GROUND LEASE BETWEEN PORT OF OLYMPIA AND STATE OF WASHINGTON, THE DEPARTMENT OF ENTERPRISE SERVICES

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EXHIBIT "A" – PREMISES /LEGAL DESCRIPTION

EXHIBIT "B" – REQUIREMENTS AS TO IMPROVEMENTS

EXHIBIT "C" – LESSOR'S CONSENT AND AGREEMENT

EXHIBIT "D" – TOXIC, DANGEROUS AND HAZARDOUS SUBSTANCES STORAGE LICENSE

EXHIBIT "E" – DEVELOPMENT GUIDELINES – Intentionally Deleted

EXHIBIT "F" – 7510 NEW MARKET RATE SCHEDULE

THIS LEASE is made by and between the PORT OF OLYMPIA, a Washington municipal corporation, hereinafter referred to as "Landlord" or "Port", and the STATE OF WASHINGTON, Department of Enterprise Services, hereinafter referred to as "Tenant" (collectively "Parties").

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. LEASE SUMMARY. [Intentionally Deleted.]

2. PREMISES.

The Port hereby leases to Tenant, and Tenant hereby leases from the Port, the Premises, of approximately 10.16 acres, equal to 442,569.60 square feet, at Thurston County Tax Parcel Number 12710100700, legally described in Exhibit "A."

3. TERM.

3.1 The Term of this Lease shall be Twenty (20) years commencing October 1, 2026 (the "Lease Term Commencement Date") and ending September 30, 2046.

3.2 As of the Lease Term Commencement Date, the Port and Tenant hereby mutually agree to terminate the existing Ground Lease by and between the Parties dated September 6, 1979, as Amended (the "Current Lease") and neither party shall have any further rights or obligations thereunder accruing from and after the Lease Commencement Date with respect to the Premises.

3.3 The Port and Tenant further acknowledge and agree that this Lease completely supersedes and replaces the Current Lease, as Amended, and from and after the Lease Commencement Date, the parties' rights and obligations with respect to the Premises shall be governed solely by this Lease.

4. RENT.

4.1. All costs, expenses and obligations of every kind relating to Tenant's operation of the improvements on the Premises (except as otherwise, specifically provided in the Lease) which may arise or become due during the term of the Lease shall be paid by Tenant. All such costs, expenses, and obligations and payments coming due hereunder shall be deemed as "additional rent ".

a. Tenant agrees to pay ground rent for the use and occupancy of the Premises during the term of this Lease, without deduction or offset, in the amounts and with the adjustments identified in the table attached as Exhibit "F"

5. LEASE SECURITY. [Intentionally Deleted.]

6. ACCEPTANCE OF PREMISES.

Tenant has examined the Premises, and the adjoining premises of which the Premises are a part, and accepts them in their present condition. There are no warranties expressed or implied as to any condition apparent or unknown except as otherwise stated in this Lease. .

7. POSSESSION.

If the Port shall be unable for any reason to deliver possession of the Premises or any portion thereof at the time of the commencement of this Lease, the Port shall not be liable for any damage caused thereby to Tenant, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Tenant shall not be liable for any rent until such time as the Port can deliver possession; provided that if Tenant shall take possession of any portion of the Premises in the interim, it shall pay the full rent specified herein reduced pro rata for the portion of the Premises not available for possession by Tenant; and provided further, that if the Port shall be unable to deliver

possession of the Premises at the commencement of this Lease, Tenant shall have the option to terminate this Lease by giving at least thirty (30) days' written notice of such termination, and this Lease shall terminate unless the Port shall deliver possession of the Premises prior to the effective date of termination specified in such notice. Except for possession under a separate lease agreement, if Tenant shall, with the Port's consent, take possession of all or any part of the Premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable, with the exception that Tenant shall not be obligated to pay any rental for the period prior to the commencement of the term of this Lease unless otherwise mutually agreed.

8. USE OF PREMISES.

Tenant shall use the Premises for the operation of a multi-purpose office/light industrial warehouse type facility and shall not use them for any other purpose without the written consent of the Port, which consent shall not be unreasonably withheld. Tenant shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of the lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Tenant's reasonable control. Tenant agrees that it will not disturb the Port or any other tenant of the Port by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises.

9. REQUIREMENTS AS TO IMPROVEMENTS.

The specific requirements as to the planning, construction and completion of any major improvements planned by Tenant on the Premises are attached hereto as Exhibit "B" to this Lease, which by this reference is incorporated herein as if set forth in full. Prior to the submission of any plans for contemplated improvements on the Premises, Tenant shall furnish a survey of the appropriate Premises as prepared by a registered and licensed surveyor, all at Tenant's own expense.

10. RIGHTS-OF-WAY.

The Port agrees to grant others such right-of-way easements across the property of the Port reasonably available therefor, on reasonable terms and conditions, for the installation and maintenance of necessary and adequate services to the Premises, including but not limited to petroleum product pipelines, railroad spurs, railways and utility lines.

11. RESERVATION OF RIGHTS.

The Port reserves to itself from the Premises rights of way upon, over, across, onto or beneath the above-described lands for access ways, driveways, and other roads, pole and wire lines, gas, water and sewage pipes and mains, conduits, and other utilities, and industrial or business area facilities of all kinds now existing or to be constructed and maintained by it, either in addition to or in the substitution for those now existing from any point or points and in any direction and also reasonable rights of entry upon the Premises for the construction, repair, inspection and maintenance of them in efficient use and condition, providing such action by the Port shall not materially interfere with or interrupt Tenant's operation and shall be at the expense of the Port.

12. AIR SPACE RESERVATIONS AND USE RESTRICTIONS.

There is hereby reserved to the Port, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the air space above the surface of the Premises herein conveyed, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said air space or landing at, taking off from or operating on the Olympia Regional Airport. Tenant, its successors and assigns, will not erect or permit the erection of any structures nor permit the growth of any tree thereon which would exceed the height limitations set forth in the "Zoning Ordinance", Olympia Regional Airport, Master Plan Update, Thurston County, Washington, dated November, 1996, and as may be amended from time to time. Tenant,

its successors and assigns, will comply in all respects with said zoning ordinance, which is hereby made a part of this Lease.

Tenant expressly agrees for itself, its employees and agents, to prevent any use of the Premises described which would interfere with landing or taking off of aircraft at the Olympia Regional Airport or otherwise constitute an airport hazard as may be determined by the Port or the Federal Aviation Administration (FAA) or any similar agency having jurisdiction over operations at the Olympia Regional Airport. The prohibited use of the Premises referred to in this paragraph includes causing any visual obstruction or radio or similar emission that may tend to interfere with the operations at the Olympia Regional Airport. The Premises are not currently located within the approach zone to the Olympia Regional Airport. However, if in the future, the approach zone to the Olympia Regional Airport is adjusted or modified such that the Premises come within said approach zone, at that time, the Premises would be subject to substantial use restrictions for the benefit of such airport and its uses, including that Tenant would not be permitted to sublease the property until the potential sublessee has received written permission from the Port as to the nature and extent of the use to which such the sublessee intends to devote the property in order to ensure that such intended use will not in any way interfere with the operation of the Olympia Regional Airport.

