



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda Committee of the Whole

Councilmembers: *Kathy Lambert, Chair; Rod Dembowski, Vice Chair;
Claudia Balducci, Reagan Dunn, Larry Gossett, Jeanne Kohl-Welles, Joe McDermott,
Dave Upthegrove, Pete von Reichbauer*

Staff: *Patrick Hamacher, Lead Staff (206-477-0880)
Marka Steadman, Committee Assistant (206-477-0887)*

9:30 AM

Monday, October 3, 2016

Room 1001

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**

2. **Roll Call**

To show a PDF of the written materials for an agenda item, click on the agenda item below.

3. **Approval of Minutes**

[September 21, 2016 meeting](#)

Discussion and Possible Action

4. [Proposed Ordinance No. 2016-0417 pp. 7-76 \(Approx. 30 min.\)](#)

AN ORDINANCE relating to the sale of the Northshore public health clinic located at 10808 NE 145th Street, Bothell, Washington, in council district one.

Sponsors: Mr. Upthegrove

Miranda Leskinen, Council staff



Sign language and communication material in alternate formats can be arranged given sufficient notice (206-1000).

TDD Number 206-1024.

ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.



Briefing

5. [Briefing No. 2016-B0186](#) p. 77 (Approx. 60 min.)

Communicable Disease Update and Public Health Response

Katherine Cortes, Council staff

Patty Hayes, Director, Public Health Seattle-King County

Jeff Duchin, King County Health Officer

Dennis Worsham, Director, Public Health Prevention Division

Discussion and Possible Action

6. [Proposed Motion No. 2016-0473](#) pp. 79-84 (Approx. 15 min.)

A MOTION requesting that the executive transmit a plan for addressing major technology emergencies that might occur in the office of emergency management, the department of natural resources and parks and the department of elections, and departments as requested by department directors.

Sponsors: Ms. Lambert

Jenny Giambattista, Council staff

Bill Kehoe, Chief Information Officer, Department of Information Technology

Briefing

7. [Briefing No. 2016-B0187](#) pp. 85-100 (Approx. 15 min.)

4Culture Update on 2017 Plans

Mary Bourguignon, Council staff

Jim Kelly, Executive Director, 4Culture

Discussion and Possible Action

8. [Proposed Ordinance No. 2016-0431](#) pp. 101-121 (Approx. 15 min.)

AN ORDINANCE establishing a task force on labor trafficking and economic exploitation and requiring a report with recommendations on the steps the county can take in addressing systematic issues related to labor trafficking and economic exploitation.

Sponsors: Ms. Kohl-Welles

Clifton Curry, Council staff

Other Business

Adjournment



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Meeting Minutes

Committee of the Whole

Councilmembers: Kathy Lambert, Chair; Rod Dembowski, Vice Chair;

Claudia Balducci, Reagan Dunn, Larry Gossett, Jeanne Kohl-Welles, Joe McDermott, Dave Upthegrove, Pete von Reichbauer

*Staff: Patrick Hamacher, Lead Staff (206-477-0880)
Marka Steadman, Committee Assistant (206-477-0887)*

9:30 AM

Wednesday, September 21, 2016

Room 1001

DRAFT MINUTES

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**

The Metropolitan King County Council's Committee of the Whole was called to order by Chair Kathy Lambert at 9:37 a.m.

2. **Roll Call**

Present: 8 - Mr. Dembowski, Mr. Dunn, Mr. Gossett, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott, Mr. Upthegrove and Mr. von Reichbauer

Excused: 1 - Ms. Balducci

3. **Opening Remarks:**

Councilmember Lambert gave a local government update regarding Department of Natural Resources road closures, the Fall City alley, and the Alternative Services program.

4. **Approval of Minutes**

Councilmember McDermott moved approval of the September 7, 2016, meeting minutes. There being no objections, the minutes were approved.

Briefing

5. Proposed Motion No. 2016-0439

A MOTION supporting the expansion of the Social Security and Medicare programs and benefits and the elimination of the cap on earnings that are subject to the Social Security payroll tax, expressing the intent that these positions be included in King County's federal legislative agenda and directing the council clerk to distribute this motion to Washington's congressional delegation.

Mac Nicholson, Government Relations Director, briefed the Committee. Dr. Marilyn Watkins, Policy Director, Economic Opportunity Institute; Zochitl Maykovich, Organizer, Washington Community Action Network; and Robby Stern, President, Puget Sound Advocates for Retirement Action, addressed the Committee and answered questions from the members.

This matter was Deferred

Discussion and Possible Action

6. Proposed Motion No. 2016-0384

A MOTION acknowledging receipt of the Community 4Culture Equity Grants Implementation Plan.

Mary Bourguignon, Council staff, briefed the Committee and introduced Jim Kelly, Executive Director, 4Culture, who provided a PowerPoint presentation and answered questions from the members. This matter was expedited to the September 26, 2016, Council agenda.

A motion was made by Councilmember Gossett that this Motion be Recommended Do Pass. The motion carried by the following vote:

Yes: 8 - Mr. Dembowski, Mr. Dunn, Mr. Gossett, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott, Mr. Upthegrove and Mr. von Reichbauer

Excused: 1 - Ms. Balducci

Briefing

7. Briefing No. 2016-B0179

Cyber Security

Jenny Giambatista, Council staff, provided introductory comments. Bill Kehoe, Chief Information Officer, Department of Information Technology, briefed the Committee and answered questions from the members.

This matter was Presented

8. Briefing No. 2016-B0155

Maritime & Recreational Boat Industry impact

Eugene Wasserman, President, North Seattle Industrial Association; Jan Koslowky, Ocean Beauty Seafoods, LLC; Elliot Strong, Coastal Transportation; and Peter Schrappen, Northwest Marine Trade Association; addressed the Committee and answered questions from the members.

This matter was Presented

Other Business

There was no further business to come before the Committee.

Adjournment

The meeting was adjourned at 11:12 a.m.

Approved this _____ day of _____.

Clerk's Signature

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King County

**Metropolitan King County Council
Committee of the Whole**

STAFF REPORT

Agenda Item:	4	Name:	Miranda Leskinen
Proposed No.:	2016-0417	Date:	October 3, 2016

SUBJECT

Proposed Ordinance 2016-0417 would authorize the sale of surplus County-owned property (existing Northshore Public Health Center site) located in Bothell.

SUMMARY

Proposed Ordinance 2016-0417 would approve the sale of a surplus 124,740 square feet parcel including a 16,277 square foot building (existing Northshore Public Health Center site) in Bothell, located within Council District One. Public Health currently uses about 6,400 square feet of the building's space, with the remaining space having been vacant since the end of 2012. The property was declared surplus in 2015.

Specifically, the proposed ordinance would authorize the Executive to convey the surplus property to TTL, LLC, in accordance with the terms of the Purchase and Sale Agreement (PSA), dated June 6, 2016. Under the PSA, TTL, LLC has agreed to purchase the property for \$4,100,000, the most recent appraised value of the property. Included in the PSA is an assignment agreement for an existing cell tower ground lease on the property, as well as a leaseback option for Public Health should additional time be needed following the property sale before the new Clinic location is ready for occupancy. Additionally, an amendment to the PSA was signed by the County on August 2, 2016 that entails waiver of the buyer's due diligence contingency in the PSA, dated June 6th, for a purchase credit of \$132,500 toward HVAC system work.

Of note, two related measures were passed by Council on September 19, 2016 to authorize a new lease for a replacement location for the Northshore Clinic after the sale of the existing County-owned Clinic property in Bothell (Ordinance 18369) and appropriate \$855,686, to be reimbursed from the sale proceeds of the Northshore Bothell property to the Building Repair and Replacement Fund, to support tenant improvement costs related to the new lease (Ordinance 18364).

BACKGROUND

Public Health services are provided at public health centers located throughout King County. Northshore Public Health Center (Northshore Clinic), open Monday through Friday, is currently located in the City of Bothell (Council District One) and serves

approximately 4,000 clients a year, over 90 percent of whom have an income under 200 percent of the federal poverty level. Principal programs at Northshore Clinic include Women, Infants and Children (WIC¹) nutrition services, Maternity Support Services (MSS²) and Infant Case Management (ICM³). WIC satellite clinics are located in Bothell (open Mondays and Tuesdays) and Carnation (open on Thursdays).

Northshore Clinic History. Voters in 1987 approved a levy for the issuance of \$99.8 million in general obligation bonds (which have since been retired) for multiple health care improvements, including \$15 million for five regional health care centers and a satellite clinic in north King County that became the Northshore Public Health Center (Northshore Clinic). With respect to the property to be conveyed under the proposed ordinance, the County purchased the Northshore property in Bothell in 1989 and built the 16,277 square foot Northshore Building (Building) on the property in 1993. The Building is operated and maintained by the King County Department of Executive Services Facilities Management Division (FMD).

Between 1993 and 2008, the Building housed the Northshore Clinic and offices for Public Health Environmental Health Services field staff. By 2009, Public Health reduced its use of space in the Building by half and HealthPoint (a nonprofit health clinic) became a joint tenant. At the end of 2012, HealthPoint moved to another location in Bothell and subsequent attempts in 2013 to find a replacement tenant were unsuccessful. The Building has been partially vacant since the end of 2012. Approximately 6,400 square feet of the Building is currently used by Public Health.

Public Health was charged \$100,000 by FMD in 2015 for operating and maintenance expenses associated with its Building use. Additionally, the County General Fund reimbursed FMD \$55,382 in 2015 for 'mothballing' costs associated with the unused building space. Aside from Public Health, the King County Records and Licensing Services (RALS) is the only other County Building user. RALS operates a community service center in the Building's main reception area a few days per week.⁴

Of note, the Northshore property is encumbered by a utility access easement along the eastern property line and an associated cell tower ground lease with the communication company New Cingular Wireless PCS, LLC (Lessee). The cell tower site encompasses 630 square feet of the property and includes space for a monopole and an equipment shelter. The Lessee has installed a cell tower on the property. The existing ground lease between the Lessor (County) and Lessee is effective through July 31, 2020.

¹ WIC is a supplemental food program for women who are pregnant or breast feeding, infants and children.

² MSS helps pregnant women find health insurance, local doctors or midwives and other community resources to support a healthy pregnancy.

³ ICM provides support and referral to needed medical, social, educational and other community resources.

⁴ The RALS Northshore Community Service Center (CSC) closed at the end of September 2016. Of note, several of the services provided by the Northshore CSC may be done online (e.g. marriage license application, pet licensing and property tax payments), as well as in person at other CSC locations throughout the County. More information about CSC locations and services is available at <http://www.kingcounty.gov/depts/records-licensing/community-service-centers.aspx>.

Northshore Clinic 2015/2016 Budget Proviso. The adopted 2015/2016 Biennial Budget, which assumed closure of the Northshore Clinic and its services at the end of 2015, included a \$100,000 proviso on FMD-Real Estate Services⁵ and a \$100,000 proviso on Public Health⁶ requiring Council approval of a report on options related to Northshore Clinic operations and facility; a plan for continued existing services delivery in an integrated, comprehensive manner from a fixed location; and Council passage of a motion approving the report and plan.

The subsequent proviso response addressed the following three options for Northshore Clinic:

- A) Keep the property, maintain Clinic operations onsite and lease out the vacant building space;
- B) Sell the property and maintain Clinic operations onsite through a leaseback agreement; or
- C) Sell the property and move Clinic operations to a new location through an outside lease.

The preferred approach identified in the proviso response was to move forward with selling the existing Clinic property, pursuing options B and C simultaneously until one option proved to be more advantageous, with the caveat that Public Health would not be able to enter into a long-term agreement until there was clarity about the financial sustainability of Public Health Centers. Of note, the 2015/2016 Public Health financial plan includes anticipated proceeds from the sale of the Northshore Bothell property going towards reducing Public Health's budget deficit.

The proviso response characterizes the Northshore Building as 'generally in good condition' with the exception of the HVAC system which has reached the end of its useful life. Council appropriated approximately \$250,000 to the Building Repair and Replacement (BR&R) Fund for HVAC system replacement as part of an omnibus budget ordinance in September 2015 (Ordinance 18110). FMD staff indicated that full disclosure of the air conditioning issue was made while marketing the property and further represented that work to correct the issue was tentatively scheduled for spring 2016, but that repairs might be negotiated as part of a property purchase and sale agreement (PSA), which is further discussed later in the staff report.

The motion (Motion 14589) to approve the proviso response was briefed in the Budget and Fiscal Management (BFM) Committee on August 26, 2015. The motion was deferred pending receipt of additional information including the response to a separate budget proviso regarding the sustainability of the public health centers system and the outcome of the Best Starts for Kids (BSK) levy on the November 3, 2015 ballot. Motion 14589 was passed by the BFM Committee on March 9, 2016 and approved by full Council on March 21, 2016.

Furthermore, following passage by voters of the BSK levy, Council appropriated revenues from the BSK Fund to Public Health that extended Northshore Clinic budget

⁵ Ordinance 17941, Section 28, Proviso P2.

⁶ Ordinance 17941, Section 95, Proviso P5.

authority to the end of 2016.⁷ Sale of the Northshore property is still assumed in Public Health's current financial plan (Attachment 5).

Replacement Northshore Clinic Location - New Lease and Related Tenant Improvements. Of note, two related measures were passed by Council on September 19, 2016 to authorize a new lease for a replacement location for the Northshore Clinic after the sale of the existing County-owned Clinic property in Bothell (Ordinance 18369) and appropriate \$855,686, to be reimbursed from the sale proceeds of the Northshore Bothell property, to the Building Repair and Replacement Fund to support tenant improvement costs related to the new lease (Ordinance 18364).

ANALYSIS

County-Owned Property Sale Process. FMD is authorized to sell County property that has been declared surplus to the County's needs per the process set forth in County Code.⁸ In order to declare property as surplus, County Code requires FMD to determine whether other County departments have a need for the property; whether the parcel is suitable for affordable housing; and whether there are other possible uses for the property. FMD indicates that no other County departments have expressed an interest in the property and that the property was found to be unsuitable for affordable housing. The property was declared surplus in 2015.

Also per County Code, Council approval is required for the sale of surplus property valued at or above \$10,000.⁹ FMD indicates that the property, including the cell tower lease, was identified by the County's appraiser (and confirmed by an outside appraiser) as having an appraised value of \$3,850,000 in 2014. However, a more recent appraisal was performed by the County's appraiser in June 2016 and confirmed by an outside appraiser on July 28, 2016. These recent appraisals, based on sales comparison and income approaches, identify the property as having an appraised value of \$4,100,000 (inclusive of the cell tower lease).

Purchase and Sale Agreement (PSA). The transmitted PSA (Attachment A to Proposed Ordinance 2016-0417) indicates a \$4,100,000 purchase price, which is consistent with the most recent property appraised value. FMD indicates that an opportunity arose during the buyer due diligence period for the County to transfer the HVAC system work to the buyer at a cost savings to the County. Per an amendment (first amendment) to the PSA signed by the County on August 2, 2016, \$132,500 from the sale proceeds would be held back in escrow as a buyer credit for HVAC system repair and maintenance and the buyer would waive due diligence contingencies under Section 5.1 of the underlying PSA.¹⁰

⁷ As described by Executive staff, \$830,000 from the BSK revenues appropriated in Ordinance 18207 were intended to extend Northshore Clinic budget authority through 2016. Subject to budget transmittal and adoption, anticipated 2017/2018 revenue at the Northshore Public Health Center includes patient-generated revenue, grants and contracts, Medicaid administrative claiming, BSK, and the County General Fund.

⁸ K.C.C. 4.56.070

⁹ K.C.C. 4.56.080

¹⁰ The fiscal note indicates that \$199,135 of the remaining funds appropriated for the HVAC system would be disappropriated. As described in the property summary, nearly \$52,000 of the \$250,000 appropriated

According to the fiscal note, of the \$4.1 million gross sale proceeds:

- \$84,227 would go to FMD - Real Estate Services for due diligence, appraisal review, marketing, legislation and related labor costs;
- \$194,750 would cover broker commission;
- \$15,235 would cover appraisal contracts, title report and appraisal review;

(Totals approximately \$294,000 in transaction costs)

- \$132,500 would cover the HVAC deduction per the First Amendment to the PSA;
- \$410,000 would go to to 4Culture (per County Code)¹¹; and
- \$855,686 would reimburse the Building Repair & Replacement Fund for tenant improvement cost support at the new leased Clinic location.

After consideration of these costs, approximately \$2.4 million net total revenue from the property sale would be available for the Public Health Fund - as shown in Figure 1 below.

Figure 1. Anticipated Net Revenue to Public Health Fund from Northshore Bothell Property Sale



Cell Tower Ground Lease Assignment. As previously noted, the Northshore property is encumbered by a utility access easement along the eastern property line and an associated cell tower ground lease, effective through July 31, 2020, with the communication company New Cingular Wireless PCS, LLC (Lessee). Per Section 1.2 of the PSA, the cell tower ground lease would be assigned to the buyer as of the property sale closing date.

Facility Leaseback Provision. The transmitted PSA includes a leaseback provision if additional time is needed upon sale of the existing facility before the new Clinic location is ready for occupancy. If exercised, the leaseback provision (described in Exhibit F to the PSA) would be at a base rent of \$13,564 per month and include an initial term of three months with two 3-month options to extend.

Council Approval Deadline. The PSA (Section 5.2) includes a Council approval contingency within 120 days of the effective date (date PSA was signed by both parties), meaning Proposed Ordinance 2016-0417 would need to be effective by October 4, 2016 to satisfy this contingency. However, the PSA provides the seller

for HVAC system replacement (Ordinance 18110) was expended to provide a temporary cooling system for the benefit of Public Health employees while they remained in the Building and for project planning costs.

¹¹ K.C.C. 4.56.130

(County) with discretion to extend this deadline for up to an additional 90 days if needed. If the Council approval contingency is not satisfied within this timeframe, the PSA will terminate.

Legal Analysis. Council's legal counsel reviewed the transmitted PSA and recommended revising Exhibit F (Leaseback provision - Lease agreement), Sections 7 (Utilities and Services) and 9 (Maintenance and Repairs) to account for the \$132,500 HVAC system repair and maintenance buyer purchase credit reflected in the First Amendment to the PSA mutually executed on August 2, 2016.

A Second Amendment to the PSA that strikes and replaces Exhibit F, Sections 7 and 9 to account for the \$132,500 HVAC system repair and maintenance buyer purchase credit included in the First Amendment to the PSA was mutually executed by the parties on September 9, 2016.

