

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117738

AN ORDINANCE authorizing the Director of Finance and Administrative Services to execute an Amended and Restated Lease between the City of Seattle and EF Seattle Fifth Avenue LLC, a Washington limited liability company, for a portion of the property located at 700 5th Avenue, commonly known as the Seattle Municipal Tower.

WHEREAS, the Seattle Municipal Tower has housed a fitness center facility since the property was acquired by the City in 1996; and

WHEREAS, All Star Fitness operated the fitness center from January 1997 through September 2011, at which point EF Seattle Fifth Avenue LLC acquired the business from All Star Fitness; and

WHEREAS, EF Seattle Fifth Avenue LLC (the Tenant) accepted a five-year lease pending the Council's review of a fifteen-year lease; and

WHEREAS, the City has reviewed its need for the space occupied on the 14th floor of the Seattle Municipal Tower and has concluded that it is in the best interest of the City to enter into a long term lease agreement with the Tenant, subject to the City's reservation of an early termination right; and

WHEREAS, the City Council's approval of this lease is required under Seattle Municipal Code Section 3.127.010 because the lease term exceeds sixty calendar months; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of Finance and Administrative Services, or his designee, is authorized to execute on behalf of the City the Seattle Municipal Tower Amended and Restated Lease between the City of Seattle, as Landlord, and EF Seattle Fifth Avenue, LLC, as Tenant, substantially in the form of Attachment 1, providing for Seattle Executive Fitness's use and occupancy of a portion of the real property located at 700 Fifth Avenue in Seattle.

1 Section 2. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2013, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2013.

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8 _____
9 President _____ of the City Council

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11 Approved by me this ____ day of _____, 2013.

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13 _____
14 Michael McGinn, Mayor

15
16 Filed by me this ____ day of _____, 2013.

17
18 _____
19 Monica Martinez Simmons, City Clerk

20 (Seal)

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22
23 Attachment 1 – Seattle Municipal Tower Amended and Restated Lease between the City of
24 Seattle, as Landlord, and EF Seattle Fifth Avenue LLL, as Tenant

Hillary Hamilton/HJH
FAS Seattle Executive Fitness Lease ORD ATT 1
February 8, 2013
Version #2

**SEATTLE MUNICIPAL TOWER
AMENDED AND RESTATED LEASE
BETWEEN
THE CITY OF SEATTLE,
AS LANDLORD,
AND
EF SEATTLE FIFTH AVENUE LLC
AS TENANT**

Lease Years	Rent per Rentable Square Foot	Monthly Rent
10/1/11 - 9/30/16	\$4.15	\$8,549.35
10/1/16 – 9/30/17	\$5.57	\$11,464.36
10/1/17 – 9/30/18	\$6.07	\$12,494.41
10/1/18 – 9/30/19	\$6.57	\$13,524.45
10/1/19 – 9/30/20	\$7.07	\$14,554.49
10/1/20 – 9/30/21	\$7.57	\$15,584.53
10/1/21 – 9/30/22	\$8.07	\$16,614.57
10/1/22 – 9/30/23	\$8.57	\$17,644.61
10/1/23 – 9/30/24	\$9.07	\$18,674.66
10/1/24 – 9/30/25	\$9.57	\$19,704.70
10/1/25 – 9/30/26	\$10.07	\$20,734.74

As used in this Lease, ‘Rent’ means Base Rent, Annual Percentage Rent, and Additional Charges. Whether or not so designated, all other sums due from Tenant under this Lease, other than Base Rent and Percentage Rent, shall constitute Additional Charges, payable when specified in this Lease.

- F. Annual Percentage Rent: 8% of the amount of Tenant’s annual Gross Receipts that exceeds \$1,500,000, as further described in Sections 4.B and 4.C.
- G. Tenant Improvement Allowance: \$9.15 per Rentable Square Foot, subject to the terms and conditions further described in Section 4.D.
- H. Lease Guaranty: The personal guaranty provided by Merle Gregg, George Petrie, and John Goodman attached and incorporated as Exhibit E to this Lease; or, alternatively, a letter of credit provided in compliance with Section 7.
- I. Parking: The license granted pursuant to Section 36 of this Lease is limited to 20 automobiles. Tenant shall have the additional parking rights set forth in Section 36 of this Lease.
- J. Permitted Use: Athletic club and ancillary related uses including: physical therapy, orthopedic and rehabilitation facilities, swimming pool and Jacuzzi facilities (collectively, the “Swimming Pool”), snack bar, sports shop, tanning services and support offices.

their components "Rentable Square Foot" and "Useable Square Foot") shall have the same meaning as set forth in the "Standard Method for Measuring Floor Area in Office Buildings" (American National Standard Institute ANSI Z65.1 - 1996) published by Building Owners and Managers Association International.

- C. Condition. The Premises are leased by Landlord and accepted by Tenant in an "as is" condition, subject to the completion of the improvements, alterations or modifications to be made by Tenant under Section 12 and Exhibit D.
- D. Common Areas. During the Lease Term, Tenant and its licensees, invitees, customers and employees shall have the non-exclusive right to use the Building garage and all entrances, lobbies, elevators, stairs, corridors, restrooms and other public areas of the Building (the "Common Areas") in common with Landlord, other Building tenants and their respective licensees, invitees, customers and employees. Landlord shall at all times have exclusive control and management of the Common Areas and no diminution thereof shall be deemed a constructive or actual eviction or entitle Tenant to compensation or a reduction or abatement of rent.
- E. Alterations. Landlord, in its discretion, may increase, decrease or change the number, locations and dimensions of any hallways, lobby areas, Common Areas and other improvements shown on Exhibit A that are not within the Premises; provided, however any such change shall not have a permanent material adverse impact on the public's accessibility to the Premises. Landlord reserves the right from time to time, (i) to install, use, maintain, repair, relocate and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to the Premises or to other parts of the Building in areas above the suspended ceiling surfaces, below the floor surfaces, within the walls and in the central core areas of the Building within the Premises (provided the usable area of the Premises is not thereby materially reduced) and elsewhere in the Building; (ii) to alter or expand the Building; and (iii) to alter, relocate or substitute any of the Common Areas.
- F. Prospective Tenants. During the final twelve (12) months of the Lease Term, or after an event of Tenant Default that is not cured within the time specified in Section 21.A, Landlord reserves to itself the right to enter the Premises at reasonable hours for purposes of showing the Premises to prospective tenants. Additionally, at any time during the final nine (9) months of the Lease Term or after an event of Default that is not timely cured, Landlord reserves the right to place signs in, at, and around the Premises for purposes of re-letting the Premises after the expiration or termination of the Term.
- G. Use of Premises During a City Emergency. During the Term, the City reserves to itself the right to use the Premises during a City Emergency, subject to the terms and conditions in Exhibit F ("Agreement Regarding Use of Premises During a City Emergency"), which is incorporated herein and made a part of this Lease.

January 1, 2014. The depreciation period shall be based upon Generally Accepted Accounting Principles, however not exceeding the term of the Lease. The parties agree that the Base Rent charged reflects City's reservation of the right to terminate this Lease, and reimbursement as set forth in this subsection is a fair and reasonable measure of compensation for the Tenant's damages and is not a penalty. If Tenant exercises its option to terminate this Lease, the Landlord will not be responsible to reimburse the Tenant for any of the Tenant Improvements.

4. **Rent.**

- A. **Rent.** Tenant shall pay to Landlord at the address and to the account specified by Landlord, without notice or demand or any setoff or deduction whatsoever, in lawful money of the United States (a) one-twelfth (1/12th) of the annual Base Rent specified in Subsection 1.E, in advance on the first day of each month (b) the applicable monthly amount of Leasehold Excise Tax ("LET"), as further described in Section 10, and (c) Additional Charges as and when specified elsewhere in this Lease, but if not specified, then within ten (10) days after demand. Base Rent and, if appropriate, as reasonably determined by Landlord, Additional Charges shall be prorated on a daily basis for any partial month within the Lease Term, and for any partial initial month in the Lease Term shall be paid on the first day of the Lease Term.
- B. **Percentage Rent.** As used in this Lease, "Lease Year" means a period of twelve months beginning on the Commencement Date, and thereafter beginning on each anniversary of the Commencement Date throughout the Term. Tenant shall pay Annual Percentage Rent on a quarterly basis by installments as provided in this Subsection. On or before the fifteenth (15th) day of October, January, April, and July occurring in each Lease Year, Tenant shall provide Landlord with a report, in a form reasonably approved by Landlord, providing a statement of Tenant's Gross Receipts earned in the immediately preceding quarter. If the amount of Gross Receipts exceeds \$375,000 (the "Quarterly Breakpoint"), Tenant shall remit 8% of that amount in excess of the Quarterly Breakpoint along with the report. No later than thirty days after the end of each Lease Year during the Term, Tenant shall provide a final statement of Tenant's annual Gross Receipts for the immediately preceding lease year along with any underpayment of Annual Percentage Rent. If Tenant's annual Gross Receipts do not exceed \$1,500,000 in such Lease Year, or if Tenant has overpaid Annual Percentage Rent for such Lease Year, Landlord shall either refund the overpayment within thirty days of receipt of Tenant's annual report or shall credit the overpayment against Tenant's Base Rent. Tenant's final annual statement shall be certified as to its accuracy by a statement by either a certified public accountant or an executive officer of Tenant in the following manner:

Tenant Improvements within thirty-six months of the Commencement Date shall be an event of Default under Section 21.