Tenant acknowledges that noise from both flight and non-flight operations may be generated from activities at the Olympia Regional Airport and by other tenants of the Port. Tenant is taking the Premises subject to such condition, whether now existing or hereafter arising, and hereby waives all claims (including, without limitation, claims for damages, nuisance or injunctive relief) relating thereto; provided, however, that Tenant does not waive any right to have applicable statutes and regulations regarding noise enforced.

13. UTILITIES AND SERVICES.

Tenant shall be liable for and shall pay throughout the term of this lease all charges for all utility services furnished to the Premises, including but not limited to, light, heat, gas, janitorial services, garbage disposal, security, electricity, water, stormwater and sewerage, including any connection fees, and any fire protection, police protection, or emergency health services as furnished by local authorities and as may be the subject of a contract between the Port and such local authorities or as imposed by ordinance or statute.

14. INDEMNIFICATION/LIABILITY INSURANCE.

To the extent authorized by law, Tenant agrees to hold the Port harmless for claims, actions, costs, and damages incurred by the Port that were caused by the negligence of Tenant's employees and agents while acting within the scope of their employment or agency in connection with Tenant's use of the Premises. This obligation shall not include such claims, actions, costs, or damages that may be caused by the sole negligence of the Port or its principals, agents, contractors, servants or employees. If the claims, actions, costs, or damages are caused by the concurrent negligence of the Port and Tenant, this provision shall be valid and enforceable only to the extent of the negligence of Tenant's employees or agents while acting within the scope of their employment or agency in connection with Tenant's use of the Premises.

To the extent authorized by law, the Licensee agrees to waive its immunity under Title 51 RCW to the extent required for Tenant to hold the Port harmless for the negligence of Tenant's employees and agents while acting within the scope of their employment or agency in connection with Tenant's use of the Premises. This waiver was mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Lease.

The Port indemnifies, defends, and holds Tenant harmless from claims that are: (i)(a) for personal injury, death, or property damage or b) for incidents occurring in or about the Premises, building, common areas or project; and (ii) caused by the negligence or wrongful conduct of the Port, its principals, agents, contractors, or employees. This indemnification and hold harmless shall include reasonable attorney fees and court costs incurred by Tenant with respect to such claims.

Tenant shall maintain for the duration of this Lease self-insurance for exposure to general liability in connection with the Tenant's use of the Premises as provided in the Risk Management Act, Revised Code

of Washington (RCW) 43.19.766. It is recognized by the Port and Tenant that the Tort Claims Act, RCW 4.92 et seq., provides the fundamental remedy for all liability claims against the State, its agencies and departments and/or the actions of its officers, employees and volunteers while engaged in the performance of their official duties. Such claims must be filed with the Office of Financial Management, Office of Risk Management for processing according to statute.

15. WAIVER OF SUBROGATION. [Intentionally Deleted.]

16. TAXES. [Intentionally Deleted.]

17. MAINTENANCE AND REPAIR.

Tenant shall, at its own expense, keep the Premises and the buildings, structures and other improvements located on the Premises, and the adjoining roadways, sidewalks and areas, in a neat, clean, safe, sanitary, and good condition, reasonable wear and tear excepted, and to maintain the landscape and undeveloped areas (including ditches and shoulders of adjoining roadways) in a clean, sanitary, orderly and attractive condition, mowed and free from rubbish and debris.

Tenant shall also, at its own expense, at all times keep the Premises free from infestation of pests and conditions which might result in harborage for, or infestation of, pests (pests shall include, without limitation, rodents, insects, and birds in numbers to the extent that a nuisance is created). Tenant shall keep the glass of all windows and doors on the Premises clean and presentable, and shall maintain and keep the Premises in a good state of repair, and shall commit no waste of any kind, and, without limiting the generality of the foregoing, shall replace all cracked or broken glass in the Premises, and keep the electrical system and all drains clean and in a good state of repair, and shall protect all sprinkler systems and all pipes and drains so that they will not freeze or become clogged.

Tenant shall replace any and all improvements which become worn out, obsolescent, deteriorated, unsafe or unusable and shall replace such improvements with new fixtures and improvements of at least as good a quality as originally installed at the commencement of this Lease. If Tenant fails to properly maintain or repair the Premises or any improvements thereon, the Port shall be entitled, but shall not be obligated, to enter the Premises after notice to Tenant and the expiration of any applicable cure period, and perform such work as may be necessary to restore the Premises and improvements to the conditions set forth herein. The cost of such repairs shall be billed to Tenant by the Port and shall be payable upon receipt and subject to the same penalties for late payment as if such payment was additional rent. Tenant shall have no claim as deduction or offset any monies or charges against the rent paid to the Port for maintenance or repairs. Tenant has inspected the Premises and accepts the Premises "AS IS".

Tenant shall also keep the Premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the Premises by Tenant. At the Port's request, Tenant shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the Premises if not paid. Any dispute under this section shall be subject to arbitration under paragraph 37, **ARBITRATION PROCEDURE**.

18. ALTERATIONS AND IMPROVEMENTS -- SIGNAGE.

18.1 Alterations and Improvements. Tenant shall make no alterations or improvements to or upon the Premises or install any fixtures (other than trade fixtures which can be removed without injury to the Premises) without first obtaining written approval of the Port. The Port's response to Tenant's requests for approval shall be prompt, and such approval shall not be unreasonably withheld. Upon installation, Tenant shall furnish the Port with a copy of the "as-built" drawings including utility installations and site plans detailing the nature of the additions, alterations or improvements. The Port reserves the right to have Tenant remove, at Tenant's sole expense, all or any of such alterations, additions or improvements at the end of the Lease term as provided in paragraph 19, **OWNERSHIP AND DISPOSITION OF IMPROVEMENTS**. Any dispute under this section shall be subject to arbitration under Paragraph 37,

ARBITRATION PROCEDURE.

18.2 Signage. Tenant shall have no right to install Tenant identification signs in any location in or about the Premises that are visible from the exterior of the building, without first obtaining written approval of the Port. The location, size, design, color and other physical aspects of permitted signs shall be subject to (i) Port's written approval prior to installation; (ii) any covenants, conditions or restriction encumbering the Premises and (iii) any applicable municipal permits and approvals.

19. OWNERSHIP AND DISPOSITION OF IMPROVEMENTS.

a. Landlord and Tenant agree that, except the Frontage Improvements described in Section 45 below, during the Term of this Lease, all improvements on the Premises, including all buildings, fixtures, etc., shall be the personal property of Tenant, and title to said improvements shall vest with Tenant.

b. Except as otherwise agreed to in writing by the Port, in its sole and absolute discretion, within one hundred and twenty (120) days after the expiration or earlier termination of this Lease (including any and all extensions or renewals thereof), the Tenant shall at Tenant's expense, remove, demolish or clear off from the Premises all improvements and all property owned by Tenant, and after such removal or clearance, Tenant shall restore the surface of the ground to a properly graded, filled, compacted, level, and uniform condition, free from all debris, and in accordance with all applicable law and all provisions of this Lease, including but not limited to Paragraph 27, **HAZARDOUS SUBSTANCES**.

