



201810290583 65 PGS  
 10/29/2018 3:12pm \$163.00  
 SNOHOMISH COUNTY, WASHINGTON

**NO EXCISE TAX  
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**OCT 29 2018**

KIRKE SIEVERS, Snohomish County Treasurer

By KIRKE SIEVERS

Return Address:

Snohomish County Property Management  
 3000 Rockefeller, M/S 404  
 Everett, WA 98201

**ORIGINAL**

<p><b>Document Title(s)</b> or transactions contained therein):</p> <p><b>Land and Building Lease (existing building)          Lease 18-008 Future of Flight</b></p>
<p><b>Lessor(s)</b> (Last name first, then first name and initials)</p> <p><b>Snohomish County</b></p> <p><input type="checkbox"/> Additional names on page ____ of document.</p>
<p><b>Lessee(s)</b> (Last name first, then first name and initials)</p> <p><b>The Boeing Company</b></p> <p><input type="checkbox"/> Additional names on page ____ of document.</p>
<p><b>Legal description</b> (abbreviated: lot, block, plat or section, township, range, qtr./qtr.)  <b>Lots 1, 3 and Portion of Lot 4 in Sector 9 Binding Site Plan for Paine Field</b></p> <p><input type="checkbox"/> Additional legal is on Exhibit A of document</p>
<p><b>Reference Number(s)</b> of Documents assigned or released:  <b>Snohomish County Auditor File # 200509225371</b></p> <p><input type="checkbox"/> Additional numbers on page ____ of document.</p>
<p><b>Assessor's Property Tax Parcel/Account Number</b>  <b>0061160009505, 28041500202600,28041500202900</b></p> <p><input type="checkbox"/> Property Tax Parcel ID is not yet assigned  <input type="checkbox"/> Additional parcel numbers on page ____ of document</p>
<p>The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information.</p>

**SNOHOMISH COUNTY AIRPORT  
LAND & BUILDING LEASE (EXISTING BUILDING)  
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**EXHIBIT ATTACHED**

Exhibit A	Legal Description
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Exhibit E	Furniture Fixtures and Equipment
Exhibit F	Title VI List of Pertinent Nondiscrimination Acts and Authorities
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Exhibit J	Existing Conditions

LAND & BUILDING LEASE (EXISTING BUILDING)

SNOHOMISH COUNTY AIRPORT

Lessee: The Boeing Company  
Lease No. : 18-008  
10-16-2018, or date of Snohomish County  
Effective Date: Council approval pursuant to Section  
2.06, whichever is later

THIS LEASE between SNOHOMISH COUNTY, a political subdivision of the State of Washington, herein called County (or Lessor), herein called County (or Lessor), and The Boeing Company, herein called Lessee.

WITNESSETH: That County and Lessee desire to enter into a lease for the following land and building(s) on the Snohomish County Airport, Snohomish County, Washington:

Lots 1, 3 and a 62,705 sf portion of Lot 4 in Paine Field Binding Site Plan Sector 9

upon the following terms and conditions subject to approval of Snohomish County Council;

ARTICLE I – PREMISES

1.01 Description of Leased Land and Building. The County hereby leases to Lessee and Lessee hereby leases from County the following described land and building situated in Snohomish County, State of Washington, Snohomish County Airport and legally described in **Exhibit A** and shown in **Exhibit B** hereinafter called the "premises". Ownership of the Building and Land remains with County Lessor. The premises are the land and building complex at Snohomish County Airport commonly referred to as the Future of Flight Aviation Center & Boeing Tour ("FOF"). The FOF consists of approximately 13.55 acres of land and includes an Aviation Museum and Conference Center, and the common areas, and the Boeing Tour Center ("BTC"), as authorized in SCC Chapter 15.10.

1.02 Use of the Premises.

- a. Lessee shall use the premises only for the following uses: Operation of an aviation museum Regional Center (as defined in RCW 35.57.020) known as the Future of Flight, as further defined herein, and the BTC consisting of tour center, theatre, conferences, special events, educational programs and gift shop, in compliance with SCC chapter 15.10, and aircraft parking in Lot #4 as depicted in **Exhibit B** and for no other purpose without the written consent of the County. No delay or failure of the County to object to any improper or illegal use or other use contrary to terms of this lease

shall constitute a waiver of the County's right to claim a breach for such use.

- b. Regional Center: County Lessor owns the Regional Center and it is operated pursuant to a lease to Lessee for use as public Regional center. The Regional Center is part of the Snohomish County Public Facility District (PFD) and the PFD provides funding towards the bond obligation. Lessee will maintain compliance with all applicable local and state regulations for the Public Facility District and Regional Center requirements set forth in the Interlocal Agreements between County and PFD, as may be amended; including RCW 35.57, Municipalities; RCW 36.100 Counties including RCW 36.100.030(1); SCC chapters 15.10, chapter 4.23. Lessee understands the PFD does not guarantee funds.
- c. Lessee shall continue the use of the premises as a Regional Center/Boeing Tour Center for the full lease term as per **Exhibit H**.
- d. The operations must maintain at all times its status as a Public Facility District, Regional Center. It is a condition precedent to the effectiveness of this Lease that Lessor and Lessee shall enter into an operating agreement substantially in the form attached to this Lease as **Exhibit H** (the "Operating Agreement") Each party will perform its respective obligations under the Operating Agreement. Lessor and Lessee agree that the Operating Agreement may be amended and updated as needed by agreement of Lessor and Lessee without amending the provisions of this Lease except where the amendment of this Lease is deemed by the parties to be necessary.
- e. Lessee may, in its sole discretion, allow evening use of the Premises for corporate functions, conferences, special events, and other uses for the benefit of the public and/or for Lessee's purposes. Fees for such evening use shall be at the sole discretion of the Lessee. The prior written consent of the County is not required for Lessee's use of the Boeing Tour Center for these purposes nor is the Lessee required to provide notice of such events to the County. County and Lessee agree and acknowledge that the provisions of Section 4.11 of this Lease do not apply to evening use of the Premises for the functions referred to in this Section 1.02e.
- f. All ticketing fees (not connected with the events referred to in Section 1.02e above) will be reasonable for public use of the facility as a regional center and at fair market value and will be compliant with local and state regulations including admissions tax as set forth in SCC chapter 4.23.
- g. Lessee shall place no sign or mailbox upon the premises or any other Airport property or alter, remodel, or in any way modify or change the present condition or appearance of the premises without the express written permission of the Airport Director. Signs shall comply with all codes

and ordinances as adopted by the County. Lessee shall obtain the written approval of the Airport Director for any exterior painting, including choice of color.

- h. Lessee shall screen outside storage from adjoining properties and right of ways. Lessee agrees that parking, outside storage and other uses incidental to its operation shall be upon the premises only with the written consent of the Airport Director. Lessee shall not use or permit employees, patrons invitees, or guests to use parking space or other areas of the Airport outside of the premises, as it now exists or may hereafter be amended, in a manner contrary to the posted rules and regulations of the Airport.
- i. Lessee shall keep the visible area of the premises and access, loading and parking areas free of debris and in a neat, safe, and attractive condition. Lessee shall not use such areas for storage or for other than loading and parking activities and shall not obstruct the access, parking, or loading areas of other tenants or users of the Airport. Lessee shall not store any boat, recreational vehicle, trailer, car or other vehicle on the premises.
- j. Lessee shall not create any fire, safety, or health hazard on any Airport property, shall not use or permit any use of the premises so as to produce noxious or dangerous fumes, odors, smoke, or waste, unlawful noise, and shall not make or permit any other use of the premises which constitute a nuisance, waste or an unlawful use, interferes with the use and occupancy of other Airport property, or cause cancellation of any insurance policy on the premises.
- k. Condition at termination. At the end of the term or earlier termination or retaking of possession, Lessee covenants and agrees that it will yield and deliver the Leased Premises in a neat, clean and safe condition, with all systems and doors servicing the Leased Premises in good working order or in like condition as when taken, except for reasonable use and wear as determined by Lessor, acting reasonably, and will deliver all keys and building security cards for the Leased Premises to Lessor at the place then fixed for the payment of Rent. Lessee shall arrange to meet with Lessor at least thirty (30) days prior to vacating the premises for a joint inspection of the premises. In the event the Leased Premises are not returned to Lessor in the condition required in this Paragraph and elsewhere in this Lease, Lessor may enter the Leased Premises and restore and repair the Leased Premises to the original condition and configuration required by this Lease at Lessee's sole cost and without prior notice to the Lessee. Lessee shall pay all costs associated with restoring and/or repairing the Leased premises immediately upon demand from Lessor, and said costs shall be withheld from any security deposit held. Said cost shall include a fifteen percent (15%) administrative fee. Lessor shall not be required to give prior written notice or have said costs to repair, restore or reconfigure the Leased

Premises approved by Lessee prior to performing said work. If the repair work is extensive in nature, Lessee shall be deemed to be a holdover Lessee until such time the Leased Premises has been repaired and/or restored to the condition required by this Lease. At Lessor's option, Lessor may, within ten (10) days of retaking possession, give the Lessee a written list of Lessee's failure, if any, to clean up or repair the premises, to which Lessee must repair, restore premises at Lessee's cost within thirty (30) days of such notice. During such time, Lessee shall be deemed to be a holdover Lessee until such time the Leased Premises has been repaired and/or restored to the condition required by this Lease. If the Lessee has not done so thirty (30) days after delivery of the written list, the County may clean up or repair the defects noted in the list, with its own personnel or independent subcontractors, charging the cost of the same to the Lessee. Any cost charged, including lost rent, shall be immediately due and payable by the Lessee. Said cost shall include a fifteen percent (15%) administrative fee. Further, during this time, Lessee shall be deemed to be a holdover Lessee until such further time the Leased Premises has been repaired and/or restored to the condition required by this Lease.

1.03 Inspection. County reserves the right to inspect the premises and improvements thereon at any and all reasonable times throughout the terms of this lease provided that it shall not interfere unduly with the Lessee's operation including but not limited to, in order to confirm compliance with this Lease, the federal grant assurance obligations (of which Lessor has been notified or is otherwise aware) and other applicable local, state and federal laws and regulations. The right of inspection reserved to the County hereunder shall impose no obligation on the County to make inspections to ascertain the condition of the premises and shall impose no liability upon the County for failure to make such inspections. Lessee shall allow access for an annual certificate of occupancy fire and safety inspection by the County Fire Marshall, Snohomish County Airport Fire Chief, or their designee. Lessee shall pay the cost of the annual certificate of occupancy fire and safety inspection and any re-inspection in the event of a violation requiring correction. Lessee shall allow access for other fire, safety and insurance inspections by the County, provided that such inspections shall be without charge to the Lessee. Lessee shall allow the County to install a Knox box on the premises, if deemed necessary by the County, at a cost to be reimbursed by the Lessee. In the event Lessee desires to install an alarm system, Lessee shall provide a supervised alarm system with local monitoring by a U. L. approved station acceptable to the Airport Director. Lessee shall leave the Knox box, alarm system and wiring in place upon termination of the lease, unless requested otherwise in writing by the County.

1.04 Tenant Improvement Forms. Prior to making any changes or improvements to the premises, Lessee shall submit a Tenant Improvement Form to the County for approval by the Airport Director. Tenant Improvement Forms may be obtained at the Snohomish County Airport Office. Applicable improvements shall comply with LEED Silver standard as set for in section 4.14. Lessee shall maintain all improvements made pursuant to this paragraph.



1.05 Action Request Forms. All requests by Lessee for action by the County regarding the condition of the premises shall be in writing and submitted to the Business Manager at the Snohomish County Airport Office. All complaints by Lessee concerning the conduct of County employees shall be in writing and submitted to the Business Manager at the Snohomish County Airport Office. Action Request Forms may be obtained at the Snohomish County Airport Office.

1.06 Intentionally Omitted.

1.07 Intentionally Omitted.

1.08 Security & Servers Rooms. The County has critical security infrastructure located within Future of Flight Server rooms located and depicted in **Exhibit G** which the County must maintain access to 24hrs a day, 365 days a year. The critical security is required for security gates, and security cameras located within the premises and a strict requirement from the Transportation Security Administration ("TSA") and Federal Aviation Administration, Federal Aviation Regulations, Part 139. All power to such security and server rooms will be supplied by Lessee at no charge to Lessor. Lessee will ensure 1-2 servers rack space is available through the duration of this lease and is located in a room with sufficient security, and air conditioning (HVAC) for safe equipment operation. Lessee will have no liability to the County for, and the County hereby waives and releases any claim for, any loss, liability, cost, or expense arising out any failure of Lessee to supply utility services to such security and server room when such failure is caused by fire or other casualty or any event beyond Lessee's control. County will indemnify and hold Lessee harmless from and against any and all third party claims, including claims by TSA or FAA arising out of any claim that the County has waived or released pursuant to this Section 1.08.

Additional Security Operating Agreement requirements are set forth in **Exhibit H** and incorporated herein by reference.

1.09 Status of Existing Lease. County and Lessee are parties to a lease agreement captioned Land & Building Lease (Construction by County) – Boeing Tour Center at Snohomish County Airport, dated March 3, 2004 and recorded in the records of Snohomish County under Auditor's File No. 200403240117 (as amended to the date of this Lease, the "Tour Center Lease"). Effective upon the commencement of the term of this Lease, the Tour Center Lease shall be terminated and of no further force and effect, PROVIDED that any obligations of County or Lessee that arose out of events that occurred prior to the termination of the Tour Center Lease shall be unaffected by such termination.

1.10 Use of North Perimeter Road. Temporary License for Use of North Perimeter Road. County acknowledges that Lessee will use the leased premises in part as a tour center. To the extent available based on current local, state and federal regulations, federal approval and availability, Lessee is granted a temporary license in conformance with the Memorandum of Agreement titled, "BOEING TRAVEL INSIDE THE FENCE LINE ON PAINE FIELD PROPERTY" dated January 5, 2018 between Boeing and Snohomish County Airport, Paine Field, as may be amended, to access to North Perimeter

Road during hours of its tour operations only for the sole purpose in order to convey tour participants, employees, contractors, and other invitees from the premises to the Boeing wide-body aircraft factory and to return them to the premises. Lessee's use shall be in authorized and compliant vehicles and with authorized and badged drivers. Lessee shall comply with the Airport Security Plan as may be amended from time to time regarding use of North Perimeter Road. Lessee acknowledges that North Perimeter Road between the leased premises and the Boeing factory is subject to federal approval and availability, temporary closures including emergencies, and there is no expectation that such road will remain open and available to Lessee during hours of tour operations and this lease.

## ARTICLE II -TERM

2.01 Term. The term of this lease shall be for a period of five (5) years commencing on the effective date of this lease.

2.02 Extended Term Option. Lessee shall have the option to renew this lease for an additional thirteen years and six months (13.5 years) upon the same terms and conditions as provided herein, except that the initial monthly rental shall be the Fair Market Rental Value of the premises set according to the procedures of Section 3.03. Lessee shall give written notice to the Airport Director eighteen (18) months prior to the expiration of this lease, of its intent to exercise its option to renew this lease; otherwise this option shall be null and void. Lessee must be current on all rent and other obligations of this lease at the time of exercising this option; otherwise this option shall be null and void.

2.03 Right of First Refusal. The Lessee hereby grants County, during the term of this lease, the right of first refusal to any transfer or assignment of all right, title and interest of the Lessee in the premises, including, but not limited to, any buildings and improvements developed thereon, and any sub-tenancy. The Lessee will not transfer, assign or sell its interest in the premises to any third party without first offering the same to the county on the same terms and conditions that the Lessee is willing to transfer, assign or sell its interest in the premises to any third party.

2.04 County Exercise of Right of First Refusal. If the Lessee proposes to make such a third party transfer, the Lessee shall first offer, in writing, to transfer all right, title and interest in the premises to County under the same terms and conditions. County may accept the offer by delivering written notice of acceptance to Lessee within sixty (60) days of County's receipt of the written notice from Lessee.

2.05 Relationship Between Parties. It is the intention of this lease to create the relation of Lessor and Lessee between the parties and no other relations whatsoever. Nothing herein contained shall be construed to make the parties partners or joint ventures, or to render either party liable for any of the debts or obligations of the other party. Notwithstanding any other provision of this Lease, the County shall not be construed as a partner, joint venturer or manager of any kind in the Regional Center.

2.06 Contingent Matter. This lease is contingent on the approval of the Snohomish County Council.

### ARTICLE III – RENTAL

3.01 Rent. Lessee shall pay the County rent plus leasehold excise tax as set forth in Section 8.04 (b) and any other charges as fixed in this lease as shown on **Exhibit D** (Rate Schedule) attached hereto and by reference incorporated herein.

3.02 Time and Place of Payment. Rental shall be payable to the Snohomish County Airport at the Airport Finance & Business Development Office, Paine Field, 10108 32<sup>nd</sup> Ave W, Suite J, Everett, WA 98204, commencing October 12, 2018, the Rent Commencement Date. Rent shall be paid in advance on the first of each month. Payment of rental shall not relieve the Lessee of payment of any other fees generally charged by the County. The first payment shall be prorated according to the number of days remaining in the month after execution of this lease.

