

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

4/16/10

LEASE NO.

GS-10B-07170

THIS LEASE, made and entered into this date by and between YESLER INVESTMENT COMPANY, LLC

Whose address is 1000 SECOND AVENUE, SUITE 1800
SEATTLE, WA 98104-1046

and whose interest in the property hereinafter described is that of **OWNER**

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 172,322 rentable square feet (RSF) of office and related space, which yields 152,288 ANSI/BOMA Office Area square feet (USF) of space at Fifth and Yesler Building, 300 Fifth Avenue, Seattle WA 98104, to be used for such purposes as determined by the General Services Administration. The space is located on the main floor and on floors 4 through 12. Included in the rent at no additional cost to the Government are 27 inside secure parking spaces and 40 bicycle spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances beginning approximately September 1, 2010 for the term of 10 years firm. The lease will take effect upon acceptance of space of the first agency installed by the government and continuing for 10 years, subject to termination and renewal rights as may be hereinafter set forth. The rent start date will be recognized via Supplemental Lease Agreement (SLA).

3. The Government shall pay the Lessor annual rent of \$ 6,031,270.00 at the rate of \$502,605.83 per month in arrears. The first six (6) months are rent free. Rent consists of the following:

Shell (taxes included)	\$3,706,646.22
Operating rent	\$1,252,780.94
Tenant improvement	\$1,071,842.84
Total	\$6,031,270.00

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

YESLER INVESTMENT COMPANY, LLC
1000 SECOND AVENUE, SUITE 1800
SEATTLE, WA 98104-1046

4. There are no termination rights in this lease.

IN WITNESS WHEREOF the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR
LESSOR NAME

BY

IN PRESENCE OF

(Signature)

(Signature)

Peter F. Parker, President of MS Development
Company, Inc. as Manager of YESLER INVESTMENT
COMPANY, LLC

1000 2nd Ave #1800 Seattle WA

UNITED STATES OF AMERICA

BY

(Signature)

Contracting Officer, General Services Administration

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals: **This lease has no renewal options**
6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
- A. 27 onsite interior secured parking spaces and bicycle parking for forty (40) bicycles described in Paragraph 1 of this SFO, at no cost to the government and with no escalation over the lease term, and such parking as required by code. (parking is valued at \$ 400 per space per month.)
 - B. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 7WA0241 dated June 6, 2008, Amendment 1, issued January 25, 2009 and Amendment 2, issued December 17, 2009.
 - C. Build out in accordance with standards set forth in SFO 7WA0241 dated June 6, 2008, Amendment 1, issued January 25, 2009 and Amendment 2, issued December 17, 2009, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
 - D. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
7. The following are attached and made a part hereof:
- A. SF-2, lease GS-10B-07170, (3 pages)
 - B. Solicitation for Offers 7WA0241 dated June 6, 2008 (71 pages) *69 SMM*
 - C. Amendment 1, issued January 25, 2009 (1 page)
 - D. Amendment 2, issued December 17, 2009 (2 pages)
 - E. [REDACTED] program of requirements (pages 1-85) consisting of the following:
Attachment B (pages 1-52) Appendix A (7 pages) Appendix B (26 pages)
 - F. GSA Form 3517 B, entitled GENERAL CLAUSES (Rev. [11/05]) (33 pages)
 - G. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (7 pages)
 - H. Building Section and floor plans, submitted January 23, 2009 showing the stacking plans for parking, the first floor and floor 4 through 12, titled [REDACTED] Stacking Plans. (12 pages)
 - I. LEED Certification Platinum Draft of November 6, 2009, Checklist and Statement (3 pages)
 - J. The following are incorporated into the full lease by reference. (1) The technical proposal, dated July 31, 2008. (2) Final revised technical proposal, July 23, 2009. (3) The revised final price proposal dated January 14, 2010.
8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$7,358,556 (\$48.32 per usf) shall be amortized through the rent for 10 years at the rate of 8%.
9. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, of the building has a total of 275,166 rsf.
10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$1,252,780.94/annum.
11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 172,322 RSF/152,288 USF.
12. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.64 per USF for vacant space (rental reduction).
13. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$0.00per hour for the entire building or any portion thereof.

LESSOR

UNITED STATES OF AMERICA

BY

BY

14. The Lessor and Broker have agreed to a cooperating lease commission of [REDACTED] per rentable square foot for the firm term of this lease. The total commission is [REDACTED]. The Lessor shall pay the broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the broker agrees to forgo a percentage of the commission that it is entitled to receive in connection with this lease transaction (Commission Credit). The Lessor will be notified of the percentage of commission credit and identity of the broker, memorialized via SLA, and the rent will be modified to reflect the credit. If there is space that is not represented by a government broker, the government reserves the right to receive [REDACTED] credit by reduction of the shell rent.

The Lessor hereby waives restoration.

LESSOR

UNITED STATES OF AMERICA

BY

(initial)

BY

(initial)