

AFTER RECORDING RETURN TO:

Department of General Administration
Real Estate Services
P. O. Box 41015
Olympia, Washington 98504-1015

Lease No. SRL 10-0122
SR 174-06-10

(Seattle) GAW/ij
Date: September 21, 2010
Page 1 of 8

LEASE

1. THIS LEASE, is made and entered into by and between the STATE OF WASHINGTON, Liquor Control Board, acting through the Department of General Administration in accordance with RCW 43.82.010 whose address is Post Office Box 43088, Olympia, Washington 98504-3088 for its administrators, successors, and assigns, hereinafter called the Lessor, and Puget Sound Clean Air Agency whose address is 1904 3rd Avenue, Suite 105, Seattle, Washington 98101 hereinafter called the Lessee. This Lease is dated for reference purposes only as of the latest date of execution hereof.

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED AS FOLLOWS:

LEASED PREMISES

2. The Lessor hereby leases to the Lessee the following described Leased Premises:

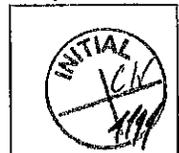
Tax Parcel Number: 182404-9063-03

Common Street Address: 4401 East Marginal Way, Seattle, Washington

Approximately 1,800 square feet of vacant land located at 4401 East Marginal Way, Seattle, Washington and legally described as follows: the SE Quarter, Section 18, Township 24, Range 04, W.M., King County. Portion of Government Lot 4 Together with Portion of Blocks 379 and 384 Seattle Tide Lands Except #1 Described as follows: South 420 feet of Government Lot 4 lying North of South Oregon Street less Portion for East Marginal Way together with Lots 25 Through 28 Block 379 less street together with portions of Block 384 South of Line 420 feet North of and Portion Line within North Line of South Oregon Street. As represented on Attachment "A" and by this reference incorporated herein.

USE

3. No use other than an ambient air monitoring site and for the installation, operation, maintenance, repair, removal or replacement fixtures relating to the ambient air monitoring site shall be permitted without the prior written approval of the Lessor. No pets or other animals shall be kept, housed, or brought into the Premises for any purpose with the exception of guide dogs and service animals as required by employees and visitors and dogs required for law enforcement or security purposes. No smoking shall be permitted in the building. Furthermore, in using these Premises, it is expressly agreed that Lessee shall comply with all applicable federal, state, and local laws, ordinances, regulations, and environmental requirements. Lessee hereby agrees to hold Lessor harmless from claims or suits resulting from Lessee's failure to comply with such requirements. Lessee shall not use the Premises in any way which interferes with the use of the Premises by Lessor, or lessees or licensees of Lessor with rights in the Premises prior in time to Lessee's.



TERM

4. TO HAVE AND TO HOLD the Leased Premises with their appurtenances for the term November 1, 2010 through October 31, 2015.

RENT

5. The Lessee shall pay Rent to the Lessor for the Leased Premises as follows:

Two Hundred Dollars and No Cents \$200.00 per month

In addition, Lessee shall remit to Lessor leasehold excise tax in the amount of \$25.68 per month, which is 12.84% of the rent stated in paragraph 4. Leasehold excise tax shall be adjusted if there occurs an adjustment in the rental rate or leasehold excise tax rate, or any expenditures by Lessee pursuant to the Remodel Paragraph that triggers the provisions in RCW 82.29A.020 (2a). Said tax shall be paid each month at the same time as payment of rent is due.

Payment shall be made on or before the 10th of each month throughout the Lease term. Warrants will be made payable to the Washington State Liquor Board, Post Office Box 43085, Olympia, Washington 98504-3085.

LATE CHARGE

6. If any payment under this Lease is not received by the due date, Lessor may add interest of one percent (1%) per month, or fraction thereof, per RCW 43.17.240 for all amounts owed (including insufficient fund charges) until paid in full. There may be an additional charge of \$50.00 for any check returned for insufficient funds. Interest shall be compounded monthly and added to all amounts until account is current.

RENEWAL/CANCELLATION

7. The Lease may, with the consent of Lessor, be renegotiated for an additional five (5) years.

7.1 It is mutually understood and agreed by and between the Lessor and the Lessee that this Lease may be canceled and terminated by either party provided that written notice of such cancellation and termination shall have been given at least one hundred twenty (120) days prior to the effective date thereof, in which event rent shall be prorated to the date of termination.

CANCELLATION/SUPERSESSION

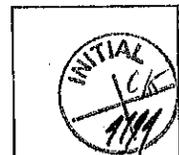
8. This Lease cancels, supersedes or replaces Lease Number SRL 05-0128, dated October 5, 2005, and all modifications thereto, effective November 1, 2010.