- E. Rent Credit for Tenant Improvements. Subject to the procedures in this Section, in lieu of a tenant improvement allowance, Tenant shall be entitled to a credit against rent ("Rent Credit") for Tenant's actual costs in making Landlord-approved improvements to the Premises, other than the Initial Tenant Improvements. The Rent Credit shall not exceed a total of \$9.15 per Rentable Square Foot ($\$9.15 \times 24,721 = \$226,197.15$) during the Term, and must be applied in equal monthly installments between lease years 5 through 14. The Rent Credit shall not be available for Tenant's installation of fixtures, equipment, or personal property that will not remain with the Premises upon the expiration or termination of the Lease. The Rent Credit will be available for improvements or alterations to the Premises that are approved by Landlord, that are capital in nature, and that remain with the Premises upon the expiration or termination of the Lease, all as reasonably determined by Landlord. Additionally, in order to obtain the Rent Credit, all improvements and alterations must be completed in compliance with the Landlord-approved plans and all requirements applicable to tenant improvements and alterations under this Lease.
- F. Process for Applying Rent Credit. In order to obtain the Rent Credit, at the time Tenant seeks Landlord's approval of proposed improvements and alterations to the Premises as required under Section 12, Tenant shall also notify Landlord if Tenant proposes to receive a Rent Credit for the improvements. Provided that Landlord approves the proposed alterations or improvements, Landlord shall also provide Tenant with a determination of whether all, a portion, or none of Tenant's proposed improvements or alterations qualify for the Rent Credit. Within sixty (60) days of completing the improvements or alterations, Tenant shall provide Landlord with an accounting of its actual costs associated with making the improvements or alterations, including supporting documentation reasonably required by Landlord. Within thirty days, Landlord shall certify the amount of the Rent Credit or shall provide Tenant with a written explanation of any additional documentation required to certify the Rent Credit, or a reason for denying the same. Once the Rent Credit has been certified by Landlord, Tenant may apply the total amount of the Rent Credit against Base Rent in equal monthly installments distributed during lease years 5 through 14. The total amount of Rent Credit shall not exceed \$22,619.72 per lease year.
- G. Additional Costs. The Rent Credit applied through the procedures under Section 4 shall be Landlord's only contribution to the costs associated with any tenant improvements to the Premises. Tenant shall be solely responsible for all costs associated with the Initial Tenant Improvements and any additional tenant improvements to the Premises.

5. Books and Records; Audit.

remain in effect throughout the Term of the Lease. Provided that Tenant has completed and Landlord has accepted the initial Tenant Improvements, Tenant may, at its option, provide Landlord with a letter of credit (the "Letter of Credit") in form reasonably acceptable to Landlord from an issuing bank reasonably acceptable to Landlord, for an amount equal to the one year's worth of annual Base Rent (the "Letter of Credit Amount"). Upon Landlord's acceptance of the original Letter of Credit, Landlord shall release the Guaranty.

8. Tenant's Operations.

A. Use of Premises. Tenant shall use the Premises only for the Section 1.J Permitted Use. As Landlord's willingness to enter into this Lease with Tenant was predicated, in part, on the nature of Tenant's business, and the compatibility of such business with other tenants in the Building, Tenant shall not use or permit the use of the Premises for any other business, or purpose, or under any other name, without Landlord's prior written consent. Tenant shall provide all furniture, fixtures, equipment and personnel necessary to operate a first class full service health club. Except as required for maintenance work, for the construction of the initial Tenant Improvements, and for closures due to (i) acts or negligence of Landlord or its agents or contractors; (ii) force majeure; or (ii) events of damage, destruction, or condemnation, Tenant shall keep the Premises continually open, without interruption during the days, nights, and hours designated as the Minimum Hours in Section 1.K above. Tenant shall not be required to keep the Premises open for business on Building Holidays. Tenant may open or keep the Premises open for business prior to or after the Minimum Hours, if Tenant so desires. Tenant shall promptly comply, at its sole cost and expense, with the Exhibit C rules and regulations and other such rules and regulations relating to the use of the Premises, Building and Common Areas as Landlord, from time to time, may promulgate. Tenant shall maintain the Premises in a clean, orderly and neat fashion to conform with the high standards of the Building, permitting no objectionable odors to be emitted from the Premises (provided the odor of normal chlorination of the pool is deemed not objectionable) and shall neither commit waste nor permit any waste to be committed thereon. Tenant shall not permit any accumulation of trash on or about the Premises. Tenant shall not create or contribute to the creation of a nuisance in either the Premises or the Building, and Tenant shall not engage in or permit any action that will disturb the quiet enjoyment of any other tenant in the Building. Tenant's utilization of the sound system presently installed in the Premises at decibel levels consistent with those at other similar indoor health club facilities located at or above ground in the downtown Seattle area, or the generation of sound or vibrations by other means at similar levels is permitted under this Lease and will not be deemed a violation of this Subsection 8.A.

B. Unlawful Use. Tenant shall not use or permit the Premises or any part thereof to be used for any purpose in violation of any municipal, county, state or federal law, ordinance or regulation, or for any purpose offensive to the standards of the

of Hazardous Substances. Any and all costs incurred by Landlord and associated with Landlord's inspections of the Premises and Landlord's monitoring of Tenant's compliance with this Subsection 8.D, including Landlord's attorneys' fees and costs, shall be Additional Charges and shall be due and payable to Landlord within ten (10) days after Landlord's demand therefor. Tenant shall be fully and completely liable to Landlord for any and all cleanup costs and expenses and any and all other charges, expenses, fees, fines, penalties (both, civil and criminal) and costs imposed with respect to Tenant's use, disposal, transportation, generation and/or sale of Hazardous Substances in or about the Premises or Building. Tenant shall indemnify, defend and hold Landlord and lenders to Landlord ("Lender") harmless from any and all of the costs, fees, penalties, charges and expenses assessed against, or imposed, upon Landlord, and Lender (as well as Landlord's and Lender's attorneys' fees and costs) as a result of Tenant's use, disposal, transportation, generation and/or sale of Hazardous Substances.

- E. Signs. Tenant shall not erect or place, or permit to be erected or placed, or maintain any signs of any nature or kind whatsoever on the exterior walls or windows of the Premises or elsewhere in the Building without the prior written approval of Landlord. Tenant may install mutually agreeable identifying signage placed on or near the front door of the Premises and one building lobby sign, the size, style and location of which must first be approved in writing by Landlord.. Tenant shall be permitted to install exterior building signage subject to Landlord's prior written approval and compliance with City of Seattle sign code ordinance (SMC 20.55 et. seq.) and zoning requirements. All signage installed by Tenant shall be removed at Tenant's sole cost and expense and Tenant shall restore all surface areas to the prior condition. Tenant shall abide by all signage rules and regulations, if any, promulgated by Landlord.
- F. No Distress Sales. No auction, fire, bankruptcy, going out of business or other distress sale of any nature may be conducted in, about or from the Premises without Landlord's prior consent.
- G. Certain Activities Permitted. Any other provisions of this Lease or Landlord's rules and regulations notwithstanding:
- (a) Landlord agrees to provide admittance to the Building and access to the Premises during Tenant's hours of operation to Tenant's employees, members and guests who possess reasonable identification from Tenant. The Landlord may however, deny access to any individuals who appear disorderly, intoxicated or might otherwise be likely to engage in unlawful or objectionable behavior.
- (b) Tenant shall have the right to sell food and beverages, and to provide drinking water and ice to its members, guests, and employees. No such items may be dispensed through coin or bill-operated vending machines except in compliance with all applicable laws. Tenant may operate a café on the Premises, so long as

- (1) Common Areas and Building Systems. Landlord shall cause the Common Areas of the Building and the Building systems to be maintained in reasonably good order and condition consistent with other Class A office buildings in downtown Seattle, except for damage occasioned by any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, the repair of which shall be paid for by Tenant. Landlord shall arrange for the removal, at no additional charge to Tenant, of dry garbage from the Landlord-designated dumpster in the Building; and the providing of chilled water service for the HVAC (excluding the pool heating and ventilations systems) for up to 120 hours per week, inclusive of normal Building operating hours; electricity from the Building service to the point of separate metering for such portion of the premises; water and sewer service through the Building to the point of connection with such portion of the Premises; and elevator service.

- (2) Additional Service. The Building standard mechanical system is designed to accommodate heating loads generated by lights and equipment using up to 4.2 watts per square foot. Tenant shall obtain Landlord's prior written consent before installing lights and equipment in the Premises that, in the aggregate, exceed such amount. Landlord may refuse to grant such consent unless Tenant agrees to pay (1) the costs incurred by Landlord for installation of supplementary air conditioning capacity or electrical systems as necessitated by such equipment or lights and (2) in advance, on the first day of each month during the Lease Term, the amount estimated by Landlord as the excess cost of furnishing electricity for the operation of such equipment or lights above normal Building levels and the amount estimated by Landlord as the cost of operation and maintenance of supplementary air conditioning units as necessitated by Tenant's use of such equipment or lights. Landlord shall be entitled to install, operate and maintain at Tenant's sole cost a monitoring/metering system in the Premises to measure the added demands on electricity, heating, ventilation and air conditioning systems, resulting from such equipment and lights and from Tenant's after-hours requirements, and Tenant shall pay Landlord the cost thereof in advance on the first day of each month. Notwithstanding anything to the contrary elsewhere herein, Landlord confirms that all electrical fixtures and equipment existing in the Premises as of the Commencement Date hereof are acceptable and do not exceed 4.2 watts per square foot.

