

LEASE AGREEMENT

This Lease Agreement ("Lease") is between **CITY OF TACOMA, a Washington first class city**, ("Landlord"), and the **BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON**, a state institution of higher education and an agency of the State of Washington ("University").

1. Summary of Lease Terms. Capitalized terms in this summary are defined in the body of the Lease.

(a) Lease Date:

(b) Premises: 326 East "D" Street, Tacoma, Washington 98421 – 1st Floor and 3rd Floor (as shown on Exhibit A)

(c) Building: Center for Urban Waters – 326 East "D" Street, Tacoma, Washington 98421 (Approximately 41,000 rentable square feet)

(d) Project (if any): *NOT APPLICABLE*

(e) Premises Area: The First (1st) and Third (3rd) floors of the Building comprising an agreed total 6,766 rentable square feet comprised of a mix of 3,507 rentable square feet of office space ("Office Space") and 3,259 rentable square feet of lab space ("Lab Space"). University shall also be entitled to use Landlord's marine dock located adjacent to the Building as further described in Section 1(j) below.

(f) Use of Premises:

- Office
- Classroom
- Clinic
- Storage use
- Other (*describe*): Lab Space

(g) Lease Term: This Lease shall be for a Term of Sixty -Two (62) months with a Commencement Date of July 1, 2021 and an Expiration Date of August 31, 2026.

(h) Monthly Rent: See also **Section 4. Rent** for further explanation of payment schedule.

	Rent per Rentable Square Foot (RSF) w/annual 3% increases	Total RSF	Rent Per Month
Office Rent Monthly Rent	\$27/RSF/year	3,507	\$7,890
Lab Rent Monthly Rent	\$64/RSF/year	3,259	\$17,381
Marine Dock Rent Monthly Per Diem Rent	\$1.00/Lineal Foot/Day		

<u>Time Period</u>	<u>Monthly Rent Lab Space</u>	<u>Monthly Office Space</u>	<u>Total Monthly Rent Office & Lab</u>
July 1, 2021-August 31, 2021	\$17,381.33	\$6,174.00	\$23,555.33
September 1, 2021-August 31, 2022	\$17,381.33	\$7,890.75	\$25,272.08
September 1, 2022-August 31, 2023	\$17,902.77	\$8,127.47	\$26,030.24
September 1, 2023-August 31, 2024	\$18,439.85	\$8,371.30	\$26,811.15
September 1, 2024-August 31, 2025	\$18,993.05	\$8,622.44	\$27,615.48
September 1, 2025-August 31, 2026	\$19,562.84	\$8,881.11	\$28,443.95
30, 2023			

(i) Parking: University shall be entitled to use, at no additional cost, Two (2) parking stalls to be designated by Landlord.

(j) Marine Dock: Landlord has constructed a marine dock adjacent to the Building (“Marine Dock”). University shall be entitled during the lease term to moor boats or other aquatic vessels at the Marine Dock on a first come, first served basis, subject to paying the per diem charge (\$1.00 per lineal foot per day of the vessel moored at the Marine Dock) set forth in Section 1(h) above and also subject to the separate Vessel Moorage Agreement attached hereto as Exhibit M. Landlord shall maintain the Marine Dock in a good and safe condition during the lease term at Landlord’s sole cost.

(k) University’s Address for Notices:

MAILING ADDRESS:

University of Washington
 UW Real Estate
 Campus Box 352210
 Seattle, WA 98195-2210

Phone: (206) 616-3400

Email: uwreo@uw.edu

COURIER/DELIVERY ADDRESS:

University of Washington
 UW Real Estate
 University Facilities Building
 3988 Jefferson Road NE. 1st Floor
 Seattle, WA 98195-2210

(l) Landlord’s Address for Notices and Payment of Rent:

City of Tacoma – Real Property Services
747 Market Street, Room 737
Tacoma, WA 98402

(m) Broker(s): *NOT APPLICABLE*

Exhibit E summarizes all brokerage fees and/or commissions related to any brokers or agents engaged by University or Landlord in relation to this Lease, including any extension terms.

(n) Landlord's Work: As defined in Exhibit C. --- *NOT APPLICABLE*

(o) Initial University Occupant: UW Tacoma

(p) University Termination Rights: Office Space Deletion Option as set forth in Exhibit I.

(q) Extension Option: Two (2) Extension Options to extend the Term for a period of Five (5) years per each option, as set forth in Exhibit D.

Monthly Rent During Option Terms(s): 100% of Fair Market Rent as set forth in Exhibit D.

(r) Other Options (if any): None.

(s) Exhibits:

Exhibit A – The Premises
Exhibit B – Legal Description of Property
Exhibit C – Work Letter Agreement
Exhibit D – Extension Option
Exhibit E – Brokerage Commissions and Fees
Exhibit F – Commencement Date Certificate – N/A
Exhibit G – Rules and Regulations – N/A
Exhibit G-1 – Shared Facilities
Exhibit H – Estoppel
Exhibit I – Office Space Deletion Option
Exhibit J – Operational Sustainability Requirements
Exhibit K – Tenant Improvement/Construction Sustainability Requirements
Exhibit L – Form of Subordination Agreement
Exhibit M – Vessel Moorage Agreement

2. Premises; Delivery Condition; Permitted Use.

(a) Landlord hereby leases to University, and University hereby leases from Landlord, the premises described in Section 1(b) and shown on Exhibit A ("Premises"), which are located in the building described in Section 1(c) ("Building"), upon land legally described in Exhibit B, together with the benefits of any appurtenant easements and rights of way. Landlord warrants that it is the fee owner of the Premises and Building as well as the land legally described in Exhibit B. The rentable square footage, usable square footage and any applicable load factor for the Premises are set forth in Section 1(e), and that the same are calculated according to the standards of the Building Owners and Managers Association (BOMA) ANSI Z65.1-1996 (Revisions of ANSI Z65.1-1980).

(b) Landlord shall deliver the Premises and Common Areas (as defined in Section 6) in compliance with all applicable laws, codes, ordinances and regulations; watertight; free of hazardous materials, mold or other biotoxins in violation of applicable laws, codes, ordinances or regulations; in a structurally sound condition; and with all Building utilities and systems in good working order. To the extent that any of the foregoing are not correct as of the Commencement Date, Landlord shall promptly correct the same at Landlord's sole cost.

(c) University may use the Premises for the purposes described in Section 1(f) above, and other uses consented to by Landlord, such consent not to be unreasonably withheld, conditioned or delayed. Landlord warrants to University that the Premises may lawfully be used for the use set forth in Section 1(f). Subject to Landlord's representations, warranties and obligations in this Lease, University shall use the Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. University shall not allow waste or nuisance to be committed on the Premises.

3. Term. This Lease shall be for the term set forth in Section 1(g) ("Term"), except as such Term may be earlier terminated or extended pursuant to the terms of this Lease.

4. Rent.

(a) University shall pay Landlord, at the offices of Landlord, or such other party or at such other place in the United States as Landlord may designate in writing, monthly rent in the amounts set forth in Section 1(h) ("Monthly Rent"), in advance, on the first day of each month of the Term, without demand by Landlord. At University's election, University shall pay Monthly Rent by automated clearing house (ACH) transfer to Landlord's designated bank account. Monthly Rent for any partial month shall be prorated.

(b) This is a "gross" lease in which, other than the Monthly Rent, University is not required to pay Landlord any other rental amounts or charges including, without limitation, any payment for insurance, utilities, taxes, maintenance or operating expenses incurred by Landlord.

(c) If University fails to pay any Monthly Rent within 5 business days of receipt of written notice from Landlord regarding an overdue amount, then (a) a late charge equal to 5% of the unpaid amount shall be assessed and be immediately due; and (b) interest shall accrue at the rate of 10% per annum on any Monthly Rent that is not paid when due.

(d) The Commencement Date of this Lease Agreement coincides with the expiration date of the Sublease Agreement dated August 19, 2010 between Landlord and University. Monthly Rent under this Lease Agreement starting from the Commencement Date to June 30, 2021 shall be the rate as agreed upon under said Sublease Agreement (said payment being \$31,928.00 per month for 6,003 rentable square feet comprising both office space and lab space). Monthly Rent for the remaining terms of this Lease Agreement shall be paid according to the Monthly Rent payment schedule in Section 1(h) above.

