

FIFTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

This Fifth Amendment to Agreement of Purchase and Sale (the "**Amendment**") is dated as of May 31, 2019, and is by and between Southport West LLC, a Washington limited liability company ("**Buyer**"), and Puget Sound Energy, Inc., a Washington corporation ("**Seller**"). This Amendment amends the terms of the Agreement of Purchase and Sale dated as of November 27, 2018, between Buyer and Seller, as amended by that certain Amendment to Agreement of Purchase and Sale dated as of March 4, 2019, as further amended by that Second Amendment to Agreement of Purchase and Sale dated as of April 18, 2019, by that Third Amendment to Agreement of Purchase and Sale dated as of April 30, 2019, and by that Fourth Amendment to Agreement of Purchase and Sale dated as of May 15, 2019 (collectively, the "**Agreement**"). Capitalized terms not defined in this Amendment shall have the meaning given to them in the Agreement.

For valuable consideration, the receipt of which is acknowledged, Buyer and Seller agree to modify the terms of the Agreement as follows:

1. **Contingency Period.** Buyer waives its Feasibility Contingency described in Section 2.2 of the Agreement, subject to the terms of Section 2 (concerning the Final LLA Documents) and Section 5 below.

2. **Lot Line Adjustment.** Buyer approves the Lot Line Adjustment in the form of attached Exhibit H, and Buyer does not object to the City of Renton's requested revisions also attached to Exhibit H. Buyer and Seller shall use good faith, commercially reasonable efforts to negotiate the terms of any documents in a form acceptable to each of Buyer and Seller to address the City of Renton's requested revisions to the Lot Line Adjustment, including, without limitation, the terms of an exclusive easement that Buyer will grant to Seller for that portion of land where the proposed property line currently lies under the existing building on the Property (the "Final LLA Documents"). If Buyer and Seller have not mutually approved the terms of the Final LLA Documents by June 28, 2019, then either Buyer or Seller may terminate the Agreement, and upon such termination, the Deposit shall be returned to Buyer, and Seller and Buyer will be released from all further liability or obligation hereunder, except as provided in Sections 6.1, 9.3 and 9.9 of the Agreement.

3. **Documents to be Executed at Closing.** Buyer and Seller approve the form of, and agree to execute and deliver, or to cause to be executed and delivered, as applicable, the following documents in the forms attached hereto:

a. The Lease Agreement (Exhibit A), which will be executed by Buyer and Seller at Closing;

b. Ingress and Egress Easement (Exhibit B);

c. Transmission Easement (Exhibit C);

d. Fence Easement (Exhibit D);

e. Road Easement (Exhibit E); and

f. Sanitary Sewer Easement (Exhibit F).

Buyer and Seller agree that all easements described in subparagraphs (b) through (f) above will be recorded at Closing. Buyer and Seller will each pay 50% of the cost of recording these easements. If any of the documents described in subparagraphs 3(a) through (f) above lack legal descriptions, drawings, site plans or other descriptive information, Seller and Buyer agree to use their good faith, commercially reasonable efforts to complete such items in a manner acceptable to each of them prior to Closing.

4. **Earnest Money Promissory Note/Park Avenue Deposit.** Upon mutual execution of this Amendment, Buyer and Guarantor will execute and deliver to First American Title Insurance Company ("Escrow Agent") an earnest money promissory note in the amount of One Million Six Thousand Four Hundred Two and No/100 Dollars (\$1,006,402.00) and in the form of attached Exhibit G (the "Park Avenue Promissory Note"). On the earlier to occur of Buyer requesting that Seller deliver to Buyer for recording, and Seller's actual delivery to Buyer of, the temporary construction easement described in, and pursuant to, subparagraph 5(a) below that is executed and acknowledged by Seller and by the City of Renton, or the termination of the Agreement for any reason, Buyer will convert the earnest money promissory note to cash, and deposit such sum (the "Park Avenue Deposit") with Escrow Agent. The Park Avenue Deposit will be nonrefundable when it is paid to Escrow Agent but will be applicable to the Purchase Price at Closing. Following termination of the Agreement for any reason, if Escrow Agent is then holding the Park Avenue Deposit, Escrow Agent is authorized to release the Park Avenue Deposit to Seller.

5. **Park Avenue Extension Documents.** The following provisions relate to the Park Avenue extension that Buyer intends to construct on the Property. If the three easements below are not fully approved by each of Buyer, Seller and the City of Renton by June 28, 2019, then either Buyer or Seller may terminate the Agreement, and upon such termination, the Deposit shall be returned to Buyer, and Seller and Buyer will be released from all further liability or obligation hereunder, except as provided in Sections 6.1, 9.3 and 9.9 of the Agreement.

- a. Temporary Construction Easement (Puget Sound Energy, Inc. to the City of Renton and to Buyer). Upon mutual execution of this Amendment, Buyer and Seller shall use good faith, commercially reasonable efforts to negotiate the terms of this easement in a form acceptable to each of Buyer, Seller and the City of Renton. Upon full execution of this Temporary Construction Easement by Seller and the City of Renton, and upon Seller's receipt of the Park Avenue Deposit, Seller shall provide the Temporary Construction Easement to Buyer for recording.
- b. Perpetual Slope Easement (Puget Sound Energy, Inc. to the City of Renton and Southport West LLC). Upon mutual execution of this Amendment, Buyer and Seller shall use good faith, commercially reasonable efforts to negotiate the terms of this easement in a form acceptable to each of Buyer, Seller and the City of Renton. No later than three (3) business days after Seller's receipt of the Park Avenue Deposit, Seller shall deliver to Buyer the Perpetual Slope Easement executed by Seller and the City of Renton, and Buyer may record the Perpetual Slope Easement at any time thereafter (including following

termination of the Agreement). Buyer shall not commence any construction of the road described in the easement until the Park Avenue Deposit has been delivered to Seller and Buyer has recorded this easement.

- c. Public Access Easement (Puget Sound Energy, Inc. to the City of Renton and Southport West LLC) Upon mutual execution of this Amendment, Buyer and Seller shall use good faith, commercially reasonable efforts to negotiate the terms of this easement in a form acceptable to each of Buyer, Seller and the City of Renton. No later than three (3) business days after Seller's receipt of the Park Avenue Deposit, Seller shall deliver to Buyer the Public Access Easement executed by Seller and the City of Renton, and Buyer may record the Perpetual Slope Easement at any time after the City of Renton's acceptance of the private road to be constructed in connection with the creation of the Public Access Easement (including following termination of the Agreement). Buyer shall not commence any construction of the road described in the easement until the Park Avenue Deposit has been delivered to Seller and Buyer has recorded this easement.

Any real estate excise taxes and recording fees due on the recording of any of the easements described in this Section 5, shall be paid by Seller.

The terms of Sections 4 and 5 of this Amendment shall survive any breach or termination of this Amendment and of the Agreement for any reason.

6. **Conditions Precedent and Closing.** Sections 2.3 and 8.2 of the Agreement are modified as follows:

This Agreement is further contingent upon Seller (i) obtaining approval of the transaction contemplated herein from the Washington Utilities and Transportation Commission (the "UTC") and (ii) the City of Renton approving and recording the Lot Line Adjustment. Upon mutual execution of this Amendment, Seller shall commence the process of applying for UTC approval.. Seller will advise Buyer of receipt of UTC approval within five (5) business days of the UTC's issuance of such approval. Seller will advise Buyer of recording of the Lot Line Adjustment within five (5) business days of such recording. In the event that the UTC declines to approve the sale of the Property pursuant to this Agreement by June 11, 2019, or if the Lot Line Adjustment is not recorded by June 11, 2019, then the Closing Date shall be extended to the date that is thirty (30) days after the later to occur of (a) Seller notifying Buyer of its receipt of UTC approval, or (b) Seller notifying Buyer that the Lot Line Adjustment has been recorded. Upon Buyer's receipt of written notice from Seller of both UTC approval and Lot Line Adjustment recording, Buyer may, within five (5) business days after Buyer's receipt of written notice from Seller of both the approval and the recording, extend the Closing Date to and until December 21, 2019, by giving Seller written notice of the extension, and by paying an extension fee to the Title Company within two business days after Buyer gives the Closing Date extension notice, which sum shall become part of the Deposit. The extension fee shall be determined by multiplying the sum of \$700,000 by a fraction, the numerator of which is the number of

days between the date of Buyer's extension notice and December 21, 2019, and the denominator of which is 183 (the number of days between June 21 and December 21). This extension fee payment shall be applicable to the Purchase Price, and shall be refundable to Buyer only under the instance in which the Deposit is refundable to Buyer hereunder.

If UTC approval is denied, or if the City of Renton will not record the Lot Line Adjustment, despite Seller's good faith efforts to obtain such approval and recording, respectively, then Seller shall notify Buyer of such fact, and this Agreement shall terminate as of the date of Seller's notice, the Deposit shall be returned to Buyer, and Seller and Buyer will be released from all further liability or obligation hereunder, except as provided in Sections 6.1, 9.3 and 9.9 of the Agreement.

7. **No Other Changes; Counterparts.** Except as modified by this Amendment, all terms of the Agreement remain unchanged and in full force and effect. In case of a conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment will control. This Amendment may be signed in one or more counterparts, and by facsimile or electronic mail copy, and each counterpart, facsimile copy and electronic mail copy so signed will be deemed an original hereof.

[signatures appear on following page]

Tom Read

From: Kyle Branum <kyleb@SummitLaw.com>
Sent: Friday, May 31, 2019 10:49 AM
To: Tom Read
Subject: FW: Shuffleton LLA - PSE
Attachments: Lot Line Adjustment.pdf; Master Application.pdf; Electronic File Standards_Published_170130.pdf

Tom, here are the City's comments. We received confirmation yesterday that they will not allow the lot line to go under the building due to the uncertainty of the timing of the building's demolition.

From: Clark Close
Sent: Thursday, May 30, 2019 8:57 AM
To: 'Bergman, Zach' <Zach.Bergman@pse.com>
Subject: RE: Shuffleton LLA - PSE

Zach,

Here are my pre-screen comments for the Shuffleton LLA:

1. Update the project narrative with language and timing of why some of the proposed lot lines are going through some of the existing buildings. Include the timing of these buildings proposed for removal. (*Consider relocating the proposed west property line through the buildings by shifting the lot line to the east so as to provide zero foot building setbacks.*)
2. Complete the attached Land Use Permit Master Application Form.
3. Realign some of the wayward lines used for the year under the King County Dept. of Assessments and City of Renton Dept. of Community and Economic Development on page 1 of the "2019-05-01 Shuffleton LLA-for submittal."
4. Updated the file names using the attached Electronic File Standard.

Thanks,

Clark H. Close
Senior Planner
City of Renton
425-430-7289

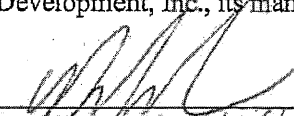
----- Summit Law Group -----

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BUYER:

SOUTHPORT WEST LLC, a Washington limited liability company

By: SECO Development, Inc., its manager

By: 
Name: MICHAEL CHRIST
Its: CEO
Date: May 31, 2019

SELLER:

PUGET SOUND ENERGY, INC., a Washington corporation

By: _____
Name: _____
Its: _____
Date: _____, 2019

BUYER:

SOUTHPORT WEST LLC, a Washington limited liability company

By: SECO Development, Inc., its manager

By: _____
Name: _____
Its: _____
Date: _____, 2019

SELLER:

PUGET SOUND ENERGY, INC., a Washington corporation

By: Margaret F. Hopkins
Name: Margaret F. Hopkins
Its: VP, Chief Information officer
Date: May 31, 2019

EXHIBIT A

LEASE AGREEMENT

CBRE, INC.
929 108TH AVE NE, SUITE 700
BELLEVUE, WA 98004
PHONE: (425) 455-8500
FAX: (425) 462-6966

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Rev. 3/2011
Page 1 of 20

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into and effective as of this ____ day of ____, 2019 (the "Effective Date"), between SOUTHPORT WEST LLC ("Landlord"), and PUGET SOUND ENERGY, INC. ("Tenant"). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

a. Leased Premises. The leased commercial real estate (the "Premises") consists of the improvements located upon the real property legally described on attached Exhibit A, commonly described as 1095 Lake Washington Boulevard North in Renton, Washington, and illustrated as "Phase III" on attached Exhibit B. Notwithstanding anything to the contrary contained in this Lease, Landlord shall have the right to recapture that portion of the Premises illustrated as the "Recapture Area" on attached Exhibit B-1 provided Landlord satisfies the following conditions:

- i. Landlord shall provide Tenant at least ninety (90) days prior written notice of the date ("Recapture Date") Landlord intends to recapture the Recapture Area;
- ii. At least fourteen (14) days prior to the Recapture Date, Landlord shall, at its sole cost and expense, install a fence on the area identified on Exhibit B-1 as the "New Fence," which fence shall be constructed pursuant to the plans and specifications set forth on Exhibit B-2; and
- iii. As of the Recapture Date, the Rent for the remainder of the term shall be reduced to \$36,218.45 per month.

On the Recapture Date, Tenant shall surrender possession of the Recapture Area to Landlord, and shall have removed all of Tenant's personal property, including all trash and debris, from the Recapture Area.

b. Lease Commencement Date. The term of this Lease shall commence on the date on which Landlord closes its purchase of the Premises from Tenant (the "Commencement Date").

c. Lease Termination Date. The term of this Lease shall terminate at midnight on July 1, 2021 (the "Termination Date").

d. Rent. Subject to adjustment pursuant to Section 1(a) above, the monthly rent shall be (check one): \$44,546.25, or according to the Rent Rider attached hereto ("Rent"). Rent shall be payable at Landlord's address shown in Section 1(f) below, or such other place designated in writing by Landlord.

e. Permitted Use. During the Term of the Lease, Tenant shall use the Premises for the following uses, and no other uses without Landlord's prior written consent (the "Permitted Use"): office use, substation operations, electric equipment storage, and related ancillary uses.

f. Notice and Payment Addresses.

Landlord: c/o SECO Development, Inc
1133 Lake Washington Blvd. N., Suite 90 Renton, WA 98056
Attention: Shannon Jallow

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BELLEVUE, WA 98004
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Rev. 3/2011
Page 2 of 20

LEASE AGREEMENT

Phone No.: (425) 282-5833
Fax No.: (425) 282-5838
email: sjallow@secodev.com

Tenant: Puget Sound Energy, Inc.

Fax No.: _____
Email: _____

2. PREMISES.

a. **Lease of Premises.** Landlord leases to Tenant, and Tenant leases from Landlord the Premises upon the terms specified in this Lease.

b. **Acceptance of Premises.** Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises or the condition of all mechanical, electrical, and other systems on the Premises. Tenant shall be responsible for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had an adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises; and acknowledges that Tenant is accepting the Premises in their "AS IS" condition on the Commencement Date.

3. **TERM.** The term of this Lease shall commence on the Commencement Date specified in Section 1 and terminate on the Termination Date specified in Section 1.

4. RENT.

a. **Payment of Rent.** Tenant shall pay Landlord without notice, demand, deduction, or offset, in lawful money of the United States, the monthly Rent stated in Section 1 in advance on or before the first day of each month during the Lease term beginning on (check one): the Commencement Date, or _____ (if no date specified, then on the Commencement Date), and shall also pay any other additional payments due to Landlord when required under this Lease. Payments for any partial month at the beginning or end of the Lease shall be prorated. All payments due to Landlord under this Lease, including late fees and interest, shall constitute additional rent, and upon failure of Tenant to pay any such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay Rent.

b. **Late Charges; Default Interest.** If any sums payable by Tenant to Landlord under this Lease are not received within five (5) business days after their due date, Tenant shall pay Landlord an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount for the cost of collecting and handling such late payment in addition to the amount due and as additional rent. All delinquent sums payable by Tenant to Landlord and not paid within five (5) business days after their due date shall, at Landlord's option, bear interest at the rate of fifteen percent (15%) per annum, or the highest rate of interest allowable by law, whichever is less (the "Default Rate"). Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.

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Page 3 of 20

LEASE AGREEMENT

c. Less Than Full Payment. Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims. Any portion that remains to be paid by Tenant shall be subject to the late charges and default interest provisions of this Section 4.

5. USES. The Premises shall be used only for the Permitted Use specified in Section 1 above, and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises or cause the cancellation of any insurance on the Premises. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Premises which will obstruct or interfere with the rights of other tenants or occupants of the Premises, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees or to injure or annoy such persons.

6. COMPLIANCE WITH LAWS. Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord makes no representations or warranties to Tenant regarding the compliance of the Premises with any applicable laws, rules, regulations, orders or covenants, and Tenant shall be responsible to promptly cure at its sole cost any noncompliance which existed on the Commencement Date. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of Tenant's use, and Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for Tenant's Permitted Use at its sole cost and expense. Otherwise, if changes or alterations are required by rule, law, regulation, or order unrelated to the Permitted Use, Landlord shall make changes and alterations at its expense.

7. UTILITIES. Tenant shall be responsible for providing any utilities to the Premises and shall be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption, or failure of utilities due to any cause whatsoever, and rent shall not abate as a result thereof, except to the extent due to the misconduct or negligence of Landlord. Tenant shall be responsible for determining whether available utilities and their capacities will meet Tenant's needs. Tenant shall install and connect, if necessary, and directly pay for all water, sewer, gas, janitorial, electricity, garbage removal, heat, telephone, and other utilities and services used by Tenant on the Premises during the term, whether or not such services are billed directly to Tenant. Landlord, upon request of Tenant, and at the sole expense and liability of Tenant, shall join with Tenant in any reasonable applications required for obtaining or continuing such utilities or services.

8. TAXES. Landlord shall pay all Taxes (defined below) applicable to the Premises during the Lease term. If any Taxes paid by Landlord cover any period of time before or after the expiration of the term, Landlord's share of those Taxes paid will be prorated to cover only the period of time within the tax fiscal year during which this Lease was in effect, and Tenant shall promptly reimburse or credit Landlord to the extent required.

The term "Taxes" shall mean taxes assessed against the value of the real property of which the Premises are a part, and all real estate assessments levied against the Premises as of the date of this Lease. "Taxes" shall not include any form of personal property tax or assessment imposed on any personal property, fixtures, furniture, tenant improvements, equipment, inventory, or other items, and all replacements, improvements, and additions to them, located on the Premises, and all personal property taxes shall be

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Page 4 of 20

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paid by Tenant. "Taxes" shall exclude any net income tax imposed on Landlord for income that Landlord receives under this Lease.

