

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

December 14, 2010

LEASE NO.

GS-10B-07230

BUILDING NO.

WA7618

THIS LEASE, made and entered into this date by and between TEMPERATE PARADISE PROPERTIES LLC

Whose address is 1800 WESTLAKE AVE N STE 305
SEATTLE, WA 98109-2782

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 37,788 rentable square feet (RSF) of office and related space, which yields 37,788 ANSI/BOMA Office Area square feet (USF) of space at the [REDACTED] Building, 1835 Black Lake Blvd SW, Olympia, Washington to be used for such purposes as determined by the General Services Administration. In addition, Lessor leases to the Government 211 reserved parking spaces at no additional cost to the Government. Although parking is included in the rent, the spaces shall be valued at \$50/space/month

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon beneficial occupancy and continuing for fifteen (15) years, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor Annual Rent of \$983,243.76 at the rate of \$81,936.98 per month in arrears for years 1 – 5, Annual Rent of \$1,013,096.28 at the rate of \$84,424.69 per month in arrears for years 6 – 10 and Annual Rent of \$944,700.00 at the rate of \$78,725.00 per month in arrears for years 11 – 15.

Rent Period ¹	Shell Rent ²	Operating Rent ³	Tenant Improvements	Annual Rent	Monthly Rent
02/01/12-01/31/17	\$659,778.48	\$161,354.76	\$162,110.52	\$983,243.76	\$81,936.98
02/01/17-01/31/22	\$689,631.00	\$161,354.76	\$162,110.52	\$1,013,096.28	\$84,424.69
02/01/22-01/31/27	\$783,345.24	\$161,354.76	\$0.00	\$944,700.00	\$78,725.00

¹ Dates are estimates which maybe adjusted subject to Beneficial Occupancy. The rent for the estimated period of 02/01/12 through 10/31/12 will be adjusted pursuant to Paragraph 15 below.

² Includes Building Specific Security and Real Estate Taxes subject to adjustments in accordance with the SFO paragraph 4.2.

³ Base Operating Rent subject to adjustments in accordance with the SFO paragraph 4.3.

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

TEMPERATE PARADISE PROPERTIES
2112 11TH WEST
SEATTLE, WASHINGTON 98119-2856

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

LESSOR

TEMPERATE PARADISE PROPERTIES LLC

[REDACTED SIGNATURE]

MANAGING MEMBER
(Title)

1800 WESTLAKE N Ste. 305 Seattle WA
(Address) 98109

[REDACTED SIGNATURE]

Contracting Officer, General Services Administration
(Official Title)

4. The Government may terminate this lease in whole or in part at any time on or after January 31, 2022 by giving at least 180 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

~~5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

~~provided notice be given in writing to the Lessor at least XX days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing. Paragraph intentionally deleted.~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 8WA2431 dated July 22, 2010.
 - B. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
 - C. 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. Solicitation for Offers 8WA2431 dated July 22, 2010 (pages 1-54)
 - B. Special Requirements for [REDACTED] Olympia Procurement Project Number: 8WA2431, undated (8 pages)
 - C. [REDACTED] - Special Requirements, revised 5-21-2010 (7 pages)
 - D. IT Room Network and Server Equipment Load Listing, dated 6/30/2010 (1 page)
 - E. Leasing Specification Telecommunications Wiring System, dated 5/26/210 (61 pages)
 - F. [REDACTED] Needs, dated June 3, 2010 (1 page)
 - G. GSA Form 3517B entitled GENERAL CLAUSES (Rev 11/05) (pages 1-33)
 - H. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev 1/07) (pages 1-7)

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$1,621,860.96 (37,788 USF x \$42.92) shall be amortized through the rent for 10 years at the rate of 0%. The total annual cost of Tenant Improvements for the amortization period shall be \$162,110.50.

9. In accordance with the SFO paragraph 4.2 B.9 entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 100% (37,788 RSF/37,788 RSF).
10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs Base*, the escalation base is established as \$161,432/annum.
11. In accordance with the SFO paragraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.00 (37,788 RSF/37,788 USF).
12. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.00/USF for vacant space (rental reduction).
13. In accordance with the SFO paragraph 4.6 entitled *Overtime Usage*, upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (6:00 a.m. - 6:00 p.m., Monday through Friday, except Federal Holidays) at a rate of \$30.00 per hour.
14. Security Costs in the total amount of [REDACTED] shall be amortized through rent for 120 months at the rate of 0%
15. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$66,993.00 and Parcel No. 12821310000.

LESSOR

UNITED STATES OF AMERICA

BY 

BY 

(Initial)

(Initial)

16. Adjusted monthly rent payments (application of Lessor-offered "free rent" and commission credit):

The Lessor agrees to abate the first six (6) months for a total free rent credit of \$491,621.88. Notwithstanding Paragraph 3 of this SF2, the gross rental payments due and owed under this lease shall be reduced to fully recapture this rent credit. The reduction in rent shall commence with the first month of the rental payment.

The GSA commission credit shall be applied in equal monthly amounts against the shell rental payments over the minimum number of months that will not exceed the monthly shell rental per SFO subparagraph 2.3 B. The monthly rent is \$81,936.98. The monthly shell rent is \$54,981.54. The commission credit is [REDACTED] and is calculated as follows:

Commission (years 1-5): \$4,424,596.92 (total adjusted rent) x [REDACTED] = [REDACTED]
 Commission (years 6-10): \$5,065,481.40 (total rent) x [REDACTED] = [REDACTED]
 Total Commission: [REDACTED]
 GSA Commission Credit: [REDACTED]
 Studley/LaBonde Land, Inc. Commission: [REDACTED]

The total "free rent" is \$491,621.88 and the month rent is adjusted during the first six months of the lease. The GSA commission credit is [REDACTED] for a total credit of [REDACTED] and the monthly rent is adjusted for the remaining months as follows:

Free Rent Credit:

<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Free Monthly Rent Credit</u>	<u>Free Rent Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
02/01/12 - 07/31/12	\$81,936.98	\$54,981.54	\$81,936.98	\$-0-	\$-0-

GSA Commission Credit:

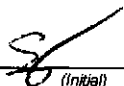
<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Commission Credit</u>	<u>Commission Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
08/01/12 - 08/31/12	\$81,936.98	\$54,981.54	[REDACTED]	[REDACTED]	[REDACTED]
09/01/12 - 09/30/12	\$81,936.98	\$54,981.54	[REDACTED]	\$0	[REDACTED]
10/01/12 - 10/31/12	\$81,936.98	\$54,981.54	\$0	\$0	\$81,936.98

17. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for waste, damages or restoration arising from or related to any alteration or removal of any alteration by the Government during the term of this Lease or any extensions. Alterations may be completed by either the Government and/or the Lessor including the initial build-out of the leased space and/or any subsequent modifications required during the lease period. At the Government's sole discretion, property remaining in leased space after termination of the lease contract will become the property of the Lessor.
18. The Government reserves the right to adjust the final square footage after receipt and approval of CAD drawings and final site acceptance of the premises. Any adjustments, including those for agreed upon square footage and annual rent shall be documented by Supplemental Lease Agreement.
19. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; where the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
20. All terms and conditions of this lease as expressly contained herein represent the total obligations of the Lessor and the Government. Any agreements, written or oral, between the parties prior to the execution of this Lease are not applicable or binding. This agreement may be amended only by written instrument executed by the Lessor and the Government.

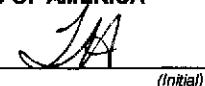
LESSOR

UNITED STATES OF AMERICA

BY _____


(Initial)

BY _____


(Initial)