(e) On the first (1st) day of the calendar month following each anniversary of the Sublease Commencement Date (each an "Adjustment Date"), the Monthly Rent shall increase by 3% as compared to the immediately preceding rate of Monthly Rent.

5. Utilities and Services.

(a) Landlord shall provide, at its cost, electric light and power, heat, air conditioning, air exchange, water, sewer, janitorial services and supplies, recycling and trash removal for the Premises each business day, and window washing and carpet cleaning with reasonable frequency, all in quantities and qualities sufficient for University's reasonable intended use of the Premises and with service levels consistent with those services provided in good quality, similar buildings in the area. Landlord shall further provide, at its cost, such systems or equipment as may be required to maintain a healthy air quality in the Premises as may be required by law.

(b) No interruption or failure of any utilities or services from any cause shall be deemed an eviction of University, provided that Landlord shall use commercially reasonable efforts to repair, replace or restore the same as quickly as possible. To the extent any interruption of services occurs due to Landlord's negligence, intentional misconduct or breach of Lease, then Monthly Rent shall be abated for the period of interruption in the proportion of the square footage rendered unusable in addition to, and without limiting, University's other rights and remedies available at law and/or under this Lease.

(c) Subject to Section 9, University shall have the right to install telephone and data communications systems in the Premises and shall be entitled to use the building risers and similar above-ceiling or subfloor spaces for the purposes of connecting such systems to the exterior main lines. University shall pay for such services directly to the appropriate telephone company or other service provider.

6. Common Areas/Shared Facilities/Shared Equipment.

(a) Landlord grants University a nonexclusive license to use portions of the Building made available from time to time by Landlord for the common use and enjoyment of University, Landlord, and other tenants of the Building and their guests and invitees (the "Common Areas"). University agrees to conform to Landlord's reasonable Common Area rules and regulations that are attached as Exhibit G pertaining to the Common Areas. Landlord shall have the right to perform acts in and to the Common Areas as Landlord shall determine in its reasonable discretion, including without limitation reconfiguring and temporarily closing the same from time to time, so long as Landlord does not adversely affect University's use or enjoyment of the Premises.

(b) The following facilities within the Building will be shared by Landlord and University: a clean room, conference room, and break area as depicted on the attached Exhibit G-1 ("Shared Facilities"). Landlord and University shall mutually cooperate, reasonably and in good faith, in order to facilitate the joint use of the Shared Facilities. Landlord shall maintain the Shared Facilities in a good and safe working condition. **University will notify Landlord at least 24 hours in advance in the event conference rooms are going to be reserved for more than a 4 hour period during a requested day.**

7. Repairs and Maintenance.

(a) All repairs and maintenance necessary to keep the Premises, the Building, and the Common Area in a good, safe, and tenantable condition and in compliance with all laws, rules and regulations shall be done promptly by Landlord at Landlord's expense. With respect to all such repairs and maintenance, Landlord shall (a) cause all laborers, workers and mechanics (as such terms are defined in Chapter 39.12 of the Revised Code of Washington) performing repair or maintenance work to be paid the prevailing rate of wages (as

defined in Chapter 39.12 of the Revised Code of Washington) and (b) comply with the sustainability requirements of Section 38 and Exhibits J and K of this Lease. University shall reimburse Landlord for the reasonable cost of repairing damage to the Premises to the extent the damage is caused by the negligence of University, its officers, employees, agents or invitees in connection with University's use of the Premises, except to the extent such costs are or would be covered by insurance actually carried by Landlord or required by this Lease to be carried by Landlord.

(b) In the event of interruption of any Building services or interruption of use of any Building areas, Landlord will restore the service or area promptly. In addition to the rent abatement addressed in Section 5(b) above, to the extent any repairs made by Landlord or its agents render the Premises or any part thereof unusable for University's intended purpose, then Monthly Rent shall abate for the period of interruption in the proportion of the square footage rendered unusable. Notwithstanding anything to the contrary in this Lease, if Landlord fails to begin any maintenance or repair obligation of Landlord within 24-hours of notice from University (or if Landlord fails thereafter to diligently complete the same in a commercially reasonable manner), then University shall be entitled to perform such maintenance or repair and Landlord shall reimburse University for the reasonable cost thereof within 30 days of invoice. The preceding sentence shall not diminish University's entitlement to abated Monthly Rent as set forth above.

8. Signs. All signs or symbols placed by University in the windows and doors of the Premises, or upon any exterior part of the Building, shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. At the termination of this Lease, University will remove all signs placed by it upon the Premises, and will repair any damage caused by the removal. All signs must comply with sign ordinances and be placed in accordance with required permits.

9. Alterations. During the Lease Term, University shall have the right to make alterations and improvements to the Premises or, at University's election, Landlord shall make such alterations and improvements and University shall reimburse Landlord for the reasonable cost of the same. If University elects to have Landlord make the alterations or improvements, then University may elect to reimburse Landlord either (a) within 30 days after receipt of a fully documented invoice for work actually performed or (b) on an amortized basis calculated in equal monthly installments over the remaining Lease Term, however, University must obtain prior consent from Landlord before electing amortization. In addition, if University elects to have Landlord perform alterations or improvements, then Landlord will (a) if requested by University, solicit fixed bids and obtain final authorization from University prior to commencing the work; (b) cause all laborers, workers and mechanics (as such terms are defined in Chapter 39.12 of the Revised Code of Washington) performing such work to be paid the prevailing rate of wages (as defined in Chapter 39.12 of the Revised Code of Washington); (c) perform such work in compliance with the sustainability requirements of Section 38 and Exhibits J and K of this Lease; and (d) comply with such other requirements that University may impose on the work. All alterations and improvements (whether performed by University or by Landlord) shall be subject to Landlord's prior approval, which shall not be unreasonably withheld, conditioned or delayed, provided that Landlord's approval shall not be required for non-structural improvements costing less than \$50,000. Title to such alterations and improvements shall remain with Landlord upon termination of this Lease, unless otherwise agreed by the parties in writing at the time that Landlord approves the work. University may install on the Premises trade fixtures and equipment as are customarily used in the type of business conducted by University on the Premises. Title to all trade fixtures and equipment shall remain with University, unless otherwise agreed by the parties. Upon termination of this Lease, University shall remove the trade fixtures and equipment and repair any damage to the Premises caused by removal thereof or, at

University's election, Landlord will repair any damage and University will reimburse the reasonable costs incurred by Landlord.

10. Condemnation. If all or a substantial part of the Premises or Building is taken or damaged by the power of eminent domain, or purchased by the condemnor in lieu thereof, so as to render the remaining Premises inappropriate or insufficient for University's intended purpose, then this Lease may be terminated as of the time of taking at the option of either party. In the event of any taking where this Lease is not terminated, the Monthly Rent shall be reduced in direct proportion to the reasonable degree of interference and Landlord shall promptly restore the Premises and Building to a commercially reasonable condition. University shall have the right to pursue a claim for moving expenses, loss of property, loss of business and the unamortized cost of leasehold improvements as damages in connection with any eminent domain proceeding or purchase in lieu thereof.

11. Parking & Marine Dock Usage. University shall be entitled throughout the entire Term and any extensions to the parking and dock usage set forth in Section 1(i), subject to Landlord's reasonable rules and regulations, at the monthly cost (if any) set forth in Section 1(i).

12. Liens. University shall keep the Premises free from any liens arising out of any work performed for, materials furnished to or obligations incurred by University and shall hold Landlord harmless against the same.

13. Subletting or Assignment. University may sublet or assign the whole or any part of the Premises provided it obtains the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord shall notify University in writing of its approval or disapproval within 30 days after receipt of notice of the proposed assignment or subletting. If Landlord does not respond in writing within 30 days, Landlord shall be deemed to approve such assignment or sublease. Notwithstanding the foregoing, Landlord's prior written consent is not required to assign this Lease or to sublease the Premises to an entity which is an Affiliate of University. The term "Affiliate" means an entity controlled by or under common control with the University, including but not limited to entities under or associated with UW Medicine. Upon the effective date of an assignment, (i) the Lease shall become a direct lease between Landlord and Assignee; and (ii) University shall have no further obligations under the Lease.

