



Signature Report

Ordinance 19087

Proposed No. 2020-0151.1

Sponsors Kohl-Welles

1 AN ORDINANCE authorizing the execution of an
2 amendment to an existing lease to support the operation of
3 the department of information technology.

4 **STATEMENT OF FACTS:**

5 For the lease from LBA NCC2-COMPANY IX, LLC, located at 855 S.
6 192nd Street, SeaTac, within council district five, the facilities
7 management division determined that there was not an appropriate county-
8 owned option and successfully negotiated to amend an existing lease of
9 space.

10 **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

11 **SECTION 1.** The executive is authorized to execute an amendment to an existing
12 lease for the property located at 855 S. 192nd Street, SeaTac, with LBA NCC2-

- 13 COMPANY IX, LLC, substantially in the form of Attachment A to this ordinance, and to
14 take all actions necessary to implement the terms of the lease.
15

Ordinance 19087 was introduced on 3/24/2020 and passed by the Metropolitan King County Council on 4/14/2020, by the following vote:

Yes: 9 - Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles, Ms. Balducci and Mr. Zahilay



KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Claudia Balducci, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this 21 day of April, 2020

Dow Constantine, County Executive

Attachments: A. Lease Amendment

RECEIVED
2020 APR 22 AM 11:21
CLERK
KING COUNTY COUNCIL

ATTACHMENT A:

LEASE AMENDMENT

FIRST AMENDMENT TO INDUSTRIAL MULTI-TENANT LEASE

This FIRST AMENDMENT TO INDUSTRIAL MULTI-TENANT LEASE (“**Amendment**”), dated for reference purposes only as of the 10th day of October, 2019, is entered into by and between LBA NCC2-COMPANY IX, LLC, a Delaware limited liability company (“**Landlord**”), and KING COUNTY, a political subdivision of the State of Washington (“**Tenant**”).

RECITALS:

A. Landlord (as successor-in-interest to AMB Institutional Alliance Fund III, L.P.) and Tenant are parties to that certain Industrial Multi-Tenant Lease dated January 15, 2010 (the “**Lease**”), pursuant to which Tenant currently leases from Landlord that certain space commonly known as Suite 1000 (the “**Premises**”), consisting of approximately 21,337 rentable square feet including approximately 6,332 rentable square feet of office area (as remeasured below) within that certain building located at 855 S. 192nd Street, SeaTac, WA 98148, commonly known as Building B (the “**Building**”), which is part of the project commonly known as SeaTac Logistics Park 1 (the “**Industrial Center**”), as more particularly described in the Lease.

B. The Term of the Lease is scheduled to expire by its terms on March 31, 2020.

C. The parties desire to amend the Lease in order to extend the Term of the Lease and otherwise modify the Lease pursuant to the terms and conditions set forth below.

D. Capitalized terms which are used in this Amendment without definition have the meanings given to them in the Lease.

AGREEMENT:

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

1. **Extension of Term.** The Term of the Lease is hereby extended for sixty (60) months (the “**Extended Term**”), commencing as of April 1, 2020 (the “**Extended Term Commencement Date**”), and expiring on March 31, 2025, unless sooner terminated in accordance with the terms of the Lease as amended by this Amendment (the “**Amended Lease**”). No such extension shall operate to release Tenant from liability for any amounts owed or defaults which exist under the Lease prior to the Extended Term Commencement Date. Landlord and Tenant hereby acknowledge and agree that any and all provisions of the Lease providing for an extension or renewal of the Term of the Lease are hereby deleted in their entirety and Tenant has no remaining options to extend or renew the Term of the Lease.

2. **Base Rent.** Prior to the Extended Term Commencement Date, Tenant shall continue to pay Base Rent as provided in the Lease. Commencing on the Extended Term Commencement Date and continuing through the Extended Term, Tenant shall pay monthly installments of Base Rent for the Premises in accordance with the following schedule:

Lease Months	Monthly Base Rent
4/1/2020 - 3/31/2021	\$21,747.20
4/1/2021 - 3/31/2022	\$22,399.62
4/1/2022 - 3/31/2023	\$23,071.61
4/1/2023 - 3/31/2024	\$23,763.76
4/1/2024 - 3/31/2025	\$24,476.67

3. Operating Expenses. Subject to the recalculation of Tenant's Share under Section 4 below, Tenant shall continue to pay Tenant's Share of Operating Expenses in accordance with the terms of the Lease.