9. ALTERATIONS. Tenant may make alterations, additions, or improvements to the Premises (the "Alterations"), only with the prior written consent of Landlord, which, with respect to Alterations not affecting the structural components of the Premises or utility systems therein, shall not be unreasonably withheld, conditioned, or delayed. Landlord shall have thirty (30) days in which to respond to Tenant's request for any Alterations so long as such request includes the name of Tenant's contractors and reasonably detailed plans and specifications therefore. The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures that may be performed without damaging existing improvements or the structural integrity of the Premises and Landlord's consent shall not be required for Tenant's installation or removal of those items. Tenant shall perform all work at Tenant's expense and in compliance with all applicable laws and shall complete all Alterations in accordance with plans and specifications approved by Landlord, using contractors approved by Landlord. Tenant shall pay, when due, or furnish a bond for payment (as set forth in Section 17) all claims for labor or materials furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's liens against the Premises or any interest therein. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration, and it shall become Landlord's property. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

10. REPAIRS AND MAINTENANCE; SURRENDER. Tenant shall, at its sole expense, maintain the entire Premises (including all improvements thereon) in good condition and promptly make all repairs and replacements, whether structural or non-structural, necessary to keep the Premises in safe operating condition, including all utilities and other systems serving the Premises. Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

11. ACCESS AND RIGHT OF ENTRY. After twenty-four (24) hours' notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees, and contractors to enter the Premises at all reasonable times to make repairs, inspections (including environmental inspections), alterations, or improvements, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of (a) showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term; and, (b) for posting "for lease" signs within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term.

12. SIGNAGE. Tenant shall obtain Landlord's written consent as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.

13. DESTRUCTION OR CONDEMNATION.

a. Damage and Repair. If the Premises are partially damaged but not rendered untenable, by fire or other insured casualty, then Tenant shall diligently restore the Premises to

LEASE AGREEMENT

the extent required below and this Lease shall not terminate. The Premises shall not be deemed untenable if twenty-five percent (25%) or less of the Premises are damaged. If insurance proceeds are available to Tenant but are not sufficient to pay the entire cost of restoring the Premises, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Landlord within sixty (60) days of the date of such casualty.

If the Premises are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Tenant may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises to their previous condition to the extent required below; provided, however, if such casualty event occurs during the last six (6) months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then Tenant may elect to terminate the Lease. Within sixty (60) days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises untenable, or if Tenant is unable to restore the Premises within six (6) months of the date of the casualty event, then either Landlord or Tenant may elect to terminate the Lease upon twenty (20) days' written notice to Landlord.

If Tenant restores the Premises under this Section 13, Tenant shall proceed with reasonable diligence to complete the work, and the monthly Rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally, or consequentially arising from any repair or restoration of any portion of the Premises. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant or any alterations or improvements paid for by Tenant; Tenant's furniture; or on any fixtures, equipment, improvements, or appurtenances of Tenant under this Lease.

b. Condemnation. If the Premises are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall automatically terminate as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises that does not render the Premises untenable, then this Lease shall continue in full force and effect and the base monthly rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses, provided that in no event shall Tenant's claim reduce Landlord's award.

14. INSURANCE.

a. Tenant's Liability Insurance. During the Lease term, Tenant shall pay for and maintain commercial general liability insurance, or provide self-insurance, to include broad form property damage and contractual liability. This policy shall include Landlord and its property manager (if any) as additional insureds, and shall insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or

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invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than \$2,000,000. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord. Landlord may also require Tenant to obtain and maintain business auto liability coverage, and, if applicable to Tenant's Permitted Use, liquor liability insurance and/or warehouseman's coverage.

b. Tenant's Property Insurance and Casualty Insurance. During the Lease term, Tenant shall pay for and maintain property insurance (with coverage for earthquake if required by Landlord's lender and, if the Premises are situated in a flood plain, flood damage) for all of Tenant's personal property, fixtures, and equipment in the amount of their full replacement value.

c. Miscellaneous. Any policy of insurance applicable under this Section shall be with companies rated A-/VII or better in Best's Insurance Guide, and which are admitted in the state in which the Premises are located. No insurance policy shall be cancelled or materially reduced in coverage until Tenant provides thirty (30) days prior written notice to Landlord, or a replacement policy is issued. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, evidence of insurance, confirmation of self-insurance, and copies of endorsements, if applicable, required by this Section. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease.

d. Waiver of Subrogation. Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by property insurance required to be carried or otherwise carried by each of them. Each party shall provide notice to the property insurance carrier or carriers of this mutual waiver of subrogation and shall cause its respective property insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such property policies or to the extent of liabilities exceeding the limits of such policies.

15. INDEMNIFICATION.

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

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

LEASE AGREEMENT

c. Waiver of Immunity. Landlord and Tenant each specifically and expressly waive any immunity that each may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Neither party's indemnity obligations under this Lease shall be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts.

d. Exemption of Landlord from Liability. Except to the extent of claims arising out of Landlord's gross negligence or intentional misconduct, Landlord shall not be liable for injury to Tenant's business or assets or any loss of income therefrom or for damage to any property of Tenant or of its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or any other person in or about the Premises.

e. Survival. The provisions of this Section 15 shall survive expiration or termination of this Lease.

16. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent. Landlord's consent shall not be required for a Transfer to a wholly owned subsidiary of Tenant. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Tenant shall pay the reasonable cost of processing same, including attorneys' fees, upon demand of Landlord, up to a maximum of \$1,250.

If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, if required, for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreement or documents.

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

18. DEFAULT. The following occurrences shall each constitute a default by Tenant (an "Event of Default):

a. Failure To Pay. Failure by Tenant to pay any sum, including Rent, due under this Lease following five (5) days' notice from Landlord of the failure to pay.

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Rev. 3/2011
Page 8 of 20

LEASE AGREEMENT

- b. Vacation/Abandonment.** Vacation by Tenant of the Premises (defined as an absence for at least fifteen (15) consecutive days without prior notice to Landlord), or abandonment of the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.
- c. Insolvency.** Tenant's insolvency or bankruptcy (whether voluntary or involuntary), or appointment of a receiver, assignee or other liquidating officer for Tenant's business; provided, however, that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within sixty (60) days after its institution or commencement.
- d. Levy or Execution.** The taking of Tenant's interest in this Lease or the Premises, or any part thereof, by execution or other process of law directed against Tenant, or attachment of Tenant's interest in this Lease by any creditor of Tenant, if such attachment is not discharged within fifteen (15) days after being levied.
- e. Other Non-Monetary Defaults.** The breach by Tenant of any agreement, term, or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after notice by Landlord to Tenant of the breach.
- f. Failure to Take Possession.** Failure by Tenant to take possession of the Premises on the Commencement Date.

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant's sole remedy shall be to seek actual money damages (but not consequential or punitive damages) for loss arising from Landlord's failure to discharge its obligations under this Lease. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

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

19. REMEDIES. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

- a. Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than notice of termination from Landlord to Tenant shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination. Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent



LEASE AGREEMENT

loss that Tenant proves could reasonably have been avoided; and (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%).

b. Re-Entry and Reletting. Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay any indebtedness of Tenant to Landlord other than rent; second, to the rent due and unpaid hereunder; and third, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises.

c. Waiver of Redemption Rights. Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, or any extension thereof.

d. Nonpayment of Additional Rent. All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.

e. Failure to Remove Property. If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law or to foreclose Landlord's lien for unpaid rent.

20. MORTGAGE SUBORDINATION AND ATTORNMEN. This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements, or extensions ("Landlord's Mortgage"). Tenant shall attorn to the holder of any Landlord's Mortgage or any party acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided the acquiring party

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Rev. 3/2011
Page 10 of 20

LEASE AGREEMENT

assumes the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days after request execute, acknowledge, and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section to subordinate in the future are conditioned on the holder of each Landlord's Mortgage and each party acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default by Tenant exists.

21. NON-WAIVER. Landlord's waiver of any breach of any provision contained in this Lease shall not be deemed to be a waiver of the same provision for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any previous breach by Tenant.

22. HOLDOVER. If Tenant shall, without the written consent of Landlord, remain in possession of all or any portion of the Premises and fail to return them to Landlord after the expiration or termination of the term with respect to such portion of the Premises, the tenancy shall be a holdover tenancy and shall be on a month-to-month basis, which may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 150% of the rate of rental last payable under this Lease. All other terms of the Lease shall remain in effect. Tenant acknowledges and agrees that this Section does not grant any right to Tenant to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover.

23. NOTICES. All notices under this Lease shall be in writing and effective (i) when delivered in person or via overnight courier to the other party, (ii) three (3) days after being sent by registered or certified mail to the other party at the address set forth in Section 1; or (iii) upon confirmed transmission by facsimile to the other party at the facsimile numbers set forth in Section 1. The addresses for notices and payment of rent set forth in Section 1 may be modified by either party only by written notice delivered in conformance with this Section.

24. COSTS AND ATTORNEYS' FEES. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, and in any bankruptcy proceeding.

25. ESTOPPEL CERTIFICATES. Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the total rentable square footage of the Premises; (ii) the date the Lease term commenced and the date it expires; (iii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iv) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (v) that this Lease represents the entire agreement between the parties; (vi) that all obligations under this Lease to be performed by either party have been satisfied; (vii) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (viii) the amount of Rent, if any, that Tenant paid in advance; (ix) the amount of security that Tenant deposited with Landlord; (x) if Tenant has sublet all or a portion of the Premises or assigned its interest in the Lease and to whom; (xi) if Tenant has any option to extend the Lease or option to purchase the Premises; and (xii) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant acknowledges and agrees that any statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises.

LEASE AGREEMENT

If Tenant shall fail to respond within ten (10) days to Landlord's request for the statement required by this Section, Landlord may provide the statement and Tenant shall be deemed to have admitted the accuracy of the information provided by Landlord.

26. TRANSFER OF LANDLORD'S INTEREST. This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for collateral purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, for which the transferee shall be liable, and Tenant shall attorn to the transferee.

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

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

29. HAZARDOUS MATERIAL. As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment.

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

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any unlawful release of any Hazardous Materials

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Rev. 3/2011
Page 12 of 20

LEASE AGREEMENT

on the Premises or any other property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or any other property to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion. The provisions of this Section shall survive expiration or termination of this Lease.

In the event of any conflict between the terms of this Section 29 and the terms of the Agreement of Purchase and Sale between Landlord and Tenant dated November 27, 2018, the terms of the Agreement of Purchase and Sale Agreement shall prevail.

30. QUIET ENJOYMENT. So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord.

31. MERGER. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

32. GENERAL.

a. Heirs and Assigns. This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

b. Brokers' Fees. Tenant represents and warrants to Landlord that except for Tenant's Broker, if any, described or disclosed in Section 34 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that except for Landlord's Broker, if any, described and disclosed in Section 34 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.

c. Entire Agreement. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended to except in writing signed by Landlord and Tenant.

d. Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.

e. Force Majeure. Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without



LEASE AGREEMENT

limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.

f. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

g. Memorandum of Lease. Neither this Lease nor any memorandum or "short form" thereof shall be recorded without Landlord's prior consent.

h. Submission of Lease Form Not an Offer. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both of them.

i. No Light, Air or View Easement. Tenant has not been granted an easement or other right for light, air, or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Premises shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.

j. Authority of Parties. Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, that the execution and delivery of this Lease has been duly authorized, and that upon such execution and delivery, this Lease shall be binding upon and enforceable against the party on signing.

k. Time. "Day" as used herein means a calendar day and "business day" means any day on which commercial banks are generally open for business in the state where the Premises are situated. Any period of time which would otherwise end on a non-business day shall be extended to the next following business day. Time is of the essence of this Lease.

33. EXHIBITS AND RIDERS. The following exhibits and riders are made a part of this Lease, and the terms thereof shall control over any inconsistent provision in the sections of this Lease:

Exhibit A: Legal Description of the Property

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- Rent Rider
- Arbitration Rider
- Letter of Credit Rider
- Guaranty of Tenant's Lease Obligations Rider
- Option to Extend Rider

34. AGENCY DISCLOSURE. At the signing of this Lease, Landlord is represented by NONE (insert both the name of the Broker and the Firm as licensed) (the "Landlord's Broker"), and Tenant is represented by NONE (insert both the name of the Broker and the Firm as licensed) (the "Tenant's Broker").

This Agency Disclosure creates an agency relationship between Landlord, Landlord's Broker (if any such person is disclosed), and any managing brokers who supervise Landlord's Broker's performance (collectively the "Supervising Brokers"). In addition, this Agency Disclosure creates an agency relationship between Tenant, Tenant's Broker (if any such person is disclosed), and any managing brokers who

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Rev. 3/2011
Page 14 of 20

LEASE AGREEMENT

supervise Tenant's Broker's performance (also collectively the "Supervising Brokers"). If Tenant's Broker and Landlord's Broker are different real estate licensees affiliated with the same Firm, then both Tenant and Landlord confirm their consent to that Firm and both Tenant's and Landlord's Supervising Brokers acting as dual agents. If Tenant's Broker and Landlord's Broker are the same real estate licensee who represents both parties, then both Landlord and Tenant acknowledge that the Broker, his or her Supervising Brokers, and his or her Firm are acting as dual agents and hereby consent to such dual agency. If Tenants' Broker, Landlord's Broker, their Supervising Brokers, or their Firm are dual agents, Landlord and Tenant consent to Tenant's Broker, Landlord's Broker and their Firm being compensated based on a percentage of the rent or as otherwise disclosed on the attached addendum. Neither Tenant's Broker, Landlord's Broker nor either of their Firms are receiving compensation from more than one party to this transaction unless otherwise disclosed on an attached addendum, in which case Landlord and Tenant consent to such compensation. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

35. COMMISSION AGREEMENT. If Landlord has not entered into a listing agreement (or other compensation agreement with Landlord's Broker), Landlord agrees to pay a commission to Landlord's Broker (as identified in the Agency Disclosure paragraph above) as follows: N/A

- \$ _____
 _____ % of the gross rent payable pursuant to the Lease
 \$ _____ per square foot of the Premises
 Other _____

Landlord's Broker shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Lease term pursuant to any right reserved to Tenant under the Lease calculated as provided above or as follows _____ (if no box is checked, as provided above). Landlord's Broker shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Lease term pursuant to any right reserved to Tenant under the Lease calculated as provided above or as follows _____ (if no box is checked, as provided above). Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon any expansion of Premises pursuant to any right reserved to Tenant under the Lease, calculated as provided above or as follows _____ (if no box is checked, as provided above).

Any commission shall be earned upon execution of this Lease and paid one-half upon execution of the Lease and one-half upon occupancy of the Premises by Tenant. Landlord's Broker shall pay to Tenant's Broker (as identified in the Agency Disclosure paragraph above) the amount stated in a separate agreement between them or, if there is no agreement, \$ _____ or _____ % (complete only one) of any commission paid to Landlord's Broker, within five (5) days after receipt by Landlord's Broker.

If any other lease or sale is entered into between Landlord and Tenant pursuant to a right reserved to Tenant under the Lease, Landlord shall shall not (shall not if not filled in) pay an additional commission according to any commission agreement or, in the absence of one, according to the commission schedule of Landlord's Broker in effect as of the execution of this Lease. Landlord's successor shall be obligated to pay any unpaid commissions upon any transfer of this Lease and any such transfer shall not release the transferor from liability to pay such commissions.

36. BROKER PROVISIONS.

LANDLORD'S BROKER, TENANT'S BROKER AND THEIR FIRMS HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PREMISES; THE MEANING OF

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Rev. 3/2011
Page 15 of 20

LEASE AGREEMENT

THE TERMS AND CONDITIONS OF THIS LEASE; LANDLORD'S OR TENANT'S FINANCIAL STANDING; ZONING OR COMPLIANCE OF THE PREMISES WITH APPLICABLE LAWS; SERVICE OR CAPACITY OF UTILITIES; OPERATING COSTS; OR HAZARDOUS MATERIALS. LANDLORD AND TENANT ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL ADVICE ON THESE AND OTHER MATTERS ARISING UNDER THIS LEASE.

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Rev. 3/2011
Page 16 of 20

LEASE AGREEMENT

IN WITNESS WHEREOF this Lease has been executed the date and year first above written.

LANDLORD:

SOUTHPORT WEST LLC,
a Washington limited liability company.

By: SECO Development, Inc., its manager

By _____
Michael P. Christ, CEO

TENANT:

PUGET SOUND ENERGY, INC.,
a Washington corporation

By: _____
Name:
Title:

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FAX: (425) 462-6966

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Association 2011
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CBA Form ST-NNN
Single Tenant NNN Lease
Rev. 3/2011
Page 17 of 20

LEASE AGREEMENT

STATE OF WASHINGTON

COUNTY OF _____

ss.

On this _____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Michael P. Christ, known to me to be the CEO of SECO Development, Inc., the manager of **Southport West LLC**, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____
My appointment expires _____

STATE OF WASHINGTON

COUNTY OF _____

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2019.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____
My appointment expires _____

CBRE, INC.
929 108TH AVE NE, SUITE 700
BELLEVUE, WA 98004
PHONE: (425) 455-8500
FAX: (425) 462-6966

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Single Tenant NNN Lease
Rev. 3/2011
Page 18 of 20

LEASE AGREEMENT

EXHIBIT A

[Legal Description of the Property – to be added upon recording of the Lot Line Adjustment]

EXHIBIT B-1
Recapture Area

EXHIBIT B-2
Fence Specification

EXHIBIT B

INGRESS AND EGRESS EASEMENT

RETURN ADDRESS:

Puget Sound Energy, Inc.
Corporate Facilities Dept., PSE10S
P.O. Box 97034
Bellevue, WA 98009-9734
Attn: _____

EASEMENT

INGRESS AND EGRESS

REFERENCE #: **None**

GRANTOR: **SOUTHPORT WEST LLC**

GRANTEE: **PUGET SOUND ENERGY, INC.**

SHORT LEGAL: **Lot A and C of City of Renton LLA No. LUA 98-176-LLA**

ASSESSOR'S PROPERTY TAX PARCELS: **0823059178 and 0823059191**

For and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **SOUTHPORT WEST LLC**, a Washington limited liability company ("Grantor" herein), hereby conveys and warrants to **PUGET SOUND ENERGY, INC.**, a Washington corporation ("Grantee" herein), for the purposes hereinafter set forth in this agreement ("Agreement"), a nonexclusive, temporary easement over, under, along, across and through the real property (the "Grantor's Property" herein) in King County, Washington, which is more particularly described in Exhibit C attached hereto.

Grantee's rights shall be exercised upon that portion of the Property ("Easement Area" herein) described in Exhibit A attached hereto and depicted on attached Exhibit B.

1. **Purpose.** Grantee shall have the right to use and enjoy the Easement Area for the following purposes:

(a) To monitor and sample groundwater monitoring wells located on the Property and for operation of an air sparge and soil vapor extraction system located on the Property. The groundwater monitoring wells and the air sparge and soil vapor

extraction system are collectively referred to herein as "Grantee's Facilities" and are depicted on attached Exhibit D.

(b) Pedestrian and vehicular ingress and egress to perform the rights granted hereunder.

Except as otherwise expressly set forth herein, no other uses, purposes, rights or conveyances are implied or granted hereunder.

Grantee shall have the right of access over and across the Easement Area to enable Grantee to exercise its rights hereunder, subject to reasonable security measures (provided, however, that such security measures shall not unreasonably impede Grantee's ability to access Grantee's Facilities at all times).