14. Access. Landlord shall have the right, upon prior written notice of at least 3 business days (except in an emergency), to enter the Premises at all reasonable times for the purpose of inspection or of making repairs, additions or alterations, and, for 120 days prior to the Expiration Date, to show the Premises to prospective tenants. Landlord shall retain a key for such purposes. In exercising its rights of access, Landlord shall use reasonable best efforts to minimize any disruption to University's use of the Premises. If University has created any secure or specially isolated spaces, Landlord shall comply with University's security requirements.

15. Damage or Destruction. If the Premises are more than 40% (based on usable square feet) destroyed from any cause, or rendered inaccessible or unusable from any cause (other than by condemnation), either University or Landlord may terminate this Lease by delivery of written notice within 30 days of such event. If forty 40% or less (based on usable square feet) of the Premises are destroyed or rendered unusable, Landlord shall promptly retain a qualified contractor to estimate the time required to restore the Premises. If, in Landlord's contractor's reasonable estimation (which estimation shall be provided to University in writing within 30 days following the destruction), the Premises cannot be restored within 90 days following the date

of destruction, then Landlord shall immediately notify University and University may terminate this Lease by delivery of notice to Landlord within 30 days of receipt of Landlord's notice; otherwise this Lease shall remain in full force. If neither Landlord nor University terminates this Lease as provided above, then Landlord shall promptly commence to restore the Premises in compliance with then existing laws and shall complete the restoration with due diligence. During any period in which this Lease remains in effect following damage or destruction, and until termination of this Lease or full restoration of University's use of the Premises, the Monthly Rent shall be reduced in the proportion that University's use and enjoyment of the Premises is reduced as a result of the damage or destruction.

16. Indemnification. Each party shall defend, indemnify and hold the other harmless from and against any damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) to the extent caused by the negligent acts or omissions of their respective agents, officers and employees acting in the scope of their employment.

17. Landlord's Insurance.

(a) Landlord shall maintain throughout the Lease Term policies of property insurance covering loss of or damage to the Building in the full amount of its replacement cost with an endorsement to cover code changes, which shall be pursuant to ISO Causes of Loss Form(s) CP 1030 (Special Form) or its equivalent.

(b) Landlord shall maintain throughout the Lease Term a policy of commercial general liability or self-insurance with a combined single limit of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage, insuring Landlord against liability arising out of the ownership, use, occupancy or maintenance of the Building, which shall be pursuant to the following ISO form(s) or their equivalent: ISO CG 00 01 0413.

(c) All required Landlord's insurance shall be issued by insurance companies licensed to do business in the State of Washington or issued by as a Surplus Line by a Washington Surplus Lines Broker. Such insurer shall have an A.M with a Best's Rating of "A VII" or better.

(d) Landlord hereby waives and releases any right of recovery (including by way of subrogation) against University, its officers, employees, students and agents for any loss or damage sustained by Landlord with respect to the Building or Premises or any portion thereof or the contents of the same or any operation therein, to the extent such loss or damage is actually insured against or is required hereunder to be insured against.

18. University Insurance.

(a) University, at its cost, shall maintain commercial general liability insurance or self-insurance, or any combination of arrangements, with a liability limit of \$1,000,000 per occurrence and \$2,000,000 aggregate, insuring against liability of University and its officers, employees and agents to the extent caused by the performance or failure of performance of duties for University in connection with University's use and occupancy of the Premises. Such commercial policy shall include Landlord as an additional insuring using ISO Form CG2026 or the equivalent.

(b) University shall maintain throughout the Lease Term policies of property insurance or self-insurance covering loss of or damage to the University's Business Personal Property and Tenant

Improvements in the full amount of its replacement cost which shall be pursuant to ISO Causes of Loss Form CP 1030 (Special Form) or its equivalent.

- (c) All required University commercial insurance shall be issued by insurance companies licensed to do business in the State of Washington or issued by as a Surplus Line by a Washington Surplus Lines Broker. Such insurer shall have an A.M. Best Rating of "A VII" or better.
- (d) University hereby waives and releases any right of recovery (including by way of subrogation) against Landlord, its officers, employees, and agents for any loss or damage sustained by University with respect to University's property to the extent such loss or damage is actually insured against or is required hereunder to be insured against.

19. University Default. The occurrence of any one or more of the following events shall constitute a default of this Lease by University:

(a) The failure by University to make any payment of Monthly Rent or any other payment required to be made by University under this Lease, as and when due, where such failure shall remain uncured for a period of 5 days after written notice by Landlord to University.

(b) The failure by University to perform any requirement of this Lease, other than as described in Section 19(a), where such failure shall remain uncured for a period of 30 days after written notice by Landlord to University; provided that if more than 30 days are reasonably required to cure the default, then University shall not be deemed to be in default if University commences to cure within the 30 day period and thereafter diligently prosecutes the cure to completion.

(c) The making by University of any general assignment or general arrangement for the benefit of creditors; or the filing by or against University of a petition to have University adjudged a bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy (unless in the case of a petition filed against University, the same is dismissed within 60 days); or the appointment of a trustee or a receiver to take possession of substantially all of University's assets located at the Premises or of University's interest in this Lease, where possession is not restored to University within 30 days; or the attachment, execution or other judicial seizure of substantially all of University's assets located at the Premises or of University's interest in this Lease, where such seizure is not discharged in 30 days.

20. Landlord Remedies. In the event of a University default, Landlord agrees to use reasonable efforts to mitigate its damages and Landlord may:

(a) Terminate University's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and University shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from University (i) all reasonable damages incurred by Landlord because of University's default, including the cost of recovering possession of the Premises, expenses to relet the Premises and reasonable attorney's fees incurred as a direct result of University's default, (ii) any unpaid Monthly Rent earned at the time of the termination, (iii) the amount by which the unpaid Monthly Rent that would have been earned between the time of the termination and the time of the award of damages exceeds the amount of unpaid Monthly Rent that University proves could reasonably have been avoided, and (iv) the amount by which the unpaid Monthly Rent for the balance of the Term after the time of the award of damages exceeds the amount of unpaid Monthly Rent

that University shows could reasonably have been avoided, to be computed by discounting that amount at 10% per annum.

(b) Maintain University's right to possession, in which case this Lease shall continue in effect whether or not University shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the Monthly Rent as it becomes due hereunder.

(c) Pursue any other legal remedy available to Landlord.

(d) In compliance with law, remove all the personal property located in the Premises and place the property in storage at the expense and risk of University.

21. Landlord Default. Landlord shall be in default under this Lease if Landlord fails to perform any of the terms, provisions, covenants or conditions to be performed or complied with by Landlord pursuant to this Lease, or if Landlord should fail to make any payment which Landlord agrees to make, and any such failure shall remain uncured for a period of 30 days after written notice thereof by University to Landlord; provided, however, that if the nature of Landlord's default is such that more than 30 days are reasonably required for its cure, then Landlord shall not be deemed to be in default if Landlord commences said cure within said 30 day period and thereafter diligently prosecutes the cure to completion.

22. University Remedies. Upon the occurrence of a Landlord default, University may, in addition to all other rights available to University at law and/or under this Lease, elect to:

(a) Cure the default and the reasonable cost of cure shall be reimbursed by Landlord to University with 30 days of invoice therefor and if Landlord fails to reimburse University within such 30-day period, then University may deduct such cost from the next owing installment(s) of Monthly Rent until recovered in full; and/or

(b) Abate Monthly Rent for the portion(s) of the Premises rendered unusable for University's purposes.

23. Costs and Attorney's Fees. If, by reason of any alleged default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the prevailing party shall recover its reasonable costs and attorneys' fees. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in the county in which the Premises are situated.

