

Ordinance 19743

ATTACHMENT A:

LEASE AMENDMENT

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (“First Amendment”) reference dated July 27, 2023, is made and entered into between **SEATTLE SOUTH BUSINESS PARK, LLC**, successor in interest to SOUTH SEATTLE BUSINESS PARK 2017 LLC, successor in interest to SOUTHCENTER CORPORATE SQUARE, LLC, a Washington limited liability company (“Landlord”), and **KING COUNTY** (“Tenant”), a home rule charter county and political subdivision of the State of Washington. Landlord and Tenant are sometimes referred to herein individually as a “Party” and together as the “Parties.”

RECITALS

- A) Southcenter Corporate Square LLC, as predecessor in interest to Landlord, and Tenant entered into that certain Lease Agreement (“**Lease**”) dated August 25, 2017 for office space located at Parkwest Commons, Building 6, 645 Andover Park West, Tukwila, Washington 98188, consisting of approximately 20,296 rentable square feet.
- B) The Lease was for an eighty-nine (89) month Initial Term with a Commencement Date of December 16, 2017, and an Expiration Date of May 31, 2025, with one (1) option to extend for a period of five (5) years.
- C) The Parties have executed a separate Lease Agreement reference dated July 27, 2023 (“Building 5 Lease”) for office space located within the same Center as the Premises at Building 5, 625 Andover Park West, Tukwila, Washington 98188. The Building 5 Lease’s initial term is sixty (60) months, with a target commencement date of January 1, 2024, with one (1) option to extend for a period of sixty (60) months.
- D) The Parties desire to coordinate the expiration date(s) of the Lease and the Building 5 Lease and synchronize the respective extension options of the two leases to expire on the same date.
- E) In order to effectuate the above intentions, the Parties have agreed to amend the Lease to modify the existing option of the Lease and add an additional second option to extend the Term of the Lease as set forth herein.
- F) Capitalized terms which are used in this First Amendment without definition have the meanings given to them in the Lease.
- G) The Parties desire to amend the Lease pursuant to the terms and conditions set forth below.

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AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this First Amendment and other good and valuable consideration, the receipt and sufficiency of such are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Revised Extension Options.

Section 3.4 of the Lease is deleted in its entirety and replaced with the following:

3.4 Extension Options. Tenant is hereby granted two options to extend the initial Term, each an ("Extension Option"):

Option 1: The first Extension Option ("First Extension Option") shall begin June 1, 2025 and shall terminate on the same date as the Expiration Date of the Building 5 Lease which shall be confirmed in writing by both Parties within fifteen (15) days following the establishment of the Lease Commencement Date of the Building 5 Lease.

Option 2: The second Extension Option ("Second Extension Option") shall begin on the first day following the Expiration Date of the First Extension Option and shall terminate on the last day of the calendar month that is sixty (60) months following the first day of the Second Extension Option.

Each Extension Option may be exercised by Tenant only by giving Landlord written notice no later than six (6) months prior to the expiration of the then current Term. Each Extension Option shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of each Extension Option, all of the terms, covenants, and conditions of this Lease shall continue in full force and effect as written, except that Base Rent for each Extension Option shall be the then-prevailing Fair Market Rent (defined below) and free rent and Tenant Improvement allowance shall be consistent with fair market value for comparable and competing new leases in buildings in the submarket. The term "Fair Market Rent" for the purposes of this Lease shall mean the annual amount per rentable square foot that a willing, comparable, new, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building in the greater Renton and Tukwila submarket would accept under the transaction as further defined above, for new leases of similar space in the same geographic area as the Premises, considering, size, use type, and creditworthiness of tenant on or about the date on which the Fair Market Rent is being determined hereunder.

Within thirty (30) days of Tenant notifying Landlord that it intends to exercise an Extension Option under this Section 3.4, Landlord will advise Tenant in writing of its

proposed Fair Market Rent. If Landlord and Tenant are unable to agree on a mutually acceptable Fair Market Rent not later than ninety (90) days prior to the expiration of the Term, then Landlord and Tenant, within five (5) days after such date, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Fair Market Rent for the Premises (collectively referred to as the "Estimates"). If the higher of such Estimates is not more than one hundred five percent (105%) of the lower of such Estimates, then the Fair Market Rent shall be the average of the two Estimates. If the Fair Market Rent is not established by the exchange of Estimates, then, within ten (10) days after the exchange of Estimates, Landlord and Tenant shall each select a licensed commercial real estate appraiser to determine which of the two Estimates most closely reflects the Fair Market Rent for the Premises. Each appraiser shall have had at least seven (7) years' experience within the previous ten (10) years of his/her work experience as a commercial real estate appraiser working in Seattle, Washington with working knowledge of current rental rates and practices. For the purposes of this Section 3.4, either party may select a licensed commercial real estate broker to act as its appraiser. Landlord's and Tenant's appraisers shall work together in good faith to agree upon which of the two Estimates most closely reflects the Fair Market Rent for the Premises. The Estimates chosen by such appraisers shall be binding on both Landlord and Tenant. If the two appraisers cannot agree upon which of the two Estimates most closely reflects the Fair Market Rent within twenty (20) days after their appointment, then, within ten (10) days after the expiration of such twenty (20) day period, the appraisers shall select a third appraiser meeting the aforementioned criteria. Once the third appraiser (the "Arbitrator") has been selected as provided for above, then, as soon thereafter as practicable but in any case within fourteen (14) days, the Arbitrator shall make his or her determination of which of the two Estimates most closely reflects the Fair Market Rent and such Estimate shall be binding on both Landlord and Tenant as the Fair Market Rent. If the Arbitrator believes that expert advice would materially assist him or her, he or she may retain one or more qualified persons to provide such expert advice. Landlord and Tenant shall share equally in the costs of the Arbitrator and of any experts retained by the Arbitrator. Any fees of any appraiser, counsel or experts engaged directly by Landlord or Tenant, however, shall be borne by the party retaining such appraiser, counsel or expert.