2. Easement Area Clearing; Maintenance; Restoration.

(a) Grantee shall have the right to cut, remove and dispose of any and all brush, trees or other vegetation in the Easement Area that may unreasonably interfere with Grantee's Facilities. Notwithstanding the foregoing, Grantee shall not apply pesticides, herbicides or other similar measures if Grantor has filed appropriate "no spray" (or similar type) notice with the governmental authority having jurisdiction over such matters, and has posted and maintained a commercially standard and conspicuous "no spray" notice regarding same within the Easement Area.

(b) Notwithstanding the rights of Grantee in Section 2(a), Grantor shall generally be responsible for maintenance of any roads located in the Easement Area. Provided, however, that in the event that damage to any roads results from Grantee's use of the Easement Area, other than ordinary wear and tear, then Grantee within thirty (30) days upon Grantor's request shall restore such roads to the condition in which they existed prior to the time of damage. In the event that Grantee disturbs other areas of the Easement Area in connection with any repair, maintenance, replacement, relocation, or reconstruction work on Grantee's Facilities, Grantee shall restore the Easement Area to the condition in which it existed at the commencement of such activity, including hydroseeding disturbed areas, if any, within thirty (30) days of the time of damage and at no cost or expense to Grantor.

3. Grantor's Use of Easement Area. Grantor reserves the right to use the Easement Area for any purpose not inconsistent with the rights herein granted so long as such activities do not unreasonably interfere with Grantee's Facilities.

4. Insurance. Grantee agrees to maintain reasonable and customary liability insurance for personal injury, death, and property damage arising out of, or having to do with Grantee's use, occupancy, and possession of, or acts or omission on or about, the Grantor's property, including the Easement Area, and should provide the Grantor with satisfactory evidence of such insurance upon Grantor's request.

5. **Indemnity.** Subject to Grantor's indemnification obligations set forth in Section 4 above, Grantee agrees to indemnify Grantor from and against any lien, claim, expense (including reasonable attorneys' fees and costs) liability or damage incurred by Grantor as a result of Grantee's negligence, or the negligence of Grantee's employees, agents or contractors in the exercise of the rights herein granted to Grantee, or resulting from Grantee's breach of this Agreement, but nothing herein shall require Grantee to indemnify Grantor for that portion of any such liability attributable to the negligence of Grantor, its employees, agents or contractors or resulting from Grantor's breach of this Agreement. Solely to give full force and effect to the indemnities contained herein and not for the benefit of any third party, each party specifically and expressly waives any immunity it may have under Washington State Industrial Act, Title 51 RCW, and acknowledges that this waiver was mutually negotiated by the parties herein. In no event shall either party's obligations hereunder be limited to the extent of any insurance available to or provided by the obligated party.

6. **Compliance with Laws, Regulations, Work Standards.** Grantee shall at all times exercise its rights herein in accordance with the requirements (as from time to time amended) of any public authority having jurisdiction over Grantee or its operations, and all applicable statutes, orders, rules and regulations, including all applicable environmental laws, permit and approval requirements, and commercially reasonable construction and operation practices.

7. **Successors and Assigns.** Grantee shall have the right to assign, apportion or otherwise transfer any or all of its rights, benefits, privileges and interests arising in and under this Agreement to (a) another utility or an entity owning or operating a utility or (b) in accordance with the requirements (as from time to time amended) of any public authority having jurisdiction over Grantee or its operations, and all applicable statutes, orders, rules and regulations ("Permitted Assignments"). Except for Permitted Assignments, all other assignments shall require Grantor's prior written consent not to be unreasonably withheld, conditioned, or delayed. Subject to and without limiting the generality of the foregoing, the rights and obligations of the parties shall inure to the benefit of and be binding upon their respective successors and assigns.

8. **Limitations.** This Agreement, and the benefits conferred hereby, are subject to any other easements or encumbrances of record as of the date hereof.

9. **Notice.** Any notice required herein or permitted to be given or served by either party hereto upon the other shall be deemed given or served in accordance with the provisions of this Agreement, if personally served, delivered by national overnight courier (such as Fed Ex, UPS, DHL), if sent via electronic mail (with confirmation of receipt) or if mailed by United States Registered or Certified Mail, postage prepaid, properly addressed as follows:

If to Grantee: Puget Sound Energy, Inc.
Attn: Douglas Loreen
355 110th Avenue NE

Bellevue, WA 98004
E-Mail: doug.loreen@pse.com

With a copy to:

Kyle L. Branum
c/o Summit Law Group PLLC
315 5th Avenue South, Suite
1000
Seattle, WA 98104-2682
Email: kyleb@summitlaw.com

If to Grantor: c/o SECO Development, Inc.
1133 Lake Washington Blvd. N, Suite 90
Renton, WA 98056
Attn: Michael Christ
Telephone: 425-282-5833
E-Mail: mchrist@secodev.com

With a copy to:

Fikso Kretschmer Smith Dixon Ormseth PS
901 Fifth Avenue, Suite 4000
Attn: Thomas W. Read
Seattle, Washington 98164
Email: tread@fksdo.com

10. **Breach.** In the event of any breach or threatened breach of this Agreement, the non-defaulting party shall have the right to sue for damages and/or for specific performance and/or to enjoin such breach or threatened breach, provided that in no event shall either party be liable for special, punitive, or consequential damages.

11. **Attorneys' Fees.** The prevailing party in any action brought to enforce or interpret the terms of this Agreement pursuant to Section 10 shall be entitled to recover its costs and reasonable attorneys' fees incurred in said action, including on appeal, whether or not suit is commenced.

12. **No Merger of Estates.** The easement(s) granted herein shall not extinguish or terminate by operation of the doctrine of merger or otherwise due to the existing or future common ownership of the real property described herein.

13. **Complete Agreement.** This Agreement contains the entire agreement of the parties with respect to this subject matter and supersedes all prior or contemporaneous writings or discussions relating to the easement(s) provided for herein.

This Agreement may not be amended except by a written document executed after the date hereof by the duly authorized representatives of Grantor and Grantee.

14. **Choice of Law.** This Agreement shall be governed by the laws of the State of Washington, exclusive of its choice of law rules.

15. **Time of the Essence.** Time is of the essence of this Agreement and the performance of all obligations hereunder.

16. **Warranty and Representation of Authority.** The parties each represent to the other that the person or persons executing this Agreement have authority to do so and to bind the parties hereunder. All consents, permissions and approvals related to entry into this Agreement, and the obligations hereunder, have been obtained.

17. **Negation of Partnership/No Public Rights.** None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the parties, nor shall it cause them to be considered joint ventures or members of any joint enterprise. Each party shall be considered a separate owner, and no party shall have the right to act as an agent for another party, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged. Nothing contained in this Agreement shall be construed as creating any rights in the general public or as dedicating for public use any portion of Grantor's Property. No easements other than the one expressly set forth in Exhibit A shall be implied by this Agreement.

18. **Singular and Plural.** Whenever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa.

19. **Severability.** Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions thereof or the application thereof to any other person and the same shall remain in full force and effect.

20. **Covenants Running with the Land.** The terms and conditions of this Agreement shall be deemed covenants running with the land and shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties and future owners of Grantor's Property and Grantee's Property.

21. **Captions and Capitalized Terms.** The captions preceding the text of each section are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.

22. **Non-Waiver.** The failure of any party to insist upon strict performance of any of the terms, covenants or conditions hereof shall not be deemed a waiver of any rights or remedies which that party may have hereunder or at law or equity and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants or conditions.

23. **Counterparts.** This Agreement may be executed in one or more counterparts.

24. **Purchase and Sale Agreement/Termination.** The parties are executing this Agreement to permit Grantee to perform certain obligations which Grantee has under the Agreement of Purchase and Sale between Grantor and Grantee dated as of November 27, 2018, as amended (as amended, the "Purchase Agreement"). In case of a conflict between the terms of this Agreement and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall control. This Agreement shall terminate upon Grantee's satisfaction of its obligations described in Section 3.2 of the Purchase Agreement. Upon Grantee's satisfaction of its obligations described under Section 3.2 of the Purchase Agreement, each party agrees to execute and record a termination of this Agreement. Upon termination of this Agreement, any improvements installed by Grantee and remaining in the Easement Area shall become the property of Grantor.

SIGNATURES APPEAR ON FOLLOWING PAGE

DATED effective as of the _____ day of [MONTH], 2019.

GRANTOR:

SOUTHPORT WEST LLC,
a Washington limited liability company

By: SECO Development, Inc., its manager

By _____
Michael P. Christ, CEO

GRANTEE:

PUGET SOUND ENERGY, INC.,
a Washington corporation

By: _____
Name:
Title:

ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGE

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Michael P. Christ, known to me to be the CEO of SECO Development, Inc., the manager of **Southport West LLC**, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at
My commission expires

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this day personally appeared before me _____, to me known to be the person that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person.

GIVEN under my hand and official seal this ____ day of _____, 2019.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at
My commission expires

EXHIBIT A

(Description of Easement Area)

[LEGAL DESCRIPTION OF EASEMENT AREA]

EXHIBIT B

[DEPICTION OF EASEMENT AREA]

EXHIBIT C

(Description of Property)

[LEGAL DESCRIPTION OF GRANTOR'S PROPERTY]

EXHIBIT D

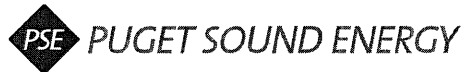
[DEPICTION OF GW WELLS AND SVE SYSTEM]

EXHIBIT C

TRANSMISSION EASEMENT

RETURN ADDRESS:

Puget Sound Energy, Inc.
Attn: ROW Department
PO Box 97034 / EST-04W
Bellevue, WA 98009-9734
Attn: Zach Bergman



TRANSMISSION EASEMENT

REFERENCE #:

GRANTOR (Owner): **Southport West LLC**

GRANTEE (PSE): **PUGET SOUND ENERGY, INC.**

SHORT LEGAL: **Later**

ASSESSOR'S PROPERTY TAX PARCEL: **Later**

For and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **Southport West LLC** ("Owner" herein), hereby grants and conveys to **PUGET SOUND ENERGY, INC.**, a Washington corporation ("PSE" or "Grantee" herein), for the purposes described below, a nonexclusive perpetual easement over, under, along across and through the following described real property (the "Property" herein) in King County, Washington:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

Except as may be otherwise set forth herein PSE's rights shall be exercised upon that portion of the Property ("Easement Area" herein) described as follows:

SEE EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

A DIAGRAM DEPICTING THE APPROXIMATE LOCATION OF THE EASEMENT AREA IS ATTACHED HERETO AS EXHIBIT "C", AS A VISUAL AID ONLY.

1. Purpose. PSE shall have the right to use the Easement Area to construct, operate, maintain, repair, replace, improve, remove, upgrade and extend one or more utility systems for purposes of transmission, distribution and sale of electricity. Such systems may include, but are not limited to:

a. Overhead facilities. Poles and other support structures with crossarms, braces, guys and anchors; electric transmission and distribution lines; fiber optic cable and other lines, cables and facilities for communications; transformers, street lights, meters, fixtures, attachments and any and all other facilities or appurtenances necessary or convenient to any or all of the foregoing.

b. Underground facilities. Conduits, lines, cables, vaults, switches and transformers for electricity; fiber optic cable and other lines, cables and facilities for communications; semi-buried or ground-mounted facilities and pads, manholes, meters, fixtures, attachments and any and all other facilities or appurtenances necessary or convenient to any or all of the foregoing.

Following the initial construction of all or a portion of its systems, PSE may, from time to time, construct such additional facilities within the Easement Area as it may require for such systems; provided, however, that PSE shall use good faith efforts to provide at least thirty (30) days' prior notice to Owner (except in the case of an emergency in which event no notice is necessary), which notice shall contain a general description of the work to be performed. PSE shall have the right of access to the Easement Area over and across the Property to enable PSE to exercise its rights granted in this easement.

2. Easement Area Clearing and Maintenance. PSE shall have the right, but not the obligation to cut, remove and dispose of any and all brush, trees or other vegetation in the Easement Area that could interfere with PSE's facilities and improvements, or with PSE's exercise of its rights under this Easement. PSE shall also have the right, but not the obligation, to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of brush, trees or other vegetation in the Easement Area.

3. Trees Outside Easement Area. PSE shall have the right to cut, trim remove and dispose of any trees located on the Property outside the Easement Area that could, in PSE's judgment, interfere with or create a hazard to PSE's systems. PSE shall, except in the event of an emergency, prior to the exercise of such right, identify such trees and make a reasonable effort to give Owner prior notice that such trees will be cut, trimmed,

removed or disposed. Owner shall be entitled to compensation for the actual market value of merchantable timber (if any) cut and removed from the Property by PSE.

4. Restoration. Following initial installation, repair or extension of its facilities, PSE shall, to the extent reasonably practicable, restore landscaping and surfaces and portions of the Property affected by PSE's work to the condition existing immediately prior to such work, unless said work was done at the request of Owner, in which case Owner shall be responsible for such restoration. All restoration which is the responsibility of PSE shall be performed as soon as reasonably possible after the completion of PSE's work and shall be coordinated with Owner so as to cause the minimum amount of disruption to Owner's use of the Property.

5. Owner's Use of Easement Area. Owner reserves the right to use the Easement Area for any purpose not inconsistent with the rights herein granted, including without limitation the right to construct structures and/or other improvements (such as parking facilities and driveways and sidewalks, for example) so long as PSE's clearance requirements are satisfied (as reasonably determined by PSE); provided, however, that Owner's use of the Easement Area shall not interfere with or otherwise affect the purpose of PSE's rights herein granted. In addition, Owner shall do no blasting within 300 feet of PSE's facilities without PSE's prior written consent.

6. Relocation of PSE's Facilities. Owner may relocate PSE's facilities within the Easement Area, provided the following conditions are satisfied: (a) Owner shall provide at least twelve (12) months' prior written notice to PSE reasonably detailing the proposed relocation and the proposed construction schedule for such relocation, including timeframes for Owner's delivery of detailed construction plans and schedule; (b) the applicable facilities shall be relocated to another location within the Easement Area or to property that is owned in fee simple absolute by Owner or a third party approved by PSE, which third party shall agree to be bound by the terms and conditions of this Agreement, and PSE, in its reasonable discretion, shall approve such relocation area; (c) Owner shall, at its sole cost and expense, be responsible for any and all costs incurred by PSE as a result of such relocation; (d) PSE shall have determined, in its reasonable discretion, that such proposed relocation, and applicable construction schedule, will not affect, jeopardize or impact the structural integrity, capacity, reliability or design criteria of PSE's facilities; (e) PSE shall manage and control any such relocation work, including the hiring and management of contractors; and (f) Owner shall indemnify PSE from and against any liability incurred by PSE relating to or arising from such relocation, but nothing herein shall require Owner to indemnify PSE for that portion of any such liability attributable to the negligence of PSE, its employees, agents or contractors or resulting from PSE's breach of this Agreement. Requests by Owner and determinations by PSE under this section shall be governed by the dispute resolution process provided for in Section 7 below.

7. Interference.

(a) **Notice of Construction.** Prior to Owner constructing any new improvements in the Easement Area, Owner shall send notice to PSE containing a description of the activities and any construction plans or surveys of the proposed improvements. PSE shall have thirty (30) days to review and respond. If PSE fails to respond within thirty (30) days from receipt of notice, the construction plans are deemed approved. Prior to Owner's exercise of its relocation right in Section 6 above, Owner shall give PSE written notice of the relocation area.

(b) **Notice of Interference.** If PSE, in its reasonable discretion, determines that the proposed use of the Easement Area by Owner interferes with PSE's Facilities, or if PSE objects to a relocation area identified by Owner, then PSE shall provide Owner a notice (the "Dispute Notice"), within the thirty (30) day timeframe specified in Section 7(a), specifying with particularity the basis for the claim that the Owner's use of the Easement Area is or will be an interference, or if the basis for PSE's objection to the relocation area, as applicable. If the parties are unable to resolve the dispute within thirty (30) days, they shall follow the following process:

i. *Management Escalation.* Each party shall, within ten (10) business days, nominate a senior officer or director to meet to attempt to resolve the dispute ("Management Escalation"). The nominated individuals shall meet within twenty (20) business days after their nomination. Any dispute resolved through the Management Escalation process shall be documented by appropriate written documentation executed by both Owner and PSE.

ii. *Mediation.* Disputes not settled by Management Escalation shall be submitted to mediation. The mediator shall have experience in utility or civil engineering disputes. If the parties are unable to agree on a mediator one shall be appointed by the American Arbitration Association ("AAA"). The mediator shall be impartial in fact and appearance, not an advocate of either party. The mediation shall be completed no later than thirty (30) days after the request for mediation. If, after eight (8) hours of good faith mediation, the parties are unable to resolve the dispute, it shall be settled by binding arbitration in accordance with the following provision, unless the parties otherwise agree to extend the mediation time. Each party shall be responsible for its own costs and expenses, including attorneys' fees, incurred pursuant to this subparagraph. Cost of the mediator and other common costs shall be divided equally between the parties.

iii. *Arbitration.* Disputes not settled by mediation shall be decided by arbitration in accordance with the AAA rules, as modified herein, unless the parties mutually agree to other arbitration procedures. Notice of the demand for arbitration shall be filed in writing with the other party and with the AAA. The demand shall be made within thirty (30) days after the date that either party or the mediator declares that the mediation is concluded. This agreement to arbitrate shall be specifically enforceable under prevailing state or federal arbitration law. A single arbitrator

experienced in utility or civil engineering disputes, shall arbitrate the dispute, provided that if the parties cannot agree on an arbitrator within ten (10) days following a party's initial demand for arbitration, each party shall select an arbitrator and the two arbitrators so selected shall select a third arbitrator experienced in utility or civil engineering standards, who shall then arbitrate the dispute.

1. Except as may be otherwise agreed by the parties to this Agreement, the arbitration shall be conducted in accordance with the AAA Commercial Arbitration Rules with Expedited Procedures, in effect at that time, as modified by this section. There shall be no dispositive motion practice. As may be shown to be necessary to ensure a fair hearing, the arbitrator(s) may authorize limited discovery and may enter pre-hearing orders regarding (without limitation) scheduling, document exchange, witness disclosure and issues to be heard. The arbitrator(s) shall not be bound by the rules of evidence or of civil procedure, but may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require the parties to submit some or all of their case by written declaration or such other manner of presentation as the arbitrator(s) may determine to be appropriate. The parties intend to limit live testimony and cross-examination except to the extent necessary to ensure a fair hearing on material issues.