24. Subordination; Estoppels.

(a) This Lease shall be automatically subordinate to all of Landlord's mortgages or deeds of trust which now or later affect the Premises or Building; provided that, so long as University is not in default hereunder beyond any applicable cure period, University shall have continued enjoyment of the Premises free from any disturbance or interruption by reason of any foreclosure of a lender's deed of trust or mortgage. This subordination shall be self-operative, and no further instrument of subordination shall be necessary to effect the subordination; nevertheless, if required by either Landlord or University, the parties shall execute, and Landlord shall cause any lender or other such party to execute, a subordination agreement in the form set forth in the attached Exhibit L. If University is asked to execute a subordination agreement in any form other than that set forth in Exhibit L, then University shall execute the same only if (a) the other form is

acceptable to University and (b) Landlord agrees to reimburse University within 30 days of invoice for all attorneys' fees incurred by University in reviewing and negotiating the other form. In the event of sale or foreclosure of any mortgage or deed of trust, or exercise of the power of sale thereunder, or in the event of a transfer in lieu of foreclosure, University shall attorn to the purchaser (or transferee) of the Building at the foreclosure or sale and shall recognize the purchaser (or transferee) as Landlord under this Lease. Such attornment shall be self-operative and no further instruments need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives written notice of its election to University, then this Lease shall become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.

(b) Each party agrees, upon not less than 20 days prior written notice from the other, to execute, acknowledge and deliver to the other party an estoppel in the form set forth in Exhibit H.

25. No Waiver; Entire Agreement. Any waiver by either party of any claim of breach of this Lease by the other shall not be considered a waiver of any future similar claim of breach. This Lease contains the final, complete and entire agreement between the parties with respect to the Premises and any modifications to this Lease must be in writing signed by both parties.

26. Surrender of Premises. University agrees, upon the expiration or earlier termination of this Lease, to peacefully quit and surrender the Premises without notice; to leave the Premises neat and clean, subject to normal wear and tear and casualty; and to deliver all keys to the Premises to Landlord.

27. Holding Over. If University continues to occupy the Premises after expiration of the Lease Term, such occupancy shall constitute a month-to-month tenancy subject to all of the terms of this Lease at the then-current rental rate, and may be terminated as provided by the laws of the State of Washington.

28. Binding on Heirs, Successors and Assigns. The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties, except as otherwise provided in this Lease.

29. Notice. Notices under this Lease shall be in writing and delivered in person or by United States mail with postage prepaid to the parties at their respective addresses as set forth above, or to such other place as may hereafter be designated by either party in writing. If notice is by mail, delivery shall be deemed complete as of 2 business days following the postmarked time and date of mailing.

30. Nondiscrimination. Landlord certifies it will not discriminate in employment on the basis of race, color, religion, sex, national origin, veteran status or physical or mental disability in regard to any position for which the employee is qualified, in compliance with (a) Presidential Executive Order 11246, as amended, including the Equal Opportunity Clause contained therein; (b) Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans Readjustment Act of 1974, as amended, and the Affirmative Action Clauses contained therein; (c) the Americans with Disabilities Act of 1990, as amended; and (d) Title VI of the Civil Rights Act of 1964. Landlord agrees it will not maintain facilities that are segregated on the basis of race, color, religion or national origin in compliance with Presidential Executive Order 11246, as amended, and will comply with the Americans with Disabilities Act of 1990, as amended, regarding its programs, services, activities and employment practices.

31. Legislative Appropriation. University's obligation under this Lease to make all rental and other payments is payable solely from the revenues of University. The Lease and the rental and other payment

obligations hereunder shall not constitute an obligation of the State, moral or otherwise, for which the State is obligated to levy or pledge any form of taxation. Neither the Lease nor the rental or other payment obligations hereunder constitute a pledge of the full faith and credit of the State of Washington within the meaning of the Constitution of the State of Washington or within the meaning of any statutory debt limitation or restriction. If the Washington Legislature or the funding agency allots or grants insufficient funds to continue rental or other payments under this Lease, in the judgment of University, for the remainder of the current fiscal period, or for a succeeding fiscal period, by appropriation, appropriation limitation, termination of grant or contract, or otherwise, then upon written notice from University to Landlord this Lease shall terminate and the obligation of University to make rental or other payments from money available to it shall terminate on the date on which, under the terms of the appropriation, appropriation limitation, termination of grant or contract, moneys will no longer be allotted for this Lease, without penalty, and such lease termination shall not constitute an event of default. However, in the event of such termination, University shall pay to Landlord the unamortized cost of initial alterations made by Landlord at its cost to the Premises so long as such initial alterations were made at University's written request. Such amortization shall be calculated in equal monthly amounts over the Lease Term, commencing upon completion of the initial alterations by Landlord.

32. Quiet Enjoyment. Landlord covenants that as of the Commencement Date, Landlord will have good right to lease the Premises for the purpose and uses stated herein and University shall have and quietly enjoy the Premises for the Lease Term.

33. Force Majeure. Except as otherwise specifically provided in this Lease, in the event either party is delayed or prevented from performing any of its respective obligations under this Lease by reason of acts of God, unforeseen governmental requirement, fire, floods, strikes or any other cause beyond the reasonable control of the party, then the time period for performing such obligations shall be extended for the period of delay.

34. Authority to Execute. If Landlord is a limited liability company, limited liability partnership, corporation, association, partnership or government agency, each individual executing this Lease on behalf of Landlord represents and warrants that Landlord is current in all fees, licenses and filings required to register in the State of Washington, and that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease shall be binding upon Landlord in accordance with its terms.

35. Counterparts. This Lease may be executed in counterparts and each counterpart constitutes an original document.

36. Governing Law. This Lease shall be governed by the laws of the State of Washington with venue in Pierce County.

37. Brokers. Neither party shall have any obligation to pay any broker or similar consultant hired by or claiming through the other party, except only that Landlord shall pay a commission for this transaction to the broker(s) listed in Section 1(I), pursuant to separate written commission agreements with the brokers as set forth in Exhibit E.

38. Sustainability. University holds high standards for environmental stewardship in constructing, operating and maintaining all of its facilities. Accordingly, Landlord agrees to construct, operate and maintain the Building with good faith, reasonable efforts to (a) use recycled, recyclable and compostable materials and products, (b) use Energy Star appliances or their equivalent and employ sound practices to conserve energy,

(c) encourage and facilitate the ability of tenants to car pool and/or commute via public transportation or other alternative method of transportation, (d) maintain and operate the Building, and/or require that any third party property manager(s) maintain and operate the Building, using products and practices designed to support environmental stewardship to include, without limitation, efforts to educate tenants regarding the operation of their businesses, and (e) Exhibit K. Landlord further agrees to comply with the operational sustainability requirements set forth in the attached Exhibit J. University has been, and shall continue to, participate in meeting the requirements of LEED – EBOM (Leadership in Energy & Environmental Design - Existing Building Operational Maintenance) certification, including but not limited to, participating in transportation surveys, waste audits, tenant satisfaction surveys, tracking of recycle information for consumables.

LANDLORD:

UNIVERSITY:

CITY OF TACOMA, a Washington first class city

BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON, a state institution of higher education and an agency of the State of Washington

By: _____
Victoria R. Woodards
Its: Mayor

By: _____
Jeanette L. Henderson
Its: Executive Director of Real Estate

Elizabeth A. Pauli, City Manager

ATTEST:

Doris Sorum, City Clerk

APPROVED BY:

Michael P. Slevin III, P.E.
Environmental Services Director

Saada Gegoux, Risk Manager

Andrew Cherullo, Finance Director

Approved as to form:

Deputy City Attorney

ACKNOWLEDGMENTS

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____ 2021, before me personally appeared **Jeanette L. Henderson**, to me known as the **Executive Director of Real Estate** of the University of Washington, who on oath stated that she was authorized to execute this instrument and acknowledged it to be the free and voluntary act and deed of said University of Washington as approved by the **BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON** for the uses and purposes mentioned in the instrument.

Signature: _____

Printed Name: _____

Notary Public in and for the State of Washington

Residing at: _____

My Commission expires on: _____

This notarial act involved the use of communication technology.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____ 2021, before me personally appeared _____, to me known as the _____ of the **CITY OF TACOMA, a municipal corporation of the State of Washington**, who on oath stated that he/she was authorized to execute this instrument and acknowledged it to be the free and voluntary act and deed of such entity for the uses and purposes mentioned in the instrument.

Signature: _____

Printed Name: _____

Notary Public in and for the State of Washington

Residing at: _____

My Commission expires on: _____

This notarial act involved the use of communication technology.