- (3) Interruption. Landlord shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption or failure of services due to any cause whatsoever, including, but not limited to, electrical surges, or from failure to make any repairs or perform any maintenance. No temporary interruption or failure of such services incident to the making of repairs, alterations or improvements or due to

Exhibit B. Tenant covenants that it will cause all alterations, additions and improvements to the Premises to be completed by a contractor approved by Landlord and in a manner that (a) is consistent with the Landlord-approved plans and specifications and any conditions reasonably imposed by Landlord in connection therewith; (b) is in conformity with first-class, commercial standards; (c) includes reasonably acceptable insurance coverage for Landlord's benefit; (d) does not affect the structural integrity of the Building or any of the Building's systems; (e) does not disrupt the business or operations of any adjoining tenant; and (f) does not invalidate or otherwise affect the construction or any system warranty then in effect with respect to the Building. Tenant will complete all Initial Tenant Improvements at Tenant's sole cost and expense, and Tenant shall be responsible for all cost overruns. Tenant shall secure all governmental permits and approvals and comply with all other applicable governmental requirements and restrictions; and reimburse Landlord for all expenses incurred in connection therewith. Except as provided in Section 15 with regard to concurrent negligence, Tenant shall indemnify, defend and hold Landlord harmless from and against all losses, liabilities, damages, liens, costs, penalties and expenses (including attorneys' fees, but without waiver of the duty to hold harmless) arising from or out of the performance of such alterations, additions and improvements, including, but not limited to, all which arise from or out of Tenant's breach of its obligations under terms of this Section 12. During the Term, Tenant shall own all alterations, additions and Tenant Improvements (expressly including all light fixtures; floor, and window and wall coverings, but expressly excluding heating, ventilation and air conditioning units and electrical wiring). At the expiration or termination of the Lease, all alterations, additions, and improvements made by Tenant to the Premises, including without limitation the Swimming Pool and all other improvements existing at the Premises as of the Commencement Date hereof, as well as all of the initial Tenant Improvements (except Tenant's personal property, moveable trade fixtures and appliances and equipment not affixed to the Premises and cabling and wiring for computers, telephones and other electronic equipment) shall immediately become the property of Landlord without any obligation on its part to pay for any of the same and Tenant shall not remove all or any portion thereof on the termination of this Lease. Within ninety (90) days after the completion of any alteration, addition or improvement to the Premises (excluding however the initial Tenant Improvements), Tenant shall deliver to Landlord a full set of "as-built" plans or marked-up construction drawings of the Premises showing the details of the applicable alteration, addition or improvement made to the Premises.

13. Care of Premises.

- A. General Obligation. Tenant shall not cause any damage to the Premises and, subject to Section 16.F. below (Waiver of Subrogation), Tenant shall reimburse Landlord for costs incurred by Landlord to repair any damage done to the Building or Premises that results from any act or omission of Tenant or any of Tenant's officers, contractors, agents, invitees, licensees or employees, including,

Landlord pursuant to Section 12), reasonable wear and tear excepted and damage by fire or other casualty which Tenant is not required elsewhere hereunder to repair or restore. Prior to such return, Tenant shall remove its moveable trade fixtures and appliances and equipment and other personal property that have not been attached to the Premises, and shall repair any damage resulting from their removal. In no event shall Tenant remove or be required to remove floor coverings; heating, ventilating and air conditioning equipment; lighting equipment or fixtures; the Swimming Pool; or floor, window or wall coverings unless otherwise specifically permitted by Landlord in writing. Tenant's obligations under this Section 14 shall survive the expiration or termination of this Lease. Tenant shall indemnify Landlord for all damages and losses suffered as a result of Tenant's failure to remove voice and data cables, wiring and communication lines and moveable trade fixtures and appliances and to redeliver the Premises on a timely basis.

- B. Cable and Wiring. Notwithstanding any provision to the contrary in this Lease, on or by the respective Expiration Date for each portion of the Premises leased by Tenant, or if this Lease is terminated before the Expiration Date, within fifteen (15) days after the effective termination date, whichever is earlier, Tenant shall remove all voice and data communication and transmission cables and wiring installed by or for Tenant to serve any telephone, computer or other equipment located in that portion of the Premises, which wiring and cabling shall include all of the same located within the interior and exterior walls and through or above the ceiling or through or below the floor of such portion of the Premises or located in any Building equipment room, vertical or horizontal riser, raceway, conduit, channel, or opening connecting to the portion of the Premises to be vacated and surrendered to Landlord as of such Expiration Date or earlier termination date. Tenant shall leave the mud rings, face plates and floor boxes in place.
- C. Personal Property. Landlord may, at its election, retain or dispose of in any manner any of Tenant's moveable trade fixtures, appliances, equipment, and other personal property (collectively, "Personal Property") that Tenant does not remove from the Premises at the expiration of the Term or within ten (10) days after termination of the Term. Landlord will give written notice to Tenant specifying the Personal Property to be removed and requesting removal, and if Tenant does not remove the Personal Property within ten (10) days from the date of notice, the Personal Property will be deemed abandoned by Tenant and title to the Personal Property shall vest in Landlord. Landlord may retain or dispose of the Personal Property in Landlord's discretion. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any Personal Property not removed by Tenant as required under this Section 14. Tenant shall be liable to Landlord for Landlord's reasonable costs for storing, removing and disposing of Tenant's trade fixtures and Personal Property.

Indemnitee's agents or employees, and (b) the Indemnitor or the Indemnitor's agents or employees, shall apply only to the extent of the Indemnitor's negligence; PROVIDED, HOWEVER, the limitations on indemnity set forth in this section shall automatically and without further act by either Landlord or Tenant be deemed amended so as to remove any of the restrictions contained in this section no longer required by then applicable law.

D. LANDLORD AND TENANT ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF SECTION 8.D, 12, 13.C AND THIS SECTION 15 WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

16. Insurance.

A. Minimum Insurance Coverages and Limits of Liability.

(1) Prior to the commencement of any Premises use under this Lease, Tenant shall secure and shall thereafter maintain, in full force and effect, at no expense to Landlord, and throughout the entire Lease Term, minimum insurance coverages and limits of liability as specified below:

(a) **Commercial General Liability ("CGL")** Insurance, written on an ISO form CG 0001 or equivalent, including:

Premises/Operations
Products/Completed Operations
Personal/Advertising Injury
Contractual Liability
Stop Gap/Employers Contingent Liability
Independent Contractors
Host Liquor Liability
Tenant/Fire Legal

Such insurance must provide a **minimum limit of liability of five million (\$5,000,000)** each occurrence combined single limit bodily injury and property damage (CSL), **except:**

\$1,000,000 Personal & Advertising injury
\$1,000,000 Each Accident/Disease per Employee
\$ 500,000 Tenant/Fire Legal Liability

The minimum limit of liability may be evidenced with primary CGL insurance or any combination of Primary CGL insurance and Excess/Umbrella liability insurance.

- (3) Coverages shall not be cancelled without a least thirty (30) days prior written notice, except ten (10) days notice with respect to cancellation for non-payment of premium, unless otherwise specified in Revised Code of Washington (RCW) 48.18.290 (Cancellation by Insurer).
- (4) All insurance policies required hereunder shall be subject to reasonable approval by the Landlord's Risk Manager as to company, form and coverage. All policies shall be issued by a company rated A-:VII or higher in the then-current A. M. Best's Key Rating Guide and licensed to do business in the State of Washington or issued as a surplus line by a Washington surplus lines broker, and shall be primary to and non-contributory with any other applicable insurance.
- (5) Any liability self-insured retention must be disclosed to, and shall be subject to approval by, the Landlord's Risk Manager. The cost of any liability claim payments falling within the deductible of Tenant's liability insurance shall be the responsibility of Tenant.
- (6) Coverage and/or limits may be altered or increased as necessary (not more frequently than once every three (3) years) to reflect type of or exposure to risk, at which time Landlord shall have the right to review the appropriateness of such coverage and limits in view of inflation and/or changing industry conditions and to require an increase in such coverage or limits upon ninety (90) days' prior written notice.