2. The arbitrator(s) shall take such steps as may be necessary to hold a private hearing within ten (10) days following the date the arbitrator has have been selected and to conclude the hearing within two (2) days; and the arbitrator's written decision shall be made not later than seven (7) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator(s) may for good cause allow reasonable extension or delays, which shall not affect the validity of the award. The written decisions shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator(s) shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by the arbitrator(s), the award shall be final, and judgment may be entered in any court having jurisdiction thereof. The arbitrator(s) may award injunctive relief or any other remedy available from a judge, including the joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy, and may award attorneys' fees and costs to the prevailing party but shall not have the power to award punitive or exemplary damages. Venue of any arbitration conducted pursuant to this paragraph shall be in Seattle or Bellevue, Washington.

iv. *Applicable Standards.* For any question of whether a facility unreasonably interferes with another use, the generally accepted engineering standards and practices shall be determinative, provided any and all conditions thereof are satisfied.

(c) **Emergency Situations.** Notwithstanding the foregoing, a party may take such reasonable actions as are necessary to address a situation that threatens the health and safety of the general public prior to complying with the provisions of this

section. In such event, and as soon as practicable, the party shall notify the other party of the actions taken, and any corrections or subsequent action shall be governed by this section.

8. Insurance. Grantee agrees to maintain reasonable and customary liability insurance for personal injury, death, and property damage arising out of, or having to do with Grantee's use, occupancy, and possession of, or acts or omission on or about, the Grantor's property, including the Easement Area, and should provide the Grantor with satisfactory evidence of such insurance upon Grantor's request.

9. Indemnity. PSE agrees to indemnify Owner from and against liability incurred by Owner as a result of the negligence of PSE or its contractors in the exercise of the rights herein granted to PSE, but nothing herein shall require PSE to indemnify Owner for that portion of any such liability attributable to the negligence of Owner or the negligence of others.

10. Termination. The rights herein granted shall continue until such time as PSE terminates such right by written instrument. If terminated, any improvements remaining in the Easement Area shall become the property of Owner. No termination shall be deemed to have occurred by PSE's failure to install its systems on the Easement Area.

11. Compliance with Laws, Regulations, Work Standards. Grantee shall at all times exercise its rights herein in accordance with the requirements (as from time to time amended) of any public authority having jurisdiction over Grantee or its operations, and all applicable statutes, orders, rules and regulations, including all applicable environmental laws, permit and approval requirements, and commercially reasonable construction and operation practices.

12. Successors and Assigns. Grantee shall have the right to assign, apportion or otherwise transfer any or all of its rights, benefits, privileges and interests arising under this easement. Without limiting the generality of the foregoing, the rights and obligations of the parties shall inure to the benefit of and be binding upon their respective successors and assigns.

13. Limitations. This Agreement, and the benefits conferred hereby, are subject to any other easements or encumbrances of record as of the date hereof.

14. Notice. Any notice required herein or permitted to be given or served by either party hereto upon the other shall be deemed given or served in accordance with the provisions of this Agreement, if personally served, delivered by national overnight courier (such as Fed Ex, UPS, DHL), if sent via electronic mail (with confirmation of receipt) or if mailed by United States Registered or Certified Mail, postage prepaid, properly addressed as follows:

If to
Grantee: Puget Sound Energy, Inc.
Attn: Douglas Loreen
355 110th Avenue NE
Bellevue, WA 98004
E-Mail: doug.loreen@pse.com

With a copy to:

Kyle L. Branum
c/o Summit Law Group PLLC
315 5th Avenue South, Suite
1000
Seattle, WA 98104-2682
Email: kyleb@summitlaw.com

If to Grantor: c/o SECO Development, Inc.
1133 Lake Washington Blvd. N, Suite 90
Renton, WA 98056
Attn: Michael Christ
Telephone: 425-282-5833
E-Mail: mchrist@secodev.com

With a copy to:

Fikso Kretschmer Smith Dixon Ormseth PS
901 Fifth Avenue, Suite 4000
Attn: Thomas W. Read
Seattle, Washington 98164
Email: tread@fksdo.com

15. Breach. In the event of any breach or threatened breach of this Agreement, the non-defaulting party shall have the right to sue for damages and/or for specific performance and/or to enjoin such breach or threatened breach, provided that in no event shall either party be liable for special, punitive, or consequential damages.

16. Attorneys' Fees. The prevailing party in any action brought to enforce or interpret the terms of this Agreement shall be entitled to recover its costs and reasonable attorneys' fees incurred in said action, including on appeal, whether or not suit is commenced.

17. No Merger of Estates. The easement(s) granted herein shall not extinguish or terminate by operation of the doctrine of merger or otherwise due to the existing or future common ownership of the real property described herein.

18. Complete Agreement. This Agreement contains the entire agreement of the parties with respect to this subject matter and supersedes all prior or contemporaneous writings or discussions relating to the easement(s) provided for herein. This Agreement may not be amended except by a written document executed after the date hereof by the duly authorized representatives of Grantor and Grantee.

19. Choice of Law. This Agreement shall be governed by the laws of the State of Washington, exclusive of its choice of law rules.

20. Time of the Essence. Time is of the essence of this Agreement and the performance of all obligations hereunder.

21. Warranty and Representation of Authority. The parties each represent to the other that the person or persons executing this Agreement have authority to do so and to bind the parties hereunder. All consents, permissions and approvals related to entry into this Agreement, and the obligations hereunder, have been obtained.

22. Negation of Partnership/No Public Rights. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the parties, nor shall it cause them to be considered joint ventures or members of any joint enterprise. Each party shall be considered a separate owner, and no party shall have the right to act as an agent for another party, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged. Nothing contained in this Agreement shall be construed as creating any rights in the general public or as dedicating for public use any portion of Grantor's Property. No easements other than the one expressly set forth in Exhibit A shall be implied by this Agreement.

23. Singular and Plural. Whenever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa.

24. Severability. Invalidity of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions thereof or the application thereof to any other person and the same shall remain in full force and effect.

25. Covenants Running with the Land. The terms and conditions of this Agreement shall be deemed covenants running with the land and shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties and future owners of Grantor's Property and Grantee's Property.

26. Captions and Capitalized Terms. The captions preceding the text of each section are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the

meaning that might otherwise be attached to such term in a context outside of this Agreement.

27. Non-Waiver. The failure of any party to insist upon strict performance of any of the terms, covenants or conditions hereof shall not be deemed a waiver of any rights or remedies which that party may have hereunder or at law or equity and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants or conditions.

28. Counterparts. This Agreement may be executed in one or more counterparts.

DATED this _____ day of _____, 20_____.

OWNER: **Southport West LLC**

By: SECO Development, Inc., its manager

By _____
Michael P. Christ, CEO

STATE OF WASHINGTON)
)SS
COUNTY OF _____)

On this _____ day of _____, 20_____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Michael P. Christ, known to me to be the CEO of SECO Development, Inc., the manager of **Southport West LLC**, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be his free and voluntary act and deed and the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned; and on oath stated that he was authorized to execute the said instrument on behalf of said limited liability company.

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

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington, residing at _____
My Appointment Expires: _____

EXHIBIT "A"

EXHIBIT "B"

EXHIBIT "C"

EXHIBIT D
FENCE EASEMENT

RETURN ADDRESS:

Puget Sound Energy, Inc.
Corporate Facilities Dept., PSE10S
P.O. Box 97034
Bellevue, WA 98009-9734
Attn: _____

EASEMENT

FENCE

REFERENCE #: **None**

GRANTOR: **SOUTHPORT WEST LLC**

GRANTEE: **PUGET SOUND ENERGY, INC.**

SHORT LEGAL: **Lot A and C of City of Renton LLA No. LUA 98-176-LLA**

ASSESSOR'S PROPERTY TAX PARCELS: **0823059178 and 0823059191**

For and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **SOUTHPORT WEST LLC**, a Washington limited liability company ("Grantor" herein), hereby conveys and warrants to **PUGET SOUND ENERGY, INC.**, a Washington corporation ("Grantee" herein), for the purposes hereinafter set forth in this agreement ("Agreement"), a nonexclusive, perpetual easement over, under, along, across and through the real property (the "Grantor's Property" herein) in King County, Washington, which is more particularly described in Exhibit C attached hereto.

Grantee's rights shall be exercised upon that portion of the Property ("Easement Area" herein) described in Exhibit A attached hereto and depicted on attached Exhibit B.

1. **Purpose.** Grantee shall have the right to use and enjoy the Easement Area to access and use the Fence (as hereinafter defined). The primary purpose of the Fence is to improve the safety and security of the property owned by Grantee that is legally described in Exhibit D (the "Grantee's Property").

2. **Fence.** Within _____ () days of the effective date of this Agreement, Grantor shall, at Grantor's sole cost and expense, install a security fence within the Easement Area pursuant to the plans and specifications attached hereto as Exhibit E (the "Fence"). Grantor shall be solely responsible for the planning, permitting, and installation

of the Fence. Following installation of the Fence, Grantee shall at its expense maintain and repair the Fence in a good, safe, and attractive condition.

3. **Grantor's Use of Easement Area.** Grantor reserves the right to use the Easement Area for any other purpose not inconsistent with the rights herein granted.

4. **Relocation of Grantee's Facilities; Notice of Construction.**

(a) Grantor may relocate Grantee's Facilities within the Easement Area provided the following conditions are satisfied: (a) Grantor shall provide at least three (3) months' prior written notice to Grantee reasonably detailing the proposed relocation and the proposed construction schedule for such relocation, including timeframes for Grantor's delivery of detailed construction plans and schedule; (b) the applicable Grantee's Facilities shall be relocated to another location within the Easement Area; (c) Grantor shall, at its sole cost and expense, be responsible for any and all costs incurred by Grantee as a result of such relocation; (d) such proposed relocation, and applicable construction schedule, will not affect, jeopardize or impact the structural integrity, capacity, reliability or design criteria of Grantee's Facilities; (e) Grantee shall manage and control any such relocation work, including the hiring and management of contractors; and (f) Grantor shall indemnify Grantee from and against any liability incurred for any personal injury or property damage by Grantee relating to or arising from such relocation, but nothing herein shall require Grantor to indemnify Grantee for that portion of any such liability attributable to the negligence of Grantee, its employees, agents or contractors or resulting from Grantee's breach of this Agreement.

(b) Prior to Grantor constructing any improvements in the Easement Area, Grantor shall send notice to Grantee containing a description of the activities and any construction plans or surveys of the proposed improvements. Grantee shall have thirty (30) days to review and respond. If Grantee fails to respond within thirty (30) days from receipt of notice, the construction plans are deemed approved. If Grantee, in its reasonable discretion, determines that the proposed use of the Easement Area by Grantor interferes with Grantee's Facilities, then Grantee shall provide Grantor a notice (the "Dispute Notice"), within the thirty (30) day timeframe specified in subsection, specifying with particularity the basis for the claim that the Grantor's use of the Easement Area is or will be an interference. If the parties are unable to resolve the dispute within thirty (30) days, they shall follow the following process:

i. *Management Escalation.* Each party shall, within ten (10) business days, nominate a senior officer or director to meet to attempt to resolve the dispute ("Management Escalation"). The nominated individuals shall meet within twenty (20) business days after their nomination. Any dispute resolved through the Management Escalation process shall be documented by appropriate written documentation executed by both Grantor and Grantee.

ii. *Mediation.* Disputes not settled by Management Escalation shall be submitted to mediation. The mediator shall have experience in utility or civil

engineering disputes. If the parties are unable to agree on a mediator one shall be appointed by the American Arbitration Association ("AAA"). The mediator shall be impartial in fact and appearance, not an advocate of either party. The mediation shall be completed no later than thirty (30) days after the request for mediation. If, after eight (8) hours of good faith mediation, the parties are unable to resolve the dispute, it shall be settled by binding arbitration in accordance with the following provision, unless the parties otherwise agree to extend the mediation time. Each party shall be responsible for its own costs and expenses, including attorneys' fees, incurred pursuant to this subparagraph. Cost of the mediator and other common costs shall be divided equally between the parties.

iii. *Arbitration.* Disputes not settled by mediation shall be decided by arbitration in accordance with the AAA rules, as modified herein, unless the parties mutually agree to other arbitration procedures. Notice of the demand for arbitration shall be filed in writing with the other party and with the AAA. The demand shall be made within thirty (30) days after the date that either party or the mediator declares that the mediation is concluded. This agreement to arbitrate shall be specifically enforceable under prevailing state or federal arbitration law. A single arbitrator experienced in utility or civil engineering disputes, shall arbitrate the dispute, provided that if the parties cannot agree on an arbitrator within ten (10) days following a party's initial demand for arbitration, each party shall select an arbitrator and the two arbitrators so selected shall select a third arbitrator experienced in utility or civil engineering standards, who shall then arbitrate the dispute.

1. Except as may be otherwise agreed by the parties to this Agreement, the arbitration shall be conducted in accordance with the AAA Commercial Arbitration Rules with Expedited Procedures, in effect at that time, as modified by this section. There shall be no dispositive motion practice. As may be shown to be necessary to ensure a fair hearing, the arbitrator(s) may authorize limited discovery and may enter pre-hearing orders regarding (without limitation) scheduling, document exchange, witness disclosure and issues to be heard. The arbitrator(s) shall not be bound by the rules of evidence or of civil procedure, but may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require the parties to submit some or all of their case by written declaration or such other manner of presentation as the arbitrator(s) may determine to be appropriate. The parties intend to limit live testimony and cross-examination except to the extent necessary to ensure a fair hearing on material issues.

2. The arbitrator(s) shall take such steps as may be necessary to hold a private hearing within ten (10) days following the date the arbitrator has have been selected and to conclude the hearing within two (2) days; and the arbitrator's written decision shall be made not later than seven (7) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator(s) may for good cause allow reasonable extension or delays, which shall not affect the validity of the award. The written decisions

shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator(s) shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by the arbitrator(s), the award shall be final, and judgment may be entered in any court having jurisdiction thereof. The arbitrator(s) may award injunctive relief or any other remedy available from a judge, including the joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy, and may award attorneys' fees and costs to the prevailing party but shall not have the power to award punitive or exemplary damages. Venue of any arbitration conducted pursuant to this paragraph shall be in Seattle or Bellevue, Washington.

Applicable Standards. For any question of whether a facility unreasonably interferes with another use, the generally accepted engineering standards and practices shall be determinative, provided any and all conditions thereof are satisfied

5. **Self-Help Remedy.** In addition to all other remedies available at law or in equity, upon the failure of Grantee to maintain and/or repair the Fence so that the Fence is maintained in a good, safe, and attractive condition, within ten (10) days of Grantee receiving written notice of such failure, Grantor shall have the right to install, maintain, and/or repair the Fence and be promptly reimbursed by Grantee upon demand for all costs and expenses incurred by Grantor for such installation, maintenance, and/or repair together with interest at ten percent (10%) per annum.

6. **Successors and Assigns.** Grantee shall have the right to assign, apportion, or otherwise transfer any or all of its rights, benefits, privileges, and interests arising in and under this Agreement to (a) another utility or an entity owning or operating a utility or (b) in accordance with the requirements (as from time to time amended) of any public authority having jurisdiction over Grantee or its operations, and all applicable statutes, orders, rules and regulations ("Permitted Assignments"). Except for Permitted Assignments, all other assignments shall require Grantor's prior written consent not to be unreasonably withheld, conditioned, or delayed. Subject to and without limiting the generality of the foregoing, the rights and obligations of the parties shall inure to the benefit of and be binding upon their respective successors and assigns.

7. **Insurance.** Grantee agrees to maintain reasonable and customary liability insurance for personal injury, death, and property damage arising out of, or having to do with Grantee's use, occupancy, and possession of, or acts or omission on or about, the Grantor's property, including the Easement Area, and should provide the Grantor with satisfactory evidence of such insurance upon Grantor's request.

8. **Indemnity.** Subject to Grantor's indemnification obligations set forth in Section 4 above, Grantee agrees to indemnify Grantor from and against any lien, claim, expense (including reasonable attorneys' fees and costs) liability or damage incurred by Grantor as a result of Grantee's negligence, or the negligence of Grantee's employees, agents or contractors in the exercise of the rights herein granted to Grantee, or resulting from Grantee's breach of this Agreement, but nothing herein shall require Grantee to

indemnify Grantor for that portion of any such liability attributable to the negligence of Grantor, its employees, agents or contractors or resulting from Grantor's breach of this Agreement. Solely to give full force and effect to the indemnities contained herein and not for the benefit of any third party, each party specifically and expressly waives any immunity it may have under Washington State Industrial Act, Title 51 RCW, and acknowledges that this waiver was mutually negotiated by the parties herein. In no event shall either party's obligations hereunder be limited to the extent of any insurance available to or provided by the obligated party.

9. **Limitations.** This Agreement, and the benefits conferred hereby, are subject to any other easements or encumbrances of record as of the date hereof.

10. **Notice.** Any notice required herein or permitted to be given or served by either party hereto upon the other shall be deemed given or served in accordance with the provisions of this Agreement, if personally served, delivered by national overnight courier (such as Fed Ex, UPS, DHL), if sent via facsimile or if mailed by United States Registered or Certified Mail, postage prepaid, properly addressed as follows:

If to Grantee: Puget Sound Energy, Inc.
Attn: Douglas Loreen
355 110th Avenue NE
Bellevue, WA 98004
E-Mail: doug.loreen@pse.com

With a copy to:

Kyle L. Branum
c/o Summit Law Group PLLC
315 5th Avenue South, Suite
1000
Seattle, WA 98104-2682
Email: kyleb@summitlaw.com

If to Grantor: c/o SECO Development, Inc.
1133 Lake Washington Blvd. N, Suite 90
Renton, WA 98056
Attn: Michael Christ
Telephone: 425-282-5833
Facsimile: 425-282-5838
E-Mail: mchrist@secodev.com

With a copy to:

Fikso Kretschmer Smith Dixon Ormseth PS
901 Fifth Avenue, Suite 4000

Attn: Thomas W. Read
Seattle, Washington 98164
Email: tread@fkndo.com

11. **Breach.** In the event of any breach or threatened breach of this Agreement, the non-defaulting party shall have the right to sue for damages and/or for specific performance and/or to enjoin such breach or threatened breach.

12. **Attorneys' Fees.** The prevailing party in any action brought to enforce or interpret the terms of this Agreement shall be entitled to recover its costs and reasonable attorneys' fees incurred in said action, including on appeal, whether or not suit is commenced.

13. **No Merger of Estates.** The easement(s) granted herein shall not extinguish or terminate by operation of the doctrine of merger or otherwise due to the existing or future common ownership of the real property described herein.

14. **Complete Agreement.** This Agreement contains the entire agreement of the parties with respect to this subject matter and supersedes all prior or contemporaneous writings or discussions relating to the easement(s) provided for herein. This Agreement may not be amended except by a written document executed after the date hereof by the duly authorized representatives of Grantor and Grantee.

15. **Choice of Law.** This Agreement shall be governed by the laws of the State of Washington, exclusive of its choice of law rules.

16. **Time of the Essence.** Time is of the essence of this Agreement and the performance of all obligations hereunder.