AMENDMENT

Amendment 1 to the proposed ordinance would add the Second Amendment to the PSA, dated September 9, 2016, to the transmitted Purchase and Sale Agreement, dated June 6, 2016 (Attachment A to Proposed Ordinance 2016-0417). Additionally, Amendment 1 would replace the existing Exhibit E, Assignment Agreement, to the PSA with a version that is dated September 21, 2016 and has appended to it the lease that is being assigned (the Exhibit A referenced in the Assignment Agreement.)¹² Amendment 1 would also correct a reference date in Exhibit E.

INVITED

1. Tony Wright, Director, Facilities Management Division (FMD)

ATTACHMENTS

1. Proposed Ordinance 2016-0417 and its attachments
2. Amendment 1 to Proposed Ordinance 2016-0417 and its attachments
3. Transmittal letter
4. Fiscal Note
5. Q2 2016 Public Health Financial Plan

¹² The Assignment Agreement with the referenced Exhibit A materials appended to it (PSA Exhibit E, dated September 21, 2016) is available at <http://www.kingcounty.gov/council/legislation.aspx>, using the search term 2016-0417.



KING COUNTY

ATTACHMENT 1

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

September 30, 2016

Ordinance

Proposed No. 2016-0417.1

Sponsors Upthegrove

1 AN ORDINANCE relating to the sale of the Northshore
2 public health clinic located at 10808 NE 145th Street,
3 Bothell, Washington, in council district one.

4 STATEMENT OF FACTS:

5 1. The department of public health declared the property located at 10808
6 NE 145th Street, Bothell, Washington, located within council district one,
7 surplus to its needs on September 19, 2014.

8 2. The facilities management division offered the property to other county
9 agencies on June 25, 2015, and received no interest.

10 3. The facilities management division declared the property surplus to the
11 current and future foreseeable needs of the county on August 26, 2015.

12 4. The facilities management division found the property unsuitable for
13 affordable housing on August 25, 2015.

14 5. The property was marketed for sale by a member of the Commercial
15 Brokers Association using the Northwest Multiple Listing Service,
16 electronic flyers and onsite signage, and on the King County real estate
17 services website.

18 6. The county received three offers and accepted a purchase price of
19 \$4,100,000 on June 6, 2016.

20 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

21 SECTION 1. The executive is authorized to convey the Northshore public health
22 clinic property to TTL, LLC, consistent with a purchase and sale agreement substantially
23 in the form of Attachment A to this ordinance and to take all actions necessary to
24 implement the terms of the purchase and sale agreement.

25

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

J. Joseph McDermott, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, ____.

Dow Constantine, County Executive

Attachments: A. Purchase and Sale Agreement.

ATTACHMENT A:

PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered by and between **KING COUNTY**, a political subdivision of the State of Washington (the “Seller”) and **TTL, LLC**, a Washington State limited liability company (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as “Parties.” This Agreement shall be effective as of the date it has been executed by both Parties (“Effective Date”).

RECITALS

A. Seller is the owner of that certain real property located at 10808 NE 145th Street, Bothell, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A** (the “Real Property”).

B. Seller desires to sell the Real Property and Buyer desires to purchase the Real Property.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

ARTICLE 1.

PURCHASE AND TRANSFER OF ASSETS

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. all the Seller’s right, title and interest in the Real Property as legally described in **EXHIBIT A**;

1.1.2. all of Seller’s right, title and interest in improvements and structures located on the Real Property, if any;

1.1.3. all of Seller’s right, title and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to or used in connection with the Real Property (“Personal Property”);

1.1.4. all of Seller’s easements and other rights that are appurtenant to the Real Property including but not limited to, Seller’s right, title, and interest in and to streets, alleys or other public ways adjacent to the Real Property, sewers and service drainage easements, rights of

connection to the sewers, rights of ingress and egress, and leases, licenses, government approvals and permits affecting the Real Property.

Hereinafter, the items listed in Section 1.1 are collectively referred to as the "Property."

1.2 ASSIGNMENT OF LEASE. As of the Closing Date, Seller shall assign to Buyer and Buyer shall assume the lease applicable to the Real Property, which assignment will be substantially in the form attached hereto as **EXHIBIT E**.

ARTICLE 2. PURCHASE PRICE

2.1. PURCHASE PRICE AND PAYMENT. In consideration of the conveyance of the Property, Buyer shall, in full payment therefor, pay to Seller on the Closing Date a total purchase price of Four Million One Hundred Thousand and 00/100 Dollars (\$4,100,000) (the "Purchase Price").

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to the Real Property and that the value of the Personal Property, if any, is *de minimis*.

2.3. DEPOSIT. Within two (2) business days after the Effective Date, Buyer shall deliver to First American Title Insurance Company (the "Escrow Agent"), in its capacity as the Parties' closing agent, a promissory note in the amount of One Hundred Thousand and 00/100 Dollars (\$100,000) to be replaced with One Hundred Thousand and 00/100 Dollars (\$100,000) cash upon Buyer's satisfaction of all Contingencies set forth in Section 5.1 of this Agreement (the "Deposit"). The Deposit shall be invested by the Escrow Agent in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. Accrued interest will be added to and become part of the Deposit. Upon deposit with Escrow Agent, the Deposit shall be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows:

3.1.1. ORGANIZATION. The Seller is a political subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of

Washington.

3.1.2. MATERIAL DEFECTS. Seller has no knowledge of any material defect in the property.

3.1.3. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a political subdivision of the State of Washington, and (ii) subject to the contingency in section 5.2 of this Agreement, has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms herein.

3.1.4. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby except Kidder Mathews who is entitled to a broker's fee or commission in connection with this Agreement based on an Exclusive Listing Agreement dated September 23, 2015 with Seller. Compensation to Kidder Mathews shall be paid by Seller in accordance with the Exclusive Listing Agreement at Closing.

3.1.5. FUTURE AGREEMENTS. From and after the Effective Date unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

(a) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or

(b) sell, dispose of or encumber any portion of the Property.

3.1.6. FOREIGN PERSON. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986 ("Code"), as amended and shall deliver to Buyer prior to the Closing an affidavit, as set forth in **EXHIBIT D**, evidencing such fact, and such other documents as may be required under the Code.

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof and as of the Closing Date, Buyer represents and warrants as follows:

3.2.1. ORGANIZATION. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Washington. Buyer has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.2.2. EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyer as a limited liability company and (ii) has been or will be on or before the

Closing Date, duly authorized by all necessary action of the Buyer's governing authority. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.3. NO BROKER. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby except OfficeLease who is entitled to a broker's fee or commission in connection with this Agreement based on the Exclusive Listing Agreement dated September 23, 2015 referenced in Section 3.1.4. Compensation to OfficeLease shall be paid by Kidders Mathews in accordance with the Exclusive Listing Agreement.

3.3. CONDITION OF PROPERTY.

3.3.1. SELLER DISCLOSURE STATEMENT. To the maximum extent permitted by RCW ch. 64.06, Buyer expressly waives its right to receive from Seller a seller disclosure statement ("Seller Disclosure Statement") and to rescind this Agreement, both as provided for in RCW ch. 64.06. Seller and Buyer acknowledge and agree that Buyer cannot waive its right to receive the section of the Seller Disclosure Statement entitled "Environmental" if the answer to any of the questions in that section would be "yes." Nothing in any Seller Disclosure Statement delivered by Seller creates a representation or warranty by the Seller, nor does it create any rights or obligations in the Parties except as set forth in RCW ch. 64.06. Buyer is advised to use its due diligence to inspect the Property as allowed for by this Agreement, and that Seller may not have knowledge of defects that careful inspection might reveal. Buyer specifically acknowledges and agrees that any Seller Disclosure Statement delivered by Seller is not part of this Agreement.

3.3.2. SELLER DISCLAIMER OF CONDITION OF THE PROPERTY. Except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement, Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to the value, nature, quality, or condition of the Property (collectively "Condition of the Property"), including, without limitation:

- (a) The water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses that Buyer or anyone else may conduct thereon;
- (d) The compliance or noncompliance of or by the Property or its operation with any laws, rules, ordinances, regulations or decrees of any applicable governmental authority or body or the zoning or land use designation for the Property;
- (e) The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property;

(f) The manner or quality of the construction or materials, if any, incorporated into the Property and the existence, nonexistence or condition of utilities serving the Property;

(g) The actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations, including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70.105D ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Agreement, the term "Hazardous Substance" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law; or

(h) Any other matter with respect to the condition of the Property.

3.3.3. BUYER ACCEPTANCE OF CONDITION OF PROPERTY.

(a) Buyer acknowledges and accepts Seller's disclaimer of the Condition of the Property in Section 3.3.2 of this Agreement.

(b) Buyer acknowledges and agrees that, within the Due Diligence Period as defined in Section 5.1 of this Agreement, Buyer will have conducted a physical inspection and made all investigations that Buyer deems necessary in connection with its purchase of the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and is not relying on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information and no employee or agent of Seller is authorized otherwise. Buyer further acknowledges and agrees that Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property, or the operation thereof, furnished by any agent, employee, or contractor of Seller, any real estate broker, or any other person.

(c) Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer acknowledges and agrees that it will thereby approve and accept the Condition of the Property and accordingly agree to purchase the Property and accept the Condition of the Property "AS IS, WHERE IS" with all faults and patent or latent defects, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property, and the compliance or noncompliance of or by the Property or its operation with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations and seismic/building codes, laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1. of this Agreement and except to the extent of any fraud or intentional misrepresentation by Seller, Buyer shall have no recourse against the Seller for, and waives, releases and discharges forever the Seller from, any and all past, present or future claims or demands, and any and all past, present or future damages, losses, injuries, liabilities, causes of actions (including, without limitation, causes of action in tort) costs and expenses (including, without limitation fines, penalties and judgments, and attorneys' fees) of any and every kind or character, known or unknown (collectively, "Losses"), which the Buyer might have asserted or alleged against the Seller arising from or in any way related to the Condition of the Property, including, without limitation, the actual, threatened or alleged existence, release, use, storage, generation, manufacture, transport, deposit, leak, seepage, spill, migration, escape, disposal or other handling of any Hazardous Substances in, on, under or emanating from or into the Property. Losses shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or decree or by order of or agreement with any governmental authority, or that is conducted voluntarily, (b) losses for injury or death of any person, and (c) losses arising under any Environmental Law, whether or not enacted after transfer of the Property.

3.3.4. INDEMNIFICATION. From and after the Closing Date, Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all Losses, liability, claim, agency order or requirement, damage and expense relating to or arising out of, directly or indirectly, the Property, including without limitation those relating to the actual or threatened release, disposal, deposit, seepage, migration or escape of Hazardous Substances at, from, into or underneath the Property, and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, Environmental Laws and regulations. This Section 3.3.4 shall not apply to the extent any claim or agency order or requirements are governed by the lease required by Section 10.5.

3.4. RISK OF LOSS. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. Seller shall convey to Buyer the title to the Property by bargain and sale deed in substantially the form attached hereto as **EXHIBIT B**, subject only to the leases identified in Sections 1.2 and 10.5 of this Agreement, the Permitted Exceptions (as defined below), the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the printed exceptions and exclusions contained in the form of title insurance policy required by Section 4.4 of this Agreement.

4.2. TITLE COMMITMENT. Buyer shall within fifteen (15) days after the Effective Date obtain a preliminary commitment for an owner's standard coverage policy of title insurance (the "Title Commitment") issued by First American Title Insurance Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. At such time as the Title Company causes the Title Commitment to be furnished to Buyer, the Title Company shall further cause to be furnished to Buyer legible copies of all instruments referred to in the Title Commitment as restrictions or exceptions to title to the Property.

4.3. REVIEW OF TITLE COMMITMENT. Buyer shall have until twenty-five (25) days after the Effective Date (the "Review Period") in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment ("Buyer's Objections"). Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within ten (10) days after Seller receives Buyer's Objections of any exceptions to title which Seller will not remove or otherwise resolve ("Seller's Response"), and Buyer may, at Buyer's option, either proceed to Closing and thereby waive the Buyer's Objections not cured, in which case such exceptions to title shall be Permitted Exceptions, or Buyer may terminate this Agreement by notice to Seller within ten (10) days after receipt of Seller's Response or the date it was due, whichever occurs first. If the Title Company issues a supplement to the Title Commitment that identifies new exceptions, the procedure set forth in this Section 4.3 shall apply to such supplement, except that Buyer will have seven (7) days to make Buyer's Objections to any new exception, Seller shall have five (5) days to provide Seller's Response, and the Closing Date will be extended for the period necessary to allow the procedures set forth herein to be completed with regard to a timely objection.

4.4. OWNER'S TITLE INSURANCE POLICY. At the Closing, Buyer shall cause an owner's policy of title insurance to be issued by the Title Company in the full amount of the Purchase Price, effective as of the Closing Date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the leases identified in Section 1.2 and 10.5 of this Agreement, the Permitted Exceptions, the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, building or use restrictions general to the governing jurisdiction, and the matters excluded from coverage by the

printed exceptions and exclusions contained in the form of title insurance policy required by the Title Company. The obligation of Buyer to provide the title policy called for herein shall be satisfied if, at the Closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this Section. If requested in writing by Seller, Buyer shall provide a copy of such binding commitment to Seller to verify satisfaction of this obligation as a condition to Seller being obligated to close. Buyer shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer shall satisfy itself by investigation and inspection, at its cost and expense in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval ("Due Diligence Contingency"). If Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by delivering written notice of termination to Seller within forty five (45) days of the Effective Date ("Due Diligence Period"). In such event this Agreement shall terminate, the promissory note shall be returned to Buyer and the Parties shall have no further obligations hereunder. If Buyer fails to give such notice to terminate within the Due Diligence Period or affirmatively gives notice that this Due Diligence Contingency is satisfied or waived within the Due Diligence Period, Buyer shall be obligated hereunder without further contingency and the promissory note shall be replaced with cash as described in Section 2.3 of this Agreement, nonrefundable to Buyer except in the event of a default hereunder by Seller. Seller and Buyer may agree in writing to extend the Due Diligence Period.

5.1.1. INSPECTIONS. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at its own expense to (a) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Buyer (subject to the limitations set forth below and Section 5.1.2 Right of Entry); (b) obtain a Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; (c) examine all due diligence materials related to the Property that Buyer may reasonably request from Seller that are in Seller's possession and about which Seller has knowledge, and that are not protected as attorney work product, by the attorney-client privilege or by other similar confidentiality protections; (d) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer's proposed development of the property; and (e) determine whether Buyer's proposed development of the property is economically feasible.

5.1.2. RIGHT OF ENTRY. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property and conduct tests, investigations and studies set forth in this Article 5 upon three (3) days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on

the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval, which Seller shall not unreasonably withhold. If invasive tests are performed by Buyer, Seller may elect to obtain split samples of any sampling that is obtained and reimburse the Buyer for the costs thereof. The Buyer will not be permitted to undertake activities that damage the Property. In connection with any such inspections and tests, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability for injuries, sickness or death of persons, including employees of Buyer ("Claims") caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering the Property for the above purposes, except to the extent the Claims are caused by or arise out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3 RIGHT OF ENTRY INSURANCE. Prior to the entry of Buyer or its contractors for invasive testing of the Property such as drilling or excavation, the entering party(ies) shall submit evidence of (1) Commercial General Liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (2) Automobile liability insurance in the amount of \$1,000,000; (3) Contractor's Pollution insurance in the amount of \$1,000,000 per claim and in the aggregate; and (4) Stop Gap/Employers Liability coverage in the amount of \$1,000,000. King County, its officers, officials, agents and employees shall be named as additional insureds.

5.2. METROPOLITAN KING COUNTY COUNCIL APPROVAL CONTINGENCY. Seller's performance under this Agreement is contingent on approval by ordinance of the conveyance of the Property by the Metropolitan King County Council ("Council Approval Contingency"). The Council Approval Contingency will be satisfied if an ordinance passed by the Metropolitan King County Council approving the conveyance of the Property becomes effective within one hundred twenty (120) days of the Effective Date ("Council Approval Period"). Seller may extend the Council Approval Period for up to an additional ninety (90) days. If the Council Approval Contingency is not satisfied within the Council Approval Period, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder. If the Council Approval Contingency is satisfied within the Council Approval Period, Seller shall be obligated hereunder without further contingency except in the event of a default hereunder by Buyer.

ARTICLE 6. COVENANTS OF SELLER PENDING CLOSING

6.1. CONDUCT, NOTICE OF CHANGE. Seller covenants that between the Effective Date and the Closing Seller shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), and all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided for in this Agreement. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or

elsewhere in this Agreement which occurs prior to the Closing.

ARTICLE 7. COVENANTS OF BUYER PENDING CLOSING

7.1. CONDUCT, NOTICE OF CHANGE. Buyer covenants that between the Effective Date and the Closing Buyer shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing shall have been performed at or prior to the Closing as provided in this Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing.

ARTICLE 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Seller shall exert its best efforts to cause each such condition to be fulfilled:

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

8.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been properly performed in all material respects.

8.3. TITLE. Seller shall have cured any exceptions to title to which Buyer objected within the Review Period in Section 4.3 and to which Seller agreed to remove or resolve under Section 4.3, unless Seller's obligation to remove or resolve has been waived by Buyer.

8.4. CONDEMNATION. No portion of the Property shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Property to any such body in lieu of condemnation.

ARTICLE 9. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing, and Buyer shall exert its best efforts to cause each such condition to be so fulfilled:

9.1. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing all documents required by the terms of this Agreement to be delivered to Seller.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing shall have been properly performed in all material respects.

9.3. TITLE. The Title Company shall be irrevocably committed to issue an owner's policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions and the other exceptions allowed for under Section 4.4 of this Agreement.

ARTICLE 10. CLOSING

10.1. CLOSING/CLOSING DATE. The Closing shall take place within fifteen (15) days following the removal of all the contingencies in Article 5 of this Agreement or on Thursday September 1, 2016, whichever occurs later, or such other date as may be mutually agreed upon by the Parties ("Closing Date"). On or before the Effective Date, the Parties shall set up an escrow account with the Escrow Agent. The Escrow Agent shall serve as closing agent for the transaction contemplated herein and Closing shall occur in the offices of the Escrow Agent in Seattle, Washington.

