

THIRD AMENDMENT OF LEASE

THIS THIRD AMENDMENT OF LEASE is made this 16 day of April, 2014 by and between **PTL PROPERTY Limited Partnership**, a Washington limited partnership ("Lessor") and **THE CITY OF SEATTLE**, a municipal corporation duly organized and existing under the laws of the State of Washington ("the City").

RECITALS

A. On or about June 1, 1998, the City entered into a lease agreement (the "Master Lease") with John Y. Sato and Victor M. Loehrer, a partnership, for use and occupancy of certain real property located at 220 Third Avenue South, Seattle, Washington, and legally described in the Lease (the "Premises"). On or about June, 2003, the City and the partnership of John Y. Sato and Victor M. Loehrer agreed to amend the Master Lease (Lease Amendment No. 1) to increase the square footage of the Premises to 9,462 square feet, to extend the term for five additional years, and to adjust the rent to \$12,718.51 per month. The Master Lease and all subsequent amendments are referred to herein as the "Lease".

B. PTL PROPERTY Limited Partnership is the successor to all the rights, obligations, and interests of John Y. Sato and Victor M. Loehrer in the Premises and under the Lease.

C. On or about May 30, 2008 the Lessor and the City amended the Lease (Second Amendment) to extend the term for up to an additional five years.

D. The Lessor and the City agreed that the Lease continue on a month to month tenancy beginning on June 1, 2013, under the same terms and conditions of the Second Amendment.

E. The City and Lessor desire to extend the Lease, subject to the terms and conditions set forth in this Third Amendment (the "Third Amendment").

F. Capitalized terms not defined in this Third Amendment shall have the meanings given to them in the Lease.

In consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, Lessor and The City agree as follows:

1. EXTENSION TERM: The Lease is hereby reinstated and the Term is extended for an additional five (5) year period, commencing June 1, 2013, and shall expire at midnight on May 31, 2018, (the "Extension Term"). The Extension Term shall be upon the same terms and conditions as set forth in the Lease the First Amendment and the Second Amendment, except as otherwise expressly provided herein. The City and Lessor expressly acknowledge that this Third Amendment is executed after the commencement date of the Extension Term, and that the parties intend this Third Amendment to be retroactively effective as of June 1, 2013.

2. ADDITIONAL OPTION TO EXTEND: The City shall have the right to extend the Lease for one (1) additional term of five (5) years (“Option Term”). The City shall exercise its right by notifying the Lessor in writing no later than 120 days in advance of the expiration of the then current term.

3. RENT: Effective June 1, 2013, and thereafter on the first day of each subsequent month during the Extension Term, the City shall pay to Lessor basic monthly rent (the “Rent”), as follows:

Period	Basic Monthly Rent
6/1/2013 – 5/31/2014	\$ 15,375.75
6/1/2014 – 5/31/2015	\$ 15,837.02
6/1/2015 – 5/31/2016	\$ 16,312.13
6/1/2016 – 5/31/2017	\$ 16,801.50
6/1/2017 – 5/31/2018	\$ 17,305.54

4. RENT DURING OPTION TERM: In the event that the City exercises its options to extend the Lease, the Rent during those periods shall be as follows:

Period	Basic Monthly Rent
Year 1	\$ 17,824.71
Year 2	\$ 18,359.45
Year 3	\$ 18,910.23
Year 4	\$ 19,477.54
Year 5	\$ 20,061.86

5. TENANT IMPROVEMENTS: Within one hundred twenty (120) days of the Commencement Date of this Third Amendment, Landlord shall coordinate with the City to perform the below listed Tenant Improvements of the Premises. Landlord shall take all reasonable steps to minimize the disruption to the City’s operations in the Premises, including but not limited to coordinating the work with the City and performing the work outside of normal business hours. Landlord shall perform any repairs or improvements including but not limited to the below list of City identified Tenant Improvements, up to a maximum expenditure of fifteen thousand dollars (\$15,000) per year of the lease term with a maximum of fifty thousand dollars (\$50,000.00). All work to be performed by the Landlord in this Section 5 shall collectively be referred to as the “Tenant Improvements”.

The landlord shall coordinate with the City as to which of the following are the City’s priorities for the Tenant Improvements to be performed.

1. Addition of new wall and locking door between the pillar and the existing wall within the entry way of the Premises. The door and locking mechanism shall be of similar style and finish to that of other doors within the premises.
2. Installation of a remote lock/unlock of the front entry door to the Premises.
3. Installation of coating film on windows in sidelights by beanery door and lobby door for entry into the Premises.


4. Installation of Cipher Lock from the inner door of the large conference room to the general work area within the Premises.
5. Installation of reflective mirrors in entryway and in stairway.
6. Ensure all door closure mechanisms are in good working order, including that they latch securely upon exit.

6. EFFECT OF AMENDMENT: As used in this Lease, "Term" means and includes the Extension Term and the Option Terms, if any. All references to "the Lease" mean the Master Lease and all subsequent amendments. Except as expressly amended by this Third Amendment, the Lease remains unmodified and in full force and effect as written.

IN WITNESS WHEREOF, Lessor and The City have executed this Second Amendment as of the date first above written.


LESSOR:

PTL PROPERTY Limited Partnership
a Washington Limited Partnership

By: 
Its: president
Date: 2014 April 16.

THE CITY:

CITY OF SEATTLE
a municipal corporation duly organized and
existing under the laws of the State of Washington.

By: 
Its: FAS Chief of Staff
Date: 6/30/14

Notary for Lessor

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 16 day of April, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Phen-It James Huang, known to me to be the President the limited partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited partnership, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.



[Signature]
Signature
Sin Ting Leung
Print Name
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle
My commission expires Nov 5, 2016

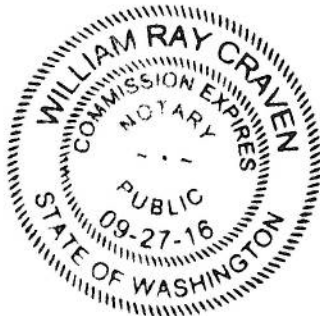
Notary for City:

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

Chief of Staff

On this 30th day of JUNE, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared LISA PEYER, known to me to be the Director of Finance and Administrative Services of CITY OF SEATTLE, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument. I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.



[Signature]
Signature
WILLIAM R. CRAVEN
Print Name
NOTARY PUBLIC in and for the State of
Washington, residing at SEATTLE
My commission expires 9-27-16