

EXHIBIT 7.1.1

RENEWABLE ENERGY MANAGEMENT AND WATER CONSERVATION PROGRAMS

1. **PV Array.** The Building shall generate electricity from a Photovoltaic Array (the "PV Array".) Based upon performance modeling and typical meteorological data for the area in which the Building is located, the average year of operation of the PV Array's energy performance is estimated to be 230,000 kWh.

2. **Water System.** The Building shall harvest rainwater using a Rain Catchment System, as well as treat the Building's gray water (collectively, the "Water System"). The Water System will be used to provide water for potable and non-potable uses allowable per code in and around the Building. The assumed gray water treatment capacity of the Building is 345 gallons per day (the "Treatment Capacity").

3. **Third Party Utility.** Landlord shall contract directly with a Third Party Utility to provide electricity to the Building, and for auxiliary water and sewer service on an as needed basis. Landlord shall then provide main connection branches and submeters as follows:

Main connection branch (electricity, water and sewer) from Third Party Utility to the Building

Submeter (electricity, water and sewer) to Building Service Areas as defined below

One submeter per floor for Tenant Lighting and Plug Load as defined below

One submeter to the Data Management Facility as defined below

One submeter per floor for water and sewer

Main connection branch from PV Array to Third Party Utility

4. **Definitions.** Building Service Areas will include Building Service Areas and Floor Service Areas for the Building as defined further under BOMA Standards.

Tenant Lighting and Plug Load will include Occupant Area as defined further under BOMA Standards. Tenant shall utilize the Energy Management Calculator to determine Tenant's anticipated plug load.

Tenant Premises will include Occupant Area as set forth under the BOMA Standards and shower facilities on the floor, if any.

The Data Management Facility is the area designated by Landlord where Tenants will locate their telecommunications equipment.

Tenant's kWh Consumption and the Total Tenant Load kWh Consumption shall each be based on the monthly "real time" data collected by Landlord through the Building Monitoring System,

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which tracks electricity consumption.

5. Tenant's kWh Allowance. Landlord estimates that the Building Services Area will consume approximately 115,000 kWh of electricity generated from the PV Array (the "Building Load Allowance"), leaving approximately 115,000 kWh to allocate among all of the tenants of the Building (the "Total Tenant Load"). Tenant's kWh allowance is the number derived from (A) the Total Tenant Load, multiplied by (B) Tenant's Share of the Building (the "Tenant's kWh Allowance"). In the event of a multi-tenant floor, Tenant's kWh Allowance shall also take into account Tenant's percentage of the floor (including Shared Floor Area, if any).

6. Tenant's Water Allowance. Tenant's allowable gallons per day use of the Water System shall be number derived from (A) the Treatment Capacity, multiplied by (B) Tenant's Share of the Building ("Tenant's Water Allowance"). In the event of a multi-tenant floor, Tenant's Water Allowance shall take into account Tenant's percentage of the floor (including Shared Floor Area, if any).

7. Tenant's Share of Utility Costs. Tenant shall pay, for electricity and water as follows:

a. For electricity, Tenant is solely responsible for paying energy bills received from a Third Party Utility for plug loads in the Premises. In addition, the Third Party Utility will provide a monthly bill for the Building based upon average charges for a similarly sized office building in Seattle, Washington (without a PV Array or other energy efficiency investments) (the "Monthly Building Costs"). Tenant shall pay each month its proportionate share of the Monthly Building Costs based on Tenant's percentage of the Total Tenant Load kWh Consumption for that particular month. Tenant's percentage shall be determined by dividing Tenant's kWh Consumption by the Total Tenant Load kWh Consumption for that particular month. If the Third Party Utility has not provided such estimates, then Landlord shall only pass through what the Third Party Utility is charging.

b. In the event Landlord is receiving auxiliary water from a Third Party Utility, then Tenant shall pay Tenant's Proportionate Share of such Third Party Utility bills.

c. Tenant shall pay Landlord for such charges as Additional Rent in accordance with Section 5.9.

8. Reconciliation; Reimbursement; Termination.

8.1 As soon as possible after the end of each calendar year, Landlord shall provide Tenant with an (i) annualized kWh statement outlining the total Tenant's kWh Consumption; and (ii) annualized statement outlining the total water consumption of Tenant's Premises.

8.2 If Tenant has not exceeded Tenant's kWh Allowance for that year, then Landlord shall reimburse Tenant 100% of what Tenant paid for Utility Costs that year (excluding connection fees and taxes, if any). Landlord shall reimburse Tenant by applying a credit

toward future rent or by providing Tenant with a check. The form of payment to Tenant of the utility reimbursement by Landlord shall be at Landlord's sole discretion.

8.3 If Tenant has exceeded Tenant's kWh Allowance for that year, then Landlord shall retain the total amount paid by Tenant for Utility Costs for that year. Such retained amount shall be liquidated damages for Tenant's failure to meet the requirements of this Lease. In the event Tenant exceeds Tenant's kWh Allowance for two consecutive years, then Landlord shall have the option, in its sole discretion, to treat such event as a nonmonetary default by Tenant pursuant to Section 16.1.3, without notice and opportunity to cure, and may avail itself of any remedies described in Section 16.

THE BULLITT CENTER

OFFICE LEASE AGREEMENT

1. BASIC LEASE PROVISIONS.

1.1 Date: 8/14, 2013.

1.2 Landlord: BF Blocker LLC, a Washington limited liability company ("**Landlord**").

1.3 Tenant: [REDACTED] ("**Tenant**").

1.4 Premises Address: 1501 East Madison Street, Suite 250, Seattle, Washington 98122 ("**Premises**").

1.5 Square Footages and Tenant's Share: Landlord and Tenant stipulate that: the Building will be deemed to contain 44,766 rentable square feet as measured under ANSI/BOMA Z65.1-2010, Method B standards (the "**BOMA Standards**"); the Premises will be deemed to contain 2,077 rentable square feet as measured under the BOMA Standards, subject to remeasurement as provided for in Section 2; and the Premises' share of the total Building square footage is deemed to be 4.64% ("**Tenant's Share**").

1.6 Permitted Use: Office use for the conduct of a construction and remodeling business ("**Permitted Use**").

1.7 Term: eighty-four (84) months, unless sooner terminated as provided herein ("**Term**"). Each 365/366 day period of the Term is referred to herein as a "**Lease Year**".

1.8 Commencement Date: Defined in Section 3.1 below.

1.9 Monthly Base Rent:

The Base Rent for the Premises (the "**Base Rent**") shall be the following monthly amounts for the following periods:

<u>Amount</u>	<u>Applicable Period</u>
[REDACTED]/month	Lease Year 1
\$[REDACTED]/month	Lease Year 2
\$[REDACTED]/month	Lease Year 3
\$[REDACTED]/month	Lease Year 4
\$[REDACTED]/month	Lease Year 5
\$[REDACTED]/month	Lease Year 6
\$[REDACTED] month	Lease Year 7

1.10 Base Rent Paid Upon Execution: \$ [REDACTED], to be applied to the first full calendar month of the Term.

1.11 Security Deposit: [REDACTED] plus one month of Tenant's Share of Operating Expenses ("Security Deposit"), subject to adjustment as provided for in Section 5.3.

1.12 Real Estate Broker: [REDACTED]

1.13 Exhibits Attached to Lease: The following exhibits are attached hereto and are incorporated herein by this reference:

Exhibit 2.1	Premises Floor Plan
Exhibit 2.2	Legal Description of the Land
Exhibit 2.3	Building Core and Shell
Exhibit 2.4	Tenant Improvements
Exhibit 3.1	Verification Letter
Exhibit 4.4	Living Building Challenge Requirements
Exhibit 4.5	New Markets Tax Credit Tenant Lease Rider
Exhibit 4.7	Transportation Management Plan – Tenant's Participation
Exhibit 4.9	Shared Floor Addendum
Exhibit 4.10	Rules and Regulations
Exhibit 7.1.1	Renewable Energy Management Program
Exhibit 7.1.2	Water Conservation Program
Exhibit 7.1.3	Data Management Facilities License
Exhibit 12.2	Tenant Improvement Requirements
Exhibit 15.3	Limited Use License Form

1.14 Addresses for Notices:

Landlord: BF Blocker LLC
1501 East Madison Street, Suite 600
Seattle, WA 98122
Attn: Chief Financial Officer

Tenant: [REDACTED]

1.15 Computation of Time: Unless otherwise specified in the Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 pm (Pacific) of the last calendar day of the specified period of time. If the last day is a Saturday, Sunday, or legal holiday as defined by RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday, or legal holiday. Any specified period of five (5) days or less shall not include Saturdays, Sundays, or legal holidays. Time is of the essence of the Agreement.

2. PREMISES. In consideration of the obligation of Tenant to pay rent as herein provided and in consideration of the other terms, covenants, and conditions of this Office Lease Agreement (the "Lease"), Landlord leases to Tenant, and Tenant leases from Landlord, the Premises, to have and to hold for the term of this Lease, subject to the terms, covenants and

conditions of this Lease. The Premises are generally depicted on the floor plan attached hereto as Exhibit 2.1. The Premises are located in the Bullitt Center (the "**Building**") which is located on the land legally described in Exhibit 2.2 (the "**Land**"). Landlord has constructed the Building shell and core substantially in conformance with the plans described in Exhibit 2.3 ("**Building Core and Shell**"). Landlord has also performed on the Premises certain tenant improvement work described under Section A, Exhibit 2.4 ("**Landlord's Work**"). Tenant shall perform certain improvements on the Premises as described in Section B, Exhibit 2.4 ("**Tenant's Work**"). The Landlord's Work and the Tenant's Work shall collectively be referred to as the "**Tenant Improvements**." Tenant shall be deemed to have accepted the Premises in its condition as of the date of this Agreement, and except as otherwise expressly provided herein, Landlord shall not be obligated to make any repairs or alterations to the Premises. Tenant acknowledges that Landlord has made no representation or warranty as to the suitability of the Premises or any Building improvements for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. Landlord reserves the right, in its sole discretion, to remeasure the Premises in the event there are subsequent changes to the BOMA Standards, and Tenant's Share may be adjusted accordingly.

3. TERM.

3.1 Term And Commencement Date. The Term of this Lease is specified in Section 1.7. The "**Commencement Date**" shall be the earlier of (i) the date on which the Tenant's Work is substantially completed as determined by Landlord's agent, or (ii) ninety (90) days from the date of issuance of all permits necessary for Tenant to commence construction of the Tenant Work; provided that Tenant is to submit its permit application no later than August 14, 2013. Tenant's Work shall be deemed "substantially completed" when the improvements have been completed except for minor items or defects which can be completed or remedied after Tenant occupies the Premises without causing substantial interference with Tenant's use of the Premises. For purposes of the rent schedule provided in Section 1.9, the first full month of the Term shall be deemed "Month 1." When the actual Commencement Date is established by Landlord, Tenant shall, within five (5) days after Landlord's request, complete and execute a letter substantially in the form attached hereto as Exhibit 3.1 (the "**Verification Letter**") and deliver it to Landlord. Tenant's failure to execute and deliver such letter within said five (5) day period shall be a material default hereunder and shall constitute Tenant's acknowledgment of the truth of the facts contained in the letter delivered by Landlord to Tenant.

3.2 Early Possession. Tenant shall have the right to enter the Premises upon the date of this Agreement, and prior to the anticipated Commencement Date, for the purpose of performing Tenant's Work as further defined in Section B, Exhibit 2.4, and for installing furniture, trade fixtures, equipment, and similar items. Tenant shall be liable for any damages caused by Tenant's activities at the Premises. Provided that Tenant has not begun operating its business from the Premises, and subject to all of the terms and conditions of the Lease, the Lease term shall not commence as a result of said activities. Prior to entering the Premises, Tenant shall obtain all insurance it is required to obtain by this Lease and shall provide certificates of said insurance to Landlord. Tenant shall coordinate such entry with Landlord, and such entry shall be made in compliance with all terms and conditions of this Lease.

4. USE.

4.1 Permitted Use. The Premises shall be used only for the Permitted Use described in Section 1.6 and for no other purpose. Landlord makes no representation or warranty that Tenant's intended use is permitted by applicable zoning laws or other laws and regulations.

4.2 Compliance With Laws. Tenant shall, at Tenant's sole expense, promptly comply with all applicable laws, ordinances, rules, regulations, orders, certificates of occupancy, conditional use or other permits, variances, covenants and restrictions of record, the recommendations of Landlord's engineers or other consultants, and requirements of any fire insurance underwriters, rating bureaus or government agencies, now in effect or which may hereafter come into effect, whether or not they reflect a change in policy from that now existing, during the term or any part of the term hereof, relating in any manner to the Premises or the occupation and use by Tenant of the Premises. Tenant shall, at Tenant's sole expense, comply with all requirements of the Americans With Disabilities Act that relate to the Premises, and all federal, state and local laws and regulations governing occupational safety and health. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises, or take any other action that would constitute a nuisance or would disturb, unreasonably interfere with or endanger Landlord or persons or property within the vicinity of the Premises. Tenant shall obtain, at its sole expense, any permit or other governmental authorization required to operate its business from the Premises. Landlord shall not be liable for the failure of any other tenant or person to abide by the requirements of this section or to otherwise comply with applicable laws and regulations, and Tenant shall not be excused from the performance of its obligations under this Lease due to such a failure.

