



SEATTLE CITY COUNCIL

Legislative Summary

CB 119485

Record No.: CB 119485

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125802

In Control: City Clerk

File Created: 02/20/2019

Final Action: 04/05/2019

Title: AN ORDINANCE authorizing the Superintendent of Parks and Recreation to execute a lease agreement between the City of Seattle and Selig Holdings Company, LLC, a Delaware limited liability company, for office space in the building located at 300 Elliott Avenue West, commonly known as the Elliott Bay Office Park; and ratifying and confirming certain prior acts.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Bagshaw

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att 1 - Elliott Bay Office Park Lease Agreement

Drafter: Max Jacobs

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	03/12/2019	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	03/12/2019	sent for review	Council President's Office			
Action Text: The Council Bill (CB) was sent for review. to the Council President's Office							
Notes:							
1	Council President's Office	03/15/2019	sent for review	Civic Development, Public Assets, and Native Communities Committee			
Action Text: The Council Bill (CB) was sent for review. to the Civic Development, Public Assets, and Native Communities Committee							

Notes:

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|---|---|---|------------------------------------|---|------|
| 1 | City Council | 03/18/2019 | referred | Finance and
Neighborhoods
Committee | |
| | Action Text: | The Council Bill (CB) was referred. to the Finance and Neighborhoods Committee | | | |
| | Notes: | | | | |
| 1 | Finance and
Neighborhoods
Committee | 03/22/2019 | pass | | Pass |
| | Action Text: | The Committee recommends that City Council pass the Council Bill (CB). | | | |
| | | In Favor: 2 Chair Bagshaw, Vice Chair González | | | |
| | | Opposed: 0 | | | |
| 1 | City Council | 04/01/2019 | passed | | Pass |
| | Action Text: | The Council Bill (CB) was passed by the following vote, and the President signed the Bill: | | | |
| | Notes: | | | | |
| | | In Favor: 7 Councilmember González , Council President Harrell, Councilmember
Herbold, Councilmember Johnson, Councilmember Mosqueda,
Councilmember O'Brien, Councilmember Sawant | | | |
| | | Opposed: 0 | | | |
| 1 | City Clerk | 04/02/2019 | submitted for
Mayor's signature | Mayor | |
| 1 | Mayor | 04/05/2019 | Signed | | |
| 1 | Mayor | 04/05/2019 | returned | City Clerk | |
| 1 | City Clerk | 04/05/2019 | attested by City Clerk | | |
| | Action Text: | The Ordinance (Ord) was attested by City Clerk. | | | |
| | Notes: | | | | |
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CITY OF SEATTLE
ORDINANCE 125802
COUNCIL BILL 119485

AN ORDINANCE authorizing the Superintendent of Parks and Recreation to execute a lease agreement between the City of Seattle and Selig Holdings Company, LLC, a Delaware limited liability company, for office space in the building located at 300 Elliott Avenue West, commonly known as the Elliott Bay Office Park; and ratifying and confirming certain prior acts.

WHEREAS, since 1998, staff from the Department of Parks and Recreation (DPR) has occupied leased office space in the building located at 800 Maynard Avenue South in Seattle's International District, commonly known as the RDA Building; and

WHEREAS, the City's current lease in the RDA Building expires in November 2019, which prompted DPR to engage the services of the Department of Finance and Administrative Services (FAS) to assist in reviewing office space options including securing a new lease at the RDA Building, identifying space in a City-owned building, or finding potential new private office space locations; and

WHEREAS, there is insufficient office space available for DPR in City-owned property; and

WHEREAS, FAS and DPR requested proposals from the owners of the RDA Building and from several other buildings in order to identify the best and most financially appropriate office space option to meet DPR's operational needs; and

WHEREAS, it is the conclusion of FAS and DPR that the best available option for meeting DPR's business needs is to lease office space in the Elliott Bay Office Park building; and

WHEREAS, the City and Selig Holdings Company, LLC have reached an agreement to lease 28,000 square feet of office space, increasing to 32,000 square feet within five years of lease commencement with an option for an additional expansion, in the Elliott Bay Office

1 Park building for a term of 15 years at the current market rate, with two options to extend
2 the lease for additional periods of five years each; and

3 WHEREAS, City Council approval is required for this lease agreement to become effective;

4 NOW, THEREFORE,

5 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

6 Section 1. The Superintendent of Parks and Recreation (“Superintendent”), or the
7 Superintendent’s designee, is authorized to execute for and on behalf of The City of Seattle
8 (“City”) the Lease Agreement between the City, as tenant, and Selig Holdings Company, LLC,
9 as landlord, in the form attached as Attachment 1 to this ordinance and identified as “Lease
10 Agreement,” providing for the City’s use and occupancy of a portion of the real property located
11 at 300 Elliott Avenue West.

12 Section 2. The Superintendent or the Superintendent’s designee is further authorized and
13 directed, for and on behalf of the City, to make technical, conforming or otherwise nonmaterial
14 changes to the Lease Agreement, and to execute, deliver, administer and perform such ancillary
15 agreements or documents or to take such other actions as in the Superintendent’s or designee’s
16 judgment may be necessary, appropriate, or desirable in order to carry out the terms and
17 provisions of, and complete the transactions contemplated by, this ordinance.

18 Section 3. The initial term of the Lease Agreement is for 15 years, beginning on the
19 commencement date specified in the Lease Agreement. The Superintendent or the
20 Superintendent’s designee is authorized to extend the term of the lease for up to two additional
21 five-year extensions, as determined by the Superintendent to be in the best interest of the City, on
22 the terms and conditions provided in the Lease Agreement.

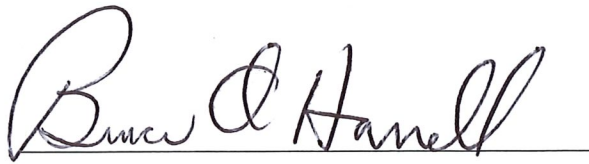
1 Section 4. The City's initial leased premises consist of 28,000 square feet and will
2 expand to 32,000 square feet five years after lease commencement, unless the City exercises an
3 option to expand the space earlier. The Superintendent or Superintendent's designee is
4 authorized to exercise this option to expand the leased premises at such time as the
5 Superintendent determines to be in the best interest of the City. The Superintendent or
6 Superintendent's designee is further authorized to exercise an additional option to expand the
7 leased premises, if and when determined by the Superintendent to be in the best interest of the
8 City, on the terms and conditions provided in the Lease Agreement.

9 Section 5. The rental payments contemplated by the terms of the Lease Agreement
10 authorized in Section 1 of this ordinance shall be charged to the appropriate expenditure
11 allowance or allowances in the budget of the Department of Parks and Recreation.

12 Section 6. Any act consistent with the authority of this ordinance taken after its passage
13 and prior to its effective date is ratified and confirmed.

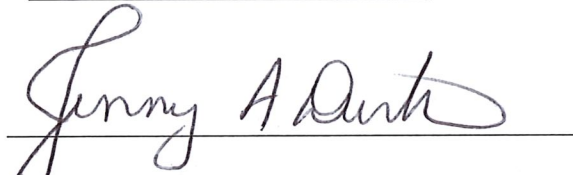
Section 7. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 1st day of April, 2019,
and signed by me in open session in authentication of its passage this 1st day of
April, 2019.



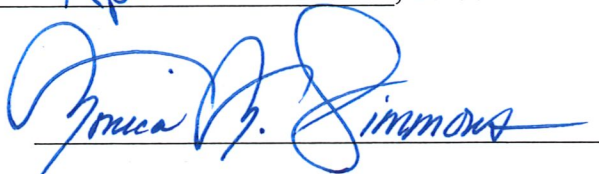
President _____ of the City Council

Approved by me this 5th day of APRIL, 2019.



Jenny A. Durkan, Mayor

Filed by me this 5th day of April, 2019.



Monica Martinez Simmons, City Clerk

(Seal)

Attachments:
Attachment 1 – Elliott Bay Office Park Lease Agreement

ELLIOTT BAY OFFICE PARK OFFICE LEASE

THIS LEASE, made the _____ day of _____, 20____, by and between SELIG HOLDINGS COMPANY, LLC, a Delaware limited liability company, whose address is 1000 Second Avenue, Suite 1800, Seattle, Washington, 98104-1046, hereinafter referred to as "Lessor" and THE CITY OF SEATTLE, a municipal corporation of the State of Washington, hereinafter referred to as "Lessee".

1. DESCRIPTION. Lessor in consideration of the agreements contained in this Lease, does hereby lease to Lessee, upon the terms and conditions hereinafter set forth, that certain space consisting of the agreed upon square footage of 28,000 usable square feet (hereinafter referred to as "Premises") situated on the 1st floor level of the Elliott Bay Office Park, 300 Elliott Avenue West, City of Seattle, State of Washington 98119, (hereinafter, the "Building"), which is depicted on Exhibit A and the legal description of which is:

Parcel A: All of Block 9, D.T. Denny's Waterfront Addition to the City of Seattle, according to the plat recorded in Volume 2 of Plats, Page 61, in King County, Washington.

Parcel B: Block 161, Seattle Tidelands.

Suite 100

As set forth below in Section 40, the Premises will be expanded to include the First Pocket Space and at Lessee's election (also as set forth below in Section 40) may be expanded to include the Second Pocket Space.

Lessor warrants to Lessee that the Usable square foot measurements set forth above are measured pursuant to BOMA's 2017 version of Office Buildings: Standard of Measurement. Lessor further warrants that it is the fee owner of the Building and the real property on which the same are located, and that the Premises may lawfully be used for the uses permitted under this Lease.

2. TERM. The term of this Lease shall be for a period of one-hundred eighty (180) months, commencing the date ("Commencement Date") that is the later of (i) November 1, 2019 or (ii) the date on which Lessor achieves Substantial Completion of the Tenant Improvements, and ending one-hundred eighty (180) months thereafter (such 180-month term, the "Initial Term", and together with any period after the Initial Term Lessee remains in occupancy of the Premises, the "Term").

Lessor shall ensure that Substantial Completion occurs by no later than November 1, 2019, which completion date shall be extended by events of Force Majeure or Tenant Delay, as defined below, for the period of such event or delay. Lessor further agrees to deliver the Premises on the Commencement Date in the condition required by Section 44 below.

For purposes of the Lease, the term "Force Majeure" shall mean acts of God, strikes, lockout, labor troubles, riots, terrorism, inability to procure materials despite commercially reasonable efforts to do, orders or directives of government bodies including City of Seattle review and other similar causes beyond a party's reasonable control. The term "Tenant Delay" shall mean the failure of Lessee without the fault of Lessor to provide construction documents to Lessor on or before the date set forth above or any delay in fact to the extent caused by a change requested by Lessee to the construction documents approved by Lessor. Lessor shall provide written notice to Lessee upon becoming aware of any potential event of Tenant Delay or Force Majeure.

The term Substantial Completion shall mean that the Tenant Improvements (as defined in Exhibit D) are complete in all material respects, except for minor "punch

list" items, and that Lessee has full access to and use of the Premises. Lessor shall complete all punch list items within thirty (30) days of occupancy.

In the event the Commencement Date does not occur by November 1, 2019 (such date to be extended on a day for day basis for any event of Force Majeure), then (i) Lessee shall receive one (1) day of abated Rent for each one (1) such day of delay, which shall be credited against Rent owing under the lease as of the Commencement Date and (ii) Lessor shall reimburse Lessee within thirty (30) days of receipt of invoice for all costs, damages and expenses (including, without limitation, any holdover premiums or damages) reasonably incurred by Lessee as a result of such delay. If the Commencement Date does not occur by December 1, 2019 (such date to be extended on a day for day basis for any event of Force Majeure), then in addition to the foregoing, Lessee may elect by written notice to Lessor to terminate this Lease at any time prior to the Commencement Date occurring by providing written notice of termination to Lessor.

3. RENT. Lessee covenants and agrees to pay Lessor rent each month in advance on the first day of each calendar month. Rent shall be computed at the annual base rental rate of \$33.00 per usable square foot and shall increase annually on each anniversary of the Commencement Date by \$1.00 per usable square foot. Rent for any fractional calendar month, at the beginning or end of the term, shall be the prorated portion of the rent computed on an annual basis. Lessee shall not be required to pay any Rent on a space pocket space until Lessee commences to use the same for normal business purposes, as set forth below in Section 40.

4. FIRST RENTAL PAYMENT. Upon the execution of this Lease, Lessee shall pay to Lessor the sum of \$77,000, to be credited against the Rent first owing as of the Commencement Date.

5. USES. Lessee agrees that Lessee will use and occupy said Premises for general offices, storage, general municipal purposes and related purposes and for no other purposes without Lessor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

Lessor agrees to construct and maintain the common area conference room ("Conference Room") as depicted on the attached Exhibit A. Lessee shall have the nonexclusive right, at no cost to Lessee, to reserve and use the Conference Room from time to time during the Term, including both within and outside of normal business hours for the Building. Lessee shall be allowed to reserve use of the Conference Room in advance (including thirty (30) days or more in advance) and may reserve Conference Room use for evenings during the week. Lessor acknowledges that use of the Conference Room throughout the Term is a material inducement to Lessee's entering into this Lease and agrees that the Conference Room shall remain available for use by Lessee throughout the Term. Lessee shall also be entitled to the nonexclusive use of the rooftop deck common area that Lessor will construct and install no later than November 1, 2019.

The parties acknowledge that Lessee may host meetings in the Conference Room after regular business hours (on average, one or two evenings per week), and that such meetings may be attended by members of the general public. Lessee further acknowledges that the Building may be secured at the time such meetings occur. Lessor shall have no obligation to provide access to any such meeting and any costs associated with facilitating the public's attendance at such meetings, whether born by Lessor or Lessee, shall be paid by Lessee.

