

## LEASE AGREEMENT

This Lease Agreement ("Agreement") is entered into on and effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ ("Effective Date") between the Landlord and Tenant provided below. In entering into this Agreement for the lease of the Premises (the "Lease"), Landlord and Tenant hereby agree as follows:

### 1. LEASE SUMMARY:

- a) **Leased Premises.** The leased commercial real estate: i) consists of an agreed area of \_\_\_\_\_ rentable square feet which is outlined on the floor plan attached as Exhibit A (the "Premises"); and ii) is located on the land legally described on attached Exhibit B and is commonly known as \_\_\_\_\_.
- b) **Lease Commencement Date.** The term of the lease ("Lease Term") will be for a period of \_\_\_\_\_ months and will commence on \_\_\_\_\_, 20\_\_ (the "Commencement Date"). Tenant shall have no right or option to extend the Lease Term, unless otherwise agreed in writing and signed by Landlord and Tenant.
- c) **Lease Termination Date.** The Lease Term shall expire at midnight on \_\_\_\_\_, 20\_\_ (the "Termination Date").
- d) **Base Rent.** The monthly rent shall be \$\_\_\_\_\_ unless otherwise stated in the Rent Rider attached to this Agreement ("Base Rent"). Base Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.
- e) **Prepaid Rent.** Upon execution of this Agreement, Tenant shall deliver to Landlord the sum of \$\_\_\_\_\_ as prepaid rent and applied to the Base Rent due for \_\_\_\_ months of the Lease Term.
- f) **Security Deposit.** Upon execution of this Agreement, Tenant shall deliver to Landlord the sum of \$\_\_\_\_\_ to be held as a security deposit ("Security Deposit"). The Security Deposit shall be in the form of: \_\_\_ cash \_\_\_ check or a Letter of Credit Rider.
- g) **Permitted Use.** The Premises shall be used only for general office purposes (the "Permitted Use") and for no other purpose without the prior written consent of the Landlord.
- h) **Notice and Payment Address.**  
  
Landlord: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email: \_\_\_\_\_  
  
Tenant: \_\_\_\_\_
  - a) Tenant is \_\_\_ an individual, \_\_\_ business (i.e. corporation, LLC, general partnership, etc. )
  - b) Tenant address: \_\_\_\_\_
  - c) Tenant Contact Person: \_\_\_\_\_ Phone \_\_\_\_\_ Email: \_\_\_\_\_
- i) **Parking:** Number of Spaces reserved \_\_\_\_\_ Rate per space \$ \_\_\_\_\_ /month  
Number of Spaces unreserved \_\_\_\_\_ Rate per space \$ \_\_\_\_\_ /month
- j) **Special Items:**
  - a) Current Financials Received:        \_\_\_ Yes \_\_\_ No

- b) Credit Report Received:                    \_\_\_ Yes \_\_\_ No  
c) OT HVAC Charge:                         \_\_\_ Yes \_\_\_ No                    \$\_\_\_per hours:

**2. PREMISES.**

- a) **Lease of Premises.** Landlord leases to Tenant, and Tenant leases from Landlord the Premises upon the terms specified in the Summary and this Agreement.
- b) **Premises.** The Premises does not include, and Landlord reserves, the exterior walls and roof of the Premises; the air above the Premises, the land beneath the Premises, the pipes and ducts, conduits, wires, fixtures, and equipment above the suspended ceiling; and the structural elements of the building in which the Premises is located (the "Building"). The Building, the land upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to as the "Property".
- c) **Acceptance of Premises.** Except as specified elsewhere in this Agreement, Landlord makes no representation or warranties to Tenant regarding the Premises, including the structural condition of the Premises or the condition of any mechanical, electrical, and other systems on the Premises. Tenant shall be responsible for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Agreement, Tenant acknowledges that it has had adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises; and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.
- d) **Tenant Improvements.** Tenant shall provide to Landlord, any, and all tenant improvements to be completed by Tenant to be performed on the Premises. Responsibility for design, payment and performance of all such work shall be as set forth in writing and provided to Landlord. If Tenant fails to notify Landlord of any defects in the Premises within 30 days of delivery of Premises, Tenant shall be deemed to have accepted the Premises in its then condition. The Commencement Date shall not be delayed if Tenant's inspection reveals defects on the Premises that will not prevent Tenant from using the Premises for the Permitted Use.