4.3 Sustainable Practices. Landlord and Tenant hereby agree to use their best efforts to operate the Premises and the Building in a manner that: is environmentally responsible and energy efficient; conserves resources; and reduces carbon emissions. In addition to Landlord's own efforts, Landlord shall endeavor to cause other tenants in the Building to operate their premises in conformance with Landlord's sustainability practices, policies and procedures and in compliance with any environmental certification standards to which Landlord, the Premises or the Building are subject.

4.4 Compliance with Living Building Challenge Requirements. Tenant shall, at Tenant's sole cost and expense, comply with all Living Building Challenge Requirements attached hereto as Exhibit 4.4, as such requirements may be reasonably amended from time to time by Landlord.

4.5 Compliance with New Markets Tax Credit Tenant Lease Rider. Upon execution of this Lease, Tenant agrees to execute the New Markets Tax Credit Tenant Lease Rider attached hereto as Exhibit 4.5, and to thereafter to comply with the requirements of said rider. The terms of such rider are hereby incorporated by reference herein as material and substantive provisions of this Lease; noncompliance with such terms or conditions shall be a material default under Section 16.1 of this Lease.

4.6 Compliance with Building Monitoring System. Tenant shall participate in and cooperate with Landlord's implementation, operation and reporting of a Building Monitoring System. Landlord shall have the right to display and distribute real time data to the public as it pertains to the operation of the Building and the Premises therein.

4.7 Participation in Transportation Management Plan. Tenant shall, at Tenant's sole cost and expense, participate in Landlord's Transportation Management Plan as described in Exhibit 4.7 and Schedule 4.7, as such requirements may be reasonably amended from time to time by Landlord.

4.8 Compliance with Tenant Living Building Requirements. Tenant shall, at Tenant's sole cost and expense, comply with the requirements of the Tenant under the Living Building Challenge Requirements stated in Sections C. 1-5 of Exhibit 4.10, as such requirements may be reasonably amended from time to time by Landlord.

4.9 Compliance with Floor Service Share Program. If Tenant shares the floor where the Premises are located with another tenant, Tenant shall execute and, at Tenant's sole cost and expense, comply with the requirements of the Shared Floor Addendum attached hereto as Exhibit 4.9.

4.10 Compliance with Rules and Regulations. Tenant shall, at Tenant's sole cost and expense, comply with and cause its employees, agents, representatives, guests and contractors to comply with the Rules and Regulations attached hereto as Exhibit 4.10, as such Rules and Regulations may be reasonably amended from time to time by Landlord.

4.11 Compliance with Renewable Energy Management Program. Tenant shall cooperate with Landlord's efforts to implement and shall comply with the requirements and guidelines of the Renewable Energy Management Program attached hereto as Exhibit 7.1.1, as such program may be reasonably amended from time to time by Landlord. Tenant acknowledges that Landlord is currently updating its Renewable Energy Management Program. Tenant and Landlord agree to enter into an amendment to this Lease to incorporate the revised and updated Renewable Energy Management Program, provided that the updated program is to be applied to all future tenants of the Building in a consistent manner.

4.12 Compliance with Water Conservation Program. Tenant shall cooperate with Landlord's efforts to implement and shall comply with the Water Conservation Program attached hereto as Exhibit 7.1.2, as such program may be reasonably amended from time to time by Landlord. Tenant acknowledges that Landlord is currently updating its Water Conservation Program. Tenant and Landlord agree to enter into an amendment to this Lease to incorporate the revised and updated Water Conservation Program, provided that the updated program is to be applied to all future tenants of the Building in a consistent manner.

4.13 Compliance with Data Management Facilities License. Tenant shall execute and comply with the Data Management Facilities License attached hereto as Exhibit 7.1.3.

5. BASE RENT, ADDITIONAL RENT, SECURITY DEPOSIT AND OPTION RENT.

5.1 Base Rent. Tenant shall pay Base Rent in the amount set forth in Section 1.9 of this Lease. The first month's Base Rent and the Security Deposit shall be due and payable on the date this Lease is executed by Tenant, and Tenant promises to pay to Landlord in advance, without demand, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month succeeding the Commencement Date. Payments of Base Rent for any fractional calendar month shall be prorated. All payments required to be made by Tenant to Landlord hereunder shall be payable at such address as Landlord may specify from time to time by written notice delivered in accordance herewith. Tenant shall have no right at

any time to abate, reduce, or set-off any rent due hereunder except where expressly provided in this Lease.

5.2 Additional Rent.

5.2.1 Payment. During the Term, Tenant shall pay to Landlord as additional rent ("Additional Rent") Tenant's Share of the Operating Costs identified in Section 6 below. Additional Rent shall be paid by Tenant monthly during each calendar year of the Lease Term on the same day as the Base Rent is due hereunder. Landlord shall, from time to time, estimate what the Operating Costs, Landlord Utility Services, Real Property Taxes, and Insurance costs shall be for each calendar year of the Lease Term and the amount of Tenant's Share on a monthly basis of such expenses. Tenant shall be obligated to pay any other items designated as Additional Rent under this Lease as and when stated.

5.2.2 Estimated Operating Costs. Landlord shall reasonably estimate the Operating Costs, Landlord Utility Services, Third Party Utility Services, Real Property Taxes and insurance costs for each calendar year wholly or partially included within the Term and shall send notice of the estimate to Tenant at least thirty (30) days before the Commencement Date or the first day of each subsequent year, as applicable. If Tenant requests, Landlord will give Tenant reasonably detailed documentation supporting Landlord's estimate. During each calendar year included in the Term for which Tenant is to pay Operating Costs, Tenant shall pay one twelfth (1/12th) of the applicable estimate each month to Landlord together with the monthly Base Rent. If Landlord does not give Tenant an estimate within the time period stated above, then Tenant shall continue to make estimated payments based upon the preceding year's estimate and within thirty (30) days after receipt of the new estimate for the current year, Tenant shall commence payment of the new estimated monthly amount and shall pay in a lump sum any retroactive amounts due from the beginning of the new year. The monthly charge for estimated Operating Costs shall be prorated for any partial month by dividing the Operating Cost charge by three hundred sixty-five (365) and multiplying the result by the number of days in the partial month for which Operating Costs are owed. Notwithstanding anything herein to the contrary, Landlord may re-estimate Operating Costs at mid-year, recoup any underpayment from Tenant, refund any over-payment, and adjust Tenant's estimated payment amounts for the balance of the year.

5.2.3 Final Operating Costs. Landlord shall use its best efforts to deliver to Tenant within one hundred twenty (120) days after the expiration of each calendar year a reasonably detailed statement (the "Statement") showing the expenses incurred during such year. Landlord's failure to deliver the Statement to Tenant within said period shall not constitute Landlord's waiver of its right to collect said amounts or otherwise prejudice Landlord's rights hereunder. If Tenant's payments under this section during said calendar year exceed Tenant's Share of such expenses as indicated on the Statement, Tenant shall be entitled to a refund or a credit in the amount of such overpayment against the Base Rent next falling due. If Tenant's payments under this section during said calendar year were less than the Tenant's Share of the expenses due as indicated on the Statement, Tenant shall pay to Landlord the amount of the deficiency within thirty (30) days after delivery by Landlord to Tenant of the Statement. Any refund or payment shall include any adjustments required under Exhibit 7.1.1 and Exhibit 7.1.2. Landlord and Tenant shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last calendar year for which Tenant is responsible for payment of Tenant's Share of such expenses, notwithstanding that the Lease Term may have terminated before the end of such calendar year; and this provision shall survive the expiration or earlier termination of the Lease.

5.2.4 Audit Rights. Tenant shall have the right to inspect and audit Landlord's books and records not more than once each year to verify actual Operating Costs for the preceding year. Upon Tenant's written request to audit Landlord's books and records (which request must be made within one hundred eighty (180) days from the end of the preceding Lease Year), Landlord shall make available to Tenant at the Building or at Landlord's office, for review by Tenant or Tenant's audit representatives, invoices of expenditures, as well as other standard landlord reports, for the actual Operating Costs. Tenant shall have thirty (30) days to complete its audit. Landlord's books and records shall be kept in accordance with generally accepted accounting principles. If Tenant's audit of the Operating Costs reveals an overcharge of more than three percent (3%), Landlord promptly shall reimburse Tenant for the out-of-pocket cost of the audit. Any overcharge or underpayment of Operating Costs shall be due from one party to the other within thirty (30) days.

5.3 Security Deposit. Tenant shall deliver to Landlord at the time it executes this Lease the Security Deposit set forth in Section 1.11 as security for Tenant's faithful performance of Tenant's obligations hereunder, together with a copy of the past two (2) years of Tenant's financial statements. If Tenant fails to pay Base Rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Landlord may use all or any portion of said deposit for the payment of any Base Rent or other charge due hereunder, to pay any other sum to which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which 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 deposit cash with Landlord in an amount sufficient to restore said deposit to its full amount. Landlord shall not be required to keep said security deposit separate from its general accounts. If Tenant performs all of Tenant's obligations hereunder, said deposit, or so much thereof as has not heretofore been applied by Landlord, shall be returned, without payment of interest or other amount for its use, to Tenant (or, at Landlord's option, to the last assignee, if any, of Tenant's interest hereunder) within thirty (30) days after the expiration of the term hereof, and after Tenant has vacated the Premises. No trust relationship is created herein between Landlord and Tenant with respect to said security deposit. Tenant acknowledges that the security deposit is not an advance payment of any kind or a measure of Landlord's damages in the event of Tenant's default.

5.4 Definition Of Rent. All monetary obligations of Tenant to Landlord under the terms of this Lease, including but not limited to Base Rent, Additional Rent, unpaid Services charges, and late charges, shall be deemed to be "Rent".

6. OPERATING COSTS.

6.1 Payment of Tenant's Share of Operating Costs. During the Term, Tenant shall pay to Landlord Tenant's Share, as set forth in Section 5.2 above, of Operating Costs. If the Building is not at least one hundred percent (100%) occupied during all or a portion of any Lease Year, Landlord shall make an appropriate adjustment to the components of Operating Expenses for such year to determine the amount of Operating Expenses that would have been incurred had the Building been one hundred percent (100%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year.

6.2 Definition of Operating Costs. The term "Operating Costs" means all costs of any kind incurred by Landlord in operating, cleaning, equipping, protecting, lighting, repairing, replacing, heating, monitoring, maintaining and insuring the Property. Operating Costs shall include, without limitation, the following costs:

6.2.1 Salaries, wages, bonuses and other compensation (including hospitalization, medical, surgical, retirement plan, pension plan, union dues, life insurance, including group life insurance, welfare and other fringe benefits, and vacation, holidays and other paid absence benefits) relating to employees of Landlord or its agents directly engaged in the operation, repair, or maintenance of the Property;

6.2.2 Payroll, social security, workers' compensation, unemployment and similar taxes with respect to such employees of Landlord or its authorized representatives, and the cost of providing disability or other benefits imposed by law or otherwise, with respect to such employees;

6.2.3 Uniforms (including the cleaning, replacement and pressing thereof) provided to such employees;

6.2.4 Premiums and other charges incurred by Landlord with respect to fire, earthquake, other casualty, all risk, rent loss and liability insurance, any other insurance as is deemed necessary or advisable in the reasonable judgment of Landlord and costs of repairing an insured casualty to the extent of the deductible amount under the applicable insurance policy;

6.2.5 Water charges and sewer rents or fees;

6.2.6 License, permit and inspection fees;

6.2.7 Sales, use and excise taxes on goods and services purchased by Landlord in connection with the operation, maintenance or repair of the Property and Building systems and equipment;

6.2.8 Telephone, facsimile, messenger, express delivery service, postage, stationery supplies and other expenses incurred in connection with the operation, management, maintenance, or repair of the Property;

6.2.9 Property management fees and expenses;

6.2.10 Repairs to and physical maintenance of the Property, including building systems and appurtenances thereto and normal repair and replacement of worn-out equipment, facilities and installations, but excluding the replacement of major building systems (except to the extent provided in Sections 6.2.16, 6.2.17 and 6.2.18 below);

6.2.11 Janitorial, window cleaning, security, extermination, water treatment, rubbish removal, plumbing and other services and inspection or service contracts for elevator, electrical, heating, mechanical and other building equipment and systems or as may otherwise be necessary or proper for the operation or maintenance of the Property;

6.2.12 Supplies, tools, materials, and equipment used in connection with the operation, maintenance or repair of the Property;

6.2.13 Accounting, legal and other professional fees and expenses;

6.2.14 Painting the exterior or the public or common areas of the Building and the cost of maintaining the sidewalks, landscaping and other common areas of the Property;

6.2.15 All costs and expenses for electricity, chilled water, water for heating, gas, fuel, steam, heat, lights, power and other energy related utilities required in connection with the operation, maintenance and repair of the Property, subject to adjustment pursuant to Exhibit 7.1.1 and Exhibit 7.1.2;

6.2.16 The cost of any improvements which Landlord elects to capitalize made by Landlord to the Property during the Term in compliance with the requirements of any laws or regulation or insurance requirement with which the Property was not required to comply during 2013, as reasonably amortized by Landlord, with interest on the unamortized balance at the rate of eight percent (8%) per year, or the maximum legal rate of interest, whichever is less;

6.2.17 The cost of any improvements which Landlord elects to capitalize made by Landlord to the Property during the term of this Lease for the protection of the health and safety of the occupants of the Property or that are intended to reduce other Operating Costs, as reasonably amortized by Landlord, with interest on the unamortized balance at the rate of eight percent (8%) per year, or the maximum legal rate of interest, whichever is less;

6.2.18 A reasonable reserve for repair or replacement of equipment used in the maintenance or operation of the Property;

6.2.19 The cost of furniture, draperies, carpeting, landscaping and other customary and ordinary items of personal property (excluding paintings, sculptures and other works of art) provided by Landlord for use in common areas of the Building or in the Building office (to the extent that such Building office is dedicated to the operation and management of the Property), such costs to be amortized over the useful life thereof;

6.2.20 Building office rent or rental value; and

6.2.21 All other costs which, in accordance with generally sound accounting and management principles used by Landlord, as applied to the maintenance and operation of office and/or retail buildings, are properly chargeable to the operation and maintenance of the Property.