c. If the Port, in its sole discretion, elects to have all or any portion of the improvements remain on the Premises, then title to the same shall pass to the Port, free of any right, title, or interest of Tenant therein, or its successors or assigns, without any allowance, compensation, or payment by the Port. Tenant hereby grants and conveys to the Port all of its right, title and interest in and to such improvements, to be effective for all purposes only upon the expiration or termination of this Lease and the Port's election to have such improvements remain upon the Premises. Upon such election by the Port, Tenant further agrees to execute, acknowledge and deliver to the Port contemporaneously with the expiration or termination of this Lease, a proper, recordable Bill of Sale conveying said improvements and releasing to the Port any right, title and interest of Tenant in and to all improvements remaining on the Premises pursuant to the election of the Port, and agrees to give such further assurances of title as may be required by the Port. In addition, upon such election by the Port, Tenant shall, upon expiration or termination of the lease, surrender and deliver the Premises and all improvements to remain on the Premises to the Port, without delay and in good order, condition and repair, ordinary wear and tear excepted, and in a neat and clean condition, excepting only Tenant's or any subtenant's movable trade fixtures, machinery, equipment and personal property that can be removed without injury to the Premises. Tenant shall also deliver to the Port all documents necessary or appropriate for the proper operation, maintenance and management of the Premises and remaining improvements.

d. Any dispute under this section shall be subject to arbitration under Paragraph 37, **ARBITRATION PROCEDURE.**

20. INSPECTION.

The Port reserves the right to inspect the Premises at any and all reasonable times throughout the term of this Lease, provided that it shall not interfere unduly with Tenant's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the Premises, and shall impose no liability upon the Port for failure to make such inspections.

21. RESTORATION.

a. At all times during the term of this Lease, Tenant shall maintain in effect upon Tenant's improvements on the Premises, fire and extended coverage property insurance for physical loss and damage excluding earthquake insurance and flood insurance, written by companies authorized to do business in the

State of Washington and approved by the Port's insurance carrier. Such policy or policies (a) shall be written in the form of replacement cost insurance in an amount not less than 100% of the full replacement cost of Tenant's improvements on the Premises, which amount shall be adjusted not less frequently than annually, (b) shall contain an endorsement waiving any and all rights of subrogation against the Port and (c) shall provide that notice of cancellation of the policy or any endorsement shall be given to the Port and any other party designated by the Port at least 10 days prior to cancellation. The Port and each other party designated by the Port shall be named as additional insureds and loss payees on all such policies. Tenant shall provide the Port and each other party designated by the Port with certificates of insurance evidencing such coverage, and at the Port's request shall provide copies of the actual policies. Tenant shall provide evidence of renewal at least 30 days prior to the expiration of such policy or policies. Tenant will also take out and maintain policies of insurance to cover the loss, damage or destruction of Tenant's furniture, fixtures, equipment and other items owned by Tenant on the Premises, with limits based on the reasonable value thereof.

b. If any building or improvement erected by Tenant on the Premises or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Tenant shall have the option, to be exercised within thirty (30) days after such event, to repair or restore said building as provided in Section c below, or to terminate this Lease by written notice thereof to the Port as provided in Section d below.

c. If Tenant chooses to repair or restore, Tenant shall, at its own cost and expense, either (i) repair or restore the same according to the original plans thereof, or (ii) repair or restore the same according to such modified plans as shall be previously approved in writing by the Port. Tenant shall elect whether to proceed under (i) or (ii) above. Such work of repair or restoration shall be commenced within sixty (60) days after the damage or loss occurs and shall be completed with due diligence but no later than one (1) year after such work is commenced, and such work shall be otherwise done in accordance with the requirements of the provisions hereof pertaining to the construction of improvements upon the Premises. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration. If *(i)* there are no insurance proceeds, or *(ii)* the same shall be insufficient for said purpose, Tenant shall make up the deficiency out of its own funds.

d. If Tenant chooses to terminate this Lease, Tenant shall not be responsible for the cost of any repairs or restoration on the Premises, including the costs of any repairs or restoration the Port undertakes. Tenant shall pay to the Port all insurance proceeds received by Tenant for damage or casualty loss to any building or improvement erected by Tenant, or if not yet received, Tenant shall assign to the Port all rights and interest in such insurance proceeds.

e. Any dispute under this section shall be subject to arbitration under Paragraph 37 **ARBITRATION PROCEDURE**.

22. DEFAULTS.

Time is of the essence of this Lease, and in the event of the failure of Tenant to pay the rental or other charges provided in this Lease at the time and in the manner herein specified, or to keep any of Tenant's covenants or agreements herein, the Port may elect to terminate this Lease and reenter and take possession of the Premises with or without process of law, provided, however, that Tenant shall be given ninety (90) days' notice in writing, stating the nature of the default in order to permit such default to be remedied by Tenant within said 90-day period. If the Port issues a notice of default for the nonpayment of rent, in order to cure such default, Tenant must pay the overdue rent, plus a Fifty Dollar ($50.00) lease reinstatement fee. If during any consecutive twelve-month period, the Port has issued three notices of default, the Port shall not be required to accept the cure of any subsequent default by Tenant and may terminate this Lease or exercise any other rights or remedies available to it immediately by written notice to Tenant without the expiration of any otherwise applicable cure period.

If upon such reentry there remains any personal property of Tenant or of any other person upon the Premises, the Port may, but without the obligation to do so, remove said personal property and hold it for the

owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Tenant shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Tenant, after it has been stored for a period of 120 days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Tenant to the Port, and the balance, if any, shall be paid to Tenant. Notwithstanding any such reentry, the liability of Tenant for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Tenant shall make good to the Port any deficiency arising from a reletting of the Premises at a lesser rental than that chargeable to Tenant. Tenant shall pay such deficiency each month as the amount thereof is ascertained by the Port. After termination of this Lease by the Port for Tenant's default due to nonpayment of rent, payment by Tenant to the Port of any charges due and owing under this Lease shall not cure or excuse Lessee's default in connection with rents and/or other charges. All remedies of the Port hereunder are cumulative and not alternative.

23. ADVANCES BY PORT FOR TENANT. [Intentionally Deleted.]

24. HOLDING OVER.

If Tenant shall, without the consent of the Port, hold over after the expiration or sooner termination of this Lease, the resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis, terminable as provided by law. During such month-to-month tenancy, Tenant shall pay to the Port the rate of the then-current rental under the terms of the Lease, unless a different rate shall be agreed upon, and the Tenant shall be bound by all of the provisions of this Lease, except Term.

25. ASSIGNMENT OR SUBLEASE.

Except as provided below, Tenant shall not assign or transfer (including any assignment or transfer for security purposes) this Lease or any interest therein nor sublet the whole or any part of the Premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the advance written consent of the Port, whose consent shall not be unreasonably withheld. Upon any sublease of the Premises or any part thereof, Tenant shall include the following provision in the sublease:

> *Port Ground Lease. Sublessee understands, acknowledges, and agrees that Sublessor's right to the real property on which the Premises are located are pursuant to a Ground Lease between Sublessor and the Port of Olympia, a copy of which is attached as Exhibit _hereto. Sublessee understands, acknowledges, and agrees that it shall be bound by all provisions in the Ground Lease to which Sublessor is subject, including but not limited to provisions related to protection of air space, environmental provisions, and any limitation on use of the property and Premises. Sublessee acknowledges that it has had an opportunity to review the Ground Lease in its entirety and takes no exceptions to any provisions therein.*

Notwithstanding any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent pursuant to this paragraph. Tenant shall pay for the costs incurred by Landlord related to an assignment or sublease under this paragraph, including but not limited to the costs of surveys, obtaining third party consents, and attorneys' fees; provided that, Tenant's obligation to pay said costs only arises after Landlord provides detailed invoices and information to Tenant, showing that said costs were in fact incurred and were related to an assignment or sublease under this paragraph.