10.2. PRORATIONS. Real property taxes and assessments shall be prorated as of the Closing Date. Seller shall pay the cost of one-half (½) of the escrow fee charged by the Escrow Agent, any real estate excise or other transfer tax due, and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the premium for the title insurance and any costs of the preliminary and binding title commitments, the recording fees for the deed and its own attorneys' fees. Except as otherwise provided in this Agreement, the Parties shall each be responsible for their own costs and expenses incurred.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer via escrow with the Escrow Agent the following properly executed documents:

10.3.1. A bargain and sale deed conveying the Property substantially in the form of **EXHIBIT B** attached hereto;

10.3.2. A bill of sale and assignment duly executed by the Seller in substantially the form of **EXHIBIT C**, attached hereto for the Personal Property, if any;

10.3.3. A seller's certificate of non-foreign status substantially in the form of **EXHIBIT D**, attached hereto.

10.3.4. An assignment of lease as required by Section 1.2 of this Agreement substantially in the form of **EXHIBIT E** attached hereto;

10.3.5. The lease as required by Section 10.5 of this Agreement substantially in the form of **EXHIBIT F** attached hereto.

10.4. BUYER'S DELIVERY OF PURCHASE PRICE AND DOCUMENTS AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or immediately available funds in the amount of the Purchase Price, less the Deposit made under Section 2.3. of this Agreement, the assignment required by Section 1.2 of this Agreement and the lease required by Section 10.5 of this Agreement.

10.5. EXECUTION AND COMMENCEMENT DATE OF LEASE. The Parties shall execute a lease in substantially the form attached hereto as **EXHIBIT F** under which Seller shall lease the premises described in the lease from Buyer commencing on the Closing Date. The parties shall execute and deliver the lease to the Escrow Agent on or before the Closing Date. Any personal property in the premises subject to the lease shall be disposed of in the manner described in the lease, and shall not be conveyed to Buyer under Section 1.1 of this Agreement or the Bill of Sale called for by this Agreement.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1. NON-MERGER. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall not merge in, but shall survive the Closing of the transaction contemplated by this Agreement unless a different time period is expressly provided for in this Agreement.

11.2. DEFAULT AND ATTORNEYS' FEES.

11.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to default or material breach by Buyer, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Deposit as liquidated damages. Buyer expressly agrees that the retention of the Deposit by Seller represents a reasonable estimation of the damages in the event of Buyer's default, that actual damages may be difficult to ascertain and that this provision does not constitute a penalty. Buyer and Seller acknowledge and agree that these damages have been specifically negotiated and are to compensate Seller for taking the Property off the market and for its costs and expenses associated with this Agreement.

11.2.2. DEFAULT BY SELLER. In the event Closing does not occur due to default or material breach of Seller, Buyer's sole remedies shall be to terminate this Agreement and receive a refund of the Deposit, or, alternatively, to seek specific performance to enforce this Agreement.

11.2.3. ATTORNEY'S FEES. In any action to enforce this Agreement, each Party shall bear its own attorney's fees and costs.

11.3. TIME.

11.3.1. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

11.3.2. COMPUTATION OF TIME. Any reference to “day” in this Agreement shall refer to a calendar day, which is every day of the year. Any reference to business day in this Agreement shall mean any calendar day that is not a “Legal Holiday.” A Legal Holiday under this Agreement is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050. Any period of time in this Agreement shall mean Pacific Time and shall begin the calendar day or business day, as the case may be, after the event starting the period and shall expire at 5:00 p.m. of the last calendar day or business day, as the case may be, of the specified period of time, unless with regard to calendar days the last day is a Legal Holiday, in which case the specified period of time shall expire on the next day that is not a Legal Holiday.

11.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or two days after deposit in the United States mail if by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the Parties at the addresses set forth below or at such other addresses as a Party may specify by notice to the other Party and given as provided herein:

If to Buyer: Angela D. Lepley
Tangerine Travel, Ltd.
16017 Juanita Woodinville Way NE
Ste. 201
Bothell, WA 98011

If to Seller: King County
King County Facility Management Division
Real Estate Services Section
500 Fourth Avenue, Room 830
Seattle, WA 98104
Attn: Manager, Real Estate Services Section

With a copy to: King County Prosecuting Attorney’s Office
Civil Division
King County Courthouse
516 3rd Avenue, Suite W400
Seattle, WA 98104
Attention: John Briggs, Senior Deputy Prosecuting
Attorney

11.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all Parties.

11.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, then such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

11.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the Party giving such waiver and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

11.8. BINDING EFFECT. Subject to Section 11.14 below, this Agreement shall be binding upon and inure to the benefit of each Party, its successors and assigns.

11.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

11.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

11.11. COOPERATION. Prior to and after Closing the Parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other Party in order to carry out the provisions and purposes of this Agreement.

11.12. GOVERNING LAW AND VENUE. This Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law rules or choice of law provisions. In the event that either Party shall bring a lawsuit related to or arising out of this Agreement, the Superior Court of King County, Washington shall have exclusive jurisdiction and venue.

11.13. NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties, and shall not create any rights in any other person or entity.

11.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent.

11.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the Parties, and shall not be construed as if it has been prepared by one of the Parties, but rather as if both Parties had jointly prepared it. The language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either Party. The Parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement. Each Party shall be

and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of this Agreement.

11.16. SELLER’S KNOWLEDGE. Any and all representations or warranties or other provisions in this Agreement that are conditioned on terms such as “to Seller’s knowledge” or “about which Seller has knowledge” are made to and limited by the present, actual knowledge of Jim Loveless, who is an employee of King County, and is a Sales Supervisor of the Real Estate Services Section of the Facilities Management Division of the Department of Executive Services. Jim Loveless has made no inquiries or investigations with respect to Seller’s representations or warranties or other provisions prior to the making thereof and has no duty to undertake the same.

11.17. INDEMNIFICATION TITLE 51 WAIVER. The indemnification provisions in Sections 3.3.4 and 5.1.2 of this Agreement are specifically and expressly intended to constitute a waiver of the Buyer’s immunity under Washington’s Industrial Insurance Act, RCW Title 51, as respects the Seller only, and only to the extent necessary to provide the Seller with a full and complete indemnity of claims made by the Buyer’s employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

11.18. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each Party, or that the signature of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each Party hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter may be attached to another counterpart identical thereto except having attached to it additional signature pages.

11.19. EXHIBITS. The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

EXHIBIT A	Legal Description
EXHIBIT B	Bargain and Sale Deed
EXHIBIT C	Bill of Sale and Assignment
EXHIBIT D	Certificate of Non-Foreign Status
EXHIBIT E	Assignment of Lease
EXHIBIT F	Lease

[SIGNATURES ON THE NEXT PAGE]

EXECUTED on the dates set forth below.

SELLER: KING COUNTY

By: _____

Name: Anthony Wright

Title: Director, Facilities Management Division

Date: 6/6/2016

BUYER: TTL, LLC

By: Angela D. Lepley

Name: Angela D. Lepley

Title: Sole Member

Date: 5/30/16

APPROVED AS TO FORM:

By: _____

John Briggs

Senior Deputy Prosecuting Attorney

EXHIBIT A.

LEGAL DESCRIPTION

THAT PORTION OF LOT 4 OF KING COUNTY SHORT PLAT NO. 980008, ACCORDING TO SHORT PLAT RECORDED OCTOBER 6, 1981 UNDER RECORDING NO. [8110060576](#), IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 26 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;
THENCE NORTH 01°52'03" EAST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER, 42.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID WEST LINE NORTH 01°52'03" EAST 375.28 FEET;
THENCE SOUTH 88°41'37" EAST 325.00 FEET; THENCE SOUTH 06°00'36" EAST 230.83 FEET;
THENCE SOUTH 27°47'15" WEST 161.55 FEET TO THE NORTHERLY MARGIN OF NORTHEAST 145TH STREET AS CONVEYED TO KING COUNTY BY DEED RECORDED UNDER RECORDING NO. [6254553](#);
THENCE NORTH 89°02'11" WEST ALONG SAID NORTHERLY MARGIN 286.04 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT B.

BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:

KING COUNTY
REAL ESTATE SERVICES SECTION
500 FOURTH AVENUE, ROOM 830
ATTN: KATE DONLEY

BARGAIN AND SALE DEED

Grantor - - King County, Washington
Grantee - - TTL, LLC
Legal - - - See Exhibit A to Bargain and Sale Deed
Tax Acct. - 172605-9021-02

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of mutual benefits, pursuant to King County Ordinance No. _____, does hereby bargain, sell and convey unto the Grantee, TTL, LLC , a Washington limited liability company, the following the real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, subject to the permitted exceptions set forth in EXHIBIT A.

GRANTOR
KING COUNTY

GRANTEE
TTL, LLC

BY: _____

BY: Angela D. Lepley

TITLE: Director,
Facilities Management Division

TITLE: _____

DATE: _____

DATE: _____

Approved as to Form:

By _____
Senior Deputy Prosecuting Attorney

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Anthony Wright, to me known to be the Director of the Facilities Management Division of the King County Department of Executive Services, and who executed the foregoing instrument and acknowledged to me that HE was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

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

Notary Public in and for the
State of Washington, residing

at _____

City and State

My appointment expires _____

NOTARY BLOCK FOR ANGELA D. LEPLEY

STATE OF WASHINGTON)

) SS

COUNTY OF KING)

On this _____ day of _____, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Angela D. Lepley, to me known to be the _____, who executed the foregoing instrument and acknowledged to me that SHE was authorized to execute said instrument on behalf of the _____ for the uses and purposes therein mentioned.

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

Notary Public in and for the
State of Washington, residing

at _____

City and State

My appointment expires _____

EXHIBIT A
TO BARGAIN AND SALE DEED

LEGAL DESCRIPTION

THAT PORTION OF LOT 4 OF KING COUNTY SHORT PLAT NO. 980008, ACCORDING TO SHORT PLAT RECORDED OCTOBER 6, 1981 UNDER RECORDING NO. [8110060576](#), IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 26 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;
THENCE NORTH 01°52'03" EAST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER, 42.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID WEST LINE NORTH 01°52'03" EAST 375.28 FEET;
THENCE SOUTH 88°41'37" EAST 325.00 FEET; THENCE SOUTH 06°00'36" EAST 230.83 FEET;
THENCE SOUTH 27°47'15" WEST 161.55 FEET TO THE NORTHERLY MARGIN OF NORTHEAST 145TH STREET AS CONVEYED TO KING COUNTY BY DEED RECORDED UNDER RECORDING NO. [6254553](#);
THENCE NORTH 89°02'11" WEST ALONG SAID NORTHERLY MARGIN 286.04 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTIONS TO TITLE

SUBJECT TO: [permitted exceptions will be determined in accordance with the process identified in Article 4 of the Agreement and inserted in the final deed].

EXHIBIT C.

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE is made as of this _____ day of _____, 2016, by KING COUNTY, a political subdivision of the State of Washington (“**Seller**”), in favor of TTL, LLC, a limited liability company (“**Buyer**”), with reference to the following facts.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Buyer all of Seller’s right, title and interest in and to any and all equipment, furniture, furnishings, fixtures and other tangible personal property owned by Seller that is attached, appurtenant to or used in connection with the real property legally described on the attached Exhibit A.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

By: _____

Name: Anthony Wright

Title: Director, Facilities Management Division

EXHIBIT D.

**Seller's Certification of Non-Foreign Status under
Foreign Investment in Real Property Tax Act (26 U.S.C. 1445)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by King County ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 91-6001327;
4. Transferor's office address is King County Facilities Management Division, Real Estate Services Section, Room 800 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this ____ day of _____, 2016.

King County, Transferor:

By: _____
Name: Anthony Wright
Title: Director, Facilities Management Division

EXHIBIT E

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Assignment") is entered into this ____ day of _____, 2016, by and between KING COUNTY, a political subdivision of the State of Washington (the "County") and TTL, LLC ("Buyer").

WHEREAS, the County has leased certain real property on the Northshore Public Health Center property to New Cingular Wireless PSC, LLC ("Lessee") pursuant to the Lease Agreement dated August 1, 2000, as amended by the Agreements and Amendments of Lease dated March 6, 2001, August 22, 2001, September 14, 2005, June 28, 2012, October 11, 2012 and August 31, 2015 ("Lease"), which is attached as Exhibit A;

WHEREAS, the County and the Buyer have reached an agreement for transfer of ownership of the Northshore Public Health Center from the County to the Buyer;

WHEREAS, the Lease should accordingly be assigned to the Buyer;

NOW THEREFORE, in consideration of the mutual promises made in this Assignment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Assignment. The County hereby assigns, transfers and conveys to the Buyer all of the County's right, title, and interest in and to the Lease.
2. Assumption. The Buyer hereby accepts and assumes all of the County's right, title and interest in and to the Lease and assumes all obligations of any kind or nature under the Lease that arise after the date of this Assignment. The Buyer agrees for itself, its successors and assigns, to defend, indemnify, and hold harmless the County, its appointed and elected officials and employees, from and against any and all claims, liability, damages, demands, suits, judgments, costs, including attorney fees and costs of defense, which are caused by, arise out of, or are incidental to the Buyer's breach or violation of the terms of the Lease or this Assignment.
3. Counterparts. This Assignment may be executed in counterparts, and each set of duly delivered identical counterparts which includes all signatories shall be deemed to be one original document.
4. Applicable Law. This Assignment shall be governed by the laws of the State of Washington.

5. No Other Amendments. Except as otherwise modified or amended by this Assignment, all of the terms and conditions of the Lease remain unchanged.

Dated as of the date and year first above written.

KING COUNTY

TTL, LLC

By _____

By _____

Its _____

Its _____

Approved as to Form:

King County
Senior Deputy Prosecuting Attorney

NOTARY BLOCKS APPEAR ON NEXT PAGE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she 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: _____

Notary Public

Print Name

My commission expires

(Use this space for notarial stamp/seal)

EXHIBIT F

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”), is made and entered into between TTL, LLC, a Washington limited liability company (“Landlord”), and KING COUNTY, a political subdivision of the State of Washington (“Tenant”).

1. Basic Lease Information

1.1 Lease Date: _____, 2016 (for reference purposes only)

1.2 Landlord: TTL, LLC

1.3 Tenant: King County, a political subdivision of the State of Washington

1.4 Building: Located at: 10808 NE 145th Street, Bothell, King County, State of Washington, on that certain real property that is legally described on the attached Exhibit A (“Real Property”)

1.5 Premises: The area depicted on the attached Exhibit B-1, containing approximately 16,277 rentable square feet, as well as exclusive use of the parking area depicted in Exhibit B-2

Tenant’s Pro Rata Share: Not-Applicable

1.6 Permitted Use: operation of health and medical clinics, office use, and/or any other legally permissible use

1.7 Initial Term: three (3) months

1.8 Extended Term(s): two (2) options to extend of three (3) months per option term.

1.9 Lease Commencement Date (also referred to as “LCD”): See Section 3

1.10 Rent Commencement Date: The same as the Lease Commencement Date

1.11 Expiration Date: See Section 3

1.12 Rent:

Months	Base Rent per rentable square foot per annum	Base Rent per month
1-3	\$10.00	\$13,564.00

1.13 Security Deposit: Not-Applicable

1.14 Landlord's Address for Notices: 16017 Juanita Woodinville Way NE, Bothell, WA 98011.

1.15 Tenant's Address for Notices:

King County Real Estate Services Section
830 King County Administration Building
500 - 4th Avenue
Seattle, WA 98104
Attn: Manager, Real Estate Services Section

2. Premises.

Landlord hereby leases the Premises to Tenant for the Term set forth above. Tenant currently occupies the Premises due to its prior ownership of the Building and Premises. Landlord is delivering the Premises to Tenant under this Lease, and the Premises shall be accepted by Tenant, in "AS IS" condition as of the Commencement Date.

As part of the tenancy, Tenant shall have exclusive use of the parking area adjacent to the Building that is depicted in Exhibit B-2.

3. Term.

3.1 Commencement Date. This Lease shall begin on the date of Closing under that certain Purchase and Sale Agreement by and between Landlord and Tenant and executed as of _____, 2016, as defined in Section 10.1 of that agreement ("Commencement Date").

3.2 Expiration Date. This Lease shall expire on the last day of the calendar month that is three (3) months after the Commencement Date ("Expiration Date").

3.3 ***Extension Option.*** Tenant is hereby granted the option to extend the initial Term for up to two (2) successive periods of three (3) months apiece (each an "Extended Term"). This option to extend may be exercised by Tenant only by giving Landlord written notice no less than three (3) weeks prior to the last day of the then current Term. Tenant's extension option shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of this Lease shall continue in full force and effect as written, including the amount of monthly Rent owing.

If Tenant elects to exercise the second Extended Term, Landlord shall be allowed to commence its own improvements in the Building and Premises, but any work related to said improvements shall not unreasonably interfere with Tenant's use of the Building and Premises, and Landlord shall undertake all reasonable efforts to ensure that any work related to said improvements occurs outside of Tenant's normal business hours.

4. Permitted Use. The Premises may be used by Tenant for the uses set forth in Section 1.6 above. Landlord represents and warrants to Tenant that the Premises may lawfully be used for the uses set forth in Section 1.6 above.

5. Rent. Tenant covenants and agrees to pay Landlord, at Landlord's Notice Address set forth in Section 1.14 above, without deduction or offset except as otherwise set forth in this Lease, monthly rent in the amounts set forth in Section 1.12, payable in advance, without prior notice or demand, on or before the first day of each month of the Term (the "Rent"). Rent for any fractional calendar month at the beginning or end of the Term shall be prorated.

6. Security Deposit. None.

7. Utilities and Services. Landlord shall at all times furnish the Premises with: (i) water at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning as appropriate, at such temperatures and in such amounts as are required by governmental authority or as are reasonably appropriate for the Building, except that Tenant shall be responsible for maintenance and repair of said systems pursuant to Section 9; (iii) janitorial service, recycling and trash removal on weekdays, other than national holidays; (iv) replacement of Building-standard light bulbs and fluorescent tubes in the Premises; (v) electrical current reasonably sufficient for Tenant's use; and (vi) sewer service. Tenant shall furnish its own telephone, internet and cable service to the Premises. No interruption or failure of any utilities or services from any cause whatsoever shall be deemed an eviction of Tenant, provided that Landlord shall use commercially reasonable efforts to repair, replace or restore the same as quickly as possible. To the extent any interruption of services occurs due to Landlord's negligence, intentional misconduct or breach of Lease, then Rent shall be abated for the period of interruption in the proportion of the square footage rendered unusable in addition to, and without limiting, Tenant's other rights and remedies available at law and/or under this Lease. Unless otherwise elected by Tenant, any utilities that are separately metered to the Premises shall be paid directly to the providing utility by Tenant.