3.03 Rent Adjustment. The parties agree to additional adjustment of rent every three (3) years beginning October 1, 2021. The County shall give Lessee written notice of the adjusted rent to take effect 30 days after the date of said notice unless Lessee, within 30 days following receipt of notice from the County, gives written notice of rejection of the adjusted rent. The adjusted rent shall be the then existing fair market rent for the land, plus the fair market rent and lot 4 improvements plus the greater of debt service or fair market rent of the lot 1 and 3 improvements, and "fair market rent" shall have the same meaning as such term is defined in existing Snohomish County Code Section 4.46.010 (8) (the "Fair Market Rental Value"). If the adjusted rent is disputed, the parties shall submit the readjustment to arbitration within 10 days of disputing the rent, Lessee shall select and pay the fees for one arbitrator and County shall select and pay the fees for one arbitrator. Within 10 days of their selection, these two arbitrators shall select a third arbitrator. Each arbitrator shall be a commercial real estate M.A.I. appraiser conducting business in Snohomish County, Washington and have not less than five (5) years active experience as a commercial real estate appraiser in the leasing market in Snohomish County, Washington. The Board of Arbitrators shall together determine Fair Market Rental Value of the premises. The Board of Arbitrators, after a review of all pertinent facts, may increase or decrease such rents, or continue the previous rate thereof. Any rental during the period for which readjustment is being done by the Board of Arbitrators shall be paid at the rate fixed by the Board of Arbitrators and shall be retroactive to the commencement of the three (3) year period. All fees, costs and expenses of that arbitrator commonly appointed by the parties hereto shall be shared equally. This paragraph shall not in any manner be construed to limit the right to readjustment if required by statutes of the State of Washington.

3.04 Late Payment of Rent. Rent shall be delinquent if not paid by the fifteenth day of each month. If payment is received after the 15th day of any month, there will be a .0333% per day interest charge on the unpaid balance for each day past the due date. A late payment charge of .01665% per day will also be charged on rent not paid by the 15th of each month for each day past the due date. In addition, a charge in the amount provided by current County ordinance will be made on any payment by check which is

returned unpaid to the Airport because of insufficient funds, closed account, forgery, or any other reason.

3.05 Security Deposit. Lessee is not required to pay or maintain a security deposit.

3.06 Adjustments of Leased Space and Rent.

- a. The parties may mutually agree to reduce or increase the total amount of leased space. If the County desires to reasonably increase or decrease the leased space, County will present a detailed letter and exhibits to the Lessee and Lessee will review and provide written acceptance or denial. If the Lessee desires to reasonably increase or decrease the leased space, Lessee will present a detailed letter and exhibits to the County and County will review and provide written acceptance or denial. The rent for the adjusted space will begin on an agreed date by both parties and be subject to the date of increased rent as stated in Section 3.03.
- b. Rent adjustments as agreed to in this section and/or as provided in Section 3.03 will be authorized by an amendment to the lease with only affected paragraphs changed.

3.07 Intentionally Omitted.

3.08 Not applicable.

3.09 Surface Water Management Fees. Lessee shall pay County surface water management fees for the portion of the Premised within unincorporated Snohomish County based upon impervious surface calculations by the Airport for charges assessed by Snohomish County Public Works Surface Water Management. Lessee shall pay the City of Mukilteo surface water management fees for the portion of the premises within the City.

3.10 Storm Water Facility Policy. Lessee shall comply with the Snohomish County Airport Storm Water Facility Policy (SWF).

- a. Connection to Storm Water Detention Pond: N/A
- b. SWF Fee: SWF Maintenance Charge: Lessee shall pay the pro-rated share of area of the rainstore vaults and J pond in BSP Sector 9 tracts 995 and 996 as shown on **Exhibit D** adjusted pursuant to Section 3.03. Monthly SWF maintenance charge as shown on **Exhibit D** shall be adjusted on the same cycle by the combined Consumer Price Index for the Seattle-Tacoma area. These fees are for the pro-rated share of the SWF(s) supporting the premises.

#### ARTICLE IV - LESSEE'S OBLIGATIONS

4.01 Condition of Premises. Lessee has examined the premises, including any structure, grounds, and access thereto, and accepts the same in the condition in which they exist as of the Effective Date of the Lease. It is agreed that the County shall not be bound by any warranty, representation, or condition regarding the premises except as stated herein. Notwithstanding the foregoing, County and Lessee acknowledge and agree that certain improvements to the premises are required in order for Lessee to use the premises as County and Lessee intend. County will allow such Tenant Improvements, PROVIDED THAT the aggregate amount payable by County for all Tenant Improvements shall not exceed One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000), which amount is equal to \$22.32 multiplied by 67,194, which is the number of rentable square feet in the Future of Flight facility. Tenant improvements will be reimbursed as Capital Improvement Reimbursements ("CIR") at \$1,000,000 in the first twelve (12) calendar months after commencement of this lease, and \$500,000 in months thirteen through twenty four (13-24) and not sooner. Lessee shall request all tenant improvements as outlined in Section 1.04 Tenant Improvement Forms ("TIF") in advance of any improvements and comply with terms specified therein. A sample TIF is attached as **Exhibit C** and available online or from the County upon request.

In addition, Lessee has advised County of certain existing conditions in the leased premises and/or certain items that should be noted in connection with the leased premises. Such items are described generally in a list attached to this Lease as **Exhibit J**. At the expiration or termination of this Lease, Lessee is permitted to deliver the premises with the items listed in **Exhibit J** in place, together with normal wear and tear.

4.02 Maintenance and Repairs.

- a. Lessee, at its sole cost and expense except as provided in Section 4.01, shall maintain in good condition and make repairs, restorations, and replacements to the leased premises, including without limitation, the interior walls, floors, and ceilings, the exterior and interior portions of all doors, windows, glass, utility facilities, plumbing and sewage facilities within the building or under the floor slab including free flow up to the main sewer line, parking areas, landscaping, painting, fixtures, heating, air conditioning including exterior mechanical equipment, exterior utility facilities, and exterior electrical equipment serving the premises. Lessee shall maintain and make all repairs, replacements and renewals, whether ordinary or extraordinary, seen or unforeseen to maintain the premises, except for the roof, exterior walls, existing conditions noted in **Exhibit J**, and structural portions of premises as set forth below. All such repairs, restorations, and replacements will be in quality and workmanship equal to the original work or installations.
- b. County shall maintain the roof, exterior walls, and structural portions of the premises except any damage thereto caused by any act or negligence of Lessee, its employees, agents, invitees, or contractors, in which event such damage shall be promptly repaired by Lessee.

- c. In the event the Lessee does not make a required repair, restoration, or replacement within 10 days after receiving a Notice of Remedial Action from the County, subject to Section 1.02(g) if at end of the term or earlier termination or retaking of possession, the County may make the repair, restoration, or replacement at the expense of the Lessee. The County may use its own personnel or contract for the repair. Lessee shall pay all costs associated with restoring and/or repairing the leased premises. Said cost shall include a fifteen percent (15%) administration fee. Lessee agrees to pay all statements from the County for such expense and work performed within thirty (30) days after delivery of such a statement of such expense.
- d. Lessee, its employees, officers and agents may request the County to make any repair required to be made by the Lessee herein and the County will perform the work according to the Snohomish County Airport published rates and charges for maintenance work. Lessee agrees to pay all statements from the County for maintenance work done under this section within 30 days after receipt by the Lessee.
- e. This lease is subject to the Reciprocal Easement, Cross Parking and Maintenance Agreement with Beechwood Development LLC (recorded on May 16, 2005 at Auditor File #200505160744) and Lessee assumes all Lessors rights and responsibilities identified in that Agreement except Section 5 Maintenance of Stormwater Detention Facilities.

4.03 Surrender of Leasehold Improvements.

- a. During the term of the lease and any subsequent renewals pursuant to Section 2.02, the Lessee shall have title to any and all buildings, fixtures and improvements constructed or installed by the Lessee. At the expiration of the term hereunder and any subsequent renewals pursuant to Section 2.02, the County shall have title to any and all buildings, fixtures and improvements constructed or installed by the Lessee, except movable office furniture, equipment, vehicles, exhibits that are attached to a building or to a fixture for purposes of lending stability to an installation, and other personal property; PROVIDED however, the County shall have the option to request the Lessee to remove any and all buildings, fixtures and improvements constructed or installed by the Lessee at the sole cost and expense of the Lessee and restore the premises PROVIDED THAT Lessee shall not be required to remove any of the approved Tenant Improvements.
- b. Lessee shall peaceably and quietly leave, surrender and deliver to County the premises, together with any buildings and improvements, and any and all subsequent alterations, additions, and replacements which may have been made upon the premises to which the County has assumed title, in good repair, ordinary wear and tear excepted.

- c. Upon the earlier of vacating or Lease expiration/termination, Lessee shall be responsible for removing all of its personal property, trash, movable furniture, equipment, fixtures and personal effects from the Leased Premises at Lessee's own expense. Furthermore, Lessee shall be responsible to remove any and all satellite dishes, computer cabling, antennas and associated wires, which Lessee installed or Lessee's agents installed, unless requested in writing by County. Any personal property and movable furniture, equipment, fixtures and personal effects of Lessee not removed from the Premises at the expiration or termination of the Lease term shall conclusively be deemed to have been abandoned and may be removed, sold or otherwise disposed of by Lessor in accordance with this Lease .
- d. Due to the nature of this public facility district and museum business which contains exhibits and/or displays, all exhibits and/or displays will be removed prior to the expiration of this agreement or Lessee will be charged for the removal of their exhibits unless otherwise agreed upon in writing 120 days prior to expiration of initial lease term or extensions.

4.04 Utilities and Other Charges. Lessee shall pay charges for sewer, water, gas, electricity, telephone, surface water management fees, joint mailbox systems, security and fire equipment maintenance and monitoring, annual certificate of occupancy fire and safety inspection fee and re-inspection fee in the event of a violation requiring correction, and all other charges which may be furnished, or made available to the premises at Lessee's order or consent within a reasonable time.

4.05 Liens. Lessee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment, which have been furnished or ordered with Lessee's consent, to be furnished to or for the Lessee in, upon, or about the premises herein leased, which may be secured by any mechanics', materialmen's, or other lien against the premises herein leased or County's interest therein, and will cause such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Lessee may in good faith contest any mechanics' or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest.

Lessee shall not cause or permit the any encumbrance, lien of any mortgage, purchase money obligation, other security interest or other lien to be placed against the Premises. If such an encumbrance is nevertheless so recorded, the Lessee shall cause such encumbrance, at its sole cost, to be removed promptly and shall provide evidence reasonably satisfactory to the County of such prompt removal.

4.06 Personal Property. Lessee shall keep all personal property, equipment, trade fixtures, furniture and inventory on the premises and the value thereof insured against loss by fire or other casualty to their full insurable value and provide insurance

policies and certificates of insurance to the County.

4.07 Equipment. Any equipment, machinery, tools, appliances and/or other personal property of any kind and nature placed on the premises by the Lessee shall remain the property of the Lessee; provided that:

- a. The Lessee shall remove such machinery, etc., prior to the expiration or termination of this lease and restore the building to its original condition, reasonable wear and tear excepted;
- b. Any such equipment, machinery, etc. which is not removed by the Lessee before the expiration, retaking of possession, or termination of this lease shall conclusively be deemed to have been abandoned and to have become the property of County and to dispose of as Lessor deems expedient in accordance with this Lease.
- c. If such equipment, machinery, etc., is not removed by the Lessee as provided above, the County has the right to remove and store any or all of such property at the expense of the Lessee. The County shall have a lien on such property for reasonable storage, and removal charges, and any other charges the County may have against the Lessee and shall have the right to sell any or all of such property and dispose of the proceeds as provided in RCW 60.60.030 and .040. At all times the Lessee shall bear all risk of loss or damage to any machinery, etc., or personal property placed in or on the premises or any other Airport premises by the Lessee.
- d. County transfers ownership of the Furniture, Fixtures and Equipment listed in Exhibit E to Lessee for use in the Future of Flight Regional Center.

4.08 Prevailing Wages. Pursuant to SCC 4.46.335, Lessee agrees that all contracts for improvements to the premises shall require the contractor or developer to comply with the prevailing wage provisions of RCW 39.12.010 through 39.12.030. Failure to comply with the prevailing wage provisions shall constitute a default of the lease resulting in termination unless said default is cured within thirty (30) days after notice thereof.

4.09 Waste Water. This lease is subject to all statutes and regulations of the State of Washington with respect to waste water disposal. If the Lessee's use of the premises results in the discharge or the potential for the discharge of any waste waters except domestic waste waters from the premises, Lessee shall immediately apply to Washington State Department of Ecology (DOE) for a State Waste Water Discharge Permit. Lessee shall advise the Airport which drains or other waste water facilities the Lessee will utilize in disposing of waste waters. The Airport may designate sewers or other facilities which the Lessee may utilize to dispose of waste waters.

4.10 Sewage System.



- a. It is understood that the Airport is presently under contract with Mukilteo Water and Wastewater District for sewage disposal. In its use of the sewage system, Lessee shall comply with all applicable rules and regulations of the Airport and Mukilteo Water and Wastewater District or other applicable sewer districts. Such system shall not be used for storm drainage or the discharge of any effluent deemed by the Airport Director or Mukilteo Water and Wastewater District to be harmful to the system.
- b. In addition to the rental provided herein, Lessee shall pay the County such reasonable charges for sewer service as are fixed by the Airport Director.

4.11 Assigning and Subleasing. Lessee shall not assign, encumber, or sublet the premises or any part thereof without the prior written consent of the Airport Director. If Lessee is a corporation, any transfer of this lease by merger, consolidation or liquidation, or any change in ownership, or power to vote the majority of the outstanding stock of Lessee, or name change, constitutes an assignment for the purposes of this section. If Lessee is a partnership or proprietorship, a transfer of the controlling interest in such partnership or proprietorship constitutes an assignment for the purposes of this section. Lessee shall advise prospective assignees or subtenants that Snohomish County Code, Section 15.08.400 requires Airport Director approval of commercial operations. Prior to any consent, Lessee shall deliver to the Airport Director a written statement of intent to assign, sublease, or encumber. Any assignment, subletting or encumbrance without the written consent of the Airport Director is null and void. If this lease is assigned or sublet, or if the premises or any part thereof is occupied or used by anyone other than Lessee, County may, upon default by the Lessee, collect rent and any other charges under this lease from the assignee, subtenant or occupant and apply the net amount collected to the Lessee's rent and other charges herein reserved. No such assignment, subletting, occupancy or collection, shall be deemed a waiver of this covenant, the acceptance of the assignee, subtenant or occupancy as a tenant, or a release of Lessee from further performance by Lessee of the covenants including the payment of rent and other charges in this lease; and Lessee shall remain liable for all of its obligations, except for rentals paid, under this lease. Any consent by the Airport Director shall not be construed to relieve Lessee from obtaining the consent of the Airport Director to any further assignment, subletting, or occupancy. Lessee shall not charge or assess an assignee, subtenant or occupant rental or other fees in excess of ten percent (10%) over the rental or fees owing from Lessee under the terms of this lease; PROVIDED, that this restriction shall not include assessments for utilities, taxes, insurance and other reasonable attendant expenses other than the payments to Lessee for use or occupancy of the premises.

For the avoidance of doubt, the County and Lessee agree and acknowledge that the use of the Premises for the purposes provided for in Section 1.02e of this Lease do not constitute an assignment, subletting, encumbrance, or occupancy governed by this Section 4.11 and further that the activities permitted under Section 1.02e do not require the consent of or notification to the County.

4.12 Hazardous Waste, Substances, and Pollutants and Contaminants.

- a. Lessee agrees that it will not cause or permit in any manner, including accidental or non-negligent acts or omissions, release of any Hazardous Substances (as defined in Paragraph 4.12.b.) into, upon or from any Airport property contrary to any local, state or federal law, or regulation. Lessee shall notify the Airport Director, in writing, or any such release by Lessee which Lessee is required to report to the State Department of Ecology, and any other involved agency . Lessee shall be completely liable for any and all consequences of such release by Lessee, its agents, employees and contractors, including all liability under any federal, state, or common law. Lessee shall indemnify and hold the County harmless, as provided in Section 5.01, from any and all liability resulting from such a release by Lessee, its agents, employees and contractors, and shall have full responsibility for completely cleaning up any and all contamination from a release by Lessee, its agents, employees and contractors, as may be required by any governmental agency. After clean up of such a release, Lessee shall provide County a copy of a "No Further Action" letter from the State Department of Ecology containing no restrictions on the property, provided however, Lessee will not be required to obtain a NFA if: (i) contamination from such release does not exceed current cleanup levels established under the Model Toxics Act Cleanup Regulations, chapter 173-340 WAC, however, if Regulations later change, Lessee will be fully responsible and provide a NFA as required above or (ii) County, in its reasonable discretion, determines that a NFA is not necessary. Upon any release of a hazardous substance by Lessee, if Lessee fails to commence and to diligently pursue the cleanup of such release by Lessee, the County may enter the premises and take whatever reasonable steps appropriate to cure the consequences of such release, all at the expense of the Lessee. County represents and warrants that it has visually inspected the premises and performed a Phase-one Environmental Site Assessment Northwest Territories of the premises dated June 9, 2003 and found no Hazardous Substances located thereon. County also warrants and represents that the County is unaware of any Hazardous Substance or any other material at, on or under the premises which could give rise to any liability under any environmental or tort law, including common law. Lessee represents and warrants that it has visually inspected the premises, received the Phase-one report dated June 9, 2003 and found no evidence of Hazardous Substances located thereon. Any Hazardous Substances placed upon the premises by Lessee, its agents, employees, and contractors during the term of this lease shall be removed by the Lessee not later than the cancellation or termination of this lease.
- b. As used in this section, "Hazardous Substances" means any chemical, substance, material, waste or similar matter defined, classified, listed or designated as harmful, hazardous, extremely hazardous, dangerous, toxic or radioactive or as a contaminant or pollutant, or other similar term, by, and/or which are subject to regulation under, any federal, state or local

environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, and as they may be amended from time to time.

- c. Each party shall disclose and deliver to the other party copies of any environmental reports, tests, studies or other documentation relating to any investigation of the premises and/or of the Project for Hazardous Substances that are prepared by or for such party.