6. RULES AND REGULATIONS. Lessee and their agents, employees, servants or those claiming under Lessee will at all times observe, perform and abide by all of the rules and regulations that are printed within this Lease, or which may be hereafter reasonably promulgated by Lessor in writing, all of which it is covenanted and agreed by the parties hereto shall be and are hereby made a part of this Lease.

7. CARE AND SURRENDER OF PREMISES. Lessee shall take good care of the Premises and shall use reasonable efforts not to damage the same. To the

extent Lessee is responsible under the terms of this Lease to repair any damages to the Premises, or any such damages are caused by Lessee, Lessee shall make and pay for any and all necessary repairs except to the extent the same are covered or required hereunder to be covered by Lessor's insurance. At the expiration or sooner termination of this Lease, Lessee, without notice, will immediately and peacefully quit and surrender the Premises in good order, condition and repair (damage by reasonable wear, the elements, casualty or fire excepted). Lessee shall be responsible for removal of all personal property from the Premises, (excepting fixtures being that which is attached to the Premises, and property of the Lessor) including, but not limited to, the removal of Lessee's communication cabling, telephone equipment and signage. Lessee shall be responsible for repairing any damage to the Premises caused by such removal. If Lessee fails to remove and restore the Premises at Lease expiration, then Lessor shall have the right to remove said property and restore the Premises and Lessee shall be responsible for all costs associated therewith. Lessee shall also be responsible for those costs incurred by Lessor for removing debris Lessee may discard in the process of preparing to vacate the Premises and for a final cleaning of the Premises, including, but not limited to, the cleaning, or replacement of carpets if damage is not caused by reasonable wear, and removal and disposal of Lessee's personal property remaining in the Premises.

Lessee acknowledges that during the last six (6) months of any applicable Term Lessor will be attempting to re-lease the Premises and that Lessor will, from time-to-time, require access to the Premises to show prospective tenants the space. Lessor and Lessee agree that, subject to Lessor providing Lessee with 24 hours prior notice, Lessor shall be entitled, with no unreasonable restrictions imposed by Lessee, to access and tour the Premises with a prospective tenant.

8. ALTERATIONS. Lessee shall not make any alterations or improvements in, or additions to said Premises without first obtaining the written consent of Lessor, whose consent shall not be unreasonably withheld, conditioned or delayed. All such alterations, additions and improvements shall be at the sole cost and expense of Lessee and shall become the property of Lessor and shall remain in and be surrendered with the Premises as a part thereof at the termination of this Lease, without disturbance, molestation or injury.

9. RESTRICTIONS. Lessee will not use or permit to be used in said Premises anything that will increase the rate of insurance on said Building or any part thereof, nor anything that may be dangerous to life or limb; nor in any manner deface or injure said Building or any part thereof; nor overload any floor or part thereof; nor move furniture or oversized equipment in or out of the building during business hours; nor permit any objectionable noise or odor to escape or to be emitted from said Premises, or do anything or permit anything to be done upon said Premises in any way tending to create a nuisance or to disturb any other tenant or occupant of any part of said Building. Subject to Lessor's obligations under this Lease, Lessee, at Lessee's expense, will comply with all health, fire and police regulations respecting said Premises. The Premises shall not be used for lodging or sleeping.

10. WEIGHT RESTRICTIONS. Safes, furniture or bulky articles may be moved in or out of said Premises only at such hours and in such manner as will least inconvenience other tenants, which hours and manner shall be at the discretion of Lessor. No safe or other article of over 2,000 pounds shall be moved into said Premises without the consent of Lessor, whose consent shall not be unreasonably withheld, conditioned or delayed, and Lessor shall have the right to locate the position of any article of weight in said Premises if Lessor so desires.

11. SIGN RESTRICTION. No sign, picture, advertisement or notice shall be displayed, inscribed, painted or affixed to any of the glass or woodwork of the Building exterior to the Premises without the prior approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed. Lessee shall have the right to identify signage mutually and reasonably acceptable to Lessee and Lessor on the exterior shared sign monument that Lessor shall install no later than the Commencement Date, at Lessor's expense, which signage is generally depicted on the attached Exhibit C. Lessee shall also

be entitled, at Lessee's expense, to signage in the first floor common lobby of the Building which signage shall be mutually and reasonably acceptable to Lessee and Lessor and which is generally depicted on the attached Exhibit C. To the extent desired by Lessee, Lessee may from time to time place temporary wayfinding signage (e.g., "A" board signs) on the exterior of the Building and within the Building's first floor common area lobby space in order to orient visitors to the location of any public or other meetings; provided, however, Lessee shall remove such signage immediately after the termination of any such meeting. Notwithstanding anything to the contrary, Lessor at Lessor's cost shall provide Lessee with Building standard signage in all Building standard directories.

12. LOCKS. No additional locks shall be placed upon any doors of the Premises without Lessor's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. At least three (3) keys will be furnished by Lessor to Lessee for each door lock. At the termination of the Lease, Lessee shall surrender all keys to the Premises whether paid for by Lessee or not.

Lessor shall maintain an electronic access control system that regulates entry through the exterior doors of the Building. Lessor shall provide Lessee with card keys for such exterior doors sufficient for all employees of Lessee working in the Premises. At Lessee's sole cost and expense, but subject in all events to Lessor's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed, Lessee may install an additional electronic access control system to regulate access through the doors to the Premises. Lessee shall be responsible for all costs to maintain such additional system and shall remove such system at the termination of this Lease.

13. LESSOR ENTRY. Lessor, Lessor's janitor, engineer or other agents may retain a pass key to said Premises to enable Lessor to examine the Premises from time to time with reference to any emergency or to the general maintenance of said Premises. Any other entry to the Premises by Lessor or Lessor's agents, employees or contractors shall only be upon at least one (1) business day's advance written notice to Lessee of such entry and shall be for a valid business purpose allowed under this Lease.

14. TELEPHONE SERVICE. If Lessee desires telephonic or any other electric connection, Lessor will reasonably direct the electricians as to where and how the wires are to be introduced, and without such directions no boring or cutting for wires in installation thereof will be permitted.

15. SERVICES. Lessor shall maintain and perform all required repairs to the interior and exterior of the Building, the Premises and the public and common areas of Building, such as lobbies, stairs, corridor and restrooms, and all equipment, systems and fixtures serving the same, in reasonably good order and first class condition and in compliance with all applicable laws, codes, ordinances and regulations; provided, however, to the extent the need for any repairs is caused by Lessee (other than normal wear and tear), Lessee shall be responsible for any and all costs associated with such repairs except to the extent covered or required to be covered by Lessor's insurance.

Standard operating hours of the Building are 6:00 a.m. to 6:00 p.m. Monday through Friday (U.S. federal government holidays excepted). Lessor shall furnish Premises and common areas with electricity for lighting and operation of low power usage office machines, heat, normal office air-conditioning, hot and cold running water, elevator services, and other services/utilities customary for office use, 24 hours per day, 7 days per week, all of which shall be of quality and quantity consistent with a similar first class office building in Seattle. Air-conditioning units and electricity therefor for special air-conditioning requirements, such as for computer centers, shall be at Lessee's expense. Lessor shall also provide lighting replacement for Lessor furnished lighting, toilet room supplies, window washing with reasonable frequency, and janitor service consistent with a first class office building in Seattle.

Lessor shall not be liable to Lessee for any loss or damage caused by or resulting from any variation, interruption or any failure of said services due to any cause whatsoever. No temporary interruption or failure of such services incident to the making of

repairs, alterations, or improvements, or due to accident or strike or conditions or events not under Lessor's control shall be deemed as an eviction of Lessee or relieve Lessee from any of Lessee's obligations hereunder. Notwithstanding the foregoing, if any services or utilities are materially interrupted for three (3) or more consecutive days due to the negligence or intentional misconduct of Lessor, then Rent owing under this Lease shall abate until the same is restored.

In the event of any lack of attention on the part of Lessor and any dissatisfaction with the service of the Building, or any unreasonable annoyance of any kind, Lessee is requested to make complaints at Lessor's Building office and not to Lessor's employees or agents seen within the Building. Lessee is further requested to remember that Lessor is as anxious as Lessee that a high grade service be maintained, and that the Premises be kept in a state to enable Lessee to transact business with the greatest possible ease and comfort. The Rules and Regulations are not made to unnecessarily restrict Lessee, but to enable Lessor to operate the Building to the best advantage of both parties hereto. To this end Lessor shall have the right to waive from time to time such part or parts of the Rules and Regulations as in Lessor's judgment may not be necessary for the proper maintenance or operation of the Building or consistent with good service, and may from time to time make such further reasonable rules and regulations as in Lessor's judgment may be needed for the safety, care and cleanliness of the Premises and the Building and for the preservation of order therein, but Lessor agrees not to discriminate against Lessee with respect to the same.

16. SOLICITORS, Lessor will make an effort to keep solicitors out of the Building, and, to the maximum extent consistent with First Amendment requirements, Lessee will not oppose Lessor in Lessor's attempt to accomplish this end.

17. FLOOR PLAN, The floor plan and specifications for Lessee's occupancy attached hereto and marked as Exhibit "A" hereby are approved by both Lessor and Lessee.

18. ASSIGNMENT, Lessee shall be entitled to assign this Lease or sublet any or a portion of the Premises to any related entity, subsidiary or affiliate of Lessee, or any successor entity related to Lessee by merger, consolidation, or reorganization, or a purchaser of all or substantially all of Lessee's assets without the consent of Lessor (each a "Permitted Transfer"). Any assignment or subletting other than a Permitted Transfer shall be with Lessor's consent, which shall not be unreasonably withheld, conditioned or delayed. For each request made by Lessee, or any other occupant including Sublessees of the Premises, for Lessor to review a request for approval of an assignment or sublease, Lessee agrees to pay to Lessor, as review and processing charge, the greater of (i) \$500.00, or (ii) actual costs, including reasonable attorneys' fees, associated with such review. Payment of such charge shall be due within five (5) days of Lessor's written notice of approval or disapproval of the proposed assignment or sublease, which notice shall also identify Lessor's charge. Lessee's failure to pay Lessor such charge within five (5) days of Lessor's provision of its written notice shall result in (i) the immediate and irrevocable termination, without notice, of Lessor's approval, if applicable, and (ii) the addition of such charge to the amount due under Lessee's next rent amount due.

19. OPERATING SERVICES AND REAL ESTATE TAXES, The annual base rental rate per usable square foot in Paragraph 3 includes Lessee's proportionate share of Operating Services and Real Estate Taxes through the end of calendar year 2020. The costs incurred at the Building for Operating Services and Real Estate Taxes during calendar year 2020 shall be the "Base Year Costs". Only actual increases from these Base Year Costs, if any, will be passed on to Lessee on a proportionate basis and Lessee shall not be required to pay for any increase in Operating Services or Real Estate Taxes until January 1, 2021.

DEFINITIONS

Base Year

For computing the Base Year Costs, the base year shall be the calendar year 2020.

Comparison Year

The Comparison Year(s) shall be the calendar year(s) subsequent to the Base Year.

Operating Services

"Operating Services" include, but are not limited to, the charges incurred by Lessor for: Building operation salaries, benefits, management fee (not to exceed 5% of gross income for the Building), insurance, electricity, janitorial, supplies, telephone, HVAC, repair and maintenance, window washing, water and sewer, security, landscaping, disposal, elevator; and any other service or supplies reasonably necessary to the use and operation of the Premises. Operating Services shall also include the amortization cost of capital investment items and of the installation thereof, but only which are primarily for the purpose of saving energy or reducing operating costs, or which may be required by laws newly enacted after the Commencement Date (all such costs shall be amortized over the reasonable life of the capital investment item, with the reasonable life and amortization schedule being determined in accordance with generally accepted accounting principles). Notwithstanding anything to the contrary contained herein, Operating Services shall not include any of the following:

- (i) Real Estate Taxes;
- (ii) legal fees, auditing fees, brokerage commissions, advertising costs, or other related expenses incurred by Lessor in an effort to generate rental income;
- (iii) repairs, alterations, additions, improvements, or replacements made to rectify or correct any defect in the original design, materials or workmanship of the Building or common areas (but not including repairs, alterations, additions, improvements or replacements made as a result of ordinary wear and tear);
- (iv) damage and repairs attributable to fire or other casualty;
- (v) damage and repairs necessitated by the negligence or willful misconduct of Lessor, Lessor's employees, contractors or agents;
- (vi) executive salaries to the extent that such services are not in connection with the management, operation, repair or maintenance of the Building;
- (vii) Lessor's general overhead expenses not related to the Building;
- (viii) legal fees, accountant's fees and other expenses incurred in connection with disputes with tenants or other occupants of the Building or associated with the enforcement of the terms of any leases with tenants or the defense of Lessor's title to or interest in the Building or any part thereof unless the outcome is to the financial benefit of all tenants;
- (ix) costs (including permit, license and inspection fees) incurred in renovating or otherwise improving, decorating, painting or altering (1) vacant space (excluding common areas) in the Building or (2) space for tenants or other occupants in the Building; and costs incurred in supplying any item or service to less than all of the tenants in the Building;
- (x) costs incurred due to a violation by Lessor or any other tenant of the Building of the terms and conditions of a lease;
- (xi) cost of any specific service provided to Lessee or other occupants of the Building for which Lessor is reimbursed or any other expense for which Lessor is or will be reimbursed by another source (i.e., expenses covered by insurance or warranties);

(xii) costs and expenses which would be capitalized under generally accepted accounting principles, with the exception of only the capital investment items specified hereinabove;

(xiii) Building management fees in excess of the management fees specified hereinabove;

(xiv) cost incurred with owning and/or operating the parking lot(s) serving the Building by independent parking operator(s);

(xv) fees paid to Lessor or any affiliate of Lessor for goods or services in excess of the fees that would typically be charged by unrelated, independent persons or entities for similar goods and services;

(xvi) rent called for under any ground lease or master lease;

(xvii) principal and/or interest payments called for under any debt secured by a mortgage or deed of trust on the Building;

(xviii) rent under a ground lease or master lease, if any;

(xix) advertising and promotion expenditures;

(xx) interest or amortization payments under any mortgage affecting the Building or real property upon which the same is located;

(xxi) any liabilities, costs or expenses associated with or incurred in connection with the removal, enclosure, encapsulation or other handling of asbestos or other hazardous or toxic materials or substances and the cost of defending against claims in regard to the existence or release of hazardous substances or materials at, upon or beneath the Building or real property upon which the same is located (except with respect to those costs for which Lessee is otherwise responsible pursuant to the express terms of this Lease);

(xxii) cost of any work or services performed for any facility other than the Building;

(xxiii) cost of acquiring, securing, or maintaining sculptures, paintings and other works of art;

(xxiv) charitable or political contributions;

(xxv) insurance deductibles in excess of \$25,000; and

(xxvi) any costs related to the Tenant Improvements;

Operating Services that vary with occupancy shall be adjusted for the Base Year and all Comparison Year(s) to reflect the greater of actual occupancy or 95% occupancy.

