

DATED: March 15, 2010

BETWEEN: 75TH STREET CENTER, LLC,
a Washington limited liability company, LANDLORD

AND: NORTHWEST EDUCATIONAL SERVICE DISTRICT,
a Washington Municipal Corporation, TENANT

For good and valuable consideration set forth herein, Tenant hereby leases from Landlord the following described property (hereinafter referred to as the "Premises") in accordance with the terms of this agreement (the "Lease"):

PREMISES: Approximately 23,906 rentable square feet of space located at 1515 – 75th Street SW, Everett, Washington 98203, and as further described on the attached Exhibit A, Legal Description, which exhibit is fully incorporated in this Lease by reference. The Premises are designated as Suite 500 and are shown on the attached Exhibit B, Suite Plan.

If the Premises consist of a portion but not all of a building, the building housing the Premises is hereinafter referred to as "the Building".

The Premises are leased to Tenant on an "as is" basis, except for the improvements to be made by Landlord as set forth in Section 22(a) herein. The space plan of Suite 500 is shown on the attached Exhibit C, Space Plan.

LEASE TERM: Thirty-six (36) months, commencing on September 1, 2010. Early occupancy shall be allowed up to thirty days (30) prior to base rent commencement so long as Tenant pays triple net expenses and utilities during the early occupancy period.

LEASE RENEWAL: Prior to the conclusion of the initial thirty-six (36) month term of this Lease, except for early termination as delineated in section below titled *Lease Termination*, the Tenant and Landlord may renegotiate for any additional term or extension of this Lease. No extension or renewal will take place unless both parties are in agreement on all terms and conditions, including rent.

LEASE TERMINATION: Tenant and Landlord shall each have the right to terminate the Lease on August 31, 2011 and on August 31, 2012. Written notice of termination must be received by Tenant by March 1st of the year of termination. Tenant will notify the Landlord or designated property manager on or before April 15th of the year of termination. For the lease year commencing 2010, Tenant reserves the right to terminate this lease agreement by delivering written notice of termination to the Landlord or designated property manager prior to April 15, 2010.

EARLY TERMINATION: In addition to the lease termination provisions provided above, Tenant may terminate the Lease without penalty or obligation to pay rent past the effective date of the termination as provided below:

- a. In the event funding to Tenant from its member school districts is discontinued for the next school year, Tenant may terminate this Lease at end of the current school year - effective June 30 - provided that Tenant provide written notice of termination to Landlord on or before April 15 of the current school year, or
- b. In the event funding for Tenant's programs at the Premises is discontinued through actual passage of legislation then Tenant may terminate effective 30 days after delivery of written notice of termination from Tenant to Landlord;

RENT: Tenant shall pay \$6,200 per month for base rent, plus "triple net" expenses ("NNN") as set forth in Sections 3 and 4 of this Lease.

Base rent for the first month of the Lease term shall be due and payable upon execution of this Lease. All rent, including base rent, together with the charges, taxes and expenses to be paid to Landlord specified in Sections 3 and 4 of this Lease, are payable in advance on the first day of each calendar month.

The parties to this Lease hereby agree to the following additional terms:

1. Use of the Premises.

- (a) Tenant shall use the Premises only for the purpose of conducting the following business:

Classroom and office use, including all associated activities required to operate an education program for school age children and youth.

- (b) In connection with its use, Tenant shall at its expense comply with all applicable laws, ordinances, and regulations of any public authority, including those requiring alteration of the Premises because of Tenant's specific use; shall create no nuisance nor allow any objectionable liquid, odor, or noise to be emitted from the Premises; shall store no gasoline or other highly combustible materials on the Premises which would violate any applicable fire code or regulation nor conduct any operation that will increase Landlord's fire insurance rates for the Premises; and shall not overload the floors or electrical circuits of the Premises. Landlord shall have the right to approve the installation of any power-driven machinery by Tenant and may select a qualified electrician whose opinion will control regarding electrical circuits and a qualified engineer or architect whose opinion will control regarding floor loads. Allowable ground floor load shall be 250 pounds per square foot.

(c) Tenant may install on the Building over the entry to the Premises a sign stating Tenant's name, business, and product after first securing Landlord's written approval of the size, color, design, wording, and location, and all necessary governmental approvals. No signs shall be painted on the Building or exceed the height of the Building. All signs installed by Tenant shall be removed upon termination of this Lease with the sign location restored to its former state. Signage will include those necessary to meet health and safety code requirements associated with the operation of a school program; such as but not limited to emergency exits, office entry, restricted activities on the Premises in accordance with State and Federal mandates.

