)
- 67 (6) Uniform Plumbing Code (UPC-published by IAPMO)
- 68

69
70 B. 2017 Accessibility Standard ICC-A117.17

Adoption of the 2021 International Building Codes, with Washington State Amendments

Pat Lawler, Sr. Manager, Airport Building Department



Overview

- Washington State Building Codes are the International family of codes and standards with state amendments to be adopted by Commission with an implementation date of March 15, 2024.
- Best practices, modern technology, and lessons learned are incorporated into each new cycle of building codes.
- Next steps
 - Incorporate Commission feedback. Seek Commission adoption at the 3/12/24 meeting.

2021 Washington State Building Codes

State Codes helps to ensure buildings in the State are safe for occupants.

- The Washington State Building Code (WSBC) includes the following codes with state amendments added for local conditions:
 - International Building Code (IBC)
 - International Energy Conservation Code (IECC) (WSEC)
 - International Mechanical Code (IMC)
 - International Fuel Gas Codes (IFGC)
 - International Fire Code (IFC)
 - 2020 National Electrical Code (NFPA 70).
 - Uniform Plumbing Code (UPC).
 - ICC-A117.1-2017 Accessibility Standard

State Building Code Development

Code Council advises State Legislature on code issues.

- Washington State Building Code is usually updated on a three-year cycle, but the pandemic and state lawsuits delayed the 2021 code adoption.
- State Building Code Council (SBCC) Rule-making provides a process for amendments to national and state codes
- The state code is developed through open meetings and public hearings, including Technical Advisory Group (TAG) meetings for review of each code.

State Building Code Council

- The State Building Code Council is an agency created by the legislature to provide independent analysis and objective advice to the legislature and the Governor's Office on state building code issues.
- The Council establishes the minimum building, mechanical, fire, plumbing and energy code requirements necessary to promote the health, safety and welfare of the people of the State of Washington, by reviewing, developing and adopting the state building code.

Inter-Local Agreement

- The 2021 code adoption is required by the state and the Inter-Local Agreement with the City of SeaTac.
- The City of SeaTac and the Airport Building Department are required by state law to regulate the minimum requirements of the state adopted codes.
- The Airport Building Department and the Port of Seattle Fire Dept. have separate, but many times overlapping regulatory responsibility for enforcing the codes. The ABD and POSFD work together with the City of SeaTac regarding our roles in the ILA.

2021 Building Code

Code change examples:

- Turning radius and clearance dimensions increased for accessibility (ADA). This is to accommodate electrically powered wheelchairs.
- The IBC includes Mass Timber as a code approved type of construction.
- The definition of atrium changed to three stories instead of two, except hospitals and prisons.

Questions?

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