Real Estate Taxes

Real Estate Taxes shall be the taxes paid by Lessor in the Base Year and each respective Comparison Year. Real Estate Taxes shall be a separate category and shall be treated as such.

Proportionate Basis

Lessee's share of Base Year and Comparison Year(s) Costs shall be a fraction; the numerator of which shall be the number of usable square feet contained in the leased Premises (see Paragraph 1) and the denominator of which shall be the number of usable square feet in the Building in which the leased Premises are located (209,224/USF).

Computation of Adjustments to Base Year Costs

Any adjustment to Base Year Costs will commence to occur as of January 1, 2021, with subsequent adjustments commencing every following January 1. Lessee shall be responsible for any increase between Lessee's proportionate share of Base Year Costs and Lessee's proportionate share of each respective Comparison Year(s) Costs. In no event however, shall controllable operating costs for any given calendar year increase by more than three-percent (3%), non-cumulatively. Such controllable costs include all costs other than insurance, taxes, elevator maintenance and repair, and utilities. These costs shall be initially calculated based on estimated (projected) costs with reconciliation to actual costs when annual audited numbers are completed. For the purpose of calculating projected increases to Base Year Costs, Lessor shall review historical data to predict if any estimated increases would be anticipated in a Comparison Year(s). If they are, then commencing as of January 1, 2021 and/or every January 1 thereafter, Lessor will assess a monthly charge to be paid together with monthly base rent. Once actual cost data for Comparison Year(s) Real Estate Taxes and Operating Services for the entire Building is formulated in accordance with generally accepted accounting principles and adjusted to the greater of actual occupancy or 95% occupancy, then Lessee's estimated pass-through costs shall be corrected with Lessee or Lessor, as appropriate, reimbursing the other for the difference between the estimated and actual costs, at that time in a lump sum payment. Lessor shall provide such annual accounting for each calendar year of the Term by May 1 of the following calendar year.

Upon termination of this Lease, the amount of any corrected amount between estimated and actual costs with respect to the final Comparison Year shall survive the termination of the Lease and shall be paid to Lessee or Lessor as appropriate within thirty (30) days after final reconciliation.

Computation of or adjustment to Operating Services and/or Real Estate Taxes pursuant to this paragraph or to rent pursuant to Paragraph 3 shall be computed based on a three hundred sixty-five (365) day year.

For an example, see Exhibit B attached hereto.

Lessee and its representative shall have the right, after reasonable notice and at reasonable times, to inspect and photocopy Lessor's accounting records at Lessor's offices for the Operating Services and/or Real Estate Taxes for one or more of the three (3) prior calendar years. If, after such inspection and photocopying, Lessee disputes the amount of Lessee's Proportionate Share of Operating Costs or Taxes, Lessee and its representative shall be entitled to audit and/or review Lessor's records to determine the proper amount of Lessee's Proportionate Share of Operating Services and/or Real Estate Taxes. If such audit reveals that Lessor has overcharged Lessee, Lessor shall reimburse Lessee the amount of such overcharge within thirty (30) days or credit the same against next owing installments of Rent. If the audit reveals that Lessee was undercharged, then within thirty (30) days after the results of the audit are made available to Lessee, Lessee shall reimburse Lessor the amount of such undercharge. Lessee shall be responsible for the costs of any such audit, provided that, if the audit reveals that Lessor has overbilled Lessee by more than five percent (5%) of Lessee's actual obligation of its Proportionate Share of Operating Services or Real Estate Taxes, Lessor shall pay the reasonable cost of such audit within thirty (30) days of receipt of invoice. Lessor shall be required to maintain records of all Operating Services and Real Estate Taxes for at least three (3) years following the applicable calendar year. Notwithstanding the foregoing, Lessee may not exercise the inspection right described herein more than five (5) times during the Lease term; provided, however, if Lessor is required to pay the reasonable cost of any described audit, that audit shall not be counted against the five (5) audit restriction described above.

20. ADDITIONAL TAXES OR ASSESSMENTS. Should there presently be in effect or should there be enacted during the term of this Lease, any law, statute or ordinance levying any assessments or any tax upon the leased premises other than federal

or state income taxes, Lessee shall reimburse Lessor for Lessee's proportionate share of said expenses at the same time as rental payments.

21. LATE PAYMENTS. Any payment, required to be made pursuant to this Lease, not made within five (5) business days following Lessee's receipt of a written notice of an overdue amount shall bear interest at a rate equal to three percent (3%) above the prime rate of interest charged from time to time by Bank of America, or its successor.

In addition to any interest charged herein, a late charge of five percent (5%) of the payment amount shall be incurred for payments received more than five (5) business days following Lessee's receipt of a written notice of any overdue amount.

22. RISK. All personal property of any kind or description whatsoever in the demised Premises shall be at Lessee's sole risk. Lessor shall not be liable for any damage done to or loss of such personal property or damage or loss suffered by the business or occupation of the Lessee arising from any acts or neglect of co-tenants or other occupants of the Building, or of Lessor or the employees of Lessor, or of any other persons, or from bursting, overflowing or leaking of water, sewer or steam pipes, or from the heating or plumbing or sprinkling fixtures, or from electric wires, or from gas, or odors, or caused in any other manner whatsoever except in the case of negligence or intentional misconduct on the part of Lessor or Lessor's employees, agents or contractors. Lessee shall keep in force throughout the term of this Lease such casualty, general liability and business interruption insurance or equivalent self-insurance as a prudent municipal corporation occupying and using the Premises would keep in force. Lessor shall at all times maintain "All-risk" property insurance covering all improvements on the Building, the Premises and common areas, in an amount of not less than one hundred percent (100%) of the full insurable replacement cost.

23. INDEMNIFICATION. Each party will defend, indemnify and hold harmless the other party from any claim, liability or suit including reasonable attorney's fees on behalf of any person, persons, corporations and/or firm for any injuries or damages, occurring in or about the said Premises or on or about the sidewalk, stairs, or thoroughfares adjacent thereto or any common areas of the Building where said damages or injury was caused by the negligence or intentional act of the indemnifying party, its agents, employees or servants.

24. WAIVER OF SUBROGATION. Lessee and Lessor do hereby release and relieve the other, and waive their entire claim of recovery for loss, damage, injury, and all liability of every kind and nature which may arise out of, or be incident to, fire and extended coverage perils, in, on, or about the Premises herein described, whether due to negligence of either of said parties, their agents, or employees, or otherwise.

25. SUBORDINATION. Lessor hereby warrants to Lessee that the Building and the real property upon which the same is located are not subject to any ground lease, mortgage, deed of trust or other such encumbrance except for the following: that certain Deed of Trust recorded under King County Recording Number 20150319001013 by Lessor in favor of Goldman Sachs Mortgage Company, its successors and assigns. Lessor shall provide Lessee with a commercially reasonable, fully executed, recorded nondisturbance agreement from the holder of the Deed of Trust referenced in the prior sentence within a reasonable time following the mutual execution and delivery of this Lease. This Lease and all interest and estate of Lessee hereunder is subject to and is hereby subordinated to all future mortgages and deeds of trust affecting the Premises or the property of which said Premises are a part provided that Lessor first receives a commercially reasonable nondisturbance agreement from Lessor and the holder of any such encumbrance providing that Lessee's rights under this Lease shall not be disturbed so long as Lessee is not in default hereunder beyond applicable notice and cure periods. Lessee agrees to execute at no expense to the Lessor, any commercially reasonable instrument which may be deemed necessary or desirable by the Lessor to further effect the subordination of this Lease to any such mortgage or deed of trust. In the event of a sale or assignment of Lessor's interest in the Premises, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage

or deed of trust made by Lessor covering the Premises, Lessee shall attorn to the purchaser and recognize such purchaser as Lessor. Lessee agrees to execute, at no expense to Lessor, a reasonable estoppel certificate deemed necessary or desirable by Lessor to further effect the provisions of this paragraph.

26. CASUALTY. In the event the Premises or the Building is destroyed or injured by fire, earthquake or other casualty to the extent that they are untenantable in whole or in part, then Lessor shall proceed with reasonable diligence to rebuild and restore the said Premises or such part thereof as may be injured as aforesaid, provided that as of the date of such casualty and until the same is restored Rent shall be abated on the portion of the Premises that is unfit for occupancy. However, Lessor shall not be required to rebuild or restore the Premises or Building to the extent that Lessor does not receive insurance proceeds (other than deductible amounts) reasonably appropriate to cover the cost of the same; provided that this sentence shall not apply to the extent that Lessor fails to carry the property insurance as required by this Lease. Lessor shall notify Lessee as soon as reasonably possible following any casualty as to Lessor's good faith estimate of the time required to perform the restoration. Notwithstanding the foregoing, in the event Lessee notifies Lessor that Lessor estimates the completion date of such repairs to be later than one-hundred eighty (180) days after the date on which such casualty occurs, either Lessor or Lessee shall have the right to terminate this Lease by giving the other party written notice of such termination not later than thirty (30) days after Lessee's receipt of Lessor's written notice. Furthermore, in the event Lessor undertakes to repair the casualty damage but fails to complete such repairs within one-hundred eighty (180) days following the date of the casualty, Lessee shall have the right to terminate this Lease by giving Lessor written notice of such termination not later than thirty (30) days after the expiration of such one-hundred eighty (180) day period. During any period of abatement of Rent detailed in this Paragraph 26, Lessor shall use its best efforts to locate comparable space for Lessee at the fair market rate not to exceed Lessee's rental rate hereunder; provided that it shall be at Lessee's sole discretion as to whether Lessee desires to use such other, temporary space. Lessor shall not be liable for any consequential damages by reason of inability, after use of its best efforts, to locate alternative space comparable to the Premises leased hereunder.

27. INSOLVENCY. If Lessee becomes insolvent, or makes an assignment for the benefit of creditors, or a receiver is appointed for the business or property of Lessee, or a petition is filed in a court of competent jurisdiction to have Lessee adjudged bankrupt, then Lessor may at Lessor's option terminate this Lease. Said termination shall reserve unto Lessor all of the rights and remedies available under Paragraph 28 ("Default") hereof, and Lessor may accept rents from such assignee or receiver without waiving or forfeiting said right of termination. As an alternative to exercising Lessor's right to terminate this Lease, Lessor may require Lessee to provide adequate assurances, including the posting of a cash bond, of Lessee's ability to perform its obligations under this Lease.

28. DEFAULT. If (i) this lease is terminated in accordance with any of the terms herein (with the exception of Paragraph 27), or (ii) if Lessee shall fail at any time to make any payment of monthly rent or any other monetary amount owing under this Lease within five (5) business days following Lessee's receipt of written notice of an overdue amount, or (iii) if Lessee shall fail at any time to keep or perform any of the non-monetary covenants or conditions of this lease, within thirty (30) days after such written notice from Lessor (or longer if Lessee commences to cure within said thirty day period but the default cannot reasonably be cured in thirty days), then, and in any of such events, Lessor may, at Lessor's option, and without prejudicing any remedy or remedies which might otherwise be used by Lessor for arrearages or preceding breach of covenant or condition of this lease, enter into and repossess said Premises and expel the Lessee and all those claiming under Lessee. In such event Lessor may through judicial proceedings eject and remove from said Premises all goods and effects. This lease if not otherwise terminated may immediately be declared by Lessor as terminated. The termination of this lease pursuant to this Article shall not relieve Lessee of its obligations to make the payments required herein. In the event this lease is terminated pursuant to this Article, or if Lessor enters the Premises without terminating this lease and Lessor relets all or a portion of the Premises, Lessee shall be liable to Lessor for all the costs of reletting, including necessary renovation and alteration of the leased Premises. Lessee shall remain liable for all unpaid rental which has been

earned plus late payment charges pursuant to Paragraph 21 and for the remainder of the term of this lease for any deficiency between the net amounts received following reletting and the gross amounts due from Lessee; or if Lessor elects, Lessee shall be immediately liable for the present value of all rent and additional rent (Paragraph 19) that would be owing to the end of the term, less any rental loss Lessee proves could be reasonably avoided, which amount shall be discounted by the discount rate of the Federal Reserve Bank, situated nearest to the Premises, plus one percent (1%). Waiver by the Lessor or Lessee of any default, monetary or non-monetary, under this lease shall not be deemed a waiver of any future default under the Lease. Acceptance of rent by Lessor after a default shall not be deemed a waiver of any defaults (except the default pertaining to the particular payment accepted) and shall not act as a waiver of the right of Lessor to terminate this lease as a result of such defaults by an unlawful detainer action or otherwise. Lessor shall have an obligation to mitigate any damages Lessor may incur as a result of a default by Lessee hereunder. All sums collected from reletting shall be applied first to Lessor's expenses of reletting, and then to the payment of amounts due from Lessee to Lessor under this Lease.