**3. TERM.** The Lease Term begins on the Commencement Date or on such earlier or later date as as agreed in writing by Landlord to Tenant.

- a) **Early Possession.** If Landlord permits Tenant to possess and occupy the Premises prior to the Commencement Date, then all terms and conditions of this Agreement shall apply during the period of early occupancy before the Commencement Date.
- b) **Delayed Possession.** Landlord shall act diligently to make the Premises available for occupancy; however, Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord's inability or failure to deliver possession of the Premises to Tenant as provided in this Agreement. If possession is delayed, the Commencement Date and the Termination Date shall be modified so that the length of the Lease Term remains the same.

**4. RENT.**

- a) **Payment of Rent.** Tenant shall pay Landlord in lawful money of the United States, the monthly Base Rent on or before the first day of each month during the Lease Term beginning on the Commencement Date, including but limited to additional payments of late fees or interest due to Landlord ("Additional Rent") (collectively "Rent") as required under this Lease. Partial payments shall be prorated. Landlord shall have the same rights and remedies as otherwise provided in this Agreement for the failure of Tenant to pay Rent.
- b) **Late Charges; Default Interest.** If any sums payable by Tenant to Landlord under this Agreement are not received within 5 days after the due date, Tenant shall pay Landlord an amount equal to the greater of \$100.00 or 5% of the delinquent amount ("Late Charge") in addition to the amount due.

All delinquent sums payable by Tenant to Landlord not paid within 5 business days after the due date shall bear interest at the rate of 15% per year, or the highest rate of interest allowable by law, whichever is less. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.

- c) **Less Than Full Payment.** Unless specifically consented in writing, Landlord's acceptance of less than the full amount of Rent due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment. Any portion that remains to be paid by Tenant shall be subject to applicable Late Charges and interest.

5. **SECURITY DEPOSIT.** Simultaneous to the execution of this Agreement, Tenant shall deliver to Landlord a Security Deposit. Landlord's obligations with respect to the Security Deposit are those of a debtor and not of a trustee and may commingle the Security Deposit with its other funds. If Tenant breaches any covenant or condition of this Agreement, including but not limited to the payment of Rent, Landlord may apply all or any part of the Security Deposit to the payment of any default or damage suffered by Landlord as a result of Tenant's breach. The Security Deposit shall not be considered as a measure of Tenant's damages in case of default by Tenant. Any payment to Landlord from the security deposit shall not be construed as a payment of liquidated damages for Tenant's default. The Security Deposit may be repaid to Tenant without interest within 30 days after the surrender of the Premises by Tenant in the condition required by this Agreement.

6. **USES.** The Property shall be used only for the Permitted Use and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Property that will increase the existing rate of insurance, or will cause the cancellation of insurance on the Property. Tenant shall not commit or allow to be committed any waste upon the Property, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Property which will injure, annoy or obstruct or interfere with the rights of other tenants or occupants of the Property, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees.

7. **COMPLIANCE WITH LAWS.** Tenant shall not cause or permit the Property to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant that as of the Commencement Date, to Landlord's knowledge but without duty of investigation, the Premises complies with all applicable laws, rules, regulations, or orders, including without limitation, the Americans with Disabilities Act, if applicable. Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for Tenant's Permitted Use at its sole cost and expense. Otherwise, if changes or alterations are required by law, rule, regulation or order unrelated to the Permitted Use, Landlord shall make such changes and alterations at its expense.

8. **UTILITIES AND SERVICES.** Landlord shall provide the Premises with the following services: water and electricity for the Premises 7 days per week, 24 hours per day. Heating, ventilation and air conditioning from 6:00 a.m. to 6:00 p.m. Monday through Saturday; and 8:00 a.m. to 5:00 p.m. on Sunday. Landlord shall also provide janitorial service to the Premises and Building 5 nights each week, exclusive of holidays. Additional hours of heating, ventilation and air conditioning services will be provided by Landlord to the Premises during upon reasonable notice to Landlord. Such additional hours will be at Tenant's sole cost and expense, at an hourly rate reasonably established by Landlord and payable by Tenant, billed as Additional Rent. Landlord reserves the right to require Tenant to pay a reasonable additional charge for such usage.

