LEASE AGREEMENT

THIS LEASE AGREEMENT, dated Oct 30, **2012** (for reference purposes only)(the "Lease"), is made by and between **King County Fire District 13,** ("Landlord") and **King County**, a charter county and political subdivision of the State of Washington ("Tenant"). Landlord and Tenant may hereafter be collectively referred to as the "Parties."

1. **Premises:** Landlord does hereby agree to lease to Tenant a total of 2,600 square feet of building space, together with the adjacent parking area for parking and storage purposes, all as located at 19021 South West Bank Road, Vashon, Washington, shown on **Exhibit A** and legally described on **Exhibit B** (the "Premises").

The Premises consists of 1,460 square feet for Tenant's exclusive use identified on **Exhibit A** as the King County Sheriff's Precinct Space (the "KCSO Space"); and 1,140 square feet for Tenant's non-exclusive use, as provided herein, identified on Exhibit A as the District Court Space (the "DC Space") .

2. **Term.**

2.1. The Term of this Lease shall be for **120 months**, commencing on the date of Landlord's substantial completion of Tenant Improvements or June 1, 2013, whichever is later (the "Commencement Date"), and shall terminate 120 months thereafter. Tenant shall have the right of early possession of the Premises for the purpose of Tenant's installation of furniture, fixtures and equipment, at Tenant's sole cost and expense. Said early possession shall be subject to all of the terms and conditions of this Lease except for the obligation to pay rent.

2.2. Tenant shall have the unconditional right to terminate this Lease for convenience at any time prior to December 31, 2012 or the date of approval of this Lease by the King County Council, whichever is later. Tenant's obligations to Landlord, if any, that extend beyond a current year are contingent upon approval of the Lease by the King County Council or appropriation by the King County Council of sufficient funds to pay such obligations. Should such approval or appropriation not occur, this Lease and all County obligations hereunder will terminate at the end of the calendar year in which this Lease was executed.

2.3. If Landlord has failed to deliver possession of the Premises with Tenant Improvements substantially complete within twelve (12) months after execution of this Lease through no fault of Tenant, or permitting delays Tenant shall have the right to terminate this Lease and shall have no further obligations thereunder.

3. **Renewal Option:** Tenant shall have the option to renew the Term of this Lease for four (4) additional five (5) year terms by providing Landlord no less than 180 days' prior written notice. Rent during the Renewal Option Term(s) shall be based on the then existing Rent or such reasonable Rent as is acceptable to the Parties, whichever is less.

4. **Use:** Tenant shall use the KCSO Space portion of the Premises for general office and law enforcement office purposes. Tenant shall use the DC Space portion of the Premises for courtroom purposes one or two days per month, as shown on the schedule attached as **Exhibit C** or as reasonably rescheduled by Tenant. Tenant shall provide to Landlord, no later than October 31, 2013, and every October 31st of subsequent years, the anticipated dates for District Court proceedings for the next year. DC space can also be used for meetings, training, emergency operations center and community service purposes.

4.1 Non-Exclusive Use of DC Space: Subject to Tenant's use of the DC Space for courtroom purposes, which shall have first priority of use per exhibit C and scheduling as described in section 4. It is mutually understood and agreed between the Parties that the DC Space may also be used by Tenant and Landlord for meeting, training and community service purposes, and by members of the community for meeting and community service purposes, subject to the following conditions:

a. Landlord shall be responsible for scheduling and coordinating the use of the DC Space by Landlord, Tenant and members of the community desiring to use said DC Space;

b. All users of the DC Space shall pay for the costs resulting from said use including, without limitation, janitorial service, maintenance and repair, security, utilities, etc. Landlord shall be responsible for estimating the costs for said use, establishing a charge system for the payment of said costs, and collecting payment for said costs;

c. Landlord and any members of the community using the DC Space shall indemnify and hold harmless Tenant against their use of the DC Space subject to standard insurance requirements as may be determined by Tenant.

5. **Preparation of Premises and Delivery of Possession:** Landlord shall deliver the Premises on a "turnkey" basis including the Tenant Improvements required by Tenant as described in the Work Letter Agreement attached as **Exhibit D**. Tenant Improvements shall include all costs associated with the construction of Tenant Improvements including, but not limited to, initial HVAC balancing, electrical distribution, architectural fees, construction management fees, and code compliance issues, if any. Landlord shall contract for and manage all design and construction of Tenant Improvements subject to Tenant's review and approval of architect selection, space planning, construction plans and the total cost of Tenant Improvements, as provided in Exhibit D. Landlord shall cause state prevailing wages to be paid for construction services as required by RCW 39.12.

Landlord shall deliver the Premises with all systems in good working condition. Tenant shall pay all approved Tenant Improvement costs including space planning, design, construction drawings and specifications, permits, installation of underground conduit pipe between a vault to be installed at the north wall of the IT room of 10020 SW Bank Rd. and an area to be determined near tenants rented property, or a mutually agreed method of getting a conduit to each property described above project management and other construction related costs as provided in Exhibit D. Landlord shall forward invoices for approved Tenant Improvement costs for payment by Tenant on a monthly basis as bills are presented by vendors. Tenant agrees to assign a Project Manager to coordinate design and construction and a Tenant's Representative to approve design and construction plans and invoices.