17. **Warranty and Representation of Authority.** The parties each represent to the other that the person or persons executing this Agreement have authority to do so and to bind the parties hereunder. All consents, permissions and approvals related to entry into this Agreement, and the obligations hereunder, have been obtained.

18. **Negation of Partnership/No Public Rights.** None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the parties, nor shall it cause them to be considered joint ventures or members of any joint enterprise. Each party shall be considered a separate owner, and no party shall have the right to act as an agent for another party, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged. Nothing contained in this Agreement shall be construed as creating any rights in the general public or as dedicating for public use any portion of Grantor's Property. No easements other than the one expressly set forth in Exhibit A shall be implied by this Agreement.

19. **Singular and Plural.** Whenever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa.

20. **Severability.** Invalidity of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions thereof or the application thereof to any other person and the same shall remain in full force and effect.

21. **Covenants Running with the Land.** The terms and conditions of this Agreement shall be deemed covenants running with the land and shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties and future owners of Grantor's Property and Grantee's Property.

22. **Captions and Capitalized Terms.** The captions preceding the text of each section are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.

23. **Non-Waiver.** The failure of any party to insist upon strict performance of any of the terms, covenants or conditions hereof shall not be deemed a waiver of any rights or remedies which that party may have hereunder or at law or equity and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants, or conditions.

24. **Counterparts.** This Agreement may be executed in one or more counterparts.

SIGNATURES APPEAR ON FOLLOWING PAGE

DATED effective as of the _____ day of [MONTH], 2019.

GRANTOR:

SOUTHPORT WEST LLC,
a Washington limited liability company

By: SECO Development, Inc., its manager

By _____
Michael P. Christ, CEO

GRANTEE:

PUGET SOUND ENERGY, INC.,
a Washington corporation

By: _____
Name:
Title:

ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGE

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Michael P. Christ, known to me to be the CEO of SECO Development, Inc., the manager of **Southport West LLC**, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at
My commission expires

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this day personally appeared before me _____, to me known to be the person that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person.

GIVEN under my hand and official seal this ____ day of _____, 2019.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at
My commission expires

EXHIBIT A

(Description of Easement Area)

[LEGAL DESCRIPTION OF EASEMENT AREA]

EXHIBIT B

[FIGURE OF EASEMENT AREA]

EXHIBIT C

(Description of Property)

[LEGAL DESCRIPTION OF GRANTOR'S PROPERTY]

EXHIBIT D

(Description of Property)

[LEGAL DESCRIPTION OF GRANTEE'S PROPERTY]

EXHIBIT E

(Fence Plans and Specifications)

EXHIBIT E
ROAD EASEMENT

RETURN ADDRESS:

Puget Sound Energy, Inc.
Corporate Facilities Dept., PSE10S
P.O. Box 97034
Bellevue, WA 98009-9734
Attn: _____

EASEMENT

ROAD

REFERENCE #: **None**
GRANTOR: **SOUTHPORT WEST LLC**
GRANTEE: **PUGET SOUND ENERGY, INC.**
SHORT LEGAL: **Lot A and C of City of Renton LLA No. LUA 98-176-LLA**
ASSESSOR'S PROPERTY TAX PARCELS: **0823059178 and 0823059191**

For and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **SOUTHPORT WEST LLC**, a Washington limited liability company ("Grantor" herein), hereby conveys and warrants to **PUGET SOUND ENERGY, INC.**, a Washington corporation ("Grantee" herein), for the purposes hereinafter set forth in this agreement ("Agreement"), a nonexclusive, perpetual easement over, under, along, across and through the real property ("Grantor's Property" herein) in King County, Washington, which is more particularly described in Exhibit C attached hereto.

Grantee's rights shall be exercised upon that portion of the Property ("Easement Area" herein) described in Exhibit A attached hereto and depicted on attached Exhibit B.

1. **Purpose.** Grantee shall have the right to use and enjoy the Easement Area for ingress and egress to and from the real property ("Grantee's Property" herein) in King County, Washington, owned by Grantee and more particularly described in Exhibit D attached hereto, including an appropriate turning radius to accommodate Grantee's equipment, materials, and vehicles (including, without limitation, a lowboy semi-trailer).

Except as otherwise expressly set forth herein, no other uses, purposes, rights, or conveyances are implied or granted hereunder.

2. **Maintenance; Restoration.** Grantor shall generally be responsible for maintenance of any roads located in the Easement Area. Provided, however, that in the event that damage to any roads and related improvements results from Grantee's use of the Easement Area, other than ordinary wear and tear, then Grantee within thirty (30) days upon Grantor's request shall restore such roads to the condition in which they existed prior to the time of damage.

3. **Grantor's Use of Easement Area.** Grantor reserves the right to use the Easement Area for any purpose not inconsistent with the rights herein granted so long as such activities do not unreasonably interfere with Grantee's use of the Easement Area.

4. **Relocation of Roads.** In the event that it is necessary, as determined by generally accepted industry standards, to relocate any roads within the Easement Area, Grantor may relocate these roads provided the following conditions are satisfied: (a) Grantor shall provide at least twelve (12) months' prior written notice to Grantee reasonably detailing the proposed relocation and the proposed construction schedule for such relocation, including timeframes for Grantor's delivery of detailed construction plans and schedule; (b) the applicable roads shall be relocated to another location within the Easement Area or to property that is owned in fee simple absolute by Grantor or a third party approved by Grantee, which third party shall agree to be bound by the terms and conditions of this Agreement, and Grantee shall, in its reasonable discretion approve such relocation area; (c) Grantor shall, at its sole cost and expense, be responsible for any and all costs incurred by Grantee as a result of such relocation; (d) Grantee shall have determined, in its reasonable discretion, that such proposed relocation, and applicable construction schedule, will not affect, jeopardize or impact Grantee's access to its facilities; (e) Grantee shall manage and control any such relocation work, including the hiring and management of contractors; and (f) Grantor shall indemnify Grantee from and against any liability incurred by Grantee relating to or arising from such relocation, but nothing herein shall require Grantor to indemnify Grantee for that portion of any such liability attributable to the negligence of Grantee, its employees, agents or contractors or resulting from Grantee's breach of this Agreement. Requests by Grantor and determinations by Grantee under this Section 4 shall be governed by the dispute resolution process provided for in Section 5.

5. **Interference.**

(a) **Notice of Construction.** Prior to Grantor constructing any new improvements in the Easement Area, Grantor shall send notice to Grantee containing a description of the activities and any construction plans or surveys of the proposed improvements. Grantee shall have thirty (30) days to review and respond. If Grantee fails to respond within thirty (30) days from receipt of notice, the construction plans are deemed approved.

(b) **Notice of Interference.** If Grantee, in its reasonable discretion, determines that the proposed use of the Easement Area by Grantor interferes with Grantee's rights granted hereunder, then Grantee shall provide Grantor a notice (the "Dispute Notice"), within the thirty (30) day timeframe specified in Section 5(a), specifying with particularity the basis for the claim that the Grantor's use of the Easement Area is or will be an interference. If the parties are unable to resolve the dispute within thirty (30) days, they shall follow the following process:

i. *Management Escalation.* Each party shall, within ten (10) business days, nominate a senior officer or director to meet to attempt to resolve the dispute ("Management Escalation"). The nominated individuals shall meet within twenty (20) business days after their nomination. Any dispute resolved through the Management Escalation process shall be documented by appropriate written documentation executed by both Grantor and Grantee.

ii. *Mediation.* Disputes not settled by Management Escalation shall be submitted to mediation. The mediator shall have experience in utility or civil engineering disputes. If the parties are unable to agree on a mediator one shall be appointed by the American Arbitration Association ("AAA"). The mediator shall be impartial in fact and appearance, not an advocate of either party. The mediation shall be completed no later than thirty (30) days after the request for mediation. If, after eight (8) hours of good faith mediation, the parties are unable to resolve the dispute, it shall be settled by binding arbitration in accordance with the following provision, unless the parties otherwise agree to extend the mediation time. Each party shall be responsible for its own costs and expenses, including attorneys' fees, incurred pursuant to this subparagraph. Cost of the mediator and other common costs shall be divided equally between the parties.

iii. *Arbitration.* Disputes not settled by mediation shall be decided by arbitration in accordance with the AAA rules, as modified herein, unless the parties mutually agree to other arbitration procedures. Notice of the demand for arbitration shall be filed in writing with the other party and with the AAA. The demand shall be made within thirty (30) days after the date that either party or the mediator declares that the mediation is concluded. This agreement to arbitrate shall be specifically enforceable under prevailing state or federal arbitration law. A single arbitrator experienced in utility or civil engineering disputes, shall arbitrate the dispute, provided that if the parties cannot agree on an arbitrator within ten (10) days following a party's initial demand for arbitration, each party shall select an arbitrator and the two arbitrators so selected shall select a third arbitrator experienced in utility or civil engineering standards, who shall then arbitrate the dispute.

1. Except as may be otherwise agreed by the parties to this Agreement, the arbitration shall be conducted in accordance with the AAA Commercial Arbitration Rules with Expedited Procedures, in effect at that time, as modified by this section. There shall be no dispositive motion practice. As may be shown to be necessary to ensure a fair hearing, the arbitrator(s) may authorize limited discovery

and may enter pre-hearing orders regarding (without limitation) scheduling, document exchange, witness disclosure and issues to be heard. The arbitrator(s) shall not be bound by the rules of evidence or of civil procedure, but may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require the parties to submit some or all of their case by written declaration or such other manner of presentation as the arbitrator(s) may determine to be appropriate. The parties intend to limit live testimony and cross-examination except to the extent necessary to ensure a fair hearing on material issues.

2. The arbitrator(s) shall take such steps as may be necessary to hold a private hearing within ten (10) days following the date the arbitrator has been selected and to conclude the hearing within two (2) days; and the arbitrator's written decision shall be made not later than seven (7) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator(s) may for good cause allow reasonable extension or delays, which shall not affect the validity of the award. The written decisions shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator(s) shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by the arbitrator(s), the award shall be final, and judgment may be entered in any court having jurisdiction thereof. The arbitrator(s) may award injunctive relief or any other remedy available from a judge, including the joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy, and may award attorneys' fees and costs to the prevailing party but shall not have the power to award punitive or exemplary damages. Venue of any arbitration conducted pursuant to this paragraph shall be in Seattle or Bellevue, Washington.

iv. *Applicable Standards.* For any question of whether a facility unreasonably interferes with another use, the generally accepted engineering standards and practices shall be determinative, provided any and all conditions thereof are satisfied.

(c) **Emergency Situations.** Notwithstanding the foregoing, a party may take such reasonable actions as are necessary to address a situation that threatens the health and safety of the general public prior to complying with the provisions of this section. In such event, and as soon as practicable, the party shall notify the other party of the actions taken, and any corrections or subsequent action shall be governed by this section.

6. **Insurance.** Grantee agrees to maintain reasonable and customary liability insurance for personal injury, death, and property damage arising out of, or having to do with Grantee's use, occupancy, and possession of, or acts or omission on or about, the Grantor's property, including the Easement Area, and should provide the Grantor with satisfactory evidence of such insurance upon Grantor's request.

7. **Indemnity.** Subject to Grantor's indemnification obligations set forth in Section 4 above, Grantee agrees to indemnify Grantor from and against any lien, claim,

expense (including reasonable attorneys' fees and costs), liability, or damage incurred by Grantor as a result of Grantee's negligence, or the negligence of Grantee's employees, agents, or contractors in the exercise of the rights herein granted to Grantee, or resulting from Grantee's breach of this Agreement, but nothing herein shall require Grantee to indemnify Grantor for that portion of any such liability attributable to the negligence of Grantor, its employees, agents, or contractors or resulting from Grantor's breach of this Agreement. Solely to give full force and effect to the indemnities contained herein and not for the benefit of any third party, each party specifically and expressly waives any immunity it may have under Washington State Industrial Act, Title 51 RCW, and acknowledges that this waiver was mutually negotiated by the parties herein. In no event shall either party's obligations hereunder be limited to the extent of any insurance available to or provided by the obligated party.

8. **Compliance with Laws, Regulations, Work Standards.** Grantee shall at all times exercise its rights herein in accordance with the requirements (as from time to time amended) of any public authority having jurisdiction over Grantee or its operations, and all applicable statutes, orders, rules, and regulations, including all applicable environmental laws, permit and approval requirements, and commercially reasonable construction and operation practices.

9. **Successors and Assigns.** Grantee shall have the right to assign, apportion, or otherwise transfer any or all of its rights, benefits, privileges and interests arising in and under this Agreement to (a) another utility or an entity owning or operating a utility or (b) in accordance with the requirements (as from time to time amended) of any public authority having jurisdiction over Grantee or its operations, and all applicable statutes, orders, rules, and regulations ("Permitted Assignments"). Except for Permitted Assignments, all other assignments shall require Grantor's prior written consent not to be unreasonably withheld, conditioned, or delayed. Subject to and without limiting the generality of the foregoing, the rights and obligations of the parties shall inure to the benefit of and be binding upon their respective successors and assigns.

10. **Limitations.** This Agreement, and the benefits conferred hereby, are subject to any other easements or encumbrances of record as of the date hereof.

11. **Notice.** Any notice required herein or permitted to be given or served by either party hereto upon the other shall be deemed given or served in accordance with the provisions of this Agreement, if personally served, delivered by national overnight courier (such as Fed Ex, UPS, DHL), if sent via electronic mail (with confirmation of receipt) or if mailed by United States Registered or Certified Mail, postage prepaid, properly addressed as follows:

If to Grantee: Puget Sound Energy, Inc.
Attn: Douglas Loreen
355 110th Avenue NE
Bellevue, WA 98004
E-Mail: doug.loreen@pse.com

With a copy to:

Kyle L. Branum
c/o Summit Law Group PLLC
315 5th Avenue South, Suite 1000
Seattle, WA 98104-2682
Email: kyleb@summitlaw.com

If to Grantor: c/o SECO Development, Inc.
1133 Lake Washington Blvd. N, Suite 90
Renton, WA 98056
Attn: Michael Christ
Telephone: 425-282-5833
E-Mail: mchrist@secodev.com

With a copy to:

Fikso Kretschmer Smith Dixon Ormseth PS
901 Fifth Avenue, Suite 4000
Attn: Thomas W. Read
Seattle, Washington 98164
Email: tread@fksdo.com

12. **Breach.** Excepting any disputes relating to interference with Grantee's use of the roads and its rights granted herein, which shall be handled in accordance with Section 5, in the event of any breach or threatened breach of this Agreement, the non-defaulting party shall have the right to sue for damages and/or for specific performance and/or to enjoin such breach or threatened breach.

13. **Attorneys' Fees.** The prevailing party in any action brought to enforce or interpret the terms of this Agreement pursuant to Section 12 shall be entitled to recover its costs and reasonable attorneys' fees incurred in said action, including on appeal, whether or not suit is commenced.

14. **No Merger of Estates.** The easement granted herein shall not extinguish or terminate by operation of the doctrine of merger or otherwise due to the existing or future common ownership of the real property described herein.

15. **Complete Agreement.** This Agreement contains the entire agreement of the parties with respect to this subject matter and supersedes all prior or contemporaneous writings or discussions relating to the easement(s) provided for herein. This Agreement may not be amended except by a written document executed after the date hereof by the duly authorized representatives of Grantor and Grantee.

16. **Choice of Law.** This Agreement shall be governed by the laws of the State of Washington, exclusive of its choice of law rules.

17. **Time of the Essence.** Time is of the essence of this Agreement and the performance of all obligations hereunder.

18. **Warranty and Representation of Authority.** The parties each represent to the other that the person or persons executing this Agreement have authority to do so and to bind the parties hereunder. All consents, permissions and approvals related to entry into this Agreement, and the obligations hereunder, have been obtained.

19. **Negation of Partnership/No Public Rights.** None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the parties, nor shall it cause them to be considered joint ventures or members of any joint enterprise. Each party shall be considered a separate owner, and no party shall have the right to act as an agent for another party, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged. Nothing contained in this Agreement shall be construed as creating any rights in the general public or as dedicating for public use any portion of Grantor's Property. No easements other than the one expressly set forth in Exhibit A shall be implied by this Agreement.

20. **Singular and Plural.** Whenever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa.

21. **Severability.** Invalidity of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions thereof or the application thereof to any other person and the same shall remain in full force and effect.

22. **Covenants Running with the Land.** The terms and conditions of this Agreement shall be deemed covenants running with the land and shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties and future owners of Grantor's Property and Grantee's Property.

23. **Captions and Capitalized Terms.** The captions preceding the text of each section are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.

24. **Non-Waiver.** The failure of any party to insist upon strict performance of any of the terms, covenants or conditions hereof shall not be deemed a waiver of any rights or remedies which that party may have hereunder or at law or equity and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants or conditions.

25. **Counterparts.** This Agreement may be executed in one or more counterparts.

SIGNATURES APPEAR ON FOLLOWING PAGE

DATED effective as of the _____ day of [MONTH], 2019.

GRANTOR:

SOUTHPORT WEST LLC,
a Washington limited liability company

By: SECO Development, Inc., its manager

By _____
Michael P. Christ, CEO

GRANTEE:

PUGET SOUND ENERGY, INC.,
a Washington corporation

By: _____
Name:
Title:

ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGE

STATE OF WASHINGTON)
) ss.
 COUNTY OF _____)

On this _____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Michael P. Christ, known to me to be the CEO of SECO Development, Inc., the manager of **Southport West LLC**, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

(Print name of notary)
 NOTARY PUBLIC in and for the State of
 Washington, residing at
 My commission expires

STATE OF WASHINGTON)
) ss.
 COUNTY OF _____)

On this day personally appeared before me _____, to me known to be the person that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person.

GIVEN under my hand and official seal this ____ day of _____, 2019.

(Print name of notary)
 NOTARY PUBLIC in and for the State of
 Washington, residing at
 My commission expires

EXHIBIT A

(Description of Easement Area)

[LEGAL DESCRIPTION OF EASEMENT AREA]

EXHIBIT B

[FIGURE OF EASEMENT AREA]

EXHIBIT C

(Description of Grantor's Property)

[LEGAL DESCRIPTION OF GRANTOR'S PROPERTY]

EXHIBIT D

(Description of Grantee's Property)

[LEGAL DESCRIPTION OF GRANTEE'S PROPERTY]

EXHIBIT F

SEWER EASEMENT

RETURN ADDRESS:

Puget Sound Energy, Inc.
Corporate Facilities Dept., PSE10S
P.O. Box 97034
Bellevue, WA 98009-9734
Attn: _____

SANITARY SEWER EASEMENT

REFERENCE #: **None**
GRANTOR: **SOUTHPORT WEST LLC**
GRANTEE: **PUGET SOUND ENERGY, INC.**
SHORT LEGAL: **Lot A and C of City of Renton LLA No. LUA 98-176-LLA**
ASSESSOR'S PROPERTY TAX PARCELS: **0823059178 and 0823059191**

For and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **SOUTHPORT WEST LLC**, a Washington limited liability company ("Grantor" herein), hereby conveys and warrants to **PUGET SOUND ENERGY, INC.**, a Washington corporation ("Grantee" herein), for the purposes hereinafter set forth in this agreement ("Agreement"), a nonexclusive, perpetual easement over, under, along, across, and through the real property ("Grantor's Property" herein) in King County, Washington, which is more particularly described in Exhibit C attached hereto, for the benefit of the property more particularly described in Exhibit D attached hereto ("Grantee's Property" herein). Grantee's rights shall be exercised upon that portion of the Property ("Easement Area" herein) described in Exhibit A attached hereto and depicted on attached Exhibit B.