6.3 Exclusions from Operating Costs. The following items shall be excluded or deducted, as the case may be, from the calculation of Tenant's Share of Operating Costs:

6.3.1 Any costs borne directly by Tenant under this Lease;

6.3.2 Any ground lease rental;

6.3.3 Costs of capital repairs, replacements, improvements and equipment ("**Capital Items**"), except for: (A) the annual amortization (amortized over the useful life as reasonably determined by Landlord) of costs incurred by Landlord after the Commencement Date for any capital improvements installed or paid for by Landlord and required by any new (or change in) laws, rules or regulations of any governmental or quasi-governmental authority which are enacted after the Commencement Date; (B) the annual amortization (amortized over the useful life as reasonably determined by Landlord without interest) of costs of any equipment, device or capital improvement purchased or incurred as a labor saving measure or to affect other economics in the operation or maintenance of the Building, provided the annual amortized cost does not exceed the actual annual cost savings realized and such savings do not redound primarily to the benefit of any particular tenant other than Tenant); or (C) minor

capital improvements, tools or expenditures to the extent each such improvement or acquisition costs less than Five Thousand Dollars (\$5,000.00);

6.3.4 Rentals and other related expenses incurred in leasing HVAC systems, elevators or other equipment ordinarily considered to be Capital Items, except for: (i) expenses in connection with making repairs on or keeping buildings systems in operation while repairs are being made, and (ii) costs of equipment not affixed to the Building which is used in providing janitorial or similar services;

6.3.5 Costs incurred by Landlord for the repair of damage to the Building, to the extent that Landlord is reimbursed by insurance proceeds and cost of earthquake repairs in excess of Ten Thousand Dollars (\$10,000.00) per earthquake (which for this purpose, an earthquake is defined collectively as the initial earthquake and the aftershocks that relate to such initial earthquake);

6.3.6 Costs, including permit, license and inspection costs, incurred with respect to the installation of tenants' or other occupants' improvements in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building;

6.3.7 Depreciation, amortization and interest payments;

6.3.8 Marketing costs for leasing of spaces in the Building, including without limitation, leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, advertising and promotional expenditures for tenant cultivation, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building;

6.3.9 Landlord's general corporate overhead and general and administrative expenses;

6.3.10 Costs incurred in connection with upgrading the Building to comply with the current interpretation of disability, life, fire and safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including, without limitation, the Americans With Disabilities Act, including penalties or damages incurred due to such noncompliance;

6.3.11 Tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments and/or to file any tax or informational returns when due;

6.3.12 Any management fees in excess of those management fees which are normally and customarily charged by comparable landlords of comparable buildings;

6.3.13 Costs to the extent caused by the negligence or fault of other tenants or Landlord, its employees or agents;

6.3.14 Notwithstanding any contrary provision of this Lease, any and all costs arising from the release of hazardous materials or substances (as defined by applicable laws in effect on the date this Lease is executed) in or about the Premises or the Building, including

without limitation, hazardous substances in the ground water or soil, not placed in the Premises or the Building by Tenant, its agents or its contractors;

6.3.15 Costs arising from Landlord's charitable or political contributions;

6.3.16 Costs related to the initial construction of the Building;

6.3.17 Any finder's fees, brokerage commissions, job placement costs or job advertising cost;

6.3.18 Legal fees;

6.3.19 Accounting fees not directly related to the management of the Building;

6.3.20 Costs associated with the operation of the business of the partnership or entity which constitutes Landlord as the same are distinguished from the costs of operation of the Building, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, costs of any disputes between Landlord and its employees (if any), disputes of Landlord with Building management, or costs incurred in connection with disputes with other tenants;

6.3.21 Costs (including in connection therewith all attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to Landlord and/or the Building;

6.3.22 Costs for sculpture, paintings or other objects of art;

6.3.23 Any expenses incurred by Landlord for use of any portions of the Building to accommodate events including, but not limited to shows, promotions, kiosks, displays, filming, photography, private events or parties, ceremonies and advertising beyond the normal expenses otherwise attributable to providing Building services, such as lighting and HVAC to such public portions of the Building during normal operations;

6.3.24 Any entertainment, dining or travel expenses of Landlord for any purpose;

6.3.25 Any "above standard" cleaning, including, but not limited to construction cleanup or special cleanings associated with parties/events and specific tenant requirements in excess of standard services, including related trash collection, removal, hauling and dumping; and

6.3.26 The costs of Aesthetic Maintenance as defined in Section 10.

7. UTILITIES AND SERVICES.

7.1 Utilities and Services. Landlord shall at all times furnish the Premises with: (a) water at those points of supply provided for general use of tenants of the Building; (b) heat as appropriate, at such temperatures and in such amounts as are required by governmental authority or as Landlord reasonably determines are standard for the Building, along with such

systems or equipment as may be required to maintain a healthy air quality as Landlord reasonably determines; (c) janitorial service, recycling and trash removal Monday through Friday, other than holidays, for Building-standard installations and window washing as Landlord reasonably determines; (d) elevator for ingress and egress to the floor on which the Premises are located, in common with other tenants; (e) replacement of Building-standard light bulbs in the Premises, provided that Landlord's standard charge for such bulbs shall be paid by Tenant and included in Operating Costs; and (f) electrical current (collectively, the "**Services**"). Landlord shall contract directly with utility providers to obtain distribution of water, electricity, communications, data transfer, and sewer services to the Building (the "**Third Party Utility Services**"). Landlord shall arrange for distribution to the Premises and shall separately meter Tenant's electrical, water, sewer, communications, and data transfer Services (the "**Landlord Utility Services**") consistent with the programs described in Exhibit 7.1.1 (the "**Renewable Energy Management Program**"), Exhibit 7.1.2 (the "**Water Conservation Program**"), and Exhibit 7.1.3 (the "**Data Management Facilities License**").

7.2 Waste Management. Tenant shall collect, sort, separate and dispose of its recyclables and trash in conformance with Landlord's sustainable practices, policies and procedures and in compliance with any environmental certification standards to which Landlord is subject as well as Federal, state or local laws concerning recycling and waste management. Landlord, or its agents, shall have no obligation and may refuse to accept recycling and trash that Tenant has improperly collected, sorted or separated and Tenant shall pay as Additional Rent all costs and expenses incurred by Landlord to dispose of such recycling and trash or any fines, penalties, or damages imposed on Landlord as a result of Tenant's failure to comply with the provisions of this Section. Tenant agrees to participate in Building-standard training session(s) administered from time to time by Landlord or its authorized agents. All costs associated with the Waste Management Program, excluding fines, penalties or damages imposed as mentioned above, will be included in Operating Costs.

7.3 Costs Paid by Tenant. Tenant shall pay for all water (including connection fees and on-site treatment costs), gas, electricity, telephone, sewer, sprinkler services, refuse and trash collection, and other utilities and services used at the Premises, together with any taxes, penalties, surcharges or the like pertaining thereto. Tenant shall pay to Landlord the costs of all Landlord Utility Services separately metered for the Premises. Tenant shall pay as Additional Rent Tenant's share of the costs of any Third Party Utility Services which are separately metered for the Building and which are not otherwise charged by Landlord to tenants in the Building. Landlord reserves the right to reimburse Tenant for some or all of Tenant's electrical and water consumption based on the amount of such consumption, and Landlord's ability to recover compensation from governmental agencies and utility providers based on Landlord's electricity conservation efforts, and as further described in Exhibit 7.1.1 and Exhibit 7.1.2.

7.4 Interruptions. Landlord shall have no liability to Tenant if Tenant is unable to obtain Third Party Services or if Landlord is unable to obtain Landlord Utility Services for any reason including, but not limited to, repairs, replacements or improvements, any strike, lockout or other labor trouble, inability to secure the sufficient amount of electricity, gas, water, telephone service or other utility at the Premises, any accident, casualty or event arising from any cause whatsoever, including without limitation any act, negligence or default of Tenant or any other person or entity, or any other cause, and such failures shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from the obligation of paying rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for loss of property or for

injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to Tenant's inability to obtain sufficient Services. Landlord may comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions without creating any liability of Landlord to Tenant under this Lease.

8. REAL AND PERSONAL PROPERTY TAXES.

8.1 Payment of Taxes. Tenant shall pay to Landlord during the term of this Lease as Additional Rent Tenant's Share of all Real Property Taxes.

8.2 Definition of "Real Property Tax". As used herein, the term "Real Property Taxes" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, improvement bond or bonds imposed on the Premises or any portion thereof by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Landlord in the Premises or in any portion thereof. Real Property Taxes shall not include income, inheritance and gift taxes.

8.3 Personal Property Taxes. Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or related to Tenant's use of the Premises. If any of Tenant's personal property shall be assessed with Landlord's real or personal property, Tenant shall pay to Landlord the taxes attributable to Tenant within ten (10) days after receipt of a written statement from Landlord setting forth the taxes applicable to Tenant's property.

9. INSURANCE.

9.1 Insurance-Tenant.

(a) Tenant shall obtain and keep in force during the term of this Lease a commercial general liability policy of insurance with coverage reasonably acceptable to Landlord, which, by way of example and not limitation, protects Tenant and Landlord (as an additional insured) against claims for bodily injury, personal injury and property damage based upon, involving or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing coverage in an amount not less than \$1,000,000 per occurrence and \$2,000,000 in general aggregate, with an "Additional Insured-Managers and Landlords of Premises Endorsement". The policy shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Tenant's indemnity obligations under this Lease.

(b) Tenant shall obtain and keep in force during the term of this Lease property insurance with coverages reasonably acceptable to Landlord. Said insurance shall be written on a one hundred percent (100%) replacement cost basis on Tenant's personal property, all Tenant Improvements installed at the Premises by Landlord or Tenant, Tenant's trade fixtures and other property.

(c) Tenant shall, at all times during the term hereof, maintain in effect workers' compensation insurance as required by applicable law and business interruption and extra expense insurance reasonably satisfactory to Landlord.

9.2 Insurance-Landlord.

(a) Landlord shall obtain and keep in force a policy of general liability insurance with coverage against such risks and in such amounts as Landlord deems advisable insuring Landlord against liability arising out of the ownership, operation and management of the Premises.

(b) Landlord shall also obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Premises in the amount of not less than eighty percent (80%) of the full replacement cost thereof, as determined by Landlord from time to time. The terms and conditions of said policies and the perils and risks covered thereby shall be determined by Landlord, from time to time, in Landlord's sole discretion. In addition, at Landlord's option, Landlord shall obtain and keep in force, during the term of this Lease, a policy of rental interruption insurance, with loss payable to Landlord, which insurance shall, at Landlord's option, also cover all Real Property Taxes. Tenant will not be named as an additional insured in any insurance policies carried by Landlord and shall have no right to any proceeds therefrom. The policies purchased by Landlord shall contain such deductibles as Landlord may determine. Tenant shall pay at Tenant's sole expense any increase in the property insurance premiums for the Premises over what was payable immediately prior to the increase to the extent the increase is specified by Landlord's insurance carrier as being caused by the nature of Tenant's occupancy or any act or omission of Tenant.

(c) Tenant shall pay as Additional Rent Tenant's Share of the cost incurred by Landlord to purchase insurance pursuant to this Section 9.2 ("**Landlord's Insurance Costs**").