Landlord shall have no duty to provide any security services of any kind for the Property. Landlord shall not be liable to Tenant or Tenant's employees, officers, agents, contractors, customers, clients, visitors, guests, other licensees or invitees for injury, damage, or loss to person or property caused by criminal conduct of other persons, including theft, burglary, assault, vandalism or other crimes or offenses.

Tenant shall furnish all other utilities not enumerated herein which Tenant requires with respect to the Premises, and shall pay, at Tenant's sole expense, the cost of all utilities separately metered to the Premises, except those to be provided by Landlord as described above. Landlord shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption, or failure of utilities due to any cause whatsoever, and Rent shall not decrease as a result thereof.

**9. TAXES.** Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, related to or required by Tenant's use of the Premises, as well as all Taxes on Tenant's personal property located on the Premises. Landlord shall pay all Taxes with respect to the Building and the Property, including any Taxes resulting from a reassessment of the Building or the Property due to a change of ownership or otherwise.

**10. COMMON AREAS.**

- a) Definition.** The term "Common Areas" means all areas, facilities and building systems that are provided and designated from time to time by Landlord for the general, non-exclusive use and convenience of Tenant with other tenants and which are not leased or held for the exclusive use of a particular tenant. Without notice to Tenant, Landlord may improve, change the size, use, or nature of any Common Area or convert any portion of the Common Areas to the exclusive use of Landlord or other tenants.
- b) Use of the Common Areas.** Tenant shall have the non-exclusive right, in common with such other tenants to whom Landlord has granted or may grant such rights, to use the Common Areas. Tenant shall abide by rules and regulations adopted by Landlord and shall use its best efforts to cause its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, to comply with those rules and regulations, and not interfere with the use of Common Areas by others.
- c) Maintenance of Common Areas.** Landlord shall maintain the Common Areas in good order, condition and repair. In performing such maintenance, Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises.

**11. ALTERATIONS.** Tenant shall not make any alterations, additions, or improvements to, or install any fixtures on, the Leased Premises without Landlord's prior written consent, which shall not be unreasonably withheld. If such consent is given, all alterations, additions, and improvements made, and fixtures installed, by Tenant shall become Landlord's property upon the expiration or sooner termination of this Lease. Landlord may, however, require Tenant to remove such fixtures, at Tenant's cost, upon the termination hereof.

**12. REPAIRS AND MAINTENANCE; SURRENDER.** Tenant shall, at its sole expense, maintain the Premises in good condition and promptly make all non-structural repairs and replacements necessary to keep the Premises safe and in good condition, including all utilities and systems to the extent exclusively serving the Premises. Landlord shall maintain and repair the Building structure, foundation, subfloor, exterior walls, roof structure and surface, and HVAC components and other utilities and systems serving more than just the Premises. Tenant shall promptly repair any damage or injury done to Property or Premises. Failure of Tenant to perform the obligations under this Section, may result in Landlord entering upon the Premises after 10 days prior notice to Tenant. Landlord shall repair any damage and the cost thereof, together with any interest shall be due by Tenant upon the due date of Tenant's Rent. Upon expiration of the Lease Term, Tenant shall promptly and peacefully surrender the Premises in good condition, excepting reasonable wear and tear to Landlord, including all keys.

**13. ACCESS AND RIGHT OF ENTRY.** After 24 hours' notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, inspections, alterations,

improvements, showing the Premises to prospective purchasers or lenders or posting “for lease” signs, provided that Landlord shall use reasonable efforts to minimize interference with Tenant’s use and enjoyment of the Premises. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Agreement.

**14. SIGNAGE.** Landlord must approve in writing, the size, location, materials, method of attachment, and appearance, all of Signage on Premises. All costs associated with installation shall be at Tenant’s sole expense and in compliance with all applicable laws. Landlord will provide signage for tenant on existing Common Area directories.

**15. DESTRUCTION OR CONDEMNATION.**

**a) Damage and Repair.** If the Premises or the portion of the Building or the Property necessary for Tenant’s occupancy are rendered untenable, due to an insured casualty, then Landlord may, at its option: (a) terminate this Lease as provided herein; or (b) shall diligently restore the Premises and the portion of the Property necessary for Tenant’s occupancy to their previous condition provided, however, if such casualty event occurs during the last 6 months of the Lease Term then either Tenant or Landlord may elect to terminate the Lease. Tenant may only terminate the Lease if Landlord is unable to restore the Premises within 6 months of the casualty event by giving 30 days written notice of termination. If insurance proceeds are not available, or are not sufficient to pay the entire cost of restoring the Premises, then Landlord may elect to terminate the Lease by notifying Tenant within 60 days of the date of such casualty.