(d) Tenant shall make no alterations, additions, or improvements to the exterior of the Premises or change the color of the exterior without Landlord's prior written consent and without a valid building permit issued by the appropriate governmental agency. Tenant shall make no alterations, additions, or improvements to the interior of the Premises with a cost in excess of \$10,000 without Landlord's prior written consent; which shall not be unreasonably withheld. No alterations, additions, and/or improvements shall be made without a valid building permit issued by the appropriate governmental agency, if required. All alterations, specifically including those with a value of less than \$10,000 that have not received Landlord's prior written approval, shall be done in a manner consistent with the existing improvement. Doors, door hardware, ceilings systems, lighting, and other components will be of a type and style consistent with the existing improvement. All approvals for approved alterations, additions, or improvements to the interior shall provide specification in writing from Landlord as to the requirement for removing or restoring to previous condition upon vacancy of the premises, regardless of projected cost of said alterations, additions, or improvements.

(e) Tenant shall at its expense, acquire a "Conditional Use Permit", as required by applicable laws, ordinances, and regulations of any public authority. It is understood by both parties that the Tenant's obligations under this lease are contingent upon Tenant's receipt of all permits necessary for Tenant to conduct its proposed use of the Premises, including but not limited to receipt of a Conditional Use Permit. In the event Tenant is not granted all necessary permits to conduct its proposed use of the Premises then this Lease shall be void, without penalty or further obligation to Landlord or Tenant.

Upon termination of this Lease, any such alterations, additions, or improvements (including without limitation all electrical, lighting, plumbing, heating and air-conditioning equipment, doors, windows, partitions, window coverings, carpeting, shelving, counters, and physically attached fixtures) shall at once become part of the realty and belong to Landlord unless the terms of the applicable consent provide otherwise. If the terms of Landlord consent require removal, Tenant shall at its sole cost and expense promptly remove the specified additions, alterations, or improvements and repair and restore the Premises to its original condition.

2. Security Deposit.

Tenant has deposited with Landlord concurrent with Lease execution the sum equal to one (1) month's rent, hereinafter referred to as "the Security Deposit", to secure the faithful performance by Tenant of each term, covenant, and condition of this Lease. If Tenant shall at any time fail to make any payment or fail to keep or perform any term, covenant, and condition on its part to be made or performed or kept under this Lease, Landlord may, but shall not be obligated to and without waiving or releasing Tenant from any obligation under this Lease, use, apply or retain the whole or any part of the Security Deposit (i) to the extent of any sum due to Landlord; or (ii) to make any required payment on Tenant's behalf; or (iii) to compensate Landlord for any loss, damage, reasonable attorneys' fees, or expense sustained by Landlord due to Tenant's default. In such event, Tenant shall, within 15 days of written demand by Landlord, remit to Landlord sufficient funds to restore the Security Deposit to its original sum. Tenant's failure to do so shall be a material breach of this Lease. Landlord shall be required to keep the Security Deposit in a trust account, separate from its general funds, and Tenant shall not be entitled to interest on such deposit. Should Tenant comply with all of the terms, covenants, and conditions of this Lease and at the end of the term of this Lease leave the Premises in the condition required by this Lease, then the Security Deposit, less any sums owing to Landlord, shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interests hereunder) within 30 days after the termination of this Lease and vacancy of the Premises by Tenant.

3. Utility Charges; Maintenance.

(a) Tenant shall pay when due all charges for electricity, natural gas, water, garbage collection, janitorial service, sewer, and all other utilities of any kind furnished to the Premises during the Lease term. If charges are not separately metered or stated, Landlord shall apportion the utility charges on an equitable basis. Landlord shall have no liability resulting from any interruption of utility services caused by fire or other casualty, strike, riot, vandalism, the making of necessary repairs or improvements, or any other cause beyond Landlord's reasonable control. Tenant shall maintain temperature in the Premises between 45 and 75 degrees Fahrenheit. Furthermore, it is mutually understood and agreed that Tenant is not responsible for temperature regulation in areas which are not accessible to or otherwise within the control of Tenant, such as but not limited to attic or utility access above occupied Premises.

(b) If the Premises have a separate entrance, Tenant shall keep the sidewalks abutting the Premises or the separate entrance free and clear of snow, ice, debris, and obstructions of every kind.

(c) Landlord shall repair and maintain the roof, gutters, downspouts, exterior walls, building structure, foundation, exterior paved areas, exterior lighting, and curbs of the Premises in good condition. Except for such obligations of Landlord, Tenant shall keep the Premises neatly maintained and in good order and repair latent defects in the Premises, except for damage caused by casualty or condemnation and damage caused by Landlord's negligence or breach of this

Lease or by any other tenant. Tenant's responsibility shall include maintenance and repair of the electrical system, plumbing, drainpipes to sewers, air-conditioning and heating system to the extent the same are within the Premises, overhead and personnel doors, and the replacement of all broken or cracked glass with glass of the same quality. Such responsibility for maintenance and repair is limited to areas which Tenant occupies, thus excluding non accessible areas in walls, ceilings or other areas in which utilities are located but which have limited access within the Premises. Tenant shall refrain from any discharge that will damage the septic tank or sewers serving the Premises. Tenant shall notify Landlord if any of the Building systems or equipment need service or repair so that Landlord may use its approved vendor to make repairs, thereby utilizing warranties, if any.