26. COMPLIANCE WITH PORT REGULATIONS/ALL LAWS.

Tenant agrees to comply with all applicable published rules and regulations of the Port pertaining to the building or other realty of which the Premises are a part now in existence or hereafter promulgated for the general health, welfare, safety and convenience of the Port, its various tenants, invitees, licensees

and the general public. Tenant further agrees to comply with all applicable federal, state and local laws, rules, regulations, ordinances, permits, orders, and decrees, including, without limitation, those relating to environmental matters, and Americans with Disabilities Act, as currently in effect or as may be hereafter amended or issued. Any fees for any federal, state or local inspections and/or certificates required for use and occupancy of the Premises during the Lease term shall be paid by Tenant.

27. HAZARDOUS SUBSTANCES.

Tenant certifies, represents, warrants, covenants and agrees that:

a. As used in this Section 27, "Hazardous Substances" means any chemical, substance, material, waste, vapor, or similar matter defined, classified, listed or designated as harmful, hazardous, extremely hazardous, dangerous, toxic, radioactive, or pollution, or as a contaminant or pollutant, or other similar term, by, and/or which are subject to regulation under, any federal, state or local environmental statute, rule, regulation, or ordinance presently in effect or that may be promulgated in the future, and as they may be amended from time to time.

b. As used in this Section 27, "Other Property" means any real or personal property other than the Premises (including, without limitation, surface or ground water) which becomes contaminated with Hazardous Substances as a result of operations or other activities on, or the contamination of, the Premises.

c. Tenant shall apply for and obtain all necessary federal, state, and local permits and approvals for Tenant's use of the Premises. Tenant shall not commence any activity on the Premises until all permits and approvals required for such activity have been issued, and shall conduct all activities on the Premises in compliance with such permits and approvals.

d. Tenant agrees and warrants for itself and its employees and agents, (collectively "Tenant's Representatives"), that Tenant and Tenant's Representatives will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, orders, and decrees relating to the generation, recycling, treatment, use, sale, storage, handling, transport, disposal, release, and cleanup of any Hazardous Substances by Tenant or any of Tenant's Representatives on the Premises (collectively "Environmental Laws"). In addition, Tenant and Tenant's Representatives will not, without the Port's prior written consent, keep on or around the Premises or any common areas, for use, disposal, treatment, generation, storage, or sale, any Hazardous Substances.

e. With respect to any Hazardous Substance, Tenant shall:

(i) Comply promptly, timely and completely with all applicable requirements for reporting, keeping and submitting manifests and obtaining and keeping current identification numbers;

(ii) Make available for the Port's review during normal business hours, true and correct copies of all reports, manifests and identification numbers retained by Tenant or submitted to appropriate governmental authorities, and all documents and communications received from any government agencies, and provide copies to the Port of all documents requested by the Port at no cost to the Port within five (5) business days of the Port's request;

(iii) Within five (5) business days of a written report from the Port, submit a written report to the Port regarding Tenant's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the Port of Tenant's compliance with applicable Environmental Laws;

(iv) Allow the Port or the Port's agents or representatives to come on the Premises at all reasonable times to check Tenant's compliance with all applicable Environmental Laws; and

(v) Comply with all applicable Environmental Laws, and all requirements and standards established by federal, state, or local governmental agencies responsible for or specifically charged with the regulation of Hazardous Substances.

f. Tenant has not and will not release or waive the liability of any party who may be potentially responsible for the presence or removal of Hazardous Substances on or from the Premises.

g. Tenant agrees to immediately notify the Port if Tenant becomes aware of (a) any release of any Hazardous Substances or any other environmental issue or liability with respect to the Premises or any Other Property; or (b) any lien, action or notice resulting from a violation of any Environmental Laws. At its own cost, Tenant will take all actions which are necessary to notify relevant and appropriate authorities of any release caused by Tenant or Tenant's representatives and to remediate any Hazardous Substances resulting from a release caused by Tenant or Tenant's representatives that affect the Premises, including removal, containment or any other remedial action required by governmental authorities.

h. If Tenant is in non-compliance with any Environmental Laws or is in non-compliance with this Section 27, it shall promptly take such action as is necessary to mitigate and correct the non-compliance. If Tenant fails to act in a prudent and prompt manner, the Port shall have the right, but not the obligation, to enter the Premises and act in place of the Tenant (with Tenant hereby appointing the Port as its agent for such purposes), and to take such action as the Port deems necessary to address or mitigate the non-compliance. All costs and expenses incurred by the Port in connection with any such action shall be payable by the Tenant and shall become immediately due and payable as additional rent upon presentation of an invoice therefor. Without limiting the foregoing, in the event of Tenant's non-compliance with any requirements in subsections (e)(i) – (v) above, any and all costs incurred by the Port with respect thereto, including but not limited to costs of inspections and monitoring, shall become immediately due and payable as additional rent upon presentation of an invoice therefor.

i. Tenant's obligations under this Section 27 are unconditional and shall not be limited by any other limitations of liability provided for in this Lease. The representations, warranties and covenants of Tenant set forth in this Section 27: (a) shall survive and continue in effect after any termination or expiration of this Lease for any reason.

j. Upon expiration or sooner termination of this Lease, Tenant shall have removed from the Premises any Hazardous Substances, contaminated soils or other contaminated or hazardous materials or substances deposited thereon by Tenant in a manner that complies with all applicable Environmental Laws. Any failure to complete such removal by the expiration or sooner termination of this Lease shall be deemed a holding over by Tenant subject to the provision of paragraph 24, **HOLDING OVER**. At the Port's request, within 30 days thereafter, Tenant shall deliver to the Port a certificate from the Thurston County Health Department certifying that the Premises comply with all applicable requirements of the Health Department concerning levels of the Hazardous Substances deposited on the Premises by Tenant. At such time, Tenant shall also reconfirm its representations and warranties contained herein and shall represent and warrant that, to Tenant's knowledge, upon termination of the Lease all Hazardous Substances caused by Tenant have been removed from the Premises and have been properly and lawfully disposed of.

28. STORAGE TANK LICENSES. [Intentionally Deleted.]

29. INSPECTIONS AND NOTICE OF CHANGE.

a. Tenant agrees that inspections may be required by the Port to assure compliance with paragraphs 27, **HAZARDOUS SUBSTANCES**. Such inspections shall be made at any time the Port has good cause to believe a problem may exist.

b. The Tenant shall annually identify any materials listed in Exhibit "D" used in the course of its ordinary business.