If Lessee considers any portion of any records provided to the County under this section, whether in electronic or hard copy form, to be protected from disclosure under law, Lessee shall clearly identify any specific information that it claims to be confidential. If the County receives a request under the Public Records Act, Chapter 42.56 RCW (the "Act") to inspect or copy the information so identified by Lessee and the County determines that release of the information is required by the Act or otherwise appropriate, the County's sole obligations shall be to notify Lessee (a) of the request and (b) of the date that such information will be released to the requester unless Lessee obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If Lessee fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified.

The County has, and by this section assumes, no obligation on behalf of Lessee to claim any exemption from disclosure under the Act. The County shall not be liable to Lessee or releasing records not clearly identified by Lessee as confidential. The County shall not be liable to Lessee for any records that the County releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

- d. Lessee shall perform a phase one environmental inspection of the premises 30 days prior to the expiration of the lease. The Phase I inspection shall meet ASTM International (ASTM) Practice E 1527-13, Standard Practice for Environmental Assessments. Lessee shall provide County a copy of the phase one environmental report upon expiration of earlier termination of the lease. In the event the phase one inspection does not reasonably satisfy County, County may require Lessee to perform a phase two investigation of the premises. Lessee shall provide County a copy of the phase two environmental report.

4.13 Hold Over by Lessee. Should Lessee hold over and remain in possession of any part of the Premises without the Lessor's express written consent after the expiration or other termination of this Agreement, or to vacate or to return the premises to the County in clean and good condition and repair, including failure to clean-up contamination as required by section 4.12, Lessee shall be a tenant at sufferance and, without limiting Lessor's rights or remedies on account of such breach, and in addition to

any other damages available to Lessor, Lessee shall be liable to Lessor for Rent during such holding over at the lesser of (i) 150% of the rate in effect at the time of such expiration or other termination, or (ii) the maximum rate Lessor may charge in accordance with applicable law, plus all other amounts that would become payable under the terms of the Agreement but for such expiration or other termination, and Lessee shall abide by and is otherwise subject to all the other terms, covenants and conditions specified in Lease, so far as applicable. Under no circumstances shall Lessor's acceptance of Rent after expiration or other termination of the Agreement be deemed to extend or renew this Agreement or construed as Lessor's consent for tenant to hold over. The foregoing provisions are in addition to and do not affect the County's right of re-entry or any other rights of the County provided herein or as otherwise provided by law. Lessee hereby indemnifies and agrees to hold County harmless from all loss, injury and liability arising from Lessee's failure to surrender the premises in clean and good condition and repair upon the expiration or termination of this lease.

4.14 Leadership in Energy and Environmental Design (LEED) Silver Required.

Lessee agrees that all new building construction five-thousand (5,000) square feet or larger, measured as individual buildings 5,000 square feet or larger, shall be constructed meeting LEED Building Design and Construction (LEED BD+C) silver standard, as set forth in the United States Green Building Council (USGBC) leadership in energy and environmental design standards. Lessee shall provide documentation within six (6) months from Certification of Occupancy showing silver certification from USGBC. Lessee shall place five (5%) of estimated total project costs in a performance bond at the beginning of construction with Lessor as the named beneficiary, a copy of which shall be provided to the Lessor. Failure to comply with documentation form USGBC for LEED Silver Certification shall result in forfeit of bond to Snohomish County Airport. Forfeited funds will be used in funding projects identified in the Airport's Dream Greener Program or other Airport environmental programs.

ARTICLE V - INDEMNITY AND INSURANCE

5.01 Indemnification and Hold Harmless. To the maximum extent permitted by law and except to the extent caused by the sole negligence of the County, the Lessee shall indemnify and hold harmless the County, its officers, officials, agents and employees, from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatsoever kind or nature arising out of, and/or in connection with this Lease (other than (1) matters waived by the County pursuant to Section 1.08 and (2) in connection with the matters covered by the indemnity in Section 4.12.a). In addition, except for matters covered by the indemnity in Section 4.12.a the Lessee shall assume the defense of the County and its officers and employees in all legal or claim proceedings arising out of, in connection with, or incidental to this Lease: shall pay all defense expenses, including reasonable attorney's fees, expert fees and costs incurred by the County on account of such litigation or claims. This indemnification obligation shall include, but is not limited to, all claims against the County by an employee or former employee of the Lessee, and the

Lessee, by mutual negotiation, expressly waives all immunity and limitation on liability, as respects the County only, under any industrial insurance act, including Title 51 RCW, other Worker's Compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. In the event that the County incurs any judgment, award and/or cost including attorney's fees arising from the provisions of this subsection, or to enforce the provisions of this subsection, any such judgment, award, fees, expenses and costs shall be recoverable from the Lessee. In the event of litigation between the parties to enforce the rights under this subsection, reasonable attorney fees shall be allowed to the substantially prevailing party.

In addition to injuries to persons and damage to property, the term "claims," for purposes of this provision, shall include, but not be limited to, assertions that the use or transfer of any software, book, document, report, film, tape, or sound reproduction or material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name, and/or otherwise results in an unfair trade practice.

The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment or termination of this Lease.

Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Lease.

**5.02 Insurance.** At execution of this Lease, the Lessee, at its' own cost, shall have procured and will maintain for the duration of this Lease, insurance as specified in the Minimum Scope and Limits of Insurance. The Lessee shall furnish the County with certificates of insurance and endorsements required by this Lease. In the event of a loss that results in litigation, the County reserves the right to require review of complete, certified copies of all required insurance policies (except that Lessee may redact portions of any policy or policies containing information or provisions that Lessee in good faith considers proprietary, confidential, or sensitive) at any time during the course of such litigation.

Each insurance policy shall be written on an "occurrence" form unless otherwise approved by the County.

By requiring such minimum insurance coverage, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Lessee under this Lease. The Lessee shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Lease.

a. **Minimum Scope and Limits of Insurance:** Coverage shall be at least as broad as and with limits not less than the following:

1. **General Liability:** \$5,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$10,000,000 aggregate limit. CG 00 01 current edition.
2. **Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury and property damage. CA 0001 current edition, Symbol 1, unless otherwise approved by Risk Management.
3. **Workers' Compensation:** Statutory requirements of the State of residency.
4. **All-Risk Property Insurance:** Lessee will be responsible to carry property insurance with rent interruption endorsement in an amount equal to the full insurable value of all Lessee property and improvements located on the Premises. The policy shall include Lessor as an insured for its vested interest in the Premises, A certificate of insurance must be provided to Lessor. Lessor will not carry insurance on Lessee's property. Any self-insured retentions, deductibles, and exclusions in coverage in the policies required this Article shall be assumed by, for the account of, and the sole risk of Lessee.

b. **Other Insurance Provisions and Requirements**

The insurance coverage(s) required in this Lessee are to contain, or be endorsed to contain the following provisions:

**General and Automobile Liability:**

1. The County, its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of or in connection with this Lease except to the extent caused by the sole negligence of the County. Such coverage shall be primary and non-contributory insurance as respects the County, its officers, officials, employees and agents, except to the extent of losses caused by sole negligence of the County, its officers, officials, employees, and agents. The Additional Insured Endorsement shall be included with the certificate of insurance, CG 20 11 or its equivalent is required.
2. The Lessee's insurance coverage shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
3. Any deductibles or self-insured retentions must be declared to the County upon request. The deductible and/or self-insured retention of

the policies shall not limit or apply to the Lessee's liability to the County and shall be the sole responsibility of the Lessee.

4. Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, until after thirty (30) calendar days' prior written notice to the County.
5. Insurance coverage is to be placed with insurers with a Bests' rating of no less than A: VIII, or, if not rated with Bests', with minimum surpluses the equivalent of Bests' surplus size VIII.

If at any time any of the foregoing policies fail to meet minimum requirements, the Lessee shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements, for approval.

5.03 Mutual Waiver of Claims and of Subrogation. Lessee and County each releases and relieves the other and waives its entire right of recovery against the other for loss of or damage to property arising out of or incident to fire, lightning, or any other perils that could be covered by all-risk insurance. Each party shall obtain from its property insurers waivers of subrogation against the other party to the extent of the parties' respective undertakings set forth in the foregoing mutual waiver of claims with respect to property damage claims.

5.04 Destruction and Restoration. If any building, structure or facility which was constructed or located on the premises by County is destroyed or damaged by fire, the elements, or any other cause, without any fault or neglect of the Lessee, its agents, employees, patrons, invitees, or guests, the County shall repair the same to its condition at the time of loss, at its expense; PROVIDED, that if such destruction or damage is equal to 15% or more of the value of the structure or facility as determined by the County, the County may either replace or repair the structure or facility or terminate this lease by giving Lessee notice in writing; PROVIDED further, that if the County commences replacing or repairing within 30 days after destruction or damage, Lessee shall have the option of continuing this lease. If the premises are rendered substantially untenable and are not utilized by the Lessee by reason thereof, Lessee may terminate this lease by giving the County written notice thereof. Rent owed by Lessee subsequent to destruction or damage until the premises are restored or repaired or the lease is terminated as provided in this paragraph shall be reduced in portion to the space rendered unusable by lessee as a result of such destruction or damage, all as determined by the County. All risk of loss to a structure or facility placed on the premises by Lessee shall be on Lessee.

5.05 Increased Limits. If during the term of the lease, higher limits of insurance than those mentioned shall be required by the then current version of Snohomish County Airport Rules and Regulations and Minimum Standards, then upon written request from the County, Lessee shall procure such insurance with higher limits.

5.06 Insurance Review. In consideration of the duration of this Lease, the parties agree that the Insurance section herein, at the discretion of the County Risk Manager, may be reviewed and the amount of coverage adjusted with each amendment and within ninety (90) days of the end of the first five (5) year period of this Lease and the end of each successive five (5) year period thereafter. Any adjustments made as determined by the County Risk Manager, shall be in accordance with reasonably prudent risk management practices and insurance industry standards and shall be effective on the first day of each successive five (5) year period. Adjustment, if any, in insurance premium(s) shall be the responsibility of lessee. Any failure by the County to exercise the right to review and adjust at any of the aforementioned timings shall not constitute a waiver of future review and adjustment timings. As a result of such review, the Lessee shall not be required to procure insurance at limits that are more than twice the limits provided for in this lease. In the event Lessee is requested to procure insurance limits that are more than twice the limits provided for in this Lease, such requirement shall be the subject of good faith negotiation between the parties.

#### ARTICLE VI - DEFAULT

- 6.01 Lessee's Default. Lessee shall be in default of this lease if Lessee:
- a. Fails to pay when due any sum payable by Lessee hereunder and fails to make full payment thereof within fifteen (15) days of Lessee's receipt of the County's written demand for payment, or
  - b. Breaches any non-monetary, material term, covenant or condition of this lease and the Lessee fails either to begin to cure the breach within thirty (30) days of Lessee's receipt of the County's written notice of such breach or to complete the cure of the breach within a reasonable time thereafter. If Lessee timely commences to cure such breach within such thirty (30) day period, Lessee shall not be in default if Lessee continues in timely good faith its efforts to cure following such thirty (30) day period, or
  - c. Either makes any general assignment or general arrangement for the benefit of creditors; files a petition in bankruptcy, including reorganization or arrangement, except in the case of a petition filed against Lessee when the same is dismissed within 30 days after filing; suffers the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the premises or of Lessee's interest in the lease, or
  - d. Suffers a cancellation of a guaranty of Lessee's obligations by a guarantor, if any, or
  - e. Fails to comply with the same lease term or covenant on two occasions even if such breach is cured within the applicable cure period, or Fails to comply with the Airport Rules and Regulations, unless such failure is cured within 5 days after notice.



- f. Fails to operate the facility as a Regional Center and in compliance with all governing statutes and ordinances, including RCW 35.57.020 and SCC Chapter 15.10.
- g. Fails to comply with the Operation of Regional Center as set forth in this Lease in any material respect, unless such failure is cured within 10 days after notice (which ten (10) day period shall be extended for an additional twenty (20) days, if the same cannot reasonably be cured within ten (10) days and Lessee shall have commenced the cure within such ten (10) day period and is diligently using reasonable efforts to cure same).

6.02 Remedies. Statement of any remedy herein shall not prevent a party to this lease from pursuing any other legal remedy available to it. Upon pursuing any remedy, a party to this lease, in addition to any other charges provided herein, shall be entitled to all costs and expenses incurred by it, including reasonable attorney's fees and expenses incurred in putting the premises in order.

6.03 Abandonment/Removal of Property.

- a. Lessee shall not vacate or abandon the Premises at any time during the term of the Lease.
- b. In the event Lessee shall abandon, vacate or surrender said premises, or be dispossessed by process of law, County shall have the right, but not the obligation, to remove from the Premises all personal property located therein, and may store the same in any place selected by County, including but not limited to a public warehouse, at the expenses and risk of the owners thereof, with the right to sell such property and dispose of the proceeds as provided in RCW 60.60.030 and .040.

ARTICLE VII - TERMINATION

7.01 Termination for Lessee's Default.

- a. If Lessee is in default, County may terminate this lease by giving Lessee five (5) days written notice of termination. Such notice shall be deemed given when deposited into the U.S. Mail by certified mail, or by personal service, to Lessee or any agent of Lessee at Lessee's last known address, or by posting such notice at the premises.
- b. If Lessee is in default, County may retake possession of the premises without terminating this lease. If County so retakes possession and does not terminate this lease, Lessee shall remain liable to pay any and all rentals and other charges as specified herein, together with any and all other damages as may be sustained by the County, excepting therefrom rental proceeds received from reletting the premises.

7.02 Termination for Airport Use. Notwithstanding any of the other provisions contained in this lease, County may determine at some time during the term of this lease that the premises are necessary for the use of the Airport and/or County for the development of the Airport or for the construction, development or improvement of necessary facilities for general or specific long-range plans of the Airport. If such determination is made at the sole discretion of the County, this lease may be terminated by the County's giving notice to the Lessee of such intent to terminate and retake possession of the premises; and this lease shall terminate one year after the giving of any such notice of intent to so terminate.

7.03 Right of Entry. During the period that is eighteen (18) months prior to the end of the Term or otherwise cancellation or termination of the Lease, the County shall have the right to enter the premises at any reasonable time during business hours, or outside of business hours if agreed to by Lessee (but not in any event during a period when Lessee has scheduled an evening event as provided in Section 1.02e), upon three (3) days' written notice, for the purpose of showing the premises to prospective tenants. Lessor's showing shall not unduly interfere with the Lessee's operation.

#### ARTICLE VIII - FEDERAL, STATE AND COUNTY REQUIREMENTS

8.01 Federal Requirements. County, as a recipient of Federal Aid Airport Program Grant Funds, is required to include the following statements in all lease agreements and the parties specifically agree as follows:

- a. Lessee, in its operation at Snohomish County Airport, covenants that it will not on the grounds of race, color, creed or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Parts 15 and 21 of the Federal Aviation Regulations (49 CFR), and in the event of such discrimination, Lessee agrees that the County has the right to take such action as the United States Government may direct to enforce this covenant.
- b. Lessee, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land that: In the event facilities are constructed, maintained, or otherwise operated on the property described in this lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities, attached as **Exhibit F** (as may be amended) such that no person on the grounds of race, color, or national origin, sex, age, or disability will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

- c. In the event of breach of any of the above Nondiscrimination covenants, County will have the right to terminate the lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the lease had never been made or issued.
- b. With respect to any aeronautical services Lessee specifically agrees:
  - (1) To furnish said aeronautical service on a fair, equal and not unjustly discriminatory basis to all users thereof, and
  - (2) To charge fair, reasonable and not unjustly discriminatory prices for each unit of service, PROVIDED, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

8.02 Subordination To Airport Operation. This lease shall be subordinate to the provisions of any existing or future agreement between the County and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the airport.

8.03 Condemnation.

- a. Whole Taking. If the whole of the premises is acquired or condemned by a competent authority for any public use or purpose, this lease shall terminate as of the date on which title vests in that authority, and the rent reserved hereunder shall be apportioned and paid up to that date. Any compensation paid for the land and buildings shall become the property of the County.
- b. Partial Taking. If only a portion of the premises is so acquired or condemned, that portion of compensation paid for improvements shall be used to replace, repair, and restore insofar as possible, the premises to their condition of utilization prior to the taking or condemnation. If such repair, replacement, or restoration cannot be so accomplished, this lease shall be terminated unless the parties agree otherwise. If the lease continues, rent shall be reduced on the date of surrender of possession of the part taken in proportion to the decrease in use suffered by the Lessee. Any compensation paid for the land and buildings shall become the property of the County.
- c. Compensation. In the case of any taking or condemnation of the whole of the premises, whether or not the term of this Lease shall cease and terminate, Lessee shall have the right to claim and seek recovery from the condemnation authority compensation for the prorated unreimbursed cost of Lessee's improvements contemplated in **Exhibit C**.