EXHIBIT A

DEPICTION OF PREMISES

Refer to Exhibit A-1 and Exhibit A-2

EXHIBIT A-1 (1ST FLOOR)

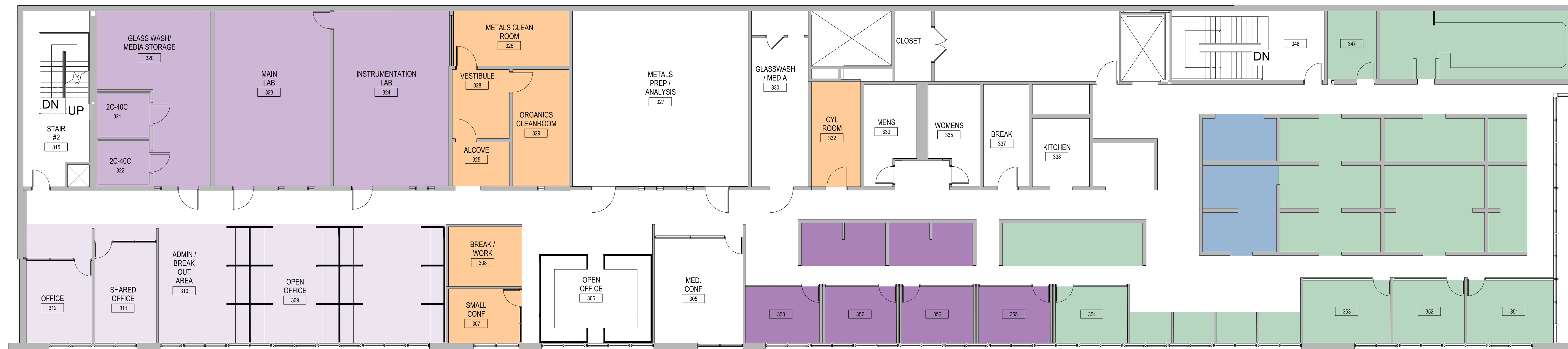
CUW_052410_test - 01



UW Tacoma



EXHIBIT A-2 (3RD FLOOR)



- Existing University of Washington Office Space
- Existing University of Washington Lab Space
- University of Washington Office Space (763 sf)
- Maritime Blue (345 sf)
- City of Tacoma
- City / UW Tacoma Shared Space

Center for Urban Waters
3rd Floor

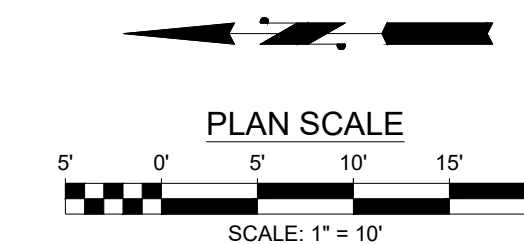


EXHIBIT B

LEGAL DESCRIPTION OF LAND ON WHICH PREMISES IS LOCATED

Certain real property located in Pierce County, Washington, more particularly described as follows: Parcels A, B and C of City of Tacoma Boundary Line Adjustment recorded under recording number 20012065001, as corrected by affidavit of minor correction recorded under recording number 200101030649, in Pierce County, Washington.

Site Address: 326 East "D" Street, Tacoma, WA 98421

EXHIBIT C

LANDLORD'S WORK

There is no Landlord's Work under this Lease, and University accepts the Premises as of the Commencement Date in its as-is condition, subject to Landlord's representations, warranties and obligations set forth in the Lease.

EXHIBIT D

EXTENSION OPTION

University shall have the options to extend the Term of the Lease (each an "Extension Option") beyond the initial Term as set forth in Section 1(p) of the Lease. The terms of the Extension Options shall be as set forth in Section 1(p) of the Lease (each an "Option Term"). University shall exercise each Extension Option by written notice given to Landlord at least 3 months prior to the end of the initial Term or immediately preceding Option Term, as applicable. All terms and conditions of this Lease shall be the same during each Option Term, except only that the Monthly Rent during each Option Term shall be Fair Market Rent as defined below.

["Fair Market Rent" shall mean the prevailing market gross rental rate on a level basis that a willing tenant would pay and a willing landlord would accept in an arm's length bona fide negotiation for office space of comparable quality, design and location in the Tacoma, Washington area for an amount of space comparable to the amount then leased by University, taking into consideration all relevant factors including, without limitation, any concessions or inducements (e.g., rent abatement, tenant improvement and other allowances) then being offered by landlords to prospective tenants for comparable space, definition of "rentable area" applicable to the comparable spaces, distinction between gross and net rentals, services provided and creditworthiness of tenant, but excluding the value of any improvements or alterations installed in the Premises at University's cost.

Within thirty (30) days following its receipt of University's written notice exercising the option to extend, Landlord shall advise University in writing as to Landlord's proposed Fair Market Rent for the Option Term. University shall have 10 days following its receipt of Landlord's proposed Fair Market Rent in which to notify Landlord in writing that University has elected to cancel its exercise of the option to extend. If University does not elect to cancel its exercise of the option to extend pursuant to the foregoing sentence, then Landlord and University shall use reasonable efforts to arrive at a mutually agreeable Fair Market Rent. If (a) University has not elected to cancel its exercise of the option to extend; and (b) Landlord and University are not able to agree on the Fair Market Rent for the Option Term within 3 days after University's notice of election to extend, then such Fair Market Rent shall be determined as follows. Landlord and University shall each select an appraiser with at least 10 years' experience in the Tacoma, Washington market. If the two appraisers are unable to agree within 10 days after their selection, they shall select a similarly qualified third appraiser (the "Neutral Appraiser"). Within 20 days after selection of the Neutral Appraiser, the three appraisers shall simultaneously exchange determinations of Fair Market Rent. If the lowest appraisal is not less than 90% of the highest appraisal, then the three appraisals shall be averaged and the result shall be the Fair Market Rent. If the lowest appraisal is less than 90% of the highest appraisal, then the Fair Market Rent shall be deemed the rent set forth in the appraisal submitted an appraiser appointed by a party that is closest in dollar amount to the appraisal submitted by the Neutral Appraiser. The Neutral Appraiser shall inform the parties in writing of the Fair Market Rent within five (5) days after the three appraisers simultaneously exchange their respective determinations of the Fair Market Rent. Each party shall bear the cost of its own appraiser and the parties shall split the cost of the Neutral Appraiser.]

EXHIBIT E

SUMMARY OF LANDLORD'S COMMITMENTS REGARDING COMMISSIONS AND FEES PAID OR PAYABLE BY LANDLORD TO BROKERS OR AGENTS IN RELATION TO THIS LEASE, INCLUDING ANY EXTENSION TERMS

Landlord warrants to University that prior to University's execution of this Lease Landlord disclosed in writing to University (a) the identity of any brokers or similar consultants engaged or hired by Landlord with respect to this transaction and (b) all details regarding any payments made or owed by Landlord to such brokers or consultants as a result of this transaction. Landlord further warrants to University that the information pertinent to (a) and (b) in the foregoing sentence is summarized in this Exhibit E. Furthermore, Landlord shall promptly disclose to University on an ongoing basis the amount of all fees and commissions that Landlord agrees to pay or does pay to any broker or finder in connection with this Lease.

No outside brokers or agents were used by the City of Tacoma in connection with this Lease.

EXHIBIT F

COMMENCEMENT DATE CERTIFICATE

N/A

EXHIBIT G

RULES AND REGULATIONS

[To be attached by Landlord]

EXHIBIT G-1

SHARED FACILITIES

EXHIBIT G-1 (SHARED FACILITIES)



- Existing University of Washington Office Space
- Existing University of Washington Lab Space
- University of Washington Office Space (763 sf)
- Maritime Blue (345 sf)
- City of Tacoma
- City / UW Tacoma Shared Space

Center for Urban Waters
3rd Floor

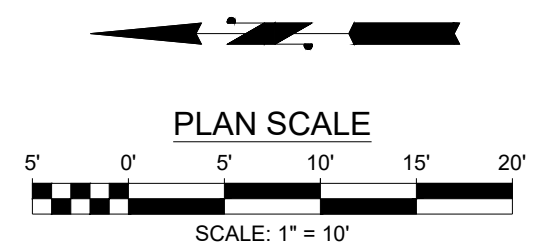


EXHIBIT H

FORM OF ESTOPPEL

TENANT ESTOPPEL CERTIFICATE

Insert Date

To: Name, Address etc.