D. Evidence of Insurance.

- (1) As Evidence of the CGL and All Risks Property insurance coverage secured and maintained by Tenant, on or before the Commencement Date, and thereafter, not later than five (5) days prior to the expiration or renewal date of each such policy, Tenant shall deliver to Landlord at its address as specified in Subsection 1.L hereof with an electronic copy to be faxed to (206) 470-1270 or emailed as an attachment in an Adobe PDF file format to riskmanagement@seattle.gov:
 - (a) A copy of each required policy's declarations page, showing the insurer, policy period, limits of liability and the Schedule of Forms and Endorsements specifying;
 - (b) A copy of the CGL policy provision documenting the City of Seattle is an additional insured for primary and non-contributory limits of liability;

- G. Assumption of Risk. The placement and storage of its personal property in the Premises shall be the responsibility, and at the sole risk, of Tenant.

contractors, agents, invitees, guests or employees or Tenant's breach of this Lease. If thirty percent (30%) or more of the Building Rentable Area is destroyed or damaged, then regardless of whether the Premises are damaged or not, Landlord may elect to terminate this Lease. Landlord shall advise Tenant of Landlord's election to repair or terminate by giving notice to Tenant thereof within thirty (30) days after the occurrence. In the event of damage by casualty, Tenant shall, at its sole cost and expense, repair all damage to its own personal property and to all improvements that Tenant has made to the Premises. Landlord shall not be liable to Tenant for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Building or Premises.

20. Eminent Domain.

A. Taking. If all of the Premises are taken by Eminent Domain, this Lease shall terminate as of the date Tenant is required to vacate the Premises and all Base Rent and Additional Charges shall be paid to that date. The term "Eminent Domain" shall include the taking or damaging of property by, through or under any governmental or statutory authority, and any purchase or acquisition in lieu thereof, whether the damaging or taking is by government or any other person. If a taking of any part of the Premises by Eminent Domain renders the remainder thereof unusable for the business of Tenant, in the reasonable judgment of Landlord, the Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after Landlord gives Tenant written notice of the taking, and such termination shall be effective as of the date when Tenant is required to vacate the portion of the Premises so taken. If this Lease is so terminated, all Base Rent and Additional Charges shall be paid to the date of termination. Whenever any portion of the Premises is taken by Eminent Domain and this Lease is not terminated, Landlord, at its expense, shall proceed with all reasonable dispatch to restore, to the extent of available proceeds and to the extent it is reasonably prudent to do so, the remainder of the Premises to the condition they were in immediately prior to such taking, and Tenant, at its expense, shall proceed with all reasonable dispatch to restore its personal property and all improvements made by it to the Premises to the same condition they were in immediately prior to such taking. The Base Rent and Additional Charges payable hereunder shall be reduced from the date Tenant is required to partially vacate the Premises in the same proportion that the Rentable Area taken bears to the total Rentable Area of the Premises prior to taking.

B. Award. Landlord reserves all right to the entire damage award or payment for any taking by Eminent Domain, and Tenant waives all claim whatsoever against Landlord for damages for termination of its leasehold interest in the Premises or for interference with its business. Tenant hereby grants and assigns to Landlord any right Tenant may now have or hereafter acquire to such damages and agrees to execute and deliver such further instruments of assignment as Landlord, from time to time, may request. Tenant, however, shall have the right to claim from the condemning authority all compensation that may be recoverable by Tenant on

terminated Tenant's liability for damages under any of the provisions hereof, by any such reentry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease; and Tenant shall be liable for and shall reimburse Landlord upon demand for all costs and expenses of every kind and nature incurred in retaking possession of the Premises and all other losses suffered by Landlord as a consequence of Tenant's default. In the event of any entry or taking possession of the Premises, Landlord shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located therein and may place the same in storage at a public warehouse at the expense and risk of Tenant.

- D. Termination. If Landlord elects to terminate this Lease pursuant to the provisions of options (i) or (iv) of Subsection 21.B, Landlord may recover from Tenant as damages, the following: (i) the worth, at the time of award, of any unpaid Rent that had been earned at the time of such termination; plus (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after termination until the time of award exceeds the amount of the Rent loss Tenant proves could have been reasonably avoided; plus (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the Lease Term after the time of award exceeds the amount of the Rent loss that Tenant proves could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including but not limited to, any costs or expenses incurred by Landlord in retaking possession of the Premises, including reasonable attorneys' fees therefor; maintaining or preserving the Premises after such default; preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting; leasing commissions; and any other costs necessary or appropriate to relet the Premises; and (v) such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of Washington. As used in items (i) and (ii) of this Subsection 21.D, the "worth, at the time of award" shall be computed by allowing interest at the interest rate specified in Section 6 of this Lease. As used in item (iii) above, the "worth, at the time of award" shall be computed by using the then-applicable discount rate quoted by the Federal Reserve Bank of San Francisco or its successor. For purposes of this Section 21 only, the term "Rent" shall be deemed to be the Base Rent required to be paid by Tenant pursuant to the terms of this Lease.
- E. Adequate Security. If a petition is filed by or against Tenant or Guarantor under any provision of the Bankruptcy Code or successor act, Tenant shall post a cash bond with Landlord equal to six (6) months' Base Rent and Additional Charges to provide Landlord with adequate security for Tenant's performance of its obligations under this Lease.

26. **Lease Subordinate to Mortgages.** This Lease shall be automatically subordinate to all of Landlord's mortgages or deeds of trust that heretofore and hereafter affect the Premises or Building; to any sale and leaseback; to any and all advances made or to be made thereunder; to the interest on the obligations secured thereby; and to all renewals, modifications, consolidations, replacements or extensions thereof; all provided that for so long as Tenant is not in Default hereunder beyond the applicable Section 21 cure period, Tenant shall have continued enjoyment of the Premises and the rights provided under this Lease, free from any disturbance or interruption by reason of any exercise of remedies by Lender under or in connection with its deed of trust or mortgage. This subordination shall be self operative, and no further instrument of subordination shall be necessary to effect such subordination. Tenant, nevertheless, shall execute such instrument of subordination as may be required by any Lender if such instrument of subordination carries out the terms of this Section 26. In the event of sale or foreclosure of any such mortgage or deed of trust, or exercise of the power of sale thereunder, or in the event of a transfer in lieu of foreclosure, Tenant shall attorn to the purchaser (or transferee) of the Building at such foreclosure or sale and recognize such purchaser (or transferee) as Landlord under this Lease if so requested by such purchaser (or transferee). Such attornment shall be self operative and no further instrument need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.
27. **Estoppel and Other Certificates.** As a material inducement to Landlord to enter into this Lease, Tenant covenants that it shall, within ten (10) days of the receipt thereof, acknowledge and deliver to Landlord (a) any subordination or non-disturbance or attornment agreement or other instrument that Landlord may require to carry out the provisions of Section 26, and (b) any estoppel certificate requested by Landlord from time to time in the commercially reasonable standard form of Landlord or any mortgagee or beneficiary of such deed of trust certifying, to the extent such be true that (i) Tenant shall be in occupancy, (ii) this Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as modified and stating the modification(s), (iii) Base Rent and Additional Charges have been paid only through a certain specified date, (iv) Tenant has no offset, defense or claim against Landlord and (v) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant's failure to deliver an estoppel certificate within the ten (10) day period shall be deemed its confirmation of the accuracy of the information supplied by Landlord to the prospective lender or purchaser. Tenant acknowledges and agrees that Landlord and others will be relying and are entitled to rely on the statements contained in such estoppel certificates.
28. **Quiet Enjoyment.** If Tenant fully complies with and promptly performs all of the terms, covenants and conditions of this Lease on its part to be performed, it shall have quiet enjoyment of the Premises throughout the Lease Term, subject, however, to matters of

33. **Partial Invalidity.** If any court determines that any provision of this Lease or the application hereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.
34. **Recording.** Tenant shall not record this Lease without the prior written consent of Landlord. However, upon Landlord's request, both parties shall execute a memorandum of this Lease, in a form customarily used for such purpose of recordation. The memorandum shall describe the parties, the Premises and the Lease Term and shall incorporate the other terms of this Lease by reference.
35. **Financial Statements.** In addition to the reports under Section 4 for calculation of Percentage Rent and Landlord's audit rights under Section 5, within ten (10) days after Landlord's request therefor, and not more than once per calendar year, Tenant shall deliver to Landlord a financial statement for Tenant's prior quarter and fiscal year. Such statements shall not be required to have been audited. Tenant shall certify the accuracy of such statements. Landlord may make these financial statements available to potential lenders or purchasers, but shall otherwise preserve their confidentiality except in connection with legal proceedings between the parties or as otherwise directed by statute, court rule or order.
36. **Parking.** Tenant shall have a license to use up to the number of parking spaces specified in Subsection 1.I on an unassigned basis at the prevailing monthly rates established by the Building garage, subject to such reasonable rules and regulations as may be established from time to time by Landlord or its parking operator. Monthly parking charges shall be payable in advance on the first day of each month as Additional Charges. Tenant may reduce or increase up to the maximum number set forth above the number of parking spaces licensed to it after giving Landlord thirty (30) days prior written notice of the reduction; provided that no such reduction shall be effective until Tenant surrenders to Landlord the key cards, stickers or other identification materials used to provide garage access for the parking spaces surrendered.
37. **Member Parking**
- A. **Free Parking.** Landlord shall provide parking in the Building garage for Tenant's employees and members without an hourly charge, provided the employee or member (i) enters the garage after 4:30 p.m. on a business day and exits the garage before midnight, or (ii) enters the garage after midnight and exits the garage prior to 8:30 a.m. on a business day, or (iii) enters and exits the garage during any hours on a Saturday, Sunday or Building holiday (collectively, the "Free Parking"). Notwithstanding that there will be no hourly charges for those persons qualifying for the Free Parking, Tenant shall reimburse Landlord for all reasonable out of pocket costs incurred by Landlord in connection with implementing the Free Parking, including the cost of key cards or entry devices