6. **Rent:** Tenant covenants and agrees to pay Landlord, at Landlord's address, without deduction or offset, monthly Rent in the amount of **Five Hundred Forty-Seven Dollars ($547.00)** payable in advance without prior notice or demand on the first day of each month during the Lease Term commencing on the sixty-first (61st) month following the Commencement Date. Rent for any fractional calendar month at the beginning of the calendar term shall be prorated.

It is mutually understood and agreed between the Parties that said Rent is based on Four Dollars and Fifty Cents ($4.50) per square foot per year payable on the 1,460 square feet of the KCSO Space portion of the Premises only. No Rent shall be payable by Tenant to Landlord on the 1140 square feet of the DC Space portion of the Premises during the Term of this Lease.

The Rent payable by Tenant to Landlord for both the Original Term and Renewal Terms may be adjusted by a factor not to exceed 3% per year commencing on the seventh (7th) anniversary of the Commencement Date, at Landlords' sole discretion. In the event that Landlord elects to increase the Rent payable by Tenant to Landlord as provided herein, Landlord shall forward to Tenant written notice of such increase in Rent no less than forty-five (45) days in advance. This

7. **Operating Expense:**

7.1. Subject to reimbursement of Operating Expense as provided herein, Landlord shall provide electricity, water, sewer, garbage removal, janitorial service, and ground and building repair and maintenance for the Premises commensurate with good building management practices, as defined by the guidelines of the Building Owners and Managers Association ("Operating Expense"). Operating Expense shall include capital expenditures: a) mandated by a governmental authority after the Lease Term has commenced; or b) undertaken with the reasonable expectation by the Landlord of reducing Operating Expense (meaning that the savings achieved by the capital expenditure shall be greater than the amortized expense). All capital expenditures that qualify to be included as Operating Expense shall be amortized over the expected useful life of the improvement in accordance with generally accepted accounting procedures. Landlord shall be responsible for all other capital expenditures at its sole expense including, without limitation, the roof structure and surface, exterior walls, foundation and building structure of the Premises, and replacement of operating systems including, without limitation, electrical, plumbing and HVAC.

7.2. Tenant shall reimburse Landlord for Tenant's pro rata share of actual Operating Expense for the Premises on a calendar year basis, as Additional Rent. Tenant's pro rata share shall be defined as 100% of the Operating Expense attributable to Tenant's exclusive use of the KCSO Space and Tenant's share of the Operating Expense attributable to the DC Space based on Tenant's pro rata use of the DC Space. Landlord and Tenant shall collaborate in good faith to determine Tenant's pro rata share of the Operating Expense for the Premises. The estimated monthly payment for Tenant's pro rata share of Operating Expense for the first year of the Lease Term is Six Hundred Eight Dollars and Thirty-Three Cents ($608.33). By January 1st of each succeeding year during the Lease Term, Landlord may at its discretion adjust the estimated monthly payment for Tenant's pro rata share of Operating Expense for the Premises based on the actual Operating Expense for the prior year and reasonable estimate for the following year. Within sixty (60) days of the end of each calendar year, Landlord shall reconcile the estimated Operating Expense paid by Tenant to the actual expense incurred by Landlord and credit or debit Tenant in the event of an overpayment or underpayment. Tenant shall have the right to audit Landlord's books and records pertaining to Operating Expense.

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7.3. In addition to Tenant, all other users of the DC Space (including Landlord) shall pay for the cost resulting from said use as provided herein. Said payments shall be applied by Landlord against the Operating Expense for the DC Space.

8. **Alterations and Maintenance:**

8.1 Tenant shall not make any alterations or additions to the Premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. Any alterations shall become the property of Landlord upon termination of the Lease.

8.2 The Landlord agrees to keep the building and the Premises in good repair, including foundations and exterior walls of the Premises, utility systems, roof and common areas, suitable for use as the purpose so defined in paragraphs 1 and 4 of this Lease. During the term of this Lease, the Landlord shall repair malfunctioning fixtures, and repair and maintain the structural portions of the building and the basic plumbing, air conditioning, heating and electrical systems, unless such repairs are required as a result, in whole or in part, of the act or neglect of any duty by Tenant, its agents, servants, employees, or invitees, in which event Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant.

9. **Signs:** Tenant may, at its sole expense, place external signage on the Premises provided that such signs have been approved in advance by Landlord and do not violate any statute, regulations, or permitting requirements existing during the term of this Lease. Tenant shall be responsible for all maintenance of its signage and for the costs of removal of such signs and of restoring the Building to the condition existing prior to its installation and satisfactory to Landlord.

10. **Fixtures:** All fixtures attached to the Premises solely by the Tenant may be removed by the Tenant at any time provided (a) that the Tenant shall restore the premise to their condition prior to the installation of the fixtures, normal wear and tear excepted; (b) the Tenant shall not then be in default of any material provisions of this Lease; and (c) that the removal will be made on or before the expiration of the term or any extension thereof.