Lessor's failure to perform or observe any of its obligations under this Lease, timely pay any amount owing by Lessor under this lease or correct a breach of any warranty or representation made in this Lease within thirty (30) days after receipt of written notice from Lessee setting forth in reasonable detail the nature and extent of the failure referencing pertinent Lease provisions or if more than thirty (30) days is required to cure the breach; Lessor's failure to begin curing within the thirty (30) day period and diligently prosecute the cure to completion, shall constitute a default ("Lessor Default"). If a Lessor Default occurs, Lessee may, without waiving any claim for damages for breach of agreement or any other rights or remedies it may have under this Lease at law, at any time thereafter do any of the following:

- (a) Cure the Lessor Default for the account of Lessor, and any amount paid or any contractual liability incurred by Lessee in so doing shall be deemed paid or incurred for the account of Lessor, and Lessor shall reimburse such amount (plus interest accruing at the annual rate of twelve percent (12%) until paid) to Lessee on demand. If Lessor fails to reimburse Lessee on demand for any sum it otherwise owes Lessee under this Lease, the amount may be deducted by Lessee from the next or any succeeding payments of Rent.
- (b) Offset any amount owing by Lessor under this Lease against the next or any succeeding payments of Rent.
- (c) Abate Rent for the portion(s) of the Premises rendered unusable for Lessee's purposes.
- (d) Terminate this Lease if Lessee's use and occupancy of the Premises or a material portion thereof are interfered with, prevented or made dangerous.

29. BINDING EFFECT. The parties hereto further agree with each other that each of the provisions of this Lease shall extend to and shall, as the case may require, bind and inure to the benefit, not only of Lessor and Lessee, but also of their respective heirs, legal representatives, successors and assigns, subject, however, to the provisions of Paragraph 18 of this Lease.

It is also understood and agreed that the terms "Lessor" and "Lessee" and verbs and pronouns in the singular number are uniformly used throughout this Lease regardless of gender, number or fact of incorporation of the parties hereto. The typewritten riders or supplemental provisions, if any, attached or added hereto are made a part of this lease by reference. It is further mutually agreed that no waiver by Lessor of a breach by Lessee of any covenant or condition of this lease shall be construed to be a waiver of any subsequent breach of the same or any other covenant or condition.

30. HOLDING OVER. If Lessee holds possession of the Premises after term of this Lease, Lessee shall be deemed to be a month-to-month tenant upon the same terms and conditions as contained herein, except rent which shall be revised to reflect one-

hundred twenty-five percent (125%) of the base rent then in effect. During such month-to-month tenancy, Lessee acknowledges Lessor will be attempting to relet the Premises. Lessee agrees to cooperate with Lessor and Lessee further acknowledges Lessor's statutory right to terminate the Lease with proper notice.

31. ATTORNEY'S FEES. If any legal action is commenced to enforce any provision of this Lease, the prevailing party shall be entitled to an award of reasonable attorney's fees and disbursements.

32. NO REPRESENTATIONS. The Lessor has made no representations or promises except as contained herein or in some future writings signed by Lessor.

33. QUIET ENJOYMENT. So long as Lessee pays the rent and performs the covenants contained in this Lease, Lessee shall hold and enjoy the Premises peaceably and quietly, subject to the provisions of this Lease.

34. RECORDATION. Lessee shall not record this Lease without the prior written consent of Lessor, whose consent shall not be unreasonably withheld, conditioned or delayed. However, at the request of Lessor or Lessee, both parties shall execute a commercially reasonable memorandum or "short form" of this Lease for the purpose of recordation in a form customarily used for such purpose. Said memorandum or short form of this Lease shall describe the parties, the Premises and the Lease term, and shall incorporate this Lease by reference.

35. MUTUAL PREPARATION OF LEASE. It is acknowledged and agreed that this Lease was prepared mutually by both parties. In the event of ambiguity, it is agreed by both parties that it shall not be construed against either party as the drafter of this Lease.

36. GOVERNING LAW. This Lease shall be governed by, construed and enforced in accordance with the laws of the State of Washington.

37. DESIGN SERVICES. Lessor shall, at Lessor's expense, using Tully & Associates ("Architect"), provide for all space planning, design, architectural work and documentation in connection with the initial Tenant Improvements in an amount not to exceed \$3.00 per usable square foot of the Premises. Lessor shall inform Lessee in advance if any such fees related to the Tenant Improvements are likely to exceed \$3.00 per usable square foot of the Premises. Any additional architectural or design fees shall be Lessee's responsibility. Lessor will furthermore contract with and pay for design and engineering services for the Tenant Improvements pertaining to structural, mechanical, electrical, and fire protection. Lessor shall, furnish to Lessee, for Lessee's approval, all drawings necessary for the Tenant Improvements. Lessor shall ensure that all design services performed for the Tenant Improvements comply with applicable laws, codes, ordinances and regulations.

38. COVENANT AGAINST LIENS. Lessee shall keep the Premises and the Building free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Lessee, and shall protect, defend, indemnify and hold Lessor harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Lessee shall remove any such lien or encumbrance by bond or otherwise within ten (10) business days after notice by Lessor, and if Lessee shall fail to do so, Lessor may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed an addition to Rent under this Lease, payable, within ten (10) days following receipt of an invoice, without limitation as to other remedies available to Lessor under this Lease.

39. Intentionally Deleted.

40. SPACE POCKET. Lessor hereby agrees to designate the 4,000 usable square foot space depicted on Exhibit A ("First Space Pocket") and the 5,664 usable square foot space depicted on Exhibit A ("Second Space Pocket") as "space pockets," according to the following terms. The First Space Pocket and Second Space Pocket are collectively referred to as the "Space Pockets." During the Initial Term, Lessor shall not lease the Space Pockets to any party other than Lessee and shall not allow any other party to use any portion of the Space Pockets. To the extent any Space Pocket has not been added to the Premises at the expiration of the Initial Term, Lessor may recapture such space by providing written notice of such recapture to Lessee no more than 60 days prior to the expiration of the Initial Term. Base Rent on the First Space Pocket shall be waived so long as such space remains unused, or for a period of sixty (60) months from lease commencement, whichever first occurs. The First Space Pocket shall be added to the Premises as of the earlier of (i) the date on which Lessee commences to use the First Space Pocket for normal, consistent business purposes, (ii) the date on which Lessee notifies Lessor in a written notice that Lessee desires the First Space Pocket to be added to the Premises, or (iii) the date that is sixty (60) months following the Commencement Date. Base Rent on the Second Space Pocket shall be waived throughout the Term without any expiration (including any renewals or extensions of the Term) so long as the Second Space Pocket is not used for normal business purposes. The Second Space Pocket shall be added to the Premises, if at all, as of the date on which (i) Lessee (at its sole option) commences to use the Second Space Pocket for normal, consistent business purposes or (ii) Lessee notifies Lessor in a written notice that Lessee desires the Second Space Pocket to be added to the Premises. The Rent for the Space Pockets shall be at the same rate that Lessee is paying for the other space under this Lease. For the avoidance of doubt, Lessee's use of the Space Pockets for storing furniture, fixtures, equipment or other personal property shall not be deemed "use" of the space pocket for normal business purposes or for purposes of triggering a rental obligation for the same. Within thirty (30) days following the date of either Space Pocket being added to the Premises, the parties shall mutually execute a written acknowledgement confirming the date on which such Space Pocket is added to the Premises.

Regardless of whether or not all or any portion of a Space Pocket has been added to the Premises, the entire Space Pocket shall be included as part of the numerator in the definition of Proportionate Basis.

Once a Space Pocket is added to the Premises as described herein, such space may not thereafter be re-pocketed.

41. TENANT IMPROVEMENTS. Lessor, at its sole cost and expense, shall provide and install tenant improvements (the "Tenant Improvements") to the Premises and the Space Pockets pursuant to the Work Letter Agreement attached at Exhibit "D" and as further set forth in Schedules "D-1" and "D-2" to Exhibit D.

In addition to the Tenant Improvements, Lessor agrees that upon a Space Pocket being added to the Premises, Lessor at its sole cost and expense shall perform and install tenant improvements (the "Space Pocket Improvements") to such Space Pocket, which Space Pocket Improvements shall be (i) subject to the prior written approval of Lessee and (ii) comparable in quality and quantity to the Tenant Improvements that were performed by Lessor to the balance of the Premises. Lessor shall use its reasonable best efforts to perform the Space Pocket Improvements according to the schedule reasonably requested by Lessee.

42. PARKING. Lessee has the right, but not the obligation, to rent up to one (1) inside parking stall per each 1,000 usable square feet leased. Lessee may increase or decrease the number of stalls rented on a monthly basis throughout the Term. The rate for parking is based upon prevailing market rate, which is currently \$210.00 per stall, per month, exclusive of taxes. Outside parking is also available at market rate, currently \$175.00 per stall, per month, exclusive of taxes. Lessee shall also pay any and all taxes associated with its parking payments.

Lessee may designate three (3) of their inside stalls as charging stations for their electric cars. Lessor shall, at Lessor's cost, provide and install the charging devices.

43. RENEWAL OPTIONS: Lessee shall have the right to two (2) consecutive five (5) year renewal options by providing Lessor at least nine (9) months written notice prior to the end of the initial Term or first renewal term, as applicable, according to the following terms.

Provided that Lessee is not then in Default under any terms and conditions of this Lease beyond all applicable grace and/or cure periods, Lessee shall have the option to renew this Lease as to the entire Premises for up to two (2) additional periods of five (5) years (each such period, a "Renewal Term"). Base Rent for the first Renewal Term shall be at 95% of the Fair Market Rental Rate ("FMRR"). For purposes of calculating the Base Rent for a Renewal Term, the FMRR shall mean the rental rate for substantially similar space in similar class and size buildings in the same geographic market as the Building, taking into account the creditworthiness of the tenant. The FMRR shall specifically exclude the value of any improvements or alterations funded by Lessee, if any, and there shall be no minimum value assigned to the FMRR. In addition, market concessions including, without limitation, industry-standard free rent and tenant improvement allowances shall be taken into consideration. The FMRR shall reflect all economic concessions granted in comparable transactions for comparable office space of between 30,000 RSF and 60,000 RSF located in Seattle's Lower Queen Anne and Denny Regrade office submarkets. Base Rent for the second Renewal Term shall be at 100% of the FMRR for comparable office space located in Seattle's Lower Queen Anne and Denny Regrade office submarkets. Lessee agrees to give Lessor notice if Lessee intends to renew at least 9 months prior to the expiration of the then existing Lease Term or Renewal Term ("Renewal Notice"). The FMRR for the Renewal Term shall be established as follows: (i) within thirty (30) days after receipt of the Renewal Notice, Lessor shall send Lessee written notice ("Lessor's Renewal Rent Notice") with Lessor's reasonable determination of the FMRR for the Renewal Term and within ten (10) business days thereafter, Lessee shall send Lessor the Lessee's reasonable determination of the FMRR for the Renewal Term; and (ii) within thirty (30) days after receipt of Lessor's Renewal Rent Notice, Lessee and Lessor shall negotiate in good faith an amount to be the applicable FMRR for such renewal term. If Lessor and Lessee cannot agree on such applicable FMRR within said 30 day period, and Lessee still desires to pursue the Renewal Term, then the FMRR shall be determined by arbitration in the following manner:

(a) Lessor and Lessee shall each appoint as an advocate one qualified real estate broker, who shall be a recognized commercial real estate broker with at least ten (10) years of experience in the valuation of rental office properties in the area in which the Building is located. Each such advocate broker shall be appointed within fifteen (15) days after the expiration of the 30-day mutual agreement period described above.

(b) The two advocate brokers so appointed shall within fifteen (15) days of the date of the appointment of the last appointed broker agree upon and appoint a third broker who shall be qualified under the same criteria set forth above to qualify the initial two brokers except such third broker shall be a neutral who has not represented Lessor or Lessee within the prior five (5) year period. The parties shall pay the fees of their respective brokers (except as set forth in sub-section (e), below) and shall share equally in the fees of the third appointed neutral broker.

(c) The neutral broker shall within thirty (30) days of the appointment of the neutral broker make a determination of the FMRR, and select either Lessee's or Lessor's proposed (as set forth in the first paragraph of this Section 43) FMRR depending as to which is closest to the FMRR determined by the third neutral broker and notify Lessor and Lessee thereof.

(d) Intentionally omitted.

(e) If either Lessor or Lessee fails to appoint a broker within the time period in sub-section (a), above, the broker appointed by one of them shall reach a decision, notify Lessor and Lessee thereof, and such broker's decision shall be binding

upon Lessor and Lessee. The fee of such appointed broker shall be paid by a party that failed to appoint its own broker.

(f) If the two advocate brokers fail to agree upon and appoint a third neutral broker, the lawyers for Lessor and/or Lessee shall ask the American Arbitration Association to appoint a neutral third neutral broker meeting the criteria set forth above and request such neutral broker to determine the FMRR and then select either the Lessee's or Lessor's proposed (as set forth in the first paragraph of this Section 43) FMRR depending as to which is closest to the FMRR determined by the third neutral broker.

(g) Each party may submit a brief (no more than ten (10) pages, inclusive of exhibits) to support its contentions as to the FMRR within twenty (20) business days after Lessee's submission of its proposed FMRR.

For purposes hereof, the term "FMRR" shall mean the annual current rent per rentable square foot that a willing, comparable tenant would pay, and a willing, comparable Lessor of like and comparable buildings for premises of between 30,000 RSF and 60,000 RSF in the subject area would accept, at arm's length, for comparable office space giving consideration to the annual rental rates per rentable square foot, escalations (including type, gross or net, and if gross, whether Base Year or expense "stop"), abatement provisions reflecting free rent and/or no rent during the Lease Term, or any other economic incentives given during the Lease Term, the building, the location and floor levels of the premises being leased (giving full consideration to the distinction between the office and retail premises), the quality of the construction of the building, age of the building and the premises, the services provided under the terms of the leases, the types, quantity, quality, costs and location (on site, adjacent, off site, underground, above ground) of parking rights and obligations, and other generally applicable terms and considerations of tenancy for the space in question at or about the time that such FMRR is deemed to take effect. The geographic parameters should include but be limited to lower Queen Anne and the Denny Regrade/Belltown areas.