Tenant’s occupancy shall not be deemed untenable if 25% or less of each of those areas are damaged or destroyed Tenant’s occupancy shall be deemed untenable if 50% or more of the rentable area of the Property is damaged or destroyed by a casualty.

If Landlord elects to restore the Premises or the Property under this Section, the Base Rent shall be abated in the same proportion as the untenable portion of the Premises. An abatement will apply only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly, or indirectly by the Tenant, or Tenant’s employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, indirectly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant; any alterations or improvements paid for by Tenant; any fixtures, equipment, improvements or appurtenances of Tenant under this Lease shall not include any obligation of Landlord to repair any damage thereto or replace the same.

**b) Condemnation.** If the 50% of Premises, the portion of the Premises, Building or the Property necessary for Tenant’s occupancy, is made untenable by eminent domain then this Lease shall terminate at the option of either Landlord or Tenant prior to the date title vests in the condemning authority or the condemning authority first has possession of the condemned Premises or Property. All Rent and other payments shall be paid to that date. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses if Tenant.

**16. INSURANCE.**

- a) **Tenant's Liability Insurance.** During the Lease Term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall name Landlord, its property manager (if any), and other parties designated by Landlord as additional insureds and shall insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than \$2,000,000 and a deductible of not more than \$10,000. All of Tenant's policies of insurance shall contain a provision that the insurance company shall give 30 days' written notice to Landlord, in advance of: i) any cancellation or non-renewal of the policy; ii) any reduction in the policy amount; or iii) any deletion of additional insureds. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord. Landlord may also require Tenant to obtain and maintain business income coverage for at least 6 months, business auto liability coverage, and, if applicable to Tenant's Permitted Use, liquor liability insurance and/or warehousemans' coverage.
- b) **Tenant's Property Insurance.** During the Lease term, Tenant shall pay for and maintain special form clauses of loss coverage property insurance (with coverage for earthquake if required by Landlord's lender and, if the Premises is situated in a flood plain, flood damage) for all of Tenant's personal property, fixtures and equipment in the amount of their full replacement value, with a deductible of not more than \$10,000.
- c) **Miscellaneous.** Tenant's insurance required under this Section shall be with companies approved by Landlord. Tenant shall deliver to Landlord upon commencement of the Lease or upon request, copies of the insurance policies and endorsements required by this Section. Limits of such policies shall not be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Section, Landlord may, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance upon demand. Such amounts shall be Additional Rent payable by Tenant. Any non-payment thereof, shall give the Landlord the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of Rent herein.
- d) **Landlord's Insurance.** Landlord shall carry special form clauses of loss coverage property insurance on the Property of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate.
- e) **Waiver of Subrogation.** Landlord and Tenant hereby release each other and any other tenant for any claim for loss, damage or injury which is insured against under insurance policies carried by Landlord and Tenant. Each party shall provide notice to their respective property insurance carrier or carriers of this mutual waiver of subrogation against the other. Upon written request, Landlord and Tenant shall furnish to each other copies of the policies of insurance. This waiver shall not apply to the extent any losses, damages or injuries are in excess of policy limits, or are not covered due to a deductible clause in the applicable policy.

## 17. INDEMNIFICATION.

- a) **Indemnification by Tenant.** Tenant shall defend, indemnify, and hold Landlord harmless against all liabilities, damages, costs and expenses, including attorneys' fees for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Tenant or Tenant's employees, officers, agents, contractors, customers, clients, visitors, guests, or other licensees or invitees on, or around the Premises or the Property, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.

- b) **Indemnification by Landlord.** Landlord shall not defend, indemnify, or hold Tenant harmless. Tenant hereby waives all claims against Landlord for any damage to any property or injury to any person in or about the Property by or from any cause whatsoever, except to the extent caused by or arising from the gross negligence or willful misconduct of landlord or its agents, employees or contractors.
- c) **Waiver of Immunity.** Solely for the purpose of effectuating Tenant's indemnification obligations under this Lease, and not for the benefit of any third parties (including but not limited to employees of Tenant), Tenant specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. The indemnification obligations under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under Worker Compensation Acts, Disability Benefit Acts or other employee benefits acts now or hereafter in effect in the State of Washington. The parties acknowledge that the foregoing provisions of this paragraph have been specifically and mutually negotiated between the parties.
- d) **Survival.** The provisions of this Section shall survive the expiration or termination of the Lease.