8. Operating Costs. Tenant shall pay no operating costs as part of this Lease. This agreement is a full-service Lease, meaning that the cost of all services, utilities, maintenance, and repairs provided by Landlord, and Landlord's other operating costs are included in the monthly Rent.

9. Maintenance and Repairs. Subject to Landlord's obligations under this Lease, Tenant shall be responsible for the maintenance and non-structural repairs to the interior of the Premises, which shall be maintained and repaired in a commercially reasonable manner. Tenant shall also be responsible for maintenance and repair of the heating, ventilating and air-conditioning systems. Landlord shall maintain, repair and replace, if necessary, the Building; all Building systems, including but not limited to interior lighting (including replacement of ballasts and starters as required with the exception of light bulb replacement which shall be the responsibility of the Tenant); plumbing; floor coverings; window coverings; elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

10. Sublease and Assignment. Tenant may assign this Lease in whole or in part, or sublet all or any portion of the Premises, with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

11. Alterations and Improvements. Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs) subject to Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed. Upon Tenant's request, Landlord agrees to perform such alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Tenant may from time to time remove any fixtures, alterations or improvements installed by Tenant in or to the Premises; provided that Tenant agrees to repair any damage caused by such removal.

Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed \$25,000 per project, (ii) are not visible from the exterior of the Premises, (iii) do not adversely affect any Building system or the structural strength of the Building, and (iv) do not require penetrations into the roof of the Building.

12. Damage and Destruction. In the event the Premises or Building are destroyed or damaged by fire, earthquake or other casualty so as to render the Premises or Building, in Tenant's sole judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord

neglects or refuses to restore the Premises to its former condition within ninety (90) days of such damage or destruction, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event the Premises are damaged by any of the aforesaid events, the Rent shall be abated in proportion to the percentage of untenable space in the Premises as relates to the total square footage of the Premises until such time that Landlord restores the Premises to its pre-casualty condition. If, in the sole discretion of Tenant, the untenable portion of the Premises or the Building renders the Premises unusable for the Permitted Use, Tenant may unilaterally terminate this Lease upon thirty (30) days written notice to Landlord.

13. Condemnation. If any portion of the Premises, Building or real property upon which the same are situated (including, without limitation, any parking areas associated with the Premises and/or Building) which is necessary, in Tenant's sole judgment, for Tenant's occupancy or intended use of the Premises, or fifty percent (50%) or more of the rentable area of the Building, is made untenable by eminent domain or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the underlying real property taken by the condemning authority. All Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises or of the Building or the underlying real property necessary for Tenant's occupancy or intended use that does not render them, in Tenant's sole judgment, untenable, then this Lease shall continue in full force and effect and the Rent shall be proportionately reduced based on the percentage by which the floor area of the Premises 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. If the Tenant, in its sole judgment, determines that the condemnation has rendered the Premises unsuitable for the Permitted Use, Tenant shall be entitled to terminate this Lease upon thirty (30) days advance written notice to Landlord. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building 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 if Tenant terminates the Lease under this section, provided that in no event shall Tenant's claim reduce Landlord's reward.

14. Indemnity and Hold Harmless. Each party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees acting in the scope of their employment. Where such Claims result from the concurrent negligence of the parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's negligence. Each of the parties agrees that its obligations under this Section 14 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the parties, by mutual negotiation, hereby waives, with respect to each of the other party's only, any immunity that would otherwise be available against such claims under the industrial

insurance provisions of Title 51 RCW. In the event that any of the parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's negligence.

15. Insurance.

15.1 Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a fully funded self-insurance program as defined in King County Code 2.21 for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate of self-insurance as proof of coverage. Landlord further acknowledges that Tenant does not maintain a commercial General Liability Insurance policy and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured to such policy. Should Tenant cease self-insuring its liability exposure and purchase a Commercial General Liability Insurance Policy, Tenant shall add Landlord as an additional insured to such policy. Tenant shall at all times maintain its self-funded program or a Commercial General Liability Insurance Policy, each in an amount sufficient to cover its liability exposure under this Lease.

15.2 Landlord shall maintain throughout the Term commercially reasonable policies of property insurance covering loss of or damage to the Building (including tenant improvements and subsequent alterations) in the full amount of its replacement cost with endorsement to cover code changes. Landlord hereby waives and releases any right of recovery (including by way of subrogation) against Tenant, its officers, employees and agents, for any loss or damage sustained by Landlord with respect to the Building or Premises or any portion thereof or the contents of the same or any operation therein, to the extent such loss or damage is actually insured against or is required hereunder to be insured against.

16. Mediation. Not-applicable.

17. Liens. Landlord and Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. Landlord or Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Landlord or Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.

18. Quiet Possession. Landlord covenants that as of the Commencement Date, Landlord will have good right to lease the Premises for the purpose and uses stated herein and Tenant shall have and quietly enjoy the Premises for the Lease Term.

19. Holding Over. If Tenant remains in possession of the Premises after the expiration or termination of this Lease, Tenant's continued possession shall be on the basis of a tenancy at the sufferance of Landlord. In such event, Tenant shall continue to comply with or perform all the terms and obligations of Tenant under this Lease, except that the monthly Rent during Tenant's holding over shall be one hundred twenty-five percent (125%) of the Base Rent payable in the last full month prior to the termination hereof. Acceptance by Landlord of rent after such termination shall not constitute a renewal or extension of this Lease; and nothing contained in this provision shall be deemed to waive Landlord's right of re-entry or any other right hereunder or at law.

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 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. 12.16.125. 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, 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.

21. Default.

21.1 The following occurrences shall each constitute a default by Tenant (an "Event of Default" or "Default"):

A. Failure To Pay. Failure by Tenant to pay any sum, including Rent, due under this Lease following ten (10) business days' notice from Landlord of the failure to pay.

B. 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 written notice by Landlord to Tenant of the breach (provided, if the nature of Tenant's failure is such that more time is reasonably required in order to cure, Tenant shall not be in Default if Tenant commences to cure promptly and thereafter diligently prosecutes such cure to completion).

21.2 **Landlord Default; Remedies.** 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 may, in its sole discretion and without limiting Tenant's other rights or remedies under this Lease and/or at law, terminate this Lease upon thirty (30) days advance written notice to Landlord. Tenant shall have all remedies available at law or in equity. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

22. 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.

22.1 Termination of Lease. Landlord may terminate Tenant's interest under the 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 (i) the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's reasonable, actual reletting expenses or (ii) such amounts as Tenant proves may reasonably be avoided.

22.2 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 Landlord its reasonable, actual reletting expenses; second, to pay any indebtedness of Tenant to Landlord other than Rent; third, to the Rent due and unpaid hereunder; and fourth, 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, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

23. Costs and Attorney's 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, or in any bankruptcy proceeding.

24. Hazardous Material.

24.1 For purposes of this Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70.105D ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

24.2 Landlord represents and warrants to Tenant that Landlord has no knowledge of any Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released through no fault of Tenant, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such release.

24.3 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 or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in 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 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 ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly 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 or the Real Property.

24.4 Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other parties, nothing in this Lease shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other parties.

24.5 The provisions of this Article 24 shall survive expiration or earlier termination of this Lease.

25. General.

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

25.2 Brokers' Fees. Tenant represents and warrants to Landlord that 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 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.

25.3 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 except in writing, signed by Landlord and Tenant.

25.4 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.

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

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

25.7 Addenda/Exhibits. The following Exhibits are made a part of this Lease. The terms of any Addendum to Lease and the Exhibits shall control over any inconsistent provision in the sections of this Lease:

Exhibit A: Legal Description

Exhibits B-1 and B-2: Diagram of the Premises and Parking

25.8 Counterparts. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original.

26. Not-Applicable.

27. **Signage**. Tenant shall obtain Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed, 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 cost and expense and in compliance with all applicable laws.

28. **Self Help**. Notwithstanding anything to the contrary, if Landlord fails to make and complete any maintenance or repair obligation of Landlord within twenty-four (24) hours of notice from Tenant with respect to any item of maintenance or repair that is deemed necessary by Tenant for its use of the Premises, or within thirty (30) days of notice from Tenant with respect to any other Landlord maintenance or repair obligation, then Tenant shall be entitled to take such actions and make such repairs to the Premises, Building or property associated with the same, as Tenant may deem necessary to correct such interruption, and Landlord shall reimburse Tenant for the cost of the same within thirty (30) days of invoice.

29. **Subordination, Nondisturbance and Attornment**. This Lease shall be subordinate to all existing and future mortgages and/or deeds of trust on the Premises, *or* the Building, and Tenant agrees to subordinate this Lease to any future mortgage or deed of trust and to attorney to Landlord's successor following any foreclosure, sale or transfer in lieu thereof, provided that the mortgagee, transferee, purchaser, lessor or beneficiary ("Landlord's Successor") agrees in a written instrument in form and substance satisfactory to Tenant that Tenant's use or possession of the Premises shall not be disturbed, nor shall its obligations be enlarged or its rights be

abridged hereunder by reason of any such transaction. Notwithstanding any foreclosure or sale under any mortgage or deed of trust (or transfer by deed in lieu thereof), this Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date and year set forth below.

LANDLORD:

TTL, LLC

By: Angela D. Lepley

Name: _____

Title: _____

Date _____

TENANT:

KING COUNTY, a political subdivision of the State of Washington

By: _____

Name: _____

Title: _____

Date _____

APPROVED AS TO FORM:

By: _____
Senior Deputy Prosecuting Attorney

**APPROVED BY CUSTODIAL
AGENCY:**

By: _____

Date: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ 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 _____ of _____, a _____, its _____, 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 _____, 2016.

Notary Public
Print Name
My commission expires

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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 KING COUNTY, a 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 _____, 2016

Notary Public
Print Name
My commission expires

(Use this space for notarial stamp/seal)

EXHIBIT A
Legal Description

THAT PORTION OF LOT 4 OF KING COUNTY SHORT PLAT NO. 980008, ACCORDING TO SHORT PLAT RECORDED OCTOBER 6, 1981 UNDER RECORDING NO. 8110060576, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

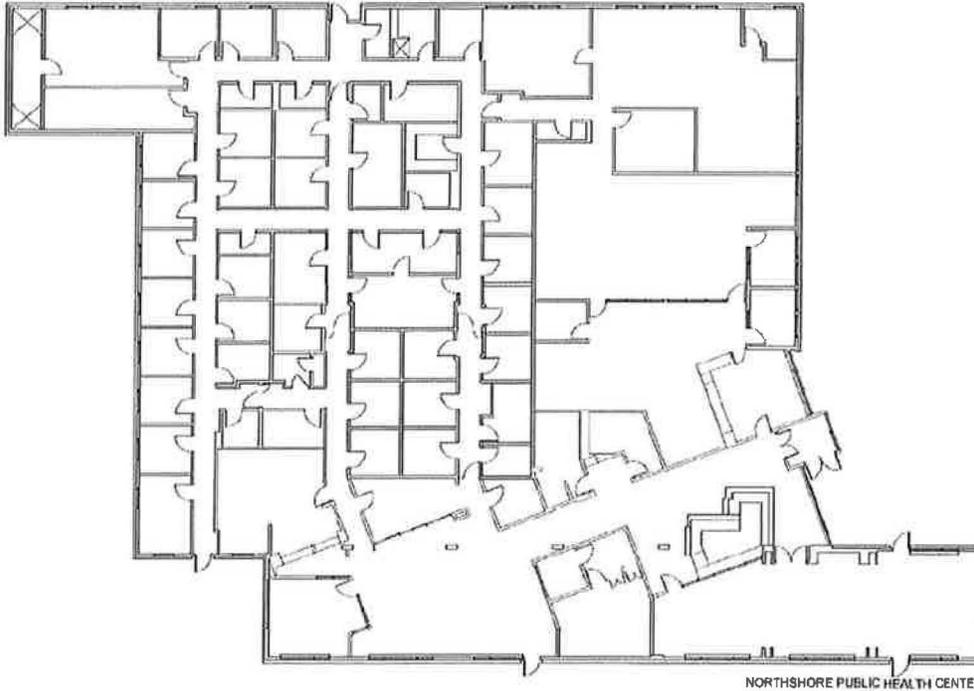
COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 26 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;
THENCE NORTH 01°52'03" EAST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER, 42.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID WEST LINE NORTH 01°52'03" EAST 375.28 FEET;
THENCE SOUTH 88°41'37" EAST 325.00 FEET; THENCE SOUTH 06°00'36" EAST 230.83 FEET;
THENCE SOUTH 27°47'15" WEST 161.55 FEET TO THE NORTHERLY MARGIN OF NORTHEAST 145TH STREET AS CONVEYED TO KING COUNTY BY DEED RECORDED UNDER RECORDING NO. 6254553;
THENCE NORTH 89°02'11" WEST ALONG SAID NORTHERLY MARGIN 286.04 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT B-1

Diagram of Premises

EXHIBIT B-1

10808 NE 145 Street, Bothell

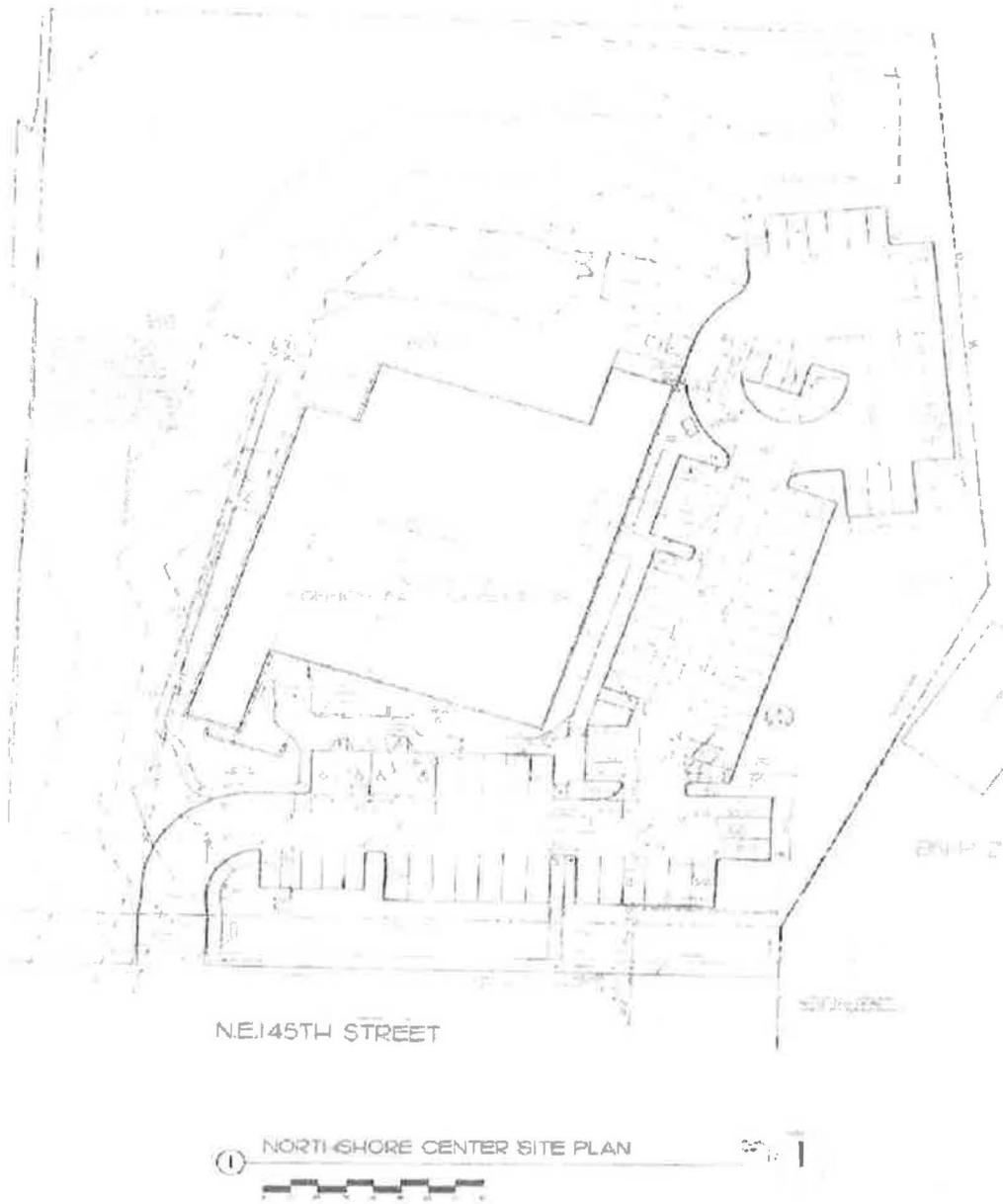


NORTHSHORE PUBLIC HEALTH CENTER

EXHIBIT B-2

Diagram of Parking

10808 NE 145th Street, Bothell



**FIRST AMENDMENT
TO
10808 NE 145th Street, Bothell
REAL ESTATE PURCHASE AND SALE AGREEMENT**

The undersigned parties, KING COUNTY, a political subdivision of the State of Washington (“King County” or “County”) and TTL, LLC, hereby agree to amend that certain Real Estate Purchase and Sale Agreement (“Agreement”), dated June 6, 2016. THIS FIRST AMENDMENT is made as of the date this instrument is fully executed by and between TTL, LLC and King County.

RECITALS

A. TTL, LLC, the Buyer, and King County, the Seller, are parties to the Agreement by which King County has agreed to sell certain real property located at 10808 NE 145th Street, Bothell, Washington (the “Property”) to TTL, LLC, subject to the terms and conditions set forth in the signed purchase and sale agreement dated June 6, 2016 (“Effective Date”)

B Sections 5.1 and 5.1.1 of the Agreement permit Buyer, during the due diligence period, to inspect the property. During this period the Buyer identified repair and maintenance issues related to the HVAC system located on the Property.

C. The Parties wish to memorialize in writing the Buyer’s waiver of all contingencies in Section 5.1 of the Agreement and the agreement between the Parties for a purchase price credit between Buyer and Seller related to the costs associated with the repairs and maintenance of the HVAC system.