11. **Indemnity and Hold Harmless:** Landlord and Tenant mutually agree that in any and all causes of action and/or claims, or third party claims, arising under the terms, activities, use and /or operations of this Lease, including the Premises, each party shall be responsible to the other only to the extent of each other's comparative fault in causing alleged damages or injuries. Each party shall indemnify, defend and hold harmless the other, including its elected officials, officers, employees and invitees to the full extent of the other party's proportional share of fault.

As to any and all causes of action and claims, including claims of third parties, arising under this Lease which are the result of the sole negligence of either party hereto, the indemnifying party shall defend, with legal counsel reasonably acceptable to the indemnified party, save and hold harmless the other party, its elected officials, officers, employees and invitees, and upon failure to do so, the indemnifying party shall pay reasonable attorney's fees and costs incurred by the other party to this Lease in defense of such claims or causes of action.

The foregoing indemnity covers actions brought by indemnitor's own employees and it is specifically and expressly intended to constitute a waiver of indemnitor's immunity, as respects the indemnitee only, under Washington's Industrial Insurance Act, RCW Title 51, only to the extent necessary to provide the indemnitee with a full and complete indemnity from claims made by indemnitor and its employees, to the extent provided herein. LESSOR AND LESSEE ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 11 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

12. **Insurance:** The Landlord acknowledges, accepts, and agrees that Tenant, a charter county government under the constitution of the State of Washington, hereinafter referred to as "Tenant," maintains a fully funded self-insurance program as defined in King County Code 4.12 for the protection and handling of the Tenant's liabilities including injuries to persons and damage to property. Landlord acknowledges, agrees and understands that Tenant is self-funded for all of its liability exposures. Tenant agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Lease. Tenant agrees to provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and will provide Landlord with a certificate of self-insurance as adequate proof of coverage. Landlord further acknowledges, agrees and understands that Tenant does not purchase Commercial General Liability insurance and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured. Should Tenant elect cease self-insuring its liability exposures and purchase Commercial General Liability insurance Tenant will to add Landlord as an additional insured.

14. **Subletting and Assignment:** Tenant shall not sublet the whole or any part of the

Premises, nor assign this Lease or any interest thereof, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

15. **Damage or Destruction:** In the event The Premises are damaged to such an extent as to render them untenantable in whole or in part and Landlord elects to repair or rebuild, the work shall be prosecuted without unnecessary delay. Rent shall be abated while such work is in progress, in the same ratio that the portion of the Premises that is unfit for occupancy shall bear to the whole of the Premises. If after 60 days the Landlord shall fail to proceed to repair or rebuild, Tenant shall have the right to declare this Lease terminated by written notice served on the Landlord. In the event the building, in which the Premises are located, shall be destroyed or damaged to such extent that in the opinion of the Landlord it shall not be practical to repair or rebuild, it shall be optional with Landlord to terminate this Lease by written notice to Tenant within one hundred twenty days after such damage or destruction.

16. **Liens:** Landlord and Tenant shall keep the Premises and the building in which the Premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord.

17. **Right of Entry:** Landlord reserves and shall at any and all reasonable times have the right to enter the Premises, inspect the same, supply janitorial service and any other service to be provided by the Landlord to Tenant hereunder, to show the Premises to prospective purchasers, mortgagees, or tenants, and to repair the Premises and any portion of the building subject to advance notice to Tenant and Tenant's reasonable granting of permission to enter the KCSO Space portion of the Premises. Landlord may erect scaffolding and other necessary structures when reasonably required by the character of the work performed, all as providing that the entrance to the Premises shall not be blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably. Except for emergencies, Landlord shall give reasonable notice before entry to repair the Premises.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors, in, upon, and about the Premises, excluding Tenant's vaults, safes, files and the KCSO Space portion of the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by Landlord by any of said means or otherwise shall not under any circumstances be construed or deemed to be forceful or unlawful entry into, or a detainer of the Premises, or an eviction of Tenant for the Premises or any portion thereof provided said entry relates to emergency purposes as aforesaid. Tenant agrees to allow "For Lease" signs of reasonable size to be placed in and remain upon the exterior or interior of the Premises during the last ninety days of the Term.