MONTH TO MONTH TENANCY

9. If Lessee remains in possession of the Leased Premises after the expiration or termination of this Lease, or any extension thereof, such possession by Lessee shall be deemed to be a month-to-month tenancy, terminable as provided by law. During such month-to-month tenancy, Lessee shall pay all Rent provided in this Lease or such other Rent as the parties mutually agree in writing and all provisions of this Lease shall apply to the month-to-month tenancy, except those pertaining to Term and option to extend the Term.

ASSIGNMENT/SUBLEASE

10. The Lessee shall not assign, nor sublet the Leased Premises without first obtaining Lessor's prior written consent in Lessor's sole discretion.



EXPENSES

11. Lessee is leasing the Premises from Lessor with the specifically bargained for understanding that Lessor shall have no obligation to Lessee or any third party to incur any expense in connection with this Lease or the Premises or the operation or occupation thereof and that Lessee is accepting the Premises in the current condition of the Premises, i.e. "AS-IS".

MAINTENANCE AND REPAIR

12. The Lessor shall maintain the Leased Premises in good repair and tenantable condition during the Term of this Lease, except in case of damage caused by the Lessee's clients, agents or employees. For the purposes of so maintaining the Leased Premises, the Lessor reserves the right at reasonable times to enter and inspect the Leased Premises.

ALTERATIONS

13. During the Term of this Lease, Lessee shall have the right to make alterations and construct or install improvements, additions and structures in or upon the Leased Premises (the "Alterations") subject to Lessor's prior written approval, which shall not be unreasonably withheld. Lessee shall cause plans and specifications to be developed at its sole cost and expense for Lessor's prior written approval, which shall not be unreasonably withheld. Said alterations shall be limited by the building's utility systems' capacity and structural capability and shall also be limited to appropriate and prudent uses and occupancy as reasonably determined by Lessor. The Lessor shall have the first right to provide such services. At Lessor's option, Lessee shall remove said alterations upon expiration or earlier termination of this Lease, at Lessee's sole cost and expense.

If required by state law, the Lessee shall pay the prevailing rate of wage to all workers, laborers or mechanics employed to perform such services as well as comply with the rules and regulations of the Department of Labor and Industries. In providing said alterations, Lessee agrees to comply with all applicable local, state, and federal regulations including but not limited to, compliance with building codes, public works requirements and obtaining appropriate permits and inspections. Lessee agrees to provide Lessor with all information regarding the full cost of any such Alterations which require the payment of Leasehold Excise Tax under RCW 82.29A.020 (2)(a).

FIXTURES

14. The Lessee shall have the right, at its sole cost and expense, during the existence of this Lease with the written permission of the Lessor to make alterations, attach fixtures, and erect additions, structures or signs, including but not limited to, any electrical or telecommunications equipment necessary to operate its ambient air monitoring system, in or upon the Premises hereby leased. Performance of any of the rights authorized above shall be conducted in compliance with all applicable governmental regulations, building codes, and public works requirements, including obtaining any necessary permits.

SIGNAGE

15. Lessee hereby agrees that all signs and other advertising desired to be placed by Lessee upon or in front of the Leased Premises, and all interior installations desired to be placed by Lessee, within said Leased Premises, are subject to the prior written approval of Lessor in Lessor's sole discretion. Such signs and other advertising, if approved, shall conform with the ordinances of the City of Seattle, if applicable.



DISASTER

16. Lessor reserves the right to limit Lessee's access to the Leased Premises during natural disasters, fire, or other emergencies as necessary for Lessee's health and safety. In the event that the Leased Premises are destroyed or injured by fire, earthquake or other casualty so as to render the Leased Premises unfit for occupancy, and the Lessor neglects and/or refuses to restore said Leased Premises to their former condition, then the Lessee may terminate this Lease and shall be reimbursed for any unearned Rent that has been paid. In the event said Leased Premises are partially destroyed by any of the aforesaid means, the Rent herein agreed to be paid shall be abated from the time of occurrence of such destruction or injury until the Leased Premises are again restored to their former condition, and any Rent paid by the Lessee during the period of abatement shall be credited upon the next installment(s) of Rent to be paid. It is understood that the terms "abated" and "abatement" mean a prorata reduction of area unsuitable for occupancy due to casualty loss in relation to the total area of the Leased Premises.