E. Capitalized terms not otherwise defined in this Amendment shall have the meaning assigned to them in the Agreement.

THEREFORE, for valuable consideration, the parties hereby mutually agree as follows:

1. ARTICLE 2. PURCHASE PRICE shall be amended by adding the following section:

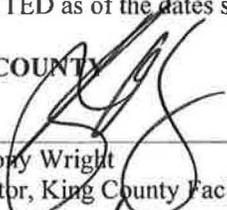
2.4. BUYER CREDIT FOR HVAC REPAIRS AND MAINTENANCE. Buyer and Seller agree that a holdback of funds deposited by Buyer into escrow may be used for repairs and maintenance to the HVAC system on the Property as contemplated and set forth in the correspondence between the Parties dated July 21, 2016, as provided for in Exhibit A to this First Amendment.

2. Buyer has performed its Due Diligence as contemplated by Section 5.1 of the Agreement and hereby waives that contingency, including Buyer’s right to terminate the Agreement under this Section 5.1.

3. All other terms and conditions shall remain unchanged and in full force and effect.

EXECUTED as of the dates set forth below.

KING COUNTY

By 
Anthony Wright
Director, King County Facility Management Division

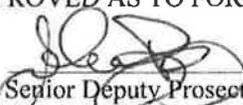
Date: 8/2, 2016

TTL, LLC

By 
Angela D. Lepley, Member
TTL, LLC

Date: 7/28, 2016

APPROVED AS TO FORM:

By: 
Senior Deputy Prosecuting Attorney

First Amendment, 10808 NE 145th Street, Bothell, WA Purchase and Sale Agreement

Exhibit A



July 21, 2016

King County
King County Facility Management Division
Real Estate Services Section
500 Fourth Avenue, Room 830
Seattle, WA 98104

RE: Waiver of Contingencies of Northshore Public Health, 10808 NE 145th Street, Bothell, WA, 98011

Please accept this notice to waive the Due Diligence Contingency in the Purchase and Sale Agreement dated, June 6, 2016.

Per email from King County dated July 21, 2016, Seller agrees that \$132,500.00 shall be held back in escrow from Seller's net proceeds (the "Holdback Funds"). After Closing, the Holdback Funds shall be used towards any work required on the HVAC system, including but not limited to repairs, maintenance, upkeep, and/or upgrades (the "HVAC Work"). Seller shall not be involved in the HVAC Work, nor shall Seller be liable for more than the Holdback Funds. To the extent any Holdback Funds remain after completion of the HVAC Work, said remaining funds shall be paid directly against Buyer's loan. This provision has been approved (and is required) by Buyer's Lender. The scope and content of the HVAC Work shall be as determined by Buyer and Buyer's Lender. Under no circumstances shall Seller be entitled to the Holdback Funds.

Sincerely,

A handwritten signature in black ink that reads "Angela D. Lepley".

Angela D. Lepley
TTL, LLC

Seller Acknowledgment:

By: _____
Name: Anthony Wright
Title: Director, Facilities Mgmt Div
Date: 8/2/16

16017 Juanita Woodinville Way NE, Suite 201 • Bothell WA 98011
(425) 822-2333 • (800)678-8202 • Fax (425) 822-1333
E-mail: tangerine@tangerinetravel.com • Web Page: www.tangerinetravel.com

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1

September 19, 2016

ML

Sponsor: Upthegrove

Proposed No.: 2016-0417

1 **AMENDMENT TO PROPOSED ORDINANCE 2016-0417, VERSION 1**

2 In Attachment A, Delete Exhibit E, Assignment Agreement, and replace with Exhibit E,
3 Assignment Agreement, dated September 21, 2016.

4 In Attachment A, add to the end of the attachment the Second Amendment to 10808 NE
5 145th Street Bothell, WA REAL ESTATE PURCHASE AND SALE AGREEMENT,
6 dated September 9, 2016.

7 **EFFECT: Replaces the existing Exhibit E, Assignment Agreement, to the**
8 **Northshore Bothell Property Purchase and Sale Agreement (PSA) with a version of**
9 **that is dated September 21, 2016 and has appended to it the lease that is being**
10 **assigned (the Exhibit A referenced in the Assignment Agreement.) Corrects the**
11 **reference date in Exhibit E for Amendment Number Six to the Communication Site**
12 **Lease to July 31, 2015.**

13 **Also adds the Second Amendment to the PSA, dated June 6, 2016. This Second**
14 **Amendment to the PSA strikes and replaces Exhibit F and amends Sections 7 and 9**
15 **of the PSA to account for the \$132,500 HVAC system repair and maintenance buyer**
16 **purchase credit included in the First Amendment to the PSA, dated August 2, 2016.**

17 **By this Second Amendment, the buyer as landlord assumes the obligations of**
18 **maintaining the HVAC.**

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EXHIBIT E

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Assignment") is entered into this ____ day of _____, 2016, by and between KING COUNTY, a political subdivision of the State of Washington (the "County") and TTL, LLC ("Buyer").

WHEREAS, the County has leased certain real property on the Northshore Public Health Center property to New Cingular Wireless PSC, LLC ("Lessee") pursuant to the Lease Agreement dated August 1, 2000, as amended by the Agreements and Amendments of Lease dated March 6, 2001, August 22, 2001, September 14, 2005, June 28, 2012, October 11, 2012 and July 31, 2015 ("Lease"), which is attached as Exhibit A;

WHEREAS, the County and the Buyer have reached an agreement for transfer of ownership of the Northshore Public Health Center from the County to the Buyer;

WHEREAS, the Lease should accordingly be assigned to the Buyer;

NOW THEREFORE, in consideration of the mutual promises made in this Assignment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Assignment.** The County hereby assigns, transfers and conveys to the Buyer all of the County's right, title, and interest in and to the Lease.
2. **Assumption.** The Buyer hereby accepts and assumes all of the County's right, title and interest in and to the Lease and assumes all obligations of any kind or nature under the Lease that arise after the date of this Assignment. The Buyer agrees for itself, its successors and assigns, to defend, indemnify, and hold harmless the County, its appointed and elected officials and employees, from and against any and all claims, liability, damages, demands, suits, judgments, costs, including attorney fees and costs of defense, which are caused by, arise out of, or are incidental to the Buyer's breach or violation of the terms of the Lease or this Assignment.
3. **Counterparts.** This Assignment may be executed in counterparts, and each set of duly delivered identical counterparts which includes all signatories shall be deemed to be one original document.
4. **Applicable Law.** This Assignment shall be governed by the laws of the State of Washington.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she 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: _____

Notary Public

Print Name

My commission expires

(Use this space for notarial stamp/seal)

5. No Other Amendments. Except as otherwise modified or amended by this Assignment, all of the terms and conditions of the Lease remain unchanged.

Dated as of the date and year first above written.

KING COUNTY

TTL, LLC

By _____

By _____

Its _____

Its _____

Approved as to Form:

King County
Senior Deputy Prosecuting Attorney

NOTARY BLOCKS APPEAR ON NEXT PAGE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that
_____ is the person who appeared before me, and said person
acknowledged that he/she signed this instrument, on oath stated that he/she 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: _____

Notary Public

Print Name

My commission expires

(Use this space for notarial stamp/seal)

Exhibit A to Assignment Agreement (Purchase and Sale Agreement Exhibit E) consisting of:

Communication Site Lease—27 pages

Lease Amendment #1 – 11 pages

Lease Amendment #2 – 7 pages

Amendment No. 3 to Communication Site Lease – 6 pages

Amendment #4 to Communication Site Lease – 4 pages

Amendment #5 to Communication Site Lease – 18 pages

Amendment No. 6 to Communication site Lease – 6 pages

Exhibit E in its entirety can be found on the committee webpage at <http://kingcounty.gov/council/committees/cow.aspx> as Additional Materials for the 10-3-16 meeting or in LegiSearch under proposed ordinance 2016-0417.

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**SECOND AMENDMENT
TO
10808 NE 145th Street, Bothell
REAL ESTATE PURCHASE AND SALE AGREEMENT**

The undersigned parties, KING COUNTY, a political subdivision of the State of Washington ("King County" or "County") and Tangerine Travel Limited, LLC ("TTL"), hereby agree to amend that certain Real Estate Purchase and Sale Agreement ("Agreement"), dated June 6, 2016. THIS SECOND AMENDMENT is made as of the date this instrument is fully executed by and between TTL and King County.

RECITALS

A. TTL and County are parties to the Agreement by which King County has agreed to sell certain real property located at 10808 NE 145th Street, Bothell, Washington (the "Property") to TTL, subject to the terms and conditions set forth in the signed purchase and sale agreement dated June 6, 2016 ("Effective Date"), as amended by the First Amendment to 10808 NE 145th Street, Bothell Real Estate Purchase and Sale Agreement dated August 2, 2016.

B. Section 10.5 requires the Parties to execute a lease under which the Seller shall lease the premises described in the lease from the buyer commencing on the Closing Date.

C. The Parties wish to clarify the terms and conditions of the lease referenced in Section 10.5 of the Agreement and attached thereto as **Exhibit F**.

E. Capitalized terms not otherwise defined in this Amendment shall have the meaning assigned to them in the Agreement.

THEREFORE, for valuable consideration, the parties hereby mutually agree as follows:

1. Exhibit F, Lease Agreement, shall be amended by striking Section 7 in its entirety and replacing it with the following:

7. Utilities and Services. Landlord shall at all times furnish the Premises with: (i) water at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning as appropriate, at such temperatures and in such amounts as are required by governmental authority or as are reasonably appropriate for the Building; (iii) janitorial service, recycling and trash removal on weekdays, other than national holidays; (iv) electrical current reasonably sufficient for Tenant's use; and (v) sewer service. Tenant shall furnish its own telephone, internet and cable service to the Premises. No interruption or failure of any utilities or services from any cause whatsoever shall be deemed an eviction of Tenant, provided that Landlord shall use commercially reasonable efforts to repair, replace or restore the same as quickly as possible. To the extent any interruption of services occurs due to Landlord's negligence, intentional misconduct or breach of Lease, then Rent shall be abated for the period of interruption in the proportion of the square footage rendered unusable in addition to, and without limiting, Tenant's other rights and remedies available at law and/or under this Lease. Unless otherwise elected by Tenant, any utilities that are separately metered to the Premises shall be paid directly to the providing utility by Tenant.

2. Exhibit F, Lease Agreement, shall be amended by striking Section 9 in its entirety and replacing it with the following:

9. Maintenance and Repairs. Subject to Landlord's obligations under this Lease, Tenant shall be responsible for the maintenance and non-structural repairs to the interior of the Premises, which shall be maintained and repaired in a commercially reasonable manner. Landlord shall maintain, repair and replace, if necessary, the Building; all Building systems, including but not limited to interior lighting (including replacement of ballasts and starters as required with the exception of light bulb replacement which shall be the responsibility of the Tenant); plumbing; floor coverings; window coverings;

elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

3. All other terms and conditions shall remain unchanged and in full force and effect.

EXECUTED as of the dates set forth below.

KING COUNTY

By: 
Anthony Wright
Director, King County Facility Management Division

Date: 9/9/2016, 2016

TTL, LLC

By: 
Angela D. Lepley, Member
TTL, LLC

Date: 9/7, 2016

APPROVED AS TO FORM:

By: 
Senior Deputy Prosecuting Attorney

August 16, 2016

The Honorable Joe McDermott
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember McDermott:

This letter transmits an ordinance that will enable King County to enact the sale of surplus property located at 10808 NE 145th Street, Bothell, to TTL, LLC in support of the provision of King County operations and services.

This ordinance is third of three related to Public Health's Northshore Clinic. The first ordinance is related to a lease for the replacement location of the Northshore Clinic (Council #2016-0388). The second is an appropriation ordinance for the tenant improvements required for the new location of the Northshore Clinic (Council #2016-0389).

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Sale of this property furthers the King County Strategic Plan guiding principle of Financial Sustainability and goal of improving the health and well-being of all people in our community.

The Honorable Joe McDermott
August 16, 2016
Page 2

Thank you for your consideration of this ordinance. If you have any questions, please feel free to contact Anthony Wright, Director, Facilities Management Division at 206-477-9352.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
 ATTN: Carolyn Busch, Chief of Staff
 Anne Noris, Clerk of the Council
Carrie S. Cihak, Chief of Policy Development, King County Executive Office
Dwight Dively, Director, Office of Performance, Strategy and Budget
Caroline Whalen, County Administrative Officer, Department of Executive Services (DES)
Anthony Wright, Director, Facilities Management Division (FMD), DES
Hien Dung, Interim Manager, Real Estate Services Section, FMD, DES
Patty Hayes, Director, Public Health-Seattle and King County (PHSKC)
Michael Gedeon, Chief Administrative Officer, PHSKC

KING COUNTY FISCAL NOTE - Property Leases and Sales

ATTACHMENT 4

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:				Transaction Duration:	NA yrs
Title:	Sale of Northshore Public Health Center			Fair Market Value:	\$ 4,100,000
Affected Agency/Agencies:	Public Health, FMD/Real Estate Services			Legal Transaction Type:	Sale
Note Prepared By:	Carolyn Mock/Kate Donley	Date Prepared:	7/26/16	Fiscal Transaction Type:	Stand Alone
Note Reviewed By:	Sid Bender	Date Reviewed:	8/16/2016		
Description of Request:	Sale of Northshore Public Health Center at 10808 NE 145th St, Bothell				

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
-----------------------------------------------------	----	-----------------------------------------------------------------------------	----

Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the financial affairs of King County is estimated to be as indicated below: ¹

Revenue to: ^{2,3,5}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2015	2015 / 2016	2017 / 2018	2019 / 2020	Sum of Outyear Impacts ²
General Fund Transfer to CIP			0010		39780 General Fund (Disappropriation of remaining HVAC proj.)		\$ 199,135			
King County Total Sale Transaction				1114654	39512 Gross Sale of Land/Fair Market Value	\$ -	\$ 4,100,000	\$ -	\$ -	\$ -
Non-County entity (purchaser)	NA	NA	NA	NA	39512 Broker (\$194,750) and HVAC deduction (\$132,500)	\$ -	\$ (327,250)	\$ -	\$ -	\$ -
FMD/Real Estate Services	A44000	0440	0010	1046360	34187 Costs Real Property Sales	\$ -	\$ (99,462)	\$ -	\$ -	\$ -
Arts & Cultural Development	A30100	94.00	1170	1047323	39512 Sale of Land - 10% for Art	\$ -	\$ (410,000)	\$ -	\$ -	\$ -
FMD Building Repair & Replacement	A60500	0605	3951		Reimbursement for Tenant Improvements	\$ -	\$ (855,686)	\$ -	\$ -	\$ -
Net Total for Public Health Operating	A80000	900	1800	1114654	39512 Net Sale of Land	\$ -	\$ 2,407,602	\$ -	\$ -	\$ -

Expenditures from: ^{2,3,4,5}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2015	2015 / 2016	2017 / 2018	2019 / 2020	Sum of Outyear Impacts ²
Public Health	A80000	900.00	1800	1114654						
Real Estate Services Labor Costs					Due Diligence, Appraisal Review, Marketing, Legislation	\$ -	\$ 77,235	\$ -	\$ -	\$ -
King County Project Management					FMD Labor Costs	\$ -	\$ 6,992	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)					Appraisal Contracts, Title Report, Appraisal Review	\$ -	\$ 15,235	\$ -	\$ -	\$ -
Tenant and Other Improvements					Tenant Improvements for new leased space at Evergreen Medical Center	\$ -	\$ 855,686	\$ -	\$ -	\$ -
10% Art for General Fund Transactions					10% for Arts per KCC 4.56.130	\$ -	\$ 410,000	\$ -	\$ -	\$ -
Other Transaction Costs					HVAC System Replacement - to be held back in escrow	\$ -	\$ 132,500	\$ -	\$ -	\$ -
Other Transaction Costs					Broker Commission @ 4.75%	\$ -	\$ 194,750	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 1,692,398	\$ -	\$ -	\$ -
Public Health	A80000	900.00	1800	1114654						
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M					Short Term Leaseback @\$13,564.17/month; 3 month term	\$ -	\$ 40,693	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 40,693	\$ -	\$ -	\$ -
General Fund	A69900	0.00	0							
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs					39780 General Fund (Disappropriation of remaining HVAC proj.)	\$ -	\$ (199,135)	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ (199,135)	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 1,533,955	\$ -	\$ -	\$ -

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the **budget appropriation** of King County is *estimated* to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2015 / 2016 Appropriation Change
					The transaction was anticipated in the current budget; no supplemental appropriation is required.	\$ -
						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
TOTAL						\$ -

Total 6-Year CIP Outyear Planning Level Costs
\$ -
\$ -
\$ -
\$ -
\$ -
\$ -
\$ -

Assumption and Additional Notes:

*** An NPV analysis was not performed because this transaction is a sale with no viable cost/benefit alternatives.

- If the expenditure impact equals or exceeds five percent of the fund expenditures, a copy of the most recent applicable appropriation unit financial plan is attached to this transmittal.
- The sum of outyear impacts is provided for capital projects and agreements. This sum for revenue and expenditures includes all revenues/expenditures for the duration of the lease/other agreement or life of the capital investment.
- This transaction does not require the use of fund balance or reallocated grant funding.
- The transaction involves the sale of a property and the expenditures associated with this sale are limited to transaction costs. No long-term expenditures requiring resource backing are associated with this transaction.
- A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:
 - Leaseback agreement effective if Public Health has not vacated by time sale closes (3 months with two 3 month options to extend). If Public Health relocates before closing the leaseback agreement will not be executed.
 - Tenant Improvements for new leased space at Evergreen Medical Center = \$1,087,846 less Allowance of \$232,160, cost to KC = \$855,686. Appropriation request for Building Repair & Replacement Fund under separate ordinance.
 - Building Repair & Replacement Fund to be replenished from sale proceeds for TI costs for new leased space at Evergreen Medical Center
 - HVAC system replacement to be handled by Buyer using \$132,500 held back in escrow from King County's net proceeds
 - Per KCC 4.56.130, on transactions with gross sale proceeds of \$250,000 or greater that are to accrue to the current expense fund, 10% of gross sale proceeds are to be deposited in the Arts & Cultural Development Fund.
 - Site has existing cell tower lease. Loss of revenue from lease assignment = approx \$55,000 per year for \$204,053 over remaining term of lease expiring 7/31/2020. Partially offset by \$44,000 per year operating cost savings to Public Health.
 - This property is a General Fund asset with sale proceeds to be transferred to Public Health.
 - Sale proceeds to KC: sale price \$4,100,000 less broker commission (4.75%) \$194,750 and deduction for HVAC system \$132,500 = \$3,772,750