4. Taxes, Assessments, and Operating Expenses.

(a) In conjunction with monthly rent payments, Tenant shall each month pay a sum representing Tenant's proportionate share of real property taxes and operating expenses for the Premises. Landlord shall annually estimate such amount in good faith to reflect actual or anticipated costs. Upon termination of this Lease and at periodic intervals (not less often than annually) during the term hereof, Landlord shall compute its actual costs for such expenses during such period. Any overpayment by Tenant shall be credited to Tenant, and Tenant shall pay any deficiency within 15 days after receipt of Landlord's statement. Tenant may inspect Landlord's records of expenses for taxes and operating expenses at reasonable times and intervals.

(b) Tenant's proportionate share of real property taxes shall mean that percentage of the total assessment affecting the Premises which is the same as the percentage which the rentable area of the Premises bears to the total rentable area of all buildings covered by the tax statement. If in Landlord's or Tenant's reasonable judgment this method of allocation results in an inappropriate allocation to Tenant, Landlord and Tenant shall select some other reasonable method of determining Tenant's proportionate share.

(c) Real property taxes charged to Tenant hereunder shall include all general real property taxes assessed against the Premises or payable during the Lease term, installment payments on bonded special assessments and any rent tax, tax on Landlord' interest under this Lease, or any tax in lieu of the foregoing, whether or not any such tax is now in effect. Tenant shall not, however, be obligated to pay any tax based upon Landlord's net income.

(d) In the event that Tenant's use of the Premises qualifies Landlord for a real property tax exemption, such exemption shall be passed on to Tenant, thereby negating liability for real property taxes otherwise applied to the occupied Premises or proportionate share applied to Common Areas.

(e) Operating expenses charged to Tenant hereunder shall include all usual and necessary costs of operating and maintaining the Premises, Building (including exterior painting), and any

surrounding common areas including, but not limited to, the cost of all utilities or services not paid directly by Tenant, property insurance, property management, maintenance and repair of landscaping, exterior lighting, parking areas (lot sweep and striping), and any other common facilities, and repair and maintenance of HVAC, electrical, plumbing, and other Building systems in the Premises; provided however, that major maintenance items such as painting the exterior of the Building and restriping the parking lot shall be done when necessary and payments therefore by Tenant shall be amortized over the useful life of such improvements. Operating expenses shall not include capital expenses such as roof replacement or correction of structural deficiencies of the Building; the repair and restoration of any damage caused by casualty or condemnation or by Landlord or any other tenant; and other expenses which are not commonly included in operating expenses in a triple net Lease.

5. Parking and Storage Areas.

(a) Tenant, its employees, and customers shall have the right to use the parking spaces for the Building on a first come, first serve basis. Tenant shall control the use of such parking spaces so that there will be no unreasonable interference with the normal traffic flow, and shall permit no parking on any landscaped or unpaved surface. Under no circumstances shall trucks serving the Premises be permitted to block streets. Landlord shall have the right to impose parking rules and regulations if necessary.

(b) Tenant shall not store any materials, supplies, or equipment outside in any unapproved or unscreened area. Landlord shall have the right to approve the design and location of any screened areas. Trash and garbage receptacles shall be kept covered at all times and garbage enclosures shall be kept closed.

6. Tenant's Indemnification and Liability Insurance; Landlord's Indemnification.

6.1 Tenant Indemnity. The Tenant shall indemnify and hold the Landlord, its officers, officials, employees and volunteers harmless from any and all third party claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of the Tenant's activities on the Premises, the Building or common areas or from any activity, work or thing done, permitted or suffered by Tenant, its agents, employees, contractors or invitees in or about the Premises, the Building or common areas except:

(a) claims and liabilities to the extent caused by any negligence on the part of Landlord, its agents, employees, contractors or invitees, or

(b) claims and liabilities for property damage addressed in Paragraph 7.

Such indemnity shall include all reasonable costs, attorneys' fees and expenses incurred in the defense of any such claim or any action or proceeding brought thereon. The foregoing indemnity

is conditioned upon Landlord providing notice to Tenant within 60 days after Landlord receives notice of any claim or occurrence that is likely to give rise to a claim that will fall within the scope of the foregoing indemnity, providing Tenant an opportunity to defend or settle such claim, and cooperating fully with Tenant in any defense or settlement of the claim or liability.

6.2 Tenant's Insurance. Tenant, at Tenant's own cost and expense, will provide and keep in full force and effect during the Lease Term, Commercial General, and Errors & Omissions Liability coverage written on an occurrence basis with limits no less than \$1,000,000 combined single limit per occurrence for personal injury, bodily injury and property damage. The tenant will annually provide an "Evidence of Coverage" statement from the statutorily authorized and self funded public entity insurance pool of which it is a member. The Landlord reserves the right to receive a certified copy of all required insurance policies. The tenant shall provide notice to the Landlord fifteen (15) days prior to the cancellation of coverage.