(h) Refreshment of the Premises at the First Renewal Term. Provided Lessee elects to renew this Lease after the Initial Term, Lessor shall, at its sole cost and expense and within six (6) months after the beginning of the first Renewal Term, (i) replace the carpet installed by Lessor in the Premises at the beginning of the initial Term, and (ii) repaint the Premises' walls. Unless mutually agreed to by the parties, Lessor shall have no obligation to replace carpet or repaint walls if Lessee elects to renew this Lease for a second Renewal Term.

44. CONDITION OF PREMISES AND MAINTENANCE OBLIGATIONS. Lessor shall as of the Commencement Date deliver the Premises, Tenant Improvements, common areas, building and all building systems in good working condition, free of latent defects and in compliance with all applicable laws, rules and regulations (including without limitation, the Americans With Disability Act ("ADA")). Lessor shall as of the Commencement Date and throughout the Term ensure that the Premises and common areas are up to ADA compliance, which obligation includes undertaking such modifications as may be required by the ADA. Any failure of Lessor to comply with the terms and conditions of this paragraph shall be remedied by Lessor at Lessor's sole cost within thirty (30) days. Lessor shall maintain the Building in accordance with commercially reasonable management standards for the area in which the building is located. Lessor hereby represents and warrants to Lessee that the Premises and common areas, as of the Commencement Date, shall be delivered to Lessee free and clear of any hazardous materials or hazardous substances in violation of any applicable law, code, ordinance or regulation.

45. REAL ESTATE FEE. Lessor agrees to pay a real estate fee of \$1.00 per usable square foot per year to Flinn Ferguson Cresa, fifty percent (50%) upon final execution of this Lease and fifty percent (50%) upon occupancy. Flinn Ferguson Cresa represented Lessee on this transaction.

46. LEGISLATURE APPROVAL. Lessor agrees and acknowledges this Lease is subject to City of Seattle council approval.

47. NONDISCRIMINATION. Lessor certifies it does not and will not discriminate in employment, in the provision of public services, or in leasing practices as prohibited by law. Lessor certifies it will not discriminate in employment on the basis of race, color, religion, sex, national origin, veteran status or physical or mental disability in regard to any position for which the employee is qualified, in compliance with, without limitation, (a) Presidential Executive Order 11246, as amended, including the Equal Opportunity Clause contained therein; (b) Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans Readjustment Act of 1974, as amended, and the Affirmative Action Clauses contained therein; (c) the Americans with Disabilities Act of 1990, as amended; (d) Chapters 14.04, 14.10 and 20.42 of the Seattle Municipal Code; and (e) Title VI of the Civil Rights Act of 1964. Lessor agrees it will not maintain facilities which are segregated on the basis of race, color, religion or national origin in compliance with Presidential Executive Order 11246, as amended, and will comply with the Americans with Disabilities Act of 1990, as amended, regarding its programs, services, activities and employment practices.

48. ROOFTOP COMMUNICATION SYSTEMS AND EQUIPMENT. At no additional cost to Lessee (except as set forth below), Lessee shall have the use of a mutually agreed-upon portion (each party hereby agreeing to act reasonably with respect to such mutual agreement) of the Building's roof area (the "Roof Space") for its communication equipment, including, but not limited to, satellite dishes/towers, microwave dishes and temporary microwave links (collectively, the "Communications Equipment"). The type and placement of the Communications Equipment shall be subject to Lessor's prior written consent, such consent not be unreasonably withheld, conditioned or delayed. The costs to install, maintain and remove the Communications Equipment shall be born solely by Lessee. Lessee shall install and maintain the Communications Equipment in compliance with any and all applicable rules and regulations. Upon termination of this Lease, Lessee shall promptly remove the Communications Equipment from the Roof Area. Lessee shall not be required to pay for any other Building expenses by reason of the Communication Equipment's placement in the Roof Area; provided, however, if Lessor determines, in its reasonable discretion, that the Communications Equipment are using an excessive amount of electricity or other utilities, Lessor may pass-through to Lessee the obligation to pay such excessive amounts.

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IN WITNESS WHEREOF, the parties hereof have executed this Lease the day and year first above written.

SELIG HOLDINGS COMPANY, LLC
a Delaware limited liability company

STATE OF WASHINGTON

By: Martin Selig
Its: Manager

By: _____
Its: _____

"Lessor"

"Lessee"

SEATTLE PARKS 1128.1B

Attachments:

- Exhibit A: Depiction of Premises
- Exhibit B: Example Adjustments to Base Year Costs
- Exhibit C: Signage
- Exhibit D: Work Letter Agreement
 - Schedule D-1: Outline Specifications and Space Plan
 - Schedule D-2: Initial and Future Improvements to Space Pockets

STATE OF WASHINGTON)

COUNTY OF KING)

) ss.
)

On this ____ day of _____, 20____, before me, a Notary Public in and for the State of Washington, personally appeared MARTIN SELIG, to me known to be the Manager respectively, of SELIG HOLDINGS COMPANY, LLC, the entity that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of the entity:

Notary Public in and for the State of Washington

Residing at: _____

My commission expires: _____

(Individual)

STATE OF)

COUNTY OF)

) ss.
)

On this ____ day of _____, 20____, before me, a Notary Public in and for the State of _____, personally appeared _____, the individual(s) who executed the within and foregoing instrument, and acknowledged said instrument to be his/her/their free and voluntary act and deed for the uses and purposes therein mentioned.

Notary Public in and for the State of _____

Residing at: _____

My commission expires: _____

(Partnership)

STATE OF)

COUNTY OF)

) ss.
)

On this ____ day of _____, 20____, before me, a Notary Public in and for the State of _____, personally appeared _____, to me known to be partner(s) of _____, the partnership that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned, and on oath stated that he/she/they is/are authorized to execute said instrument on behalf of the partnership:

Notary Public in and for the State of _____

Residing at: _____

My commission expires: _____

(Corporation)

STATE OF)

COUNTY OF)

) ss.
)

On this ____ day of _____, 20____, before me, a Notary Public in and for the State of _____, personally appeared _____, to me known to be the _____ respectively, of _____, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she/they is/are authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

Notary Public in and for the State of _____

Residing at: _____

My commission expires: _____

Exhibit A

**Depiction of Premises, Conference Room and Space Pockets
[Attached]**

DEPARTMENT	REQ.	PROV.
ENGINEERING, DESIGN & TECHNICAL SERVICES (EDT)	17	17
PLANNING & DEVELOPMENT DIVISION DIRECTOR (PD)	4	4
PLANNING SERVICES (PS)	14	14
PROJECT DEVELOPMENT & MAJOR MAINTENANCE (PDM)	18	18
PROPERTY & ACQUISITION SERVICES (PAS)	9	9
ACCOUNTING/PAYROLL (AP)	28	28
ASSET MANAGEMENT & WORK ORDER (AMWO)	4	4
BUSINESS SERVICE CENTER (BSC)/BUSINESS INTELLIGENCE & DATA SYSTEMS (BIDS)	13	13
CONTRACTS & ADMINISTRATIVE SERVICE OFFICE (CASO)	6	6
EVENT SCHEDULING (ES)	9	9
IT	3	3
SHARED	-	-
CORE AREA	-	-
TOTAL STAFF	125	125
VACANT WS	11	
TOTAL WORK AREAS	136	
POCKET SPACE WS	74	

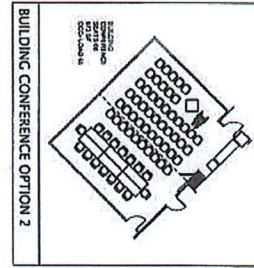
OPTION 7 - 7X8 WORKSTATIONS

FLOOR PLAN - 1st FLOOR

ROOM COUNT

ROOM COUNT	REQ.	PROV.
RECEPTION CUST. SER. CNTR. (CASHIER)	1	1
WORK CAFE	1	1
KITCHEN (COFFEE BAR)	1	1
WORK RM. (COP)	2	2
MAIL RM. (MAIL/COP)	15	15
PRINTER STATION	1	1
TRAINING RM. (BOARD RM. 28 PER.)	1	1
LARGE CONFERENCE (12 PER.)	1	1
MEDIUM CONFERENCE (10 PER.)	1	1
FOCUS ROOM	9	7
PHONE ROOM	1	1
WELLNESS ROOM	1	1
POD SHARED LIBRARY	1	1
DIRECTOR'S OFFICE	7	4
WORK STATIONS (7X8)	124	135
SURVEY STORAGE	1	1
IT STORAGE CLOSET	1	1
SERVER ROOM	1	1
BUILDING CONFERENCE	1	1

TOTAL WSF = +/- 37,569 WSF (DOES NOT INCLUDE BLDG CONF.)
TOTAL POCKET SPACE = +/- 9,664 WSF
TOTAL TENANT USABLE SPACE = +/- 27,905 WSF



811 First Avenue
Suite 404
Seattle, WA 98104
tel. 206.682.0954
fax. 206.682.7510

Issue: REVIEW	SEATTLE PARKS
Date: 1.31.19	ELLIOTT BAY OFFICE PARK
Scale: NOT TO SCALE	300 ELLIOTT AVENUE WEST
Rev. Date: 2.10.19	SEATTLE, WA 98119
	SPACE PLAN - OPTION 7 EXHIBIT A

FLOOR 1

EXHIBIT BEXAMPLE

The intent is to include Lessee's proportionate share of all Base Year Costs in Lessee's Annual Base Rental Rate. It is further the intent to limit adjustments to Lessee's Base Year Costs to actual increases in cost. The Operating Services are adjusted to the greater of actual occupancy or 95% occupancy for the base year to fairly establish the Base Year Costs at an equitable standard for comparison purposes. Comparison Years are similarly adjusted for purposes of fairness and equality. To prevent any confusion regarding computation of Base Year Costs, Comparison Year Costs and the adjustment of those costs to 95% occupancy, if necessary, we have set forth the following example. It is important to note that if adjustment to 95% occupancy is necessary, not all Operating Services are adjusted.

Expenses requiring adjustment are those which are 100% dependent upon the change in footage and adjust with the change in occupied footage. This category includes electricity, water/sewer, superintendent, disposal, management, janitorial supplies, window washing, repair and maintenance, HVAC maintenance, and janitorial labor.

Other expenses do not require adjustment nor are they dependent upon occupied footage change. These categories are the same whether the Building is empty or full. They are, insurance, security, elevator, landscaping and telephone.

Real Estate Taxes are dependent upon independent assessment. Real Estate Taxes are not adjusted to 95% but are established for each respective year based on the actual tax paid whether for the respective Base Year or each subsequent Comparison Year(s).

Please note the expenses noted below which are and are not adjusted and the adjustment to each expense to achieve 95% occupancy, if necessary. The method of adjusting expenses depicted in the example will be followed when adjusting actual Operating Service Expenses for both the Base Year and Comparison Year(s).

HYPOTHETICAL FACTS

Building Occupancy:	80%
Actual Base Year Costs:	\$375,000
Grossed Base Year Costs to 95%:	\$440,000
Actual Comparison Year Costs: (see below)	\$405,440
Grossed Comparison Year Costs to 95%: (see below)	\$463,080
Tenant Premises:	10,000 RSF
Building RSF:	125,000 RSF
Tenant Proportionate Basis:	$10,000 \div 125,000 = 8\%$

EXAMPLE

<u>Description</u>	<u>Actual Expenses</u>	<u>Grossed Expenses</u>	<u>Methodology</u>
Percent Occupied	80.00%	95.00%	
<u>Real Estate Taxes</u>	\$54,854	\$54,854	Actual Cost
<u>Operating Expenses</u>			
Insurance	\$26,595	\$26,595	Actual Cost
Electricity	\$69,358	\$82,363	Adjusts with occupancy
Water & Sewer	\$4,845	\$5,872	Adjusts with occupancy
Security	\$5,000	\$5,000	Actual Cost
Elevator	\$7,526	\$7,526	Actual Cost
Superintendent	\$82,869	\$98,407	Adjusts with occupancy
Landscaping	\$2,912	\$2,912	Actual Cost
Disposal	\$15,502	\$18,409	Adjusts with occupancy
Management	\$41,680	\$49,495	Adjusts with occupancy
Supplies	\$4,339	\$5,153	Adjusts with occupancy
Window Washing	\$1,627	\$1,813	Adjusts with occupancy
Repairs & Maintenance	\$24,333	\$28,895	Adjusts with occupancy
Telephone	\$1,144	\$1,144	Actual Cost
HVAC Maintenance	\$6,208	\$7,372	Adjusts with occupancy
Janitorial	\$56,648	\$67,270	Adjusts with occupancy
TOTALS:	\$405,440	\$463,080	

Exhibit C: Signage

Exterior Rendering



Lobby Interior



Exhibit D

Work Letter Agreement

This Work Letter Agreement (this "Agreement") is part of that certain Lease (the "Lease") entered into by and between Selig Holdings Company, LLC, a Delaware limited liability company ("Lessor") and the City of Seattle, a municipal corporation of the State of Washington ("Lessee").

This Work Letter Agreement shall govern the initial improvements to the Premises and the Space Pockets.

To the extent a capitalized term is not defined herein, such term shall be defined as provided for in the Lease.

1. COMPLETION SCHEDULE.

No more than ninety (90) days following the execution of the Lease Lessor shall deliver to Lessee, for Lessee's review and approval, a schedule (the "Work Schedule") setting forth a timetable for the planning and completion of the installation of the Tenant Improvements to be constructed in the Premises and the Space Pockets. The Work Schedule shall set forth each of the various items of work to be done by or approval to be given by Lessor and Lessee in connection with the completion of the Tenant Improvements. Such Schedule shall be submitted to Lessee for its approval and, upon approval by both Lessor and Lessee, such Schedule shall become the basis for completing the Tenant Improvement work. Lessee's approval of the Work Schedule shall not be unreasonably withheld, conditioned or delayed.