9.3 Insurance Policies. Prior to the Commencement Date of this Lease, and thereafter, within thirty (30) days prior to the expiration of each policy, Tenant shall deliver to Landlord certificates of insurance in the form of ACORD 25 or the latest approved and filed ACORD form (or other evidence of insurance reasonably acceptable to Landlord), evidencing all coverages and endorsements required herein. Tenant's insurance policies shall not be cancelable or subject to reduction of coverage or other modification except after thirty (30) days' prior written notice to Landlord. Tenant's insurance policies shall be issued by insurance companies authorized to do business in the State of Washington, and said companies shall maintain during the policy term a "General Policyholder's Rating" of at least A- and a financial rating of at least "Class IX" (or such other rating as may be required by any lender having a lien on the Premises) as set forth in the most recent edition of "Best Insurance Reports." All insurance obtained by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only. Landlord, and at Landlord's option, the holder of any mortgage or deed of trust encumbering the Premises and any person or entity managing the Premises on behalf of Landlord, shall be named as an additional insured on all insurance policies Tenant is obligated to obtain by Section 9.1 above. Tenant's insurance policies shall not include deductibles in excess of Five Thousand Dollars (\$5,000).

9.4 Waiver of Subrogation.

9.4.1 By Landlord. Landlord waives any and all rights of recovery against Tenant for or arising out of damage to, or destruction of, the Premises to the extent that Landlord's insurance policies then in force insure against such damage or destruction and permit such waiver, and only to the extent of the insurance proceeds actually received by Landlord for such damage or destruction. Landlord's waiver shall not relieve Tenant from liability under Section 18 below except to the extent Landlord's insurance company actually satisfies Tenant's obligations under Section 18 in accordance with the requirements of Section 18.

9.4.2 By Tenant. Tenant waives any and all rights of recovery against Landlord, Landlord's employees, agents and contractors for liability or damages if such liability or damage is covered by Tenant's insurance policies then in force or the insurance policies Tenant is required to obtain by Section 9.1 (whether or not the insurance Tenant is required to obtain by Section 9.1 is then in force and effect), whichever is broader. Tenant's waiver shall not be limited by the amount of insurance then carried by Tenant or the deductibles applicable thereto. Tenant shall cause the insurance policies it obtains in accordance with this Section 9 to provide that the insurance company waives all right of recovery by subrogation against Landlord in connection with any liability or damage covered by Tenant's insurance policies.

9.5 Coverage. Landlord makes no representation to Tenant that the limits or forms of coverage specified above or approved by Landlord are adequate to insure Tenant's property or Tenant's obligations under this Lease, and the limits of any insurance carried by Tenant shall not limit Tenant's obligations or liability under any indemnity provision included in this Lease or under any other provision of this Lease.

10. LANDLORD'S REPAIRS. Landlord shall maintain, at Landlord's expense, the structural elements of the roof (excluding the roof membrane) of the Building and the structural soundness of the foundation and exterior walls of the Building, roofs, sidewalks, exterior lighting, sprinkler systems, gutters, curbs, trash enclosures, signs, gates, heating and ventilation systems, dock boards, truck doors, dock bumpers, plumbing work and fixtures, electrical systems, sprinkler systems, fire detection systems, termite and pest extermination. Landlord shall maintain as a Landlord Utility Service all heating and ventilation systems, Building lighting facilities and bulbs, and plumbing equipment servicing the Building. Tenant shall reimburse Landlord for the cost of any maintenance, repair or replacement of the structural elements of the roof (excluding the roof membrane) of the Building and the structural soundness of the foundation and exterior walls of the Building necessitated by Tenant's misuse, negligence, alterations to the Premises or any breach of its obligations under this Lease. The term "walls" as used in this section shall not include windows, glass or plate glass, doors or overhead doors, special store fronts, dock bumpers, dock plates or levelers, or office entries. Tenant shall immediately give Landlord written notice of any repair required by Landlord pursuant to this section, after which Landlord shall have a reasonable time in which to complete the repair. Nothing contained in this section shall be construed to obligate Landlord to make nonstructural repairs, to paint any walls or to seal or otherwise maintain the surface of any foundation, floor or slab. Landlord shall have the right upon written notice to Tenant, in Landlord's reasonable discretion, to maintain, repair and repaint the exterior walls, overhead doors, canopies, entries, handrails, gutters and other exposed parts of the Building as necessary to maintain aesthetic standards adopted by Landlord, in Landlord's reasonable discretion (hereinafter the "Aesthetic Maintenance").

11. **TENANT'S REPAIRS.** Tenant shall, at its sole cost and expense, keep and maintain all parts of the Premises (except those listed as Landlord's responsibility in Section 10 above) in good and sanitary condition, promptly making all necessary repairs and replacements, including but not limited to, windows, glass and plate glass, doors, skylights, office entry, interior walls and finish work, floors and floor coverings. Unless Landlord has elected in writing to be responsible for the Aesthetic Maintenance, Tenant shall, at Tenant's sole expense, be responsible for the Aesthetic Maintenance to the Premises. Tenant shall notify Landlord in writing prior to making any repair or performing any maintenance pursuant to this section, and Landlord shall have the right to reasonably approve the contractor Tenant shall use to make any repair or to perform any maintenance on the ceiling, heating, ventilation and air conditioning systems ("HVAC"), plumbing systems, electrical systems or fire detection systems located at the Premises. If Tenant fails to keep the Premises in good condition and repair, Landlord may, but shall not be obligated to, make any necessary repairs. If Landlord makes such repairs, Landlord may bill Tenant for the cost of the repairs as additional rent, and said additional rent shall be payable by Tenant within fifteen (15) days after demand by Landlord.

12. **ALTERATIONS AND SURRENDER.**

12.1 **Tenant Improvement Allowance.** [REDACTED]

[REDACTED] Tenant's Work shall be subject to the requirements of Exhibit 2.4 and Exhibit 12.2 (the "Tenant Improvement Requirements").

12.2 **Consent of Landlord.** Tenant shall not, without Landlord's reasonable prior written consent, make any alterations, improvements, additions, utility installations or repairs (hereinafter collectively referred to as "Alterations") in, on or about the Premises. Alterations shall include, but shall not be limited to, the installation or alteration of security or fire protection systems, communication systems, millwork, shelving, retrieval or storage systems, carpeting or other floor covering, window and wall coverings, electrical distribution systems, lighting fixtures, telephone or computer system wiring, HVAC and plumbing. All Alterations shall be made in accordance with the provisions of Tenant Improvement Requirements and Exhibit 4.11 ("Rules and Regulations") attached hereto. At the expiration of the term, Landlord may require the removal of any Alterations installed by Tenant and the restoration of the Premises to its prior condition, at Tenant's expense. Should Landlord permit Tenant to make its own Alterations, Tenant shall use only such contractor as has been expressly approved by Landlord, and Landlord may require Tenant to provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such Alterations, to insure Landlord against any liability for mechanic's and materialmen's liens and to insure completion of the work. Should Tenant make any Alterations without the prior approval of Landlord, or use a contractor not expressly approved by Landlord, Landlord may, at any time during the term of this Lease, require that Tenant remove all or part of the Alterations and return the Premises to the condition it was in prior to the making of the Alterations. In the event Tenant makes any Alterations, Tenant agrees to obtain or cause its contractor to obtain, prior to the commencement of any work, "builders all-risk" insurance in an amount approved by Landlord and workers compensation insurance.

12.3 **Permits.** Any Alterations in or about the Premises that Tenant shall desire to make shall be presented to Landlord in written form, with plans and specifications which are sufficiently detailed to obtain a building permit. If Landlord consents to an Alteration, the consent shall be deemed conditioned upon Tenant acquiring a building permit from the

applicable governmental agencies, furnishing a copy thereof to Landlord prior to the commencement of the work, and compliance by Tenant with all conditions of said permit in a prompt and expeditious manner. Tenant shall provide Landlord with as-built plans and specifications for any Alterations made to the Premises.

12.4 Mechanics Liens. Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises, or any interest therein. If Tenant shall, in good faith, contest the validity of any such lien, Tenant shall furnish to Landlord a surety bond satisfactory to Landlord in an amount equal to not less than one and one half times the amount of such contested lien claim indemnifying Landlord against liability arising out of such lien or claim. Such bond shall be sufficient in form and amount to free the Premises from the effect of such lien. In addition, Landlord may require Tenant to pay Landlord's reasonable attorneys' fees and costs in participating in such action.

12.5 Notice. Tenant shall give Landlord not less than ten (10) days' advance written notice prior to the commencement of any work in the Premises by Tenant, and Landlord shall have the right to post notices of non-responsibility in or on the Premises.

12.6 Surrender. Subject to Landlord's right to require removal or to elect ownership as hereinafter provided, all Alterations made by Tenant to the Premises shall be the property of Tenant, but shall be considered to be a part of the Premises. At Landlord's option, the Alterations shall become the property of Landlord at the end of the term of this Lease. Landlord may require on notice to Tenant, that some or all Alterations be removed prior to the end of the term of this Lease and that any damages caused by such removal be repaired at Tenant's sole expense. On the last day of the term hereof, or on any sooner termination, Tenant shall surrender the Premises (including, but not limited to, all doors, windows, floors and floor coverings, skylights, heating and air conditioning systems, dock boards, truck doors, dock bumpers, plumbing work and fixtures, electrical systems, lighting facilities, sprinkler systems, fire detection systems and nonstructural elements of the exterior walls, foundation and roof (collectively the "**Elements of the Premises**") to Landlord in the same condition as received, ordinary wear and tear and casualty damage excepted, clean and free of debris and Tenant's personal property, trade fixtures and equipment. Provided, however, if Landlord has not elected to have Tenant remove the Alterations, Tenant shall leave the Alterations at the Premises in good condition and repair, ordinary wear and tear excepted. Tenant shall repair any damage to the Premises occasioned by the installation or removal of Tenant's trade fixtures, furnishings, equipment and Alterations. Damage to or deterioration of any Element of the Premises or any other item Tenant is required to repair or maintain at the Premises shall not be deemed ordinary wear and tear if the same could have been prevented by good maintenance practices.

12.7 Failure of Tenant to Remove Property. If this Lease is terminated due to the expiration of its term or otherwise, and Tenant fails to remove its property, in addition to any other remedies available to Landlord under this Lease, and subject to any other right or remedy Landlord may have under applicable law, Landlord may remove any property of Tenant from the Premises and store the same elsewhere at the expense and risk of Tenant.

13. DAMAGE AND DESTRUCTION.

13.1 Effect of Damage or Destruction. If all or part of the Premises is damaged by fire, earthquake, flood, explosion, the elements, riot, the release or existence of Hazardous

Substances (as defined below) or by any other cause whatsoever (hereinafter collectively referred to as "damages"), but the damages are not material (as defined in Section 13.2 below), Landlord shall repair the damages to the Premises as soon as is reasonably possible, and this Lease shall remain in full force and effect. If all or part of the Premises is destroyed or materially damaged (as defined in Section 13.2 below), Landlord shall have the right, in its sole and complete discretion, to repair or to rebuild the Premises or to terminate this Lease. Landlord shall within sixty (60) days after the discovery of such material damage or destruction notify Tenant in writing of Landlord's intention to repair or to rebuild or to terminate this Lease. Tenant shall in no event be entitled to compensation or damages on account of annoyance or inconvenience in making any repairs, or on account of construction, or on account of Landlord's election to terminate this Lease. Notwithstanding the foregoing, if Landlord shall elect to rebuild or repair the Premises after material damage or destruction, but in good faith determines that the Premises cannot be substantially repaired within One hundred eighty (180) days after the date of the discovery of the material damage or destruction, without payment of overtime or other premiums, and the damage to the Premises will render the entire Premises unusable during said One hundred eighty (180) day period, Landlord shall notify Tenant thereof in writing at the time of Landlord's election to rebuild or repair, and Tenant shall thereafter have a period of fifteen (15) days within which Tenant may elect to terminate this Lease, upon thirty (30) days' advance written notice to Landlord. Tenant's termination right described in the preceding sentence shall not apply if the damage was caused by the negligent or intentional acts of Tenant or its employees, agents, contractors or invitees. Failure of Tenant to exercise said election within said fifteen (15) day period shall constitute Tenant's agreement to accept delivery of the Premises under this Lease whenever tendered by Landlord, provided Landlord thereafter pursues reconstruction or restoration diligently to completion, subject to delays caused by Force Majeure Events. If Landlord is unable to repair the damage to the Premises during such one hundred eighty (180) day period due to Force Majeure Events, the one hundred eighty (180) day period shall be extended by the period of delay caused by the Force Majeure Events. Subject to Section 13.3 below, if Landlord or Tenant terminates this Lease in accordance with this Section 13.1, Tenant shall continue to pay all Base Rent and other amounts due hereunder which arise prior to the date of termination.

13.2 Definition of Material Damage. Damage to the Premises shall be deemed "material" if, in Landlord's reasonable judgment, the uninsured cost of repairing the damage will exceed Twenty-Five Thousand Dollars (\$25,000). If insurance proceeds are available to Landlord in an amount which is sufficient to pay the entire cost of repairing all of the damage to the Premises, the damage shall be deemed material if the cost of repairing the damage exceeds One Hundred Thousand Dollars (\$100,000). Damage to the Premises shall also be deemed material if (a) the Premises cannot be rebuilt or repaired to substantially the same condition it was in prior to the damage due to laws or regulations in effect at the time the repairs will be made, (b) the holder of any mortgage or deed of trust encumbering the Premises requires that insurance proceeds available to repair the damage in excess of Twenty-Five Thousand Dollars (\$25,000) be applied to the repayment of the indebtedness secured by the mortgage or the deed of trust, or (c) the damage occurs during the last twelve (12) months of the Lease term.