8.04 Laws and Regulations.

- a. Lessee shall comply with all applicable laws, ordinances, codes, rules, and regulations. Lessee shall be responsible for securing and maintaining all permits and paying, when due, all costs, fees, taxes, including surface water management fees and annual inspection fees, admissions taxes under Snohomish County Code, Title IV, Revenue & Finance, Chapter 4.23, County Admissions Tax which is currently at five percent (5%), subject to change and other charges/benefits incidental to lease, construction and use of the premises.
- b. Lessee's attention is directed to Chapter 82.29A RCW, amendments thereto, and any ordinances, laws, or regulations of Snohomish County and/or any other taxing authority with respect to the levy and collection of excise or other taxes on leasehold interests. Lessee agrees that it will comply therewith, and will pay such taxes to the County when due in accord with the applicable rules, statutes and regulations. Lessee specifically authorizes the County to remit to the respective taxing authority any amounts paid by Lessee to County in payment of any such taxes, and agrees that County shall not be held responsible or liable in any manner for reimbursement of any amounts so paid if said taxes, or any part thereof, are determined to be invalid, improper, or unenforceable.
- c. If the applicable taxing authority requires the County to collect the taxes and Lessee does not agree on the amount of taxes to be so paid, the Lessee shall pay the amount requested by the County, and Lessee's sole recourse shall be against the applicable taxing authority with respect to the amount, propriety, and validity of such tax. County in no way warrants the validity or propriety or correctness of any such tax, and the sole obligation of the County upon collection of such tax shall be to remit the same to the appropriate taxing authority.
- d. Lessee agrees to provide timely records of sales tax receipts to Snohomish County and to facilitate compliance with the 12-28-2005 Interlocal Agreement between Snohomish County and the City of Mukilteo concerning the development of the Future of Flight Aviation Center at the Snohomish County Airport.
- e. Lessee shall provide a certification of its corporate status, business license and other registrations as applicable for review by the County at lease signing and at any subsequent change of status or amendment.

8.05 Aviation Easement. Lessee's right to use the premises for the purposes as set forth in this Lease shall be secondary to and subordinate to the operation of the airport. The County specifically reserves for itself, and for the public, a right of flight for the passage of aircraft in the air space above the surface of the described property together

with the right to cause in said air space such noise as any be inherent in the operation of aircraft.

8.06 Easement Rights Reserved. The County reserves the right to grant easements and or licenses over, across, and under the premises so long as the easement or license does not unreasonably interfere with the Lessee's use.

8.07 Security. Lessee recognizes its obligations to comply with Federal Airport and Snohomish County Airport Security Regulations. Lessee will reimburse the County in full for any fines or penalties levied against the County for security violations as a result of any actions on the part of the Lessee, its agents, suppliers, guests, customers, invitees, or employees for any violation occurring at any field access point under the control of the Lessee. Lessee shall be responsible for all employees and other persons gaining access to the premises which is in a restricted area (SCC 15.08.210). Lessee shall be responsible for ensuring that identification required and provided by the Airport is obtained and possessed by all agents, suppliers, customers, employees and invitees needing access to a secured area, if any. Additional Security Operating Agreement requirements will be included in the Operating Agreement, the form of which is set forth in **Exhibit H**.

a. Lessee understands that as a FAR Part 139 commercial passenger service Airport, Transportation Security Administration and Federal Aviation Administration have strict security regulations that must be adhered to. Pre-approval for any special events or access air-side requires special security clearance and planning. Security requirements change from time to time and this facility having airside access is subject to those rules and regulations. If increased security is required it will be at the sole expense of lessee to meet those requirements.

8.08 Noise Abatement. The County and Lessee recognize the importance and joint responsibility of compatibility between the airport and the surrounding community. Therefore, Lessee shall actively participate and comply with all noise abatement procedures, policies, and programs as set forth by the County.

8.09 Aircraft and Ground Service Vehicle Identification. Lessee agrees to register all airside ground service vehicles and aircraft and obtain operator permits from the Airport Director. Lessee shall provide the Airport Director on an annual basis a current list of all aircraft stored on the premises including the name and address of each owner and N number of each aircraft.

8.10 Wildlife Hazards and Deterrents. Lessee shall not allow a bird, rodent or other wildlife attractant on the premises. Lessee shall keep trash cans and dumpster lids closed. In the event Lessee activities attract wildlife, Lessee at its cost shall take immediate action to remove the wildlife and prevent further wildlife attraction. Lessee agrees to participate in prorated area wide costs as necessary to resolve any area wide rodent problem.

8.11 Foreign Object Damage. Lessee shall inspect and keep the premises clean of any object, material or matter that poses a threat of Foreign Object Damage (FOD) to aircraft.

8.12 County Non-Discrimination Requirement. It is the policy of the County to reject discrimination which denies equal treatment to any individual because of his or her race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability as provided in Washington's Law against Discrimination, Chapter 49.60 RCW, and the Snohomish County Human Rights Ordinance, Chapter 2.460 SCC. These laws protect against specific forms of discrimination in employment, credit transactions, public accommodation, housing, county facilities and services, and county contracts. The Lessee shall comply with Chapter 2.460 SCC, which is incorporated herein by this reference. Execution of this contract constitutes a certification by the Lessee of the Lessee's compliance with the requirements of Chapter 2.460 SCC. If the Lessee is found to have violated this provision, or furnished false or misleading information in an investigation or proceeding conducted pursuant to Chapter 2.460 SCC, this lease may be subject to a declaration of default and termination at the County's discretion. This provision shall not affect the Lessee's obligations under other federal, state, or local laws against discrimination.

8.13 Public Facility District: County and Snohomish County Public Facilities District ("County PFD") have an Interlocal Agreement for the Regional Center known as the "Future of Flight." Pursuant thereto, the County receives contribution for the Regional Center from the County PFD upon conditions set forth therein. Lessee understands all contributions from the County PFD are directed to the County. Lessee is responsible for stated rent irrespective of any contributions from the County PFD. Lessee's operation of the Regional Center shall remain compliant with the rules and regulations governing the County PFD including RCW Chapter 35.57 and Chapter 82.14, as provided in this lease in Section 1.02 and in **Exhibit H** hereto. Any changes to the Interlocal agreements, or PFD structure is reserved at the sole discretion of the County.

## ARTICLE IX - GENERAL PROVISIONS

9.01 Total Agreement: Applicability to Successors. This lease constitutes the entire agreement of the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties. This lease and the terms and conditions hereof apply to and are binding on the heirs, representatives, successors, and assignees of both parties.

9.02 Nonwaiver. Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

9.03 Relationship to Assignees or Subtenants. In this Lease whenever obligations, liabilities or responsibilities are imposed upon Lessee, those obligations,

liabilities or responsibilities shall apply to any subtenants, licensees or contractors of Lessee, provided that Lessee has obtained advance written consent of Lessor in the event of subtenants or assignments, to the extent that Lessee has assigned, delegated or allowed such parties to act on Lessee's behalf with respect to obligations, liabilities or responsibilities under this Lease.

9.04 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, including in-house counsel, or in the event of appeal as allowed by the appellate court. Costs shall include, without limitation, the fees of appraisers, accountants, engineers and other professionals incurred in connection with such suit or action.

9.05 Time of Essence. It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this lease.

9.06 County Indemnification. Lessee hereby waives all claims for damages that may be caused by County's re-entering and taking possession of Premises or removing and storing the property of Lessee as provided in this Lease, and will save County harmless from loss, costs or damages occasioned by Lessee, and no such re-entry shall be considered to be a forcible entry.

9.07 Warranties/Guarantees. County makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the premises and any subsequent structures, and it is agreed that the County will not be responsible for any loss, damage, or costs which may be incurred by Lessee by reason of any such physical condition.

9.08 Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this lease.

9.09 Consent of County. Whenever consent, approval, or direction by the County is required under the terms contained herein, all such consent, approval, or direction shall be received in writing from the Airport Director.

9.10 Notices. All notices may be delivered in person or mailed to the following respective addresses:

To the County:	Airport Director Snohomish County Airport, Paine Field 3220 – 100 <sup>th</sup> St. SW, Suite A Everett, Washington 98204
----------------	---

To the Lessee:           The Boeing Company  
P.O. Box 3707, MC OH-13  
Seattle, WA 98124  
Attention: Director, Everett  
Workplace Services

With copies to:

The Boeing Company  
c/o MBG Consulting Inc.  
980 N. Michigan Ave., Suite 1000  
Chicago, IL 60611-4521

And

Boeing Law Department  
7755 E. Marginal Way S, MC 11-509  
Seattle, WA 98108  
Attn: Real Estate

9.11 Governing Law and Severability. The laws of the state of Washington shall govern the validity, performance, and enforcement of this lease. The invalidity or unenforceability of any provision hereof shall not affect or impair any other provision.



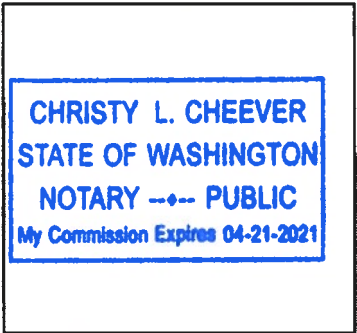
DATED: 10/17/18  
 COUNTY: **SNOHOMISH COUNTY**  
Kendy Yamaguchi  
 Airport Director Executive Director  
 STATE OF WASHINGTON )  
 ) ss.  
 COUNTY OF SNOHOMISH )

On this day personally appeared before me  
Kendy Yamaguchi  
Airport Executive  
 to me known to be the Director Director  
 of the Snohomish County Airport

and the person who executed the within and foregoing instrument, and acknowledged that he signed the same as its free and voluntary act and deed, for the uses and purposes therein mentioned.

DATED: 10-17-18  
Christy L. Cheever  
 Notary Public in and for the State of WA  
 Residing at: Everett, Washington  
 My appointment expires: 4-21-21

Please place Notary stamp in box



Approved as to Form:  
Mune Alonso  
 Deputy Prosecuting Attorney

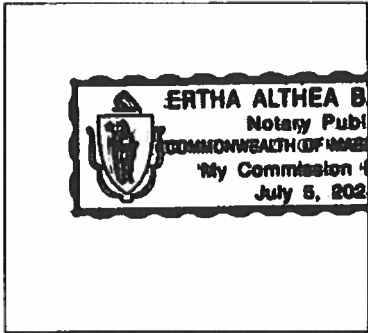
DATED: 10/17/18  
 LESSEE: The Boeing Company  
Jessup Bardson  
 Its: Director Global Real Estate  
Authorized Signatory  
 STATE OF: MA )  
 ) ss.  
 COUNTY OF: MIDDLESEX)

On this day personally appeared before me  
Jessup Bardson  
 to me known to be the Authorized Signatory  
 of the The Boeing Company

and the person who executed the within and foregoing instrument, and acknowledged that he signed the same as its free and voluntary act and deed, for the uses and purposes therein mentioned,

DATED: 10/17/18  
 Notary Public in and for the State of MA  
 Residing at: 90 BROADWAY CAMBRIDGE  
MA 02142  
 My appointment expires: July 5th, 2021

Please place Notary stamp in box



Approved:  
Ertha Althea Baptiste  
 Risk Management

**Exhibit "A"**  
**LOT 1 & 3 LEGAL DESCRIPTION**  
**F.O.F. AREA**

That portion of Tracts 95, 100, 101 & 102 of West & Wheelers Sea View Five Acre Tracts, volume 7 of plats, pages 12 and 13, records of Snohomish County, Washington, and Section 10 and Section 15, Township 28 North, Range 04 East, W.M., described as follows:

**COMMENCING** at the southwest corner of said Section 10: thence S 88° 41' 40" E along the south line of said Section, a distance of 516.52 feet to the easterly margin of Paine Field Boulevard, as shown on the Snohomish County right of way plan for Paine Field Boulevard, dated July 26, 1995, on file with the Snohomish County Engineer under County Survey number 3523 and the **POINT OF BEGINNING**: thence N 30° 42' 46" E along said margin, a distance of 299.07 feet to the west line of aforesaid Tract 101: thence S 00° 18' 24" W along said margin and west line, a distance of 17.73 feet to the beginning of a non-tangent 837.99 foot radius curve to the left, the center of which bears N 50° 45' 30" W, and the southerly margin of SR 526: thence northeasterly along said margin as shown on aforesaid right of way plan for Paine Field Boulevard, Snohomish County plan for Widening West Casino Road, dated Feb. 1967, on file with the Snohomish County Engineer under County Survey number 2200, and Washington State Department of Transportation right of way plan for SR 526, MP 0.92 to MP 4.41, dated Dec. 14, 1967 and revised July 2, 1984, the following courses and distance: northeasterly along said curve, through a central angle of 09° 01' 47", an arc distance of 132.07 feet: thence S 30° 12' 43" W, a distance of 341.41 feet: thence S 59° 44' 25" E, a distance of 116.06 feet: thence S 42° 20' 52" E, a distance of 36.83 feet to the beginning of a 100.00 foot radius curve to the left: thence continuing along said curve, through a central angle of 06° 51' 47", an arc distance of 11.98 feet: thence S 80° 57' 02" E, a distance of 54.04 feet to the beginning of a 100.00 foot radius curve to the right: thence continuing along said curve, through a central angle of 08° 36' 39", an arc distance of 15.03 feet: thence S 72° 20' 24" E, a distance of 68.19 feet: thence N 17° 39' 36" E, a distance of 419.00 feet: thence N 72° 20' 24" W, a distance of 207.29 feet more or less to the aforesaid margin of SR 526: thence N 30° 12' 43" E continuing along said margin, a distance of 42.08 feet to the beginning of a 738.51 foot radius curve to the right: thence northeasterly along said curve and margin, through a central angle of 22° 56' 37", an arc distance of 295.73 feet: thence S 88° 45' 20" E along said margin, a distance of 4.99 feet: thence N 00° 36' 51" E along said margin, a distance of 3.85 feet to the beginning of a non-tangent 738.51 foot radius curve to the right, the center of which bears S 36° 51' 04" E: thence northeasterly along said curve and margin, through a central angle of 15° 38' 11", an arc distance of 201.54 feet: thence S 08° 18' 14" E, a distance of 116.40 feet to the beginning of a 125.00 foot radius curve to the right: thence southerly along said curve, through a central angle of 11° 43' 23", an arc distance of 25.58 feet: thence S 04° 11' 57" W, a distance of 745.14 feet to the beginning of a 50.00 foot radius curve to the right: thence southwesterly along said curve, through a central angle of 33° 27' 40", an arc distance of 29.20 feet: thence S 37° 39' 36" W, a distance of 29.58 feet to the beginning of an 80.00 foot radius curve to the left: thence southerly along said curve, through a central angle of 20° 00' 00", an arc distance of 27.93 feet: thence S 17° 39' 36" W, a distance of 117.44 feet to the beginning of an 80.00 foot radius curve to the right: thence southwesterly along said curve, through a central angle of 20° 00' 00", an arc distance of 27.93 feet: thence S 37° 39' 36" W, a distance of 168.62 feet: thence N 57° 20' 24" W, a distance of 83.07 feet: thence S 76° 22' 30" W, a distance of 346.12 feet: thence N 48° 46' 49" W, a distance of 33.16 feet: thence S 79° 58' 23" W, a distance of 62.01 feet: thence N 72° 20' 24" W, a distance of 173.90 feet to the easterly margin of Paine Field Boulevard, as shown on aforesaid Snohomish County right of way plan, and the beginning of a non-tangent 1410.76 foot radius curve to the right, the center of which bears S 69° 54' 19" E: thence northeasterly along said curve and margin, through a central angle of 10° 37' 04", an arc distance of 261.44 feet: thence N 30° 42' 46" E along said margin, a distance of 249.56 feet more or less to the **POINT OF BEGINNING**.

Contains approximately 514,985 S. F. or 11.8 acres.

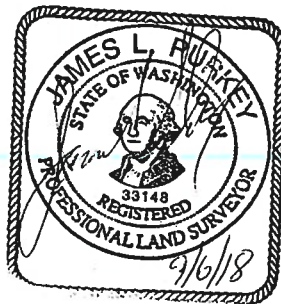


EXHIBIT "A"(2)

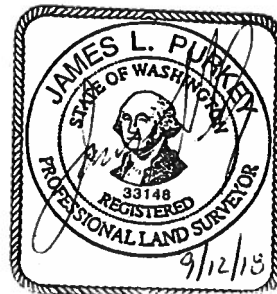
LEASED AREA LOT 4 F.O.F. ADDITIONAL AREA (SNOHOMISH COUNTY)