2. TENANT IMPROVEMENTS.

Reference herein to "Tenant Improvements" shall include all work to be done in the Premises pursuant to the Outline Specifications and the Space Plan attached hereto as Schedule D-1 and the Tenant Improvement Plans described in Paragraph 3 below, as well as the work to be done in the Space Pockets as set forth as Schedule D-2, including, but not limited to, partitioning, doors, ceilings, floor coverings, wall finishes (including paint and wallcovering), electrical (including lighting, switching, telephones, outlets, etc.), plumbing, heating, ventilating and air conditioning, fire protection, cabinets and other millwork.

3. TENANT IMPROVEMENT PLANS.

The Tenant Improvements to be performed by Lessor shall be as set forth in the Outline Specifications and Space Plan that is attached hereto as Schedule D-1 ("Space Plan") and as set forth on Schedule D-2. Based upon such Space Plan and Schedule D-2 Lessor's architect shall, no more than ninety (90) days following the execution of this Lease, prepare and submit to Lessee (i) final working drawings and specifications for the Tenant Improvements (the "Tenant Improvement Plans"), and (ii) the City of Seattle's Capital Green Checklist in relation to the Tenant Improvements (the "Checklist", and together with the Tenant Improvement Plans the "Improvement Documents"). The Improvement Documents must be approved in writing by Lessee, such approval not to be unreasonably withheld, conditioned or delayed. If Lessee fails to approve the Improvement Documents or provide the reasonable basis upon which approval of the Improvements Documents is withheld, within fourteen (14) days after their delivery by Lessor to Lessee, Lessee shall be deemed to have approved such documents.

4. FINAL PRICING AND DRAWING SCHEDULE.

Upon approval by Lessee of the Improvement Documents, or upon Lessee's deemed approval of same, Lessor shall submit such documents to the appropriate governmental body for plan checking and the issuance of a building permit. Lessor, with Lessee's reasonable cooperation, shall cause to be made any changes in such documents to obtain the building permit. After final approval of the Improvement Documents and issuance of the building permit, no further changes to the Improvement Documents may be made without the prior written approval from both Lessor and Lessee, and then only after agreement by Lessee to pay any excess costs resulting from the design and/or construction of such changes that are requested by Lessee; provided that Lessor agrees not to unreasonably withhold, delay or condition its consent to any such changes requested by Lessee.

5. CONSTRUCTION OF TENANT IMPROVEMENTS.

After (i) the Improvement Documents have been prepared and approved, (ii) the final pricing has been approved by Lessor, and (iii) a building permit for the Tenant Improvements has been issued, Lessor shall enter into a construction contract with its contractor for the installation of the

Tenant Improvements in accordance with the Improvement Documents. Lessor shall supervise the completion of such work and shall use commercially reasonable efforts to secure substantial completion of the work in accordance with the Work Schedule. The cost of such work shall be paid as provided in Paragraph 6 hereof. Lessor shall ensure that the Tenant Improvements are constructed in accordance with all applicable laws, codes, ordinances and regulations.

6. PAYMENT OF COST OF THE TENANT IMPROVEMENTS.

Lessor agrees at its sole cost and expense to be responsible for timely paying for all costs and expenses required to design, permit and construct the Tenant Improvements.

7. MISCELLANEOUS.

To the extent there are any inconsistencies between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall apply.

Schedule D-1: Outline Specifications and Space Plan



Outline Specifications

Project: SEATTLE PARKS AND RECREATION
Location: ELLIOTT BAY OFFICE PARK – 1ST FLOOR
Date Prepared: January 31, 2019
Date Revised: February 10, 2019
Final Date Issued: February 14, 2019.

SCOPE OF WORK

The following Specifications provide work descriptions for each area of the project. The descriptions are given for intent only and are to be used solely as placeholders for the purpose of generating Rough Order of Magnitude budget numbers for further review and discussion. Martin Selig Real Estate (MSRE) as Landlord herein after will be called "LL". Seattle Parks and Recreation herein after will be called "Tenant". General Contractor herein after referred to as GC and indicates work to be performed for MSRE the Landlord. Please refer to the attached Space Plans dated 2.10.19 for information.

LANDLORD WORK

1. Remove existing cabling back to server room.
2. Confirm that all adjacent tenants cabling that passes through plenum of Seattle Parks & Recreation space is secured to meet current codes.
3. Perimeter window covering to be provided by Bldg Owner.

GENERAL NOTES AND SPECIFICATIONS:

A. GENERAL GUIDELINES FOR PROPOSED TENANT IMPROVEMENT:

1. Contractor to comply with the current "general conditions"; and building Rules and Regulations as provided by the building owner.
2. Contractor shall be responsible for providing all work and materials in accordance with the latest local Building Codes and Ordinances.
3. The use of the words "provide and allow" shall always mean "furnish and install, connect, or secure" as required.
4. All materials to be new unless noted otherwise.
5. Contractor to provide all fire / emergency systems as required by all applicable codes.
6. Fire/emergency systems include, but are not limited to sprinklers, fire extinguishers, audible alarms, smoke and heat detectors, strobes, and exit signs.
7. Mechanical and electrical to be design build under separate permit.

B. DEMOLITION:

1. Refer to drawings and/or notes for the extent of demolition. Demolition shown is as per building provided CAD files. GC to confirm extent of work.
2. During the removal of any environmentally hazardous materials, protection guidelines by code or local governing authority should be strictly followed.
3. Remove and fill all abandoned floor mounted devices to meet required fire separation.
4. Remove all existing floor finishes and prep floor for new flooring.
5. Remove any abandoned screws, nails, anchors, etc. throughout the suite. Patch all existing damaged partitions and prep for new paint finish.

C. DOOR ASSEMBLIES AND GLAZING:

1. 3'-0" x 8'-1 1/2" x 1 3/4", solid core rift cut white oak veneer with Bldg Std stain. (See attached photo) Doors in plain sliced white oak frames (1 3/4" x 5.5/16") with 4 butt hinges. UON. Door stain Numatic Finishing. Door stain ID# 13980D
2. Frameless Double Glass Tenant Entry doors and relites: 3'-0" x full Height 1/2" tempered entry door.
 - a. Herculite or equal Low Profile top and bottom rails
 - b. Herculite or equal Header Prepped for concealed overhead closer and electromagnetic lock.
 - c. Concealed overhead closer, top and bottom pivot hinges.
 - d. Herculite or equal Back-to-back linear pull handle.
 - e. Herculite or equal electromagnetic lock w/ request to Exit (Fail Safe) where indicated.
 - f. Infrastructure for card reader where indicated.
3. Provide Bldg Std wood door with full glass and wood framed relites at Board Room, Reception Area, 10 and 12 Person Conference Rooms and Work Café. Glazing to be 3/8" tempered glass with clear silicone butt joints in Bldg Std wood frame. Reference attached photo for Bldg Std door, door with full glass, and relites.
4. Provide sliding Barn Doors at Wellness Room and 1 Phone Room. Doors to be Bldg Std wood with full glass and 3M dusted Crystal Film
5. Clear 1/4" (minimum thickness) tempered glazing at all relites unless noted otherwise. Glazing to be set in Bldg Std wood frame with butt joint at spans over 4' wide. Clear silicone at joint.
6. Provide new full height Bldg Std 3'-0" wide relites in wood frames at Private Office, Phone Rooms and Focus Rooms or as indicated on plans.
7. Finish Hardware: Door hardware shall match building standard manufacturer, lever style, and locking/keying conventions. Locksets where noted: Sargent, Mortised 8200 LW-1B 32D. Brushed Stainless finish
8. All locksets, latch sets, and lever hardware shall be mounted at a height to conform to the latest handicap code and regulations.
9. Provide roller latch and dummy lever sets at coat closet doors.

D. MILLWORK AND CASEWORK:

1. New casework to be in accordance with AWI premium grade flush overlay construction of wood and plastic laminate veneer. All exposed edges and surfaces to be plastic laminate.
2. Plastic laminate colors to be selected from Formica or Wilsonart. Standard colors and patterns.
3. White interior melamine color.
4. Install backing / blocking as necessary.
5. Provide coat rod and hat shelf at coat closets as noted on plans.

E. PARTITION CONTRUCTION / INSULATION:

1. Interior Partitions: Building Standard 2 1/2" x 25 gauge metal studs at 24" O.C. spacing with 5/8" type "X" gypsum wall board (GWB), floor to underside of finished ceiling with 1/2" reveal at ceiling grid.
2. Construct new Building Standard Sound Partitions to suspended ceiling with acoustical batt insulation in wall between studs and above ceiling at partition head extending 2' each side of partition or 2nd layer of Acoustical Ceiling Tile (ACT). Provide sound partitions at all walls between Board Room, Work Café, Coffee/Copy Room, Wellness Room, Conference Rooms, Focus Rooms, Phone Rooms and Private Office.
3. Construct remaining Building Standard Partitions to suspended ceiling.
4. Construct Server Room walls to structure with GWB both sides of partition and insulation between studs if dedicated cooling is provided.
5. Provide furring at core walls or columns to accommodate electrical conduit.

F. PLUMBING FIXTURE AND APPLIANCES:

1. Provide all necessary water and electrical connections for all plumbing fixtures and appliances.
2. All cold water lines for icemakers, coffee machines or filtered water dispensers to be copper lines.
3. Provide ADA double stainless steel sinks at Break Room and Coffee Bar with ADA compliant faucet. Elkay LR 2522 Stainless Steel with Delta 175 WF faucet and AER strainer.
4. Provide two (2) Bldg Std ADA height dishwashers. Dishwashers to be maintained by L.L.
5. Provide Hot water heater in plenum space.

G. CEILINGS- Ceiling treatment locations and percentages TBD

1. Provide new Bldg Std 2'-0" x 2'-0" grid with acoustical ceiling tile as noted. Ceiling grid to be Chicago Metallic 24" x 24" grid module. Armstrong Minatone Ortega #704, 24" x 24" x 5/8" Ceiling tile. .50-.60 NRC range, 35-39 STC range.
2. Prepare Open to Structure (OTS) ceiling at areas noted. Remove abandoned cabling, ductwork and HVAC equipment. Reroute HVAC units, ductwork and plumbing where possible. Replace ductwork with spiral ductwork and round diffusers. Paint ceiling and equipment.
3. Assume 30% of ceiling to be OTS, 50% with suspended Acoustical Ceiling Clouds with Armstrong Axiom edge profile, and Private Offices, Conference Rooms, Focus Rooms and Phone rooms to have Bldg Std suspended Acoustical Ceiling system.

H. FINISH TREATMENTS:

1. Floor Treatment: Prepare floor with lightweight concrete underlayment, as required for installation of new floor treatments as follows:
 - a. Carpet: Provide and install new Bldg Std carpet tile throughout unless otherwise noted. Remove all existing floor finishes and prep floor for new flooring. Bldg Std carpet tile product cost is \$19-\$23/yd. Manufacturers: Shaw Patcraft, Bolyu, J&J and Flor/Interface. Carpet to be minimum of 17-18 ounces per square yard, tufted pile height. Carpet to be minimum 50% pre-consumer recycled content. Carpet adhesive to be low or no VOC.
 - b. Provide SHAW Commercial or equal LVT at locations noted. Prep floor to receive new flooring as per manufacturers specifications.
 - c. VCT – Armstrong Standard Excelon VCT Vinyl Composition Tile 12" x 12". Prep floor as per Manufacturer's specification.
 - d. SDT- Provide Armstrong Static Dissipative Tile 12" x 12" with required grounding strip
 - e. Provide 4" high rubber coved at all flooring. Rubber Base: Roppé 4" rubber base. Roll goods only.

- f. Provide Schluter stainless steel transition angle between carpet, Hard surface flooring and LVT.

2. Wall Treatment:

- a. Paint all walls, columns and GWB ceiling/soffit surfaces.
- b. Colors: Provide allowance for one (1) neutral field color and two (2) medium accent colors.
- c. Provide new paint throughout. PPG Brand- Provide primer and one coat of acrylic base paint throughout including all walls (eggshell finish), ceiling (flat finish), and painted doors and frames where occurs: (semi-gloss finish).
- d. All coatings and paints to be low or no VOC
- e. Paint for light surfaces to conform to the requirements of the "Architectural Specifications Manual" (AWS) for paint systems. Latex paint: AWS System 3-B "custom" (2 coat) grade light color paint finish on gypsum board surfaces.
- f. Paint for dark surfaces to conform to the requirements of the "Architectural Specifications Manual" (AWS) for paint systems. Latex paint: AWS System 3-B "custom" (2 coat) grade deep tone paint finish on gypsum board surfaces.

3. Window Coverings:

- a. Existing Bldg Standard exterior window coverings to remain- Levolor 1" wide horizontal metal blinds – Raw Umber #887

I. HVAC:

- 1. Modify existing HVAC system to accommodate new layout with all materials, equipment, and labor for complete and operable HVAC system. System shall be air balanced per building specifications.
- 2. This building uses variable refrigerant units.
- 3. One control per 1,000 +/- square feet
- 4. Outside air supply and return at each floor allowing cooling via outside air when appropriate, resulting in an "economizer Cycle" not normally found with heat pump systems
- 5. Completely computer controlled and monitored 24 hours
- 6. Complete system including all air distribution in tenant areas.
- 7. Provide HVAC distribution throughout as required to support new construction per plan.
- 8. Provide exhaust fan in Break room.
- 9. Server Room- Tenant to provide BTU loads and if required LL to provide nec. dedicated cooling.
- 10. Provide for linear diffusers at all GWB ceilings.
- 11. LL to provide dedicated Cooling Unit for Server Room. Cooling requirements TBD. Additional cooling unit is provided and maintained by LL. Additional cost to operate is at Tenants expense. Any after hour cooling is at Tenants expense.