18. **Hazardous Substances:** Landlord acknowledges and fully discloses that The Premises contain no Hazardous Substances as defined by applicable law. Upon the execution of this Lease, if Landlord or Tenant subsequently discovers the existence of Hazardous Substances on

the Premises, Landlord and Tenant shall disclose to each other this material fact and act within full compliance of all applicable laws, regulations and safety practices governing Hazardous Substances. Landlord and Tenant further mutually agree that in any and all causes of action and/or claims, or third-party claims, arising under the terms, activities, use and/or operations of this Lease, each party shall be responsible, to the extent of each other's comparative fault in causing the alleged damages or injuries. Notwithstanding paragraph 11 (above), each party agrees to indemnify, defend and hold harmless Landlord or Tenant, its appointed and elected officials, employees, from and against any and all claims, liabilities, damages, and expenses, including reasonable attorney's fees, asserted against Landlord or Tenant by a third party, including without limitation, any agency or instrumentality of the federal government, state or local government, for bodily injury, including death of a person, physical damage to or loss of use of property, or clean-up activities (including but not limited to investigation, study, response, remedial action, or removal), fines or penalties arising out of or relating to the presence, release, or threat of release of a Hazardous Substance existing or emanating from the Premises, except that which existed or emanated from the Premises prior to Tenant's possession of the Premises or to the extent caused by the act or omission of Landlord. Landlord's and Tenant's obligations under this paragraph 18 shall survive the expiration or other termination of this Lease.

Definition of Hazardous Substances: "Hazardous Substances" as defined in this Lease shall mean:

a. Any toxic substances or waste, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances; or

b. Any dangerous waste, hazardous waste, or hazardous substance as defined in:

   i. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereinafter amended (42 U.S.C. § 9610 et seq.);

   ii. Resource Conservation and Recovery Act, as now or hereafter amended (42 U.S.C. § 6901 et seq.);

   iii. Washington Model Toxics Control Act, as now or hereinafter amended (R.C.W. Chs. 70.105, 70.105A and 70.105D); or

c. Any pollutant, contaminants, substances, as defined above, posing a danger or threat to public health or welfare, or to the environment, which are regulated or controlled by any federal, state and local laws, and regulation, as now or hereafter amended.

19. **Waiver of Subrogation:** Landlord and Tenant agree that they shall not make a claim against or seek recovery from the other for any loss or damage to their property, or the property of others, resulting from fire or other hazards covered by fire and extended coverage insurance and each hereby releases the other from any such claim or liability regardless of the cause of such loss or damage so covered by insurance. In the event of any increased cost or impairment

of ability to obtain such insurance, the party suffering such increased cost or impairment may terminate such waiver and release upon written notice to the other party hereto. Such waiver is conditioned upon the parties having had their respective insurance companies issue a policy or endorsement providing that the waiver or release of subrogation rights shall not adversely affect or impair such policies or recovery by the insured thereunder.

20. **Eminent Domain:** Should the Premises or any portion thereof be taken by right of eminent domain with or without litigation, any award for compensation and/or damages, whether obtained by agreement prior to or during the time of trial, or by judgment or verdict after the trial, applying to the leasehold estate created hereby other than that portion of said award, if any, based upon a taking of the Tenant's Improvements or affixtures, shall belong and be paid to Landlord, and Tenant hereby assigns, transfers, and sets over to Landlord all of the right, title, and interest which it might otherwise have therein. In the event that the portion of the Premises so taken shall be more than twenty-five percent (25%) of the Premises, Tenant shall have the option, to be exercised by written notice given to Landlord within thirty (30) days after the date of notice of taking, to terminate this Lease or relocate , at Landlord's expense. If either less or more than twenty-five percent (25%) of the Premises is taken and the Tenant does not elect to terminate as herein provided, the rental thereafter to be paid shall be reduced in the same proportion as the amount of leased floor space is reduced by such taking, and Landlord shall make such reconstruction of the Premises as may be required.

21. **Holding-Over:** If, with Landlord's written consent, which such consent shall not be unreasonably withheld, Tenant holds possession of the Premises after the term of this Lease or any extension thereof, Tenant shall become a tenant from month-to-month upon the terms herein specified, but at a monthly rent equivalent to 100% of the then prevailing rent payable by Tenant at the expiration of the term of this Lease or any extension thereof for the first three (3 months) and 125% thereafter, and subject to the continued application of all of the provisions of paragraph 6 and 7 herein, shall be payable in advance on the first day of each month.

22. **Surrender of Premises:** At the end of the term of this Lease or any extension thereof or other sooner termination of this Lease, Tenant will peaceably deliver up to Landlord possession of the Premises in the same condition as received, except for ordinary wear and tear and damage by fire, earthquake, act of God or the elements alone, and Tenant will deliver all keys to the Premises to the Landlord. In addition, Tenant at Tenant's expense will remove Tenant's goods and effects and trade fixtures, and those of all persons claiming under Tenant, and Tenant will repair any damage resulting from such removal.

23. **Costs and Attorney's Fees:** If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted in King County superior court, the non-prevailing party agrees to pay all reasonable costs and attorney's fees of the substantially prevailing party in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease will be King County.

24. **Successors and Assigns:** All of the agreements, conditions and provisions of this Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Landlord and Tenant.

25. **Anti-Discrimination:** Intentionally deleted

26. **Rules and Regulations:** Tenant shall faithfully observe and comply with the rules and regulations which shall apply to and be for the mutual benefit of all tenants in the building and all reasonable modifications of and additions thereto from time-to-time put in effect by Landlord.