From: Board of Regents of the University of Washington
c/o UW Real Estate

Campus Box 352210
Seattle, WA 98195-2210

Re: Lease dated this ___ day of ____, 20____, [‘as modified by’ and insert references to all amendments] ([collectively, the "Lease") for premises located at _____ ("Premises")

The Board of Regents of the University of Washington is the tenant ("Tenant") under the above-referenced Lease with ____, a _____, as landlord ("Landlord"). Tenant represents the following as of the date hereof:

- 1) Tenant is the tenant under the Lease for the Premises. The initial term of the Lease commenced on _____, 20__ and will expire on _____, 20____.
- 2) Tenant represents that (a) the Lease has been properly executed by Tenant; (b) the Lease has not been amended or modified except as set forth above; (c) the Premises consist of approximately _____ rentable square feet; (d) to the best of Tenant’s current knowledge, any construction required by the Lease to be made by Landlord has been completed and any payments, credits or abatements required to be given by Landlord to Tenant pursuant to the Lease have been given; (e) no installment of rent under the Lease other than monthly rent has been paid more than thirty days in advance; (f) Tenant is not in arrears on any rent or other charges payable by Tenant under the Lease; (g) Tenant has accepted and is occupying the Premises; (h) the Lease has not been assigned by Tenant nor the Premises subleased by Tenant; (i) Tenant is not currently aware of any defaults by Landlord under the Lease as of the date hereof [other than (reference any known or suspected defaults)]; (j) Tenant is not currently aware of any existing defenses, offsets, liens, claims or credits against the rentals under the Lease or against the enforcement of the Lease by Landlord [other than (reference any known or suspected defenses, offsets, etc.)]; (k) Tenant has not been granted any options to extend or terminate the term of the Lease, except as may be specified in the Lease, and Tenant has not been granted any rights to expand into other space in the Building or any options to purchase the Premises or the Building except as may be specified in the Lease; (l) Tenant has paid a security deposit of \$_____; and (m) Tenant has not received written notice of violation of any laws, regulations, codes or ordinances relating to the use or condition of the Premises.
- 3) Tenant is currently obligated to pay Landlord \$_____ as monthly rent under the Lease, subject to any escalations set forth in the Lease.

- 4) The undersigned is authorized to execute this Tenant Estoppel Certificate on behalf of Tenant.
- 5) Tenant's representations in this Tenant Estoppel Certificate are made solely to estop Tenant from asserting to or against the above-named recipient of this certificate facts or claims contrary to those stated herein. This Tenant Estoppel Certificate does not constitute an independent contractual undertaking or constitute representations, warranties or covenants or otherwise have legal effect other than estopping Tenant from asserting to or against the above-named recipient of this certificate any contrary facts or claims. This estoppel certificate does not modify in any way Tenant's relationship, obligations or rights vis a vis Landlord.

BOARD OF REGENTS OF THE
UNIVERSITY OF WASHINGTON

By: [SAMPLE, NO SIGNATURE NEEDED]
Jeanette L. Henderson
Executive Director of Real Estate

EXHIBIT I

OFFICE SPACE DELETION OPTION

University shall have the right to delete the Office Space from the Premises at any time during the lease Term upon providing Landlord with three (3) months prior written notice. If University provides such notice of deletion to Landlord, then the Office Space portion of the Premises shall be deleted from the Premises on the date (“Office Space Early Termination Date”) that is three (3) months following the date of such notice. University shall return the Office Space portion of the Premises to Landlord, in its as-is condition, as of the Office Space Early Termination Date, and from and after such date University shall have no further obligations under the Lease with respect to the Office Space.

EXHIBIT J

OPERATIONAL SUSTAINABILITY

Landlord will provide the following features of operational sustainability in the Building in which Premises are leased to University.

1. Plumbing Fixtures

To reduce the consumption of potable water and the impact on the water supply and storm sewer and sewage treatment, Landlord must install water saving features where possible including but not limited to: low flow (maximum 1.6 gallons per flush or dual flush) toilets; waterless or low flow (1 gallon max per flush) urinals; and, aerators on all faucets and showerheads. This applies to the University's Premises, and shall be the standard for all improvements [to the common areas] of the Building which occur during University's tenancy.

2. Building Performance And Energy Survey

For space in a new building, the building shell, weather stripping, insulation, HVAC, electrical and lighting systems must meet or exceed all applicable codes including current energy performance criteria. For new space in an existing building, if Landlord is performing repair or renovations of the building shell, weather-stripping, insulation, HVAC, electrical and lighting systems, Landlord is encouraged to do so in a sustainable manner.

3. Lighting

Compact fluorescent lighting and T-8 electronic ballasts shall be used where possible. Individual lighting controls shall be provided in office areas and lighting in hallways will be on banks of switches so that sections of lighting can be turned off as needed. Motion and/or daylight sensors must also be installed. This applies to the University's Premises, and shall be the standard for all improvements [to the common areas] in the Building which occur during University's tenancy.

4. Appliances

Appliances in kitchens, if any, must have an EPA Energy Star label or equivalent energy efficiency features. This applies to the University's Premises, and shall be the standard for all improvements [to the common areas] in the Building which occur during University's tenancy.

5. Alternative Commuting

University encourages Landlord to provide shower and locker facilities for bike commuters. Bike racks will be available for bike commuter use. The building must provide priority parking to carpools and vanpools as well as provide parking for car-sharing (ZIP car) vehicle(s).

6. Janitorial

Cleaning supplies must be certified by Green Seal or meet US EPA's Design for the Environment standard. Janitorial staff must be trained in the benefits of non-toxic cleaners. Paper products contain 50% post-consumer recycled content and have not been bleached with chlorine. This applies to the University's Premises, and shall be the standard for all tenancies in the Building during University's tenancy.

7. Recycling And Composting

Containers for mixed paper, glass/plastic bottles, tin/aluminum cans must be provided by Landlord, as well as containers for composting all organic materials. This applies to the University's Premises, and shall be the standard for all tenancies in the Building during University's tenancy.

EXHIBIT K

TENANT IMPROVEMENT/CONSTRUCTION SUSTAINABILITY

1. Demolition & Recycling (Tenant Improvement Projects)

All construction materials related to Tenant Improvements will be recycled to the maximum extent practical.

2. Floor Covering

In general office occupancies, flooring will use carpet tile that has recycled and/or recyclable content and if glued uses a water-based, low VOC adhesive. For areas requiring a hard flooring surface, sustainable alternatives to VCT shall be used such as marmoleum, linoleum, ceramic tile, or terrazzo.

3. Ceilings

Any ceiling system must include suspended grid and ceiling tile that has minimum of 40% recycled content.

4. Plumbing Fixtures

To reduce the consumption of potable water and to reduce the impact on the water supply and storm sewer and sewage treatment, Landlord shall install water saving features where possible including but not limited to: low flow (maximum 1.6 gallons per flush or dual flush) toilets; waterless or low flow (1 gallon max per flush) urinals; and, aerators on all faucets and showerheads.

5. Walls – Paint, Stains And Adhesives

All architectural sealers, primers, and paints must meet Green Seal requirements. Interior adhesives and sealants are low-emitting and meet the VOC limits of the South Coast Air quality Management, Rule #1168.

6. Lighting

Linear fluorescent lighting shall have T-8 electronic ballasts. Compact fluorescent lighting shall be used where appropriate. Individual lighting controls shall be provided in office areas and lighting in hallways must be on banks of switches so that sections of lighting can be turned off as needed. Motion and/or daylight sensors must also be installed.

7. Appliances

Appliances in kitchenette, if any, must have an EPA Energy Star label or equivalent energy efficiency features

8. Wood Products

Where used in construction of tenant improvements or work spaces, wood products shall be those certified by the Forest Stewardship Council.

9. *[recommended as feasible for full building occupancy only]* Building Performance And Energy Survey

For new space, including new leases in existing buildings, the building shell, weather stripping, insulation, HVAC, electrical and lighting systems are required to meet or exceed all applicable codes including current energy performance criteria.

