

7-24-91
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Introduced By RON SIMS

Proposed No. 91-594

ORDINANCE NO. **10048**

AN ORDINANCE authorizing the county executive to exercise the option to extend the county's lease in the Prefontaine Building for an additional five years (May 31, 1997).

PREAMBLE:

In accordance with the provisions of K.C.C. 4.04.040, the King County council may adopt an ordinance permitting the county to enter into contracts requiring the payment of funds from the appropriations of subsequent fiscal years.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The King County executive is hereby authorized to exercise the option to extend the Master Lease in the Prefontaine Building, first entered into June 1, 1987 and expiring May 31, 1992, for five years for 26,511 square feet of improved space. Under the terms of the lease extension (Attachment A) scheduled base rents are due and are authorized as follows:

June 1, 1992 - May 31, 1995

@ \$11.50 / s.f. or \$304,876.50 / yr.

June 1, 1995 - May 31, 1997

@ \$12.85 / s.f. or \$340,666.35 / yr.

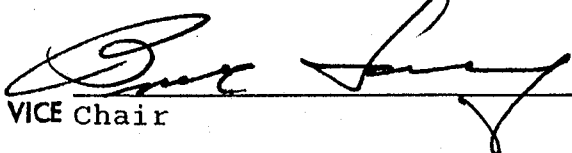
Beginning June 1, 1992, the county will also be responsible for annual prorated increases in operating costs and taxes incurred over the previous calendar year versus calendar year 1991.

1 SECTION 2. During the term of this extension or other
2 extensions thereof, King County is also granted the right to
3 purchase the Prefontaine Building for ninety-five percent of
4 any listed price or unsolicited purchase offer from a third
party.


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6 INTRODUCED AND READ for the first time this 5th day of
August, 1991.

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8 PASSED this 12th day of August, 1991.

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10 KING COUNTY COUNCIL
11 KING COUNTY, WASHINGTON

12 
VICE Chair

13 ATTEST:

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16 DEPUTY Clerk of the Council

17 APPROVED this 23rd day of August, 1991.

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19 King County Executive
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EXERCISE OF AN
OPTION TO EXTEND LEASE
& AMENDMENT TO MASTER LEASE
PREFONTAINE BUILDING

THIS OPTION TO EXTEND THE MASTER LEASE TERM FOR AN ADDITIONAL FIVE YEARS is entered into this _____ day of _____, 1991, by and between E.M. GREENWOOD TRUST, a Washington Trust, hereinafter referred to as "OWNER," and KING COUNTY, a political subdivision of the State of Washington, hereinafter referred to as the "COUNTY."

RECITALS

A. WHEREAS, OWNER and the COUNTY entered into a Master Lease dated March 10, 1987 for 16,804 square feet of office space on floors 5 and 6 of the Prefontaine Building, 110 Prefontaine Place South, Seattle, Washington, 98104, for five years, commencing June 1, 1987 and terminating May 31, 1992; and

B. WHEREAS, pursuant to the terms of paragraph 16 of the Master Lease, OWNER, by First Amendment dated August 10, 1990, agreed to lease to the COUNTY, an additional 1467 square feet of office space on the second floor and by Second Amendment dated February 4, 1991, agreed to lease to the COUNTY an additional 2606 square feet of office space on the third floor of the Prefontaine Building; and

C. WHEREAS, the First Amendment terminates on the same date as the Master Lease, May 31, 1992, and the Second Amendment terminates on March 31, 1994; and

D. WHEREAS, paragraph 15 of the Master Lease grants to the COUNTY the right to extend the term of the Master Lease for an additional five (5) years, provided said option is exercised in writing by the COUNTY and received by the OWNER on or before 5:00 p.m., PDT, May 31, 1991; and

E. WHEREAS, the COUNTY now leases 20,877 square feet in the Prefontaine Building and is currently processing an amendment to the Master Lease for an additional 6821 square feet and a Monthly Rental Agreement for 280 square feet, making the COUNTY the anchor tenant in the Building and the tenant of approximately 65% of the rentable office space in the Building.