**18. ASSIGNMENT AND SUBLETTING.** Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Agreement or any part of the Lease or Premises (collectively referred to as a "Transfer"), without first obtaining Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed. No Transfer shall relieve Tenant of any liability under this Agreement notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Tenant shall pay the reasonable cost of processing same, including attorneys' fees, up to a maximum of \$1,250.00.

Upon Landlord's approval, any potential assignee or sublessee shall assume all obligations of Tenant under this Agreement and shall be jointly and severally liable with Tenant for the payment of Rent and compliance with all terms and conditions of this Agreement.

**19. LIENS.** Tenant shall not subject the Premises, Building or Property to any liens or claims of lien and shall keep the Premises, Building and Property free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability for any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises, Building or Property by any person claiming by, through or under Tenant, Tenant shall, within 10 days after Landlord's demand, at Tenant's expense, either remove the lien or furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises, Building and Property against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien.

**20. DEFAULT.** The following occurrences shall each constitute a default by Tenant (an "Default"):

- a) **Failure to Pay.** Failure by Tenant to pay any sum, including Rent, due under this Agreement following 5 days notice from Landlord of the failure to pay;
- b) **Absence/Abandonment.** An absence by Tenant shall be at least 15 consecutive days without prior written notice to the Landlord ("Absence"), or an absence by Tenant of 5 days or more while Tenant is in breach of some other term of this Agreement ("Abandonment"). Tenant's Absence or Abandonment of the Premises shall not be subject to any notice or right to cure.
- c) **Insolvency.** Tenant's voluntary or involuntary insolvency or bankruptcy; or appointment of a receiver, assignee or other liquidating officer for Tenant's business shall constitute an Event of Default only if such proceeding is not dismissed or vacated within 60 days after its institution or commencement.

- d) **Levy or Execution.** The taking of Tenant's interest in this Lease or the Premises, or any part thereof, by execution or other process of law directed against Tenant, or attachment of Tenant's interest in the Lease by any creditor of Tenant, if such attachment is not discharged within 15 days after being levied.
- e) **Other Non-Monetary Defaults.** The breach by Tenant of any agreement, term or covenant of this Agreement other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Agreement, which breach continues for a period of 30 days after notice by Landlord to Tenant of the breach.
- f) **Failure to Take Possession.** Failure by Tenant to take possession of the Premises on the Commencement Date or failure by Tenant to commence any Tenant Improvement in a timely manner.

Landlord shall not be in default unless Landlord fails to perform obligations required of the Landlord within a reasonable time, but in no event less than 30 days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant's sole remedy shall be to seek actual money damages (but not consequential or punitive damages) for loss arising from Landlord's failure to discharge its obligations under this Agreement.

Any notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

**21. REMEDIES.** Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Agreement shall be in addition to any and all other rights and remedies which Landlord has or may have at law or in equity:

- a) **Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than notice of termination from Landlord to Tenant shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon terminations of the Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under the Lease for the balance of the Lease Term, less the net proceeds, if any, of any re-letting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's Reletting Expenses. Landlord shall be entitled collect damages from Tenant monthly on the days on which rent would have been payable under the Lease, or Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: i) unpaid Rent at the time of termination; ii) unpaid Rent for the balance of the Term of the Lease less the amount of rent loss that Tenant proves could reasonably be avoided by Landlord (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and iii) any other amount necessary to fully compensate Landlord for all the detriment proximately caused by Tenant's failure to performs its obligations under the Lease, or which would be likely to result from the Event of Default, including without limitation.
- b) **Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of it, in Landlord's or Tenant's name for the account of Tenant, for such period of time and on such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied at the sole discretion of Landlord. Landlord reserves the right following any re-entry and/or reletting under this Section to exercise its rights to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises and after deducting



Landlord's Reletting Expenses. "Reletting Expenses" are defined to include without limitation, all repossession costs, brokerage commissions and costs of securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of Tenant Improvements and Rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

- c) **Waiver of Redemption Rights.** Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease Term or any extension thereof.
- d) **Nonpayment of Additional Rent.** All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.
- e) **Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises, Building or Property at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within 5 days of Landlord's request, Landlord may follow the procedures as outlined in \_\_\_\_\_.