LEGAL DESCRIPTION

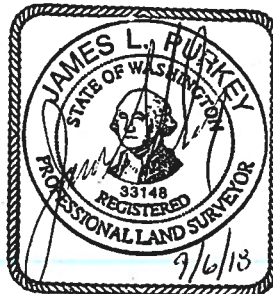
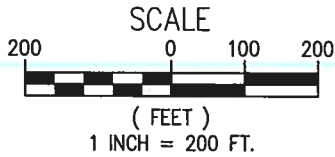
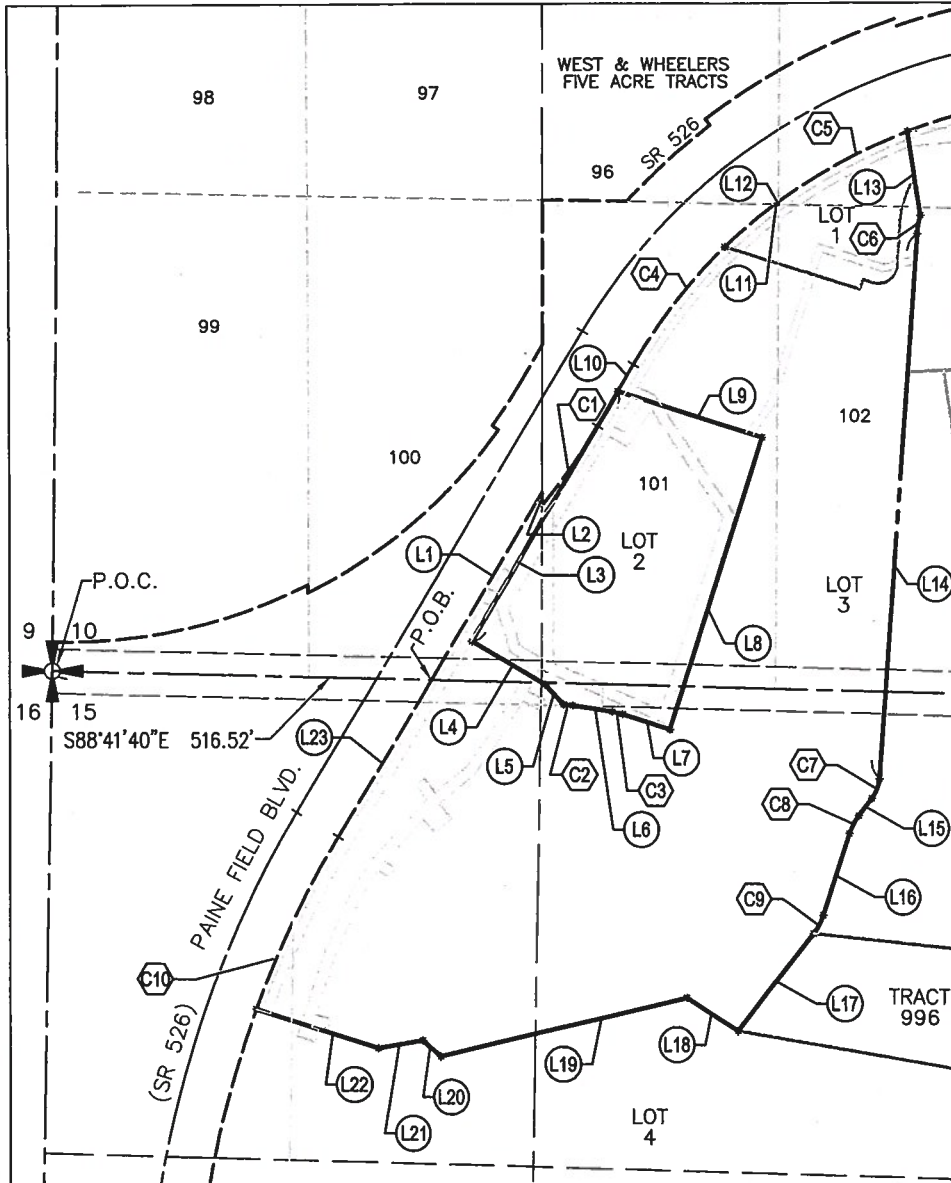
That portion of SECTOR 8, according to the Paine Field Airport – SECTOR 8 Binding Site Plan and Record of Survey, recorded under Recording Number 200812105005, records of Snohomish County, Washington and that portion of SECTOR 9, according to the Paine Field Airport – SECTOR 9 Record of Survey, recorded under Recording Number 200509225371, records of Snohomish County, Washing, more particularly described as follows:

**COMMENCING** at the West Quarter Corner of Section 15, Township 28 North, Range 4 East, W.M., thence N 01° 02' 08" E along the West line of said Section, a distance of 1322.57 feet to Mukilteo City Limits, according to said Paine Field Airport – SECTOR 8 Binding Site Plan and Record of Survey; thence heading Easterly along said City Limits S 88° 43' 43" East, a distance of 667.26 feet; thence N 01° 03' 05" E along said City Limits Line, a distance of 699.76 feet to the **POINT OF BEGINNING**; thence N 48° 46' 49" W leaving said City Limits Line, a distance of 169.39 feet; thence N 76° 22' 31" E, a distance of 346.13 feet; thence S 57° 20' 24" E, a distance of 83.07 feet: thence N 37° 39' 36" E, a distance of 168.62 feet more or less to the Northwest corner of Tract 996 per said SECTOR 9 Record of Survey; thence S 84° 12' 57" E along the North line of said Tract 996, a distance of 12.00 feet; thence leaving said North line of Tract 996 S 10° 54' 07" W, a distance of 44.00 feet; thence S 26° 19' 40" E, a distance of 130.14 feet more or less to a point of the South line of said Tract 996; thence S 56° 13' 11" W, a distance of 312.84 feet; thence N 13° 59' 56" W, a distance of 95.21 feet; thence S 76° 00' 00" W, a distance of 20.00 feet; thence N 14° 00' 51" W, a distance of 20.00 feet; thence S 75° 51' 14" W, a distance of 139.85 feet; thence S 01° 03' 05" W, a distance of 19.59 feet more or less to the **POINT OF BEGINNING**.

Contains approximately 75,258 square feet or 1.73 acres.



**EXHIBIT B  
LOT 1 & 3 DIAGRAM OF PREMISES**



SHEET NUMBER

2 of 3

**EXHIBIT B**  
**F.O.F. LEASE AREA**  
SNOHOMISH COUNTY AIRPORT  
SNOHOMISH COUNTY, WA

DRAWING INFO

P0014757W.3  
P0014757W\_3-V-EX01  
SCALE 1"=200'

SHEET INFO

DRAWN TTW  
CHECKED JLP  
LAST EDIT 08/2018  
PLOT DATE 08/2018

**WHPacific**

12100 NE 185th St, Box 300  
Bellevue, WA 98011  
425-951-4800 Fax 425-951-4801  
www.whpacific.com

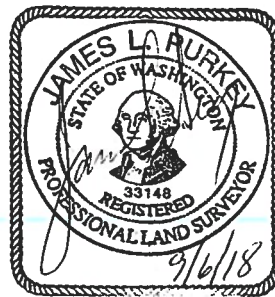
**EXHIBIT B (2)**  
**LOT 1 & 3 DIAGRAM OF PREMISES**

PARCEL LINE TABLE		
LINE	LENGTH	BEARING
L1	299.07	N30°42'46"E
L2	17.73	N0°18'24"E
L3	341.41	N30°12'43"E
L4	116.06	N59°44'25"W
L5	36.83	N42°20'52"W
L6	54.04	S80°57'02"E
L7	68.19	N72°20'24"W
L8	419.00	S17°39'36"W

PARCEL LINE TABLE		
LINE	LENGTH	BEARING
L9	207.29	S72°20'24"E
L10	42.08	N30°12'43"E
L11	4.99	S88°45'20"E
L12	3.85	N0°36'50"E
L13	116.40	S8°18'14"E
L14	745.14	S4°11'57"W
L15	29.58	N37°39'36"E
L16	117.44	N17°39'36"E

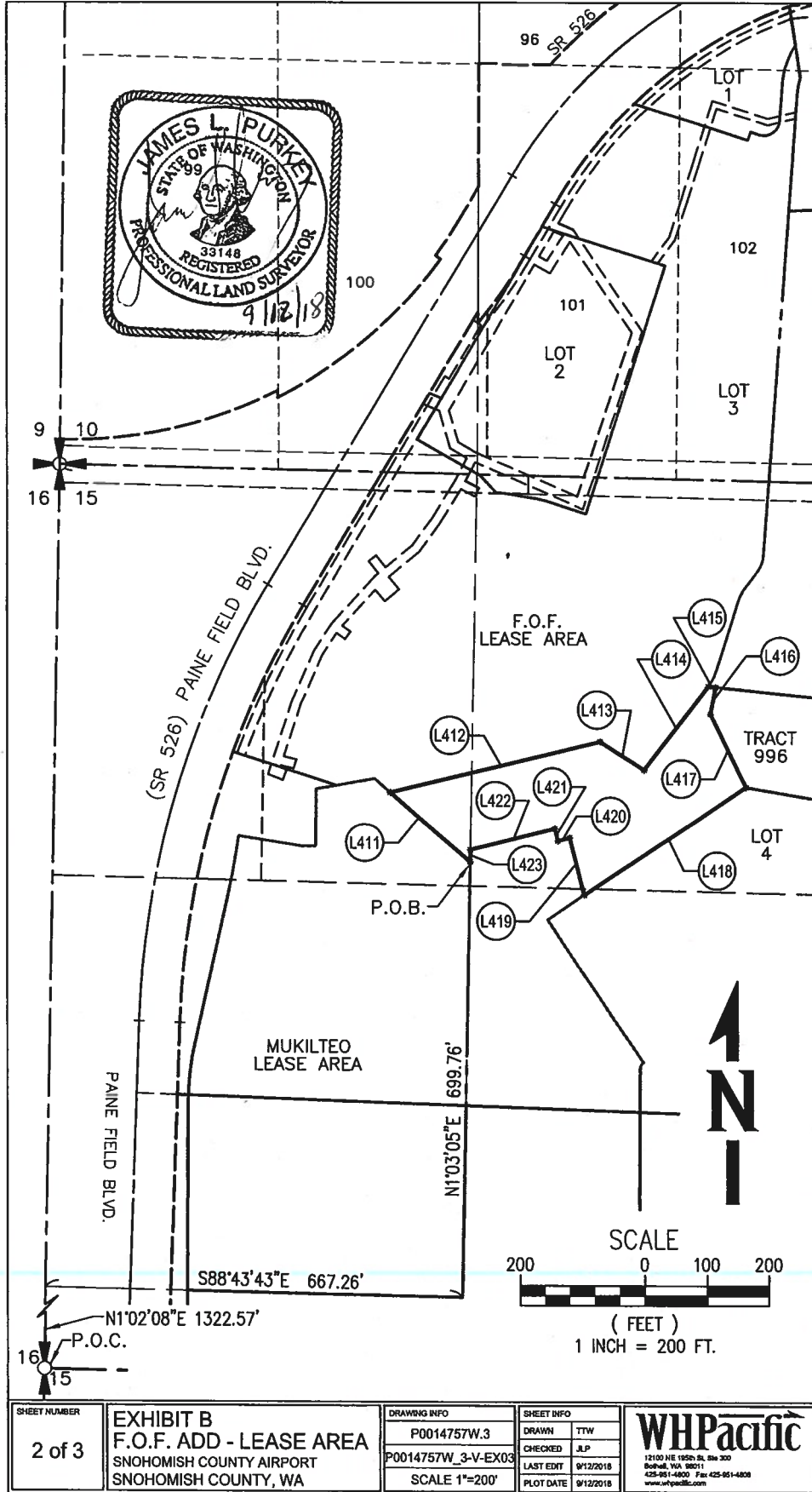
PARCEL LINE TABLE		
LINE	LENGTH	BEARING
L17	168.62	S37°39'36"W
L18	83.07	N57°20'24"W
L19	346.12	S76°22'30"W
L20	33.16	N48°46'49"W
L21	62.01	S79°58'23"W
L22	173.90	N72°20'24"W
L23	249.56	N30°42'46"E

PARCEL CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	132.07	837.99	9°01'47"
C2	11.98	100.00	6°51'47"
C3	15.03	100.00	8°36'39"
C4	295.73	738.51	22°56'37"
C5	201.55	738.51	15°38'12"
C6	25.58	125.00	11°43'23"
C7	29.20	50.00	33°27'40"
C8	27.93	80.00	20°00'00"
C9	27.93	80.00	20°00'00"
C10	261.44	1410.76	10°37'04"



SHEET NUMBER <b>3 of 3</b>	<b>EXHIBIT B</b> <b>F.O.F. LEASE AREA</b> SNOHOMISH COUNTY AIRPORT SNOHOMISH COUNTY, WA	DRAWING INFO	SHEET INFO	<b>WHPacific</b> <small>12100 NE 18th St, Ste 300 Bellevue, WA 98011 425-951-4900 Fax 425-951-4900 www.whpacific.com</small>
		P0014757W.3 P0014757W_3-V-EX01 SCALE NONE	DRAWN TTW CHECKED JLP LAST EDIT 9/6/2018 PLOT DATE 9/6/2018	

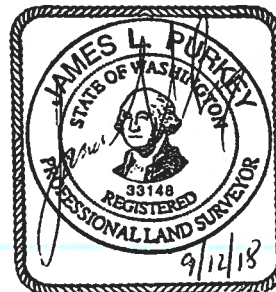
**EXHIBIT B (3)**  
**LOT 4 DIAGRAM OF PREMISES**



SHEET NUMBER <b>2 of 3</b>	<b>EXHIBIT B</b> <b>F.O.F. ADD - LEASE AREA</b> SNOHOMISH COUNTY AIRPORT SNOHOMISH COUNTY, WA	DRAWING INFO	SHEET INFO	 <small>12100 NE 195th St, Ste 300 Bellevue, WA 98011 425-951-4800 Fax: 425-951-4808 www.whpacific.com</small>
		P0014757W.3	DRAWN TTW	
		P0014757W_3-V-EX03	CHECKED JLP	
		SCALE 1"=200'	LAST EDIT 9/12/2018	
			PLOT DATE 9/12/2018	

**EXHIBIT B (4)  
LOT 4 DIAGRAM OF PREMISES**

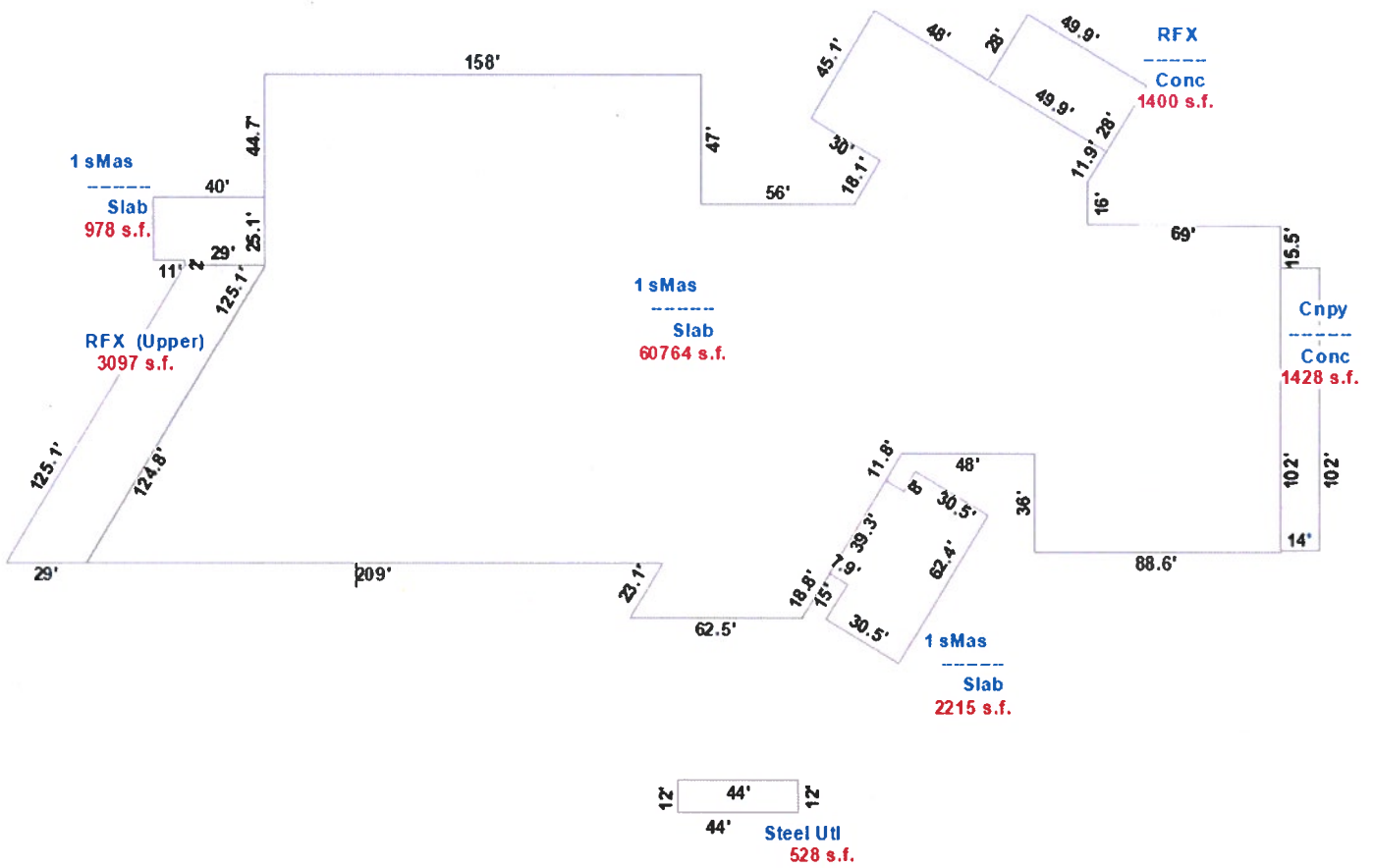
PARCEL LINE TABLE		
LINE	LENGTH	BEARING
L411	169.39	N48°46'49"W
L412	346.13	S76°22'31"W
L413	83.07	N57°20'24"W
L414	168.62	S37°39'36"W
L415	12.00	S84°12'57"E
L416	44.00	S10°54'07"W
L417	130.14	S26°19'40"E
L418	312.84	N56°13'11"E
L419	95.21	S13°59'56"E
L420	20.00	N76°00'00"E
L421	20.00	S14°00'51"E
L422	139.85	N75°51'14"E
L423	19.59	N1°03'05"E



SHEET NUMBER <b>3 of 3</b>	<b>EXHIBIT B F.O.F. ADD - LEASE AREA SNOHOMISH COUNTY AIRPORT SNOHOMISH COUNTY, WA</b>	DRAWING INFO	SHEET INFO	<b>WHPacific</b> <small>12100 NE 185th St, Ste 300 Bellevue, WA 98011 425-451-4800 Fax 425-651-8928 www.whpac35.com</small>
		P0014757W.3 P0014757W_3-V-EX03	DRAWN TTW CHECKED JLP LAST EDIT 9/12/2018 PLOT DATE 9/12/2018	
		SCALE NONE		

**EXHIBIT B (5)  
DIAGRAM OF PREMISES**

**FUTURE OF FLIGHT MUSEUM**





Admin Office  
3220 100th St. SW, Suite A  
Everett, WA 98204

(425) 388-5125  
(425) 355-9883 FAX

Arif R. Ghouse  
Airport Director



Business Office  
08 32nd Ave W, Suite J  
Everett, WA 98204

(425) 388-5125  
FAX (425) 388-7005

Dave Somers  
County Executive

## EXHIBIT C

### CAPITAL IMPROVEMENT REIMBURSEMENT'S TENANT IMPROVEMENT FORM<sup>101</sup>

DATE: \_\_\_\_\_

TENANT: \_\_\_\_\_

ACCOUNT NO.: \_\_\_\_\_

BUILDING NO.: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

EMAIL: \_\_\_\_\_

PHONE: \_\_\_\_\_

Description of Work (as per attached sheets):

In consideration of approval, the Tenant agrees:

1. All costs of any sort for the real property improvement will be at the expense of the Tenant.

2. All necessary permits and other approvals must be secured by the Tenant. The Tenant acknowledges that Tenant is not the owner of the property for the purpose of obtaining permits. The Tenant shall comply with all applicable building, electrical, and all other applicable codes, regulations, and laws. Copies of all completed permits and construction "As-Built" drawings will be filed with the Airport Office.