13.3 Abatement of Rent. If Landlord elects to repair damage to the Premises and all or part of the Premises will be unusable or inaccessible to Tenant in the ordinary conduct of its business until the damage is repaired, and the damage was not caused by the negligence or intentional acts of Tenant or its employees, agents, contractors or invitees, Tenant's Base Rent shall be abated until the repairs are completed in proportion to the amount of the Premises which is unusable or inaccessible to Tenant in the ordinary conduct of its business.

Notwithstanding the foregoing, there shall be no abatement of Base Rent by reason of any portion of the Premises being unusable or inaccessible for a period equal to five (5) consecutive business days or less.

13.4 Tenant's Acts. If such damage or destruction occurs as a result of the negligence or the intentional acts of Tenant or Tenant's employees, agents, contractors or invitees, and the proceeds of insurance which are actually received by Landlord are not sufficient to pay for the repair of all of the damage, Tenant shall pay, at Tenant's sole cost and expense, to Landlord upon demand, the difference between the cost of repairing the damage and the insurance proceeds received by Landlord.

13.5 Tenant's Property. Landlord shall not be liable to Tenant or its employees, agents, contractors, invitees or customers for loss or damage to merchandise, tenant improvements (including, without limitation, the initial Tenant Improvements), fixtures, vehicles, furniture, equipment, computers, files or other property (hereinafter collectively "**Tenant's property**") located at the Premises. Tenant shall repair or replace all of Tenant's property at Tenant's sole cost and expense, and Tenant acknowledges that Landlord is not responsible for restoring or replacing any of Tenant's property. Tenant acknowledges that it is Tenant's sole responsibility to obtain adequate insurance coverage to compensate Tenant for damage to Tenant's property.

14. CONDEMNATION. If any portion of the Premises is taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "**Condemnation**"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs; provided that if so much of the Premises is taken by such Condemnation as would substantially and adversely affect the operation and profitability of Tenant's business conducted from the Premises, and said taking lasts for ninety (90) days or more, Tenant shall have the option, to be exercised only in writing within thirty (30) days after Landlord shall have given Tenant written notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession), to terminate this Lease as of the date the condemning authority takes such possession. If a taking lasts for less than ninety (90) days, Tenant's rent shall be abated during said period but Tenant shall not have the right to terminate this Lease. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in the proportion that the usable floor area of the Premises taken bears to the total usable floor area of the Premises. Landlord shall have the option in its sole discretion to terminate this Lease as of the taking of possession by the condemning authority, by giving written notice to Tenant of such election within thirty (30) days after receipt of notice of a taking by condemnation of any part of the Premises. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold, for good will, for the taking of the fee, as severance damages, or as damages for tenant improvements; provided, however, that Tenant shall be entitled to any separate award for loss of or damage to Tenant's removable personal property and for moving expenses. In the event that this Lease is not terminated by reason of such condemnation, and subject to the requirements of any lender that has made a loan to Landlord encumbering the Premises, Landlord shall to the extent of severance damages received by Landlord in connection with such condemnation, repair any damage to the Premises caused by such Condemnation except to the extent that Tenant has been reimbursed therefor by the condemning authority. This section, not general principles of

law or any statutory provisions, shall govern the rights and obligations of Landlord and Tenant with respect to the Condemnation of all or any portion of the Premises.

15. ASSIGNMENT AND SUBLETTING.

15.1 Landlord's Consent Required.

[REDACTED]

15.2 Leveraged Buy-Out.

[REDACTED]

[REDACTED]

15.3 INTENTIONALLY DELETED.

15.4 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

16. DEFAULT; REMEDIES.

16.1 Default by Tenant. Landlord and Tenant hereby agree that the occurrence of any one or more of the following events is a material default by Tenant under this Lease and that said default shall give Landlord the rights described in Section 16.2. Landlord or Landlord's authorized agent shall have the right to execute and to deliver any notice of default, notice to pay rent or quit or any other notice Landlord gives Tenant.

16.1.1 Tenant's failure to make any payment of Base Rent or Additional Rent or any other payment required to be made by Tenant hereunder, as and when due, where such

failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant. In the event that Landlord serves Tenant with a notice to pay rent or quit pursuant to applicable unlawful detainer statutes, such notice shall also constitute the notice required by this Section 16.1(a).

16.1.2 The abandonment of the Premises by Tenant in which event Landlord shall not be obligated to give any notice of default to Tenant.

16.1.3 The failure of Tenant to comply with any of its non-monetary performance obligations where Tenant fails to comply with such obligations or fails to cure any earlier breach of such obligation within ten (10) days following written notice from Landlord to Tenant. In the event Landlord serves Tenant with a notice to quit or any other notice pursuant to applicable unlawful detainer statutes, said notice shall also constitute the notice required by this Section 16.1.3.

16.1.4 (i) The making by Tenant or any guarantor of Tenant's obligations hereunder of any general arrangement or general assignment for the benefit of creditors; (ii) Tenant or any guarantor becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant or guarantor, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver 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 thirty (30) days; (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or (v) the insolvency of Tenant. In the event that any provision of this Section 16.1(e) is unenforceable under applicable law, such provision shall be of no force or effect.

16.1.5 The discovery by Landlord that any financial statement, representation or warranty given to Landlord by Tenant, or by any guarantor of Tenant's obligations hereunder, was materially false at the time given. Tenant acknowledges that Landlord has entered into this Lease in material reliance on such information.

16.1.6 If Tenant is a corporation, partnership, limited liability company or similar entity, the dissolution or liquidation of Tenant.

16.1.7 If Tenant's obligations under this Lease are guaranteed: (i) the death of a guarantor, (ii) the termination of a guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a guarantor's becoming insolvent or the subject of a bankruptcy filing, or (iv) a guarantor's refusal to honor the guaranty.

16.2 Remedies.

16.2.1 In the event of any material default or breach of this Lease by Tenant, Landlord may, at any time thereafter, with or without notice or demand, and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default:

(i) terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease and the term hereof shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. If Landlord terminates this

Lease, Landlord may recover from Tenant (A) the worth at the time of award of the unpaid rent which had been earned at the time of termination; (B) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (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 rental loss that Tenant proves could be reasonably avoided; and (D) any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, the cost of recovering possession of the Premises, expenses of releasing, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, any real estate commissions actually paid by Landlord and the unamortized value of any free rent, reduced rent, tenant improvement allowance or other economic concessions provided by Landlord. The "worth at time of award" of the amounts referred to in Section 16.2(a)(i)(A) and (B) shall be computed by allowing interest at the lesser of ten percent (10%) per annum or the maximum interest rate permitted by applicable law. The worth at the time of award of the amount referred to in Section 16.2(a)(i)(C) shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). For purposes of this Section 16.2(a)(i), "rent" shall be deemed to be all monetary obligations required to be paid by Tenant pursuant to the terms of this Lease.

(ii) maintain Tenant's right of possession in which event Landlord be permitted to continue this Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due. In the event Landlord elects to continue this Lease in effect, Tenant shall have the right to sublet the Premises or assign Tenant's interest in the Lease subject to the reasonable requirements contained in Section 15 of this Lease and provided further that Landlord shall not require compliance with any standard or condition contained in Section 15 that has become unreasonable at the time Tenant seeks to sublet or assign the Premises pursuant to this Section 16.2(a)(ii).

(iii) collect sublease rents (or appoint a receiver to collect such rent) and otherwise perform Tenant's obligations at the Premises, it being agreed, however, that the appointment of a receiver for Tenant shall not constitute an election by Landlord to terminate this Lease.

(iv) pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises are located.

16.2.2 No remedy or election hereunder shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies at law or in equity. The expiration or termination of this Lease and/or the termination of Tenant's right to possession of the Premises shall not relieve Tenant of liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term of the Lease or by reason of Tenant's occupancy of the Premises.

16.2.3 If Tenant abandons or vacates the Premises, Landlord may re-enter the Premises and such re-entry shall not be deemed to constitute Landlord's election to accept a surrender of the Premises or to otherwise relieve Tenant from liability for its breach of this Lease. No surrender of the Premises shall be effective against Landlord unless Landlord has entered into a written agreement with Tenant in which Landlord expressly agrees to (i) accept a

surrender of the Premises and (ii) relieve Tenant of liability under the Lease. The delivery by Tenant to Landlord of possession of the Premises shall not constitute the termination of the Lease or the surrender of the Premises.

16.3 Default by Landlord. Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice by Tenant to Landlord and to the holder of any mortgage or deed of trust encumbering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its cure, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently pursues the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default, and Tenant's remedies shall be limited to damages and/or an injunction. Tenant hereby waives its right to recover consequential damages (including, but not limited to, lost profits) or punitive damages arising out of a Landlord default. This Lease and the obligations of 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 a Force Majeure Event, and the time for Landlord's performance shall be extended for the period of any such delay.

16.4 Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of Base Rent, Additional Rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed encumbering the Premises. Accordingly, if any installment of Base Rent, Additional Rent or any other sum due from Tenant shall not be received by Landlord within five (5) business days from when such amount shall be due, then, without any requirement for notice or demand to Tenant, Tenant shall immediately pay to Landlord a late charge equal to six percent (6%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder including the assessment of interest under Section 16.5.

16.5 Interest on Past-Due Obligations. Except as expressly herein provided, any amount due to Landlord that is not paid when due shall bear interest at the lesser of twelve percent (12%) per annum or the maximum rate permitted by applicable law. Payment of such interest shall not excuse or cure any default by Tenant under this Lease; provided, however, that interest shall not be payable on late charges incurred by Tenant nor on any amounts upon which late charges are paid by Tenant.

16.6 Payment of Rent After Default. If Tenant fails to pay Base Rent, Additional Rent or any other monetary obligation due hereunder on the date it is due, after Tenant's third failure to pay any monetary obligation on the date it is due, at Landlord's option, all monetary obligations of Tenant hereunder shall thereafter be paid by cashier's check, and Tenant shall, upon demand, provide Landlord with an additional security deposit equal to three (3) months' Base Rent. If Landlord has required Tenant to make said payments by cashier's check or to

provide an additional security deposit, Tenant's failure to make a payment by cashier's check or to provide the additional security deposit shall be a material default hereunder.

17. LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of rent. If Tenant shall fail to perform any of its obligations under this Lease, Landlord may, but shall not be obligated to, after three (3) days' prior written notice to Tenant, make any such payment or perform any such act on Tenant's behalf without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder. Tenant shall pay to Landlord, within ten (10) days after delivery by Landlord to Tenant of statements therefor, an amount equal to the expenditures reasonably made by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of this section.

18. INDEMNITY.

18.1 By Tenant. Tenant hereby agrees to indemnify, defend and hold harmless Landlord and its employees, members, partners, agents, contractors and lenders (said persons and entities are hereinafter collectively referred to as the "**Landlord Indemnified Parties**") from and against any and all liability, loss, cost, damage, claims, loss of rents, liens, judgments, penalties, fines, settlement costs, investigation costs, the cost of consultants and experts, attorneys' fees, court costs and other legal expenses, the effects of environmental contamination, the cost of environmental testing, the removal, remediation and/or abatement of Hazardous Substances (as said term are defined below), insurance policy deductibles and other expenses (hereinafter collectively referred to as "**Landlord Damages**") arising out of or related to a Landlord Indemnified Matter (as defined below). For purposes of this section, a "**Landlord Indemnified Matter**" shall mean any matter for which one or more of the Landlord Indemnified Parties incurs liability or Landlord Damages if the liability or Landlord Damages arise out of or involve, directly or indirectly, (a) Tenant's or its employees, agents, contractors or invitees (all of said persons or entities are hereinafter collectively referred to as "**Tenant Parties**") use or occupancy of the Premises, (b) any negligent act, negligent omission or willful misconduct of a Tenant Party, (c) Tenant's failure to perform any of its obligations under the Lease, (d) the existence, use or disposal of any Hazardous Substance (as defined below) brought on to the Premises by a Tenant Party, or (e) any other matters for which Tenant has agreed to indemnify Landlord pursuant to any other provision of this Lease. Tenant's obligations hereunder shall include, but shall not be limited to (f) compensating the Landlord Indemnified Parties for Landlord Damages arising out of Landlord Indemnified Matters within ten (10) days after written demand from a Landlord Indemnified Party and (g) providing a defense, with counsel reasonably satisfactory to the Landlord Indemnified Party, at Tenant's sole expense, within ten (10) days after written demand from the Landlord Indemnified Party, of any claims, action or proceeding arising out of or relating to a Landlord Indemnified Matter whether or not litigated or reduced to judgment and whether or not well founded. If Tenant is obligated to compensate a Landlord Indemnified Party for Landlord Damages arising out of a Landlord Indemnified Matter, Landlord shall have the immediate and unconditional right, but not the obligation, without notice or demand to Tenant, to pay the damages and Tenant shall, upon ten (10) days' advance written notice from Landlord, reimburse Landlord for the costs incurred by Landlord. The Landlord Indemnified Parties need not first pay any Landlord Damages to be indemnified hereunder. Tenant's obligations under this section shall not be released, reduced or otherwise limited because one or more of the Landlord Indemnified Parties are or may be actively or passively negligent with respect to a Landlord Indemnified Matter or because a Landlord Indemnified Party is or was partially responsible for the Landlord

Damages incurred. This indemnity is intended to apply to the fullest extent permitted by applicable law. Tenant's obligations under this section shall survive the expiration or termination of this Lease unless specifically waived in writing by Landlord after said expiration or termination.