30. EMINENT DOMAIN.

If the Premises shall be taken or condemned for any public purpose, or for any reason whatsoever, to such an extent as to render the Premises untenantable, either Lessor or Tenant shall have the option to terminate this Lease effective as of the date of taking or condemnation, which shall be the earlier of the date

the final condemnation judgment or the date possession is taken by the condemning authority. If the taking or condemnation does not render the Premises untenantable, this Lease shall continue in effect, and Lessor shall, if the condemnation award is sufficient therefor, promptly restore the portion not taken to the extent possible to the condition existing prior to the taking. If, as a result of such restoration, the area of the Premises is reduced, the rental shall be reduced proportionately. All proceeds from any taking or condemnation shall be paid to Lessor and Tenant waives all claim against such proceeds; provided, however, that Tenant shall be entitled to any award separately designated for Tenant's relocation expenses or for damage or taking of Tenant's trade fixtures or other personal property. A voluntary sale or conveyance in lieu of but under the threat of condemnation shall be considered a taking or condemnation for public purpose, and shall include the Port's use of the Premises for any purpose for public use in connection with the operation of the business of the Port. If the Port so requires the use of the Premises, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Tenant not less than six (6) months or more before the termination date specified in the notice, and damages to Tenant, if any resulting therefrom shall be determined by agreement between the parties hereto, or in the absence of agreement, by arbitration under Paragraph 37, **ARBITRATION PROCEDURE**. Damages or other compensation shall be determined in accordance with RCW 53.08.010 and Title 8 as appropriate.

31. INSOLVENCY. [Intentionally Deleted.]

32. PROMOTION OF PORT COMMERCE.

The purpose of the Port is to encourage the development of commerce within the Port district, and to every reasonable extent possible, increase the movement of passengers and freight through Port facilities. In furtherance of this purpose, Tenant agrees to cooperate with the Port in the promotion of these purposes during the term of this Lease, and wherever reasonably possible, to utilize the Port's facilities in the movement of freight and passengers as a part of Tenant's business activities. Nothing in this paragraph shall be construed to obligate Tenant to spend monies in the Port's promotional advertising, but Tenant does agree to supply such information and data for the Port's promotional and advertising activities.

33. ATTORNEY'S FEES AND COSTS. [Intentionally Deleted.]

34. NONDISCRIMINATION - SERVICES.

Tenant for itself, its agents and employees, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a federal Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

It is agreed that Tenant's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

35. NONDISCRIMINATION – SERVICES, CONSTRUCTION, USE.

Tenant for itself, its agents and employees, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of

Transportation, and as said Regulations may be amended.

The Port reserves the right to take such action as the appropriate governmental authority may direct to enforce these provisions.

36. APPRAISAL PROCEDURE. [Intentionally Deleted.]

37. ARBITRATION PROCEDURE.

In the event of a dispute between the Port and Tenant with respect to any issue specifically mentioned elsewhere in this Lease as a matter to be decided by arbitration, such dispute shall be determined by arbitration as provided in this paragraph. The party initiating arbitration shall serve a notice of arbitration upon the other party in the manner required for notices under Section 40 of this Lease. All disputes governed by this arbitration provision shall be resolved before a single arbitrator mutually agreed upon by the parties, or if the parties are unable to agree within thirty (30) days after the notice of arbitration is served, by an arbitrator selected in accordance with JAMS Comprehensive Arbitration Rules & Procedures ("JAMS Rules"). The arbitration shall take place in Olympia, Washington and apply Washington law in accordance with the JAMS Rules with the exception that Washington's Rules of Evidence shall apply in the arbitration hearing. The parties are not required to use JAMS to administrate the arbitration unless the arbitrator is selected under the JAMS Rules or the parties cannot agree on an arbitration administrator. The arbitrator shall have the authority to decide all issues between the parties that are governed by this provision, including, but not limited to whether the necessary procedures for arbitration have been followed. The arbitrator's decision shall be rendered within thirty (30) days the arbitration hearing, and such decision shall be in writing, with copies thereof delivered to each of the parties. The arbitration fees, including the cost of the arbitrator, shall be borne equally by the parties, and each party shall pay its own attorneys' fees and legal costs. The award rendered by the arbitrator shall be in accordance with applicable law and shall be final, binding, and conclusive on the parties. Judgment may be entered upon such award in Thurston County Superior Court.

38. JOINT AND SEVERAL LIABILITY. [Intentionally Deleted.]

39. INVALIDITY OF PARTICULAR PROVISIONS.

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

40. NOTICES.

All default and other substantial notices required under the provisions of this Lease may be personally delivered or mailed. If mailed, they shall be sent by certified mail, return receipt requested, to the following addresses:

To the Port:
Port of Olympia
606 Columbia Street NW, Suite 300
Olympia, WA 98501

To the Tenant:
Washington State Department of Enterprise Services
Real Estate Services Division
1500 Jefferson Street
PO Box 41468
Olympia, WA 98504-1468

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices given by personal delivery shall be deemed given upon receipt. Notices sent by mail shall be deemed given three days after properly mailing, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

41. WAIVER.

No waiver by of any default hereunder by a Party shall be construed to be or act as a waiver of any subsequent default by the other Party. After any default shall have been cured by a Party, it shall not thereafter be used as a ground for the commencement of any action under the provisions of Paragraph 22, **DEFAULTS**.

42. BINDER.

Subject to Paragraph 25, **ASSIGNMENT OR SUBLEASE** above, this Lease is binding upon the parties hereto, their heirs, personal representatives, successors in interest and assigns when it has been executed by both parties, approved as to form by the Office of the Attorney General, and ratified by the Port of Olympia Commission ("Effective Date").

43. RECORDING. [Intentionally Deleted.]

44. REAL ESTATE COMMISSIONS AND FEES. [Intentionally Deleted.]

45. FRONTAGE IMPROVEMENTS.

Tenant shall provide frontage improvements along the eastern, southern, and western boundary lines of the Premises, consistent with the City of Tumwater's engineering and design standards. These frontage improvements must be completed by the last day of the 60th month after the Effective Date of the agreement.

46. AMENDMENTS.

This Lease and the exhibits and attachments herein may be altered, modified, amended, or revoked only by an instrument in writing signed by all parties, approved as to form by an Assistant Attorney General, and ratified by the Port of Olympia Commission.

[Signature Page Follows]

LESSOR:

Port of Olympia, a Washington municipal corporation

By: _____
Alexandra Smith
Executive Director
Date: _____

APPROVED AS TO FORM:

By: _____
Megan Lin
General Counsel

Date: _____

TENANT:

Washington State Department of Enterprise Services

By: _____
Richard J. Bushnell, Assistant Director
Real Estate Services
Date: 11-4-26

RECOMMENDED FOR APPROVAL:

By: James Hickman
Jim Hickman, Property and Acquisition Specialist
Real Estate Services
Date: 11-04-2026

APPROVED AS TO FORM:

By: Susan K Kaplan
Assistant Attorney General

Date: October 30, 2026

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____day of _____, 2026, personally appeared before me **ALEXANDRA SMITH** to me known to be the Executive Director at the Port of Olympia, the municipal corporation named in the within and foregoing **Lease Agreement,** and acknowledged to me that he signed the same on its behalf, as she is so authorized to do, as her free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

_____
(Print Name) _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My commission expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this 4th day of November, 2026, personally appeared before me **RICHARD J. BUSHNELL**, to me known to be the Assistant Director, Real Estate Services, Department of Enterprise Services, State of Washington, the state agency named in the within and foregoing **Lease Agreement,** and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Allison Lilly
(Print Name) Allison Lilly
NOTARY PUBLIC in and for the State of Washington,
residing at Thurston County
My commission expires: 11/24/26

ALLISON LILLY
Notary Public
State of Washington
Commission # 22031710
My Comm. Expires Nov 24, 2026

AUTHORIZATION

The undersigned confirms that this Lease was authorized by the Port of Olympia Commission on _____, 2026.