J. ELECTRICAL:

- 1. Reuse existing electrical where possible. Allow for uniform device colors with Building Standard cover plates throughout.
- 2. Provide electrical and voice/data mud ring with pull strings as required throughout. All receptacles to be 18" AFF except at countertops and wall mounted TV's.
- 3. Provide power infeeds for Systems furniture workstations. Electrician to include connection of furniture system electrified panel raceways to building power whips. Electrical whips provided by furniture vendor. Provide circuiting to accommodate one controlled duplex outlet and one uncontrolled duplex outlet at each workstation.
- 4. Provide cable pathway at System furniture workstations to accommodate three (3) Cat 6 cables per workstation.
- 5. Assume floor cores for each cluster of workstations not located adjacent to wall or column or provide low profile, floor mounted wire way system to accommodate power, and communication and HDMI cabling at locations where coring is not possible.
- 6. Assume twelve (12) shared printer locations UON. Provide electrical and voice/data receptacle.

7. Assume no power or network devices can be located in perimeter window wall.
8. Assume dedicated 20 AMP electrical and network receptacle at each copier.
9. Provide 20 AMP dedicated receptacles for microwaves, refrigerators and dishwashers.
10. Provide 30 AMP dedicated IG electrical receptacles for Server Room
11. Provide electrical receptacle, HDMI cable and network receptacle at all wall mounted TV's at +60" AFF. UON.
12. Provide convenience electrical receptacles for janitorial and miscellaneous use.
13. All power will be controlled as per 2015 City of Seattle Amendments energy code Section C405.14 for controlled receptacles. At least 50% of all receptacles in Private Offices and Open Office cubicles to be controlled by occupancy sensor or timed operating device. (2) Duplexes in Private Office to be divided on separate circuits. Electrician to coordinate circuiting with Architect prior to submitting for permit

K. LIGHTING:

1. The lighting in the spaces will be designed to meet the requirements of the Seattle Energy Code. General office areas will be illuminated to an average of .7 watts per square foot.
2. In general, offices will have automatic controls, either occupancy sensors or, depending on the amount of window space and the size of the office, an automatic light shedding system that will reduce the number of lamps burning in the room depending on the amount of natural lights entering the space. All controls are as manufactured by "Wait Stopper".
3. Ceiling mounted devices to be white in color.
4. Provide occupancy and daylight sensors as per the latest Washington State Energy Code (WSEC) and Seattle Energy Code (SEC).
5. All new lighting to be installed to meet current local code requirements for seismic bracing.
6. Provide under cabinet LED task lighting at all upper cabinets.
7. Lighting (for intent only)
 - a. Building Standard Saylite LXT Series 2'-0" x 2'-0" Direct / Indirect LED light fixtures. 36 Watt, 3550 Lumens, 4000K.
 - b. Provide Emergency lighting on Building Emergency circuit
 - c. Down light: JUNO - LED 4" internally adjustable down light
 - d. Wall Wash: JUNO - LED 4" internally adjustable down light with Lensed trim.
 - e. Linear pendant fixture. Saylite Texas Fluorescents, 45 Series, Suspended LED, 8'-0" 45P-sf-96L-UR24WD48W-DMV-40K-WH-HC301WH-blank. 48 Watts, 7200 Lumens, 4000K
 - f. Track display light fixture- Amerlux SPEQ -S small cylinder track head.

L. FIRE-LIFE SAFETY:

1. Fire protection system per building standard and Local Regulations and Ordinances.
2. New sprinkler system to meet NFPA 13 requirements for quick response sprinkler heads.
3. Provide all emergency lighting, exit signs, fire alarm speakers, strobes and bells as required by code. Design and install the same in compliance with the Americans with Disabilities Act.
4. Provide sprinklers, fire rated doors and frames, fire extinguishers, etc. as required by applicable local codes and laws.
5. Fire extinguishers shall be by Underwriter's Laboratory 2A-10BC 5-lb, multi-purpose extinguisher with squeeze-type handle and flexible discharge hose with visible pressure gauge.
6. Fire extinguishers shall be installed in Building Standard semi recessed cabinets.
7. Provide concealed sprinkler heads at all GWB ceilings.
8. NOTE: Allow for (8) semi-recessed paint grade fire extinguisher cabinets per floor painted to match wall - final locations to be determined.

M: MISCELLANEOUS:

1. Unless directed otherwise, all equipment associated with wireless voice/data service shall be furnished and installed by Tenant. Deck mounted hot water heater provided and installed by G.C. ADA Dishwashers provided and installed by G.C. Vending machines, refrigerators, microwaves, water coolers, coffee machines, copiers, and server room equipment by Tenant. All moveable furniture shown is for reference only and is assumed to be provided and installed by the tenant. Provide and install security card readers at main entrances and at Server room. Provide building compatible system. LL to provide mudring, and appropriate electrified hinges and door hardware for fourteen (14) key card controlled doors. Tenant to install low voltage security wiring, card reader control devices and equipment. Seattle Parks uses an AMAG Symmetry Enterprise Access Control System with HID Multiclass SE readers.

RECEPTION / WAITING:

- See general notes.
- Allow for a two (2) new frameless glass Herculite (or equal) entry doors with matching full height relite as shown on plan. Door to be fit with card key access control, request to exit device and magnetic lock.
- Allow for Bldg Standard double wood doors with full glass and adjacent relite for entrance to tenant space from reception. Door to be fit with card key access control
- Allow for blocking in wall to support tenant supplied signage.
- Flooring- Provide Bldg standard carpet tile and rubber base.
- Electrical: Allow for three (3) duplex and one (1) voice data mud ring.
- Allow for gypsum board soffit ceilings in the Reception and Waiting areas. Approx. 200 SF.
- Lighting: Allow for approx. twelve (12) LED 4.5" aperture down lights; and six (6) LED 4.5" aperture wall washers in Reception and Waiting area.
- Provide two (2) LED Accent light fixtures in Common Area corridor to light Tenants signage.

BOARD ROOM:

- See general notes.
- Provide Bldg Std carpet tile and rubber base.
- Provide full height Bldg Std wood door with full glass and wood frame adjacent relite. Glass door / relite to have 3m dusted crystal film.
- Millwork: Provide two (2) 20"D x 42"H x 7'-0" W wood veneer vertical faced cabinet with plastic laminate counter top. Cabinet to have doors with two (2) adjustable shelves per cabinet.
- Electrical/voice-data: Allow for a minimum of two (2) duplex electrical outlets and two (2) recessed flush floor cores or low profile floor mounted wire-way system to accommodate one (1) 4-plex outlet and two (2) voice/data receptacles.
- Provide 2" conduit for cabling pathway from floor core under conference table into a separate junction box in the wall at wall mounted TV/monitor for AV equipment connection. Provide HDMI cable and one (1) wall mounted duplex for wall mounted TV/monitor.
- Lighting: Provide a wall mount occupancy sensor. Allow for fourteen (14) dimmable LED 4.5" aperture down lights and eight (8) dimmable LED wallwashers. Provide two (2) Bldg Std linear pendant fixtures over conference table.
- Provide approx. 250 SF of raised GWB Soffitt
- LL to provide 3M Dusted Crystal film to exterior windows. Amount and pattern TBD

12 PERSON CONFERENCE ROOM:

- See general notes
- Provide new standard carpet tile and rubber base.
- Provide new full height SC flush wood door with full glass in Bldg Std wood frame, Bldg Std hardware and glass relites with 3M Film.
- Electrical/voice-data: Allow for a minimum of four (4) duplex electrical outlets and three (3) voice/data mud rings on the walls. Allow for one (1) recessed flush floor core or low profile floor mounted wire way system having one (1) fourplex outlet, one (1) voice/data.
- Provide 2" conduit for cabling pathway from floor core under conference table into a separate junction box in the wall at wall mounted TV/monitor for AV equipment connection. Provide HDMI cable and one (1) wall mounted duplex for wall mounted TV/monitor.
- Lighting: Provide a wall mount occupancy sensor. Allow for eight (8) dimmable LED 4.5" aperture wall washers and six (6) bldg Std recessed 2'-0" x 2'-0" LED fixtures.

10 PERSON CONFERENCE ROOM:

- See general notes
- Provide new standard carpet tile and rubber base.
- Provide new full height SC flush wood door with full glass in wood frame, bldg std hardware and relites in wood frames.
- Electrical/voice-data: Allow for a minimum of four (4) duplex electrical outlets and three (3) voice/data mud rings on the walls. Allow for one (1) recessed flush floor core or low profile floor mounted wire way system having one (1) fourplex outlet, one (1) voice/data.
- Provide 2" conduit for cabling pathway from floor core under conference table into a separate junction box in the wall at wall mounted TV/monitor for AV equipment connection. Provide HDMI cable and one (1) wall mounted duplex for wall mounted TV/monitor.
- Lighting: Provide a wall mount occupancy sensor. Allow for four (4) dimmable LED 4.5" aperture wall washers and four (4) bldg Std recess 2'-0" x 2'-0" LED fixtures.

FOCUS ROOM:

- See general notes
- Provide new standard carpet tile and rubber base.
- Provide new full height SC flush wood door with full glass in wood frame, bldg std hardware and 3'-0" wide x full height relites in wood frames.
- Electrical/voice-data: Allow for one (1) duplex electrical outlets and one (1) voice/data mud rings on the walls.
- Provide HDMI cable and one (1) wall mounted duplex for wall mounted TV/monitor.
- Lighting: Provide a wall mount occupancy sensor. Allow for two (2) dimmable LED 4.5" aperture wall washers and two (2) bldg Std recessed 2'-0" x 2'-0" LED fixtures.

PHONE ROOM:

- See general notes
- Provide new standard carpet tile and rubber base.
- Provide new full height SC flush wood door with full glass in wood frame, Bldg Std hardware and 3'-0" wide x full height relites in wood frames.
- Electrical/voice-data: Allow for one (1) duplex electrical outlet and one (1) voice/data mud rings on the walls.
- Lighting: Provide a wall mount occupancy sensor. Allow for two (2) dimmable LED 4.5" aperture wall washers and one (1) Bldg Std recessed 2'-0" x 2'-0" LED fixture.

MOTHERS/MEDICAL ROOM:

- See general notes
- Provide new standard carpet tile and rubber base.
- Provide new sliding barn door style full height SC flush wood door with full glass with, bldg std hardware. Door to have 3M dusted Crystal film

- Electrical/voice-data: Allow for one (1) duplex electrical outlet and one (1) voice/data mud rings on the walls.
- Lighting: Provide a wall mount occupancy sensor. Allow for two (2) dimmable LED 4.5" aperture wall washers and one (1) Bldg Std. recessed 2'-0" x 2'-0" LED fixture.

PRIVATE OFFICE:

- See general notes.
- Provide new standard carpet tile and rubber base.
- Provide new full height SC flush wood door with full glass in wood frame, bldg std hardware and 3'-0" wide x full height relite in wood frame.
- Electrical: Allow for a minimum of two (2) duplex outlets and one (1) voice / data mud ring in office.
- Lighting: Provide a wall mount occupancy sensor. Allow for a minimum of two (2) Building Standard 2'-0" x 2'-0" Direct / Indirect LED light fixtures in office.
- Provide and install wall mounted coat hook in Private Office. Provide backing in wall.

COPY / PRINT AREA:

- See general notes.
- Provide new VCT flooring and rubber base.
- Millwork: Allow for 24"D x 34"H plastic laminate casework with closed upper and lower cabinets as indicated on the drawings.
- Electrical: Allow for one (1) 20amp dedicated duplex outlet and voice/data receptacle for each copier and printer, three (3) duplex outlets, one (1) voice/data mud rings.
- Lighting: Allow for minimum six (6) Building Standard Direct / Indirect light

WORK CAFE:

- See general notes.
- Plan for OTS ceiling in Break Room area
- Provide new LVT flooring and rubber base.
- Provide two (2) new full height SC flush wood doors with full glass in Bldg Std wood frame, Bldg Std hardware and glass relites with 3M Film
- Plumbing and Appliance Requirements:
 - Provide and install new ADA SS double sink / faucet.
 - Provide (2) 1/4" water lines to tenant provided coffee machine and filtered water machines.
 - Stainless steel refrigerators without icemaker provided and installed by tenant.
 - Provide and install two (2) new SS ADA dishwasher – specification TBD.
- Millwork: Allow for a 24"D x 34"H plastic laminate casework with closed upper and lower cabinets as indicated on the drawings. Assume two (2) adjustable shelves per cabinet and one (1) drawer at each base cabinet. Upper cabinets to have LED task lighting. Provide for quartz countertops and backsplash. Provide for island as shown on plans
- Electrical: Allow for a minimum of three (3) fourplex outlets, three (3) duplex outlets, one (1) dedicated duplex electrical on a timer, eight (8) 20-amp dedicated duplex outlets and one (1) voice/data mud ring for wall phone.
- Lighting: Provide nine (9) 8'-0" Bldg Std linear pendant lighting for OTS ceiling.
- Lighting: Provide five (5) decorative pendant lights over island counter. (allowance of \$300 per fixture)
- Provide two (2) exterior lights at exit doors at patio area.

COFFEE BAR:

- See general notes.
- Provide new LVT flooring and rubber base.
- Plumbing and Appliance Requirements:
 - Provide and install new ADA SS double sink / faucet
 - Provide (2) 1/2" water lines to tenant provided coffee machine and filtered water machines.
- Millwork: Allow for a 24"D x 34"H plastic laminate casework with closed upper and lower cabinets as indicated on the drawings. Assume two (2) adjustable shelves per cabinet and one (1) drawer at each base cabinet. Provide for laminate countertops and backsplash
- Electrical: Allow for a minimum of two (2) fourplex outlets, one (1) dedicated duplex electrical on a timer, and three (3) 20 amp dedicated duplex outlets.