6.3 Landlord Indemnification. Landlord shall indemnify and hold the Tenant, its officers, officials, employees and volunteers harmless from any and all third party claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of the Landlord's negligence and in connection with the Landlord's or its agents', employees', contractors' or invitees' activities on the Premises, the Building or common areas except:

- (a) claims and liabilities to the extent caused by any negligence on the part of Tenant, its agents, employees, contractors or invitees, or
- (b) claims and liabilities for property damages in Paragraph 7.

Such indemnity shall include all reasonable costs, attorneys' fees and expenses incurred in the defense of any such claim or any action or proceeding brought thereon.

The foregoing indemnity is conditioned upon Tenant providing notice to Landlord within 60 days after Tenant receives notice of any claim or occurrence that is likely to give rise to a claim that will fall within the scope of the foregoing indemnity, providing Landlord an opportunity to defend or settle such claim, and cooperating fully with Landlord in any defense or settlement of the claim or liability.

7. Property Damage; Subrogation Waiver.

(a) If fire or other casualty causes damage to the Building or the Premises in an amount exceeding 30 percent of the full construction-replacement cost of the Building or Premises, respectively, Landlord may elect to terminate this Lease as of the date of the damage by notice in writing to Tenant within 30 days after such date. Otherwise, Landlord shall promptly repair the damage and restore the Premises to their former condition as soon as practicable. Rent shall be reduced during the period to the extent the Premises are not reasonably usable for the use permitted by this Lease because of such damage and required repairs.

(b) Landlord shall be responsible for insuring the Building, and Tenant shall be responsible for insuring its personal property and trade fixtures located on the Premises and any loss of business income it might incur.

(c) Mutual Waiver of Claims. Landlord and Tenant each hereby release the other from, and waive, their entire claim of recovery for loss of or damage to property arising out of or incident to fire, lightning or any other perils normally included in an "all risk" property insurance policy when such property constitutes the Premises or the Building or the common areas or is in, on or about the Premises, Building or the common areas, whether or not such loss or damage is due to the negligence of Landlord or Tenant or their respective agents, employees, guests, licensees, invitees or contractors.

(d) Mutual Waiver of Subrogation. Each of Landlord and Tenant shall cause its insurance carriers to waive all rights of subrogation against the other party hereto to the extent of Landlord's or Tenant's undertakings with respect to property damage set forth in Paragraphs 6.1 and/or 7(c).

(e) Premises Insurance. Notwithstanding Paragraph 7(c), Landlord shall, at Landlord's expense, procure and maintain at all times during the Lease Term a policy or policies of property insurance covering loss or damage to the Building in the amount of the full replacement value thereof (exclusive of Tenant's alterations, trade fixtures and equipment) providing protection against all perils normally included in an "all risk" property insurance policy, including flood, but excepting peril of earthquake, and a policy or policies of commercial general liability insurance with limits of not less than \$2,000,000 covering bodily injury to any person, including death, and loss of or damage to real and personal property. Such property insurance shall provide for payment of loss thereunder to Landlord or any mortgagee and/or financial institutions as their respective interests may appear.

8. Condemnation.

If a condemning authority takes the entire Premises or a portion sufficient to render the remainder unsuitable for Tenant's use, then either party may elect to terminate this Lease effective on the date that title passes to the condemning authority. Otherwise, Landlord shall proceed as soon as practicable to restore the remaining Premises to a condition comparable to that existing at the time of the taking. Rent shall be abated during the period of restoration to the extent the Premises are not reasonably usable by Tenant, and rent shall be reduced for the remainder of the term in an amount equal to the reduction in rental value of the Premises caused by the taking. Except for any award made to or intended to benefit Tenant which does not otherwise reduce the amount of the award payable to Landlord, all condemnation proceeds shall belong to Landlord.

9. Assignment and Subletting.

(a) Tenant shall not assign its interest under this Lease nor sublet the Premises without first obtaining Landlord's consent in writing, which consent will not be unreasonably withheld. This provision shall apply to all transfers by operation of law or through mergers and changes in control of Tenant. No assignment shall relieve Tenant of its obligation to pay rent or perform other obligations required by this Lease and no one assignment or subletting shall be consent to any further assignment or subletting.

(b) Subject to the above limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns.

10. Defaults. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease Agreement by Tenant:

(a) The vacation or abandonment of the Premises by Tenant.

(b) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant.

(c) The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease Agreement to be observed or performed by Tenant, other than described in Paragraph (b) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

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

11. Remedies in Default. In the event of any such default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease Agreement shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including but not limited to:

- (i) the cost of recovering possession of the Premises; and
- (ii) expenses of re-letting, including necessary renovation and alteration of the Premises; and
- (iii) reasonable attorneys fees, any real estate commission actually paid, and that portion of the leasing commission, if any, paid by Landlord pursuant to Section 22(c) applicable to the unexpired term of this Lease Agreement; and
- (iv) the worth at the time of award determined by the court having jurisdiction thereof, of the unpaid rent that had been earned at the time of termination of this Lease Agreement; and
- (v) any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of twelve percent (12%) per annum. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of (1) retaking possession of the Premises and recovering from Tenant the amount specified in this Section 11(a), or (2) proceeding under Section 11(b), or (3) proceeding under Section 11(c). As used in this paragraph, the term "the worth at the time of award" is to be computed by discounting by the amount of the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

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

(c) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises are located.

12. Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the premises, where name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation; provided, however, that the nature of the Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performances within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

13. Late Charges. Rent not paid within 10 days of when due shall bear interest from the date due until paid at the rate of 12 percent per annum. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the term of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any other sums due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after that said amount is due, then Tenant shall pay to Landlord a late charge of five percent (5%) of such overdue amount. In no event shall any late charge be required in violation of any law. The parties hereby agree that such late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

14. Cure by Landlord. Landlord, at any time after Tenant commits a default, may cure the default at Tenant's cost, after giving Tenant notice of such default and of Landlord's intent so to cure, provided that Landlord shall not take any action to cure such default prior to the expiration of any period of time given to Tenant for cure under this Lease. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord at the time the sum is paid shall be due from Tenant to Landlord within fifteen (15) days of the Landlord's notifying the Tenant of the payment and provision of documentation substantiating such payment, and if paid at a later date shall bear interest at the rate of twelve percent (12%) per annum from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest, shall be deemed additional rent hereunder.

15. Surrender on Termination.

(a) On expiration or early termination of this Lease, Tenant shall deliver all keys to Landlord, have final utility readings made on the date of move out, and surrender the Premises clean and free of debris inside and out, with all mechanical, electrical, and plumbing systems in good operating condition, all signing removed and defacement corrected, and all repairs called for under this Lease completed. Except for alterations, additions, and improvements receiving prior approval from landlord to remain on premises (per section 1(d) above), the Premises shall be delivered in the same condition as at the commencement of the term, subject only to depreciation and wear from ordinary use. Tenant shall remove all of its furnishings and trade fixtures that remain its property and restore all damage resulting from such removal. Failure to remove said property shall be an abandonment of it, and Landlord may dispose of it in any manner without liability and deduct the cost of removal from the security deposit.

(b) If Tenant fails to vacate the Premises when required, Landlord may elect either to treat Tenant as a tenant from month to month, subject to all provisions of this Lease except the provision for term, or to eject Tenant from the Premises and recover damages caused by wrongful holdover.

16. Landlord's Liability.

(a) Landlord warrants that so long as Tenant complies with all terms of this Lease it shall be entitled to peaceable and undisturbed possession of the Premises free from any eviction or disturbance by Landlord or persons claiming through Landlord.

(b) All persons dealing with Landlord must look solely to the property for the payment of any claim against Landlord or for the performance of any obligation of Landlord as neither the members, employees, nor agents of Landlord assume any personal liability for obligations entered into on behalf of Landlord (or its predecessors in interest) and their respective properties shall not be subject to the claims of any person in respect of any such liability of obligation.

17. Mortgage or Sale by Landlord; Estoppel Certificates.

(a) This Lease is and shall be prior to any mortgage or deed of trust ("Encumbrance") recorded after the date on which Tenant executes this Lease and affecting the Building and the land upon which the Building is located. However, if any lender holding an Encumbrance secured by the Building and the land underlying the Building requires that this Lease be subordinate to the Encumbrance, then Tenant agrees that this Lease shall be subordinate to the Encumbrance if the holder thereof agrees in writing with Tenant that so long as Tenant performs its obligations under this Lease no foreclosure, deed given in lieu of the foreclosure, or sale pursuant of the term of the Encumbrance or other steps or procedures taken under the Encumbrance shall affect Tenant's rights under this Lease. If the foregoing condition is met, Tenant shall execute the written agreement and any other documents required by the holder of the Encumbrance to accomplish the purposes of this paragraph.

(b) If the Building is sold as a result of foreclosure of any encumbrance thereon or otherwise transferred by Landlord or any successor, Tenant shall attorn to the purchaser or transferee, and the transferor shall have no further liability hereunder.

(c) Either party shall within twenty (20) days after notice from the other execute and deliver to the other party a certificate stating whether or not this Lease has been modified and is in full force and effect and specifying any modifications or alleged breaches by the other party. The certificate shall also state the amount of monthly base rent, the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the specified time shall be conclusive evidence from the party of whom the

certificate was requested that the Lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

18. Disputes - Attorneys' Fees.

(a) For disputes subject to arbitration pursuant to this Section 18 that are not resolved by the parties within ten (10) days after either party gives notice to the other of its desire to arbitrate the dispute, the dispute shall be settled by binding arbitration in accord with the then-prevailing rules of the Judicial Dispute Resolution organization. The arbitrator shall have no power to change the Lease provisions. The parties agree to a single arbitrator with commercial real property leasing expertise for any arbitration pursuant to this Lease. If within 14 days after receipt of the notice of intent to arbitrate, the parties are unable reach agreement regarding selection of an arbitrator, the matter will be submitted to the Presiding Judge for Snohomish County Superior Court to appoint an arbitrator. The arbitrator shall not be part of American Arbitration Association (AAA). Both parties shall continue performing their Lease obligations pending the award in the arbitration proceeding. The arbitrators shall award the prevailing party reasonable expenses and costs including reasonable attorney's fees. The following disputes are subject to arbitration:

- (i) any disputes that the parties agree to submit to arbitration;
- (ii) the date of substantial completion of Landlord's Work, Tenant's Work, or Lease and/or rent commencement;
- (iii) the amount of any abatement of rent and other payments because of damage or condemnation;
- (iv) the amount billed as operating expenses or utilities or any component part of the calculation of such amounts owed;
- (v) Tenant's compliance with applicable laws, payment of taxes and obtaining licenses;
- (vi) Tenant's use of the Premises;
- (vii) whether Landlord's withholding of consent is unreasonable or unduly delayed;
- (viii) whether either party can terminate the Lease under Section 8.

(c) In the event of any litigation arising out of this Lease, the prevailing party shall be entitled to recover from the other party, in addition to all other relief provided by law or judgment, its reasonable costs and attorneys' fees incurred both at and in preparation for trial and any appeal or review, such amount to be as determined by the court(s) before which the matter is heard. Disputes between the parties, which are to be litigated, shall be tried before a judge without a jury. Jurisdiction and venue of any action commenced under this Lease shall be in the Superior Court of Washington in the county in which the Property is located. Landlord shall also be entitled to its attorney fees and costs incurred in sending notices for default and non-payment of rent.

19. Severability.

If any provision of this Lease is held to be invalid, unenforceable or illegal the remaining provisions shall not be affected and shall be enforced to the fullest extent permitted by law.

20. Environmental.

(a) Definitions. The term "Environmental Law" shall mean any federal, state or local statute, regulation or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous Substance" shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by any environmental law and shall include, without limitation, petroleum oil and its fractions.

(b) Use of Hazardous Substances. Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of or otherwise released on or under the Premises. Tenant may use and sell on the Premises only those Hazardous Substances typically used and sold in the prudent and safe operation of the business permitted by Section 1 of this Lease. Tenant may store such Hazardous Substances of the Premises, but only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled or stored on the Premises.

(c) Notices. Tenant shall immediately notify Landlord upon becoming aware of the following: (a) any spill, leak, disposal or other release of a Hazardous Substance on, under or adjacent to the Premises; (b) any notice or communication from a governmental agency or any other person relating to any Hazardous Substance on, under or adjacent to the Premises; or (c) any violation of any Environmental Law with respect to the Premises or Tenant's activities on or in connection with the Premises.

(d) Spills and Releases. In the event of a spill, leak, disposal or other release of a Hazardous Substance on or under the Premises caused by Tenant, Tenant's employees, agents, business invitees, successors, and assigns, or the suspicion or threat of the same, Tenant shall (a) immediately undertake all emergency response necessary to contain, cleanup and remove the released Hazardous Substance, (b) promptly undertake all investigatory, remedial, removal and other response action necessary or appropriate to ensure that any Hazardous Substances contamination is eliminated to Landlord's satisfaction, and (c) provide Landlord copies of all correspondence with any governmental agency regarding the release (or threatened or suspected release) or the response action, a detailed report documenting all such response action, and a certification that any contamination has been eliminated to the degree specified by Landlord. All such response action shall be performed, all such reports shall be prepared and all such certifications shall be made by an environmental consultant shall make all such certifications acceptable to Landlord. This section 18 (f) shall not apply to any release caused by Landlord,

other tenants of Landlord, previous tenants of the Premises or their respective agents or contractors.

(e) Condition Upon Termination. Upon expiration of this Lease or sooner termination of this Lease for any reason, Tenant shall remove all Hazardous Substances and facilities used for the storage or handling of Hazardous Substances from the Premises and restore the affected areas by repairing any damage caused by the installation or removal of the facilities. Following such removal, Tenant shall certify in writing to Landlord that all such removal is complete. If any Hazardous Substances have been released on or under the Premises during the term of this Lease, Tenant shall cause all Hazardous Substances contamination to be eliminated to Landlord's satisfaction and shall provide Landlord a certification from an environmental consultant acceptable to Landlord that all Hazardous Substances contamination on the Premises has been so eliminated.

(f) Assignment and Subletting. Notwithstanding the provisions of Section 9 of this Lease, it shall not be unreasonable for Landlord to withhold its consent to any assignment, sublease or other transfer of the Tenant's interest in this Lease if a proposed transferee's anticipated use of the premises involves the generation, storage, use, sale, treatment, release or disposal of any Hazardous Substance.

(g) Indemnity.

(i) By Tenant. Tenant shall indemnify, defend and hold harmless Landlord, its employees and agents, any persons holding a security interest in the Premises, and the respective successors and assigns of each of them from and against any and all claims, demands, liabilities, damages, fines, losses, costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Law) and expenses (including without limitation attorneys' fees and expert fees in connection with any trial, appeal, petition for review or administrative proceeding) arising out of or in any way relating to the use, treatment, storage, generation, transport, release, leak, spill, disposal or other handling of Hazardous Substances on the Premises by Tenant or any of its contractors, agents or employees or invitees. Tenant's obligations under this section shall survive the expiration or termination of this Lease for any reason. Landlord's rights under this section are in addition to and not in lieu of any other rights or remedies to which Landlord may be entitled under this agreement or otherwise.