27. **Quiet Enjoyment:** Landlord covenants and agrees that Tenant, upon performance of all Tenant's obligations under this Lease, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Lease without disturbance by Landlord or by any person having title paramount to Landlord's title or by any person claiming under Landlord, subject to the other terms and provision of this Lease and subject to all mortgages, underlying leases and other underlying matters of record to which this Lease is or may become subject to and subordinate. Landlord shall not be responsible for interruption of utilities or other adverse effects on Tenant's quiet enjoyment which arise through no fault of Landlord.

28. **Mediation:** Landlord and Tenant agree that should any dispute arise concerning this Lease both parties shall submit to mediation as a condition precedent to initiating any legal action. Lessor and Lessee shall each bear their respective costs of mediation.

29. **Notices:** All notices by either party to the other shall be in writing and may be delivered personally or by certified or registered mail to the following addresses:

To Tenant: King County Real Estate Services Section
ADM-ES-0830
500 Fourth Avenue, Suite 830
Seattle, WA 98104-2337

To Landlord: Fire Chief of King County Fire District 13
Att. Fire Chief
PO box 1160
Vashon WA, 98070

or at such other address as either party may designate to the other in writing from time-to-time.

30. **Time:** Time is of the essence of this Lease and of each and all of the agreements, conditions, and provisions herein.

31. **Entire Agreement:** This Lease contains all covenants and agreements between Landlord and Tenant relating in any manner to the leasing, occupancy and use of the Premises and

Tenant's use of the building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

32. **Interpretation - State Law:** The titles to paragraphs of this Lease are for convenience only and shall have no effect upon the construction or interpretation of any part hereof. This Lease shall be governed by the laws of the State of Washington.

33. **Severability:** The unenforceability, invalidity, or illegality of any provision of this Lease shall not render the other provisions unenforceable, invalid or void.

34. **Addenda:** Any addendum attached hereto and either signed or initialed by the Landlord and Tenant shall be deemed a part hereof.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease on the dates specified below.

LANDLORD:

By: Candy McCullough

Candy McCullough
King County Fire District 13 Chair

Date: 10/30/12

TENANT: King County

By: _____

Stephen L. Salyer, Manager
Real Estate Services Section

Date: _____

RECOMMENDED FOR APPROVAL:

KING COUNTY SHERIFF

By: _____

KING COUNTY DISTRICT COURT

By: _____

APPROVED AS TO FORM:

By: _____
Timothy Barnes,
Senior Deputy Prosecuting Attorney

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that Stephen L. Salyer signed this instrument, on oath stated that he was authorized by the King County Executive to execute the instrument, and acknowledged it as the Manager, Real Estate Services Section of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Date:

_____
NOTARY PUBLIC in and for the State of Washington residing at _____. My appointment expires _____.

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared before me _____, to me known to be the _____ of the Corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this _____, day of _____, 20 __.

NOTARY PUBLIC in and for the State of Washington residing at _____.
My appointment expires _____.