REIMBURSEMENT FOR DAMAGE TO LEASED PREMISES

17. The Lessee hereby agrees to reimburse the Lessor for damages caused by its employees, contractors, licensees, invitees, clients and agents. This paragraph shall not be construed as making Lessee responsible for the repair of normal wear and tear.

ENERGY

18. The Lessor, or authorized representative, in accordance with RCW 43.19.685, has conducted a walk-through survey of the leased premises with a representative of the Director of the Department of General Administration. Lessor will undertake technical assistance studies and/or subsequent acquisition and installation of energy conservation measures identified as cost effective by the survey.

HAZARDOUS SUBSTANCES

19. Lessee shall not keep on or about the Leased Premises, for use, disposal, treatment, generation, storage or sale any substances which are hazardous, toxic, harmful or dangerous, and/or which are subject to regulation as hazardous or toxic, dangerous, or as a pollutant by any federal, state, or local law, regulation, statute, or ordinance (collectively referred to herein as "hazardous substances"). Lessee shall be fully liable to the Lessor, and shall indemnify, defend and save harmless the Lessor and its officials and employees, with respect to any and all damages, costs, fees (including attorneys' fees and costs), civil and criminal penalties, or clean-up costs assessed against or imposed as a result of Lessee's use, disposal, generation, storage, or sale of hazardous substances or that of Lessee's employees, agents, or invitees. Breach of this provision shall entitle Lessor to terminate this Lease. This provision shall not apply to properly stored cleaning supplies such as ammonia-based cleaners nor to office supplies such as copy machine toner.

ADDITIONAL LEASE PROVISIONS

20. **Acceptance of Premises** It is understood and agreed that the Lessee accepts the Leased Premises in its present condition and accepts all risk of injury to persons or damage to property resulting from, or arising out of, the condition of the Leased Premises. This acceptance includes knowledge that the Leased Premises may not meet the requirements set forth in the American's with Disabilities Act (ADA). If at any time during the Term of this Lease, Lessee reasonably determines that barriers to the disabled existing in the Leased Premises must be eliminated, Lessee shall so notify the Lessor in writing. Lessor and Lessee shall endeavor to arrive at a mutually satisfactory agreement for accomplishing necessary alterations within thirty (30) days of said written notice. If Lessor and Lessee cannot arrive at a mutually satisfactory agreement, Lessee shall have the option to terminate this Lease subject to sixty (60) days' prior written notice to Lessor, in which event Rent shall be prorated to the date of termination.



21. **Vacating the Leased Premises.** Upon vacating the Leased Premises, the Lessee hereby agrees to leave the Leased Premises in as good order, condition and repair as same was entered upon, subject to normal wear and tear. The Lessee also agrees to a joint inspection of the Leased Premises by Lessor and Lessee upon vacating the Leased Premises. Lessee shall return all keys, card-keys and other access devices to Lessor upon vacating the Leased Premises. Upon vacating the Leased Premises, the Lessee also agrees to remove all phone and data wiring installed by Lessee during its tenancy, leaving the Leased Premises in as good condition as when entered upon.

22. **Disputes.** In the event that a dispute arises under this Lease, it shall be determined by a three-member dispute board in the following manner: Each party to this Lease shall appoint a member to the dispute board. The members so appointed shall jointly appoint a third member to the dispute board. The dispute board shall evaluate the facts, Lease terms and applicable statutes and rules and make a determination of the dispute. The determination of the dispute board shall be final and binding on the parties hereto.

23. **Severability** If any provisions of this Lease or its application to any person or circumstance are held invalid, such invalidity shall not affect the remainder of the Lease.

24. Lessee shall, at Lessee's sole cost and expense, keep and maintain the monitoring site now or hereafter located on the Premises in reasonable condition and repair during the term of this Agreement, normal wear and tear and casualty excepted. Upon termination or expiration of this Agreement, the Premises shall be returned to Lessor in good, usable condition, normal wear and tear and casualty excepted.

25. Lessee shall access the Premises typically during normal business hours (6:00 AM to 6:00 PM) seven days a week, year round.

HOLD HARMLESS

26. Lessee, its successors or assigns, will protect, save and hold harmless the Lessor, its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever arising out of or in connection with any acts or activities authorized by this Lease. The Lessee further agrees to defend the Lessor, its agents, or employees, in any litigation, including the payment of any costs or attorneys' fees, for any claims or action commenced thereon arising out of or in connection with acts or activities authorized by this Lease. This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of the Lessor or its authorized agents or employees; Provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Lessor, its agents or employees, and (b) the Lessee, its agents or employees and involves actions covered by RCW 4.24.115, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Lessee or Lessee's agents or employees.