(ii) By Landlord. Landlord shall indemnify, defend and hold harmless Tenant and its employees and agent and the respective successors and assigns of each of them from and against any and all claims, demands, liabilities, damages, fines, losses, costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Law) and expenses (including without limitation attorneys' fees and expert fees in connection with any trial, appeal, petition for review or administrative proceeding) arising out of or in any way relating to the actual or alleged use, treatment, storage, generation, transport, release, leak, spill, disposal or other handling of Hazardous Substances of the Premises by Landlord, or any of its contractors, agents or employees or by Landlord's previous or future

tenants of the Premises. Landlord' obligations under this section shall survive the expiration or termination of this Lease for any reason. Tenant's rights under this section are in addition to and not in lieu of any other rights or remedies to which Tenant may be entitled under this Agreement or otherwise.

21. General Provisions.

(a) Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of nor prejudice the party's right otherwise to require performance of the same provision or any other provision.

(b) Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns.

(c) Landlord shall have the right, to enter upon the Premises at any time to determine Tenant's compliance with this Lease, to make necessary repairs to the Building or the Premises, or to show the Premises to any prospective tenant or purchasers. During the last two months of the term, Landlord may place and maintain upon the Premises notices for leasing or sale of the Premises.

(d) If this Lease commences or terminates at a time other than the beginning or end of one of the specified rental periods, then the rent (including Tenant's share of real property taxes) shall be prorated as of such date, and in the event of termination for reasons other than default all prepaid rent shall be refunded to tenant or paid on its account.

(e) Notices between the parties relating to this Lease shall be in writing effective when delivered, or if mailed, effective on the second day following mailing, postage prepaid, to the address for the party stated in this Lease or to such other address as either party may specify by notice to the other. Rent shall be payable to Landlord at the same address and in the same manner.

22. Special Provisions.

(a) Improvements. Landlord shall make improvements to the Premises described in this Section 22(a) prior to August 1, 2010.

- 1) Clean carpets and floors where necessary
- 2) Clean restrooms
- 3) Touch up painting throughout the Premises as necessary

(b) Common Area Charges. For purposes of calculating common area charges, the Premises contain 23,906 square feet. The total amount of rentable square feet in the Building is 149,469

square feet. Tenant's proportionate share of the Building shall be determined by dividing 23,906 by the total square feet in the Building for a percentage share of 16%.

(c) Brokers. Landlord and Tenant each represents and warrants to the other that Tyler Springer and Darrell Okada of NAI Puget Sound Properties represents the Tenant and Richard A. Peterson and Chris Peterson of NAI Puget Sound Properties represent the Landlord. These are the only brokers who are entitled to the commission as agreed by Landlord and agent in respect to the negotiation, execution or delivery of this Lease.

Commission shall be paid by Landlord on an annual basis, with Tenant's realtor receiving 5% and Landlord's realtor receiving 2.5% of total base rent to be paid for the each 12 month period of the Lease term. If the Lease is terminated by Tenant or Landlord, commission shall not be paid for months following Lease termination. Commission for the first year shall be paid by April 30, 2010 if Tenant has not terminated the Lease and has obtained any and all permits required by Section 1(e) of this Lease; commission for the second year shall be paid by April 30, 2011 if Tenant or Landlord has not terminated the Lease; and, commission for the third year shall be paid by April 30, 2012 if Tenant or Landlord has not terminated the Lease.

(d) Laws and regulations governing governmental entities in Washington State take precedence over contract terms noted herein. If any provision of this proposal and resulting contract is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted and the balance of the proposal and resulting contract shall remain enforceable.

23. Suspension and Disbarment

Assurances/Affirmative Notification: The parties to this Lease certify, and each relies thereon in execution of this Lease, that neither their entity nor its Principals are presently debarred, suspended, proposed for debarment, or declared ineligible, or voluntarily excluded for the award of contracts by any Federal governmental agency or department. "Principals," for the purposes of this certification, mean officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of subsidiary, division, or business segment; and similar positions). Further, each party agrees to provide the other(s) immediate written notice if, at any time during the term of this Lease, including any renewals hereof, it learns that its certification was erroneous when made or has become erroneous by reason of changed circumstances. Each party's certification via the execution of this Lease is a material representation of fact upon which each party has relied in entering into this Lease. Should either party determine, at any time during this Lease, including any renewals hereof, that this certification is false, or should it become false due to changed circumstances, it may terminate this Lease in accordance with the terms and conditions therein.


IN WITNESS WHEREOF, the duly authorized representative of the parties have executed this Lease as of the day and year first written above.