Port of Olympia Commission

By: _____

Its: _____

Date: _____

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____ day of _____, 2026, personally appeared before me _____, to me known to be the President of the Port of Olympia Commission, the municipal corporation named in the within and foregoing **Lease Agreement,** and acknowledged to me that s/he signed the same on its behalf, as s/he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

_____
Print Name: _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION

Land of approximately 10.16 acres situated in that portion of Section 10, Township 17 North, Range 2 West, W.M., Thurston County, Washington described as follows:

Commencing at the South Quarter Corner of said Section 10; Thence North 01°57'13" East, along the North-South Centerline of said Section, 3562.04 feet; Thence South 88°02'47" East, along the Centerline of 76th Avenue S.W., 1290.45 feet, to the intersection with New Market Street S.W.; Thence North 01°57'13" East, along the Centerline of New Market Street, 108.00 feet; Thence South 88°02'47" East 50.00 feet to the east right of way of said street and the Point of Beginning of this description; Thence North 01°57'13" East along said right of way, 777.00 feet to a curve, the radius point of which bears South 01°57'13" East 50.00 feet; Thence along said curve, through a central angle of 90°00'00" for an arc distance of 78.54 to a point on the south right of way of Airdustrial Way; Thence South 88°02'47" East, along said right of way 35.44 feet to a curve, the radius point of which bears North 01°57'13" East 868.51 feet; Thence, along said curve, through a central angle of 22°14'34" for an arc distance of 337.16 feet to a point of reverse curvation, the radius point of which bears South 20°14'59" East 50.00 feet; Thence, along said curve, through a central angle of 83°47'46" for an arc distance of 73.13 feet to a point of compound curvature, the radius point of which bears South 63°32'47" West 184.18 feet; Thence, along said curve, through a central angle of 28°24'26" for an arc distance of 91.32 feet to a point on the West right of way of Terminal Street; Thence South 01°57'13" West, along said right of way, 781.28 feet to a curve, the radius point of which bears North 88°02'47" West 50.00 feet; Thence, along said curve through a central angle of 90°00'00" for an arc distance of 78.54 feet, to a point on the north right of way of 76th Avenue; Thence North 88°02'47" West, along said right of way, 398.72 feet to a curve, the radius point of which bears North 01°57'13" East, 50.00 feet; Thence, along said curve, through a central angle of 90°00'00" for an arc distance of 78.54 feet to the point of beginning and the end of this description.

EXHIBIT B
REQUIREMENTS AS TO IMPROVEMENTS

These conditions relating to improvements in this Exhibit "B" shall control unless the Port and Tenant have otherwise separately agreed to more specific time periods for production and coordination of drawings, financing and commencement of construction. In the event such additional documentation becomes a part of this Lease, then the time periods set forth in such documents shall be logically coordinated, the intent being that the shorter time periods should control the parties' respective performances. To the extent any provision in this Exhibit B conflicts with Lease, the Lease shall prevail.

1. PORT APPROVAL OF TENANT IMPROVEMENTS.

As used herein, the terms "improvements" or "structures" shall mean and include without limitation all permanent buildings, and all other major structures or improvements of any kind located above the ground level of any site, plus any replacements, additions, repairs or alterations thereto. No improvement shall be constructed or maintained on the Premises until the Port has first approved the design, density, size, appearance and location thereof. Before commencing any work of improvement or applying for any governmental permit or approval, Tenant shall first deliver to the Port for approval two (2) sets of schematic plans and preliminary specifications, including grading and drainage plans, exterior elevations, floor plans, site plans, and showing in reasonable detail existing topography and proposed type of use, size, land coverage, shape, height, location, material and elevation of each proposed improvement, all proposed ingress and egress to public or private streets or roads, all utilities and service connections, and all proposed landscaping, exterior materials and fences, parking, exterior lighting, signs, cut and fill, finished grade, runoff and concentration points. Nothing in this paragraph shall imply a submission standard higher than that required for a building permit, except as it relates to land use(s), utilities, infrastructure and impact upon adjoining properties and use(s) of adjoining properties.

The Port shall then have twenty (20) days during which to accept and approve or reject such preliminary plans and specifications. Once the preliminary plans and specifications have been approved, but prior to commencing any such work, Tenant shall submit to the Port for approval of final plans and specifications for any proposed improvements in the same manner as provided above.

All plans and specifications for grading or improvements to be submitted to the Port hereunder shall be prepared by a licensed or registered architect or engineer, as the case may be. All grading, piling, footing and foundation work must be conducted under the supervision of an appropriate licensed engineer. At the Port's option, a final certification by a licensed soils engineer or geologist must be filed with the Port upon completion of the grading work. The Port shall not unreasonably withhold its approval of any such plans or specifications.

The Port shall be conclusively deemed to have given its approval unless, within thirty (30) days after all such plans and specifications have been received by the Port, the Port shall give Tenant written notice of each item of which the Port disapproves. Unless so disapproved, the Port shall endorse its approval on at least one set of plans and return the same to Tenant. The Port may disapprove any plans which are not in harmony or conformity with other existing or proposed improvements on or in the vicinity of the Premises, or with the Port Master Plan or other plans or criteria for the Premises in the general area in which the Premises are located, the sole discretion as to such adequacy remaining with the Port. Notwithstanding the foregoing, Tenant may, in accordance with the lease, repair, replace, alter or reconstruct any improvement on the Premises for which plans were previously approved by the Port as provided above, but only if such repair, replacement, alteration or reconstruction is substantially identical to the improvement previously approved.

Concerning utility installations, Tenant, at Tenant's sole cost, including any connection fees, assessments or changes, shall be responsible for the installation on the Premises of all utilities required by Tenant's use of the Premises, assuming such utility services are available to the Premises. Any contractual arrangements with any municipal supplier with respect to the improvements or utility installation shall not be

entered into by Tenant without first obtaining the Port's approval. In the event that such utility services are not readily available at the Premises, Tenant, at Tenant's sole cost, shall pay for the extension of such utilities to the Premises.

The Port shall not be liable for any damages in connection with the approval or disapproval of any plans or specifications, any construction or performance by Tenant on the Premises in connection with the erection of such improvements, any mistake in judgment, negligence or omissions in exercising its rights and responsibilities hereunder, or the enforcement or failure to enforce any provisions contained in the Lease. The Port's approval of plans and specifications shall not constitute the assumption of any responsibility by the Port or its representatives for the accuracy, efficacy or sufficiency thereof, and Tenant shall be solely responsible therefor.

2. **CERTIFICATES OF COMPLIANCE.**

Tenant shall obtain all necessary permits and shall send copies of same to the Port, as well as copies of Certificates of Completion/Occupancy associated with such permits and pay the cost thereof. Prior to commencement of any such work of improvements, Tenant shall supply to the Port a certificate from a licensed civil engineer or land surveyor verifying that the appropriate subdivision or binding site plan approval has been obtained, and that the proposed improvements will be located on the correct parcel and in accordance with plans previously approved by the Port. The Port may waive such requirement if the Port has already surveyed the proposed Premises. Upon completion of any such improvements, Tenant shall supply to the Port a further certification by Tenant's architect (including the landscape architect in the case of improvements consisting of landscaping) that the improvements, as designed by the architect, have been completed in accordance with the plans previously approved by the Port. Final landscaping as approved by the Port shall be completed within sixty (60) days after completion of the structure. Tenant shall also supply to the Port one (1) set of "as-built" grading plans showing all underground installations within sixty (60) days following completion of any substantial improvement within the Premises. Tenant shall also furnish the Port with a complete set of "as-built" building plans and an itemized statement of the actual construction cost of such improvements, not later than sixty (60) days after completion.

