

Ordinance 19927

ATTACHMENT A:

LEASE AMENDMENT

FIFTH AMENDMENT TO LEASE AGREEMENT

THIS FIFTH AMENDMENT TO LEASE AGREEMENT (the “**Amendment**”) is entered into on the Effective Date (defined below) by RNT 750 LLC, a Delaware limited liability company (successor in interest to Renton Gateway Center, LLC, a Washington limited liability company) (“**Lessor**”), and King County, a home rule charter county and political subdivision of the State of Washington (“**Lessee**”).

W I T N E S S E T H:

WHEREAS, Lessor (through its predecessor in interest) and Lessee entered into that certain Lease Agreement dated June 1st, 2011 (the “**Initial Lease**”), as authorized by the Metropolitan King County Council in Ordinance 17099, demising certain hangar space in Hangars G and H (the “**Premises**”), more particularly described in Exhibit A of the Initial Lease, in that certain building commonly known as 750 West Perimeter Rd., Renton, Washington 98057 (the “**Building**”); and

WHEREAS, Lessor and Lessee executed a First Amendment to Lease dated July 1, 2016 (the “**First Amendment**”), which extended the Term pursuant to Lessee’s first extension option under Section 3.5 of the Lease; and

WHEREAS, Lessor and Lessee executed a Second Amendment to Lease dated November 13, 2019 (the “**Second Amendment**”) which extended the Term of the Lease through May 30, 2022;

WHEREAS, Lessor and Lessee executed a Third Amendment to Lease dated May 13, 2022 (the “**Third Amendment**”) which extended the Term of the Lease through May 31, 2025;

WHEREAS, Lessor and Lessee executed a Fourth Amendment to Lease dated September 26, 2024 (the “**Fourth Amendment**”), which expanded the Premises to include Hangar B;

WHEREAS, the Initial Lease, First Amendment, Second Amendment, Third Amendment, and Fourth Amendment may be referred to herein separately, or collectively as the “**Lease**”; and

WHEREAS, Lessor and Lessee desire to amend the Lease to extend the Term of the Lease, and such other changes as set forth herein, all subject to the terms and conditions of this Amendment.

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

1. **Defined Terms.** Unless otherwise defined in this Amendment, any capitalized or defined term used herein shall have its respective meaning as set forth in the Lease.

2. **Term.** The Term is extended for 120 additional months, commencing on June 1, 2025 and ending on May 31, 2035 (the “**Extension Term**”).

3. **Rent.** Effective as of the commencement of the Extension Term, and every anniversary thereafter, Annual Base Rent shall increase over the previous year’s Annual Base Rent by three percent (3%), paid in equal monthly installments.

4. **Option to Extend.** Lessee has the right (an “**Option**”) to extend the Extension Term for two (2) additional periods of five (5) years each (each five (5) year period the “**Option Term**”). The Option shall be exercisable by Lessee only if Lessee is not in default hereunder at the time notice is received by Lessor or at the commencement of the applicable Option Term. Lessee shall exercise the Option by written notice (the “**Option Notice**”) to Lessor no earlier than two hundred seventy (270) days and no later than one hundred eighty (180) days prior to the expiration of the Term or the first Option Term, as applicable (the “**Option Exercise Window**”). The Option is personal to the Lessee named in the introductory clause, and may not be exercised by any assignee, transferee or successor in interest to Lessee. The Option shall lapse if Lessee fails to exercise as provided herein and Lessor has no duty to remind Lessee of an impending expiration of the Option Exercise Window. The same terms and conditions of this Lease applicable prior to the commencement of each Option Term shall be applicable to each Option Term, except that the Annual Base Rent during the first year of the applicable Option Term will be the then-prevailing Fair Market Rent rate as further defined below, and the Annual Base Rent shall increase by three percent (3%) annually thereafter for the remaining years of the applicable Option Term. The foregoing notwithstanding, and for purposes of clarification, under no circumstances may any Option Term exercised by Lessee exceed the number of years remaining on the Master Lease. Accordingly, any Option Term exercised by Lessee shall automatically expire on the expiration of the Master Lease. If Lessee exercises its right to extend the Term for an Option Term pursuant to this Section 4, the term “**Term**” as used in this Lease will be construed to include the applicable Option Term.

5. **Fair Market Rent Rate.** The term “Fair Market Rent” for the purposes of this Amendment shall mean the annual amount per rentable square foot that a willing, comparable, new, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building in the Renton and Seattle, Washington markets would accept under the transaction as further defined above, for new leases of similar space in the same geographic area as the Premises, considering, size, use type, and creditworthiness of tenant on or about the date on which the Fair Market Rent is being determined hereunder.

Within thirty (30) days of Lessee notifying Lessor that it intends to exercise an Option Term, Lessor will advise Lessee in writing of its proposed Fair Market Rent. If Lessor and Lessee are unable to agree on a mutually acceptable Fair Market Rent not later than

