

ATTACHMENT A:

SECOND AMENDMENT TO LEASE

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This Second Amendment to Lease ("Second Amendment") dated May 5, 2023 (for reference purposes only), is made and entered into by and between SeaTac Village Shopping Center, LLC, a Delaware limited liability company ("Landlord"), and King County, a political subdivision of the State of Washington ("Tenant").

RECITALS

- A. Landlord and Tenant are parties to that certain Retail Lease dated October 31, 2017, as amended by that certain First Amendment to Lease executed January 18, 2019 (collectively, the "Lease"), for certain Premises containing approximately 1,813 square feet (the "Premises") located in the center known as SeaTac Village Shopping Center (the "Shopping Center") in Federal Way, Washington.
- B. The Initial Lease Term expired on October 31, 2022, however, Landlord has allowed Tenant to continue to occupy the Premises on a hold over basis since such date. Tenant has no option to extend the Term, however, Tenant desires to extend the Initial Lease Term for a five (5)-year period and Landlord agrees to extend the Initial Lease Term on the terms and conditions set forth in this Second Amendment to Lease. This Second Amendment will extend Tenant's use of the Premises for a combined term longer than five (5) years, thereby requiring approval by ordinance of the King County Council, pursuant to King County Code section 4A.100.070.
- C. The parties desire to amend the Lease and to ratify and reconfirm its terms and conditions on the terms and conditions set forth below.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

AGREEMENT

1. Lease Term and Options. The Initial Lease Term shall be extended for five (5) years commencing on the first day of the calendar month after Landlord receives Tenant's signature on this Second Amendment ("Extension Effective Date") and expiring October 31, 2027 ("First Option Period"), on the same terms and conditions set forth in the Lease, except as otherwise amended herein. In addition, Landlord hereby grants Tenant one (1) additional five (5)-year option to further renew the Lease Term after the expiration of the First Option Period on the terms and conditions set forth in paragraph 3 below.
2. Base Rent During First Option Period. From November 1, 2022, through the Extension Effective Date, Tenant shall continue to pay the holdover rate of monthly Base Rent in the amount of \$4,037.70. Landlord and Tenant agree that Base Rent for the First Option Period shall be as follows:

| <u>Term</u> | <u>Base Rent/SF</u> | <u>Monthly Base Rent</u> | <u>Annual</u> |
|---|---------------------|--------------------------|---------------|
| Extension Effective Date – October 31, 2023 | \$24.00 | \$3,626.00 | \$43,512.00 |
| November 1, 2023 – October 31, 2024 | \$24.72 | \$3,734.78 | \$44,817.36 |
| November 1, 2024 – October 31, 2025 | \$25.46 | \$3,846.58 | \$46,158.98 |
| November 1, 2025 – October 31, 2026 | \$26.23 | \$3,962.92 | \$47,554.99 |
| November 1, 2026 – October 31, 2027 | \$27.01 | \$4,080.76 | \$48,969.13 |

3. Option to Renew. Tenant shall have one (1) option ("Second Option") to extend the First Option Period for an additional period of five (5) years ("Second Option Period), provided that at the time Tenant exercises such option and upon expiration of the First Option Period Tenant is not in default of the Lease and no event has occurred that with the passage of time or the giving of notice or both would constitute an event of default.

3.1. The exercise of the Second Option shall operate to extend the Term of the Lease upon the same terms and conditions set forth in the Lease, except for the amount of Base Rent, which shall be increased as set forth in Section 3.2 below. Tenant may exercise the Second Option only by sending written

notice thereof to Landlord at least one hundred twenty (120) days prior to the expiration of the First Option Period, but not more than two hundred seventy (270) days prior to the expiration of the First Option Period.