SERVER ROOM:

- See general notes.
- Provide new building standard stain grade 42" wide wood door and wood frame. Provide card reader.
- Allow for static dissipative SDT flooring and rubber base.
- Electrical: Allow for four (4) dedicated 20 amp IG 4-plex outlets and one (1) voice data mud ring. Confirm final requirements with tenant's IT provider.
- Lighting: Provide wall mount occupancy sensor. Allow for a minimum of four (4) Building Standard Direct / Indirect light fixtures. Provide one light on Emergency circuit.
- Tenant to provide BTU loads and if required LL to provide nec dedicated cooling.

COAT CLOSET:

- See general notes.
- Provide one set of Bldg Std SC full height wood veneer double doors with roller latch and dummy lever hardware.
- Provide new building standard coat rod and hat shelf

SURVEY STORAGE:

- Provide two (2) 20 AMP dedicated 4-plex receptacles. Provide four (4) 4-plex receptacles for general convenience outlets
- Provide Exhaust Fan

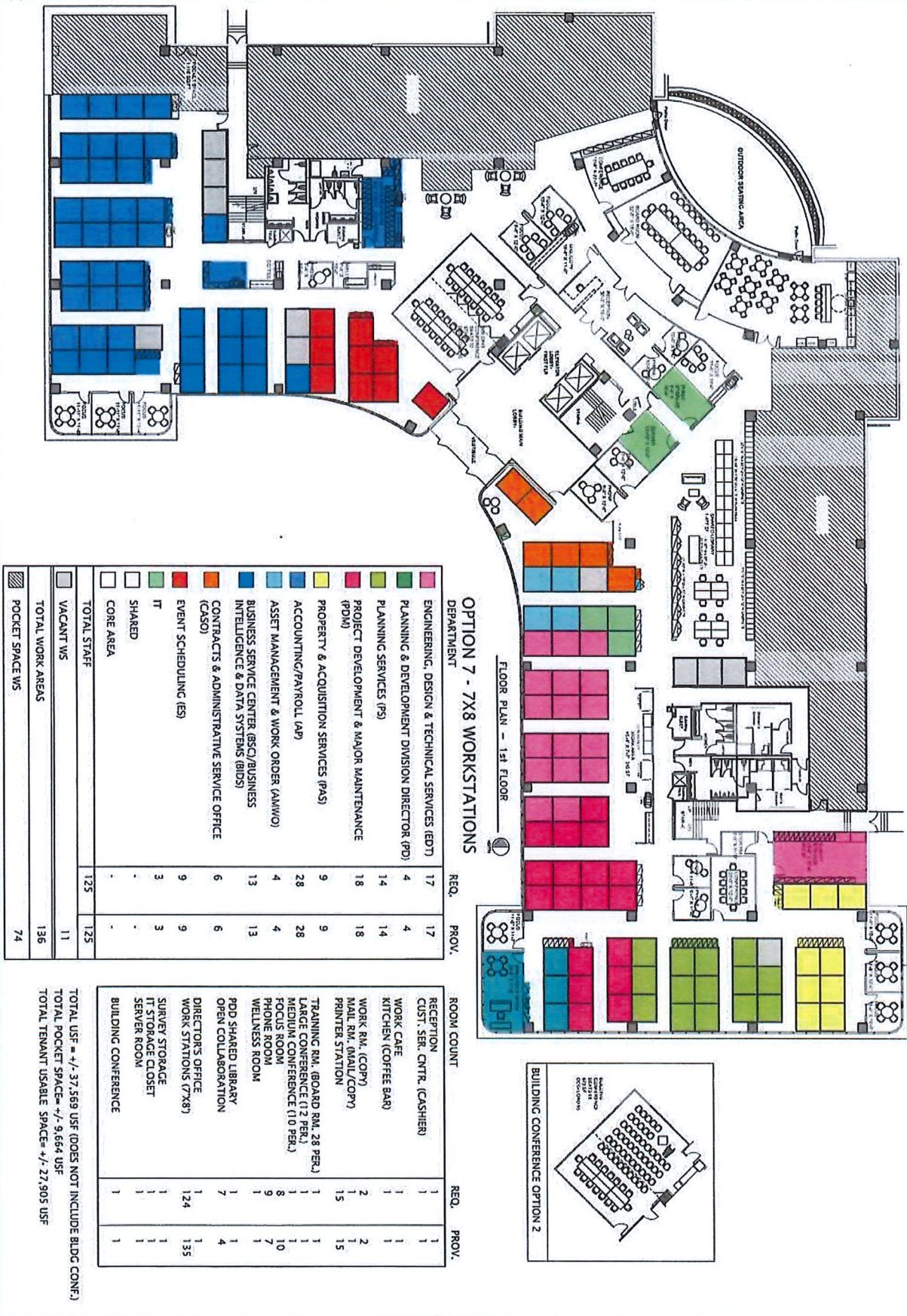
END OUTLINE SPECIFICATIONS

Representative Sample: Full-Glass Door



Representative Sample: Glass Wall





811 First Avenue
Suite 404
Seattle, WA 98104
tel. 206.682.0954
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Issue: REVIEW	SEATTLE PARKS
Date : 1.31.19	ELLIOTT BAY OFFICE PARK
Scale: NOT TO SCALE	300 ELLIOTT AVENUE WEST
Rev. Date: 2.10.19	SEATTLE, WA 98119
	SPACE PLAN - OPTION 7

FLOOR 1

Schedule D-2: Initial and Future Improvements to Space Pockets

Initial Improvements to the Space Pockets is defined as the base improvements of carpet, lighting, etc. to visually incorporate the Pocket Space into the Premises.

Future Improvements to the Space Pockets is defined as the improvements to the First Space Pocket and to the Second Space Pocket that will occur after the notifications set forth in Section 40, such improvements to be built out at Lessor's cost to bring the respective Pocket Spaces to a condition equivalent to the balance of the existing built-out Premises.

SUMMARY and FISCAL NOTE

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Parks & Recreation	Max Jacobs/684-8018	Anna Hurst/733-9317

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

1. Legislation Title:

AN ORDINANCE authorizing the Superintendent of Parks and Recreation to execute a lease agreement between The City of Seattle and Selig Holdings Company, LLC, a Delaware limited liability company, for office space in the building located at 300 Elliott Avenue West, commonly known as the Elliott Bay Office Park; and ratifying and confirming certain prior acts.

2. Summary and background of the Legislation:

This legislation authorizes the Superintendent of Parks and Recreation (DPR) to execute an agreement with Selig Holdings Company, LLC to lease 28,000 rentable square feet of office space for a term of fifteen (15) years, along with two options to extend for additional periods of five years each. In addition to the City's leased premises and certain common areas – including a shared conference room that the City can use at no cost for public meetings – the floor also contains two vacant 4,000 square foot areas (called “space pockets”) that will not be used by any other tenant and are not part of the City's premises. Under the terms of the Lease Agreement, the City will take one of these space pockets on or before five years after lease commencement, resulting in an increase of the leased premises to 32,000 square feet. The City may, but is not required to, take the second 4,000 square foot space pocket at any time during the 15-year lease term. The lease also provides DPR the right to rent 28 parking stalls in the building's parking garage.

DPR currently has approximately 113 staff in space leased in the RDA Building at 800 Maynard Avenue South, in Seattle's International District. The RDA Building location, which DPR has occupied for nearly 20 years, houses a significant portion of the department's office staff. The other main office location is the Parks Headquarters building at 100 Dexter Avenue North. Other staff are located in various other buildings throughout the city.

DPR's current lease in the RDA Building will expire in 2019. The building owner recently sold the portion of the property that contains DPR's fleet parking, thus making future parking unavailable at this location. Additionally, significant investments are needed for tenant improvements to address items such as chronic building leaks and replacement of worn carpets. The RDA Building owner also indicated that the owner would be seeking a significant rent increase if DPR renewed its lease. As a result, it is neither operationally feasible nor cost effective to stay in the RDA Building.

As part of its planning to address the expiring RDA lease, DPR, in coordination with the City’s Finance and Administrative Services Department (FAS) and the advisory services of commercial real estate brokers, conducted an extensive site search to locate other office space leasing options. During that site search, which spanned several months in 2017 and 2018, DPR and FAS identified and toured four potential alternative locations, listed below.

Building Name	Address	Asking Rental Rate	Outcome
Elliott Bay Office Park (Subject Lease)	300 Elliott Ave. W	\$33/sf	Best option. Seeking Council approval for negotiated lease.
6 th & Wall	521 Wall St.	\$33/sf	Very promising building and good location close to Parks HQ. Space became unavailable.
6 th & Battery	2326 6 th Ave.	\$38/sf	Very promising building and good location close to DPR HQ. Space became unavailable.
Darigold Building	1130 Rainier Ave. S	\$32/sf	Location and available space not workable for DPR business needs.
830 4 th Avenue S.	830 4 th Ave. S.	\$37/sf	Very promising building but lessor decided to re-lease part of the space to an existing tenant.

After the site search, the Elliott Bay Office Park emerged as the best option, both for its relative proximity to DPR’s other primary office location at 100 Dexter Avenue North, and for its cost, which the team concluded was a market-rate transaction. Furthermore, the Elliott Bay location will allow for co-location of additional staff, which will help reduce overcrowding at other Parks facilities. DPR and FAS, with input and support from the City Attorney’s Office, negotiated the proposed lease with the Elliott Bay Office Park lessor.

The key business terms include a starting rental rate of \$33 per square foot, per year, “fully-serviced,” meaning the first-year base rent includes operating expenses. In subsequent years (starting in 2021), rent will increase \$1 per square foot each year. Under the lease, DPR would have a right to rent up to 28 parking stalls (one per 1,000 square feet of leased space) at a starting monthly rate of \$210 per stall. The City’s office space will be built by the lessor consistent with a negotiated space plan and specifications document attached as exhibits to the Lease Agreement. Except for design services, for which the lessor is providing an allowance of \$3.00 per square foot, the lessor is paying all costs to design, permit and construct the City’s tenant improvements. The City will pay for its furniture and move costs. Lessor Purchasing and installing the furniture and equipment, connecting IT cabling, and the move costs, are included in the \$2,200,000

project budget. FAS and DPR recommend approval of the lease, which is an appropriate market-rate transaction.

2. CAPITAL IMPROVEMENT PROGRAM

- a. **Does this legislation create, fund, or amend a CIP Project?** ☐ Yes ☒ No
The 2019 Adopted Budget created and funded a new CIP project for the needed tenant improvements to the new office space. The project is currently funded at \$1.7 million, and the remaining \$500,000 will be funded with Park District interest earnings that will be appropriated by the Park District Oversight Committee at their June meeting later this year.

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. **Does this legislation amend the Adopted Budget?** ☐ Yes ☒ No
- b. **Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**
The lease agreement between the City and Selig Holdings Company, LLC, if approved, will result in one-time costs to the City of approximately \$2.2M to purchase furniture, fixtures and equipment, connect IT cabling, construct interior signage and move into the new building. DPR has identified \$1.67 million of one-time funding for this project as part of the 2019 budget process and anticipates identifying the remaining funding needed in 2019 from unappropriated Seattle Park District interest earnings and lapsed Park District operating budget authority.

The increase in ongoing rent from Parks' current rent at the RDA Building will be included in the 2020 Proposed Budget. The initial increase is approximately \$350,000 which will grow annually based on a \$1 per square foot rent increase each year thereafter. Beginning in 2024, Parks will acquire the additional pocket space which will increase the lease by approximately \$200,000 which will grow annually based on a \$1 per square foot rent increase each year thereafter.

- c. **Is there financial cost or other impacts of *not* implementing the legislation?**
Not implementing this legislation would result in DPR paying a similar or higher price to rebuild their current leased space, paying almost the same annual rent per square foot for a building less suited to DPR purposes with a much shorter potential lease term. Furthermore, the RDA facility is at a less efficient location, loses parking spaces for existing DPR fleet vehicles, and cannot accommodate any future staffing growth.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
Yes, Finance and Administrative Services have collaborated on this lease agreement.

- b. Is a public hearing required for this legislation?**
No.
- c. Does this legislation require lessors or sellers of real property to provide information regarding the property to a buyer or tenant?**
No.
- d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- e. Does this legislation affect a piece of property?**
Yes. A site map is attached.
- f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
No.
- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**
No.

List attachments/exhibits below:

Summary Attachment A – Site Location

STATE OF WASHINGTON -- KING COUNTY

--SS.

372721

No.

CITY OF SEATTLE, CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

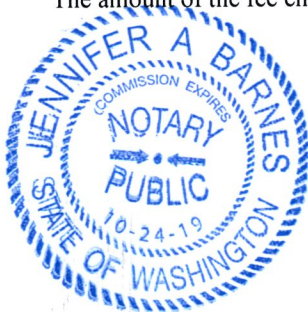
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:125801-802 TITLE ONLY

was published on

04/16/19

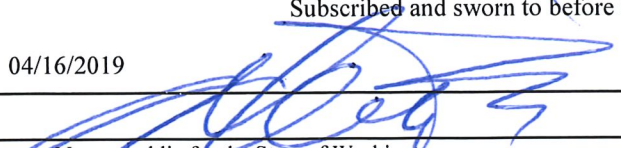
The amount of the fee charged for the foregoing publication is the sum of \$51.75.



Affidavit of Publication


Subscribed and sworn to before me on

04/16/2019


Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on April 01, 2019, and published below by title only, will be mailed upon request, or can be accessed at <http://seattle.legistar.com>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Ordinance 125801

Council Bill 119488

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Ordinance 125802

Council Bill 119485

AN ORDINANCE authorizing the Superintendent of Parks and Recreation to execute a lease agreement between the City of Seattle and Selig Holdings Company, LLC, a Delaware limited liability company, for office space in the building located at 300 Elliott Avenue West, commonly known as the Elliott Bay Office Park; and ratifying and confirming certain prior acts.

Date of publication in the Seattle Daily Journal of Commerce, April 16, 2019.

4/16(372721)