EXHIBIT L

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

GRANTOR: [GRANTOR NAME]

GRANTEE: [GRANTEE NAME]

Legal Description:

Abbreviated form: _____

Additional legal on page _____ of document

Assessor's Property Tax Parcel Account Number(s): _____

Reference number(s) of Related Document(s): _____

(Additional on page _____ of document)

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made and entered into as of _____, 20_____, by and between **NAME**, a DESCRIPTION ("Beneficiary"), the **Board of Regents of the University of Washington**, a state institution of higher education and agency of the State of Washington ("University"), and **NAME**, a DESCRIPTION ("Landlord").

RECITALS

- A. University has entered into a lease dated _____, 20_____ ("Lease") with Landlord concerning [PREMISES] ("Premises") in the [BUILDING NAME] Building ("Building") located at [ADDRESS] on the real property described in attached Exhibit A (the Premises, the Building and the real property shall together be referred to as the "Property").
- B. Beneficiary will make a first mortgage loan ("Loan") to Landlord in the amount of \$[COST] secured by a first lien Deed of Trust, Security Agreement and Assignment of Leases and Rents ("Security Documents") encumbering the Property.
- C. The Lease requires that University be assured of continued occupancy of the Premises and the protection of its other rights under the Lease.
- D. Beneficiary is willing to assure University of continued occupancy of the Premises and the protection of its other rights under the Lease as stated in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed:

1. Beneficiary hereby consents to and approves the Lease [OPTIONAL: and the [right of first refusal] [option to purchase] contained therein].
2. University's interest in the Lease and all rights of University thereunder shall be subject and subordinate to the Security Documents encumbering the Property on the terms and conditions set forth in this Agreement.

[OPTIONAL PROVISION: 2A. Any option or rights contained in the Lease, or otherwise existing, to purchase any or all of the Property are subject and subordinate to the rights of Beneficiary under the Security Documents, and any acquisition of all or any portion of the Property by University during the term of the Security Documents shall be subject to the terms of the Security Documents; provided, however, that University's [right of first refusal] [option to purchase the Property] shall survive foreclosure of the Security Documents or transfer of the Property by Landlord to Beneficiary or any other party by deed in lieu of foreclosure, or otherwise.

3. In the event of a judicial or non-judicial foreclosure of the Security Documents, Beneficiary will not name or join University as a party to any foreclosure action except as required by law, nor will Beneficiary name or join University as a party in any suit, action or proceeding to enforce any rights under the Security Documents.

4. University's possession of the Premises and use of the common areas and parking spaces (as defined in the Lease) shall not be interrupted, disturbed, affected or impaired by, nor will the Lease or the term of the Lease be terminated or otherwise affected by, nor will University's other rights under the Lease be impaired or affected by, any default under the Security Documents or any suit, action or proceeding upon the Security Documents or for the foreclosure of the Security Documents or the enforcement of any rights under the Security Documents or any other documents held by the Beneficiary, or by any judicial or non-judicial sale or execution or other sale of the Property, or by any deed given in lieu of foreclosure, or by the exercise of any other rights given to the Beneficiary by any other documents or as a matter of law.

5. If the Beneficiary takes possession of the Property or becomes the owner of the Property by reason of foreclosure of the Security Documents or otherwise, or if the Property shall be sold as a result of any action or proceeding to foreclose the Security Documents or by a deed given in lieu of foreclosure, the Lease shall continue in full force and effect, without necessity for executing any new lease, as a direct lease between University and the Beneficiary or the then owner of the Property as landlord upon all of the same terms, covenants and provisions contained in the Lease, and in that event the Beneficiary or new owner shall, except as set forth in Section 6, be bound to University under all of the terms, covenants and provisions of the Lease for the remainder of the term of the Lease which terms, covenants and provisions the Beneficiary or new owner agrees to assume and perform. University agrees, after receipt by University of notice from Beneficiary of any foreclosure of the Security Documents or any conveyance in lieu of foreclosure, to attorn to Beneficiary or its successor and accept the Beneficiary or any such successor owner as landlord under the Lease, and to be bound by and perform all of the obligations imposed upon University by the Lease. Except as set forth in Section 6, Beneficiary or any such successor owner of the Property shall be bound by, assume and perform all of the obligations imposed by the Lease upon Landlord and University shall have the same remedies against Beneficiary or a successor owner for breach of the Lease that University may have had under the Lease against Landlord.

6. Notwithstanding anything to the contrary in this Agreement, upon succeeding to the interest of Landlord under the Lease Beneficiary shall not be:

- (a) liable for any act or omission of Landlord, except to the extent attributable to acts or omissions that are continuing on or after the date Beneficiary succeeds to the right of Landlord under the Lease ("Continuing Matters");
- (b) liable for the return of any security deposit unless such deposit has been delivered to Beneficiary; or
- (c) subject to any offsets or defenses which University might have against Landlord, unless the offset or defense is attributable to a Continuing Matter.

7. Insurance and condemnation proceeds shall be disposed of in accordance with the Lease and not in accordance with the Security Documents.

8. Beneficiary acknowledges and agrees that all trade fixtures, equipment and other property owned by University located or installed in or on the Premises, regardless of the manner of attachment, shall be and remain the property of University and may be removed by University at any time. In no event (including a default under the Lease or Security Documents) shall Beneficiary have any liens, rights or claims in University's property, and Beneficiary expressly waives all rights of levy, distraint or execution with respect to University's property.

9. Beneficiary and University agree that so long as the Lease is in full force and effect, no exercise by University of its rights under the Lease shall constitute a default under the Security Documents or require Beneficiary's consent, and that except for the rights, privileges and benefits of Landlord and University expressly set forth herein, any conflict between the terms of the Lease and the terms of the Security Documents shall be resolved in favor of the Lease. In furtherance of and not as a limitation on the foregoing, University may, without causing a default to occur under the Security Documents and without Beneficiary's consent, to the extent expressly permitted by the Lease: (a) make alterations and improvements to the Premises; (b) assign the Lease and/or sublet all or any portion of the Premises as provided in the Lease; (c) contest legal requirements claimed to be applicable to the Premises and defer compliance with such legal requirements pending the determination of any such contest; (d) remove fixtures, improvements and/or personal property that it owns from the Premises; and (e) exercise any options to extend the term of the Lease or expand the Premises.

10. Before terminating the Lease due to a Landlord default, University shall notify Beneficiary in writing of the same. Beneficiary shall have the right (but not the obligation) to cure the default within ten (10) days after the receipt of such written notice by Beneficiary as to any default curable by the payment of money, and within thirty (30) days after receipt of such written notice by Beneficiary as to any other default. If Beneficiary does not cure the default within the preceding timeframes, then University may terminate the Lease as allowed by law or the Lease. Nothing contained in this Agreement shall limit the right of University under the Lease to receive any abatement of rent or to perform and discharge the obligations of Landlord prior to the expiration of such notice periods and deduct the expenses so incurred by it (including interest) from any amounts coming due with respect to the Premises under the Lease.

11. Upon receipt by University of written notice from Beneficiary that Beneficiary is entitled under the terms of the Security Documents to collect rents due under the Lease and directing University to make the payment of rents directly to Beneficiary, University shall comply with such direction to pay and shall not be required to determine whether Landlord is in default under the Security Documents. Landlord hereby consents to University making payments of any amounts due under the Lease directly to Beneficiary, releases University from liability for any such payments made by University to Beneficiary, and agrees that all such payments made by University shall be credited to University under the Lease as if University had made such payments directly to Landlord. Landlord further agrees that University shall be entitled to make payments as directed by Beneficiary without any further inquiry into the validity of Beneficiary's notice and regardless of any contrary notice from Landlord, and Landlord hereby releases and discharges and agrees to indemnify, defend and hold University harmless from and against any liability and/or claims on account of any such payments made by University.