ninety (90) days prior to the expiration of the current Term, then Lessor and Lessee, within five (5) days after such date, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Fair Market Rent for the Premises (collectively referred to as the "Estimates"). If the higher of such Estimates is not more than one hundred five percent (105%) of the lower of such Estimates, then the Fair Market Rent shall be the average of the two Estimates. If the Fair Market Rent is not established by the exchange of Estimates, then, within ten (10) days after the exchange of Estimates, Lessor and Lessee shall each select a licensed commercial real estate appraiser to determine which of the two Estimates most closely reflects the Fair Market Rent for the Premises. Each appraiser shall have had at least seven (7) years' experience within the previous ten (10) years of his/her work experience as a commercial real estate appraiser working in the Seattle, Washington area with working knowledge of current rental rates and practices for comparable aviation properties. Lessor's and Lessee's appraisers shall work together in good faith to agree upon which of the two Estimates most closely reflects the Fair Market Rent for the Premises. The Estimates chosen by such appraisers shall be binding on both Lessor and Lessee. If the two appraisers cannot agree upon which of the two Estimates most closely reflects the Fair Market Rent within twenty (20) days after their appointment, then, within ten (10) days after the expiration of such twenty (20) day period, the appraisers shall select a third appraiser meeting the aforementioned criteria. Once the third appraiser (the "Arbitrator") has been selected as provided for above, then, as soon thereafter as practicable but in any case within fourteen (14) days, the Arbitrator shall make his or her determination of which of the two Estimates most closely reflects the Fair Market Rent and such Estimate shall be binding on both Lessor and Lessee as the Fair Market Rent. If the Arbitrator believes that expert advice would materially assist him or her, he or she may retain one or more qualified persons to provide such expert advice. Lessor and Lessee shall share equally in the costs of the Arbitrator and of any experts retained by the Arbitrator. Any fees of any appraiser, counsel, or experts engaged directly by Lessor or Lessee, however, shall be borne by the party retaining such appraiser, counsel, or expert.

If the Fair Market Rent has not been determined by the commencement date of the applicable Option Term, Lessee shall pay Rent upon the terms and conditions in effect during the last month of the preceding Term (or preceding Option Term, as applicable) until such time as the Fair Market Rent has been determined. Upon such determination, the Rent shall be retroactively adjusted to the commencement of the Option Term, with the new Fair Market Rent becoming due on the first day of the month following such determination of Fair Market Rent.

6. **Lessor's Right of Relocation.** The parties acknowledge that the Premises, consisting of Hangars B, G, and H, are located in a larger hangar complex building (the "**Building**") on that certain land having an address of 750 West Perimeter Road, Renton, WA (the "**Property**"). It is agreed by the parties that Lessor may, on not less than one hundred eighty (180) days written notice delivered at any time during the Term, relocate Lessee to another hangar(s) within the Building or to another hangar(s) at the Airport that is under the control of Lessor (each, a "**New Space**"). The New Space shall be of comparable size to the Premises and shall have comparable accessibility to the taxiway and runway. Lessor shall improve the New Space comparable (in Lessor's reasonable

judgement) to the Premises at Lessor's expense and shall pay the reasonable costs of moving Lessee to the New Space. If the New Space has a different floor area from that of the Premises, Lessee's obligation to pay Annual Base Rent shall be increased or decreased proportionately. Furthermore, in the event that Lessor relocates Lessee to a different hangar facility controlled by Lessor (or an affiliate of Lessor) that is not located in the Building, the parties will execute a new lease on substantially the same terms and conditions set forth herein, except that the term of such new lease will be co-terminus with the Master Lease between Lessor (or an affiliate of Lessor) and the City of Renton but in any event not to exceed the total term of this Lease including all options to extend without the prior written approval of the King County Council.

7. **Notices.** Lessor's notice addresses as set forth below supersede all prior notice addresses set forth in the Lease:

LESSOR:

RNT 750 LLC
113 Cherry St, PMB 74172
Seattle, WA 98104
Attn: Jon Wenrich
Email address: Jon.Wenrich@fbocap.com

With copy to:

Seyfarth Shaw LLP
999 Third Avenue, Suite 4700
Seattle, WA 98104-4041
Attn: Ian Taylor
Email address: itaylor@seyfarth.com

LESSEE:

King County
401 5th Ave, Suite 930
Seattle, WA 98104

Email address: RES-LeaseAdmin@kingcounty.gov

Notwithstanding anything in the Lease to the contrary, the Parties will provide email notice only at the email address(es) set forth above or other electronic means with delivery confirmation or read receipt (or both), but the Party providing electronic notice shall bear the burden to prove the date that notice was delivered. Notices shall be effective upon the date of first attempted delivery.

8. **Non-discrimination.** A new Section 32 is hereby added to the Lease:

32. Non-discrimination. Lessor shall not discriminate on the basis of sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, status as a family caregiver, military status or status as a veteran who was honorably discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Chapter 12.16, as now codified and as hereafter amended. Lessor shall comply fully with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, Chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Lessee shall be entitled to terminate this Lease effective upon written notice to Lessor in the event that Lessor violates the requirements of this Section 32.

9. **Authority.** Each person signing this Amendment on behalf of either party represents and warrants that he or she is authorized to execute and deliver this Amendment, and that upon such person's execution hereof, this Amendment will become binding upon such party.

10. **Counterparts.** This Amendment may be executed by original or electronic signature and in one or more counterparts, each of which will constitute an original, and all of which together shall constitute one and the same agreement. Executed copies hereof may be delivered by e-mail and, upon receipt, shall be deemed originals and binding upon the parties hereto.

11. **Effect of Amendment.** Except as expressly amended hereby, the Lease shall continue in full force and effect and unamended. In the event of any conflict or inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall control. From and after the date hereof, references to the "Lease" (including, without limitation, any and all references contained in this Amendment) shall mean the Lease as amended by this Amendment.

[No further text on this page. Next page is signature page]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to be effective as of the latest of the signatures below (the "Effective Date").

LESSEE:

KING COUNTY

a home rule charter county and political subdivision of the State of Washington

By: _____

Print Name: _____

Its: _____

Date: _____

King County Sheriff's Office Consent:

By: _____

Print Name: _____

Its: _____

Date: _____

Approved as to form:

By: _____

Print Name: _____

Its: _____

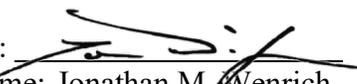
Date: _____

LESSOR:

RNT 750 LLC,

a Delaware limited liability company

By: FBO Capital Group
Management LLC,
Its: Manager

By: 

Name: Jonathan M. Wenrich

Title: CEO