Exhibit A
Depiction

DRAFT

SCHEMATIC
VASHON KCSO/DC FACILITY
SCALE: 1/4"=1'-0" 6/27/12

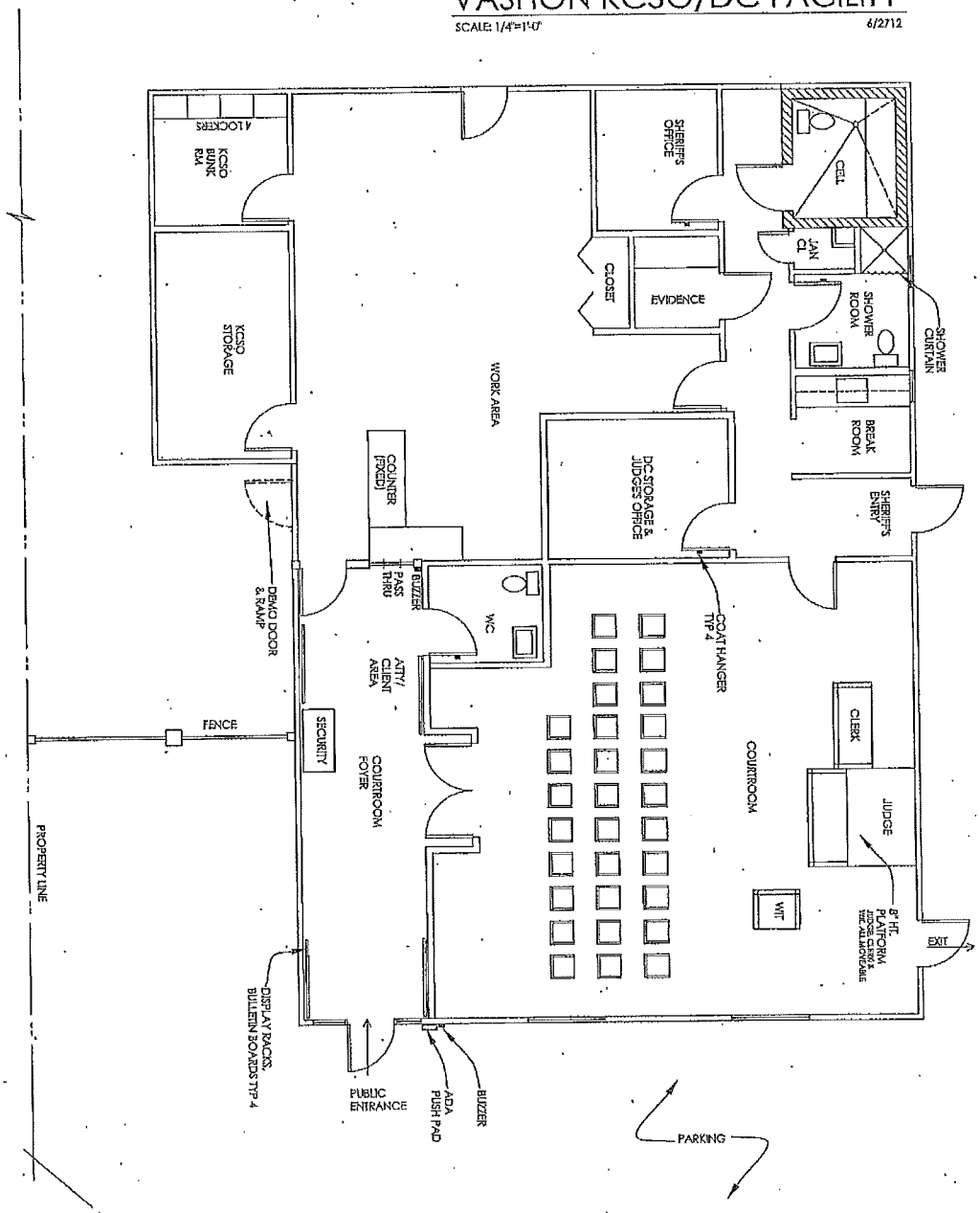

Exhibit B
Legal description

The east 23.76 feet of Lot 1 and all of Lot 2, Block 2, Gorsuch Addition to Vashon, according to the plat thereof recorded in Volume 26 of Plats, page 5, in King County, Washington.

TAX ACCOUNT NUMBER: 284620-0092-09

Exhibit C
Anticipated Court Dates

Calendar for year 2013 (United States)

January

Su	Mo	Tu	We	Th	Fr	Sa
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February

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April

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July

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August

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September

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October

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Holidays and Observances:

Jan 1	New Year's Day	May 27	Memorial Day	Nov 11	Veterans Day
Jan 21	Martin Luther King Day	Jun 16	Father's Day	Nov 28	Thanksgiving Day
Feb 14	Valentine's Day	Jul 4	Independence Day	Dec 24	Christmas Eve
Feb 18	Presidents' Day	Sep 2	Labor Day	Dec 25	Christmas Day
Mar 31	Easter Sunday	Oct 14	Columbus Day (Most regions)	Dec 31	New Year's Eve
May 12	Mother's Day	Oct 31	Halloween		

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Exhibit D

WORKLETTER AGREEMENT

THIS WORKLETTER AGREEMENT ("Workletter") is attached to and made a part of that certain Lease Agreement (the "Lease") between **King County Fire District 13**, (Landlord), and **King County**, a charter county and political subdivision of the State of Washington (Tenant). Landlord and Tenant may hereafter be collectively referred to as the "Parties."

The purpose of this Workletter is to set forth how the initial Tenant improvements to the Premises are to be constructed and designed, who will be responsible for constructing and designing the initial Tenant improvements, and who will pay for the initial Tenant improvements. Landlord and Tenant agree as follows:

1. **Defined Terms**. Unless specifically defined herein, terms used in this Workletter shall have the same meaning as defined in the Lease. The following capitalized terms shall have the meanings set forth below.

"**Architect**" means Landlord's contract architect, _____, in consultation with a project manager/architect appointed by King County.

"**Budget**" has the meaning set forth in Paragraph 3 of this Workletter.

"**Building Standard**" means the standard materials, finishes and workmanship to be used in the design, construction and installation of Tenant improvements in the Building.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which King County government is closed for business.

"**Construction Contract**" means the contract between Landlord and Contractor for the construction and installation of the Tenant Improvements.

"**Contractor**" means the general contractor selected by Landlord and approved by Tenant for purposes of completing the Tenant Improvements. Tenant hereby approves _____ as the Contractor.

"**Costs of the Work**" means all costs of completing the Work, including the Contractor's fees, sales taxes, utilities, and all other reasonable costs incurred by Landlord in connection with

the construction of the Tenant Improvements.

"**Tenant Delay**" means any delay that Landlord may encounter in the performance of the Work as a result of (i) delays resulting from changes in or additions to the Interior Drawings which are requested by Tenant after the Interior Drawings have been approved pursuant to Paragraph 2 below, or any changes to the Budget or the Work Schedule after the Budget and the Work Schedule have been approved pursuant to Paragraph 3 below; (ii) delays by Tenant in the timely submission of information (including its approval of the Interior Drawings, the Budget or the Work Schedule) within the time periods provided for in this Workletter, or the giving of authorizations or approvals within any time limits set forth in this Workletter or the Work Schedule; (iii) delays due to the postponement of any of the Work at the request of Tenant; or (iv) delays otherwise attributable to the acts or omissions of Tenant or its employees, agents or contractors.