3. **Indemnification and Hold Harmless.** All work will be at the risk of the Tenant. Tenant shall comply with its Lease provisions regarding Insurance and Indemnity, Article V. Tenant shall hold harmless and indemnify Snohomish County its officers, officials, agents and employees, from and against any and all claims, losses, suits, actions, costs, penalties, attorney fees, litigation costs, expenses, damages, judgments, or other decrees by reason of damage to any property or business interest and/or any death, injury or disability to any person arising out of or suffered, directly or indirectly, by reason of or in connection with any action, error or omission of

the Tenant, Tenant's employees, agents or subcontractors, whether by negligence or otherwise, in constructing, maintaining, or using the improvement. This indemnification obligation shall include, but is not limited to, all claims against the County by an employee or former employee of the Lessee. This hold harmless agreement expressly provides for waiver of the Tenant's immunity, with respect to the County only, under RCW Title 51 Industrial Insurance for claims by its employees, other Worker's Compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. This hold harmless agreement and waiver of immunity was mutually and expressly negotiated and agreed between the parties. The foregoing indemnity is not intended to cover costs, losses, claims, or liabilities to the extent they are caused by the sole negligence of Snohomish County, its employees, agents, or contractors. In the event that the County incurs any judgment, award and/or cost including attorney's fees arising from the provisions of this agreement, or to enforce the provisions of this agreement, any such judgment, award, fees, expenses and costs shall be recoverable from the Lessee. In the event of litigation between the parties to enforce the rights under this agreement, reasonable attorney fees shall be allowed to the substantially prevailing party. The indemnification, protection, defense and save harmless obligations contained herein shall survive the expiration, abandonment or termination of Tenant's Lease.

4. Activities incidental to construction such as storage, fabrication, etc., will be confined to the premises leased to the Tenant.

5. The improvement will be subject to all terms and conditions of the Tenant's lease; PROVIDED, that there will be no obligation on the County to maintain, repair, or replace all or any part of the improvement. No adjustment will be made in the Tenant's rent as a result of this improvement. The improvement will revert to the Airport upon expiration of the Tenant's lease, provided however, the Airport shall have the option to request the Tenant to remove the improvement constructed or installed by the Tenant at the sole cost and expense of the Tenant and restore the premises. No loss or damage to the improvement will modify tenant's obligation to pay rent or any other obligation provided in this lease.

(Space Intentionally Left Blank)

Tenant: \_\_\_\_\_

Date:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Subtenant: \_\_\_\_\_

By: \_\_\_\_\_

Date:

By: \_\_\_\_\_

Airport Director

Conditions

---

Internal Use: \_\_\_\_\_

Airport Engineer

## EXHIBIT D

### RATE SCHEDULE

The Boeing Company  
Land Lease #18-008  
Future of Flight Aviation Center & Boeing Tour  
Sector 9 Lots 1, 3, and portion of Lot 4 & Track 996  
October 12, 2018 - October 11, 2021 (Next Rate Increase)

October 12, 2018- October 11, 2021		Appraisal 2018							
\$3.01	Premises: Lots 1,3 & 4	Type	S.F.	Acres	Rate/S.F.	Annual Rent	Monthly Rent	LET Tax <sub>1</sub>	Monthly Rent w/LET
	Lot 1 or FMV>Lot 1	Unimproved	30,103	0.69	0.910	\$ 27,393.73	\$ 2,282.81	\$ 293.11	\$ 2,575.92
	Lot 3 or FMV>Lot 3	Unimproved	484,882	11.13	0.910	\$ 441,242.62	\$ 36,770.22	\$ 4,721.30	\$ 41,491.52
	Lot 4	Unimproved	13,520	0.31	0.910	\$ 12,303.20	\$ 1,025.27	\$ 131.64	\$ 1,156.91
	Lot 4	Asphalt	15,128	0.35	1.201	\$ 18,168.73	\$ 1,514.06	\$ 194.41	\$ 1,708.47
	Lot 4	Concrete	46,610	1.07	1.484	\$ 69,169.24	\$ 5,764.10	\$ 740.11	\$ 6,504.21
	<b>Total</b>		<b>590,243</b>	<b>13.55</b>		<b>\$ 568,277.52</b>	<b>\$ 47,356.46</b>	<b>\$ 6,080.57</b>	<b>\$ 53,437.03</b>

October 12, 2018- October 11, 2021		Example of Debt Service								
Premises: Lots 1 & 3 Improvements <sup>2</sup>		Annual Rent	Monthly Rent	LET Tax <sub>1</sub>	Monthly Rent w/LET					
Estimated Debt Service (Tied to Debt Schedule)		(Place Marker TBD During Bond Issuance, Example: 2019's Rate)	\$ 1,430,890.40	\$ 119,240.87	\$ 15,310.53	\$ 134,551.40				
Processing Costs (Estimated)		(Place Marker TBD During Bond Issuance)	\$ 71,000.00	\$ 5,916.67	\$ 759.70	\$ 6,676.37				
			<b>\$ 1,501,890.40</b>	<b>\$ 125,157.53</b>	<b>\$ 16,070.23</b>	<b>\$ 141,227.76</b>				

\$3.09	Surface Water Management (SWM) <sup>4</sup>	S.F.	Acres	Rate/S.F.	Annual Rent	Monthly Rent	LET Tax <sub>1</sub>	Monthly Rent w/LET
	Lot 1	30,103	0.69	\$ -	\$ -	\$ -	\$ -	\$ -
	Lot 3 (Mukilteo Excluded)	334,054	7.67	\$ 0.00137521	\$ 5,512.74	\$ 459.40	\$ -	\$ 459.40
	Lot 4	75,258	1.73	\$ 0.00101011	\$ 912.23	\$ 76.02	\$ -	\$ 76.02
	<b>Total</b>	<b>439,415</b>	<b>10.09</b>		<b>\$ 6,424.97</b>	<b>\$ 535.41</b>	<b>\$ -</b>	<b>\$ 535.41</b>

\$3.10	Storm Water Facility (SWF) <sup>2</sup>	Area	S.F.	Acres	Rate/S.F.	Annual Rent	Monthly Rent	LET Tax <sub>1</sub>	Monthly Rent w/LET
	SWF Fee	FOF Site	466,207	10.70	\$ 0.07188445	\$ 33,513.03	\$ 2,792.75	\$ 358.59	\$ 3,151.34
	SWF Fee	Ramp	124,036	2.85	\$ 0.17779289	\$ 22,052.72	\$ 1,837.73	\$ 235.96	\$ 2,073.69
			<b>590,243</b>	<b>13.55</b>		<b>\$ 55,565.75</b>	<b>\$ 4,630.48</b>	<b>\$ 594.55</b>	<b>\$ 5,225.03</b>
	SWF Maintenance Fee	FOF Site	466,207	10.70	\$ 0.00439394	\$ 2,048.49	\$ 170.71	\$ 21.92	\$ 192.63
	SWF Maintenance Fee	Ramp	124,036	2.85	\$ 0.00439394	\$ 545.01	\$ 45.42	\$ 5.83	\$ 51.25
			<b>590,243</b>	<b>13.55</b>		<b>\$ 2,593.49</b>	<b>\$ 216.12</b>	<b>\$ 27.75</b>	<b>\$ 243.87</b>
	SWF SWM	FOF Site	466,207	10.70	\$ 0.00017246	\$ 80.40	\$ 6.70	\$ 0.86	\$ 7.56
	SWF SWM	Ramp	124,036	2.85	\$ 0.00142261	\$ 176.46	\$ 14.70	\$ 1.89	\$ 16.59
			<b>590,243</b>	<b>13.55</b>		<b>\$ 266.86</b>	<b>\$ 21.40</b>	<b>\$ 2.75</b>	<b>\$ 24.15</b>
	<b>Total SWF:</b>					<b>\$ 58,416.10</b>	<b>\$ 4,868.01</b>	<b>\$ 625.05</b>	<b>\$ 5,493.06</b>

One Time Capital Improvement Reimbursement		Start Date	Rent W/out Fees	
	10/12/2018-10/11/2019	\$ 1,000,000	10/12/2018-10/11/2021	\$ 2,070,167.92
	10/12/2019-10/11/2020	\$ 500,000		
	<b>Total</b>	<b>\$ 1,500,000</b>		

**Notes:**

<sup>1</sup> Leasehold Excise Tax is 12.84%

<sup>2</sup> Rent will be the greater of FMV or debt service on bonds. Assumes rates for taxable bonds expiring 12/01/2036

<sup>3</sup> SWF improvements funded by the bonds, no connection fee.

<sup>4</sup> SWM is a pass through fee from the Utility. Adjustments may be made with a 30 day notice. Remainder of site is within Mukilteo city limits and tenant is to pay Mukilteo SWM on monthly MWWID bill. SWF & SWM Fees subject to change annually.

<sup>5</sup> Partial months will be prorated for example: October 12, 2018-October 31, 2018 will be prorated at 19 days or 61.29% of rent.





**EXHIBIT E (3)  
FF&E Included**

Item Description	Totals	Location	Comments / Loaned From	Cost /Value	County
Floor Graphic	2	Lobby	As approved	County Owned	\$5
Rail Mount Graphics	5	Various	Only the 1 on the StratoDeck	1,500	\$35
17" Monitor	2	Misc Locations	1 in the PEV, 1 still in box (3 years old)	\$75 ea	\$75
			This is a mounting strip across the top of the east wall of the family zone were wires can be strung to hang panels to keep from having to drill holes in the wall	\$	235
Picture Molding	1	Gallery			\$80
			Boeing secured the licensing and permission to create and auction these to support Iof education in association with the Boeing Centennial. Please confirm use of proceeds since these were not handled as committed, or plan to leave them with the FoF.		\$100
Aviation Week Cover Metal Prints	8	Conference Rooms			
Beam mounted International Flags	77	Lobby		\$	5,000
50" Monitors	1	PERC Movie theater	Owned by Boeing	\$350 ea	\$175
42" Monitors	9	Misc Locations	1 at donor desk, 1 at water fountain, 2 on displays, 4 in storage	\$300 ea	\$200
30"x72" Folding Tables w/Spandex	5	Upstairs closets	Part of Events FF&E	\$	576
47" Monitor	8	Misc Locations	2 in Lobby / 1 in Jeff's office, 1 in cockpit display, 4 still in boxes in storage. All about 3 years old	\$325 ea	\$250
Runway Graphic		Gallery		\$	5,000
747 Vertical Fin	1	Gallery		\$	5,208
Floor Mount Kiosks	27	Gallery/Lobby	2 in front of building only	\$1,500	\$850
Pipe and Drape	Many	Misc. Locations		\$	3,787
Donor Kiosk	1	Lobby		\$	3,000
8" Modular Truss (pallet)	Many		Purchased originally for the Boeing Centennial timeline. MoF also interested	\$	6,200
Wall Mount Kiosks with Brochure Racks	4	Lobby		\$4,000	\$2,500
Bernoulli Air Table, 5 HP Compressor, Air D	1	Kids Zone	MOF also interested	\$	11,084
26' Scissor Lift	1	Gallery		\$	7,118
Roller shades, Truss, Curtains, 30' Roller S	1			\$	60,000
<b>Furniture, Fixtures and Equipment</b>					<b>\$35,000</b>

**EXHIBIT F**  
**TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES**

During the performance of this contract, Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the "Lessee") agrees to comply with the following non-discrimination statutes and authorities, as they may be amended from time to time and which are incorporated herein by reference, including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).



## EXHIBIT G

### SECURITY & SERVER ROOM ACCESS

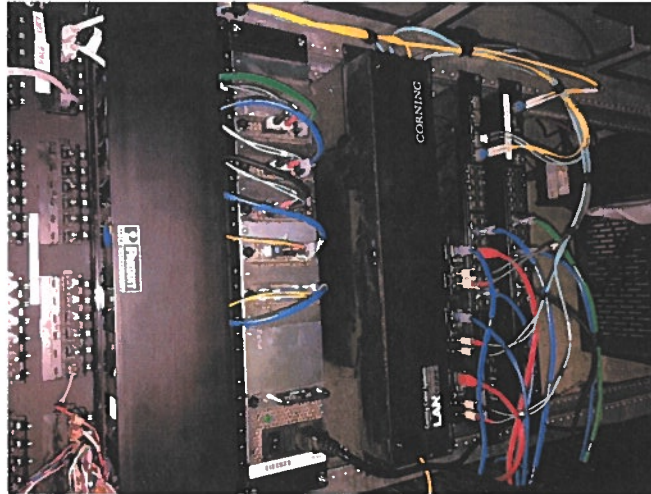
1.08 Security & Servers Rooms. The provisions of this Exhibit G are subject to Section 1.08 of the Lease.

Lessor is responsible for county owned servers and software, hardware, upgrades, and general maintenance of systems. Lessee will only be required to offer secure access to the rooms and electricity at no charge.

Important security infrastructure is supported by the server rooms, and wires throughout the building to support controls access to gates W2, W3 and F2 as well as four security cameras located on the building including but not limited to these locations. Subject to the reasonable requirements of both parties, it may be required in the future to add security cameras to maintain security or access points with additional hardware requirements. Additionally there is a gate box on the roof of the FOF that has relays that need to be maintained by the County and with access to the County provided 24hrs a day, 365 days a year.

**Server Racks** (currently but not limited to this subject to the reasonable requirements of both parties)

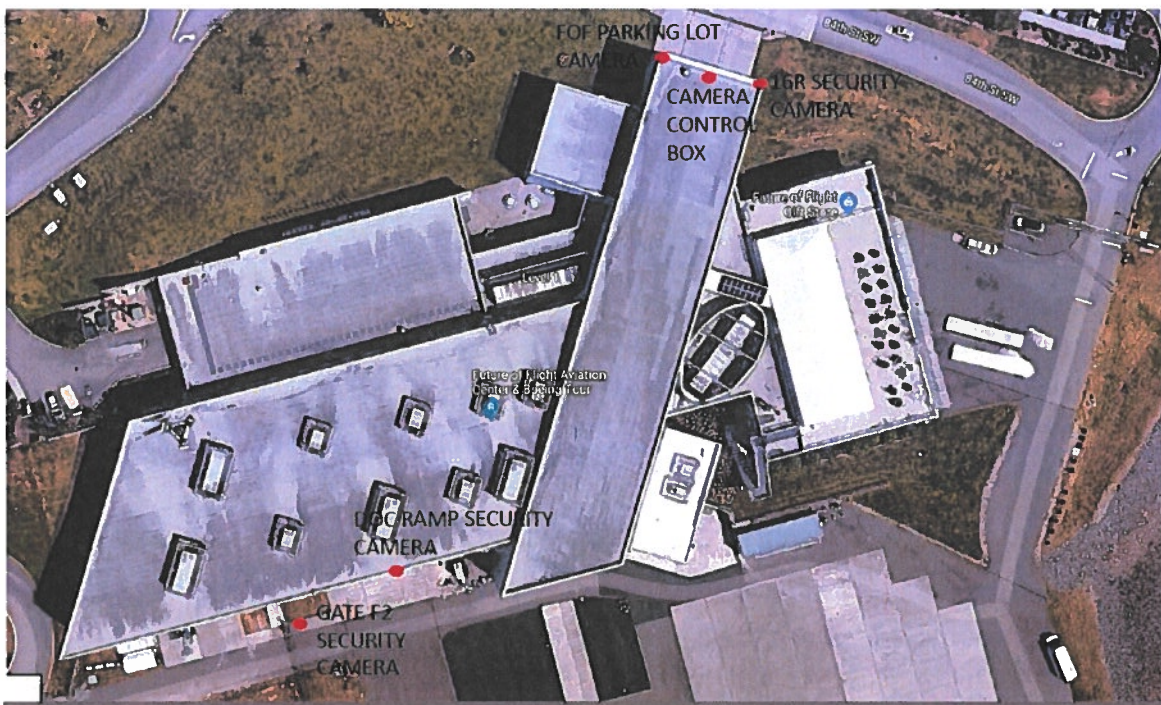
- Two Milan 24 Port POE switches
- Three stand-alone media converters
- 36 strings of terminated fiber
- One rack mounted Media converter
- One cord organizing rack
- One Battery backup



**Exhibit G (B)**  
**SECURITY & SERVER ROOM ACCESS**

**Additional Access Required** (subject to change subject to the reasonable requirements of both parties)

- Camera to the DOC Ramp
- Camera at Gate F2
- Camera to FOF parking lot
- Camera to approach of RWY 16R
- Relay switch on the roof



## EXHIBIT H

### OPERATIONS AGREEMENT

This Operations Agreement ("Operating Agreement") is entered into as of the effective date of the Lease approval in 2018 (the "Effective Date") by and between SNOHOMISH COUNTY, a political subdivision of the State of Washington (the "County"), and The Boeing Company, a Delaware corporation (the "Company"), collectively or individually referred to as the "Parties" or the "Party".