42. **Name of Building.** Landlord reserves the right to change the name of the Building. Tenant agrees that such change shall not require amendment of this Lease or affect in any way its obligations under this Lease, and that, except for the name change, all terms and conditions of this Lease shall remain in full force and effect.
43. **Headings.** The section headings used in this Lease are used for purposes of convenience and do not alter in any manner the content of the sections.
44. **Context.** Whenever appropriate from the context, the use of any gender shall include any other or all genders, and the singular shall include the plural, and the plural shall include the singular.
45. **Execution by Landlord and Tenant.** Landlord shall not be deemed to have made an offer to Tenant by furnishing Tenant with a copy of this Lease with particulars inserted. No contractual or other rights shall exist or be created between Landlord and Tenant until all parties hereto have executed this Lease and fully executed copies have been delivered to Landlord and Tenant.
46. **Time of Essence; Time Calculation Method.** Time is of the essence with respect to this Lease. Except as otherwise specifically provided, any reference in this Lease to the word "day" means a "calendar day;" Provided, that if the final day for any action required hereunder is a Saturday, Sunday or City holiday, such action shall not be required until the next succeeding day that is not a Saturday, Sunday or City holiday. Any reference in this Lease to the word "month" means "calendar month."
47. **Entire Agreement; Applicable Law.** This Lease and the Exhibits attached hereto, and by this reference incorporated herein, set forth the entire agreement of Landlord and Tenant concerning the Premises and Building, and there are no other agreements or understanding, oral or written, between Landlord and Tenant concerning the Premises and Building. Any subsequent modification or amendment of this Lease shall be binding upon Landlord and Tenant only if reduced to writing and signed by them. This Lease shall be governed by, and construed in accordance with the laws of the State of Washington.
48. **Negotiated Agreement.** The parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.
49. **Termination of Prior Lease.** Landlord represents and warrants that, as of the Commencement Date hereof, no party other than Tenant is entitled to possession of the Premises, and that any prior lease, sublease, license, or other occupancy agreement for the Premises or any portion thereof has been duly terminated.

Hillary Hamilton/HJH
FAS Seattle Executive Fitness Lease ORD ATT 1
February 8, 2013
Version #2

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year indicated below.

LANDLORD:
THE CITY OF SEATTLE

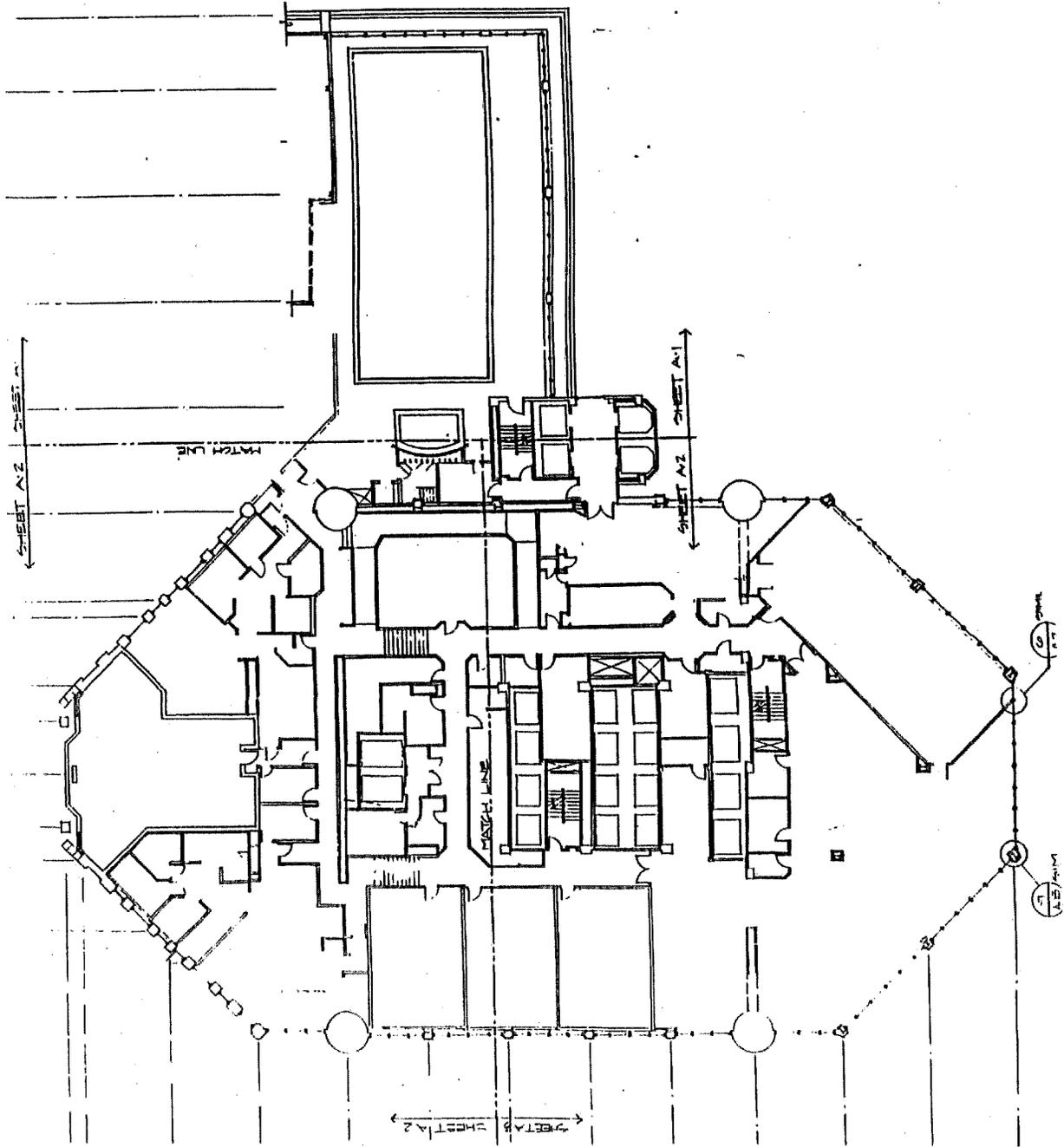
TENANT:
EF SEATTLE FIFTH AVENUE LLC

By: _____
Fred Podesta, Director
Department of Finance
And Administrative Services

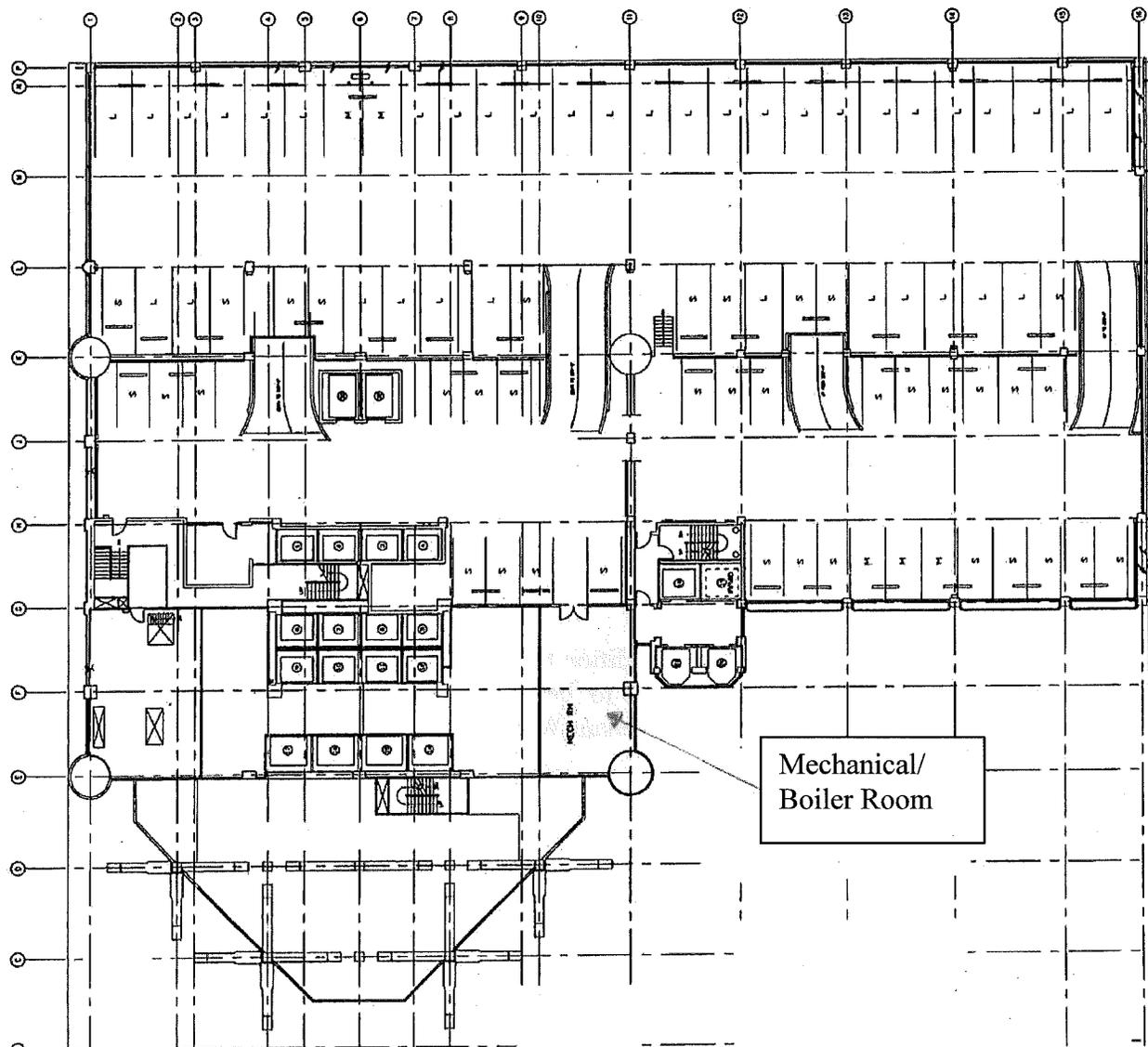
By: _____
George Petric, Manager
EF SEATTLE FIFTH AVENUE LLC