"**Project Manager**" means the individual designated by Tenant to coordinate design and construction of the Work pursuant to Paragraph 8 of this Workletter.

"**Tenant's Representative**" means the individual designated by Tenant to approve design and construction plans and invoices for the Work pursuant to Paragraph 8 of this Workletter.

"**Preliminary Space Plan**" means the preliminary basic design of the Tenant Improvements.

"**Interior Drawings**" means all plans, specifications and drawings necessary to construct the Tenant Improvements to the Premises, which shall include all construction documents, and mechanical, electrical and plumbing drawings necessary to construct the Tenant Improvements, which Interior Drawings shall be prepared, subject to Tenant's approval, in accordance with Paragraph 2 of this Workletter.

"**Substantially Complete**" and "**Substantial Completion**" mean the Work is complete to the extent that Tenant may reasonably use and occupy the Premises for the purpose for which the same were intended, subject to minor details of construction and mechanical adjustments that remain to be completed by Landlord, as evidenced by issuance of a Standard AIA Certificate of Substantial Completion executed by the Architect and issuance of a certificate of occupancy (or other governmental approval permitting the occupancy of the Premises by Tenant) by the local governmental authority.

"**Tenant Improvements**" means those certain initial improvements to the Premises described in the Interior Drawings as the same may be modified pursuant to Paragraph 6 below, including all items of Work, labor and materials, that are utilized directly or indirectly in altering, repairing, improving, adding to, modifying or otherwise changing the Premises.

"**Tenant Improvement Options and Alternatives**" means those certain additional Tenant Improvements to the Premises described and priced in the Preliminary Budget and subsequently included in the approved Interior Drawings and the approved Budget, subject to

reimbursement by Tenant to Landlord.

"**Work**" means the design, permitting and construction of the Tenant Improvements in accordance with the Interior Drawings.

"**Work Schedule**" has the meaning set forth in Paragraph 3 of this Workletter.

2. **Preparation and Approval of Preliminary Space Plan**. Promptly after the full execution of the Lease, Landlord and Tenant will meet with Architect and Contractor to prepare the Preliminary Space Plan. Tenant agrees to provide Architect with such information as Architect may request so that Architect can prepare the Preliminary Space Plan. The Preliminary Space Plan shall be prepared by Architect and submitted to Tenant and Landlord for their review and approval. Tenant shall have ten (10) Business Days after receiving the Preliminary Space Plan to approve the Preliminary Space Plan, or disapprove it and provide Landlord and Architect with its comments. Upon receipt of Tenant's comments, Landlord will cause Architect to revise the Preliminary Space Plan and resubmit the Preliminary Space Plan to Tenant and Landlord. Tenant shall have five (5) Business Days after receiving the revised Preliminary Space Plan to either approve the revised Preliminary Space Plan, or disapprove the revised Preliminary Space Plan and provide Landlord with its comments. The process outlined in the preceding two sentences shall be repeated until Landlord and Tenant have mutually agreed on the Preliminary Space Plan. Tenant will pay all costs and charges of Architect in connection with the Work including preparing and revising the Preliminary Space Plan.

3. **Preparation and Approval of Interior Drawings**. Promptly after the full execution of the Lease, Landlord and Tenant will meet with Architect and Contractor to prepare the Interior Drawings based on the Preliminary Space Plan. Tenant agrees to provide Architect with such information as Architect may request so that Architect can prepare the Interior Drawings. The Interior Drawings shall be prepared by Architect and submitted to Tenant and Landlord for their review and approval. Tenant shall have ten (10) Business Days after receiving the Interior Drawings to approve the Interior Drawings, or disapprove them and provide Landlord and Architect with its comments. Upon receipt of Tenant's comments, Landlord will cause Architect to revise the Interior Drawings and resubmit the Interior Drawings to Tenant and Landlord. Tenant shall have five (5) Business Days after receiving the revised Interior Drawings to either approve the revised Interior Drawings, or disapprove the revised Interior Drawings and provide Landlord with its comments. The process outlined in the preceding two sentences shall be repeated until Landlord and Tenant have mutually agreed on the Interior Drawings. Tenant will pay all costs and charges of Architect in connection with the Work including preparing and revising the Interior Drawings.

4. **Construction of Tenant Improvements**.