22. **MORTGAGE SUBORDINATION AND ATTORNMENT.** The holder of any mortgage or deed of trust not existing or hereinafter placed upon the property shall have the right to elect, at any time, whether this lease shall be subordinate to the operation and effect of such mortgage or deed of trust or superior thereto, without the necessity in either case for execution by Tenant, of any instrument other than this Lease, and such election shall be binding upon Tenant. Tenant appoints the Landlord its attorney-in-fact to execute all documents required for such subordination.

23. **NON-WAIVER.** Landlord's waiver of any breach of any provision contained in this Agreement shall not be deemed to be a waiver of the same provision for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any other rights, violations, defaults, or breaches by Tenant.

24. **HOLDOVER.** If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return the Premises to Landlord after the expiration or termination of the Lease, the tenancy shall be a holdover tenancy and shall be on a month-to-month basis, which may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 150% of the Base Rent rate last payable under the Lease, unless a different rate is agreed to by Landlord. All other terms of this Agreement shall remain in effect. This Section does not grant any right to Tenant to holdover. Tenant may be liable to Landlord for all damages or expenses incurred as a result of Tenant's holdover.

25. **NOTICES.** All notices under this Agreement shall be in writing and effective: i) when delivered in person or via overnight courier to the other party; or ii) 3 days after being sent by registered or certified mail to the other party at the address set forth in the Summary. The addresses for notices and payment of Rent set forth in the Summary may be modified by either party only by written notice delivered in conformance with this Section.

26. **COSTS AND ATTORNEYS' FEES.** Tenant shall pay all reasonable attorneys' fees incurred by Landlord to enforce Lease rights or remedies. In any lawsuit enforcing Lease rights, Landlord shall be entitled to recover all reasonable attorneys' fees from Tenant in addition to all out-of-pocket expenses.

27. **ESTOPPEL CERTIFICATES.** Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee an executed copy of the Estoppel Certificate ("Certificate") in the form of Exhibit \_\_\_ which is attached hereto and by this reference incorporated herein, provided, however, that the content of the Certificate may be modified to conform to reasonable requests by

lenders and purchasers. Tenant acknowledges and agrees that any Certificate delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within 10 days to Landlord's request for the Certificate required by this Section, Landlord may provide the Certificate and Tenant shall be deemed to have admitted the accuracy of the information provided by Landlord.

**28. TRANSFER OF LANDLORD'S INTEREST.** This lease shall be assignable by Landlord without the consent of Tenant. Upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, including any liability for any retained security deposit or prepaid rent, for which the transferee shall be liable.

**29. LANDLORD'S LIABILITY.** Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of the Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord but are made and intended for the purpose of binding only the Landlord's interest in the Premises, as the same may from time to time be encumbered. In no event shall Landlord or its directors, officers, partners, shareholders, or members, as the case may be, ever be personally liable hereunder.

**30. RIGHT TO PERFORM.** If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any act on Tenant's behalf. Tenant shall, within 10 days of demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.

**31. HAZARDOUS MATERIAL.** As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including bio-medical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. Landlord represents and warrants to Tenant that, to Landlord's knowledge without duty of investigation, there is no Hazardous Material on, in, or under the Premises as of the Commencement Date.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution of the value of the Premises or the Property; damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, or elsewhere; damages arising from any adverse impact on marketing of space at the Premises or the Property; and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Property, Tenant shall promptly take all actions, at its sole expense, as are

necessary to return the Premises and the Property to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's written approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion.

**32. MERGER.** The voluntary or other surrender of this Lease by Tenant or a mutual cancellation thereof, 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.

**33. AGENCY DISCLOSURE.** At the signing of this Lease, Landlord is represented by WEB Properties, Inc. (the "Landlord's Broker") and Tenant is represented by \_\_\_\_\_ (the "Tenant's Broker").

If Tenant's or Landlord's Broker are affiliated with the same firm, then both Party's confirm their consent that both Tenant's and Landlord's Brokers are acting as dual agents and hereby consent to such dual agency. Upon this occurrence, either Broker or their firms shall receive compensation from more than one party to this transaction unless otherwise disclosed and attached to this Agreement.