NOW, THEREFORE, the OWNER and the COUNTY do hereby agree as follows:

1. The COUNTY exercises its option to extend the term of the Master Lease for an additional five (5) years as to all 26,511 square feet presently under lease or in the process of leasing as set forth in the recitals above, under the rates set forth in paragraph 15 of the Master Lease. (This extends all COUNTY leased space in the Prefontaine Building for an additional five years except that 1467 square feet leased in the First Amendment for the King County Department of Adult Detention.)

2. A tenant improvement allowance of two dollars (\$2.00) per square foot per year shall be provided at no cost to the COUNTY for additional space leased during the five-year option term in accordance with paragraph 10 of the Master Lease. Space leased for less than the five-year option term shall have tenant improvement allowances correspondingly apportioned. Those Agreements in process, as referenced in paragraph "E" above, which have a stated lease term of less than five (5) years, nonetheless retroactively shall be entitled to a tenant improvement allowance of \$10.00 per square foot upon the exercise of this five-year renewal option. It is understood and agreed no cash payment shall be due to the County should the entire tenant improvement allowance not be utilized.

3. A tenant decoration allowance of two dollars and fifty cents (\$2.50) per square foot, which shall cover the entire five-year term of this Lease Extension, shall be provided by OWNER for the 16,804 square feet leased under the initial five-year term; and a tenant decoration allowance of one dollar and fifty cents (\$1.50) per square foot shall be provided in 1994 for the 2606 square feet leased in the second Lease Amendment to the Initial Lease dated February 4, 1991. It is understood and agreed no cash payment will be due to the COUNTY should they elect not to use the entire tenant decoration allowance. For purposes of this paragraph, decoration allowance shall be limited to replacement and or change of floor and window coverings, paint, light fixtures, graphics, and restroom decoration; provided, however, if the County enters into an Agreement to lease floor four and elects to move some staff currently located on floors five or six to that floor, the \$2.50 tenant decoration allowance may be applied to whatever remodeling might be necessary on either floors five or six.

4. Notwithstanding the May 31, 1991 date cited in paragraph D above, as the date by which the COUNTY shall exercise its option, the OWNER grants to the COUNTY the right to extend the date of Exercise of the Five-Year Renewal Option to August 15, 1991.

5. An option to purchase the Prefontaine Building for 95% of any bona fide, arm's length listed price or unsolicited offer, on all cash terms, is hereby granted to the COUNTY in consideration of this lease extension and other good and valuable consideration, which option shall exist during any term of this lease as long as the COUNTY leases at least the equivalent of two full floors, which is defined as 16,804 square feet, and is not in default of the lease when the opportunity to purchase arises.

The option shall be exercisable only in the event the OWNER decides to list the Prefontaine Building for sale or receives an unsolicited offer, whereupon OWNER shall promptly notify the COUNTY in writing of the proposed listing or unsolicited offer and its terms. The COUNTY may exercise its option to purchase by giving notice to OWNER within forty-five (45) calendar days of said notification. Failure by the COUNTY to respond within the forty-five (45) calendar day period shall result in termination of said option and the COUNTY shall have no further option. Time is of the essence herein.

6. This Exercise of an Option, and Amendment to Master Lease together with any and all exhibits expressly incorporated herein by reference or attached hereto shall constitute the full agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or Amendment of this Agreement shall be valid unless evidenced by a mutual agreement in writing signed by both parties. except as expressly amended herein. The remainder of the terms and conditions and rights and obligations as contained in the Master Lease, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals:

OWNER
E.M. GREENWOOD TRUST
By Barbara G. Wise
Barbara G. Wise
Trustee

TENANT
KING COUNTY, WASHINGTON
By _____
Tim Hill
King County Executive

Date 7/8/91

Date _____

Notary: Jana M. Ewert
Expires 3/26/94

APPROVED AS TO FORM:
By [Signature]
Deputy Prosecuting Attorney

Date 6.12.91

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared before me Barbara G. Wise, to me known to be the Trustee of the E.M. Greenwood Trust, a Washington trust, who executed the within instrument on behalf of the trust therein named acknowledged to me that she signed the same as her free and voluntary act for the purposes therein mentioned.

Witness my hand and official seal this 8th day of July, 1991.

Jana M. Ewer
NOTARY PUBLIC in and for the
State of Washington, residing
at Seattle, WA.