4. Remeasurement/Tenant's Share. Landlord and Tenant hereby acknowledge and agree that the Premises, the Building, and the Industrial Center have been remeasured and for all purposes of this Amended Lease: (a) the Premises shall be deemed to consist of approximately 21,337 rentable square feet, (b) the Building shall be deemed to consist of approximately 92,482 rentable square feet, (c) the Industrial Center shall be deemed to consist of approximately 239,222 rentable square feet, and (d) Tenant's Share shall be a fraction, the numerator of which is the rentable square footage of the Premises and the denominator of which is the rentable square footage of the Building or Industrial Center, as applicable.

5. Rent Adjustment. Section 12.2 of the Lease is hereby deleted in its entirety and of no further force or effect.

6. Tenant Improvements. Landlord hereby grants to Tenant an allowance of up to twenty-five thousand dollars (\$25,000.00) (the "**Allowance**") to be used by Tenant to refurbish the Premises (the "**Tenant Improvements**"), in accordance with and subject to the terms and conditions of Section 7.3 of the Lease, including amendments to Section 7.3 of the Lease herein, with respect to Alterations. The Tenant Improvements shall include the installation of a) new carpet (or carpet tiles) and fresh paint in the office area of the Premises, b) new waste disposals in the break room sinks, c) glass (or plexiglass) panes within the swinging doors connecting the office area to the warehouse area of the Premises, and d) a tune up of all warehouse roll-up doors. Landlord shall reimburse the Allowance after the completion of the Tenant Improvements and within thirty (30) days after Landlord's receipt of (i) paid invoices from all of the contractors and/or subcontractors ("**Tenant's Contractors**") for labor rendered and materials delivered to the Premises, (ii) executed unconditional mechanic's lien releases from all of Tenant's Contractors to whom payment is included in the Allowance, and (iii) all other information reasonably requested by Landlord. The Allowance is applicable only to the Tenant Improvements, and shall not be used for any other purpose, such as, but not limited to, the purchase or installation of furniture, trade fixtures, or personal property. If all or any portion of the Allowance is not used by March 31, 2020, Landlord shall be entitled to the savings and Tenant shall receive no credit therefor. Notwithstanding anything in this Amendment to the contrary, Landlord shall not be obligated to disburse the Allowance during the continuance of an uncured default under the Amended Lease.

7. Section 7.3 of the Lease. Section 7.3 of the Lease is hereby amended as follows:

The third sentence shall be stricken in its entirety and replaced with the following:

"Subject to application of the Allowance granted to Tenant in Section 6 of the First Amendment to Industrial Multi-Tenant Lease (the "First Amendment") to this Lease in connection with Tenant Improvements to be installed by Tenant in connection with the First Amendment, all Alterations shall be at Tenant's sole cost and expense in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord, and shall be installed by a licensed, insured, and bonded contractor (reasonably approved by Landlord) in compliance with all applicable Law (including, but not limited to, the ADA), and all recorded matters and rules and regulations of the Industrial Center."

Further, the eighth sentence shall be stricken in its entirety and replaced with the following:

“With the exception of the Tenant Improvements enumerated and Allowance granted to Tenant in Section 6 of the First Amendment to Industrial Multi-Tenant Lease to this Lease, Tenant shall reimburse Landlord, as Additional Rent hereunder within ten (10) days after demand, for actual legal, engineering, architectural, planning and other expenses incurred by Landlord in connection with Tenant’s Alterations.”