**34. BROKER PROVISIONS.**

**LANDLORD'S BROKER, TENANT'S BROKER AND THEIR FIRMS HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PREMISES, THE MEANING OF THE TERMS AND CONDITIONS OF THIS LEASE, LANDLORD'S OR TENANT'S FINANCIAL STANDING, ZONING, COMPLIANCE OF THE PREMISES WITH APPLICABLE LAWS, SERVICE OR CAPACITY OF UTILITIES, OPERATING COSTS, OR HAZARDOUS MATERIALS. LANDLORD AND TENANT ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL ADVICE ON THESE AND OTHER MATTERS ARISING UNDER THIS LEASE.**

**35. GENERAL.**

- a) **Heirs and Assigns.** The Lease shall bind and inure to the benefit of the parties, any guarantors of the Lease, and their respective successors and permitted assigns.
- b) **Brokers' Fees.** Tenant represents and warrants to Landlord that except as set forth on herein, Tenant represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of Tenant is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated by this Agreement. Tenant further agrees to indemnify Landlord for any claims, losses or expenses incurred by Tenant as a result of the representation in this Section.
- c) **Entire Agreement.** This Lease contains all of the covenants and agreements between and Tenant relating to the Premises. No other written or oral promises or representations have been made, and none shall be binding. his Agreement supersedes and replaces any previous agreement between the parties. The terms of this Agreement shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.
- d) **Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.
- e) **Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to fires, floods, earthquakes, lockouts, strikes, governmental regulations, acts of God, or any other circumstance or event that is beyond the reasonable control of the parties.
- f) **Survivability.** The respective rights and obligations of the parties under this Agreement shall survive any termination of the Lease to the extent necessary for the preservation and enforcement of such rights and obligations.

- g) Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_.
- h) Memorandum of Lease.** Neither the Lease nor any memorandum or “short form” thereof will be recorded without the Landlord’s prior written consent
- i) No Light, Air or View Easement.** Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Building shall in no way affect the Lease or the obligations of Tenant or impose any liability on Landlord.
- j) Authority of the Parties.** Each party signing the Lease represents and warrants to the other that it has the authority to enter into the Lease, that the execution and delivery of the Lease has been duly authorized, and that upon such execution and delivery, the Lease shall be binding upon and enforceable against the party upon signing.
- k) Time.** The word “day” as used in this Agreement means a calendar day and “business day” means any day on which commercial banks are generally open for business in the state where the Premises is situated. Any period of time which would otherwise end on a non-business day shall be extended to the next business day. Time is of the essence in this Agreement.
- l) No Right to Jury Trial.** Landlord and Tenant expressly waive the right to trial by jury and agree that the outcome of any litigation between them shall be determined by a judge.

**36. EXHIBITS AND RIDERS.** The following exhibits and riders are made a part of this Lease and the terms thereof shall control over any inconsistent provision contained in this Agreement.

Exhibit A Floor Plan/Outline of the Premises  
 Exhibit B Legal Description of the Property

INDICATE BELOW BY MARKING AN “X”, FOR ANY OF THE FOLLOWING RIDERS THAT WILL APPLY. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

\_\_\_ Rent Rider \_\_\_ Arbitration Rider \_\_\_ Letter of Credit Rider \_\_\_ Option to Extend Rider  
 \_\_\_ Guaranty of Tenant’s Lease Obligations Rider \_\_\_ Building Rules and Regulations Rider

IN WITNESS WHEREOF, this Agreement has been executed with the Effective Date written above.

\_\_\_\_\_  
 LANDLORD

\_\_\_\_\_  
 TENANT

\_\_\_\_\_  
 BY: (Signature)

\_\_\_\_\_  
 BY: (Signature)

\_\_\_\_\_  
 PRINT NAME

\_\_\_\_\_  
 PRINT NAME

\_\_\_\_\_  
 TITLE:

\_\_\_\_\_  
 TITLE:

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I certify that I know or have satisfactory evidence that \_\_\_\_\_,  
is the person who appeared before me and said person acknowledged that (he/she) signed this instrument and  
acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Legibly print or stamp name of Notary  
Notary public in and for the State of Washington,  
residing at \_\_\_\_\_  
My appointment expires \_\_\_\_\_

EXAMPLE