3. **DILIGENT COMPLETION AND COMPLIANCE.**

After commencement of construction, Tenant shall diligently complete the construction so that the improvements will not remain in a partly finished condition any longer than is reasonably necessary. Tenant shall comply with all applicable governmental laws, ordinances and other requirements or conditions and restrictions which may affect the Premises, (whether prior to, during or after construction) including, without limitation, the Americans With Disabilities Act, and shall make such corrections, alterations or other improvements which may be necessary to remedy any non-complying condition (subject to the reasonable approval of the Port), all at the sole cost and expense of Tenant.

EXHIBIT C
LESSOR'S CONSENT AND AGREEMENT
(For Financing Purposes)

Description of Ground Lease.

"Lessor":	Port of Olympia
"Tenant":	Washinton State Department of Enterprise Services
"Lease":	Ground Lease dated _____
"Leasehold":	Tenant's interest in the Lease and all Leasehold Improvements
"Lender(s)":	_____
	_____
	_____
	_____

NOW, THEREFORE, Lessor represents, warrants, covenants and agrees as follows:

1. **Consents**. Lessor hereby consents to the assignment of Tenant's interest in the Leasehold to Lender for security purposes under the Lender's Deed of Trust upon closing of the loan. Herein the term "Deed of Trust" shall mean the Lender's Deed of Trust as may be applicable and the "Lender" shall mean _____, as its/their interests appear in the Deed of Trust.

2. **Status of Lease**. A true and correct copy of the Lease, together with all amendments, supplements, and modifications thereto, is attached as Schedule A to this Agreement. The Lease is presently in full force and effect, is valid and enforceable according to its terms and has not been modified or amended in any way except as shown on the copy of the Lease attached hereto.

3. **Non-Default**. Tenant is not in default (a) in the payment of rent or any other amounts due and payable by Tenant to Lessor under the Lease or (b) to the knowledge of Lessor, in the observance or performance of any other covenant or condition to be observed or performed by Tenant under the Lease. To the knowledge of Lessor, no event has occurred which now does or hereafter will authorize Lessor to terminate the Lease.

4. **Right to Foreclose Deed of Trust.** Lender recognizes that any Deed of Trust taken by Lender affects and applies only to Tenant's interest in the Leasehold and that Lessor will not permit any security interest to be taken in any of its land. In the event of default by Tenant under the terms of the Deed of Trust, Lender may enforce or foreclose the Deed of Trust including the acceptance of a Deed in Lieu of Foreclosure. Lessor agrees that in connection with any such foreclosure, Lender may:

a. acquire Tenant's interest in the Leasehold either by Deed in Lieu of Foreclosure or actual foreclosure without further consent of Lessor, subject to the requirements of paragraph 6.4 below.

b. rent the Premises pending foreclosure of the Leasehold by Lender without further consent of Lessor.

c. assign and sell the Leasehold in whole or in part to any person or entity, subject to the requirements set forth in paragraph 6.5 below.

5. **Surrender of the Premises.** No surrender of the Premises or any other act of Tenant shall be deemed to terminate the Lease and Lessor will not terminate voluntarily by agreement with Tenant unless Lender has been previously notified in writing and has consented to the termination in writing. The Lease shall not be amended or modified unless Lender has been previously notified in writing and has consented to such amendment or modification in writing.

6. **Notice of Default and Lender's Rights.**

6.1. **Notice of Default.** If Tenant defaults under the Lease or if any event occurs which would give Lessor the right to terminate, modify, amend or shorten the term of the Lease, Lessor shall take no steps to exercise any right it may have under the Lease without first giving Lender written notice of such default. A copy of each and every Notice of Default served or sent by Lessor or its agent to or upon Tenant pursuant to the Lease shall be sent contemporaneously to Lender in accordance with paragraph 13 below. Such Notice of Default shall specify the event or events of default then outstanding and the time period at the end of which the indicated action would become effective.

6.2. **Termination for Monetary Default.** If the Notice of Default given by Lessor to Lender relates to a monetary default and Tenant has not cured such monetary default within 15 days as provided in the Lease and Tenant's failure to cure results in Lessor desiring to terminate the Lease, Lessor may terminate the Lease if such monetary default is not cured by either Tenant or Lender within twenty (20) days of Lender's receipt of Notice, and kept current thereafter.

6.3. **Termination for Non-Monetary Default.** If the notice given by Lessor to Lender relates to a non-monetary default and Tenant has not cured such non-monetary default within the 30-day period specified in the Lease, Lessor shall take no action to terminate the Lease if:

(a) within 20 days after Lessor's notice to Lender to Tenant's failure to cure (or failure to diligently pursue a cure) Lender notifies Lessor of its intent to realize upon its security interest and commences realization within 60 days thereafter, and diligently pursues realization; and

(b) Lender notifies Lessor that it will assume the Lease when Lender is legally entitled to the ownership and/or possession of Tenant's interests in the Leasehold; and

(c) Lender pays Lessor at time of notification all back rent or other monies or performances due that may be in default up to the date Lender notifies Lessor of Lender's intent and further pays all rent that accrues during the period after Lender so notifies Lessor and completes such other performances that may be required or come due under the Lease.

6.3.1. Lessor shall not terminate the Lease because of Tenant's breach of any term(s) of the Lease relating to the solvency of Tenant or the institution of any bankruptcy, insolvency,

receivership or related action by or against tenant as long as Lender cures any default under the Lease by Tenant as provided in this Consent and Agreement. If the non-monetary default is of a nature which requires immediate abatement as a result of which Lender would not normally pursue realization on the collateral, and Tenant has not taken steps to immediately cure the default, then Lender must take immediate steps to cure such default within ten (10) days of receipt of notice or else the Lessor may terminate the Lease.

6.3.2. Upon termination of the Lease as provided herein, Lender will release its Deed of Trust within fifteen (15) days thereafter.

6.4. **Assumption of the Lease**. If Lender acquires the interest of Tenant at any time or takes possession of the collateral, then Lender shall formally assume the Lease within twenty (20) days thereafter. Failure to so assume the Lease shall give Lessor the right to immediately terminate the Lease.

6.5. **Right to Assign**. Lender shall not have the right to assign its interest in the Leasehold nor in the case of a foreclosure under the Deed of Trust shall the Trustee under the Deed of Trust transfer the Leasehold to any person or entity (other than Lender) without first obtaining the written consent of Lessor for such assignment or transfer, which consent will not be unreasonably withheld or delayed provided that Lender has disclosed to Lessor (a) the identity of the proposed purchaser, assignee or transferee;
(b) shown that the purchaser's, assignee's or transferee's credit standing would reasonably be acceptable to a commercially prudent lender; and (c) provided evidence to Lessor that the use of the property by such purchaser, assignee or transferee shall be consistent with the terms of the Lease or Tenant's prior use of the Leasehold. Upon the purchaser's, assignee's or transferee's assumption and agreement to perform and to be bound by all of the terms of the Lease, Lender shall be relieved of further liability under the Lease, however, if Lender finances the purchaser, assignee or transferee, Lender shall again be subject to all the obligations set forth in this Agreement.