8. Condition of Premises. Tenant is currently in possession of the Premises and acknowledges that except as provided in Section 6 above, Landlord shall not be obligated to refurbish or improve the Premises or to otherwise fund improvements for the Premises in any manner whatsoever in conjunction with the Extended Term, and Tenant hereby accepts the Premises in its “AS-IS” condition. Tenant further acknowledges that except as expressly provided in the Lease and this Amendment, neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the improvements, refurbishments, or alterations therein, the Building or the Industrial Center, or with respect to the functionality thereof or the suitability of any of the foregoing for the conduct of Tenant’s business and that all representations and warranties of Landlord, if any, are as set forth in the Lease and this Amendment.

9. Notice Address of Landlord. Landlord’s addresses for notices under the Amended Lease are hereby replaced in their entirety with the following:

Landlord’s address: LBA NCC2-COMPANY IX, LLC
c/o LBA Realty
600 University Street, Suite 3025
Seattle, Washington 98101
Attn: Regional Operations Manager
Telephone: (206) 812-1000
E-mail: leasingnotices@lbarealty.com

With copies to: LBA Realty
3347 Michelson Drive, Suite 200
Irvine, CA 92612
Attn: SVP - Operations
Telephone: (949) 833-0400
E-mail: leasingnotices@lbarealty.com

For payment of rent: LBA NCC2-COMPANY IX, LLC
P.O. Box 102233
Pasadena, CA 91189-2233

10. Broker. Tenant hereby represents and warrants to Landlord that it is not aware of any brokers, agents or finders, other than CBRE, representing Tenant, who may claim a fee or commission in connection with the consummation of the transactions contemplated by this Amendment. If any claims for brokers’ or finders’ fees in connection with the transactions contemplated by this Amendment arise, then Tenant agrees to indemnify, protect, hold harmless and defend Landlord (with counsel reasonably satisfactory to Landlord) from and against any such claims if they shall be based upon any statement, representation or agreement made by Tenant.

11. Representations and Warranties. Tenant hereby represents, warrants, and agrees that: (1) there exists no breach, default, or event of default by Landlord under the Lease, or any event or condition which, with notice or passage of time or both, would constitute a breach, default, or event of default by Landlord under the Lease; (2) the Lease continues to be a legal, valid, and binding agreement and obligation of Tenant; and (3) Tenant has no current offset or defense to its performance or obligations

under the Lease. Tenant hereby waives and releases all demands, charges, claims, accounts, or causes of action of any nature whatsoever against Landlord or Landlord's members, managers, directors, officers, employees or agents, including without limitation, both known and unknown demands, charges, claims, accounts, and causes of action that have previously arisen out of or in connection with the Lease.

12. Authority. Each signatory of this Amendment on behalf of Tenant represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

13. Successors and Assigns. This Amendment shall extend to, be binding upon, and inure to the benefit of, the respective successors and permitted assigns and beneficiaries of the parties hereto.

14. No Other Modification. Landlord and Tenant agree that except as otherwise specifically modified in this Amendment, the Lease has not been modified, supplemented, amended, or otherwise changed in any way and the Lease remains in full force and effect between the parties hereto as modified by this Amendment. To the extent of any inconsistency between the terms and conditions of the Lease and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall apply and govern the parties. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Amendment. For purposes of this Amendment, signatures by facsimile or electronic PDF shall be binding to the same extent as original signatures.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Amendment to be executed the date first above written.

TENANT:

KING COUNTY,
a political subdivision of the State of Washington

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____)

County of _____)

On _____, 2019, before me, _____, notary public,
(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

LANDLORD:

LBA NCC2-COMPANY IX, LLC,
a Delaware limited liability company

By: LBA NC CORE INDUSTRIAL II, L.P.,
a Delaware limited partnership,
its Sole Member

By: LBA Industrial Management Company III, LLC,
a Delaware limited liability company,
its General Partner

By: LBA Realty LLC,
a Delaware limited liability company,
its Manager

By: LBA Inc.,
a California corporation,
its Managing Member

By: [Signature]
Name: Brad Neglia
Title: Authorized Signatory

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

On Oct. 16, 2019, before me, FARAH FARIS, notary public,
(insert name and title of the officer)

personally appeared BRAD NEGLIA, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]

(Seal)



For LBA Office Use Only: Prepared & Reviewed by: BP