1. **Purpose.** Grantee shall have the right to use and enjoy the Easement Area for sanitary sewer and grade level ancillary facilities related thereto ("Grantee's Facilities").

Except as otherwise expressly set forth herein, no other uses, purposes, rights or conveyances are implied or granted hereunder.

Grantee shall have the right of access over and across the Easement Area to enable Grantee to exercise its rights hereunder, subject to reasonable security measures (provided, however, that such security measures shall not unreasonably impede

Grantee's rights set forth herein).

2. **Maintenance; Restoration.** In the event that damage to any of Grantee's Facilities or the Easement Area results from Grantee's use of the Easement Area, other than ordinary wear and tear, then Grantee within thirty (30) days upon Grantor's request shall restore such facilities and/or area to the condition in which it existed prior to the time of damage. In the event that Grantee disturbs other areas of the Easement Area in connection with any repair, maintenance, replacement, relocation, or reconstruction work on Grantee's Facilities, Grantee shall restore the Easement Area to the condition in which it existed at the commencement of such activity, including hydroseeding disturbed areas, if any, within thirty (30) days of the time of damage and at no cost or expense to Grantor.

3. **Grantor's Use of Easement Area.** Grantor reserves the right to use the Easement Area for any purpose not inconsistent with the rights herein granted so long as such activities do not unreasonably interfere with Grantee's Facilities. Any dispute regarding interference with Grantee's Facilities shall be governed by Section 5 below. With respect to any proposed blasting by Grantor within 300 feet of Grantee's Facilities, Grantor shall provide written notice to Grantee pursuant to Section 5, and Grantee's response shall be governed by Section 5.

4. **Relocation of Grantee's Facilities.** In the event that it is necessary, as determined by generally accepted industry standards, to relocate Grantee's Facilities within the Easement Area, Grantor may relocate Grantee's Facilities provided the following conditions are satisfied: (a) Grantor shall provide at least twelve (12) months' prior written notice to Grantee reasonably detailing the proposed relocation and the proposed construction schedule for such relocation, including timeframes for Grantor's delivery of detailed construction plans and schedule; (b) the applicable Grantee's Facilities shall be relocated to another location within the Easement Area or to property that is owned in fee simple absolute by Grantor or a third party approved by Grantee, which third party shall agree to be bound by the terms and conditions of this Agreement, and Grantee shall, in its reasonable discretion approve such relocation area; (c) Grantor shall, at its sole cost and expense, be responsible for any and all costs incurred by Grantee as a result of such relocation; (d) Grantee shall have determined, in its reasonable discretion, that such proposed relocation, and applicable construction schedule, will not affect, jeopardize or impact the structural integrity, capacity, reliability or design criteria of Grantee's Facilities; (e) Grantee shall manage and control any such relocation work, including the hiring and management of contractors; and (f) Grantor shall indemnify Grantee from and against any liability incurred by Grantee relating to or arising from such relocation, but nothing herein shall require Grantor to indemnify Grantee for that portion of any such liability attributable to the negligence of Grantee, its employees, agents or contractors or resulting from Grantee's breach of this Agreement. Requests by Grantor and determinations by Grantee under this Section 4 shall be governed by the dispute resolution process provided for in Section 5.

5. **Interference.**

(a) **Notice of Construction.** Prior to Grantor constructing any new improvements in the Easement Area, Grantor shall send notice to Grantee containing a description of the activities and any construction plans or surveys of the proposed improvements. Grantee shall have thirty (30) days to review and respond. If Grantee fails to respond within thirty (30) days from receipt of notice, the construction plans are deemed approved.

(b) **Notice of Interference.** If Grantee, in its reasonable discretion, determines that the proposed use of the Easement Area by Grantor interferes with Grantee's Facilities, then Grantee shall provide Grantor a notice (the "Dispute Notice"), within the thirty (30) day timeframe specified in Section 5(a), specifying with particularity the basis for the claim that the Grantor's use of the Easement Area is or will be an interference. If the parties are unable to resolve the dispute within thirty (30) days, they shall follow the following process:

i. *Management Escalation.* Each party shall, within ten (10) business days, nominate a senior officer or director to meet to attempt to resolve the dispute ("Management Escalation"). The nominated individuals shall meet within twenty (20) business days after their nomination. Any dispute resolved through the Management Escalation process shall be documented by appropriate written documentation executed by both Grantor and Grantee.

ii. *Mediation.* Disputes not settled by Management Escalation shall be submitted to mediation. The mediator shall have experience in utility or civil engineering disputes. If the parties are unable to agree on a mediator one shall be appointed by the American Arbitration Association ("AAA"). The mediator shall be impartial in fact and appearance, not an advocate of either party. The mediation shall be completed no later than thirty (30) days after the request for mediation. If, after eight (8) hours of good faith mediation, the parties are unable to resolve the dispute, it shall be settled by binding arbitration in accordance with the following provision, unless the parties otherwise agree to extend the mediation time. Each party shall be responsible for its own costs and expenses, including attorneys' fees, incurred pursuant to this subparagraph. Cost of the mediator and other common costs shall be divided equally between the parties.

iii. *Arbitration.* Disputes not settled by mediation shall be decided by arbitration in accordance with the AAA rules, as modified herein, unless the parties mutually agree to other arbitration procedures. Notice of the demand for arbitration shall be filed in writing with the other party and with the AAA. The demand shall be made within thirty (30) days after the date that either party or the mediator declares that the mediation is concluded. This agreement to arbitrate shall be specifically enforceable under prevailing state or federal arbitration law. A single arbitrator experienced in utility or civil engineering disputes, shall arbitrate the dispute, provided that if the parties cannot agree on an arbitrator within ten (10) days following a party's initial demand for arbitration, each party shall select an arbitrator and the two arbitrators

so selected shall select a third arbitrator experienced in utility or civil engineering standards, who shall then arbitrate the dispute.

1. Except as may be otherwise agreed by the parties to this Agreement, the arbitration shall be conducted in accordance with the AAA Commercial Arbitration Rules with Expedited Procedures, in effect at that time, as modified by this section. There shall be no dispositive motion practice. As may be shown to be necessary to ensure a fair hearing, the arbitrator(s) may authorize limited discovery and may enter pre-hearing orders regarding (without limitation) scheduling, document exchange, witness disclosure and issues to be heard. The arbitrator(s) shall not be bound by the rules of evidence or of civil procedure, but may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require the parties to submit some or all of their case by written declaration or such other manner of presentation as the arbitrator(s) may determine to be appropriate. The parties intend to limit live testimony and cross-examination except to the extent necessary to ensure a fair hearing on material issues.

2. The arbitrator(s) shall take such steps as may be necessary to hold a private hearing within ten (10) days following the date the arbitrator has have been selected and to conclude the hearing within two (2) days; and the arbitrator's written decision shall be made not later than seven (7) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator(s) may for good cause allow reasonable extension or delays, which shall not affect the validity of the award. The written decisions shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator(s) shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by the arbitrator(s), the award shall be final, and judgment may be entered in any court having jurisdiction thereof. The arbitrator(s) may award injunctive relief or any other remedy available from a judge, including the joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy, and may award attorneys' fees and costs to the prevailing party but shall not have the power to award punitive or exemplary damages. Venue of any arbitration conducted pursuant to this paragraph shall be in Seattle or Bellevue, Washington.

iv. *Applicable Standards.* For any question of whether a facility unreasonably interferes with another use, the generally accepted engineering standards and practices shall be determinative, provided any and all conditions thereof are satisfied.

(c) **Emergency Situations.** Notwithstanding the foregoing, a party may take such reasonable actions as are necessary to address a situation that threatens the health and safety of the general public prior to complying with the provisions of this section. In such event, and as soon as practicable, the party shall notify the other party of the actions taken, and any corrections or subsequent action shall be governed by this section.

6. **Insurance.** Grantee agrees to maintain reasonable and customary liability insurance for personal injury, death, and property damage arising out of, or having to do with Grantee's use, occupancy, and possession of, or acts or omission on or about, the Grantor's property, including the Easement Area, and should provide the Grantor with satisfactory evidence of such insurance upon Grantor's request.

7. **Indemnity.** Subject to Grantor's indemnification obligations set forth in Section 4 above, Grantee agrees to indemnify Grantor from and against any lien, claim, expense (including reasonable attorneys' fees and costs), liability, or damage incurred by Grantor as a result of Grantee's negligence, or the negligence of Grantee's employees, agents, or contractors in the exercise of the rights herein granted to Grantee, or resulting from Grantee's breach of this Agreement, but nothing herein shall require Grantee to indemnify Grantor for that portion of any such liability attributable to the negligence of Grantor, its employees, agents, or contractors or resulting from Grantor's breach of this Agreement. Solely to give full force and effect to the indemnities contained herein and not for the benefit of any third party, each party specifically and expressly waives any immunity it may have under Washington State Industrial Act, Title 51 RCW, and acknowledges that this waiver was mutually negotiated by the parties herein. In no event shall either party's obligations hereunder be limited to the extent of any insurance available to or provided by the obligated party.

8. **Compliance with Laws, Regulations, Work Standards.** Grantee shall at all times exercise its rights herein in accordance with the requirements (as from time to time amended) of any public authority having jurisdiction over Grantee or its operations, and all applicable statutes, orders, rules, and regulations, including all applicable environmental laws, permit and approval requirements, and commercially reasonable construction and operation practices.

9. **Successors and Assigns.** Grantee shall have the right to assign, apportion, or otherwise transfer any or all of its rights, benefits, privileges and interests arising in and under this Agreement to (a) another utility or an entity owning or operating a utility or (b) in accordance with the requirements (as from time to time amended) of any public authority having jurisdiction over Grantee or its operations, and all applicable statutes, orders, rules, and regulations ("Permitted Assignments"). Except for Permitted Assignments, all other assignments shall require Grantor's prior written consent not to be unreasonably withheld, conditioned, or delayed. Subject to and without limiting the generality of the foregoing, the rights and obligations of the parties shall inure to the benefit of and be binding upon their respective successors and assigns.

10. **Limitations.** This Agreement, and the benefits conferred hereby, are subject to any other easements or encumbrances of record as of the date hereof.

11. **Notice.** Any notice required herein or permitted to be given or served by either party hereto upon the other shall be deemed given or served in accordance with the provisions of this Agreement, if personally served, delivered by national overnight courier (such as Fed Ex, UPS, DHL), if sent via electronic mail (with confirmation of

receipt) or if mailed by United States Registered or Certified Mail, postage prepaid, properly addressed as follows:

If to Grantee: Puget Sound Energy, Inc.
Attn: Douglas Loreen
355 110th Avenue NE
Bellevue, WA 98004
E-Mail: doug.loreen@pse.com

With a copy to:

Kyle L. Branum
c/o Summit Law Group PLLC
315 5th Avenue South, Suite 1000
Seattle, WA 98104-2682
Email: kyleb@summitlaw.com

If to Grantor: c/o SECO Development, Inc.
1133 Lake Washington Blvd. N, Suite 90
Renton, WA 98056
Attn: Michael Christ
Telephone: 425-282-5833
E-Mail: mchrist@secodev.com

With a copy to:

Fikso Kretschmer Smith Dixon Ormseth PS
901 Fifth Avenue, Suite 4000
Attn: Thomas W. Read
Seattle, Washington 98164
Email: tread@fkndo.com

12. **Breach.** Excepting any disputes relating to interference with Grantee's Facilities, which shall be handled in accordance with Section 5, in the event of any breach or threatened breach of this Agreement, the non-defaulting party shall have the right to sue for damages and/or for specific performance and/or to enjoin such breach or threatened breach.

13. **Attorneys' Fees.** The prevailing party in any action brought to enforce or interpret the terms of this Agreement pursuant to Section 12 shall be entitled to recover its costs and reasonable attorneys' fees incurred in said action, including on appeal, whether or not suit is commenced.

14. **No Merger of Estates.** The easement granted herein shall not extinguish or terminate by operation of the doctrine of merger or otherwise due to the existing or future common ownership of the real property described herein.

15. **Complete Agreement.** This Agreement contains the entire agreement of the parties with respect to this subject matter and supersedes all prior or contemporaneous writings or discussions relating to the easement(s) provided for herein. This Agreement may not be amended except by a written document executed after the date hereof by the duly authorized representatives of Grantor and Grantee.

16. **Choice of Law.** This Agreement shall be governed by the laws of the State of Washington, exclusive of its choice of law rules.

17. **Time of the Essence.** Time is of the essence of this Agreement and the performance of all obligations hereunder.

18. **Warranty and Representation of Authority.** The parties each represent to the other that the person or persons executing this Agreement have authority to do so and to bind the parties hereunder. All consents, permissions and approvals related to entry into this Agreement, and the obligations hereunder, have been obtained.

19. **Negation of Partnership/No Public Rights.** None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the parties, nor shall it cause them to be considered joint ventures or members of any joint enterprise. Each party shall be considered a separate owner, and no party shall have the right to act as an agent for another party, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged. Nothing contained in this Agreement shall be construed as creating any rights in the general public or as dedicating for public use any portion of Grantor's Property. No easements other than the one expressly set forth in Exhibit A shall be implied by this Agreement.

20. **Singular and Plural.** Whenever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa.

21. **Severability.** Invalidity of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions thereof or the application thereof to any other person and the same shall remain in full force and effect.

22. **Covenants Running with the Land.** The terms and conditions of this Agreement shall be deemed covenants running with the land and shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties and future owners of Grantor's Property and Grantee's Property.

23. **Captions and Capitalized Terms.** The captions preceding the text of each section are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the

meaning that might otherwise be attached to such term in a context outside of this Agreement.

24. **Non-Waiver.** The failure of any party to insist upon strict performance of any of the terms, covenants or conditions hereof shall not be deemed a waiver of any rights or remedies which that party may have hereunder or at law or equity and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants or conditions.

25. **Counterparts.** This Agreement may be executed in one or more counterparts.

SIGNATURES APPEAR ON FOLLOWING PAGE

DATED effective as of the _____ day of [MONTH], 2019.

GRANTOR:

SOUTHPORT WEST LLC,
a Washington limited liability company

By: SECO Development, Inc., its manager

By _____
Michael P. Christ, CEO

GRANTEE:

PUGET SOUND ENERGY, INC.,
a Washington corporation

By: _____
Name:
Title:

ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGE

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Michael P. Christ, known to me to be the CEO of SECO Development, Inc., the manager of **Southport West LLC**, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at
My commission expires

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this day personally appeared before me _____, to me known to be the person that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said person.

GIVEN under my hand and official seal this ____ day of _____, 2019.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at
My commission expires

EXHIBIT A

(Description of Easement Area)

[LEGAL DESCRIPTION OF EASEMENT AREA]

EXHIBIT B

[FIGURE OF EASEMENT AREA]

EXHIBIT C

(Description of Grantor's Property)

[LEGAL DESCRIPTION OF GRANTOR'S PROPERTY]

EXHIBIT D

(Description of Grantee's Property)

[LEGAL DESCRIPTION OF GRANTEE'S PROPERTY]

EXHIBIT G

EARNEST MONEY PROMISSORY NOTE

FOR VALUE RECEIVED, Southport West LLC, a Washington limited liability company ("Maker"), and SECO Development, Inc., a Washington corporation ("Guarantor"), jointly and severally promise to pay to the order of First American Title Insurance Company ("Payee"), the principal sum of One Million Six Thousand Four Hundred Two and No/100 Dollars (\$1,006,402.00) interest-free. This Note shall be payable in lawful money of the United States, at such place as the Payee may designate.

This Note is made pursuant to that certain Agreement of Purchase and Sale dated as of November 27, 2018, between the Maker and Puget Sound Energy, Inc., a Washington corporation (as amended, the "Agreement"), the terms and conditions of which are incorporated herein by this reference. On the earlier to occur of the recording of the Temporary Construction Easement given by Puget Sound Energy, Inc. to Maker, or the termination of the Agreement for any reason, Maker will convert the earnest money promissory note to cash, and deposit such sum with Escrow Agent.

Maker shall have the right to prepay at any time in advance of maturity, without premium or penalty, all or any part of the principal amount of this Note.

If default is made in the payment of the principal hereunder within three business days after the date, Payee may enforce this note and seek collection from Maker of the sums due. If Payee brings a legal proceeding to enforce this note, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding from the non-prevailing party.

This Note is to be construed in all respects and enforced according to the laws of the State of Washington.

[signatures appear on following page]

MAKER:

SOUTHPORT WEST LLC, a Washington
limited liability company

By: SECO Development, Inc., its manager

By: _____

Its: _____

Date: _____

**The undersigned Guarantor is signing this Note for the
sole purpose of guaranteeing the Maker's payment
obligation**

SECO DEVELOPMENT, INC., a Washington
corporation

By: _____

Its: _____

Date: _____

EXHIBIT H

See attached.

CITY OF RENTON
SHUFFELTON LOT LINE ADJUSTMENT
CITY OF RENTON FILE NO. LND _____

NW 1/4 AND NE 1/4 OF THE NW 1/4 SECTION 8, TWP. 23N, RG 5E, W.M.
CITY OF RENTON, KING COUNTY, WASHINGTON

ORIGINAL LEGAL DESCRIPTIONS

PER FIRST AMERICAN TITLE INSURANCE COMPANY, FILE NO. NCS-850561-WA1, DATED MAY 11, 2017 AT 7:30 A.M.

PARCEL A:

LOTS A AND C OF CITY OF RENTON LOT LINE ADJUSTMENT NUMBER LUA 98-176, RECORDED UNDER RECORDING NO. 9902019014, RECORDS OF KING COUNTY, WASHINGTON.