3.2 The Base Rent for the first year of the Second Option Period shall be determined as follows. Landlord and Tenant will have thirty (30) days after Tenant exercises the Second Option within which to agree on the then Fair Market Value ("FMV") of the Premises. If the parties agree on the monthly Base Rent for the first year of the Second Option Period within such thirty (30) day period, the parties will amend the Lease by stating the monthly Base Rent for the Second Option Period. The parties agree that Base Rent for the Second Option Period shall increase by three percent (3%) annually following the first year of the Second Option Period. If the parties are unable to agree on the initial monthly Base Rent within said thirty (30) day period, then, the initial monthly Base Rent for the Second Option Period will be the then FMV of the Premises as determined by the appraisers pursuant to this paragraph. Within seven (7) days after the expiration of said thirty (30) day period, Landlord and Tenant will each appoint a real estate appraiser with at least five (5) years' full-time commercial appraisal experience in the area in which the Premises are located to appraise the then FMV of the Premises. If either Landlord or Tenant does not appoint an appraiser within ten (10) days after the other has given notice of the name of its appraiser, the single appraiser appointed will be the sole appraiser and will set the then FMV of the Premises. If two (2) appraisers are appointed pursuant to this paragraph, they will meet promptly and attempt to set the then FMV of the Premises. If they are unable to agree within thirty (30) days after the second appraiser has been appointed, they will attempt to elect a third appraiser meeting the qualifications stated in this paragraph within ten (10) days after the last day the two appraisers are given to set the then FMV of the Premises. The third appraiser, however selected, must be a person who has not previously acted in any capacity for either Landlord or Tenant. Within thirty (30) days after the selection of the third appraiser, a majority of the appraisers will set the then FMV of the Premises. If a majority of the appraisers are unable to set the then FMV of the Premises within thirty (30) days after selection of the third appraiser, the mean of the three (3) appraisals will be determined and the mean will be the then FMV of the Premises. In the event that Tenant does not accept the appraisers' determination of FMV, Tenant shall have the right to terminate this Lease, effective upon the expiration of the First Option Period. Whether the parties agree upon the Base Rent for the Second Option Period, or the Base Rent is determined by the foregoing appraiser process, the parties mutually agree that in no event shall Base Rent for the first year of the Second Option Period be less than one hundred and three percent (103%) of the Base Rent payable in the immediately preceding year and thereafter shall increase three percent (3%) annually.

3.3 For purposes of this Lease, "Fair Market Value" shall mean the annual amount that a willing and comparable new tenant would pay and a new comparable landlord would accept, in an arm's length transaction, as consideration for retail space comparable to the Premises (taking into account such factors as quality, size, configurations, geographic and physical location and surrounding tenant mix, that no Tenant Improvement Allowance is payable, that no commissions are payable and the rent payment will not be interrupted for tenant constructing and fixturing) giving appropriate consideration to Tenant's contemplated use of the Premises during that period and other terms and provisions of this Lease will be held in effect with respect to and/or during such period.

4. Landlord's Work. As soon as possible after this Second Amendment is fully executed, Landlord shall commence the following work within the Premises: install a new ADA compliant restroom, paint all interior walls, and install new floor coverings (collectively, "Landlord's Work"). Landlord's Work is more specifically set forth in Exhibit A attached hereto. Tenant acknowledges and agrees that to complete Landlord's Work, some of Tenant's modular furniture will need to be dismantled and relocated. Tenant acknowledges and agrees that neither Landlord or its contractors, employees or agents shall be liable for any damage that may occur to the modular furniture during this process. Landlord shall be responsible for paying up to Twenty-Eight Thousand Twenty-Six and 03/100 Dollars (\$28,026.03) ("Landlord's Contribution") towards the actual costs of Landlord's Work, which is one-half of the estimate of Landlord's Work as shown on Exhibit A. Landlord shall pay all contractors on a prevailing wage basis. Tenant shall reimburse Landlord for all costs actually paid by Landlord for the completion of Landlord's Work in excess of Landlord's Contribution within thirty (30) days after Tenant receives an invoice of such costs from Landlord and after Landlord's Work is substantially completed. Landlord anticipates that it will be able to substantially complete Landlord's Work within nine (9) months after this Second Amendment is fully executed ("Estimated Completion Date"), however, cannot guarantee the exact completion date and shall not be liable if it is unable to substantially complete Landlord's Work on or before the Estimated Completion Date.

5. Non-Discrimination. Section 25 of the Lease is hereby deleted in its entirety and replaced with the following:

25. NON-DISCRIMINATION. Landlord 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. Landlord 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, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 25.