Authorized by Ordinance Number: _____

EXHIBIT A
TO
SEATTLE MUNICIPAL TOWER LEASE
FLOOR PLAN OF PREMISES



Seattle Executive Fitness Mechanical/Boiler Room Parking Level 12



6. Carpeting, pad or other floor covering.
7. Window coverings for exterior windows as designated by Landlord.
8. Light fixtures, including Building Standard fixtures and switching, all in accordance with applicable Seattle codes and the Energy Edge Program.
9. Electrical receptacles, wiring and conduit from electrical panels to electrical receptacles and light fixtures, and other electrical items.
10. Mudrings and pullstrings for telephone and computer receptacles. Tenant is responsible for Tenant's telephone and computer equipment, service and cabling. Tenant shall select a telephone system and coordinate its installation with Landlord.
11. Air terminal units including related ducting, round low pressure run out ducting, flexible ducting, diffusers and any other items for heating and air conditioning.
12. Modifications to the sprinkler distribution system and installation of sprinkler heads, emergency speakers, exit signs and fire extinguishers and cabinets within the Premises.
13. All removal of debris for any item of work installed pursuant to Section B of this Exhibit.
14. The fees due for any architectural or interior design services provided with respect to the Premises including but not limited to the furnishings, furniture, art work, fixtures, equipment, and other personal property therein.
15. All Washington State sales tax applicable to Tenant improvements made to the Premises.
16. The fee charged by Landlord's architect for the reviewing on Landlord's behalf, Tenant's proposed plans and specifications for the improvement of the Premises by Tenant.
17. All signage in excess of that provided by Landlord under the Building Rules & Regulations.

C. DESIGN OF TENANT IMPROVEMENTS.

1. Plans for Tenant Work.

- a. Responsibility of Tenant's Architect for Final Contract Documents. Based on Exhibits A and B and other information provided by Tenant and approved by Landlord, and if reasonably necessary for the scope of the proposed Tenant Work, Tenant's Architect shall prepare the working drawings, specifications and engineering drawings representing the Final Contract Documents for Tenant Work. Notwithstanding the foregoing, based on the currently contemplated scope of work reflected in Exhibit D to the Lease which has previously been approved by the

manufacturer of the phone and computer system to be used and the power requirements, size and location of its primary equipment.

- (4) Furniture Layout: Basic layout showing furniture location.
- (5) Millwork/Casework Details: Complete elevations, sections and construction details of all special millwork including but not limited to cabinets, paneling, trim, bookcases, doors, door frames and relite frames.
- (6) Hardware Specifications and Keying Schedule: Complete specifications for all special hardware. Key ways in special locks must be compatible with building master key system. The keying schedule must indicate which doors are locked and which keys open each lock, together with a symbol indicating which side of the door is to be locked to prohibit entry.
- (7) Room Finish and Color Schedule; Signage: Complete information showing on the drawings the location and specifications for all finishes including wall, floor covering, wall base, ceiling and special conditions; as well as the size, design, method of installation, and desired location of all signage.
- (8) Construction Notes and Specifications: Any special notes required and complete specifications for all special items including but not limited to instructions for bidders, special conditions incorporating the AIA standard form of general conditions and technical specifications for all special Building work.
- (9) Structural Drawings: If reasonably necessary due to the scope of the proposed Tenant Work, Tenant shall engage the services of its structural engineer, a separate structural permit will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. A drawing will be prepared for Landlord's review, indicating the extent of structural modifications proposed for the Premises.
- (10) Mechanical Drawings: If reasonably necessary due to the scope of the proposed Tenant Work, Tenant shall engage the services of its mechanical engineer, separate plumbing and HVAC permits will be obtained, and the cost of those services and permits shall be included in the cost of Tenant Work. Drawings shall be prepared for Landlord's review indicating plumbing and HVAC requirements as follows:
 - (a) Plumbing: Clearly indicating all waste, vent and water requirements, locations and connections to stub-outs located at the Building core.
 - (b) HVAC: Clearly indicating the basic system, modifications to the basic system if required, including any special cooling or

1. Tenant shall have the right to control design of special improvements to the Premises, subject to Landlord's approval, which shall not be unreasonably withheld.
2. Tenant shall be responsible for the payment to Landlord, as an Additional Charge, of any increase in Building energy costs attributable to special lighting. Lighting not consistent with Seattle's Energy Code or the Energy Edge Program shall not be installed without the prior approval of Landlord and Landlord's Architect, which may be withheld in the sole discretion of Landlord.
3. If Tenant requests that Landlord install any fixtures in the Premises or perform any alterations, additions or improvements to the Premises that are in addition to or subsequent to the Tenant Work, and if Landlord consents to such request, such additional work shall be installed at Tenant's sole cost and expense and the terms and conditions of Section D of this Exhibit shall govern all such work.

F. SPECIAL PROVISIONS.

If a portion of the Tenant Work or any other installation within the Premises is to be performed by someone other than the Landlord's contractor or subcontractor, then the following terms and conditions shall apply:

1. Such work shall proceed upon Landlord's written approval of (i) Tenant's contractor; (ii) public liability and property damage insurance satisfactory to Landlord carried by Tenant's contractor; (iii) detailed plans and specifications for such work; and (iv) the amount of general conditions to be paid by Tenant to Landlord for the service(s) (if any) provided by Landlord's contractor.
2. All work shall be done in conformity with a valid building permit, when required, a copy of which shall be delivered to Landlord before such work is commenced, and in any case, all such work shall be performed in accordance with all applicable governmental regulations. Notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility for Tenant's failure to meet all applicable regulations.
3. All work by Tenant or Tenant's contractor shall be scheduled through Landlord.
4. Tenant or Tenant's contractor shall arrange for necessary utility, hoisting and elevator service with Landlord's contractor and shall pay such reasonable charges for such services as may be charged by Landlord's contractor. These charges will be included in the general conditions of Section E.1 of this Exhibit.
5. Tenant shall promptly reimburse Landlord for costs incurred by Landlord due to faulty work done by Tenant or by any of its contractors, or by reason of any delay caused by such work, or by reason of inadequate clean-up.

EXHIBIT C
TO
SEATTLE MUNICIPAL TOWER LEASE

RULES AND REGULATIONS

1. Except as specifically provided in the Lease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.
2. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in, or used in connection with any window of the Building without the prior written consent of the Landlord, which Landlord may withhold in its sole and absolute discretion. In any event, with the prior written consent of Landlord, such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. Tenant shall not alter or remove any exterior window glass of the Building for any reason.
3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators or stairways of the Building. The halls, passages, exits, entrances, elevators, escalators and stairways are not open to the general public, but are open, subject to reasonable regulation, to Tenant's business invitees. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; providing that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of this business, unless such persons are engaged in illegal or unlawful activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building.
4. The directory of the Building will be provided for the display of the name and location of tenants and a reasonable number of the principal officers and employees of tenants, and Landlord reserves the right to exclude any other names therefrom. Any additional name that Tenant shall desire to place upon the directory must first be approved by Landlord and, if so approved, a charge will be made therefor.
5. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning

placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Every person employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

10. Tenant shall not use or keep in the Premises any kerosene, gasoline or flammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or any other occupant of the building by reason of noise, odors or vibrations from the Premises, nor shall Tenant bring into or keep on or about the Premises any animal other than a hearing- or seeing-guide dog.
11. Tenant shall not use any method of heating or air conditioning other than that supplied and/or approved by Landlord.
12. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day.
13. Landlord reserves the right to select the name of the Building and to make such change or changes of name as it may deem appropriate from time to time, and Tenant shall not refer to the Building by any name other than: (i) the names as selected by Landlord (as same may be changed from time to time), or (ii) the postal address, approved by the United States Post Office. Tenant shall not use the name of the Building in any respect other than as an address of its operation in the Building without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the street address of the Building.
14. Landlord reserves the right to exclude from the Building between the hours of 6 P.M. and 7 A.M. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays and legal holidays, any person unless that person is known to person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