NO GUARANTEES

27. It is understood that no guarantees, representations, promises or statements, express or implied, have been made by the Lessor unless endorsed herein in writing. The parties further agree that this Lease shall not be valid and binding upon Lessor, unless it has been approved by the Director of the Department of General Administration of the State of Washington, or his or her designee, and approved as to form by the Office of the Attorney General. Any amendment or modification of this Lease must be in writing and signed by both parties.

INTERPRETATION

28. Each of the provisions of this Lease has been reviewed and negotiated and represents the combined work product of both parties hereto. No presumption or other rules of construction which would interpret the provisions of this Lease in favor of or against the parties preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Lease.



NOTICES

29. Wherever in this Lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.

LESSOR: STATE OF WASHINGTON
Liquor Control Board
Acting through the Department of General Administration
Post Office Box 41015
Olympia, Washington 98504-1015

LESSEE: Puget Sound Clean Air Agency
1904 3rd Avenue, Suite 105
Seattle, Washington 98010

Attention: Maryann Renzi

CAPTIONS

30. The captions and paragraph headings herein are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

INSURANCE

31. Lessee shall, at all times during term of the Lease, at its sole cost and expense, buy and maintain insurance of the types and amounts listed below. Failure to buy and maintain the required insurance may result in the termination of the Lease at the Lessor's direction.

All insurance and surety bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by the Risk Manager for the State of Washington, before the contract is accepted. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

Lessee shall maintain general liability (CGL) insurance, and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit.

CGL insurance shall be written on ISO occurrence form CG 00 01 (or substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contracts, products-completed operations aggregate limit of at least two times the "each occurrence" limit.

CGL insurance shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contracts, product-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation on insureds (cross liability) condition.

All policies required under Section 25 shall include and maintain the following provisions and the Lessor shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications.



- a. Lessee is subject to 48.18 RCW (Admitted and Regulated by the Insurance Commissioner): The insurer shall give the State 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the Lessee shall be given ten (10) days advance notice of cancellation.
- b. Lessee is subject to 48.15 RCW (Surplus lines): The Lessor shall be given twenty (20) days advance notice of cancellation. If cancellation is due to non-payment of premium, Lessor shall be given 10 days advance notice of cancellation.
- c. The Lessor, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella and property insurance policies.
- d. All insurance provided in compliance with this Lease shall be primary as to any other insurance or self-insurance programs afforded to or maintained by Lessor.
- e. By requiring insurance herein, Lessor does not represent that coverage and limits will be adequate to protect Lessee, and such coverage and limits shall not limit Lessee's liability under the indemnities and reimbursements granted to Lessor in this Lease.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

LESSEE

Puget Sound Clean Air Agency

By: *Craig Kenworthy*
 Name: *Craig Kenworthy*
 Title: *Executive Director*
 Date: *11/3/2010*

LESSOR

STATE OF WASHINGTON
Liquor Control Board
 Acting through the Department of
 General Administration

By: *Neil D. Cohen*
 Title: Acting Leasing Manager/Design Manager
 Date: *11/15/10*

RECOMMENDED FOR APPROVAL:

[Signature]
 Guy Winkelman, Facilities Senior Planner
 Real Estate Services
 Date: *11/5/10*

APPROVED AS TO FORM:

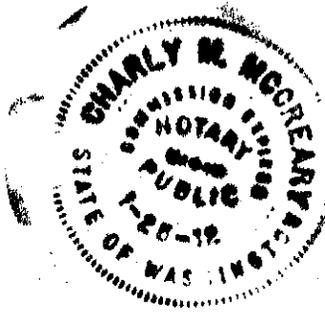
By: *B. [Signature]*
 Assistant Attorney General
 Date: *11/12/10*



STATE OF Washington)
) ss.
County of King)

On this 3rd day of November, 2010 before me personally appeared Craig T. Kenworthy and said person(s) acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of Puget Sound Clean Air Agency to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

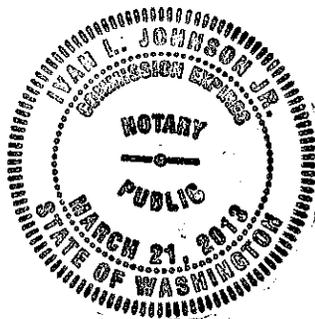


Charly McGreary
Notary Public in and for the State of Washington,
Residing at Seattle, WA
My commission expires 1-25-2012

STATE OF WASHINGTON)
) ss.
County of Thurston)

I, the undersigned, a Notary Public, do hereby certify that on this 15th day of November, 2010, personally appeared before me TED S. COHEN, Acting Leasing Manager/Design Manager, Real Estate Services, Department of General Administration, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as the free and voluntary act and deed of the Department, for the purposes and uses therein mentioned, and on oath stated that he was duly authorized to execute said document.