6. General


6.1 Effect of Amendment; Ratification. Except as otherwise modified by this Second Amendment, the Lease shall remain unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms and conditions of the Lease and the terms and conditions of this Second Amendment, the terms and conditions of this Second Amendment shall prevail. All capitalized terms used and not otherwise defined herein shall have the same meanings and definitions as set forth in the Lease.

6.2 Counterparts; Electronic Signatures. This Second Amendment may be executed in counterparts, each of which will be deemed to be an original copy of this Second Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Second Amendment and of signature pages by facsimile transmission or email means shall constitute effective execution and delivery of this Second Amendment as to the parties and may be used in lieu of the original Second Amendment for all purposes. Signatures of the parties transmitted by facsimile or email shall be deemed to be their original signatures for any purposes whatsoever.

6.3 Authority to Execute Amendment. Each individual executing this Second Amendment on behalf of a limited liability company represents that he or she is duly authorized to execute and deliver this Second Amendment on behalf of such limited liability company and that this Second Amendment is binding upon such limited liability company in accordance with its terms.

6.4 Entire Agreement. All understandings and agreements between the parties as to amending the Lease are merged in this Second Amendment which alone fully and completely expresses the agreement of the parties as to amending the Lease. Tenant is not relying upon any statement or representation which is not set forth in this Second Amendment. The Lease is attached hereto as Exhibit B and is incorporated by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Lease as of the last date and year written below.

| | |
|---|--|
| Landlord | Tenant |
| SeaTac Village Shopping Center, LLC a Delaware limited liability company | King County, a political subdivision of the State of Washington |
| By: Schnitzer Properties Management, LLC Its: Manager | By: _____ |
| By:  Print Name: JORDAN D. SCHNITZER | Print Name: _____ |
| Title: PRESIDENT | Title: _____ |

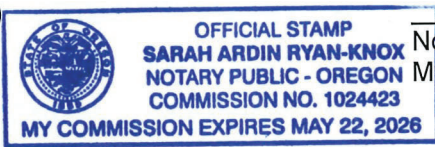
LANDLORD'S ACKNOWLEDGEMENT:

State of OR)
County of Multnomah) ss.

I certify that I know or have satisfactory evidence that Jordan D. Schnitzer is the person who appeared before me, and said person acknowledged that he (he/she) signed this instrument, on oath stated that he (he/she) was authorized to execute the instrument and acknowledged it, as the President of Schnitzer Properties Mgmt LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 5/5/23

(Seal)



SAR
Notary Public in and for the State of OR
My appointment expires: 5/22/26

TENANT'S ACKNOWLEDGEMENT:

State of _____)
County of _____) ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that _____ (he/she) signed this instrument and acknowledged it to be _____ (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Date: _____

(Seal)

Notary Public in and for the State of _____
My appointment expires: _____

**EXHIBIT A
LANDLORD'S WORK**

PO Box 2234
Tacoma, WA 98401

ESTIMATE

| | |
|----------|------------|
| Date | Estimate # |
| 8/9/2022 | 11839 |

| |
|---|
| Name / Address |
| Schnitzer Properties 1430 SW Broadway Suite 100 Portland OR 97201 |

| Description | Qty | Cost | Project |
|--|-----|--------------|------------|
| | | | Total |
| Proposal of services to be performed at King County Health - 1640 S. 318th PL, Federal Way- Suite B: Occupied Tenant Improvement: Add new restroom, new paint, and new flooring. | | 0.00 | 0.00T |
| RESTROOM: | | 21,600.00 | 21,600.00T |
| -Camera Waste line for sewer locate. -Saw cut concrete for plumbing access. -Rough in new plumbing. -Construct new walls per plans. -Rough in electrical and mechanical. -Infill concrete -Install insulation and sheetrock -Finish to match existing -Trim out electrical, mechanical, and plumbing | | | |
| PAINT: | | 6,178.00 | 6,178.00T |
| -Prep an mask all walls to be painted. -Prime as needed. -Apply 2 coats of Sherwin Williams Promar 200 ES. -Move standard office furniture items. (No Modular Furniture). | | | |
| | | Total | |