If the Fair Market Rent has not been determined by the commencement date of each Extension Option, Tenant shall pay Rent upon the terms and conditions in effect during the last month of the initial Term (or preceding Extension Option, as applicable) until such time as the Fair Market Rent has been determined. Upon such determination, the Rent shall be retroactively adjusted to the commencement of the Extension Option.

2. Revised Extended Term(s).

Section 1.8 of the Lease is hereby deleted in its entirety and replaced with the following:

1.8 Extension Options: Two (2) extension options as defined in Section 3.4 below.

3. Revised Landlord's Address for Billing, Notices, and Payment of Rent.

Section 1.14 of the Lease is hereby deleted in its entirety and replaced with the following:

1.14 Landlord's Address for Billing, Notices, and Payment of Rent:

South Seattle Business Park, LLC
18230 E Valley Highway, Suite 195
Kent, WA 98032

And a copy to the following email address: Lease.ssbp@gmail.com

4. Revised Tenant's Address for Notices.

Section 1.15 of the Lease is hereby deleted in its entirety and replaced with the following:

1.15 Tenant's Address for Notices:

King County
Attn: Lease Administration
500 4th Ave Suite 830
Seattle, WA 98104

And a copy to the following email addresses:

Email: RES-LeaseAdmin@kingcounty.gov
Stephanie.Clabaugh@kingcounty.gov

Notwithstanding anything in Section 1.14 and this Section 1.15 to the contrary, a Party may provide notice by email only at the email address(es) set forth above or other electronic means with delivery confirmation or read receipt (or both) but the Party providing electronic notice shall bear the burden to prove the date that notice was delivered.

5. Revised Non-Discrimination.

Section 20 of the Lease is hereby deleted in its entirety and replaced with the following:

20. Non-Discrimination. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, sex, status as a family caregiver, military status or status as a veteran who was honorably discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services

or any other benefits under King County Code Ch. 12.16. Landlord shall comply fully with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 20.

6. Contingency. This First Amendment is contingent upon the mutual execution of the Building 5 Lease and confirmation of Lease Commencement Date thereof.
7. Authority. Each signatory of this First Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the Party hereto for which such signatory is acting.
8. Successors and Assigns. This First Amendment shall extend to, be binding upon, and inure to the benefit of, the respective successors and permitted assigns and beneficiaries of the Parties hereto.
9. No Other Modification. Landlord and Tenant agree that except as otherwise specifically modified in this First Amendment, the Lease has not been modified, supplemented, amended, or otherwise changed in any way and the Lease remains in full force and effect between the Parties hereto as modified by this First Amendment. To the extent of any inconsistency, conflict or ambiguity between the terms and conditions of the Lease and the terms and conditions of this First Amendment, the terms and conditions of this First Amendment shall apply and govern the Parties.
10. Severability. Any provision of this First Amendment which shall be held invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.
11. Counterparts. This First Amendment may be executed in one or more counterparts, each of which shall be deemed original, and all of which together shall constitute one and the same instrument. The signatures to this First Amendment may be executed on separate pages and when attached to this First Amendment shall constitute one complete document. For purposes of this First Amendment, a signature by facsimile or electronic signature on a portable document format (PDF) or other electronic counterpart shall be fully binding as though it was an original signature.

All other terms, conditions, specifications and requirements of the Lease shall remain unchanged and in full effect, except as amended herein. The terms of this First Amendment shall control over any other inconsistent terms of the Lease.

TENANT:

KING COUNTY, a home rule charter county and political subdivision of the State of Washington

By: _____
Anthony O. Wright,
Director, Facilities Management Division

Date: _____

APPROVED AS TO FORM:

By: _____
Darren Thompson
Senior Deputy Prosecuting Attorney

TENANT NOTARY

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Anthony O. Wright is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Director of the Facilities Management Division of KING COUNTY, a home rule charter county and political subdivision of the State of Washington, to be the free and voluntary act of such Party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this _____ day of _____, 2023.

Notary Public _____
Print Name _____
My commission expires _____

(Use this space for notarial stamp/seal)