18.2 By Landlord. Landlord hereby agrees to indemnify, defend and hold harmless Tenant and its employees, members, partners, agents, contractors and lenders (said persons and entities are hereinafter collectively referred to as the "Tenant Indemnified Parties") from and against any and all liability, loss, cost, damage, claims, judgments, penalties, fines, settlement costs, investigation costs, the cost of consultants and experts, attorneys' fees, court costs and other legal expenses, insurance policy deductibles and other expenses (hereinafter collectively referred to as "Tenant Damages") arising out of or related to a Tenant Indemnified Matter (as defined below). For purposes of this section, a "Tenant Indemnified Matter" shall mean any matter for which one or more of the Tenant Indemnified Parties incurs liability or Tenant Damages if the liability or Tenant Damages arise out of or involve, directly or indirectly, Landlord's or its employees, agents, contractors or invitees (all of said persons or entities are hereinafter collectively referred to as "Landlord Parties") negligent act, negligent omission or willful misconduct. Landlord's obligations hereunder shall include, but shall not be limited to (f) compensating the Tenant Indemnified Parties for Tenant Damages arising out of Tenant Indemnified Matters within ten (10) days after written demand from a Tenant Indemnified Party and (g) providing a defense, with counsel reasonably satisfactory to the Tenant Indemnified Party, at Landlord's sole expense, within ten (10) days after written demand from the Tenant Indemnified Party, of any claims, action or proceeding arising out of or relating to a Tenant Indemnified Matter whether or not litigated or reduced to judgment and whether or not well founded. If Landlord is obligated to compensate a Tenant Indemnified Party for Tenant Damages arising out of a Tenant Indemnified Matter, Tenant shall have the immediate and unconditional right, but not the obligation, without notice or demand to Landlord, to pay the damages and Landlord shall, upon ten (10) days' advance written notice from Tenant, reimburse Tenant for the costs incurred by Tenant. The Tenant Indemnified Parties need not first pay any Tenant Damages to be indemnified hereunder. Landlord's obligations under this section shall not be released, reduced or otherwise limited because one or more of the Tenant Indemnified Parties are or may be actively or passively negligent with respect to a Tenant Indemnified Matter or because a Tenant Indemnified Party is or was partially responsible for the Tenant Damages incurred. This indemnity is intended to apply to the fullest extent permitted by applicable law. Landlord's obligations under this section shall survive the expiration or termination of this Lease unless specifically waived in writing by Tenant after said expiration or termination.

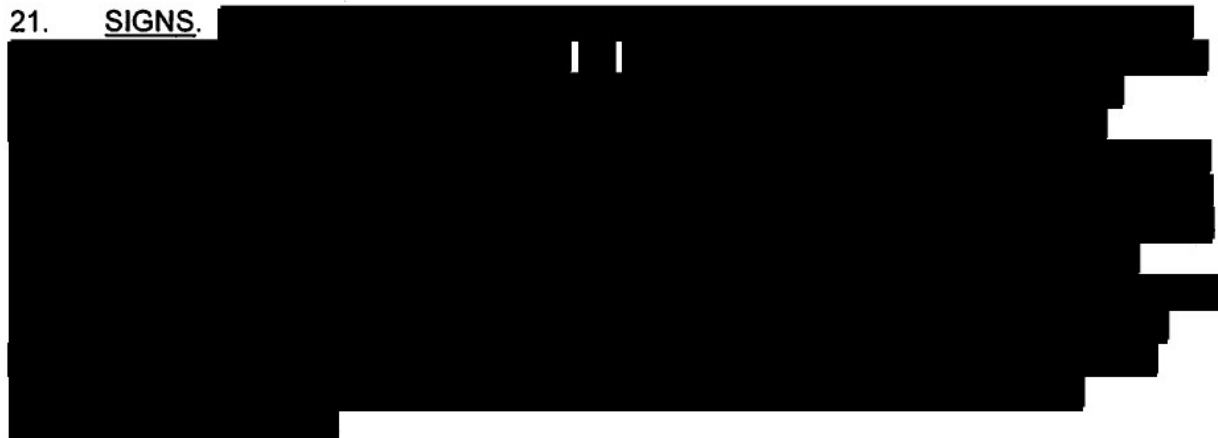
18.3 Limitation on Liability. Tenant's Damages and Landlord's Damage shall not include, and Landlord and Tenant hereby waive their right to recover under Sections 18.1 and 18.2 above, any incidental, special or consequential damages.

19. EXEMPTION OF LANDLORD FROM LIABILITY. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for loss of or damage to the merchandise, tenant improvements, fixtures, furniture, equipment, computers, files, vehicles, or other property of Tenant, Tenant's employees, agents, contractors or invitees, or any other person in or about the Premises, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents, contractors or invitees, whether such damage or injury is caused by or results from any cause whatsoever including, but not limited to, theft, criminal activity at the Premises, negligent security measures, bombings or bomb scares, Hazardous Substances, fire, steam, electricity, gas, water or rain,

flooding, breakage of pipes, sprinklers, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Premises, or from other sources or places, or from new construction or the repair, alteration or improvement of any part of the Premises. Landlord shall not be liable for any damages arising from any act or neglect of any employees, agents, contractors or invitees of any other tenant, occupant or user of the Premises. Tenant, as a material part of the consideration to Landlord hereunder, hereby assumes all risk of damage to Tenant's property or business or injury to persons, in, upon or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, its employees, agents and contractors.

20. LANDLORD'S LIABILITY. Tenant acknowledges that Landlord shall have the right to transfer all or any portion of its interest in the Premises and to assign this Lease to the transferee. Tenant agrees that in the event of such a transfer Landlord shall automatically be released from all liability under this Lease; and Tenant hereby agrees to look solely to Landlord's transferee for the performance of Landlord's obligations hereunder after the date of the transfer. Upon such a transfer, Landlord shall, at its option, return Tenant's security deposit to Tenant or transfer Tenant's security deposit to Landlord's transferee and, in either event, Landlord shall have no further liability to Tenant for the return of its security deposit. Subject to the rights of any lender holding a mortgage or deed of trust encumbering all or part of the Premises, Tenant agrees to look solely to Landlord's equity interest in the Premises for the collection of any judgment requiring the payment of money by Landlord arising out of (a) Landlord's failure to perform its obligations under this Lease or (b) the negligence or willful misconduct of Landlord, its partners, members, employees and agents. No other property or assets of Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of any judgment or writ obtained by Tenant against Landlord. No partner, members, employee or agent of Landlord shall be personally liable for the performance of Landlord's obligations hereunder or be named as a party in any lawsuit arising out of or related to, directly or indirectly, this Lease and the obligations of Landlord hereunder. The obligations under this Lease do not constitute personal obligations of the individual partners or members of Landlord, if any, and Tenant shall not seek recourse against the individual partners or members of Landlord or their assets.

21. SIGNS.



22. BROKER'S FEE.



23. ESTOPPEL CERTIFICATE.

23.1 Delivery of Certificate. Tenant shall from time to time upon not less than ten (10) days' prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing certifying such information as Landlord may reasonably request including, but not limited to, the following: (a) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), (b) the date to which the Base Rent and other charges are paid in advance and the amounts so payable, (c) that there are not, to Tenant's knowledge, any uncured defaults or unfulfilled obligations on the part of Landlord, or specifying such defaults or unfulfilled obligations, if any are claimed, (d) that all tenant improvements to be constructed by Landlord, if any, have been completed in accordance with Landlord's obligations and (e) that Tenant has taken possession of the Premises. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

23.2 Failure to Deliver Certificate. At Landlord's option, the failure of Tenant to deliver such statement within such time shall constitute a material default of Tenant hereunder, or it shall be conclusive upon Tenant that this Lease is in full force and effect, without modification except as may be represented by Landlord, there are no uncured defaults in Landlord's performance, not more than one month's Base Rent and Additional Rent has been paid in advance, all tenant improvements to be constructed by Landlord, if any, have been completed in accordance with Landlord's obligations and Tenant has taken possession of the Premises.

24. FINANCIAL INFORMATION. From time to time, at Landlord's request, Tenant shall cause the following financial information to be delivered to Landlord, at Tenant's sole cost and expense, upon not less than ten (10) days' advance written notice from Landlord: (a) a current financial statement for Tenant and Tenant's financial statements for the previous two accounting years, (b) a current financial statement for any guarantor(s) of this Lease and the guarantor(s) financial statements for the previous two accounting years and (c) such other financial information pertaining to Tenant or any guarantor as Landlord or any lender or purchaser of Landlord may reasonably request. All financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Tenant hereby authorizes Landlord, from time to time, without notice to Tenant, to obtain a credit report or credit history on Tenant from any credit reporting company.

25. HAZARDOUS SUBSTANCES.

25.1 Use. Notwithstanding anything contained in this Lease to the contrary, Tenant has not caused or permitted, and shall not cause or permit any Hazardous Substances (as defined below) to be brought upon, kept, stored, discharged, released or used in, under or about the Premises by Tenant, its agents, employees, contractors, subcontractors, licensees or

invitees, unless (a) such Hazardous Substances are reasonably necessary to Tenant's business and will be handled, used, kept, stored and disposed of in a manner which complies with all Hazardous Substances Laws (as defined below); (b) Tenant will comply with such other rules or requirements as Landlord may from time to time impose, including without limitation that (i) such materials are in small quantities, properly labeled and contained, (ii) such materials are handled and disposed of in accordance with the highest accepted industry standards for safety, storage, use and disposal, and (iii) such materials are for use in the ordinary course of business (i.e., as with office or cleaning supplies), (c) notice of and a copy of the current material safety data sheet is provided to Landlord for each such Hazardous Substances, and (d) Landlord shall have granted its prior written consent to the use of such Hazardous Substances, which consent may be given or withheld in Landlord's sole discretion. Notwithstanding anything to the contrary contained in this Lease, Tenant shall not install storage tanks or electrical generators of any size or shape in or around the Premises, above or below ground, without the consent of the Landlord which may be given or withheld in Landlord's sole discretion.

25.2 Definition. As used herein, the term "**Hazardous Substances**" means any (a) oil, petroleum, petroleum products, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Premises or to persons on or about the Premises or (ii) cause the Premises to be in violation of any Hazardous Substances Laws (as hereinafter defined); (b) asbestos in any form, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) chemical, material or substance defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," or "toxic substances" or words of similar import under any applicable local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; the Resources Conservation Recovery Act, 42 U.S.C. § 6901, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq.; Washington Model Toxics Controls Act, as amended; (d) other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Premises or the owners and/or occupants of property adjacent to or surrounding the Premises, or any other person coming upon the Premises or adjacent property; and (e) other chemical, materials or substance which may or could pose a hazard to the environment. As used here the term "**Hazardous Substances Laws**" means any federal, state or local laws, ordinances, regulations or policies relating to the environment, health and safety, and Hazardous Substances (including, without limitation, the use, handling, transportation, production, disposal, discharge or storage thereof) or to industrial hygiene or the environmental conditions on, under or about the Premises, including, without limitation, soil, groundwater and indoor and ambient air conditions. Tenant shall at all times and in all respects comply with all Hazardous Substances Laws.

25.3 Remediation. Upon expiration or earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, cause all Hazardous Substances brought on the Premises to be removed from the Premises in compliance with all applicable Hazardous Substances Laws. If Tenant or its employees, agents, or contractors violates the provisions of this section, or if Tenant's acts, negligence, or business operations contaminate, or expand the scope of contamination of, the Premises from such Hazardous Substances, then Tenant shall promptly,

at Tenant's expense, take all investigatory and/or remedial action (collectively, the "Remediation") that is necessary in order to clean up, remove and dispose of such Hazardous Substances causing the violation on the Premises or the underlying groundwater or the properties adjacent to the Premises to the extent such contamination was caused by Tenant, in compliance with all applicable Hazardous Substances Laws. Tenant shall further repair any damage to the Premises caused by the Hazardous Substances contamination. Tenant shall provide prior written notice to Landlord of such Remediation, and Tenant shall commence such Remediation no later than thirty (30) days after such notice to Landlord and diligently and continuously complete such Remediation. Such written notice shall also include Tenant's method, time and procedure for such Remediation and Landlord shall have the right to require reasonable changes in such method, time or procedure of the Remediation. Tenant shall not take any Remediation in response to the presence of any Hazardous Substances in or about the Premises or enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises, without first notifying Landlord of Tenant's intention to do so and affording Landlord ample opportunity to appear, intervene or otherwise appropriately assert and protect Landlord's interests with respect thereto.