24. Tenant shall store all its trash and garbage within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued, from time to time, by Landlord.
25. The Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Premises be used for any improper or immoral purpose. No cooking shall be done or permitted on the Premises without Landlord's consent, except that use by Tenant of Underwriters' Laboratory-approved equipment for brewing coffee, tea, hot chocolate and similar beverages, or use of a microwave oven for employee use shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.
26. Tenant shall not use in any space or in any public hall of the Building, any hand truck except one equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicle of any kind into the Building.
27. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
28. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
29. Tenant's requirement will be attended to only upon appropriate application to the Building management office by an authorized individual. No employee of Landlord shall perform any work or do anything outside of his/her regular duties unless under special instructions from Landlord, and no employee of Landlord shall admit any person (Tenant or otherwise) to any office outside of the Premises without specific instructions from Landlord.
30. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.
31. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of Tenant's lease of its Premises in the Building.
32. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good

EXHIBIT D
TO
SEATTLE MUNICIPAL TOWER LEASE

Initial Tenant Improvements

Men's Restroom:

- Completely reface existing locker system in locker room area.
- Completely remove or repair existing tile and install new tile in shower and restroom areas as appropriate.
- Completely remove existing sink cabinets and counter tops and install new sink cabinets & countertops.
- Install new water saving faucets where existing faucets are located.
- Install new water saving shower heads & valves where existing are currently located.
- Improvements to existing restroom & shower ventilation systems as required to remove excess moisture from area.
- Complete additional repairs and upgrades to Steam and Sauna areas which include, but are not limited to, removal of existing tile and install new tile, repairs to all damaged wood in dry sauna, and repairs to the steam and dry sauna heat regulators/elements as needed to meet Class A operation standards.

Women's Restroom:

- Completely reface existing locker system in locker room area.
- Completely remove or repair existing tile and install new tile in shower and restroom areas as appropriate.
- Completely remove existing sink cabinets and counter tops and install new sink cabinets & countertops.
- Install new water saving faucets where existing faucets are located.
- Install new water saving shower heads & valves where existing are currently located.
- Improvements to existing restroom & shower ventilation systems as required to remove excess moisture from area.
- Complete additional repairs and upgrades to Steam and Sauna areas which include, but are not limited to, removal of existing tile and install new tile, repairs to all damaged wood in dry sauna, and repairs to the steam and dry sauna heat regulators/elements as needed to meet Class A operation standards.

P-12 Pool & Boiler Room:

- Landlord requires Tenant to complete permanent structural repairs of the expansion take overflow floor drain located within the Boiler Room on Level P-12 (Exhibit A-3) of the Garage to Class A standards as per Landlord's specifications.

EXHIBIT E
TO
SEATTLE MUNICIPAL TOWER LEASE

PERSONAL GUARANTY OF FINANCIAL OBLIGATIONS IN LEASE

This Personal Guaranty ("Guaranty") is entered into by Merle Gregg, George Petrie, and John Goodman (collectively referred to herein as "Guarantor") in favor of **THE CITY OF SEATTLE**, a municipal corporation of the State of Washington, (the "City" or "Landlord").

- A. EF Seattle Fifth Avenue, LLC ("Tenant") desires to enter into that certain Seattle Municipal Tower Lease between the City and Tenant, initially dated as of the same date hereof and which this Guaranty is incorporated and made a part of as Exhibit E, and as further modified or amended by Landlord and Tenant during the term of this Guaranty (the "Lease").
- B. Guarantor desires that the City enter into the Lease with Tenant, and the City is willing to enter into the Lease strictly conditioned upon the Guarantor's guaranty of Tenant's financial obligations under the Lease under the terms herein.

NOW THEREFORE, for other good and valuable consideration receipt of which Guarantor hereby acknowledges, Guarantor agrees as follows:

1. Guarantee. Guarantor unconditionally guarantees to Landlord and its successors and assigns, Tenant's full and punctual performance of all financial obligations, including, but not limited to, payment of rent and any other sum of money due to Landlord from Tenant ("Guaranteed Obligations") pursuant to the Lease.
2. Term of Guaranty. This Guaranty will be effective commencing upon the effective date of the Lease and shall continue in full force until the Guaranteed Obligations have been fully paid and performed. If Landlord agrees to release Tenant from its duties and obligations under the Lease as provided in Section 16 of the Lease, this Guaranty will be released to the extent the Tenant is released.
3. Joint and Several Liability. Merle Gregg, George Petrie, and John Goodman shall be personally and jointly and severally liable as Guarantor under this Guaranty. Tenant and Guarantor shall be jointly and severally liable for the full and complete performance of Tenant's obligations under the Lease.
4. Right of City to Proceed Against Guarantor. In the event of a failure by Tenant to perform any Guaranteed Obligation hereunder, the City shall have the right to proceed first and directly against the Guarantor under this Guaranty and without proceeding against Tenant or exhausting any other remedies against Tenant which the City may have. Without limiting the foregoing, the Guarantor agrees that it

other similar proceedings against Tenant or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification had occurred as a result thereof, it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to them by reason of any such proceedings);

- (e) any failure on the part of Tenant for any reason to perform or comply with any agreement with the Guarantor;
- (f) any failure of the City to mitigate damages resulting from any default by Tenant under the Lease (except to the extent such failure constitutes a legal or equitable defense of Tenant under applicable law);
- (g) any sale, lease, transfer, abandonment or other disposition of any or all of the property of Tenant;
- (h) any legal disability of any party to the Lease; or
- (i) the fact that entering into the Lease by Tenant was invalid or in excess of its powers.

Should any money due or owing under this Guaranty not be recoverable from the Tenant due to any of the matters specified in subparagraphs (a) through (i) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of Tenant pursuant to the terms of the Lease and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty. Notwithstanding anything to the contrary expressed in this Guaranty, nothing in this Guaranty shall be deemed to amend, modify, clarify, expand or reduce Tenant's rights, benefits, duties or obligations under the Lease. To the extent that any of the matters specified in subparagraphs (a) through (c) and (e) through (i) would provide a defense to, release, discharge or otherwise affect Tenant's Guaranteed Obligations, the Guarantor's obligations under this Guaranty shall be treated the same.

Notwithstanding any provision contained herein to the contrary, the Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which Tenant may have under the Lease or under applicable law (other than bankruptcy

- (b) any right to require a proceeding first against Tenant;
 - (c) the requirement of, or the notice of, the filing of claims by the City in the event of the receivership or bankruptcy of Tenant; and
 - (d) all demands upon Tenant or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 7, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.
8. Guarantor's Knowledge of Tenant's Economic Condition. Guarantor represents and warrants to the City that it has reviewed such documents and other information as it deemed appropriate in order to permit it to be fully apprised of Tenant's financial condition and operations and has, in entering into this Guaranty made its own credit analysis independently and without reliance upon any information communicated by the City. Guarantor covenants for the benefit of the City to remain apprised of all material economic or other developments relating to or affecting Tenant, its successor or permitted assigns or their properties or businesses.
9. Unconditional Guaranty. Except as specifically set forth elsewhere in this Guaranty, the obligations of Guarantor under this Guaranty are absolute and unconditional without regard to the obligations of any other party or person and shall not be in any way limited or affected by any circumstance whatsoever.
10. Separate Obligations; Reinstatement. The joint and several obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (a) give rise to separate and independent causes of action against either or both Guarantor and Tenant (b) apply irrespective of any indulgence granted from time to time by the City. The Guarantor agrees that this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of Tenant is rescinded or must be otherwise restored by the City, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Lease or Tenant's enforcement of such terms under applicable law.
11. Notices. Any notice permitted hereunder may be given to Guarantor by personal delivery, by fax (with confirmation of receipt by telephone), or by certified mail addressed to:
- EF Seattle Fifth Avenue, LLC
 - 2801 Alaskan Way, Suite 310
 - Seattle, WA 98121

EXHIBIT F
TO
SEATTLE MUNICIPAL TOWER LEASE
Agreement Regarding Use of Premises during City Emergency

AGREEMENT REGARDING Use of Premises DURING CITY EMERGENCY

This Agreement Regarding Use of Premises During City Emergency is made a part of the Seattle Municipal Tower Lease between The City of Seattle, as Landlord and EF SEATTLE FIFTH AVENUE, LLC as Tenant commencing when signed by an authorized representative of both parties. Unless otherwise defined in this Agreement, all capitalized terms shall have the meaning they are given in the Lease. This Agreement is intended to memorialize an understanding and plan and set forth the terms and conditions for the City's potential use of the Premises during an Emergency Event. As used in this Agreement, an "Emergency Event" means any circumstance when the Emergency Operations Center (EOC) is activated for more than a 24 consecutive hour period.