**2015/2016 Financial Plan / 2016 Q2 Monitoring
Public Health Operating Fund / 000001800**

	2013/2014 Actuals ¹	2015/2016 Adopted Budget ²	2015/2016 Current Budget ³	2015/2016 Biennial- to-Date Actuals ⁴	2016 Q2 Estimated	2017/2018 Projected ⁶	2019/2020 Projected ⁶
1 Category							
2 Beginning Fund Balance	\$ 8,379,048	\$ (8,936,880)	\$ (11,727,782)	\$ (11,727,782)	\$ (11,727,782)	(3,278,050)	(908,087)
3 Revenues							
4 City of Seattle	43,520,529	43,522,115	42,702,328	23,874,846	42,725,333	41,832,635	43,939,603
5 Double Budgeting OH ⁷	5,480	0	24	1,986	1,678	-	-
6 Fees for Services	54,866,966	12,729,694	12,729,732	11,265,550	14,907,081	14,171,157	14,339,224
7 Grants	96,928,496	98,921,911	101,492,149	60,985,876	93,953,953	83,146,368	83,408,382
8 Intragovernmental	10,976,946	11,001,766	11,895,780	7,576,456	11,995,742	11,092,732	11,480,318
9 Medicaid Administration ⁸	7,979,687	10,247,528	10,399,708	2,420,847	7,520,568	7,610,341	7,612,510
10 Other Revenues	3,203,292	7,508,102	4,982,768	1,902,663	3,454,202	2,431,150	2,533,426
11 Patient Generated Revenue ⁹	83,150,675	76,753,201	76,794,124	56,447,987	78,593,741	76,920,446	79,269,671
12 State Flexible	24,870,984	24,983,311	24,983,352	18,834,416	24,983,325	24,595,572	24,595,572
13 KC General Fund Flexible	52,392,068	56,400,715	56,240,816	40,873,523	56,240,816	50,288,632	52,831,875
14 BSK Revenue	-	-	4,072,000	-	4,072,000	55,397,895	67,743,697
15 HVMC	-	-	-	-	5,000,000	10,000,000	10,000,000
16 One time Revenues ¹⁰	10,400,000	7,100,000	10,361,000	3,222,426	7,641,049	-	-
17 Total Revenues	\$ 388,295,123	\$ 349,168,343	\$ 356,653,781	\$ 227,406,577	\$ 351,089,489	\$ 377,486,928	\$ 397,754,278
18 Expenditures							
19 Personnel	(234,711,920)	(193,469,626)	(196,610,603)	(143,016,803)	(192,069,228)	(186,375,792)	(197,299,977)
20 Contracts	(88,910,001)	(90,330,767)	(93,974,300)	(54,832,014)	(88,222,766)	(113,884,962)	(132,335,215)
21 Overhead ¹¹	(31,353,830)	(25,736,658)	(25,105,260)	(20,303,387)	(26,850,254)	(41,955,239)	(44,685,886)
22 Facilities and Motor Vehicle	(18,736,182)	(15,196,106)	(15,198,312)	(10,349,783)	(14,402,710)	(14,380,997)	(15,314,333)
23 Supplies and Office Equipment	(4,493,168)	(4,364,066)	(4,620,948)	(3,476,765)	(4,564,172)	(3,497,032)	(3,524,883)
24 Medical Supplies & Pharmaceuticals	(8,845,092)	(8,316,525)	(8,367,875)	(6,352,106)	(8,369,860)	(9,760,459)	(10,318,444)
25 Contingencies and Contras	(1,014)	1,318,308	1,245,928	-	-	(343,508)	(347,612)
26 Other Expense	(7,229,057)	(5,248,328)	(5,093,505)	(3,314,561)	(4,980,086)	(4,918,976)	(4,463,818)
27 One time Expenditures ¹²	(4,200,000)	(1,780,900)	(1,780,900)	(1,165,680)	(3,180,680)	-	-
28 Total Expenditures	\$ (398,480,264)	\$ (343,124,668)	\$ (349,505,775)	\$ (242,811,099)	\$ (342,639,757)	\$ (375,116,965)	\$ (408,290,169)
29 Ending Fund Balance	(1,806,093)	(2,893,205)	(4,579,776)	(27,132,304)	(3,278,050)	(908,087)	(11,443,979)
31 Reserves							
33 Environmental Health Fee Future Expenditures	(4,069,847)						
37 Environmental Health Rainy Day Reserve (30 day)	(5,856,799)						
38 Other PH Operations Rainy Day Reserve (30 day) ¹³	(14,119,131)	(11,728,151)	(12,007,144)	(8,275,959)	(11,725,786)	(13,329,557)	(14,624,770)
39 Total Reserves	\$ (24,045,777)	\$ (11,728,151)	\$ (12,007,144)	\$ (8,275,959)	\$ (11,752,284)	\$ (13,329,557)	\$ (14,624,770)
40 Reserve Shortfall	25,851,870	14,621,356	16,586,920	35,408,263	15,030,334	14,237,644	26,068,748
41 Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Financial Plan Notes

- ¹ 2013/2014 Actuals reflect year end information from EBS and are consistent with the Budgetary Fund Balance figures published by FBOD.
- ² 2015/2016 Adopted Budget is based on ordinance 17476 and reflects the removal of all Appropriations and Reserves associated with the Environmental Health Division into a separate, designated Environmental Health Fund. This change will result in a projected deficit for Public Health Fund starting in 2015/2016 of almost \$9 million and the
- ³ 2015/2016 Current Budget reflects the Operating Budget in EBS using report GL10 last run on August 9, 2016.
- ⁴ 2015/2016 Biennial-to-Date Actuals reflects actual revenues and expenditures through June 30, 2016, using EBS report GL10 last run on August 9, 2016.
- ⁵ 2015/2016 Estimated reflects updated revenue and expenditure estimates based on the DPH Consensus Model, and does not include the impact of any proposed, but not
- ⁶ Out year projections reflect the 2017/2018 Agency Proposed Budget, excluding the added revenue line for Foundational Public Health Services (FPHS), and are not updated for any adjustments identified through the Executive Working phase
- ⁷ DPH is adjusting the Department's Accounting practices regarding distribution of overhead costs. Beginning in 2015/2016, after working with PSB on financial accounting Best
- ⁸ The 2013/2014 Estimated and the 2015/2016 Adopted Medicaid Administration Revenue has been right sized to account for the anticipated changes in the claiming for allowable expenditures as agreed between the Centers for Medicare & Medicaid Services (CMS); the Washington State HCA, and other Washington State Local Health
- ⁹ DPH adjusted the Patient Generated Revenue (PGR) model to account for risk in the 2015/2016 Adopted Budget. The assumptions related to visits, patient mix, and payor mix were based on historical experience. The implementation of healthcare reform in 2014 has great impact on these assumptions, but because the implementation is so new, there is very little data to inform these assumptions. The impact of budget changes, including program closures, layoffs/bumping, and the uncertainty surrounding the proposed
- ¹⁰ One time revenues includes the following adjustments:
 2013/2014 Actuals: 2012 CAFR / Fin Plan Starting Balance Adjustment of \$6.4M, \$1M in State Flexible Funds Previously sent to the wrong County, \$2M of KC General Fund in
 2015/2016 Adopted Budget: \$6M in anticipated property sales and \$1.1M in additional General Fund for employee separation costs
 2015/2016 Current Budget: \$6M in anticipated property sales, \$1.1M in additional General Fund for employee separation costs, and \$2.4M in partner funding for the Public
 2015/2016 Estimated Budget: \$4.3M in anticipated property sales, \$1.1M in additional General Fund for employee separation costs, and \$2.2M in partner funding for the
- ¹¹ Overhead includes King County Overhead, Technology, and DPH Administrative Overhead, and includes the distribution of the costs spread to other Funds including the Environmental Health (0000018500), EMS Levy (0000011900), Jail Health Services in the General Fund (000000010) and MIDD Fund (000001135).
- ¹² One time expenditures includes the following adjustments:
 2013/2014 Estimated: \$4.1M for Clinic Remodel and Relocation Costs.
 2015/2016 Current Modified: \$1.7M in program elimination and employee separation costs.
 2015/2016 Estimated: \$1.1M in program elimination and employee separation costs and \$2M in projected HIT
- ¹³ The Rainy day reserve was calculated at 24 months expenditures less One Time Expenses and KC General
- ¹⁴ This plan was updated by Chris McGowan on 8/9/2016.

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King County

Committee of the Whole

October 3, 2016

**Agenda Item No. 5
Briefing No. 2016-B0186**

**Communicable Disease Update and
Public Health Response**

**Materials for this item will be available at
the meeting.**

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King County

**Metropolitan King County Council
Committee of the Whole**

STAFF REPORT

Agenda Item:	6	Name:	Jenny Giambattista
Proposed No.:	2016-0473	Date:	October 3, 2016

SUBJECT

Proposed Motion 2016-0475 requests that the Executive develop a plan for addressing major technology emergencies that might occur in the Office of Emergency Management, the Department of Natural Resources and Parks, and the Department of Elections and other departments as requested by department directors.

SUMMARY

King County departments depend on technology to deliver services to the public. Additionally, some departments have peak periods of the year where the department anticipates a greater than usual reliance on technology. During those busy times, it is important to ensure technology failures are addressed as quickly as possible.

Proposed Motion 2016-0475 requests that the executive develop a plan for addressing major technology emergencies that might occur in the Office of Emergency Management, the Department of Natural Resources and Parks, and the Department of Elections, and other departments as requested by department directors.

BACKGROUND

King County Information Technology (KCIT) is responsible for supporting the technology functions in all Executive Departments. When technology problems occur in a department that exceed the capacities of the IT resources assigned to the department, KCIT can assign additional resources to address the problem and resolve the problem more quickly. Knowing a department’s critical operational times during the year could help KCIT prioritize and be prepared for any issues that emerge.

Additionally, KCIT reports that when departments delay notifying KCIT of a problem, it can delay the resolution time.

ANALYSIS

Proposed Motion 2016-0475 requests the executive to develop and transmit a plan for addressing major technology emergencies that might occur in the Office of Emergency

Management, the Department of Natural Resources and Parks, and the Department of Elections and other departments as requested by department directors.

The motion requires the plan address at least the following four areas:

1) Method for alerting KCIT on upcoming operational events

KCIT reports it is helpful for KCIT to be informed of the key operational events occurring in departments so they can identify resources that may be needed and ensure that KCIT does not roll out any changes to key technology infrastructure during those times. Thus, the motion requires the plan to describe the method by which this information will be conveyed to KCIT.

2) A list of events for 2017 and 2018

The plan requests a list for 2017 and 2018 of those events where there may be increased technical capacity required due to higher than normal needs or concerns about the technology functioning properly.

3) Method for alerting KCIT to technology emergencies in specific departments

KCIT needs to know about an incident in order to respond to it. Therefore, the plan requires a description of the method by which the Office of Emergency Management, the Department of Natural Resources and Parks, the Department of Elections, and other relevant departments, alert KCIT to emergency technology issues.

4) Resource on-call plan for technology emergencies for specific departments

The legislation requires a resource on call plan in order to ensure departments such as the Office of Emergency Management, the Department of Natural Resources and Parks, and the Department of Elections will have access to the KCIT technology expertise necessary to address technology emergencies.

The plan is due April 3, 2017.

AMENDMENT

No amendments.

ATTACHMENTS

1. Proposed Motion 2016-0473

INVITED

1. Bill Kehoe, Chief Information Officer, King County Department of Information Technology



KING COUNTY

ATTACHMENT 1

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

September 27, 2016

Motion

Proposed No. 2016-0473.1

Sponsors Lambert

1 A MOTION requesting that the executive transmit a plan for
2 addressing major technology emergencies that might occur the
3 in the office of emergency management, the department of
4 natural resources and parks and the department of elections,
5 and departments as requested by department directors.

6 WHEREAS, King County departments provide critical services to the people of
7 King County, and

8 WHEREAS, technology is essential to delivering those services, and

9 WHEREAS, technology failures can hinder the ability of departments to provide
10 services, and

11 WHEREAS, technology failures should be addressed as efficiently as possible,
12 and

13 WHEREAS, the department of information technology has experience and
14 expertise in providing assistance to departments with emergency technology issues, and

15 WHEREAS, King County is a leader in emergency preparedness planning, and

16 NOW, THEREFORE, BE IT MOVED by the Council of King County:

17 A. The executive is requested to develop and transmit a plan for addressing major
18 technology emergencies that might occur in the office of emergency management, the

19 department of natural resources and parks and the department of elections, and other
20 departments as requested by department directors.

21 B. The plan shall include, but not be limited to:

22 1. A method for alerting and advising the department of information technology
23 to any many operational events and any potential technology issues associated with that
24 event and potential need and timeframes for a moratorium on changes to key technology
25 infrastructure;

26 2. A list of events for 2017 and 2018 where there may be increased technical
27 capacity required due to higher than normal needs or concerns about the technology
28 functioning adequately;

29 3. A method and a recommended minimum timeframes by which the office of
30 emergency management, the department of natural resources and parks and the
31 department of elections, and other relevant departments, should alert the department of
32 information technology of any emergency technology issues impacting operations; and

33 4. A resource on call plan for ensuring the office of emergency management, the
34 department of natural resources and parks and the department of elections, and other
35 relevant departments, will have the technology expertise available in the event of a
36 technology failure.

37 C. The executive shall transmit the plan, and a motion adopting the plan by April
38 3, 2017, in the form of a paper original and an electronic copy to the clerk of the council,
39 who shall retain the original and provide an electronic copy to all councilmembers, the

Motion

40 council chief of staff, the policy staff director, and the lead staff for the committee of the
41 whole, or its successor.
42

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

J. Joseph McDermott, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: None

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King County

**Metropolitan King County Council
Committee of the Whole**

STAFF REPORT

Agenda Item:	7	Name:	Mary Bourguignon
Proposed No.:	2016-B0187	Date:	October 3, 2016

SUBJECT

A briefing by the Executive Director of 4Culture to present the agency’s plans and proposed expenditures for 2017.

SUMMARY

King County’s arts and heritage programs are administered by 4Culture (also known as the Cultural Development Authority, or CDA). 4Culture was established by the Council in 2002, and chartered in 2003 as a quasi-governmental public development authority.¹ 4Culture provides funding for local cultural programs and oversees King County’s 1% for Art capital projects program.

Representatives from 4Culture will present the agency’s plans and proposed expenditures for 2017.² This briefing is the second of the two briefings to Council required each year by Code.³

BACKGROUND

4Culture’s History, Funding and Programs. 4Culture (formally known as the Cultural Development Authority of King County) was created by the Council following the economic downturn of the early 2000s as a more efficient way to manage the County’s arts and cultural programs than a County department. 4Culture was established as a tax-exempt public development authority. It is governed by a fifteen member Board of Directors, who are nominated to their positions by the Executive and confirmed by the Council.

When it was established, 4Culture was authorized to use a portion of the County’s lodging (hotel/motel) tax.⁴ However, between 2013 and 2020, 4Culture has limited access to lodging tax revenues:

¹ Ordinance 14482, K.C.C. 2.49

² Note that the Council’s budget action this fall will be to make an appropriation to the Cultural Development Authority Fund, which will be transferred to 4Culture after adoption. Following that action the 4Culture Board will meet to review and approve a budget for 4Culture.

³ K.C.C. 2.49.160

⁴ RCW 67.28

- **From 2013-2015**, all lodging tax revenues were to be used to retire the debt on the Kingdome, with any additional revenues if the Kingdome debt was retired before the end of 2015 to be dedicated to arts and culture.⁵ Because the Kingdome bonds were able to be retired in March 2015, the remaining revenues through the end of 2015 were included in the Cultural Development Authority 2015-2016 budget and were then used to back the bonds used for the Building For Culture program⁶ to provide capital support to arts and culture organizations.
- **From 2016-2020**, all lodging tax revenues are to be dedicated to the football stadium and exhibition center.⁷
- **After January 1, 2021**, lodging tax revenues will be allocated as follows:
 - 37.5 percent to arts and cultural purposes;
 - 37.5 percent to affordable workforce housing near transit stations or for services for homeless youth; and
 - 25 percent for capital or operating programs that promote tourism and attract tourists to the county, including arts, heritage, and cultural events.⁸

With the exception of the post-Kingdome 2015 lodging tax revenues it received and devoted to the Building For Culture program, 4Culture is not reliant on lodging taxes during these years, but is funded by a special account that it was required to create during the early 2000s from its portion of the lodging tax. Beginning in 2021, 4Culture will once again receive lodging taxes as shown above.

4Culture's name was derived from its four cultural programs:

- **Arts.** 4Culture provides capital and operating grant funding for individual artists, groups, and community organizations.
- **Heritage.** 4Culture provides capital and operating grant funding for organizations focused on building the historical record, preserving and enhancing the character of the region, and sharing local heritage resources.
- **Preservation.** 4Culture provides project, capital, and operating support to aid in the historic preservation of buildings, neighborhoods, and landscapes. The organization also provides support for heritage tourism for King County communities.
- **Public Art.** 4Culture manages the County's 1% for Art program, and manages arts installations throughout the county.

4Culture Reporting Requirements. King County Code requires 4Culture to meet with the Council's Committee of the Whole twice a year, once in the first half of the calendar year to discuss the authority's annual report and once in the second half of the calendar year to discuss the authority's plans and proposed expenditures for the following year.⁹

⁵ RCW 67.28.180(3)(b)

⁶ Ordinances 18179, 18180, 18181

⁷ RCW 67.28.180(3)(c)

⁸ RCW 67.28.180(3)(d), RCW 67.28.180(3)(h)(ii)

⁹ K.C.C. 2.49.160.6.B.1

Today's briefing will be the second of those two meetings.¹⁰ During this briefing, representatives from 4Culture will present the agency's plans and proposed expenditures for 2017.

Budget Proposal. The Cultural Development Authority (CDA) 2017-2018 proposed budget¹¹ is \$6.4 million, 218 percent lower than the 2015-2016 budget. This significant decrease was anticipated, as the 2015-2016 budget included both the 2015 post-Kingdome lodging taxes and the bond proceeds for the Building For Culture program.