PARCEL B:

A NON-EXCLUSIVE EASEMENT FOR USE OF AN ACCESS AND MAINTENANCE ROAD OVER, ALONG, ACROSS AND THROUGH THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF GOVERNMENT LOTS 1 AND 2 IN SECTION 8, TOWNSHIP 23 NORTH, RANGE 5 EAST, W.M., KING COUNTY, WASHINGTON, AND ALL THOSE PORTIONS OF LAKE WASHINGTON SHORE LANDS FRONTING THEREON, ALL MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF GOVERNMENT LOT 1, SECTION 8, TOWNSHIP 23 NORTH, RANGE 5 EAST, W.M., SAID POINT BEING THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 8; THENCE WESTERLY ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 1 AND SUCH LINE PRODUCED WESTERLY 959.35 FEET, TO THE WESTERLY MARGIN OF BURLINGTON NORTHERN RAILROAD COMPANY'S RIGHT OF WAY (FORMERLY NORTHERN PACIFIC RAILWAY COMPANY'S LAKE WASHINGTON LINE) AND THE TRUE POINT OF BEGINNING; THENCE SOUTHERLY ON A CURVE TO THE RIGHT, ON SAID WESTERLY MARGIN OF BURLINGTON NORTHERN RAILROAD COMPANY'S RIGHT OF WAY, THE RADIUS POINT OF WHICH BEARS NORTH 74°38'01" WEST, SAID CURVE HAVING A RADIUS OF 1388.68 FEET, THROUGH AN INCLUDED ANGLE OF 47°42'6" FOR AN ARC LENGTH OF 102.76 FEET (102.76 FEET CHORD DEF.);

THENCE SOUTH 75°44'38" WEST 240.72 FEET;
THENCE SOUTH 46°51'03" EAST 232.84 FEET;
THENCE SOUTH 88°48'44" EAST 94.33 FEET TO THE TRUE POINT OF BEGINNING;

(BEING A PORTION OF PARCEL B OF CITY OF RENTON LOT LINE ADJUSTMENT NO. LND 98-176, RECORDED UNDER KING COUNTY RECORDING NO. 9902019014.)

SURVEYOR'S NOTES: PARCEL B LEGAL DESCRIPTION AS SHOWN ABOVE IS CITED AS PROVIDED IN TITLE REPORT AND APPEARS TO CONTAIN AN ERRONEOUS BEARING AND DISTANCE AS FOLLOWS:

"THENCE SOUTH 46°51'03" EAST 232.84 FEET"
SHOULD BE STATED AS
"THENCE NORTH 46°51'03" EAST 232.84 FEET".

ADJUSTED LEGAL DESCRIPTIONS

NEW LOT 1

LOT 'A' CITY OF RENTON LOT LINE REVISION LUA-98-176-LLA AS FILED UNDER RECORDING NUMBER 9902019014, RECORDS OF KING COUNTY, WASHINGTON.

TOGETHER WITH:

LOT 'C' CITY OF RENTON LOT LINE REVISION LUA-98-176-LLA AS FILED UNDER RECORDING NUMBER 9902019014, RECORDS OF KING COUNTY, WASHINGTON.

EXCEPT THEREFROM ANY PORTION LYING WITHIN THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTHERLY MOST CORNER OF SAID LOT; THENCE SOUTH 43°47'07" EAST ALONG THE NORTHEASTERLY LINE OF SAID LOT AND ITS SOUTHEASTERLY EXTENSION A DISTANCE OF 278.00 FEET; THENCE SOUTH 46°43'23" WEST ALONG THE NORTHWESTERLY LINE OF SAID LOT A DISTANCE OF 374.00 FEET; THENCE NORTH 43°47'07" WEST A DISTANCE OF 374.00 FEET TO THE NORTHWESTERLY LINE OF SAID LOT; THENCE NORTH 46°43'23" EAST ALONG SAID NORTHWESTERLY LINE A DISTANCE OF 374.00 FEET TO SAID NORTHERLY MOST CORNER AND THE POINT OF BEGINNING.

NEW LOT 2

THAT PORTION OF LOT 'A', CITY OF RENTON LOT LINE REVISION LUA-98-176-LLA AS FILED UNDER RECORDING NUMBER 9902019014, RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY MOST CORNER OF SAID LOT; THENCE SOUTH 43°47'07" EAST ALONG THE NORTHEASTERLY LINE OF SAID LOT AND ITS SOUTHEASTERLY EXTENSION A DISTANCE OF 278.00 FEET; THENCE SOUTH 46°43'23" WEST ALONG THE NORTHWESTERLY LINE OF SAID LOT A DISTANCE OF 374.00 FEET; THENCE NORTH 43°47'07" WEST A DISTANCE OF 374.00 FEET TO THE NORTHWESTERLY LINE OF SAID LOT; THENCE NORTH 46°43'23" EAST ALONG SAID NORTHWESTERLY LINE A DISTANCE OF 374.00 FEET TO SAID NORTHERLY MOST CORNER AND THE POINT OF BEGINNING.

CITY OF RENTON LAND RECORD NO. LUA _____

RESTRICTIONS

PER FIRST AMERICAN TITLE INSURANCE COMPANY, FILE NO. NCS-850561-WA1, DATED MAY 11, 2017 AT 7:30 A.M. FOLLOWING ARE THE EXCEPTIONS LISTED IN SCHEDULE 'B', SPECIAL EXCEPTIONS, THAT PERTAIN TO MATTERS DISCLOSED BY THIS SURVEY:

- 1. (PARAGRAPH 8) TERMS AND CONDITIONS, IF ANY, UNDER COURT COMMISSIONERS PLAT CREATED IN CAUSE NO. 156371 BY SUPERIOR COURT SEPTEMBER 10, 1924 AND AFFIRMED BY SUPREME COURT ON NOVEMBER 24, 1924.
2. (PARAGRAPH 9) SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS AND/OR EASEMENTS:
3. (PARAGRAPH 10) SUBJECT TO AN EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
4. (PARAGRAPH 11) SUBJECT TO A DOCUMENT ENTITLED "SPUR TRACT AGREEMENT", EXECUTED BY AND BETWEEN PUGET SOUND POWER & LIGHT COMPANY AND PACIFIC COAST R.R. CO. RECORDED NOVEMBER 18, 1941, AS INSTRUMENT NO. 3204562 OF OFFICIAL RECORDS.
5. (PARAGRAPH 12) SUBJECT TO A DOCUMENT ENTITLED "RAILROAD TRACTS AGREEMENT", EXECUTED BY AND BETWEEN PUGET SOUND POWER LIGHT COMPANY AND NORTHERN PACIFIC RAILWAY COMPANY AND THE PACIFIC COAST R.R. CO. RECORDED DECEMBER 2, 1943, AS INSTRUMENT NO. 3352228 OF OFFICIAL RECORDS.
6. (PARAGRAPH 13) SUBJECT TO RELINQUISHMENT OF ALL EXISTING AND FUTURE RIGHTS TO LIGHT, VIEW AND AIR, TOGETHER WITH THE RIGHTS OF ACCESS TO AND FROM THE STATE HIGHWAY CONSTRUCTED ON LANDS CONVEYED BY DOCUMENT IN FAVOR OF THE STATE OF WASHINGTON:
7. (PARAGRAPH 14) SUBJECT TO EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
8. (PARAGRAPH 15) SUBJECT TO EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
9. (PARAGRAPH 16) SUBJECT TO EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
10. (PARAGRAPH 17) SUBJECT TO THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "CITY OF RENTON ORDINANCE NO. 2513" RECORDED JANUARY 9, 1970 AS 6607334 OF OFFICIAL RECORDS.
INSTRUMENT IS A VACATION ORDINANCE AND DOES NOT CONTAIN SUFFICIENT INFORMATION TO DETERMINE THE EXACT LOCATION.

RESTRICTIONS (CONT.)

- 11. (PARAGRAPH 18) SUBJECT TO EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
12. (PARAGRAPH 19) SUBJECT TO EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
13. (PARAGRAPH 20) SUBJECT TO EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
14. (PARAGRAPH 21) SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS AND/OR EASEMENTS:
15. (PARAGRAPH 22) SUBJECT TO RESTRICTIONS, CONDITIONS, DEDICATIONS, NOTES, EASEMENTS AND PROVISIONS, IF ANY, AS CONTAINED AND/OR DELINEATED ON THE FACE OF THE CITY OF RENTON LOT LINE ADJUSTMENT NO. LUA 98-176 RECORDED FEBRUARY 1, 1999 AS 9902019014, IN KING COUNTY, WASHINGTON.
16. (PARAGRAPH 23) SUBJECT TO EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
17. (PARAGRAPH 25) SUBJECT TO EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
18. (PARAGRAPH 26) SUBJECT TO THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "ACCESS, LANDSCAPE AND UTILITIES EASEMENT AGREEMENT" RECORDED FEBRUARY 7, 2013 AS 20130207001327 OF OFFICIAL RECORDS.

OWNERS DECLARATION

KNOW ALL MEN (PERSONS) BY THESE PRESENTS, THAT WE, THE UNDERSIGNED, OWNER(S) IN FEE SIMPLE OF THE LAND HEREIN DESCRIBED DO HEREBY MAKE A LOT LINE ADJUSTMENT THEREOF PURSUANT TO RCW 58.17.040 AND DECLARE THIS LOT LINE ADJUSTMENT TO BE THE GRAPHIC REPRESENTATION OF THE SAME AND THAT SAID ADJUSTMENT IS MADE WITH FREE CONSENT AND IN ACCORDANCE WITH THE DESIRE OF THE OWNER(S)

IN WITNESS WHEREOF WE HAVE SET OUR HANDS AND SEALS:

PUGET SOUND ENERGY:

BY: _____ DATE: _____

ITS: _____

STATE OF WASHINGTON }
COUNTY OF KING } SS.

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT _____ IS THE PERSON WHO APPEARED BEFORE ME, AND SAID PERSON ACKNOWLEDGED THAT (HE, SHE, THEY) SIGNED THE INSTRUMENT, ON OATH STATED THAT (HE, SHE, THEY) WERE AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGE IT AS THE _____ OF _____ A WASHINGTON LIMITED LIABILITY COMPANY, TO BE THE FREE AND VOLUNTARY ACT OF SUCH CORPORATION FOR THE USED AND PURPOSES MENTIONED IN THE INSTRUMENT.

(SIGNATURE) _____

(PRINTED) _____

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

RESIDING AT: _____

MY APPOINTMENT EXPIRES: _____

DATED: _____

KING COUNTY DEPT. OF ASSESSMENTS

EXAMINED AND APPROVED THIS _____ DAY OF _____ 20 _____

ASSESSOR _____ DEPUTY ASSESSOR _____

0823059178 AND 0823059191

ACCOUNT NOS.

CITY OF RENTON DEPT. OF COMMUNITY AND ECONOMIC DEVELOPMENT

EXAMINED AND APPROVED THIS _____ DAY OF _____ 20 _____

BY: _____

CITY OF RENTON PLANNING DIRECTOR

GENERAL NOTES

1. EXISTING ADDRESSES

OLD LOT A - 1095 LAKE WASHINGTON BLVD NORTH
OLD LOT C - 1031 LAKE WASHINGTON BLVD NORTH (PER LUA-98-176-LLA)

2. LAND AREAS

OLD LOT A GROSS 334,248 S.F. NET 334,248 S.F.
OLD LOT C GROSS 105,322 S.F. NET 97,650 S.F.
NEW LOT 1 GROSS 335,602 S.F. NET 290,189 S.F.
NEW LOT 2 GROSS 103,968 S.F. NET 103,968 S.F.

AREA WITHIN CRITICAL AREAS 2,090 S.F.
AREA WITHIN CRITICAL AREA BUFFERS 24,500 S.F.
AREA WITHIN PUBLIC STREETS N/A
AREA WITHIN PRIVATE EASEMENTS 45,414 S.F.

SURVEYOR'S CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE SURVEY RECORDING ACT AT THE REQUEST OF _____

ON _____

SIGNATURE _____ DATE _____

CERTIFICATE NO. 38017

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS _____ DAY OF _____ 20____ AT _____ M. IN BOOK _____ OF _____ SURVEYS AT PAGE _____ AT THE REQUEST OF DAVID EVANS AND ASSOCIATES, INC.

MANAGER/AUDITOR _____

SUPT. OF RECORDS/DEPUTY AUDITOR _____

RECORDING NO. _____

SHUFFELTON LOT LINE ADJUSTMENT
1095 LAKE WASHINGTON BLVD

CITY OF RENTON, KING COUNTY, WASHINGTON



DAVID EVANS AND ASSOCIATES INC.

14432 SE Eastgate Way, Suite 400
Bellevue Washington 98007
Phone: 425.519.6500

SHEET 1 OF 2

SCALE N/A

SURVEYED N/A

FIELD BOOK _____

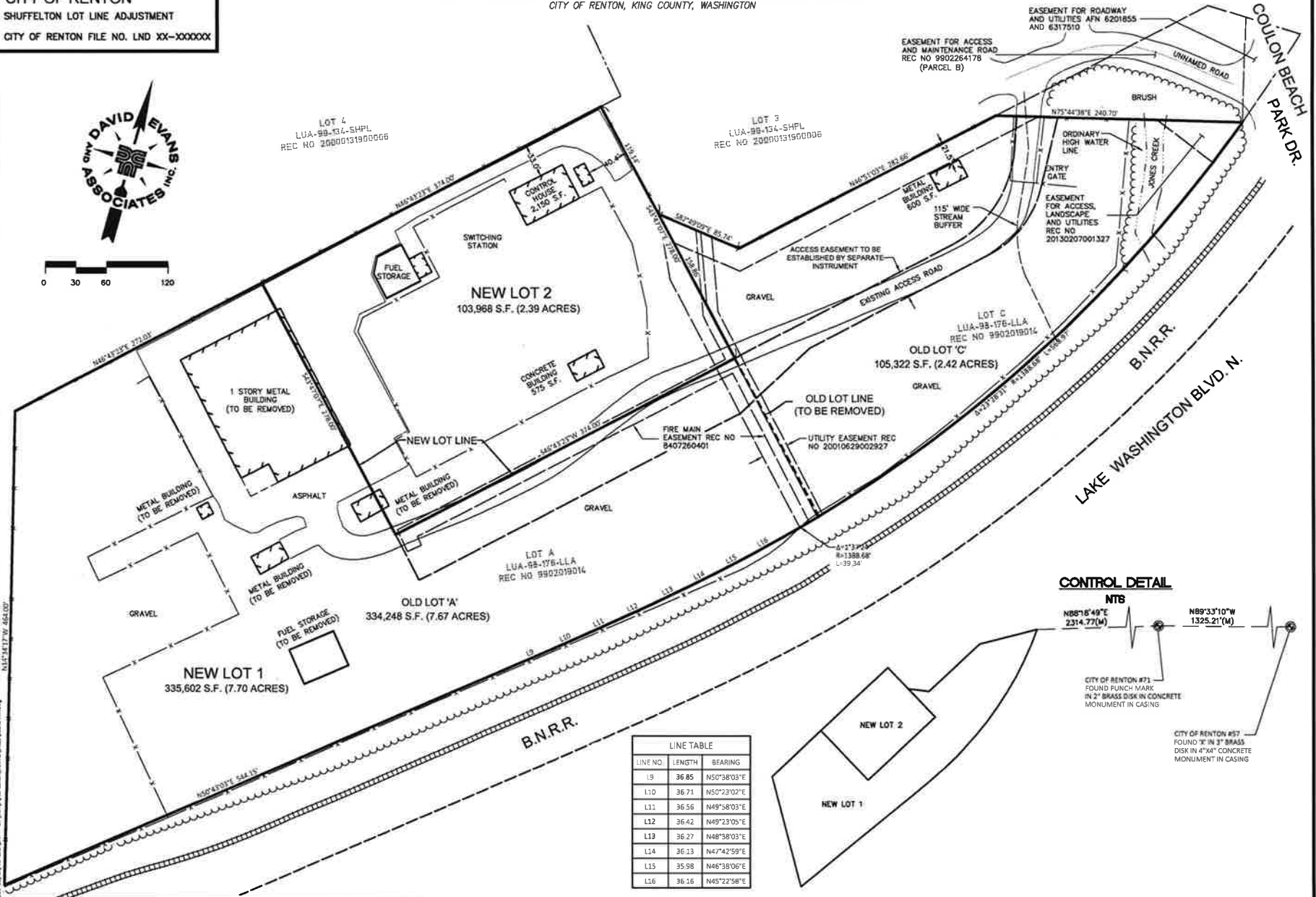
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CHECKED _____

FILE nrdLApssn0417.dwg

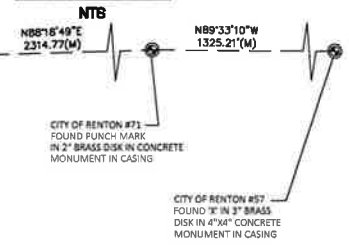
CITY OF RENTON
 SHUFFELTON LOT LINE ADJUSTMENT
 CITY OF RENTON FILE NO. LND XX-XXXXXX

NW 1/4 AND NE 1/4 OF THE NW 1/4 SECTION 8, TWP, 23N, RG 5E, W.M.
 CITY OF RENTON, KING COUNTY, WASHINGTON



LINE NO.	LENGTH	BEARING
L9	36.85	N50°38'03"E
L10	36.71	N50°23'02"E
L11	36.56	N49°58'03"E
L12	36.42	N49°23'05"E
L13	36.27	N48°38'03"E
L14	36.13	N47°42'59"E
L15	35.98	N46°38'06"E
L16	36.16	N45°22'58"E

CONTROL DETAIL



SHUFFELTON LOT LINE ADJUSTMENT
 1095 LAKE WASHINGTON BLVD

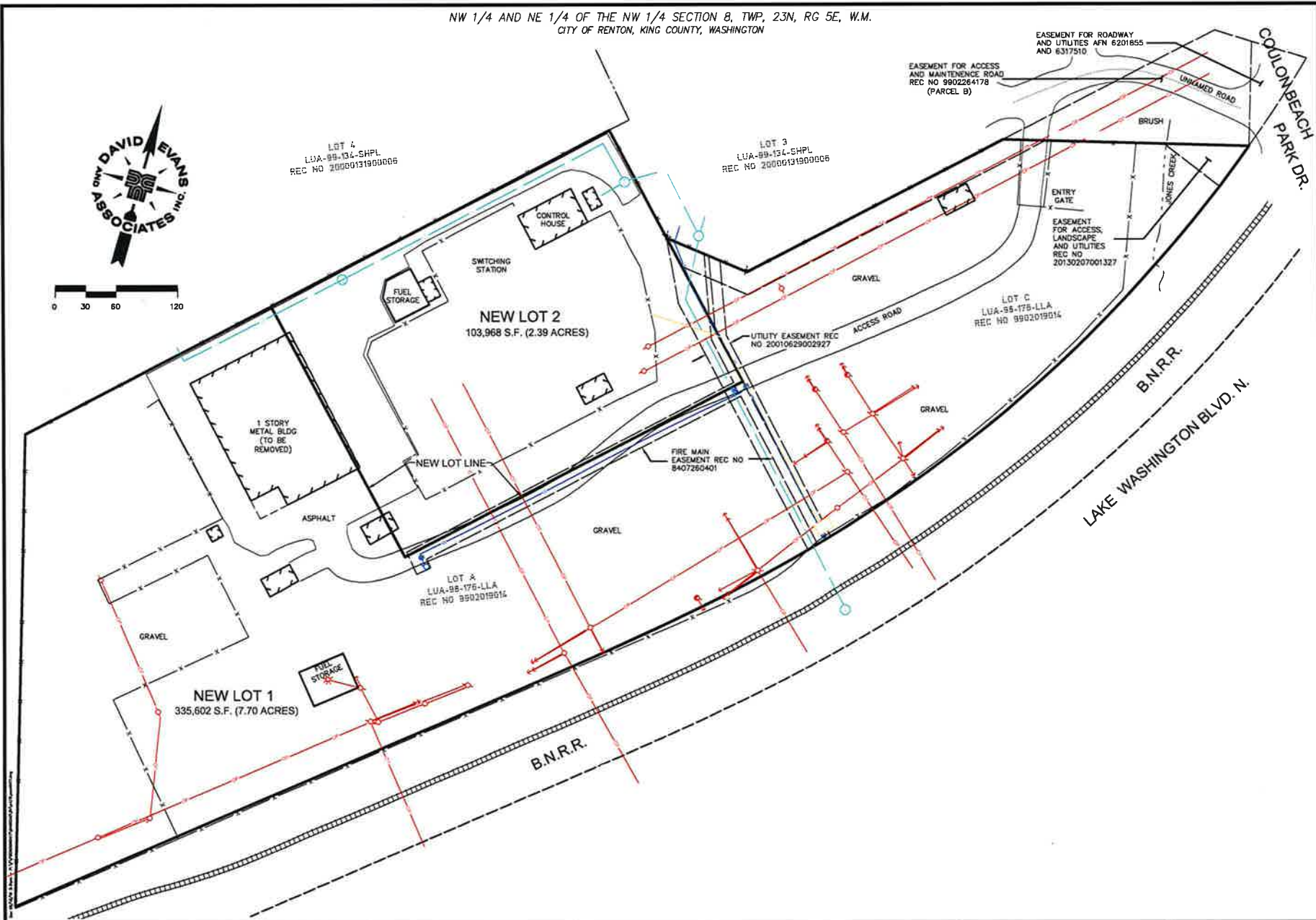
CITY OF RENTON, KING COUNTY, WASHINGTON



DAVID EVANS AND ASSOCIATES INC.
 14432 SE Eastgate Way, Suite 400
 Bellevue Washington 98007
 Phone: 425.519.6500