12. All notices required under this Agreement must be given in writing and shall be sent by United States registered or certified mail, postage prepaid, or by national overnight air courier and addressed to the parties at the addresses set forth below:

Landlord: NAME
 ADDRESS
 PHONE/FAX/E-MAIL

Beneficiary: NAME
 ADDRESS
 PHONE/FAX/E-MAIL

University Delivery: University of Washington
 UW Real Estate
 University Facilities Building
 3988 Jefferson Road N.E., 1st Floor
 Seattle, WA 98195-2210

University Mail: University of Washington
 UW Real Estate
 Campus Box 352210
 Seattle, WA 98195-2210

These addresses may be changed from time to time by a party serving notice of the changes as provided above. Notices shall be deemed given upon receipt or attempted delivery where delivery is not accepted.

13. This Agreement, and each of the provisions hereof, shall inure to the benefit of or bind as the case may require, and be enforceable by the parties hereto and their respective heirs, personal representatives, successors and assigns, including without limitation, any purchaser at any foreclosure sale or any transferee of a deed in lieu of foreclosure.

14. This Agreement may not be modified other than by an agreement in writing signed by the parties hereto or by their respective successors in interest. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Washington. Nothing in this Agreement and nothing done pursuant to the provisions hereof shall limit or otherwise modify the duties of Landlord to University under the Lease.

15. This Agreement will be effective once it has been executed by all parties and the fully executed original returned to the University. This Agreement will terminate and be of no further force and effect if the fully executed Agreement is not returned to the University within 30 days.

BENEFICIARY:

NAME

By: _____

Name: _____

Title: _____

LANDLORD:

NAME

By: _____

Name: _____

Title: _____

UNIVERSITY:

**BOARD OF REGENTS OF THE
UNIVERSITY OF WASHINGTON**, a
state institution of higher education and
an agency of the State of Washington

By: _____

Jeanette L. Henderson
Executive Director of Real Estate

[Add appropriate acknowledgements and legal description of the property]

EXHIBIT M

VESSEL MOORAGE AGREEMENT

EXHIBIT M (VESSEL MOORAGE AGREEMENT)

**CITY OF TACOMA
MOORAGE AGREEMENT**
326 East D Street, Tacoma, WA 98421-1801

Vessel Numbers	
Official CG#	_____
State ID #	_____
Harbor ID #	_____
ADF&G#	_____
Other	_____

VESSEL OWNER/LESSEE INFORMATION:

Vessel Name: _____
Vessel Owner Agency: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Contact Phone Nos.: _____
Vessel Operator (if different than Owner/Lessee): _____
Vessel Insurance Carrier: _____
Describe type of coverage and amount: _____

VESSEL DESCRIPTION:

Doc Length: _____ Actual Length: _____ (LOA) (include all fixed protuberances, e.g steps, anchors)
Beam _____ Draft _____ Other _____
Vessel Use: _____
Hull (check one): Steel Fiberglass Wood Aluminum
Propulsion: Inboard Outboard Sail Oars Fuel Type: Diesel Gas

REQUIRED DOCUMENTS: Staff verification Date received Comments

Copy of State Vessel Registration - _____
Proof of Insurance - _____
Length Verification - _____

GENERAL TERMS AND CONDITIONS:

Upon the Terms and Conditions contained herein, Lessee shall be entitled to moor boats or other aquatic vessels at the City's Urban Waters Marine Dock either on a first come, first served, space available basis, or as mutually agreed herein for any designated space and duration, subject to paying rent for any such moorage as specified in section 3 below (herein "Moorage Rent").

1. Lease of Moorage Space.

The City agrees to lease moorage space to the Lessee for the mooring of the vessel described on the preceding page of this Agreement. The City is not a bailee under this Agreement, and does not accept the vessel, or its tackle, fixtures, equipment, gear or furnishings, for storage, warehousing or safekeeping.

The City will assign moorage space either on a first come, first served, space available basis or will designate a specific space for a specific term via an addendum attached hereto. In the event that specific

space and term provisions are added hereto, the City reserves the right to reassign moorage space as necessary for the safe and effective use of the Marine Dock facilities.

2. Term.

This Agreement shall become effective on the date that it is fully executed by the parties allowing the Lessee first come, first served, space available moorage. In the event that the Lessee desires a specific period of moorage and the City is willing to assign such designated moorage space to Lessee, the parties shall attach an addendum hereto specifying such designation and duration. Unless terminated by the City for cause, this Agreement shall have a minimum term of 12 months, and shall continue in effect thereafter until terminated by either party.

3. Rent; Fees and Charges.

Lessee agrees to pay Moorage Rent calculated on the Vessel's LOA at a per day cost of One Dollar (\$1.00) per linear foot. Lessee shall be responsible for any and other fees and charges for moorage services (such as electric or other utility service to Lessee's vessel) that the City establishes from time to time in any Schedule of Fees provided that Lessee is availing itself of a scheduled fee or charge from the Schedule of Fees, and Lessee has been given notice of the Schedule of Fees and the City's intent to apply such. Payment of Moorage Rent is due within thirty (30) days of invoice to Lessee. Notwithstanding anything to the contrary, Lessee shall only owe Moorage Rent and/or other fees and charges for moorage or other services under this Agreement on a per diem basis for such days as Lessee moors a vessel at the Marine Dock facilities.

4. Assignment, Subletting; Sale of Vessel.

Lessee may not assign, sublet or otherwise transfer interest in this Agreement or the moorage space/right. Lessee shall submit a vessel sale form to the City within ten (10) days after the sale or transfer of any ownership interest in the vessel, and remains liable for all rent, fees and charges accrued until the City receives the vessel sale or appropriate transfer of ownership documents.

5. Insurance and Seaworthiness.

Lessee shall keep the vessel seaworthy and capable of operating under its own power, except for a reasonable time necessary for repairs. If the City believes that a vessel is unseaworthy, Lessee shall provide either proof of adequate insurance coverage or evidence of seaworthiness from a licensed marine surveyor.

6. Compliance with Laws and Regulations.

Lessee shall maintain current vessel registration with the Washington Department of Licensing or U.S. Coast Guard Documentation Center, and shall comply with all applicable federal, state and local laws, statutes, ordinances, rules, and regulations.

7. Liability; Indemnification.

The City shall not be liable for death or injury to persons, or damage to property, upon the vessel, Marine Dock facilities or premises adjacent thereto arising from any cause other than the negligence or willful

misconduct of the City. Lessee shall indemnify and hold the City and its officers and employees harmless from all claims for death or injury to persons, or damage to property, arising from the acts or omissions of Lessee, or Lessee's agents or employees acting in the scope of their employment.

8. Condition of Moorage Space.

Lessee has inspected the moorage space and the premises adjacent thereto and accepts them in their present condition. Lessee shall keep the moorage space and the premises adjacent thereto neat, clean, orderly and free from flammable/hazardous substances, and will return the same to the City in as good condition as when first used, reasonable wear accepted. Lessee shall promptly submit an accident report to the City if Lessee damages any marine facility, and notify the City when repairs are necessary. Lessee shall dispose of waste, garbage, etc. in proper receptacles. Lessee shall not dispose of any items over side.

9. Default; City's Remedies.

If Lessee violates any term of this Agreement, or fails to pay rent, fees or charges for more than thirty (30) days after the due date, the City may exercise any available remedy, including without limitation one or more of the following: a) terminate this Agreement, and/or b) at Lessee's risk and expense, remove the vessel from the moorage space and/or impound the vessel until the default has been cured.

10. No Waiver.

The failure of the City to insist upon strict performance of any provision of this Agreement, or to exercise any right or remedy available on a breach thereof, or the acceptance by the City of full or partial payments during the continuance of any breach, shall not constitute a waiver of any provision of this Agreement, and all provisions hereof shall continue in full force and effect. Nothing in this Agreement shall constitute a waiver by the City of its right to arrest any vessel to enforce a maritime lien, or any other right or remedy.

12. Notices.

Billings and notices will be mailed to Lessee's address as set forth herein. Lessee shall notify the City in writing of any change in Lessee's mailing address.

13. Interpretations; Amendment.

Washington law shall govern this Agreement both as to interpretation and performance without recourse to any principles of Conflicts of Laws. The invalidity of any provision of this Agreement shall not affect the validity of any other provision. This document constitutes the entire agreement of the parties. No amendment of this Agreement shall be valid unless in writing and signed by both parties.

CITY OF TACOMA

LESSOR