- **Building For Culture.** In 2015, the Council approved a \$29 million bond issuance to fund the Building For Culture program.¹² Bond proceeds are anticipated to be disbursed prior to the end of 2016 (and thus before the start of the 2017-2018 biennium), with two exceptions:
 - **Barn Again.** The proposed CDA budget reflects the anticipated transfer of \$500,000 out of the Cultural Development Authority Fund to the Historic Preservation Program for the Barn Again program;¹³ and
 - **Preservation Action Fund.** Building For Culture included a \$2 million Preservation Action Fund¹⁴ that requires Council approval of an agreement with 4Culture.¹⁵ The Council has not yet taken action on this required agreement,¹⁶ and thus the \$2 million is included in the CDA's proposed budget for potential action during the 2017-2018 biennium.
- **Contingency for Property Sales and 1% for Art.** Per County Code, sales of General Fund-owned properties with gross sale proceeds of \$250,000 or greater must dedicate 10 percent of sales proceeds to the Cultural Development Authority Fund.¹⁷ In anticipation of the potential upcoming sales of the Northshore (\$4.1 million) and Renton (approximately \$2 million) Public Health clinics,¹⁸ as well as additional 1% for Art funding from capital projects, the proposed budget includes \$1.9 million in contingent appropriation authority.

ATTACHMENTS

1. 4Culture presentation

INVITED

- Jim Kelly, Executive Director, 4Culture

¹⁰ The first briefing, a report on the 4Culture 2015 Annual Report, was presented to the Committee of the Whole on June 15, 2016 (2016-B0120)

¹¹ Note that the Council's budget action this fall will be to make an appropriation to the Cultural Development Authority Fund, which will be transferred to 4Culture after adoption. Following that action the 4Culture Board will meet to review and approve a budget for 4Culture.

¹² Ordinance 18180

¹³ Ordinance 17941 Section 92 P1 as amended by Ordinance 18179 (See Briefing 2016-B0070)

¹⁴ Motion 14406

¹⁵ Ordinance 17941 Section 74 P1 as amended by Ordinance 18179

¹⁶ Proposed Motion 2016-0384

¹⁷ K.C.C. 4.56.130

¹⁸ Northshore (Proposed Ordinance 2016-0417), Renton (Not yet transmitted)

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ADVANCING COMMUNITY THROUGH CULTURE



CULTURE

WWW.4CULTURE.ORG



4CULTURE 2017 REVENUE

% for Art

\$3,911,000

General Fund - Collection Stewardship

\$520,000

Contingency

\$1,965,000

Special Account Transfer

\$10,500,000

NEW & CONTINUING WORK

Community 4Culture

ENGLISH

2016
COMMUNITY 4CULTURE

4CULTURE.ORG/COMMUNITY

HOW CAN WE SUPPORT YOU?

Our goal is to connect with those who we currently under-support, and to fund an arts and cultural community that reflects King County's diverse population.

Community 4Culture provides up to \$25,000 to organizations and \$10,000 to individuals, alongside ongoing dialogue about other ways we can strengthen your work.

ESPAÑOL

2016
COMUNIDAD 4CULTURE

4CULTURE.ORG/COMMUNITY

¿CÓMO PODEMOS AYUDARLE?

Nuestro objetivo es el de conectarnos con las personas u organizaciones que actualmente no reciben nuestro apoyo y así apoyar a la comunidad artística y cultural que represente la

TIẾNG VIỆT

2016
COMMUNITY 4CULTURE

4CULTURE.ORG/COMMUNITY

CHÚNG TÔI CÓ THỂ ỦNG HỘ QUÝ VỊ THẾ NÀO??

Mục tiêu của chúng tôi là nối kết với những người mà hiện tại đang thiếu sự hỗ trợ, và tài trợ cho nghệ thuật và văn hóa cộng đồng nhằm phản ánh dân số đa dạng của Quận King.

Chương trình giành đua này cấp đến \$25,000 cho các tổ chức và \$10,000 cho các cá nhân, cùng với sự đối thoại liên tục về những cách khác mà chúng tôi có thể củng cố cộng đồng

SOOMAALI

2016
COMMUNITY 4CULTURE

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SIDEEN KUU CAAWIN KARNA?

Barnaamijkan tartanka waxa uu siinaya \$ 25,000 ururada iyo \$ 10,000 shaqsiyaadka, oo ay garab socoto wada hadalka ku saabsan siyaabo kale oo aan ku xoojin karno shaqadaada.

Hadafkayagu waa in lagu xiriiriyo kuwa hadda taageerada ku yar tahay, iyo in lagu maal geliyo farshaxanimada iyo dhaqanka bulshada ee ka turjumaya dadka kala duwan ee King County ku nool.



NEW & CONTINUING WORK

Artists Up



NEW & CONTINUING WORK

Creative Justice



NEW & CONTINUING WORK

StEPs 4Culture 2.0



NEW & CONTINUING WORK

Poetry on Buses



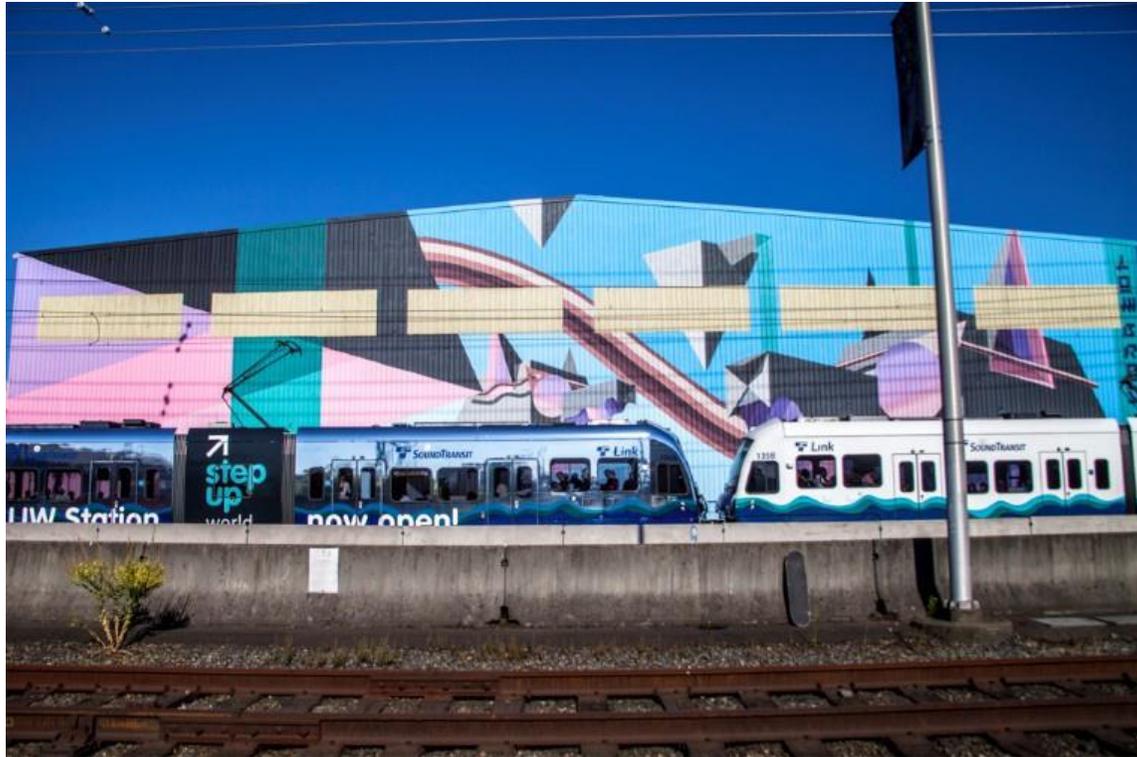
NEW & CONTINUING WORK

Equity in Preservation



NEW & CONTINUING WORK

SODO Track



BUILDING 4CULTURE

• 100

\$25,910,716



\$11,603,051



CULTURAL ACCESS WASHINGTON

KING COUNTY CULTURAL ACCESS PROGRAM

4CULTURE CONVENED MEETINGS

June 30		Washington Hall, Seattle
July 21	Education Study Group	PSESD, Renton
July 26	Eligibility Study Group	4Culture, Seattle
July 27	Regional Organizations Study Group	KidsQuest, Bellevue
July 27	Community-Based Organizations Study Group	4Culture, Seattle
July 29	Initiatives Study Group	Shoreline Center, Shoreline
Aug 24	Eligibility Study Group	Burien Community Center, Burien
Aug 24	Education Study Group	King County Library, Renton
Aug 24	Community-Based Orgs/Initiatives Study Groups	Carco Theatre, Renton
Aug 30	Regional Organizations Study Group	Woodland Park Zoo, Seattle
Sept 21		Washington Hall, Seattle



CULTURE

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King County

**Metropolitan King County Council
Committee of the Whole**

STAFF REPORT

Agenda Item:	8	Name:	Clifton curry
Proposed No.:	2016-0431	Date:	October 3, 2016

SUBJECT

AN ORDINANCE establishing a task force on labor trafficking and economic exploitation and requiring a report with recommendations on the steps the county can take in addressing systematic issues related to labor trafficking and economic exploitation.

SUMMARY

Proposed Ordinance 2016-0431 would establish a Human Labor Trafficking and Economic Exploitation Task Force for King County with the goal of reviewing and addressing the issue labor trafficking and exploitation in the region. The task force would consist of a number of governmental, community, and business representatives who are asked to develop data and recommendations on how to develop community outreach to those who might be exploited and how to improve services to those who are victims of exploitation. The Executive would be required to support the task force and to develop a report with specific recommendations to address labor trafficking and exploitation in King County.

BACKGROUND

King County is the 13th largest and second-fastest growing county in the United States. The county’s rapid population growth is in part attributed to first-generation immigrants from around the world, pursuing economic opportunities and better lives for themselves and their families. Because of its maritime ports, marinas, airports, I-5 and I-90 freeways, King County and Washington State have been the economic hub for the State and very much involved with foreign trade, especially with Asia. According to the Economic Development Council of King County and Seattle, Washington ranks first in the U.S. for exports and imports per capita and approximately 8.7 percent of the state’s private sector jobs are directly related to foreign trade, helped in part because the region is located equidistant between Asia and Europe.

For these reasons, Washington is considered to be a “hot spot” in an international human trafficking circuit between the United States, Mexico, Hawaii, Japan, Thailand and the Philippines. According to the Federal Bureau of Investigation, human trafficking

is the world's second-largest and fastest-growing black market.¹ Victims of human trafficking include children who are involved into commercial sex trade, adults age eighteen or over who are coerced or deceived into commercial sex acts, and anyone forced into different forms of "labor or services," such as domestic workers held in a home, or farm workers forced to labor against their will. Human trafficking is a crime under federal law.² Human traffickers lure and ensnare individuals into labor trafficking and sex trafficking situations using methods of control such as force, fraud or coercion. Washington State Law defines "human trafficking" or "trafficking" as an act conducted for the purpose of exploitation, including forced labor, by particular means, for example, threat of use of force or other forms of coercion, abduction, fraud or deception, abuse of power, or abuse of position of vulnerability.

Washington State has been described as a focal point for the recruitment, transportation and sale of people for labor, due in part to its abundance of ports, proximity to an international border, vast rural areas and dependency on agricultural workers. In 2003, Washington was the first state to criminalize human trafficking. In 2012, the state adopted twelve human trafficking bills, making Washington State a model for comprehensive anti-human trafficking laws.

In 2008, the Washington State Department of Community, Trade and Economic Development published a report prepared by a special Task Force against the Trafficking of Persons. The report makes several recommendations toward creating a comprehensive response to human trafficking in Washington. The first recommendation was to educate Washington communities about human trafficking.³ "One of the first key steps toward fighting any crime is helping communities become aware of it and to organize locally driven actions and education to prevent the crime from occurring."

King County has actively sought to address human trafficking. The Prosecuting Attorney's Office (PAO) works collaboratively across the region with law enforcement and other organizations to bring a coordinated response and attention to human trafficking, especially as it relates to commercial sexual exploitation. PAO attorneys also participate on a number of task forces and groups. In addition, the King County Sheriff's Office Street Crimes Unit has made the reduction of child sexual exploitation a major emphasis and works throughout the county, but especially in the southern part of the county, targeting prostitution and pimps. As part of its efforts, deputies have gone beyond enforcement efforts to develop other means to reduce child exploitation.

The Council has initiated and supported countywide policies and activities aimed at addressing human trafficking. In 2011, King County recognized the link between run-away and vulnerable youth and transit by designating King County Metro buses as a National Safe Place partner. National Safe Place is an outreach program designed to provide access to immediate help and safety for all youth in crisis. Locally, Safe Place is a community initiative that designates schools, fire stations, libraries and transit as Safe Place sites where youth can access help and supportive resources. Safe Place locations provide access to the local youth service agency or shelter to support teens in crisis situations, creating a safety net for youth. Drivers receive training as well.

¹ <https://leb.fbi.gov/2011/march/human-sex-trafficking>.

² Trafficking Victims Protection Act of 2000; Trafficking Victims Protection Reauthorization Act 2003, 2005, 2008.

³ Washington State Task Force Against the Trafficking of Persons Report, pg. 7.

In 2012, with Motion 13694, the King County Council called for the Executive and Metro to develop an anti-human trafficking transit public awareness campaign. As directed by the motion, the Executive brought together an interdepartmental team to research and develop the Metro campaign. King County's efforts were multiplied through private sector media partnerships with Clear Channel and Titan, and with the City of Seattle which strategically placed billboards along roads in certain locations across the county. The Council called for the public awareness campaign recognizing that one of the first key steps toward fighting any crime is helping communities become aware of it and to organize locally driven actions and education to prevent the crime from occurring⁴.

The campaign, launched in January 2013 to coincide with International Human Trafficking Awareness Day, involved over 200 buses in King County reaching thousands of citizens. The public information campaign raised awareness of the signs of human trafficking, leading to an increase in call volume to the National Human Trafficking Hotline (NHTRC). Estimates are that at least 17 of these calls were crisis calls identifying potential human trafficking situations.

In 2013, the Council also adopted two human trafficking related provisos placed in the Sheriff's Office and Public Health budgets respectively. The reports called for by the Council's provisos established a comprehensive roadmap for the County in its efforts to end human trafficking and commercial sexual exploitation in the region.

In addition, King County Superior Court, in partnership with the Center for Children and Youth Justice (CCYJ), has developed plans and programs to address commercially sexually exploited children. The King County Commercially Sexually Exploited Children (CSEC) Task Force was convened on April 18, 2013 to develop and implement a coordinated, countywide response to childhood prostitution. King County was one of five sites statewide awarded training and technical assistance from CCYJ to implement "model protocols" to serve this population. The task force is comprised of representatives from law enforcement, schools, survivors, child welfare, and community services providers. Superior Court, the Prosecutor, the Department of Community and Human Services, Public Health, the Department of Adult and Juvenile Detention, and the Sheriff's Office and many other organizations outside of King County government are participating. This group continues to meet.

Finally, faith communities, nonprofit agencies, and recently, the private sector have been working together to respond to human trafficking. For example, Businesses Ending Slavery and Trafficking⁵ (BEST) works with businesses to adopt and implement anti-trafficking policies in business. In 2014, BEST piloted a program in King County involving hoteliers in human trafficking prevention. The pilot program had over 100 attendees at our first training, including 71 hotel owners and managers. BEST reports that 94 percent of the managers who'd never provided training for their staff said that they would begin providing training for their staff to identify and prevent human trafficking. BEST is now replicating this project in four other counties in Washington.

⁴ Washington State Task Force Against the Trafficking of Persons Report, pg. 7.

⁵ <http://www.bestalliance.org/>

The Washington Anti-Trafficking Response Network (WARN)⁶ also provides direct assistance to victims of trafficking. It is a coalition of organizations in Washington State working together to serve victims of trafficking and increase victim identification and comprised of the following organizations:

- International Rescue Committee – Seattle
- API Chaya
- Refugee Women’s Alliance
- YouthCare
- Lutheran Community Services Northwest – Spokane
- Project - Yakima

Nevertheless, although there have been extensive studies and efforts to assess the issue of human sex trafficking, commercial sexual exploitation, and commercial sexual exploitation of children in Washington State and King County, very little is known about the issue of human labor trafficking and exploitation in this region. Furthermore, the impact of King County’s economy, commercial exchanges, and even procurement policies have not been evaluated in relation to the issues of labor trafficking and economic exploitation of domestic and international workers.

ANALYSIS

Proposed Ordinance 2016-0431 would establish a Human Labor Trafficking and Economic Exploitation Task Force (task force) with the goal of reviewing addressing the issue labor trafficking and exploitation in the region. The task force would consist of a number of governmental, community, and business representatives who are asked to develop data and recommendations on how to develop community outreach to those who might be exploited and how to improve services to those who are victims of exploitation. The Executive would be required to support the task force and to develop a report with specific recommendations to address labor trafficking and exploitation in King County.

Striking Amendment The sponsor of this ordinance has requested a Striking Amendment S-1 (Attachment 2) that makes changes to the membership of the task force, the work of the task force, the scope of the Executive’s required report, and the due dates as contained in the original ordinance. The following is an analysis of the major elements of the proposed Striking Amendment.

The amendment would require that the Executive convene a task force to assess and address the systemic issue of labor trafficking and economic exploitation in King County. The task force would be required to include representatives from the following agencies and groups:

- King County Council;
- King County Executive’s Office;
- Department of Community and Human Services;

⁶ <http://warn-trafficking.org/>

- King County Finance and Business Operations Division;
- Prosecuting Attorney's Office;
- Department of Adult and Juvenile Detention;
- King County Sheriff's Office;
- King County Board of Health;
- Port of Seattle;
- King County Labor Council;
- Washington Advisory Committee on Trafficking;
- The Coalition of Immigrants, Refugees & Communities of Color;
- Northwest Immigrant Rights Project;
- University of Washington Women's Center/Anti-Human Trafficking Task Force;
- Seattle Against Slavery;
- Washington Anti-Trafficking Response Network;
- Fair Work Center;
- A local law enforcement agency;
- Businesses Ending Slavery and Trafficking Employers Alliance;
- Organizations representing communities of color;
- Large corporations doing business in King County;
- Small business in King County; and,
- Agricultural industry/farm workers organizations.

The Striking Amendment would require that the Executive, for all of the members except identified County officials, make appointments to the task force by December 1, 2016. The Amendment also requires that the Executive notify the Council at least 30 days before appointments are made as to who he plans to appoint to the task force, prior to the actual appointment.