7. **Disposition of Insurance and Condemnation Proceeds.** Lessor shall be named as an additional insured under any of Tenant's casualty policies on the Premises to the extent of the interests limited in this paragraph 7. Should the Premises suffer any loss which is covered by casualty insurance, and the insurance proceeds are used to restore any improvements made by Tenant, Lessor agrees that Tenant and Lender shall have the right to such proceeds so long as none of Lessor's property, utilities or other services therein are damaged or such damages are repaired. In the event the Premises are substantially damaged and Tenant's improvements have been repaired, Lessor shall only participate in the insurance proceeds to the extent necessary to repair and restore Lessor's ground and any of Lessor's or Tenant's improvements (excluding buildings and personal property) on or in the ground to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Under the Lease, Lessor has the option of requiring Tenant to demolish the improvements at the end of the Lease term, or to have Tenant convey title to Lessor Tenant's interests in the Leasehold Improvements. In the event Premises and the Leasehold are so severely damaged that Tenant's and Lenders' decision is not to repair or restore the Premises, Lessor shall participate in the insurance proceeds to the extent necessary to remove the remainder of the damaged improvements and to restore the Premises and any utilities or other such improvements (excluding rebuilding the improvements or restoring other personal property of Tenant) to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Other than as described herein, Lessor shall have no claim to insurance proceeds or condemnation proceeds that are attributable to Tenant's interest in the Leasehold, nor shall Lender have any interest in Lessor's condemnation proceeds, if any.

8. **Right to Participate in Litigation.** Lender shall have the right to participate in any

litigation, arbitration or dispute directly affecting the Premises or the interests of Tenant or Lender therein, including without limitation, any suit, action, arbitration proceeding, condemnation proceeding or insurance claim. Lessor, upon instituting or receiving notice of any such litigation, arbitration or dispute will promptly notify Lender of the same.

9. **Incorporation of Mortgagee Protection Provisions.** To the extent not inconsistent with this Agreement, all provisions of the Lease which by their terms are for the benefit of any leasehold mortgagee, are hereby incorporated herein for the benefit of Lender. Without limited the foregoing, Lender shall be a beneficiary of the warranty and indemnity provided in paragraph 6 of Paragraph 1, **LEASE SUMMARY**, of the Lease.

10. **Right to Remove Collateral.** In the event Lender exercises its rights under its collateral and realizes upon the collateral, Lessor agrees that Lender is entitled to remove Tenant's furniture, movable trade fixtures and equipment installed by Tenant from the Premises at any reasonable time and that the collateral shall remain personal property even though the trade fixtures may be affixed to or placed upon the Premises. "Trade fixtures" means the movable personal property of Tenant which is free standing or attached to floors, walls or ceiling, but does not include installed light fixtures, floor coverings, doors, windows, heating, plumbing or electrical systems or components thereof, including any roof-mounted HVAC equipment and/or units thereof, or permanent walls or partitions installed by Tenant. In the event Lender so realizes on its collateral, Lessor waives any right, title, claim, lien or interest in the above trade fixtures by reason of such fixtures being attached to or located on the Premises. Lender shall use reasonable care in removing the trade fixtures from the Premises and shall repair any damage that may result from such removal which shall be completed in accordance with the terms of the Lease.

11. **Interpretation of Agreement.** This Agreement sets forth the complete understanding of Lender with respect to this transaction; may be amended only in writing signed by the party against whom it is sought to be enforced; and, without limiting the generality of the foregoing shall not be deemed modified by any course of dealing. No provision in the Assignment of Tenant's Interest in Lease, Security Agreement and Deed of Trust shall vary, modify or expand the covenants herein contained. In the event of any conflict between the terms of this Agreement and the Lease, this Agreement shall control.

12. **Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its conflict-of-laws principles. The parties agree that any action, proceeding, or dispute arising out of or relating to this Lease shall be brought exclusively in the state or federal courts located in Olympia, Washington, and each party irrevocably submits to the exclusive jurisdiction and venue of such courts. In the event of litigation, the prevailing party in such litigation shall be awarded reasonable attorney's fee not to exceed twenty (20) percent of the amount in controversy, plus costs and costs of collection.

13. **Notices.** All notices, copies of notices, consents or other communications given under this Agreement must be in writing and shall be effective when received. Such communications shall be given in person to an officer of Lender or to Lessor or shall be delivered to one of such persons by registered or certified U.S. mail or by public or private courier or wire service or electronic mail addressed to the parties at their respective addresses set forth below, unless by such notice a different person or address shall have been designated in writing:

If to Lender: _____(Print)
_____(Print)
_____(Print

_____(Print)

If to Lessor: Port of Olympia
606 Columbia St. NW, Suite 300
Olympia, Washington 98501
Attn: Real Estate Operations

IN WITNESS WHEREOF, Lessor has executed these presents this _____day of _____, 20__.

LESSOR:
By: _____
Its: _____

TENANT:
By: _____
Its: _____

LENDER:
By: _____
Its: _____

EXHIBIT A

To Lessor's Consent and Agreement (Lease Exhibit C)

Copy of Lease

EXHIBIT "E"

DEVELOPMENT GUIDELINES

[Intentionally Deleted]

EXHIBIT "F"

7510 New Market Rate Schedule

Lease Year		Rate Effective Date	Rate per SF	Rate Change Trigger Points	Parcel Size (SF)	Annual Gross Revenue	Monthly Payment Before LET
0	Lease Commencement Date	Lease Execution in 2026	0.1200	Lease rate change effective & invoiced	442,569	TBD	$4,425.69
1		1/1/2027	0.2400	Lease rate change effective & invoiced		$106,216.56	$8,851.38
2		1/1/2028	0.3600	Lease rate change effective & invoiced		$159,324.84	$13,277.07
3		1/1/2029	0.4800	Lease rate change effective & invoiced		$212,433.12	$17,702.76
4		1/1/2030	0.5184	8% increase of previous year. Lease rate change effective & invoiced		$229,427.77	$19,118.98
5		1/1/2031	0.5288			$229,427.77	$19,118.98
6		1/1/2032	0.5393			$229,427.77	$19,118.98
7		1/1/2033	0.5501			$229,427.77	$19,118.98
8		1/1/2034	0.5611			$229,427.77	$19,118.98
9		1/1/2035	0.5724	Lease rate change effective & invoiced		$253,306.80	$21,108.90
10		1/1/2036	0.5838			$253,306.80	$21,108.90
11		1/1/2037	0.5955			$253,306.80	$21,108.90
12		1/1/2038	0.6074			$253,306.80	$21,108.90
13		1/1/2039	0.6195			$253,306.80	$21,108.90
14		1/1/2040	0.6319	Lease rate change effective & invoiced		$279,671.17	$23,305.93
15		1/1/2041	0.6446			$279,671.17	$23,305.93
16		1/1/2042	0.6575			$279,671.17	$23,305.93
17		1/1/2043	0.6706			$279,671.17	$23,305.93
18		1/1/2044	0.6840			$279,671.17	$23,305.93
19		1/1/2045	0.6977	Lease rate change effective & invoiced		$308,779.57	$25,731.63
20		1/1/2046	0.7117			$308,779.57	$25,731.63