25.4 Notification. Tenant shall immediately notify Landlord in writing of: (a) any enforcement, cleanup, removal or other governmental or regulatory action threatened, instituted, or completed pursuant to any Hazardous Substances Laws with respect to the Premises; (b) any claim, demand, or complaint made or threatened by any person against Tenant or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Substances; and (c) any reports made to any governmental authority arising out of any Hazardous Substances on or removed from the Premises. Landlord shall have the right (but not the obligation) to join and participate, as a party, in any legal proceedings or actions affecting the Premises initiated in connection with any Hazardous Substances Laws.

25.5 No Release. Tenant's obligations under this section and under Section 18 shall survive the expiration or earlier termination of this Lease and shall continue to be binding on Tenant notwithstanding such expiration or earlier termination of this Lease. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant of its obligations under this section or Section 18 unless specifically so agreed by Landlord in writing at the time such agreement is entered into.

26. SUBORDINATION.

26.1 Effect of Subordination. This Lease, upon Landlord's written election, shall be subject and subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. At the request of any mortgagee, trustee or ground lessor, Tenant shall attorn to such person or entity. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording

thereof. In the event of the foreclosure of a security device, the new owner shall not (a) be liable for any act or omission of any prior landlord or with respect to events occurring prior to its acquisition of title, (b) be liable for the breach of this Lease by any prior landlord, (c) be subject to any offsets or defenses which Tenant may have against the prior landlord or (d) be liable to Tenant for the return of its security deposit.

26.2 Execution of Documents. Tenant agrees to execute and acknowledge any documents Landlord reasonably requests that Tenant execute to effectuate an attornment, a subordination, or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be. Tenant's failure to execute such documents within ten (10) days after written demand shall constitute a material default by Tenant hereunder or, at Landlord's option, Landlord shall have the right to execute such documents on behalf of Tenant as Tenant's attorney-in-fact. Tenant does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney-in-fact and in Tenant's name, place and stead, to execute such documents in accordance with this section.

27. LANDLORD RESERVATIONS. Landlord shall have the right: (a) to change the name and address of the Building upon not less than ninety (90) days' prior written notice and (b) to place signs, notices or displays upon the roof, interior, and/or exterior of the Building. Landlord reserves the right to use the exterior walls of the Premises, and the area beneath, adjacent to and above the Premises together with the right to install, use, maintain and replace equipment, machinery, pipes, conduits and wiring through the Premises, which serve other real property provided that Landlord's use does not unreasonably interfere with Tenant's use of the Premises.

28. HOLDING OVER. [REDACTED]

29. LANDLORD'S ACCESS. Landlord and Landlord's agents, contractors and employees shall have the right to enter the Premises at reasonable times for the purpose of inspecting the Premises, performing any services required of Landlord, showing the Premises to prospective purchasers, lenders, or tenants, undertaking safety measures and making alterations, repairs, improvements or additions to the Premises. In the event of an emergency, Landlord may gain access to the Premises by any reasonable means, and Landlord shall not be liable to Tenant for damage to the Premises or to Tenant's property resulting from such access. Landlord may at any time place on or about the Premises for sale signs and Landlord may at any time during the last three hundred sixty-five (365) days of the term hereof place on or about the Premises for lease signs.

30. **SECURITY MEASURES.** Tenant hereby acknowledges that Landlord shall have no obligation whatsoever to provide guard service or other security measures for the benefit of the Premises, and Landlord shall have no liability to Tenant due to its failure to provide such services. Tenant assumes all responsibility for the protection of Tenant, its agents, employees, contractors and invitees and the property of Tenant and of Tenant's agents, employees, contractors and invitees from acts of third parties.
31. **EASEMENTS.** Landlord reserves to itself the right, from time to time, to grant such easements, rights and dedications that Landlord deems necessary or desirable, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Tenant. Tenant shall sign any of the aforementioned documents within ten (10) days after Landlord's request and Tenant's failure to do so shall constitute a material default by Tenant. The obstruction of Tenant's view, air, or light by any structure erected in the vicinity of the Premises, whether by Landlord or third parties, shall in no way affect this Lease or impose any liability upon Landlord.
32. **SEVERABILITY.** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.
33. **TIME OF ESSENCE.** Time is of the essence with respect to each of the obligations to be performed by Tenant and Landlord under this Lease.
34. **INCORPORATION OF PRIOR AGREEMENTS.** This Lease and the exhibits listed in Section 1.13 contain all agreements of the parties with respect to the lease of the Premises and any other matter mentioned herein. No prior or contemporaneous agreement or understanding pertaining to any such matter shall be effective. Except as otherwise stated in this Lease, Tenant hereby acknowledges that neither Broker nor Landlord nor any employee or agents of any of said persons has made any oral or written warranties or representations to Tenant concerning the condition or use by Tenant of the Premises or concerning any other matter addressed by this Lease.
35. **AMENDMENTS.** This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.
36. **NOTICES.** All notices required or permitted by this Lease shall be in writing and may be delivered (a) in person (by hand, by messenger or by courier service), (b) by U.S. Postal Service certified mail, return receipt requested, (c) by U.S. Postal Service Express Mail, Federal Express or other overnight courier, (d) or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this section. Any notice permitted or required hereunder, and any notice to pay rent or quit or similar notice, shall be deemed personally delivered to Tenant on the date the notice is personally delivered to any employee of Tenant at the Premises. The addresses set forth in Section 1.14 of this Lease shall be the address of each party for notice purposes. Landlord or Tenant may by written notice to the other specify a different address for notice purposes, except that upon Tenant's taking possession of the Premises, the Premises shall constitute Tenant's address for the purpose of mailing or delivering notices to Tenant. A copy of all notices required or permitted to be given to Landlord hereunder shall be concurrently transmitted to such party or parties at such addresses as Landlord may from time to time hereinafter designate by written notice to Tenant. Any notice sent by certified mail, return receipt requested, shall be deemed given three (3) days after deposited with the U.S. Postal Service. Notices delivered by U.S. Express

Mail, Federal Express or other courier shall be deemed given on the date delivered by the carrier to the appropriate party's address for notice purposes. If any notice is transmitted by facsimile transmission, the notice shall be deemed delivered upon confirmation. A copy of all notices delivered to a party by facsimile transmission shall also be mailed to the party on the date the facsimile transmission is completed. If notice is received on Saturday, Sunday or a legal holiday, it shall be deemed received on the next business day. Nothing contained herein shall be construed to limit Landlord's right to serve any notice to pay rent or quit or similar notice by any method permitted by applicable law, and any such notice shall be effective if served in accordance with any method permitted by applicable law whether or not the requirements of this section have been met.

37. WAIVERS. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act by Tenant. The acceptance of rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant of any provision hereof, 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 acceptance of such rent. No acceptance by Landlord of partial payment of any sum due from Tenant shall be deemed a waiver by Landlord of its right to receive the full amount due, nor shall any endorsement or statement on any check or accompanying letter from Tenant be deemed an accord and satisfaction.

38. BINDING EFFECT; CHOICE OF LAW. Subject to any provision hereof restricting assignment or subletting by Tenant, this Lease shall bind the parties, their heirs, personal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Washington and any litigation concerning this Lease between the parties hereto shall be initiated in the county in which the Premises is located.

39. ATTORNEYS' FEES. If Landlord or Tenant brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, including without limitation bankruptcy proceedings, or appeal thereon, shall be entitled to its reasonable attorneys' fees and court costs to be paid by the losing party as fixed by the court in the same or separate suit, and whether or not such action is pursued to decision or judgment. Landlord shall be entitled to reasonable attorneys' fees and all other costs and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default.

40. MERGER. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, or a termination by Landlord, shall not result in the merger of Landlord's and Tenant's estates, and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

41. QUIET POSSESSION. Subject to the other terms and conditions of this Lease, and the rights of any lender, and provided Tenant is not in default hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof subject to all of the provisions of this Lease.

42. AUTHORITY. If Tenant is a corporation, trust, limited liability company, limited liability partnership, general or limited partnership, or any other non-individual entity, Tenant, and

each individual executing this Lease on behalf of such entity, represents and warrants that such individual is duly authorized to execute and deliver this Lease on behalf of said entity, that said entity is duly authorized to enter into this Lease, and that this Lease is enforceable against said entity in accordance with its terms. If Tenant is a corporation, trust, limited liability company, limited liability partnership or other partnership, or any other non-individual entity, Tenant shall deliver to Landlord upon demand evidence of such authority satisfactory to Landlord.

43. **MULTIPLE PARTIES.** If more than one person or entity is named as Tenant herein, the obligations of Tenant shall be the joint and several responsibility of all persons or entities named herein as Tenant. Service of a notice in accordance with Section 36 on one Tenant shall be deemed service of notice on all Tenants.

44. **INTERPRETATION.** This Lease shall be interpreted as if it was prepared by both parties and ambiguities shall not be resolved in favor of Tenant because all or a portion of this Lease was prepared by Landlord. The captions contained in this Lease are for convenience only and shall not be deemed to limit or alter the meaning of this Lease. As used in this Lease the words Tenant and Landlord include the plural as well as the singular. Words used in the neuter gender include the masculine and feminine gender.

45. **RECORDING.** Each of Tenant and Landlord shall have the right to record a memorandum of this Lease in a form reasonably acceptable to Landlord, which shall not disclose any of the economic terms relating to this Lease, and upon the request of Landlord or Tenant, the other party shall execute, acknowledge and deliver to the requesting party for recording such memorandum.

46. **RELATIONSHIP OF PARTIES.** Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

47. **CONFIDENTIALITY.** Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases. Tenant agrees that it and its officers, directors, employees, brokers, and attorneys, if any, shall not disclose the terms and conditions of this Lease to any other person or entity without the prior written consent of Landlord which may be given or withheld by Landlord, in Landlord's sole discretion. It is understood and agreed that damages alone would be an inadequate remedy for the breach of this provision by Tenant, and Landlord shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach.

48. **WAIVER OF JURY TRIAL.** LANDLORD AND TENANT HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING AND/OR HEARING BROUGHT BY EITHER LANDLORD AGAINST TENANT OR TENANT AGAINST LANDLORD ON ANY MATTER WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE OR REGULATION, EMERGENCY OR OTHERWISE, NOW OR HEREAFTER IN EFFECT.

49. MASTER LEASE. [REDACTED]

50. [REDACTED]

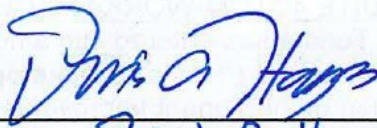
LANDLORD AND TENANT ACKNOWLEDGE THAT THEY HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LANDLORD AND TENANT WITH RESPECT TO THE PREMISES. TENANT ACKNOWLEDGES THAT IT HAS BEEN GIVEN THE OPPORTUNITY TO HAVE THIS LEASE REVIEWED BY ITS LEGAL COUNSEL PRIOR TO ITS EXECUTION. PREPARATION OF THIS LEASE BY LANDLORD OR LANDLORD'S AGENT AND SUBMISSION OF SAME TO TENANT SHALL NOT BE DEEMED AN OFFER BY LANDLORD TO LEASE THE PREMISES TO TENANT OR THE GRANT OF AN OPTION TO TENANT TO LEASE THE PREMISES. THIS LEASE SHALL BECOME BINDING UPON LANDLORD ONLY WHEN FULLY EXECUTED BY BOTH PARTIES AND WHEN LANDLORD HAS DELIVERED A FULLY EXECUTED ORIGINAL OF THIS LEASE TO TENANT.

[Signatures on next page]





IN WITNESS WHEREOF, the parties have executed this Office Lease Agreement as of the date first written above.

LANDLORD:

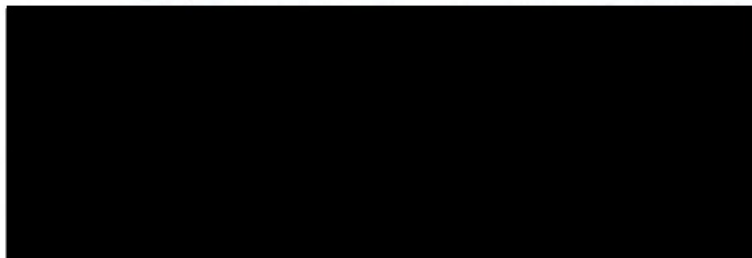
BF BLOCKER LLC, a Washington limited liability company

By 
Name Denis A Hayes
Title CEO

TENANT:

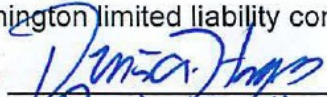

By 



The undersigned Broker hereby acknowledges and consents to the provisions of Section 22 of the foregoing Lease.



ACKNOWLEDGED AND APPROVED
BY MASTER LESSOR:

CCSDC LLC,
a Washington limited liability company

By 
Name Denis A Hayes
Title CEO

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that DENIS A HAYES is the person who appeared before me, and said person acknowledged that he was authorized to execute this instrument, and acknowledged it as the Manager of BF Blocker LLC, a Washington limited liability company, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED: August 14, 2013.