The task force is charged with consulting with County departments, businesses, and community groups (to include community outreach efforts) to determine the effectiveness of the delivery of services to victims and survivors of labor trafficking and exploitation and to make recommendations to improve the delivery of the services to victims and survivors. In addition, the task force would be asked to recommend strategies that prevent labor trafficking and exploitation. In addition, the Amendment requires that the task force coordinate with regional and local human trafficking efforts to avoid duplication of efforts. The Amendment would also allow the task force to recommend to the Executive whether any other labor trafficking and exploitation studies need to be conducted.

The Amendment sets January 31, 2017 as the deadline for the task force's first meeting, requires that the task force present a progress report to the Council by August 1, 2017, and has the task force expire on June 1, 2018.

The Amendment requires that the Executive support the efforts of the task force with staffing and any other needed resources. The Executive is also required to prepare a report based on the work of the task force that includes:

- A list of the governmental and other local agencies that currently interact with the potential victims of labor trafficking;
- An analysis of the federal, state and local laws and regulations related to labor trafficking, labor standards, procurement standards, purchasing standards, ethical sourcing, and supply chain management;
- A review of other county ordinances, rules and practices that can reduce labor trafficking and economic exploitation through the county's procurement, purchasing, contracting and any other methods that advance ethical sourcing;
- An analysis of how current labor and procurement practices leave workers vulnerable to labor trafficking and economic exploitation;
- Identification of existing national and international best practices for reducing labor trafficking and economic exploitation, including helping victims and survivors, and increasing awareness of labor trafficking;
- An analysis of the support services provided to victims and survivors of labor trafficking and economic exploitation by King County agencies and other organizations within King County, how their efforts work together, how their services currently align as a system, and how current systems leave workers vulnerable to being trafficked and/or economically exploited;
- Recommendations for: strategies to prevent incidences of labor trafficking and economic exploitation; the delivery of services to victims and survivors; education for businesses on current domestic and international labor laws; education for workers of their rights; and, to increase community awareness of labor trafficking and economic exploitation;
- An implementation plan for those recommendations that can be implemented by county agencies and their associated costs; and,
- A description of how the report's recommendations will align with other regional and local human trafficking efforts.

The Executive's report is due to the Council on December 1, 2018.

The Proposed Ordinance, as modified by the Striking Amendment, would continue the County's work on issues related to human trafficking. As noted above, the federal government, the state of Washington, and the County have completed significant reviews of human trafficking for purposes of commercial sexual exploitation, but have not reviewed the impact on the County, and the region, of labor-related trafficking and exploitation. As a consequence, this proposed task force and the resulting reviews and report could form the basis of policies and programs that could reduce the incidence of labor trafficking and exploitation and improve the delivery of services to victims and survivors.

ATTACHMENTS

1. Proposed Ordinance 2016-0431
2. Striking Amendment S-1



KING COUNTY

ATTACHMENT 1

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

September 30, 2016

Ordinance

Proposed No. 2016-0431.1

Sponsors Kohl-Welles

1 AN ORDINANCE establishing a task force on labor
2 trafficking and economic exploitation and requiring a
3 report with recommendations on the steps the county can
4 take in addressing systematic issues related to labor
5 trafficking and economic exploitation.

6 PREAMBLE:

7 King County is the thirteenth-largest and second-fastest-growing county in the
8 United States. The county's rapid population growth is in great part attributed to
9 first-generation immigrants from around the world, pursuing economic
10 opportunities and better lives for themselves and their families. Because of its
11 many marinas, airports, Interstate 5 and Interstate 90 freeways, King County has
12 been the economic hub for the State, where very large numbers of imported and
13 exported goods pass through to engage in international trades and transactions.
14 Washington is the most trade-dependent state and is located equidistant between
15 Asia and Europe.

16 Washington State Law defines "human trafficking" or "trafficking" as an act
17 conducted for the purpose of exploitation, including forced labor, by particular
18 means, for example, threat of use of force or other forms of coercion, abduction,
19 fraud or deception, abuse of power, or abuse of position of vulnerability.

20 Washington is considered to be a "hot spot" in an international trafficking circuit.
21 Human trafficking is the world's second-largest and fastest-growing underground
22 economy.

23 Although there are extensive studies to assess the issue of sex trafficking in
24 Washington state, and there has been a concerted effort on behalf of King County
25 to address the local issue of sex trafficking and domestic sexual exploitation, very
26 little is known about the issue of labor trafficking and exploitation in Washington
27 state, nor the impact King County's economy, commercial exchanges and
28 procurement policies have on labor trafficking and economic exploitation of
29 domestic and international workers.

30 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

31 SECTION 1. A. The executive shall convene a task force to assess and address
32 the systemic issue of labor trafficking and economic exploitation in King County.

33 B. The human labor trafficking and economic exploitation task force should
34 include, but not be limited to, representatives from the following:

- 35 1. The King County council;
- 36 2. The King County Executive's Office;
- 37 3. The department of community and human services;
- 38 4. The King County finance and business operations division;
- 39 5. The King County prosecuting attorney's office;
- 40 6. The department of adult and juvenile detention;
- 41 7. The King County sheriff's office;
- 42 8. The City of Seattle and King County board of health;

- 43 9. The Port of Seattle;
- 44 10. The King County Labor Council;
- 45 11. Washington Advisory Committee on Trafficking;
- 46 12. The Coalition of Immigrants, Refugees & Communities of Color;
- 47 13. Northwest Immigrant Rights Project;
- 48 14. The University of Washington Women's Center/Anti-Human Trafficking
- 49 Task Force;
- 50 15. Seattle Against Slavery;
- 51 16. The Washington Anti-Trafficking Response Network;~~and~~
- 52 17. A local law enforcement agency;
- 53 18. The Businesses Ending Slavery and Trafficking Employers Alliance;
- 54 19. Organizations representing communities of color;
- 55 20. Large corporations doing business in King County;
- 56 21. Small business in King County; and
- 57 22. Agricultural industry/farm workers organizations;
- 58 B. The work of the task force shall include, but not be limited to:
- 59 1. Consulting with county departments, businesses and community groups to
- 60 determine the effectiveness of agencies' delivery of services to victims and survivors,
- 61 especially those who have arrived from other countries to pursue economic opportunities
- 62 and experience labor trafficking and economic exploitation;
- 63 2. Reviewing current county standards and practices in purchasing, procurement,
- 64 contracting, and supply chain management, and recommending best practices in ethical

65 sourcing that protect workers and will ensure that all transactions are made through clean
66 supply chains; and,

67 3. Reviewing current county practices in evaluating and monitoring the business
68 operations, labor policies, and vendor management practices of contracted companies,
69 and recommend best practices for supply chain management.

70 C. The task force shall also conduct outreach activities to obtain community and
71 professional input and shall use that input to inform the Executive's report. Outreach
72 activities should include, but not be limited to, holding open public forums and actively
73 soliciting written, electronic or oral community comments.

74 D. The task force shall coordinate with other regional and local human trafficking
75 efforts for the purpose of avoiding duplication of efforts. This coordination may include
76 consideration of regional and local groups currently reviewing all forms of human
77 trafficking, including, but not limited to, local, state and federal government groups and
78 any groups formed by community-based organizations, service providers, or faith-based
79 organizations.

80 SECTION 2. The executive shall develop a final, comprehensive report based on
81 the work of the task force, including recommendations on the steps the county can take in
82 addressing issues related to labor trafficking and economic exploitation. The report shall
83 include at least the following:

84 A. A recommendation of what kind of study should be conducted to determine
85 the extent and scope of labor trafficking in the county, including forms of economic
86 exploitation, the number of people who experience economic exploitation, where it is

87 taking place, at-risk populations and the nations of origin of the individuals experiencing
88 exploitation;

89 B. A list of the governmental and other local agencies that currently interact with
90 the potential victims of labor trafficking;

91 C. An analysis of the federal, state and local laws and regulations related to labor
92 trafficking, labor standards, procurement standards, purchasing standards, ethical
93 sourcing, and supply chain management;

94 D. A review of other county ordinances, rules and practices that can reduce labor
95 trafficking and economic exploitation through the county's procurement, purchasing,
96 contracting and any other methods that advance ethical sourcing;

97 E. Identification of existing national and international best practices for reducing
98 labor trafficking and economic exploitation, including helping victims and survivors, and
99 increasing awareness of labor trafficking;

100 F. Recommendations for best practices in business operations, including
101 procurement, purchasing, ethical sourcing, and supply chain management, and potential
102 enforcement efforts county agencies might undertake to fully enforce these laws and
103 regulations, along with a listing of agencies with the authority to enforce the laws and
104 regulations;

105 G. Strategies to reduce labor trafficking and economic exploitation, to support
106 victims, to train businesses and employees and to increase community awareness of labor
107 trafficking and exploitation;

108 H. An implementation plan for those recommendations that can be implemented
109 by county agencies and their associated costs; and

110 I. A description of how the report's recommendations will align with other
111 regional and local human trafficking efforts.

112 SECTION 3. A. The task force members and two co-chairs, other than the
113 identified county elected officials designated in Section 1.B., shall be appointed by the
114 executive no later than December 1, 2016. At least thirty days before the appointments
115 are made, the executive shall notify all councilmembers by letter of the persons the
116 executive intends to appoint. The executive shall also, by electronic mail or letter, notify
117 all councilmembers of persons who will be appointed by at least seven days before their
118 final appointments. At least seven days before the appointments, the executive shall also,
119 by electronic mail or letter, notify all councilmembers of the final persons who will be
120 appointed. Upon appointment of the task force, the executive shall notify all
121 councilmembers by letter of the appointments and file a paper and electronic copy with
122 the clerk of the council. The task force shall hold its first meeting no later than January
123 31, 2017, and meet quarterly thereafter.

124 B. The executive shall reimburse task force members for mileage at the standard
125 county reimbursement rate for travel to and from scheduled task force meetings and for
126 parking at meetings outside of county facilities. Task force members attending meetings
127 at county facilities shall have parking in the county garage paid by the executive while
128 members attend meetings or conduct business related to the task force.

129 C. The executive shall provide staffing and resources to effectively support the
130 work of the task force and its outreach activities.

131 D. The task force expires June 1, 2018.

132 SECTION 4. A. By August 1, 2017, the task force shall provide a progress
133 report to the council. The progress report shall be filed in the form of a paper original
134 and an electronic copy with the clerk of the council, who shall retain the original and
135 provide an electronic copy to all councilmembers and the lead staff of the health, housing
136 and human services committee, or its successor.

137 B. By December 1, 2018, the task force shall file its final report in the form of a
138 paper original and an electronic copy with the clerk of the council, who shall retain the

139 original and provide an electronic copy to all councilmembers and the lead staff of the
140 health and human services committee, or its successor.
141

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

J. Joseph McDermott, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: None

9/20/16
S-1.1

cjc

Sponsor: Kohl-Welles

Proposed No.: 2016-0431.1

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2016-0431, VERSION**

2 **1**

3 On page 1, beginning on line 6, strike everything through page 8, line 140, and insert:

4 PREAMBLE:

5 King County is the thirteenth-largest and second-fastest-growing county in the
6 United States. The county's rapid population growth is in great part attributed to
7 first-generation immigrants from around the world, pursuing economic
8 opportunities and better lives for themselves and their families. Because of its
9 many marinas, airports, Interstate 5 and Interstate 90 freeways, King County has
10 been the economic hub for the State, where very large numbers of imported and
11 exported goods pass through to engage in international trades and transactions.
12 Washington is the most trade-dependent state and is located equidistant between
13 Asia and Europe.

14 Washington State Law defines "human trafficking" or "trafficking" as an act
15 conducted for the purpose of exploitation, including forced labor, by particular
16 means, for example, threat of use of force or other forms of coercion, abduction,
17 fraud or deception, abuse of power, or abuse of position of vulnerability.

18 Washington is considered to be a "hot spot" in an international trafficking circuit.
19 Human trafficking is the world's second-largest and fastest-growing underground
20 economy.

21 Although there are extensive studies to assess the issue of sex trafficking in
22 Washington state, and there has been a concerted effort on behalf of King County
23 to address the local issue of sex trafficking and domestic sexual exploitation, very
24 little is known about the issue of labor trafficking and exploitation in Washington
25 state, the current impact of King County code and practices on domestic and
26 international workers, nor how King County can best deliver services to victims
27 of labor trafficking and economic exploitation.

28 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

29 SECTION 1. A. The executive shall convene a task force to assess and address
30 the systemic issue of labor trafficking and economic exploitation in King County.

31 B. The human labor trafficking and economic exploitation task force should
32 include, but not be limited to, representatives from the following:

- 33 1. The King County council;
- 34 2. The King County Executive's Office;
- 35 3. The department of community and human services;
- 36 4. The King County finance and business operations division;
- 37 5. The King County prosecuting attorney's office;
- 38 6. The department of adult and juvenile detention;
- 39 7. The King County sheriff's office;
- 40 8. The City of Seattle and King County board of health;

- 41 9. The Port of Seattle;
- 42 10. The King County Labor Council;
- 43 11. Washington Advisory Committee on Trafficking;
- 44 12. The Coalition of Immigrants, Refugees & Communities of Color;
- 45 13. Northwest Immigrant Rights Project;
- 46 14. The University of Washington Women's Center/Anti-Human Trafficking
- 47 Task Force;
- 48 15. Seattle Against Slavery;
- 49 16. The Washington Anti-Trafficking Response Network;-Fair Work Center
- 50 17. Fair Work Center;
- 51 18. A local law enforcement agency;
- 52 19. The Businesses Ending Slavery and Trafficking Employers Alliance;
- 53 20. Organizations representing communities of color;
- 54 21. Large corporations doing business in King County;
- 55 22. Small business in King County; and,
- 56 23. Agricultural industry/farm workers organizations.

57 B. The work of the task force shall include, but not be limited to:

- 58 1. Consulting with county departments, businesses and community groups to
- 59 determine the effectiveness of agencies' delivery of services to victims and survivors,
- 60 how their efforts work together, how their services currently align as a system, and how
- 61 current systems leave workers vulnerable to being trafficked and/or economically
- 62 exploited, especially those who have arrived from other countries to pursue economic
- 63 opportunities and then experience labor trafficking and economic exploitation;

64 2. Recommend strategies to prevent incidences of labor trafficking and economic
65 exploitation; and,

66 3. Recommend strategies to support the deliverance of services to victims and
67 survivors of labor trafficking and economic exploitation, educate businesses on current
68 domestic and international labor laws, educate workers of their rights, and to increase
69 community awareness of labor trafficking and economic exploitation;

70 C. The task force shall also conduct outreach activities to obtain community and
71 professional input and shall use that input to inform the Executive’s report. Outreach
72 activities should include, but not be limited to, holding open public forums and actively
73 soliciting written, electronic or oral community comments.

74 D. The task force shall coordinate with other regional and local human trafficking
75 efforts for the purpose of avoiding duplication of efforts. This coordination may include
76 consideration of regional and local groups currently reviewing all forms of human
77 trafficking, including, but not limited to, local, state and federal government groups and
78 any groups formed by community-based organizations, service providers, or faith-based
79 organizations.

80 E. The task force may recommend whether a study should be conducted to better
81 address the issue of labor trafficking and economic exploitation in King County, and
82 describe what kind of study it should be.

83 SECTION 2. The executive shall develop a final, comprehensive report based on
84 the work of the task force, including recommendations on the steps the county can take in
85 addressing issues related to labor trafficking and economic exploitation. The report shall
86 include at least the following:

- 87 A. A list of the governmental and other local agencies that currently interact with
88 the potential victims of labor trafficking;
- 89 B. An analysis of the federal, state and local laws and regulations related to labor
90 trafficking, labor standards, procurement standards, purchasing standards, ethical
91 sourcing, and supply chain management;
- 92 C. A review of other county ordinances, rules and practices that can reduce labor
93 trafficking and economic exploitation through the county's procurement, purchasing,
94 contracting and any other methods that advance ethical sourcing;
- 95 D. An analysis of how current labor and procurement practices leave workers
96 vulnerable to labor trafficking and economic exploitation;
- 97 E. Identification of existing national and international best practices for reducing
98 labor trafficking and economic exploitation, including helping victims and survivors, and
99 increasing awareness of labor trafficking;
- 100 F. An analysis of the support services provided to victims and survivors of labor
101 trafficking and economic exploitation by King County agencies and other organizations
102 within King County, how their efforts work together, how their services currently align as
103 a system, and how current systems leave workers vulnerable to being trafficked and/or
104 economically exploited;
- 105 G. Recommend strategies to prevent incidences of labor trafficking and economic
106 exploitation;
- 107 G. Recommend strategies to support the delivery of services to victims and
108 survivors of labor trafficking and economic exploitation, to educate businesses on current

109 domestic and international labor laws, educate workers of their rights, and to increase
110 community awareness of labor trafficking and economic exploitation;

111 H. An implementation plan for those recommendations that can be implemented
112 by county agencies and their associated costs; and,

113 I. A description of how the report's recommendations will align with other
114 regional and local human trafficking efforts.

115 SECTION 3. A. The task force members and two co-chairs, other than the
116 identified county elected officials designated in Section 1.B., shall be appointed by the
117 executive no later than December 1, 2016. At least thirty days before the appointments
118 are made, the executive shall notify all councilmembers by letter of the persons the
119 executive intends to appoint. Upon appointment of the task force, the executive shall
120 notify all councilmembers by letter of the appointments and file a paper and electronic
121 copy with the clerk of the council. The task force shall hold its first meeting no later than
122 January 31, 2017, and meet quarterly thereafter.

123 B. The executive shall reimburse task force members for mileage at the standard
124 county reimbursement rate for travel to and from scheduled task force meetings and for
125 parking at meetings outside of county facilities. Task force members attending meetings
126 at county facilities shall have parking in the county garage paid by the executive while
127 members attend meetings or conduct business related to the task force.

128 C. The executive shall provide staffing and resources to effectively support the
129 work of the task force and its outreach activities.

130 D. The task force expires June 1, 2018.

131 SECTION 4. A. By August 1, 2017, the task force shall provide a progress
132 report to the council. The progress report shall be filed in the form of a paper original
133 and an electronic copy with the clerk of the council, who shall retain the original and
134 provide an electronic copy to all councilmembers and the lead staff of the health, housing
135 and human services committee, or its successor.

136 B. By December 1, 2018, the task force shall file its final report in the form of a
137 paper original and an electronic copy with the clerk of the council, who shall retain the
138 original and provide an electronic copy to all councilmembers and the lead staff of the
139 health and human services committee, or its successor.

140

141 **EFFECT: The Striking Amendment makes technical changes clarifying certain**
142 **requirements and changes dates.**