(a) Promptly after the full execution of the Lease and prior to executing the Construction Contract, Landlord will provide Tenant for Tenant's approval, which approval will not be unreasonably withheld, delayed or conditioned, (i) a proposed final budget for the total Costs of the Work (the "**Budget**"), and (ii) a schedule for the commencement and completion of

the Work (the "**Work Schedule**"). Tenant shall have five (5) Business Days after receiving the Budget and the Work Schedule to notify Landlord of its approval or disapproval of the Budget and the Work Schedule. If Tenant does not approve the Budget or the Work Schedule, Landlord and Tenant will promptly meet with Architect and Contractor for the purpose of "value engineering" with respect to the Work. The parties will collaborate in good faith to reduce the scope of Work in order to complete the Work within the approved Budget. The process outlined in the preceding two sentences shall be repeated until Landlord and Tenant have mutually agreed on the Budget and the Work Schedule. Once the Budget and the Work Schedule have been approved by Landlord and Tenant, Landlord will enter into the Construction Contract with Contractor and will cause the Tenant Improvements to be constructed in accordance with the Interior Drawings, as the same may be revised in accordance with Paragraph 5 below.

5. **Amounts Payable by Tenant**. Tenant shall pay all approved Tenant Improvement costs including space planning, design, installation of underground conduit pipe between a vault to be installed at the north wall of the IT room of 10020 SW Bank Rd. and an area to be determined near tenants rented property, or a mutually agreed method of getting a conduit to each property described above, construction drawings and specifications, permits, project management and other construction related costs. Landlord shall forward invoices for approved Tenant Improvement costs for payment by Tenant on a monthly basis as bills are presented by vendors.

6. **Acceptance of the Premises; Effect of Tenant Delays**.

(a) Landlord will notify Tenant when the Tenant Improvements are Substantially Complete. Within three (3) Business Days after receiving such notice, and prior to move-in of any furniture, fixtures or equipment, Tenant shall inspect the Premises for any deficiencies in the Work. A "punchlist" of all the deficiencies in the Work shall be prepared and agreed upon by both Landlord and Tenant. Landlord will correct defective items stated in the punchlist which are the responsibility of Landlord or the Contractor. If Tenant does not so provide Landlord with a punchlist prior to occupying the Premises, Tenant shall be deemed to have accepted the Premises and the Tenant Improvements in their then present condition, except for latent defects not reasonably discoverable upon an inspection of the Premises. The existence of minor punchlist items shall not postpone the Commencement Date of the Lease or result in a delay or abatement of Tenant's obligation to pay rent or give rise to a damage claim against Landlord. Landlord agrees to complete all punchlist items which are Landlord's or the Contractor's responsibility within thirty (30) days after receiving the final punchlist (or longer if reasonably necessary subject to Landlord's prompt initiation of the completion of said punchlist items and continuing good faith efforts to expeditiously and continuously complete said punchlist items).

(b) If Substantial Completion of the Tenant Improvements is delayed because of a Tenant Delay, then Tenant's obligation to pay rent under the Lease and the Lease Term shall commence on the date the Premises would have been Substantially Complete except for the Tenant Delay, as reasonably determined by Architect.

7. **Changes in Work**. Tenant shall have the right to request, in writing, changes to the Interior Drawings and to the Work, subject to Landlord's reasonable prior approval. Landlord shall notify Tenant in writing of any additional costs and any construction delays attributable to such change and whether or not Landlord approves or disapproves of the requested change. Landlord may condition its approval of any change on receipt of written confirmation from Tenant within five (5) Business Days after receiving Landlord's notice that Tenant will pay the additional cost of making the change and any costs Landlord will incur as a result of any delays, which payment shall be made in the manner prescribed in Section 4 herein. If Tenant fails to deliver Landlord written notice that it still desires the requested change within such five (5) Business Day period, Tenant shall be deemed to have withdrawn its request for the change.

8. **Early Entry**. With Landlord's prior written approval, Tenant and Tenant's contractors shall have the privilege of entering into the Premises prior to the Substantial Completion of the Tenant Improvements for purposes of cable, telephone and furniture installation; provided that such entry or work does not interfere with the construction of the Tenant Improvements by Contractor. All of the terms and provisions of the Lease shall be applicable upon such early entry, except for those provisions applicable to the commencement of the Lease Term, acceptance of the Premises and the payment of Rent. Tenant shall be responsible for any damages to the Building or the Premises caused by Tenant or Contractor as a result of such early entry.

9. **Project Manager and Tenant's Representative**. Prior to the commencement of the Work, Tenant shall designate in writing one individual who shall coordinate design and construction with Landlord during the Work. Tenant shall also designate one individual who shall be the Tenant's Representative during the Work to approve design and construction plans and invoices. Landlord and Contractor shall be entitled to rely on the decisions of the Tenant's Representative regarding the Work (and the decisions of such person shall be binding upon Tenant) until Landlord and Contractor have received written notice from Tenant that such person's authority has been revoked.

10. **Disputes**. Any dispute or disagreement between the parties regarding the terms of this Workletter, including the amounts due from Tenant pursuant to this Workletter, shall be resolved pursuant to Section 28 of the Lease.

11. **Additional Provisions**. This Workletter sets forth the entire agreement of Landlord and Tenant with respect to the completion of the Work. Neither this Workletter nor any of the provisions contained in this Workletter may be changed or waived, except by a written instrument signed by both parties. To the extent any of the terms or conditions of this Workletter conflict with any of the terms or conditions of the Lease, this Workletter shall control.