The County has developed, constructed, and owns an aviation-related land and building complex at Snohomish County Airport at Paine Field in Snohomish County, Washington, commonly referred to as the Future of Flight Aviation Center & Boeing Tour Center (the "FOF") that houses the Regional Center (the "RC") which is subject to this Lease Agreement (the "Lease") between County as lessor and The Boeing Company (the "Company") as lessee.

All references to the RC in this Agreement shall be deemed to include, and Company's duties hereunder shall cover, the entire Regional Center as constructed by the County, consisting of approximately 67,194 gross square feet and 48,386 net useable square feet of space for aviation exhibits, conferences, special events, educational programs, meeting rooms, ticket office, common areas, food service, the Boeing Store, lobby areas, executive and administrative offices, storage and utility facilities, and the RC shall be deemed to include, and the Company's duties shall cover, the approximately 11.85 acres of land known as Paine Field Sector 9, Lots 3 and 4 used for access, grounds, landscaping, sidewalks, aircraft ramp and parking areas supporting the RC.

**1. REGIONAL CENTER.** Lessee shall continue the use of the premises as a Regional Center / Boeing Tour Center for the full lease term as the sole and exclusive operator and manager of the RC as depicted in Chapter 35.57 RCW.

**2. EXHIBITORY SERVICES AND ACQUISITION OF AVIATION CENTER EXHIBITS.**

- (a) Company will provide the RC with aviation exhibits and other materials deemed in Company's sole and complete discretion to be appropriate to an aviation center.
- (b) County acknowledges that Company owns or has possessory rights to all of the exhibits in the RC that Company has furnished or will furnish. County acknowledges that pursuant to the Lease, Company may remove any and all exhibits from the RC (whether or not such exhibits are attached to the RC).
- (c) Company shall be responsible for the maintenance of all exhibits (such as major restoration work, particularly on outdoor aircraft) on display at the RC owned by the Company. Company shall be responsible for the maintenance of all exhibits owned by Company.

**3. CONFERENCE SERVICES.** Company intends to provide at the RC a variety of conference services, including, but not limited to, services to for-profit and nonprofit organizations for events, conferences for community, business, and civic organizations, and use of the facility by the Snohomish County Airport. Company will rent space and support approved caterers and ancillary events services. Company shall be entitled to all profits, if any, from the provision of said services.

**4. PUBLIC FACILITY DISTRICT.** County and Snohomish County Public Facilities District ("County PFD") have an Interlocal Agreement, as amended, for the RC known as the "Future of Flight." Pursuant thereto, the County receives contribution for the RC from the County PFD upon conditions set forth therein. Company understands all contributions from the County PFD are directed to the County. Company is responsible for stated rent irrespective of any contributions from the County PFD. Operation of the RC must remain compliant with the rules and regulations governing the County PFD including set forth in the Interlocal Agreements, as amended, between County and County PFD; RCW 35.57, Municipalities; RCW 36.100 Counties including RCW 36.100.030(1); RCW chapter 82.14; SCC chapters 4.23, 15.10; Section 1.02 of Lease.

- (a) The County PFD contributions to the County will be used to pay the debt service held on the FOF facility included in the rates and charges in Exhibit D. The County debt service amount listed in **Exhibit D** will be lowered by the contribution made from the County PFD resulting in a lowered total lease payment equal to the County PFD contribution to debt service for that specific year. The annual contribution from the County PFD will be credited to lessee's account every February 28th for the previous year's actual realized contributions from January 1st thru December 31st. The Leasehold Excise Tax ("LET") as dictated by the Washington State, Department of Revenue will be due on the total lease payment regardless of the County PFD contributions to County debt service payments per tax code.
- (b) Company understands the County PFD contributions are not guaranteed and may sunset upon debt service repayment or for no reason whatsoever. If the County receives payment it will be passed through to the Company. Company will pay the total lease payment in **Exhibit D** if no contribution is made.
- (c) Company must participate and attend Quarterly County PFD meetings, Snohomish County Council Annual Report, and any meetings deemed appropriate in the duties as a PFD by County. The Company shall provide the PFD with written financial statements, including an income statement, a balance sheet and cash flow statement quarterly. Company will report to the County PFD Board how their contribution was beneficial to the overall operation of the Regional Facility and how the public benefited from their contribution. Company will provide evidence of equivalent investment into the operation or exhibits to show good faith operations as a PFD.

**5. LICENSE FOR USE OF TRADEMARK AND LOGO.** The County hereby grants to Company a nonexclusive license to use throughout the Term (and permit others to use in furtherance of the RC obligations hereunder), at no charge, the name and all logos of the Future of Flight and Future of Flight Aviation Center, in its operation, promotion, and advertising of the RC, and whenever conducting business of the RC as set forth in this Agreement; provided, however, that Company shall use such names and logos in a prudent manner that will not adversely affect the County's ownership rights and the reputation of the FOF. All intellectual property rights in any FOF trade names, trademarks, service marks and logos developed by Company in furtherance of this Agreement shall be and at all times remain the sole and exclusive property of the County, with the exception of BOEING or any other Boeing-owned trademarks in or as part of the name, trademark, and logos of the FOF. Company agrees to execute any documentation requested by the County from time to time to establish, protect or convey to the County any such intellectual property rights. Company may, with the prior written approval of County, use and display its trademarks and logos at places of its choosing inside or outside the Regional Center. Company acknowledges that the County is the owner of the name the "Future

of Flight" and U.S. Patent and Trademark Office Registration No. 5,438,266, registered April 3, 2018, for THE FUTURE OF FLIGHT. The County reserves the right during this lease term to use the FOF trade names, trademarks, service marks and logos for its own internal or external marketing purposes.

Company acknowledges it will turn over all naming rights, trademark, and logos related to the Future of Flight upon termination of the lease to County.

**6. RATES, CHARGES, AND HOURS OF OPERATION.** Company will in its sole and complete discretion set RC rates and charges for admission and for meetings, special events, and conferences. Company will in its sole and complete discretion set and control the days and hours of operation of the RC.

**7. PERSONNEL.** All RC staff and other personnel shall be engaged or hired by Company, and shall be its employees, agents or independent contractors as determined by Company (or employees, agents or contractors of a subsidiary or affiliate thereof), and will not be employees, agents or independent contractors of the County. Company may designate, in its sole and complete discretion, any and all such employees as "at will" employees. Company shall determine the number, function, qualifications, and compensation, including salary and benefits, of its employees and shall control the terms and conditions of employment.

**8. SERVICE AND SUPPLY CONTRACTS.** Company shall have the authority to enter into supply and service provider contracts relating or pertaining to the RC and its operations without the consent of or any notice to the County.

**9. AIRSIDE RAMP SECURITY.** The Snohomish County Airport is governed by the Federal Aviation Administration (FAA), Transportation Security Administration (TSA), and local rules and regulations which restrict access to the airside of the Future of Flight building. Airside meaning the ramp and everything inside the security fence line of the Airport. The public is not allowed to go airside unescorted or without proper authority granted by the Airport Security Credentialing Office only. The Airport Security Plan must be strictly adhered to at all times which is governed by the Airport Operations Department. Airside overflow parking of cars is not allowed. A security plan will need to be developed and submitted to the Airport Operations Department for approval. The Airport Operations Department will then submit it to TSA for approval which may take 90+ days. The TSA Approval timeline is not within the control of the Airport and may change depending on TSA rules and regulations.

Further, a portion of the Premises including Lot 4 Ramp is considered to be part of the Air Operations Area ("AOA") of the Airport which is subject to special security and safety requirements. Company and its employees, service personnel, contractors, and invitees shall (1) meet all security and safety requirements with regard to these portions of the Terminal as set forth in County and federal regulations; (2) abide by all applicable airfield and other security-related requirements established by the County, the FAA, and /or TSA; (3) operate in a manner consistent with the security standards set forth in the Airport Security Plan required under Part 1542 of the Federal Security Regulations; (4) insure positive control which shall prevent the entrance of unauthorized persons, items and vehicles onto the AOA. Company assumes full responsibility for control over its employees, service personnel, contractors, and invitees present on the AOA portion of the premises who do not have AOA access credentials.

**10. RAMP PARKING.** Company shall coordinate with the Boeing Everett Delivery Center to accommodate the Antonov and other oversized or large aircraft related to the Boeing Company's

business. Company recognizes that County currently has no other parking and no other ramp parking to accommodate the Antonov, or oversized or large aircraft and cargo aircraft. Company may charge fair market value for use of the ramp.

**11. FIRE LANES.** All fire lanes surrounding the building must remain clear of obstacles at all times including airside ramp access. All fire suppressant systems must be kept current with the county fire code.

**12. STRATO DECK TEMPORARY TENT.** The tent structure on the Strato Deck is a temporary structure that per FAR Part 77 Regulations may only remain up less than six months per year. The tent requires a County permit for a temporary structure to be submitted every year. This tent structure must always remain in compliance with FAR Part 77, Imaginary Surfaces. Lessee may not have the tent up for more than six (6) out of any twelve (12) linear months per year.

**13. TRANSITIONAL PERIOD (TP).** The Transitional Period (TP) is being created to manage the efficient and effective commencement of Lessee taking control of all operations at Future of Flight. The objective of the TP is to ensure the continuation of the supply of essential contracted services and to minimize the impact on the public. The TP will be from October 12, 2018 through November 30, 2018 to ensure no interruption in critical services.

Critical services to be continued by County for the express benefit of Lessee include the existing janitorial & cleaning services offered by Action Cleaning Services under County RFP 12-17 which has been provided to Lessee. The contract is for a fixed amount of \$12,668.10 per month which will be pro-rated by the applicable days of service in that month.

The TP may be ended early at any time prior to November 30, 2018 by advance written notice thirty (30) days in advance. The advance notice is to provide the existing contractor sufficient time per their contract to terminate services. If the time period is shorter or longer it will be equal to the notice required on the individual contract. This means if the contract requires seven (7) days advance notice to terminate Lessee may terminate in seven days as well.

The TP is intended for existing contracts only and must be critical to the operation. No critical contract will be terminated until a replacement service is provided or an account is established. Critical means utilities such as water, gas, electricity, internet, phones, waste management, security systems and janitorial services. For example, PUD electricity will not be turned off until a new service is established to avoid any interruption of services. All services will be pro-rated by the day and shall be reimbursed by Lessee to County. All reimbursements will be posted to Lessee's account and will appear on their next statement from the County.

Existing Accounts include but are not limited to the following:

<b>Service Provided</b>	<b>Company Name</b>
Security	Sonitrol
Internet, Phones, TV	Comcast Business
VOIP Phones	Fusion
Hard Wired Phones	Frontier Communications
Waste	Waste Management
Water	County
Sewer	Mukilteo Waste Water Management
Electricity	PUD

GAS  
Ticketing Reservations  
Website  
Janitorial (Day Porter)

PSE  
VCDC/WARes  
GoDaddy.com  
Action Cleaning Services

As of the effective date of the Lease, the County shall not be responsible for quality of services rendered between Vendors and Lessee. County disclaims any liability from any loss or claim for damages arising out of services rendered by Vendors on and after the effective date of the Lease including bodily injury, death or property damages of any nature whatsoever, contract or other damages, arising out of or suffered, directly or indirectly, in connection with the Vendor services at the Snohomish County Airport Future of Flight Regional Center rendered on and after the effective date of the Lease.

**14. LANDSCAPING MAINTENANCE FEE, TRANSITIONAL PERIOD.** Lessee shall pay County a Landscape Maintenance Fee (LMF) for maintenance of landscaping on the exterior of the facility, in the amount of \$7,500 per month until November 30, 2018. After November 30, 2018 lessee will be responsible for all landscaping from this section 13. The LMF fee, if applicable, shall be paid in advance on the first of every month. Landscaping includes mowing, trimming of shrubbery, trimming of trees, and general beautification of the existing foliage. Landscape improvements or modifications may be worked out on a case by case basis and is not inclusive of the monthly fee. LMF does not include in ground pipe breaks or major plumbing repairs however, rates for repair may be negotiated on a case by case basis as outlined in 4.02 (d). LMF does not include snow or ice removal from the premises.

1. Maintenance Includes

- a) Mowing and line trimming and edging twice per month.
- b) Planter bed weeding once per month.

EXHIBIT I  
Reciprocal Easement & Agreement With Beechwood

200505160744 9 PGS  
05-16-2005 03:36pm \$46.00  
SNOHOMISH COUNTY, WASHINGTON

**NO EXCISE TAX  
REQUIRED**

**MAY 16 2005**

BOB DANTINI, Snohomish County Treasurer

By: BOB DANTINI

<b>Return Address</b> John Sullivan, Esq. Short Cressman & Burgess 999 Third Avenue, #3900 Seattle, WA 98104
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<b>Document Title(s) or transactions contained therein</b>	<b>CHICAGO 5301633</b>
RECIPROCAL EASEMENT, CROSS PARKING AND MAINTENANCE AGREEMENT	
<b>Lessor (Last name first, then first name and initials)</b>	<b>DUPLICATE ORIGINAL</b>
SNOHOMISH COUNTY	
<b>Lessee (Last name first, then first name and initials)</b>	
BEECHWOOD DEVELOPMENT, LLC and/or its approved assignee Paine Field Hotel Development, LLC, a Washington Limited Liability Company	
<b>Legal description (abbreviated i.e. lot, block, plat or section, township, range)</b>	
Portion of Tracts 95, 101, & 102 of West & Wheelers Sea View Five Acre Tracts, and of Section 10 and Section 15, Township 28 North, Range 04 East, W M	
<b>Reference Number(s) of related Documents</b>	
200410200294	
<b>Assessor's Property Tax Parcel/Account Number</b>	
Portion of 280415002300 and portion of 28041500201200	
The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information.	



**RECIPROCAL EASEMENT, CROSS-PARKING, AND MAINTENANCE  
AGREEMENT**

**THIS Reciprocal Easement, Cross-Parking, and Maintenance Agreement, made the 16<sup>th</sup> day of May, 2005 by and between Snohomish County ("Lessor"), a political subdivision of the state of Washington, and Beechwood Development, LLC and/or its approved assignee Paine Field Hotel Development, LLC, a Washington limited liability company ("Lessee")**

**RECITALS**

A. The parties have entered into a Ground Lease (the "Lease"), recorded under Snohomish County Auditor's File No 200410200294 on October 20, 2004, in which Lessee was granted certain leasehold interests for the purpose of constructing and operating a 102-4 room commercial hotel, containing meeting and conference rooms, banquet hall, restaurant and lounges ("Hotel").

B Pursuant to the terms of the Lease, the parties agreed to execute and deliver an agreement for the cross-parking and reciprocal use and shared maintenance of a portion of a parking area and entry road, which parking area and entry road are depicted on the site plan map on Exhibit "A," attached hereto and by this reference incorporated herein (respectively the "Parking Area" and "Entry Road")

C In addition, the parties, under the terms of the Lease, agreed to execute and deliver an agreement for the reciprocal use of the parties' real property to maintain utility services provided the parties' respective property and buildings, as well as reciprocal use agreement for the Arbor walkway to be constructed that is to connect via a pedestrian walkway the Hotel with the Lessor's adjacent National Flight Interpretive Center ("NFIC")

D. The parties desire to memorialize their agreement for such reciprocal uses.

**NOW THEREFORE, FOR A VALUABLE CONSIDERATION, IT IS  
HEREBY AGREED:**

1. **Recitals.** The Recitals described above are true and accurate and by this reference incorporated into and an integral part of this Agreement

2. **Reciprocal Use of Parking Area.** During the entire term of the Lease and any extensions thereof, Lessor and Lessee, shall each have equal and reciprocal rights, privileges, easements and rights-of-way for use of the Parking Area and Entry Road so as to permit Lessor, Lessee and their respective agents, employees, contractors, invitees,

licensees, guests, customers and other third parties doing business with said parties to park motor vehicles thereon. The equal and reciprocal rights, privileges, easements and rights-of-way described herein is and shall be deemed appurtenant to the NFIC premises and to the premises that Lessee has been granted a leasehold interest, which is more particularly described in the Lease. Neither party shall interfere with nor otherwise prevent the other party from full use and enjoyment of their respective rights in and to the Parking Area, including but not limited to refraining from (a) placing or causing to be placed a mortgage, lien, pledge, charge or encumbrance on or against the Parking Area or (b) building, creating or constructing, nor permit others to build, create or construct any obstruction, building, engineering works, or other structure on, in, over or across the Parking Area that will interfere with normal use, operation and maintenance of said Parking Area without obtaining prior written consent of the other party or (c) requiring any payment from third parties to use the Parking Area (i.e. parking meters) without obtaining the prior written consent of the other party. Notwithstanding the foregoing, Lessor and Lessee understand and acknowledge that the capacity of the Parking Area is limited and accordingly, the use thereof shall be on first come first served basis and no default hereunder shall arise when the Parking Area is utilized to its maximum capacity provided that neither party has intentionally or negligently caused the Parking Area to be used to such an extent for the purpose of preventing the other party from enjoying and exercising the rights and privileges to the Parking Area as described herein.

3. **Maintenance of Parking Area.** For purposes of maintenance under this Paragraph 3, Lessee shall be assigned the portion of the NFIC Parking Area located north of the Hotel, which is depicted on Exhibit "B" North of the boundary of Lessee's leasehold premises and Lessor shall be assigned all other portions of the NFIC Parking Area. The right, privilege, easement and right-of-way shall be together with the right of ingress and egress to and from said Parking Area by the parties, their heirs, successors and assigns, and authorized persons for the purpose of constructing, reconstructing, operating, maintaining, inspecting, protecting, repairing, replacing, and/or removing snow from the Parking Area assigned to each of the parties under this Paragraph 3, (such activities shall be collectively referred to as "Maintenance"). Without limiting the preceding sentence, Maintenance shall include the re-painting, as needed, the striping for the parking stalls, and the repair of faults in the surface of the assigned Parking Area, including frost boils, cracks and other surface disruptions which present either a hazard to traffic or a condition that can reduce the expected life of the respective Parking Area. The cost and expense for the Maintenance of the respective areas shall be born by the respective parties. Notwithstanding the assigned Maintenance obligations under this Paragraph 3, if the Parking Area is damaged as a result of the negligent act or omission of a party or its respective agents, employees, then all of the costs and expenses to repair such damage shall be paid by said negligent party.