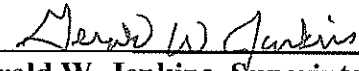
LANDLORD
75th Street Center, LLC
a Washington limited liability company
By: Ironwood Investments, LLC,
Manager

By 
Tyler J. Abbott, Manager

**Address for Notices/Rent Payments
to Landlord:**

75th Street Center, LLC
Attn: Tyler J. Abbott
1501 N. 200th Street
Shoreline, WA 98133

TENANT
NORTHWEST EDUCATIONAL
SERVICE DISTRICT, a Washington
Municipal Corporation 

By 
Gerald W. Jenkins, Superintendent

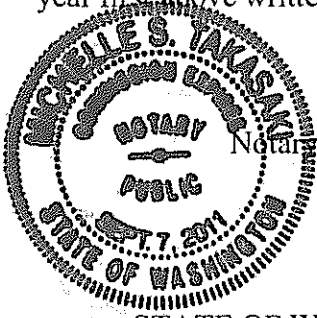
Address for Legal Notices to Tenant:

Northwest Educational Service District
Attn: Dr. Gerald W. Jenkins,
Superintendent
1601 "R" Avenue
Anacortes, WA 98221

STATE OF WASHINGTON)
> ss.
COUNTY OF KING)

This is to certify that on this 22 day of March, 2010, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared Tyler J. Abbott, to me known to be the Manager of Ironwood Investments, LLC, the limited liability company which is the Manager of 75th Street Center, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged to me that he signed and sealed the same as 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 this instrument.

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



Michelle S. Takasaki Michelle Takasaki
Print Name

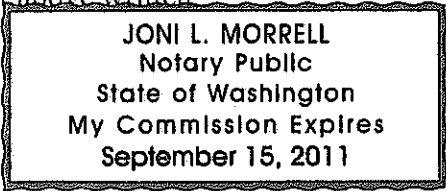
Notary Public in and for the State of Washington, residing at Seattle, WA

My commission expires: 9-7-11

STATE OF WASHINGTON)
> ss.
COUNTY OF SKAGIT)

On this 16th day of March, 2010, before me personally appeared Dr. Gerald W. Jenkins, to me known to be the Superintendent of Northwest Educational Service District #189 that executed the within and foregoing instrument, and acknowledged the same instrument to be free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

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



Joni L. Morrell Joni L. Morrell
Print Name

Notary Public in and for the State of Washington, residing at Anacortes, WA

My commission expires: 9/15/2011

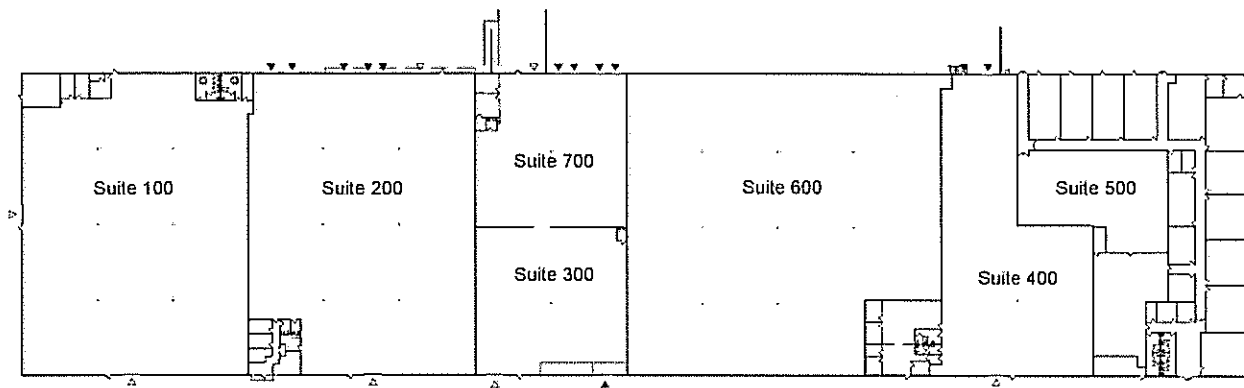
EXHIBIT A

LEGAL DESCRIPTION

SEC 11 TWP 28 RGE 04 TH PTN E1/2 SW1/4 NE1/4 W1/2 SE1/4 NE1/4 DAF -COM AT NW
COR SD E1/2 SW1/4 NE1/4 TH S89°32 20E 521.73 FT ALG N LN SD SUB TO TPB TH
CONT S89°32 20E ALG SD N LN 393.16FT TH S01°10 48E 1051.58FT TO NLY MGN OF
75TH ST AS CONVD TO CITY EVT BY WD REC UNDER AF NO 8012010236 TH WLY
ALGSD MGN 393FT TAP TH IS S01°10 48E FR POB TH N01°10 48W 1064.01FT TO TPB.

LOT NUMBER 2

EXHIBIT B
SUITE PLAN



EVERETT INDUSTRIAL CENTER
1515 75TH STREET SW
EVERETT, WASHINGTON

▼ DOCK HIGH DOOR ▼ DRIVE IN DOOR

EXHIBIT C
TENANT SPACE PLAN