SHEET 2 OF 2
 SCALE 1"=60'
 SURVEYED N/A
 FIELD BOOK _____
 DRAWN DEV
 CHECKED _____
 FILE rvl.Lapen0417.dwg

NW 1/4 AND NE 1/4 OF THE NW 1/4 SECTION 8, TWP, 23N, RG 5E, W.M.
CITY OF RENTON, KING COUNTY, WASHINGTON



SHUFFELTON LOT LINE ADJUSTMENT
UTILITY PLOT



**DAVID EVANS
AND ASSOCIATES INC.**
14432 SE Eastgate Way, Suite 400
Bellevue Washington 98007
Phone: 425.519.6500

SHEET 1 OF 1
SCALE 1"=60'
SURVEYED N/A
FIELD BOOK _____
DRAWN DEV
CHECKED _____
FILE sxl/TL.pssm0417.dwg

PROJECT NARRATIVE

Puget Sound Energy (PSE) is submitting this Lot Line Adjustment application for the purpose of selling the property surrounding our substation located at 1095 Lake Washington Boulevard. As promised to the City a while ago, PSE's goal is to relocate our Shuffleton substation operations in a timely manner. To do so, we need a recorded lot line adjustment (LLA) in order to have a sellable lot. PSE is currently under contract with SECO Development for the property outside of the substation footprint.

The lot line adjustment, known as the Shuffleton Lot Line Adjustment, will make way for SECO Development to redevelop New Lot 1. PSE will retain New Lot 2 for our substation. This is a crucial substation serving as a switch for providing power to the City of Renton. This use will remain as is, with future improvements planned in the distant future. PSE will leaseback New Lot 1 for a brief time period as we relocate our Substation Operations group.

A stream study was conducted by SECO Development in 2016. This report has been included in the LLA packet. This study indicated there is a Type F stream located towards the Southeasterly corner of the property. The location of the stream and buffer has been identified on the LLA. Other than this stream there are no notable site features.

PSE appreciates your review of our application. Please feel free to let me know if you have any questions and/or concerns regarding our submittal. We are happy to provide what you need for a successful app.

Sincerely,

Zach Bergman

Consulting Real Estate Representative.

LANDSCAPE ANALYSIS

Puget Sound Energy's (PSE) property consists of 10.09 Acres between tax parcel numbers 082305-9178 and 082305-9191. The New Lot 1 will be 7.7 Acres and the New Lot 2 will be 2.39 Acres. The current building on the site is 15,000 SF. PSE does not plan on adding any new impervious space to the property. That said, the existing impervious space on the property covers nearly the entire property. This LLA and future developments will only add to the non-impervious space at the site. Currently there are two permanent structures, with a few temporary structures on the property. Percentage of lot coverage for structures is, including temporary is around 4% of the total property.

Thank you.

Zachary Bergman

David Evans and Associates Inc.
Prepared By: DEV
Date: 2/20/19

Parcel: New Lot 1

North: 185347.55' East: 1301591.10'

Segment #1 : Line

Course: N14°34'17"W Length: 464.00'
North: 185796.62' East: 1301474.37'

Segment #2 : Line

Course: N46°43'23"E Length: 272.03'
North: 185983.11' East: 1301672.42'

Segment #3 : Line

Course: S43°47'07"E Length: 278.00'
North: 185782.41' East: 1301864.78'

Segment #4 : Line

Course: N46°43'23"E Length: 374.00'
North: 186038.79' East: 1302137.07'

Segment #5 : Line

Course: N43°47'07"W Length: 158.86'
North: 186153.48' East: 1302027.15'

Segment #6 : Line

Course: S82°49'09"E Length: 85.74'
North: 186142.76' East: 1302112.22'

Segment #7 : Line

Course: N46°51'03"E Length: 282.66'
North: 186336.07' East: 1302318.44'

Segment #8 : Line

Course: N75°44'38"E Length: 240.70'
North: 186395.35' East: 1302551.73'

Segment #9 : Curve

Length: 568.97' Radius: 1388.68'
Delta: 023.2831 (dms) Tangent: 288.53'
Chord: 565.00' Course: S31°20'41"W
Course In: N70°23'35"W Course Out: S46°55'04"E
RP North: 186861.34' East: 1301243.57'
End North: 185912.81' East: 1302257.82'

Segment #10 : Curve

Length: 39.34' Radius: 1388.68'
Delta: 001.3724 (dms) Tangent: 19.67'
Chord: 39.34' Course: S43°53'38"W
Course In: N46°55'04"W Course Out: S45°17'40"E
RP North: 186861.34' East: 1301243.57'
End North: 185884.46' East: 1302230.54'

Segment #11 : Line

Course: S45°22'58"W Length: 36.16'
North: 185859.06' East: 1302204.80'

Segment #12 : Line
Course: S46°38'06"W Length: 35.98'
North: 185834.35' East: 1302178.65'

Segment #13 : Line
Course: S47°42'59"W Length: 36.13'
North: 185810.04' East: 1302151.92'

Segment #14 : Line
Course: S48°38'03"W Length: 36.27'
North: 185786.08' East: 1302124.70'

Segment #15 : Line
Course: S49°23'05"W Length: 36.42'
North: 185762.37' East: 1302097.05'

Segment #16 : Line
Course: S49°58'03"W Length: 36.56'
North: 185738.85' East: 1302069.06'

Segment #17 : Line
Course: S50°23'02"W Length: 36.71'
North: 185715.44' East: 1302040.78'

Segment #18 : Line
Course: S50°38'03"W Length: 36.85'
North: 185692.07' East: 1302012.29'

Segment #19 : Line
Course: S50°43'03"W Length: 544.15'
North: 185347.54' East: 1301591.10'

Perimeter: 3599.54' Area: 335602 Sq. Ft.

Error Closure: 0.01 Course: S57°47'00"W

Error North: -0.003 East: -0.005

Precision 1: 359953.00

David Evans and Associates Inc.
Prepared By: DEV
Date: 2/20/19

Parcel: New Lot 2

North: 185782.41' East: 1301864.78'

Segment #1 : Line

Course: N43°47'07"W Length: 278.00'

North: 185983.11' East: 1301672.42'

Segment #2 : Line

Course: N46°43'23"E Length: 374.00'

North: 186239.49' East: 1301944.71'

Segment #3 : Line

Course: S43°47'07"E Length: 119.14'

North: 186153.48' East: 1302027.15'

Segment #4 : Line

Course: S43°47'07"E Length: 158.86'

North: 186038.79' East: 1302137.07'

Segment #5 : Line

Course: S46°43'23"W Length: 374.00'

North: 185782.41' East: 1301864.78'

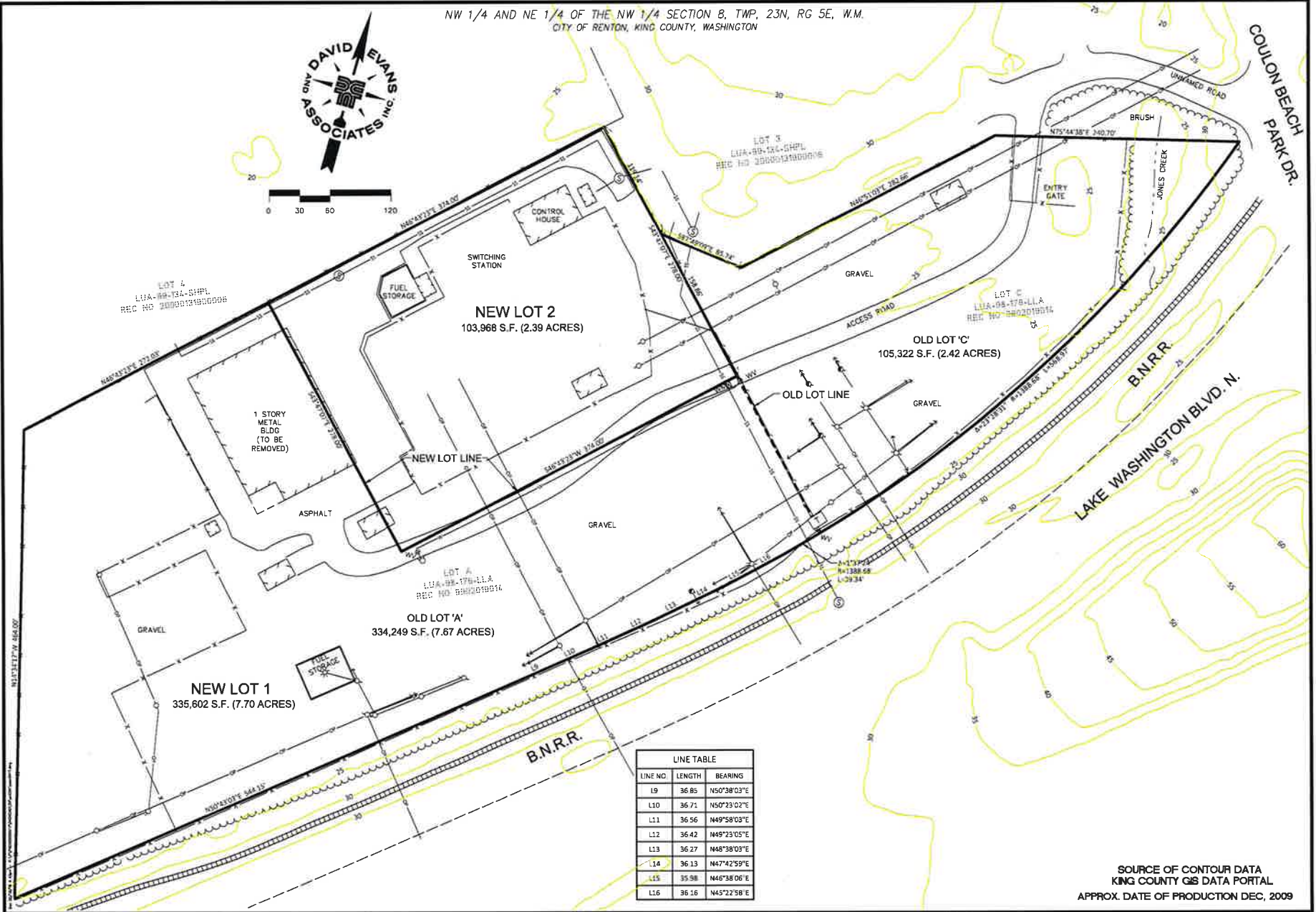
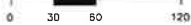
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Error North: 0.000 East: 0.000

Precision 1: 1304000000.00

NW 1/4 AND NE 1/4 OF THE NW 1/4 SECTION 8, TWP, 23N, RG SE, W.M.
CITY OF RENTON, KING COUNTY, WASHINGTON



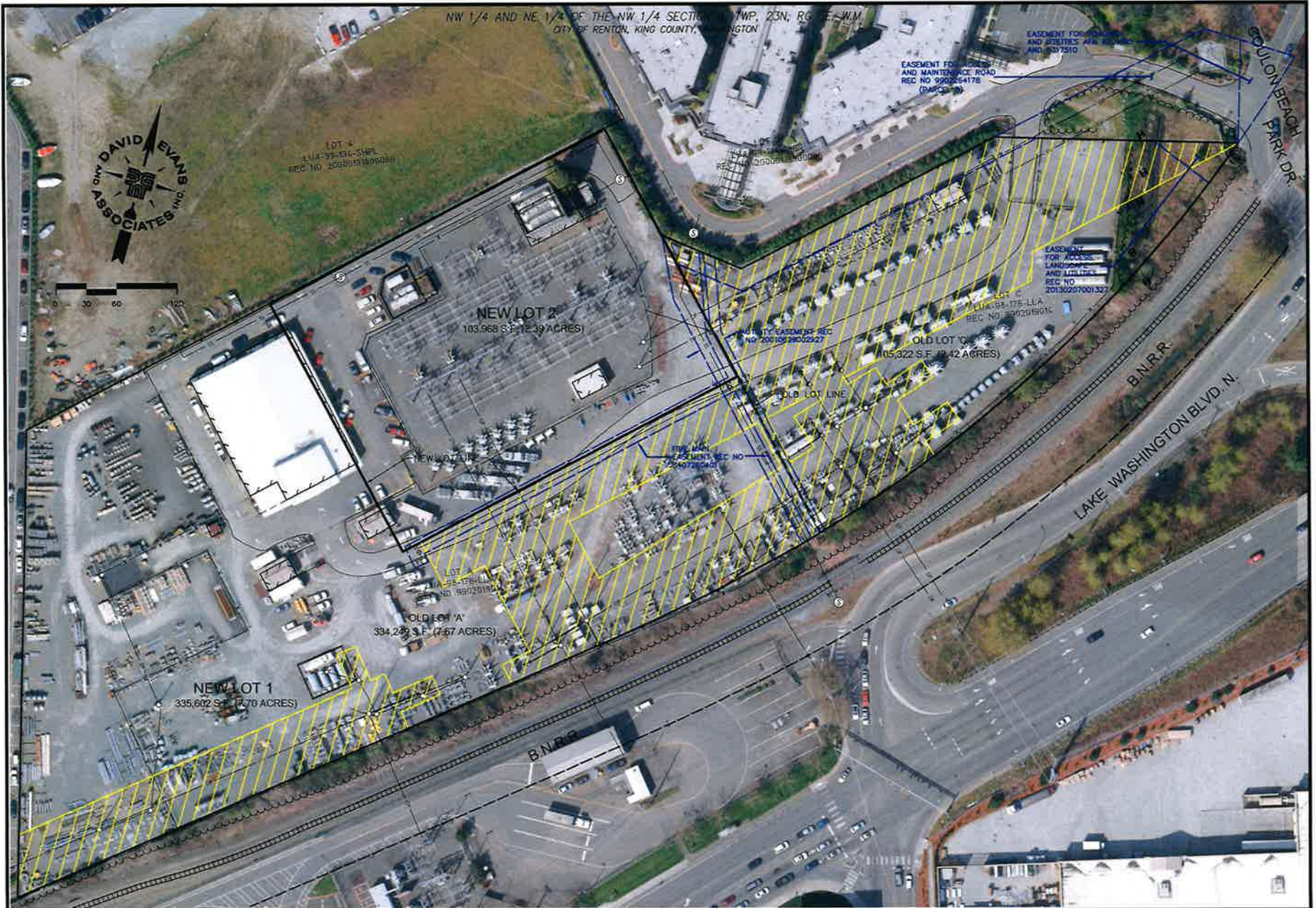
LINE NO.	LENGTH	BEARING
L9	36.85	N50°38'03"E
L10	36.71	N50°23'02"E
L11	36.56	N49°58'03"E
L12	36.42	N49°23'05"E
L13	36.27	N48°38'03"E
L14	36.13	N47°42'59"E
L15	35.98	N46°38'06"E
L16	36.16	N45°22'58"E

SOURCE OF CONTOUR DATA
KING COUNTY GIS DATA PORTAL
APPROX. DATE OF PRODUCTION DEC, 2009


SHUFFELTON LOT LINE ADJUSTMENT
SITE CONTOURS

DAVID EVANS AND ASSOCIATES INC.
14432 SE Eastgate Way, Suite 400
Bellevue Washington 98007
Phone: 425.519.6500

SHEET 1 OF 1
SCALE 1"=60'
SURVEYED N/A
FIELD BOOK
DRAWN DEV
CHECKED
FILE s:\L\Apson\0417.dwg



--- EXISTING EASEMENTS

 EASEMENT AREAS TO BE RESERVED FOR ACCESS AND ELECTRIC SYSTEMS

EASEMENT EXHIBIT MAP
1095 LAKE WASHINGTON BLVD

CITY OF RENTON, KING COUNTY, WASHINGTON


DAVID EVANS AND ASSOCIATES INC.
14432 SE Eastgate Way, Suite 400
Bellevue Washington 98007
Phone: 425.519.6500

SHEET 1 OF 1
SCALE 1"=60'
SURVEYED N/A
FIELD BOOK _____
DRAWN DEV.
CHECKED _____
FILE s:\ESM\Tpsen\0417.dwg

From: Clark Close
Sent: Thursday, May 30, 2019 8:57 AM
To: 'Bergman, Zach' <Zach.Bergman@pse.com>
Subject: RE: Shuffleton LLA - PSE

Zach,

Here are my pre-screen comments for the Shuffleton LLA:

1. Update the project narrative with language and timing of why some of the proposed lot lines are going through some of the existing buildings. Include the timing of these buildings proposed for removal. (*Consider relocating the proposed west property line through the buildings by shifting the lot line to the east so as to provide zero foot building setbacks.*)
2. Complete the attached Land Use Permit Master Application Form.
3. Realign some of the wayward lines used for the year under the King County Dept. of Assessments and City of Renton Dept. of Community and Economic Development on page 1 of the "2019-05-01 Shuffleton LLA-for submittal."
4. Updated the file names using the attached Electronic File Standard.

Thanks,

Clark H. Close
Senior Planner
City of Renton
425-430-7289