(Seal or stamp)



Notary Signature

Print/Type Name

Notary Public in and for the State of Washington,
residing at SEATTLE WA
My appointment expires MAY 1, 2017

I certify that I know or have satisfactory evidence that [REDACTED] the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the CEO of [REDACTED], to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: August 13, 2013

(Seal or stamp)



EXHIBIT 2.1

PREMISES FLOOR PLAN

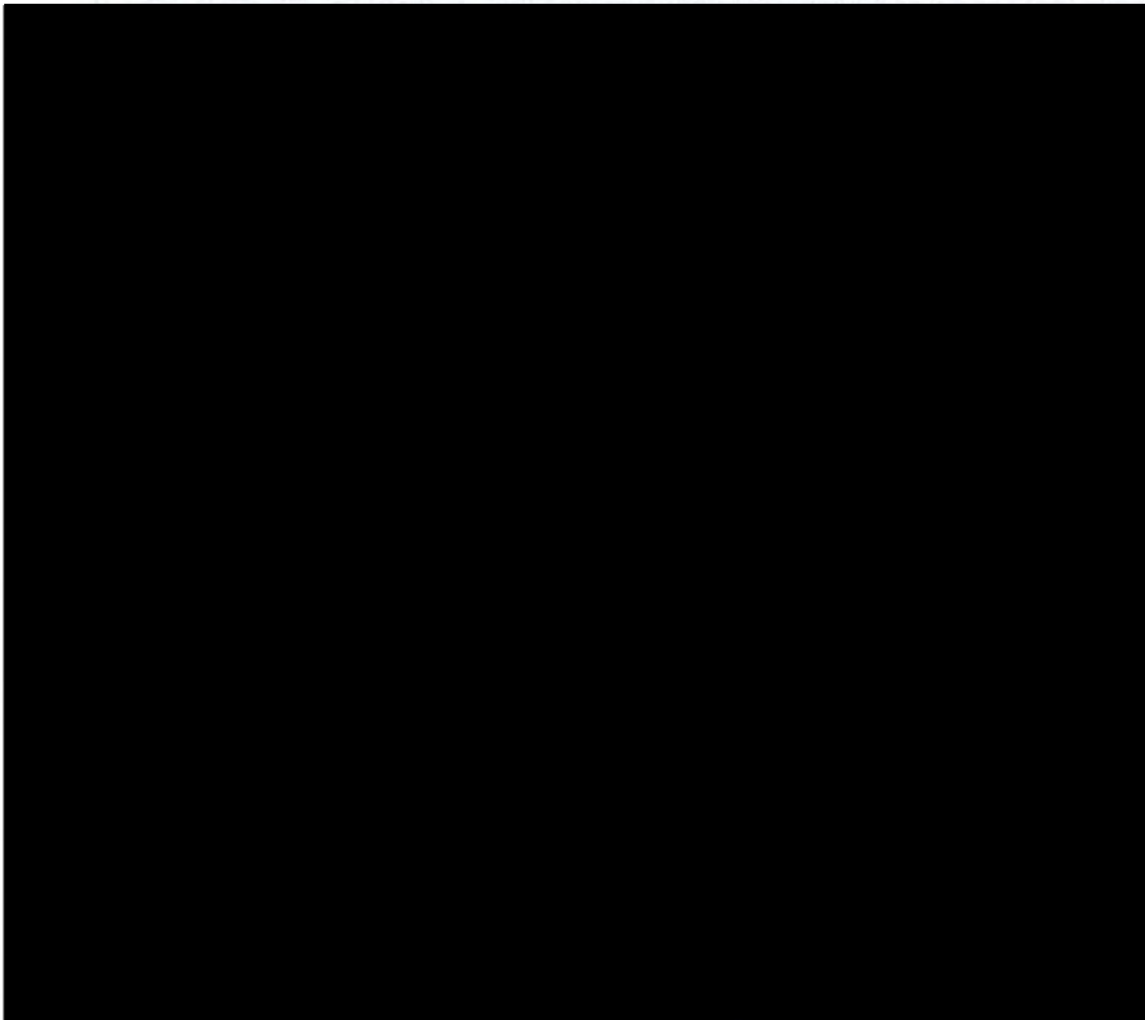


EXHIBIT 2.2

LAND LEGAL DESCRIPTION

Lots 1 and 2, Block 4, Renton's Addition to the City of Seattle,
according to the Plat thereof, recorded in Volume 3 of Plats,
Page 118, in King County, Washington.

APN: 723460-0195-05

EXHIBIT 2.3

BUILDING CORE AND SHELL

This section is an outline of materials and finishes provided by Landlord during the construction of the Building.

STANDARD BUILDING FINISH

- 1) Floor to ceiling glazed curtain wall with automated windows
- 2) Automated exterior blinds at Levels 3 through 5
- 3) Steel stud floor to floor framing, insulated and ready for drywall
- 4) Columns are exposed concrete at Levels 1 and 2 and heavy timber at Levels 3 through 6
- 5) Sealed concrete floors
- 6) Ceiling is open structure and exposed ductwork. Typical interior head height at perimeter windows is 13'-6". The floor to underside of concrete slab for Level 1 height range from 8'-6" to 20'-0". The floor to underside of concrete slab for Level 2 is approximately 11'-0". The floor to underside of heavy timber framing at Levels 3 through 5-height range from 11'-4" to 13'-1" and Level 6-height range from 10'-3" to 18'-4".
- 7) The Building's structure is designed for a live loading capacity of 50 PSF plus 15 PSF for partitions for a total of 65 PSF for Levels 2 through 6. Live load capacity for Level 1 is 100 PSF.

BUILDING AND FLOOR SERVICE AREAS

- 1) MADISON ENTRANCE AREA
 - a) Walls are paint-finished drywall
 - b) Paint-finished metal doors and frames with Yale hardware installed at stairwells, elevator, restrooms and service
 - c) Finished concrete floor
 - d) Life safety systems, including egress lighting, pull stations, strobes/sirens and signage, installed per code and operational
 - e) Walk off mats to be provided at Madison Street, 15th Avenue and Service Area entries
- 2) ELEVATOR
 - a) KONE EcoSpace
 - b) Finish Interiors
 - c) Card Key System
- 3) MAIL CENTER
 - a) 3700 Series, 4C standard horizontal mailbox system
- 4) GARAGE
 - a) Man door and overhead door for loading and unloading
 - b) Bike storage system
 - c) Building Recycle and Waste Management area
 - d) Concrete walls, ceiling and columns
 - e) Protective floor finish

- 5) IRRESISTIBLE STAIRWELL – STAIR #1
 - a) Steel stringer, exposed wood treads and landings with glass handrail and fully glazed
 - b) Code required egress lighting and signage
- 6) EGRESS STAIRWELL – STAIR #2
 - a) Wood stringer, exposed wood treads and landings with steel pipe handrail
 - b) Walls are paint-finished drywall
 - c) Code required egress lighting and signage
- 7) RESTROOMS
 - a) Tile at base up to 6 ft and painted gypsum wallboard
 - b) Exposed heavy timber ceilings
 - c) Sealed concrete floors
 - d) Light fixtures
 - e) Solid surface countertops
 - f) Low flow plumbing fixtures
 - g) Phoenix composing toilets
 - h) Waterless urinals in Men's restrooms
 - i) Solid surface toilet partitions
 - j) One Men's restroom and one Women's restroom wet stack for shower connections at Levels 2 through 6
 - k) Life safety systems installed per code and operational
- 8) LIFE SAFETY
 - a) Fire sprinkler riser distributed per code minimum.
 - b) Fire extinguishers at each Level per code.
- 9) MECHANICAL
 - a) PLUMBING
 - i) Landlord to provide central water to water geothermal heat pump for all building domestic hot water needs
 - ii) One wet column is provided at the south Janitor's closet wall on each floor
 - iii) ¾" Domestic hot and cold water, waste and vent taps to the building system located in south Janitor's closet on each floor
 - iv) Rainwater Catchment System to include a 55,000 gallon rainwater collection cistern and filtration system
 - v) Auxiliary water/sewer connection to City water service
 - vi) Greywater System to include reclamation, filtration, pumps and overflow system and devices for distribution to building constructed wetlands and into on-site ground infiltration zones.
 - vii) Composting toilets are provided in building standard restrooms with continuous exhaust flow system and direct connection to the centralized composting system in the basement
 - viii) Low flow fixtures in all building standard restrooms
 - b) HVAC
 - i) Design criteria:
 - Office Areas/Retail:
 - Summer: 80 degrees F +/- 2 degrees
 - Winter: 68 degrees F +/- 2 degrees

Filtration: MERV 13 filters at Central Ventilation Unit

Ventilation: In accordance with Seattle 2009 Mechanical Code

- ii) Heating System: Geothermal water to water heat pump connected to a hydronic radiant floor heating system.
- iii) Cooling System: Passive ventilation system through automated operable windows supplemented by Geothermal heat pump system connected to a hydronic radiant floor cooling system sized to control the following Building Envelope loads:
 - (a) Lighting Load: 0.4 W/SF
 - (b) Plug Load: 0.7 W/SF
 - (c) People Load: 1/150 SF
- iv) Ventilation: Core and Shell capacity to provide 20 CFM/person of outside air based on occupancy of 1 person/150 sf. Toilet exhaust to be exhausted through Central System. Capped ductwork per floor provided up to 600 CFM of additional outside air per floor for Tenant's needs. Up to 2300 CFM for one conference room is provided as part of the base building systems.
- v) Supplemental Cooling: Capped and valve 1-14" outlets for up to 1.5 tons of supplemental cooling available per floor for tenant use.

10) ELECTRICAL

- a) The Building shall have a main distribution of 208Y/120V, 3 Phase, 4 Wire, 2,500 Amp. Distribution panel capacity provided at core electrical room
- b) Landlord shall provide the following branch distribution equipment for Tenant's distribution to the Premises:
 - Levels 1 and 2: 125Amp, 208Y/120V, 3 Phase, 4 Wire distribution panel
 - Levels 3 thru 6: 175Amp, 208Y/120V, 3 Phase, 4 Wire distribution panel
- c) Feeder circuit breaker provisions shall be provided in core distribution panel for tenant connection (100A maximum). For North tenants, feeder conduit shall be provided to janitorial closet
- d) Landlord to provide a building-wide electrical metering system at all core electrical distribution equipment.
- e) Landlord to provide a renewable energy system through roof photovoltaic system at 295 kW/dc.
- f) Landlord shall provide combination power/signal floor boxes with conduit provisions to accessible wall cavities for Level 1 and 2. Tenant may utilize floor boxes provided.
- g) Landlord to provide central building-wide battery inverter unit for common area egress lighting.
- h) Landlord to provide one battery inverter branch circuit per floor for connection to tenant egress lighting.
- i) Landlord to provide lighting and lighting controls in the core restrooms and elevator lobbies.

11) DATA

- a) Landlord to provide telecommunications-data service entrance conduit to the Data Management Facility.
- b) Landlord to provide a non-exclusive telecommunications riser from the Data Management Facility to the electrical/data closets for Levels 1 through 6.
- c) Landlord to provide I.T. grounding riser with ground bars in the Data Management Facility and at the electrical/data closets.
- d) Building Monitoring System for the Building and at each Level.

12) SECURITY

- a) Landlord to provide card reader security system with readers installed at doors 001, 003, 008, 101, 103, 212-B, 301, 303, 401, 403, 501, 503, 601, 603. This includes the single exterior entry doors on the north and west lobby entrances at each level, at the exterior entrance door to the recycle and bike storage area, entry to Egress Stair 2 at each level, and at lobby access elevator.
- b) Landlord to provide security camera system with cameras at the Madison Street and Service Area entries.

EXHIBIT 2.4

TENANT IMPROVEMENTS

A. Landlord's Work

Landlord has constructed, at its sole cost and expense, the following improvements ("Landlord's Work") to the Premises:

[REDACTED]

B. Tenant's Work

Tenant may make additional improvements to the Premises ("Tenant's Work") subject to the requirements of this Exhibit 2.4 and Exhibit 12.2. In addition, the parties acknowledge that the materials and construction of the Tenant's Work shall be in compliance with the Living Building Challenge Requirements and Building Standard requirements. Tenant and Landlord have agreed upon a final plan, attached to this Exhibit, as well as pricing and schedule for the completion of the Tenant's Work. Landlord shall provide the Tenant Improvement Allowance described in Section 12 for the design and construction of the Tenant's Work. If the cost of the Tenant's Work exceeds the Tenant Improvement Allowance, Tenant shall be solely responsible for such excess. Notwithstanding the foregoing, the Tenant Improvement Allowance shall not be used for furnishing or cabling for the Premises, such costs to be borne solely by Tenant.

Landlord shall endeavor to facilitate and provide project management assistance for coordination of Tenant's Work, and for compliance with the standards and requirements of the Living Building Challenge Requirements, the Tenant Living Building Requirements, the Shared Floor Addendum, the Renewable Energy Management Program, the Water Conservation Program, the Data Management Facilities License, and this Exhibit 2.4 and Exhibit 12.2.

[REDACTED]