1. Seattle Municipal Tower (SMT) Security will provide EOC staff access to the Premises outside of EF SEATTLE FIFTH AVENUE, LLC's normal business hours (or if EF SEATTLE FIFTH AVENUE, LLC is closed as a result of the Emergency Event) for the sole purpose of allowing EOC staff to shower and rest (on City-provided cots) subject to the terms of this Agreement. The City shall instruct the EOC staff that they are prohibited from using the equipment and training facilities located on the Premises and that EF SEATTLE FIFTH AVENUE, LLC shall have no liability for any damages suffered by a member of the EOC staff arising from any unauthorized use of such equipment and/or training facilities. Liability for any such damages shall be borne solely by the City.
2. If the Premises is needed during EF SEATTLE FIFTH AVENUE, LLC's normal business hours, EOC management will work with the EF SEATTLE FIFTH AVENUE, LLC manager or designee to determine how best to accommodate EOC staff during the Emergency Event in a manner that minimizes interference with EF SEATTLE FIFTH AVENUE, LLC's regular customers' use of the Premises and EF SEATTLE FIFTH AVENUE, LLC's normal business operations to the extent reasonably possible.
3. The City will reimburse EF SEATTLE FIFTH AVENUE, LLC for its incremental costs associated with the EOC staff's use of the Premises during the Emergency Event. These costs will be determined by EF SEATTLE FIFTH AVENUE, LLC and the City's property manager within 30 days of EOC staff use.
4. The City will be responsible for providing and removing any cots needed for EOC staff to rest no later than 24 hours after the end of the Emergency Event.

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services	Hillary Hamilton/x4-0421	Jennifer Devore/x5-1328

Legislation Title: AN ORDINANCE authorizing the Director of Finance and Administrative Services to execute an Amended and Restated Lease between the City of Seattle and EF Seattle Fifth Avenue LLC, a Washington limited liability company, for a portion of the property located at 700 5th Avenue, commonly known as the Seattle Municipal Tower.

Summary of the Legislation:

This legislation authorizes the Director of Finance and Administrative Services (FAS) to execute a lease with EF Seattle Fifth Avenue, LLC, doing business as Seattle Executive Fitness (SEF). This action replaces an existing five-year lease for approximately 24,721 rentable square feet of special use retail space in the Seattle Municipal Tower (SMT). The new lease provides for a term of fifteen (15) years, retroactively commencing on October 1, 2011. The lease provides the City with an option to terminate the lease early in the event that the City has a public use for the space. The lease also allows the City to utilize the space during emergencies, providing emergency staff and responders a place to rest and shower. The lease requires legislation because the term of the lease exceeds the FAS Director's statutory authority for leasing under Seattle Municipal Code (SMC) 3.127.010.

Background:

Ordinance 117739, adopted July 31, 1995 authorized the purchase of SMT by the City. The primary purpose of SMT is as a class A office building; however the design of the building also includes ancillary special use spaces including retail on the 3rd and 4th floor and purpose-built fitness center space on the 14th floor of the parking garage. The fitness center space is a unique space that includes special features such as high ceilings, showers, saunas, locker rooms and a swimming pool.

Between 1997 and 2011, the fitness center was operated by All Star Fitness under consecutive leases with the City. The last five-year lease expired on September 30, 2011 but, in August 2011, All Star Fitness sold the business to SEF. SEF initially sought a fifteen-year lease with the City however, due to the sale occurring immediately prior to Council's budget deliberations and the SMC requirement that a lease in excess of five years be approved by the Council, FAS was only able to execute a five-year lease running through September 30, 2016. FAS and SEF subsequently agreed to business terms for a new, long-term lease that would replace the initial short-term lease and would be retroactive to October 1, 2011, expiring on September 30, 2026.

The lease rate structure is provided under the Revenues section below. FAS has no direct expenditures associated with the proposed lease.

The fitness center business is traditionally a very difficult model due to the competitive nature of the marketplace. Because of this, the credit worthiness of a fitness center tenant is very important. The lease requires either a personal guaranty (or letter of credit) to be provided by business owners Merle Gregg, George Petrie and John Goodman. The two latter partners are local commercial property owners who are very credit worthy, with prior experience in operating a fitness facility. Their ownership of the club's "sister" facility at the Medical Dental Building provides a strong incentive to ensure that this operation succeeds.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2013 Appropriation	2014 Anticipated Appropriation
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes: No new appropriations in this legislation.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
50330 – FAS Facility Operations Subfund	FAS	Space Rent	\$102,592.20	\$102,592.20
TOTAL			\$102,592.20	\$102,592.20

Revenue/Reimbursement Notes:

Lease Years	Rent per Rentable Square Foot	Monthly Rent
10/1/11 - 9/30/16	\$4.15	\$8,549.35
10/1/16 – 9/30/17	\$5.57	\$11,464.36
10/1/17 – 9/30/18	\$6.07	\$12,494.41
10/1/18 – 9/30/19	\$6.57	\$13,524.45
10/1/19 – 9/30/20	\$7.07	\$14,554.49

10/1/20 – 9/30/21	\$7.57	\$15,584.53
10/1/21 – 9/30/22	\$8.07	\$16,614.57
10/1/22 – 9/30/23	\$8.57	\$17,644.61
10/1/23 – 9/30/24	\$9.07	\$18,674.66
10/1/24 – 9/30/25	\$9.57	\$19,704.70
10/1/25 – 9/30/26	\$10.07	\$20,734.74

- The apparently low face rate of the rent is due to the fact that the City is not required to provide a tenant improvement allowance otherwise common in such deals. Further, this is a triple net lease in which the tenant is responsible for the cost of utilities, janitorial, and other services related to the space.
- In addition to the base rent above, the new lease provides that the tenant will pay percentage rent of 8% of annual gross revenue above \$1,500,000 on top of the base rent.
- The revenues through 2012 have already been received and future revenues are anticipated in the 2013 Adopted Budget.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
TOTAL							

* 2014 positions and FTE are total 2014 position changes resulting from this legislation, not incremental changes. Therefore, under 2014, please be sure to include any continuing positions from 2013.

Position Notes: None.

Do positions sunset in the future? Not applicable.

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes: The City has no direct expenditures over the life of the lease.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

The term of the proposed lease would run through September of 2026. However, the lease provides the City with an option to terminate the lease at any time in the event the City requires the space for a public purpose. In the event that the City chooses to exercise its termination option, the City would be obligated to reimburse SEF for the unamortized cost of certain improvements made by SEF. The total cost of improvements subject to reimbursement is capped at \$650,000, and would be amortized on a flat-line basis over a maximum period not to exceed the term of the lease. As an example, if the City were to exercise its termination option in early 2016, the approximate reimbursement would be \$485,000. The longer the City waits to exercise its option, the lower the cost to the City.

b) What is the financial cost of not implementing the legislation?

If the legislation is not implemented, the existing lease will expire on September 30, 2016. At that time, SEF and the City may mutually decide to enter into a new lease, however neither party would be obligated to do so. If SEF chooses not to renew the lease, it is anticipated that the space would remain vacant for as little as three months, however economic conditions at the time could cause an extended vacancy of more than a year as the City seeks a new fitness center operator. In addition, entering into a new lease will likely require a tenant improvement allowance to be paid by the City, and may require offering several months of free rent to attract a new operator in what has been for several years a difficult business model. While it is possible to convert the space to another type of use other than a fitness center, this is not advised due to the high estimated cost (upwards of \$150/sq. ft., or approximately \$4 million in today's dollars), the potentially undesirable location, and the fact that any conversion for use by a private tenant would likely need to be done speculatively due to the length of time necessary to complete the work. Conversion would result in minimum vacancy period of twelve months to complete the renovations and seek a new tenant.

c) Does this legislation affect any departments besides the originating department?

No.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

An analysis of potential scenarios shows that the Net Present Value (NPV) of the proposed SEF lease exceeds the NPV for either a new fitness center operator or a new office tenant. This is due to the costs associated with vacancy, marketing and capital expenditures. As noted above, while repurposing the fitness center to an office use would increase revenues, the substantial upfront investment required would offset those revenues. The estimated payback period would be approximately thirteen years.

The early termination option provides the City with flexibility to utilize the space for its own purposes at any time during the life of the lease.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

Yes. See Attachment A.

h) Other Issues: None.

List attachments to the fiscal note below:

Attachment A – Map.



City of Seattle
Office of the Mayor

February 19, 2013

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill/Resolution authorizing the Director of the Department of Finance and Administrative Services (FAS) to execute an Amended and Restated Lease with Seattle Executive Fitness LLC (SEF) for operation of the fitness center on the 14th floor of the Seattle Municipal Tower (SMT). This legislation replaces an existing five-year lease with a new 15-year lease, retroactive to October 1, 2011.

The fitness center at SMT is purpose-built space that includes a swimming pool, locker rooms, saunas, and showers. Operated by All Star Fitness between 1997 and 2011, All Star Fitness sold the business to SEF in August 2011, just as the lease was expiring. SEF initially sought a 15-year lease, but FAS was only able to execute a five-year lease under the provisions of the Seattle Municipal Code. FAS agreed to bring forward a long-term lease for the Council's review to replace the original short-term lease.

In the event that the City identifies a public use for the fitness center, the lease includes an early termination option. The lease also allows the City to utilize the space during emergencies, providing emergency staff and responders a place to rest and shower.

While the fitness center business is a difficult economic model due to the competitive nature of the marketplace, this proposed lease provides a stable, credit-worthy tenant with little financial risk to the City. Thank you for your consideration of this legislation. Should you have questions, please contact Hillary Hamilton at 684-0421.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council