4. **Maintenance of Entry Road.** Lessor shall maintain the Entry Road during the term of the Lease Lessee shall pay Lessor fifty percent (50%) of the costs of Maintenance of the Entry Road on a monthly basis calculated upon 1/12 the annual cost of Maintenance of the Entry Road for the previous year The annual cost of Maintenance for the first year of the Lease Term (beginning no earlier than June 30, 2005 and no later than October 31, 2005) shall be based upon a good faith estimate by the Lessor, in its reasonable discretion, of the annual cost of Maintenance for the Entry Road. Thereafter the monthly payment shall be based upon 1/12 the actual annual cost of Maintenance of the Entry Road for the previous year. Notwithstanding the assigned Maintenance obligations under this Paragraph 4, if the Entry Road is damaged as a result of the negligent act or omission of a party or its respective agents, employees, then all of the costs and expenses to repair such damage shall be paid by said negligent party

5. **Maintenance of Stormwater Detention Facilities.** Lessor shall maintain the storm water detention facilities associated with the NFIC and Hotel Lessee agrees to reimburse the Lessor a share of the cost of maintenance of the storm water detention facilities based upon the percentage of volume capacity used by the Hotel

6. **Reciprocal Use for Utility Repair.**

a **Lessor Easement.** During the entire term of the Lease and any extensions thereof, Lessor shall have a right, privilege, easement and right-of-way over and across the parcel of land to which Lessee has a leasehold interest, as more particularly described in the Lease, for the sole and exclusive purpose of constructing, reconstructing, maintaining, inspecting, protecting, repairing, replacing, and/or removing utility structures, pipelines, wires and other transmission mechanisms, including but not limited to electrical wires, natural gas pipelines, water and sewer transmission mechanisms, and cable television wires, which furnish such utility services to any building used by Lessor, provided, however, that any such construction, reconstruction, maintenance, inspection, protection, repair, replacement and/or removal shall not interfere or otherwise hinder, in any manner, the operations of the Hotel, and that all costs and expenses related thereto, including but not limited to restoring the area in which such work was conducted to its original condition, shall be paid by Lessor

b **Lessee Easement** During the entire term of the Lease and any extensions thereof, Lessee shall have a right, privilege, easement and right-of-way over and across any parcel of real property located within the southwest quarter of the southwest quarter of Section 10, Township 28, Range 4 EWM to which Lessor has fee simple title or otherwise possesses a property interest, for the sole and exclusive purpose of constructing, reconstructing, maintaining, inspecting, protecting, repairing, replacing, and/or removing utility structures, pipelines, wires and other transmission mechanisms, including but not

limited to electrical wires, natural gas pipelines, water and sewer transmission mechanisms, and cable television wires, which furnish such utility services to or for the benefit of the Hotel, provided, however, that any such construction, reconstruction, maintenance, inspection, protection, repair, replacement and/or removal shall not interfere or otherwise hinder, in any manner, the operations of Lessor, and any and all costs and expenses related thereto, including but not limited to restoring the area in which such work was conducted to its original condition, shall be paid by Lessee

7. **Arbor Pedestrian Walkway Reciprocal Use.** During the entire term of the Lease and any extensions thereof, Lessor and Lessee, shall each have equal and reciprocal rights, privileges, easements and rights-of-way for use of the pedestrian walkway connecting the Hotel and the adjacent NFIC building, as more particularly depicted on Exhibit "A," attached hereto and by this reference incorporated herein, (the "Arbor") so as to permit Lessor, Lessee and their respective agents, employees, contractors, invitees, licensees, guests, customers and other third parties doing business with either party to traverse through the Arbor during mutually agreeable hours of each day. The equal and reciprocal rights, privileges, easements and rights-of-way described herein is and shall be deemed appurtenant to the premises that Lessee has been granted a leasehold interest, which is more particularly described in the Lease. Neither party shall interfere with nor otherwise prevent the other party from full use and enjoyment of their respective rights in and to the Arbor, including but not limited to refraining from (a) placing or causing to be placed a mortgage, lien, pledge, charge or encumbrance on or against the Arbor or (b) building, creating or constructing, nor permit others to build, create or construct any obstruction, building, engineering works, or other structure on, in, over or across the Arbor that will interfere with normal use, operation and maintenance of said Arbor without obtaining prior written consent of the other party

8. **Construction Staging Area** During the construction period of the Hotel, Lessee shall have the right, with the written consent of the Airport Director, to use property owned by Lessor, which is near to the land to which Lessee has a leasehold interest, as more particularly described in the Lease, for the purpose of a construction staging area and to stockpile materials excavated or removed from the Hotel construction site. Lessee, at Lessee's cost and expense shall, upon completion of the Hotel construction, restore the area in which such staging area and material stockpiling occurred to the condition existing in said area prior to its use thereof

9. **Indemnity for Parking Areas and Entry Road.**

a. Notwithstanding any other term of the Lease, Lessee shall protect, save harmless, indemnify and defend at its own expense, the Lessor from any loss, liability, claim for damages, or expense arising in the Parking Area or Entry Road

from any negligence, omission, or willful misconduct of the Lessee, its officers, agents, employees, contractors, or invitees, except for claims and liabilities to the extent caused by any negligence, omission, or willful misconduct of the Lessor, its officers, agents, employees, contractors, or invitees. If a loss or claim arising in the Parking Area or Entry Road is caused by the concurrent negligence, omission or willful misconduct of the Lessor, then this clause shall be valid and enforceable only to the extent of the negligence, omission or willful misconduct of the Lessee, its officers, agents, employees, contractors or invitees.

b. Notwithstanding any other term of the Lease, Lessor shall protect, save harmless, indemnify and defend at its own expense, the Lessee from any loss, claim for damages, or expense arising in the Parking Area or Entry Road from any negligence, omission, or willful misconduct of the Lessor, its officers, agents, employees, contractors, or invitees, except for claims and liabilities to the extent caused by any negligence, omission, or willful misconduct of the Lessee, its officers, agents, employees, contractors, or invitees. If a loss or claim arising in the Parking Area or Entry Road is caused by the concurrent negligence, omission or willful misconduct of the Lessee, then this clause shall be valid and enforceable only to the extent of the negligence, omission or willful misconduct of the Lessor, its officers, agents, employees, contractors or invitees.

**10. Incorporation into Lease** This Agreement is hereby incorporated into the Lease as a part thereof, the same as if it were fully set out therein.

**TO HAVE AND TO HOLD**, the right, privilege, easement and right-of-way over and upon the Parking Area and Entry Road, with all the rights, privileges and appurtenances thereto belonging or in any way appertaining thereto, unto the parties, their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this instrument the day and year first above written

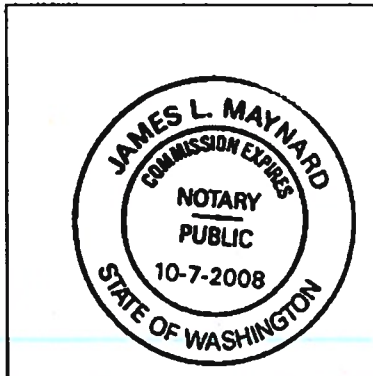
DATED 5-10-05  
COUNTY SNOHOMISH COUNTY  
D J Waggner  
Airport Director

STATE OF WASHINGTON )  
  ) ss  
COUNTY OF Snohomish )

On this day personally appeared before me Dave Wassner to me known to be the Airport Director of the Snohomish County and the person who executed the within and foregoing instrument, and acknowledged that he signed the same as its free and voluntary act and deed, for the uses and purposes therein mentioned

DATED 5-10-05  
[Signature]  
Notary Public in and for the State of WA  
Residing at Mukilteo

My appointment expires



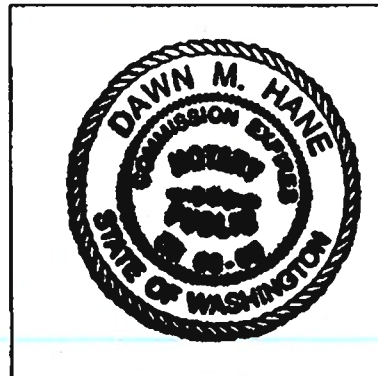
DATED 5/12/05  
LESSEE BEECHWOOD DEVELOPMENT, LLC  
[Signature]  
Its Manager / Authorized Agent

STATE OF Washington )  
  ) ss  
COUNTY OF Snohomish )

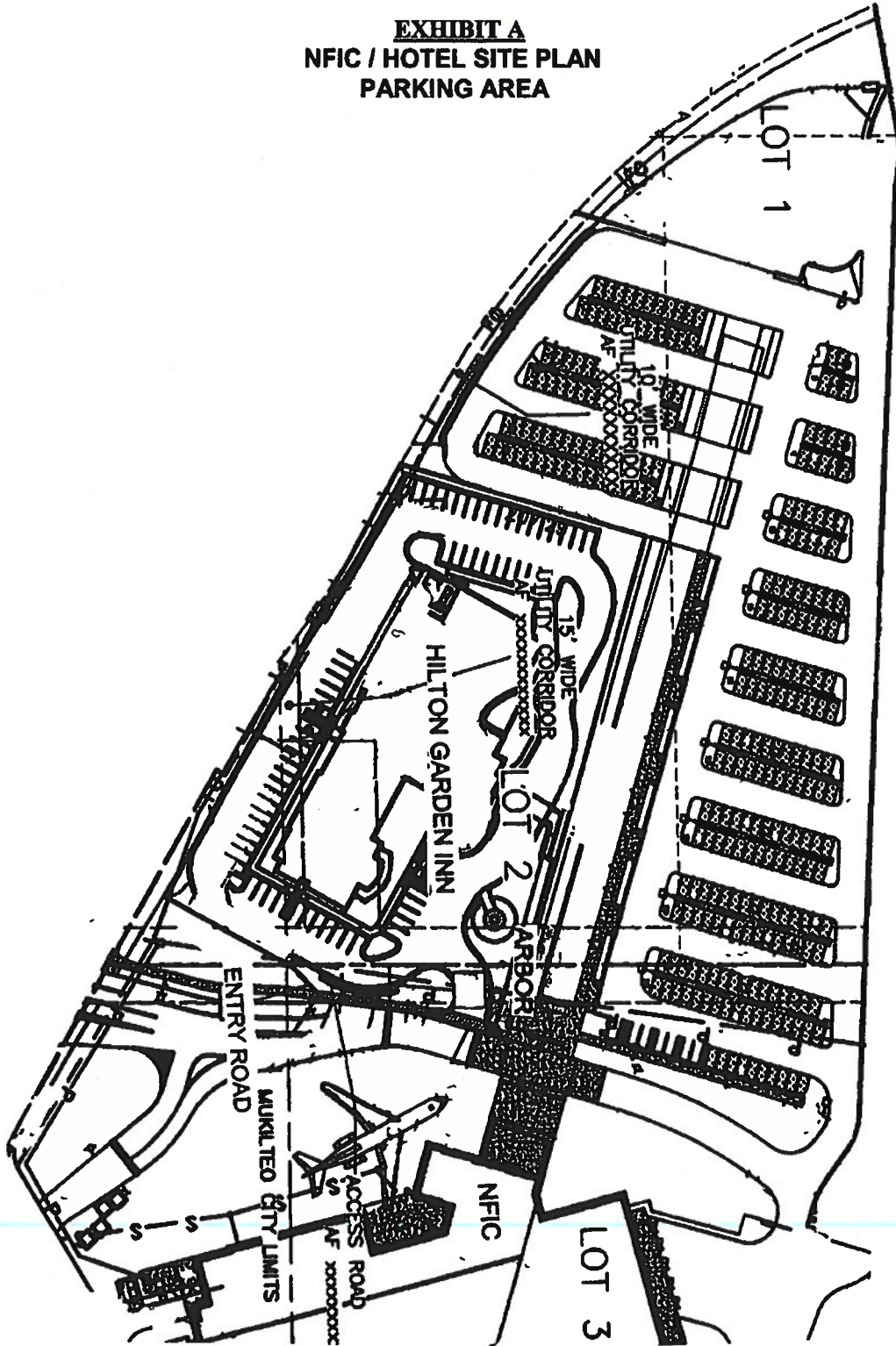
On this day personally appeared before me Thomas Arnot to me known to be the manager of the Beechwood Development LLC And the person who executed the within and foregoing instrument, and acknowledged that he signed the same as its free and voluntary act and deed, for the uses and purposes therein mentioned

DATED 5-12-05  
[Signature]  
Notary Public in and for the State of WA  
Residing at Mukilteo, WA 98275

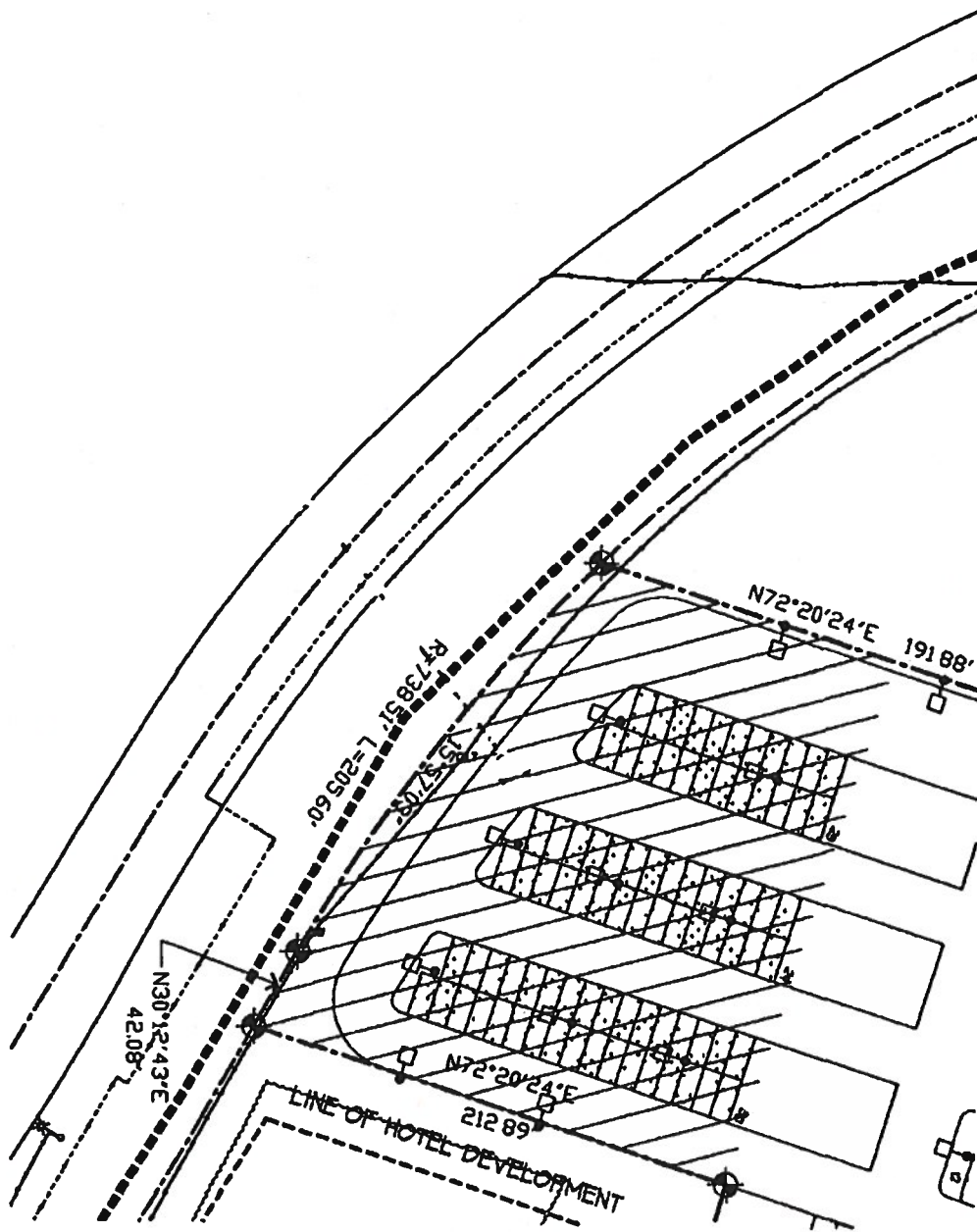
My appointment expires



**EXHIBIT A**  
**NFIC / HOTEL SITE PLAN**  
**PARKING AREA**



**EXHIBIT B**  
**PORTION OF NFIC PARKING AREA NORTH OF HOTEL**  
**TO BE MAINTAINED BY LESSEE**





**EXHIBIT J  
EXISTING CONDITIONS**

Lessee advises County of certain existing conditions in the leased premises and/or certain items that should be noted in connection with the leased premises stated herein. County makes no representations as to the cause of the existing conditions noted by Lessee:

1. The Sump System in the lower level for the sewage system requires semi-annual maintenance to keep the system running efficiently. If this is not maintained it will back up the system resulting in odors, or toilet backups.
  
2. The building has a significant crack in the current Boeing offices which needs to be monitored for any variance in size on a regular basis. Lessor acknowledges this crack exists and if any changes occur lessee will report findings to lessor immediately. If structural items (including changes in such crack) require repair, Lessor will make such repairs as part of its responsibility under Section 4.02b including repairs of conditions that are proximately caused by such structural items.