Customer Signature

Bowman Creek Contracting, LLC

PO Box 2234
Tacoma, WA 98401

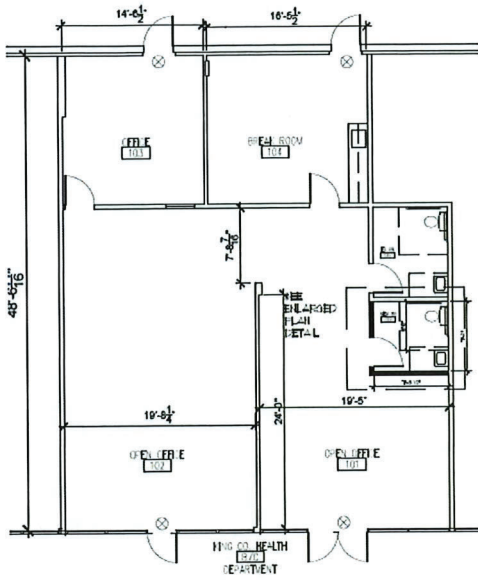
Estimate

| Date | Estimate # |
|----------|------------|
| 8/9/2022 | 11839 |

| Name / Address |
|---|
| Schnitzer Properties 1430 SW Broadway Suite 100 Portland OR 97201 |

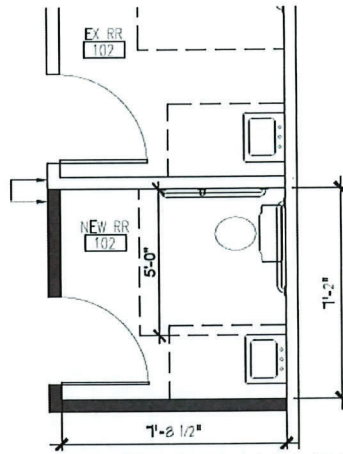
| | | | Project |
|--|-------|--------------|--------------------|
| Description | Qty | Cost | Total |
| FLOORING: | | 14,676.85 | 14,676.85T |
| -Demo existing flooring. | | | |
| -Prep floors as needed. | | | |
| -Install new carpet Tile (priced for Mohawk - Framed Structure) in office areas. | | | |
| -Install new sheet vinyl in restrooms. | | | |
| -Install Rubber Cove Base and Transitions. | | | |
| -Move standard office furniture items. (No Modular Furniture). | | | |
| MODULAR FURNITURE: | | 2,400.00 | 2,400.00T |
| -Disconnect Electrical Service | | | |
| -Dismantle modular furniture | | | |
| -Relocate for Paint and flooring | | | |
| -Reinstall Modular Furniture | | | |
| -Reconnect Electrical Service | | | |
| Contractor Fees | 0.035 | 44,854.00 | 1,569.89T |
| Profit and Ovhd | 0.1 | 44,854.00 | 4,485.40T |
| Federal Way/King County/1732 | | 10.10% | 5,141.92 |
| | | Total | \$56,052.06 |

Customer Signature _____



PARTITION PLAN

SCALE: 1/8" = 1'-0"



ENLARGED PLAN DETAIL

SCALE: 3/8" = 1'-0"

WALL LEGEND

- PARTITION NO. PART. REQ. EXCEPT TO REMOVE EX. CLO. LAMP
- EXISTING PARTITION TO REMAIN
- NEW
- ALIGN WALLS

KEY NOTES:

- PROVIDE NEW BUILDING STANDARD SOLID CORE DOOR AND FRAME AND PRIVACY LOCKSET. PROVIDE NEW NO. ACCESSIBLE FIXTURES AND ACCESSORIES TO MEET CURRENT AND/CC 2008 CODES. PROVIDE NEW LED DOWN CEILING MOUNTED LIGHT AND FAN VENT. PROVIDE NEW FLAT LAMINATE AND 6" COVER SHEET VENTILATION FOR THE RESTROOM ADJACENT TO EXISTING.



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for the better environment
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KING COUNTY HEALTH DEPT.
SEATAC VILLAGE
1640 S 31st Pl, Ste. B
FEDERAL WAY, WA 98003

| | |
|-------|--------------|
| DATE | 04/11/2012 |
| SCALE | 1/8" = 1'-0" |
| BY | ME |
| CHK | ME |
| APP | ME |

EXHIBIT B

**Retail Lease dated October 31, 2017 between Landlord: SeaTac Village Shopping Center, LLC and
Tenant: King County; and First Amendment to Lease executed January 18, 2019**