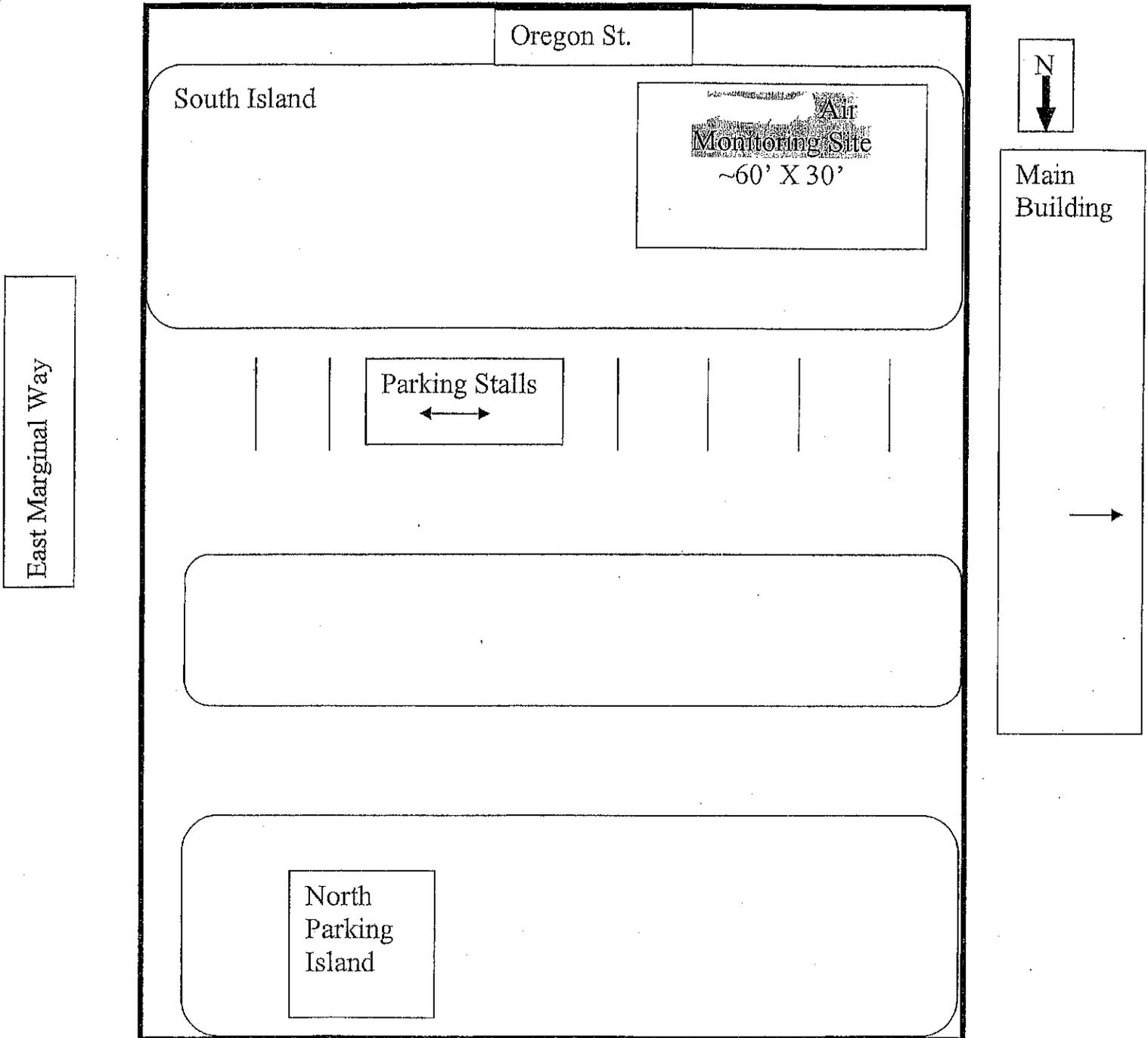
In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Evan L. Johnson Jr.
Notary Public in and for the State of Washington,
Residing at Olympia
My commission expires 3-21-13



Proposed air monitoring site at Washington State Liquor Control Board
Facility, East Marginal Way, Seattle Wa.
(Not to scale)



10-0122
Attachment A
Please Initial
[Signature] CK

Entrance