

GENERAL SERVICES ADMINISTRATION  
PUBLIC BUILDINGS SERVICE  
LEASE AMENDMENT

LEASE AMENDMENT NO. 5

TO LEASE NO.: **GS-10B-07231**  
BUILDING NO.: **WA7618ZZ**  
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ADDRESS OF PREMISES

██████████ Building  
1835 Black Lake Blvd SW  
Olympia, Washington 98512-5715

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

whose address is: 1800 WESTLAKE AVENUE N., SUITE 305  
SEATTLE, WASHINGTON 98109-2782

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

WHEREAS, the parties hereto desire to amend the above Lease to correct the square footage, revise the rent table, restate the tenant improvement allowance per USF, restate the percentage of occupancy, reset the operating costs base, revise the square footages set forth in the common area factor paragraph and correct the lease number from GS-10B-07230 to GS-10B-07231 as shown above.

**NOW THEREFORE**, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective August 1, 2014. Therefore, Paragraphs 1, 3, 8, 9, 10, 11, 15 and 16 are hereby deleted in their entirety and replaced with the same numbered paragraphs below.

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

A total of 38,434 rentable square feet (RSF) of office, warehouse and related space, which yields 38,434 ANSI/BOMA Office Area square feet (USF) at the ██████████ 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.

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FOR THE LESSOR

Signature: ██████████  
Name: STEPHEN B. JALOSKEY  
Title: MANAGING MEMBER  
Entity Name: TEMPERATE PARADISE PROPERTIES  
Date: 10/16/14

FOR THE GOVERNMENT

Signature: ██████████  
Name: TERRA HEINEMAN  
Title: LEASE CONTRACTING OFFICER  
PUBLIC BUILDING SERVICES  
Date: 10/28/14

WITNESSED FOR THE LESSOR BY:

Signature: ██████████  
Name: ██████████  
Title: PSYCHOLOGIST  
Date: 10/16/14

LESSOR SH / GOV'T JH  
Lease Amendment Form 07/12

3. The Government shall pay the Lessor Annual Rent of \$1,002,318.15 for years 1 – 5, with an initial six (6) months of free rent, Annual Rent of \$1,032,681.01 for years 6 – 10 and Annual Rent of \$965,886.81 for years 11 – 15.

Rent Period <sup>1</sup>	Base Rent	Operating Rent <sup>2</sup>	Real Estate Taxes <sup>3</sup>	Tenant Improvements	Annual Rent
02/01/14-01/31/19	\$602,919.37	\$174,540.98	\$62,747.28	\$162,110.52	\$1,002,318.15
02/01/19-01/31/24	\$633,282.23	\$174,540.98	\$62,747.28	\$162,110.52	\$1,032,681.01
02/01/24-01/31/29	\$728,598.55	\$174,540.98	\$62,747.28	\$0	\$965,886.81

<sup>1</sup> Rent Period 02/01/14-07/31/14 includes an initial six (6) months of free rent.

<sup>2</sup> Base Operating Rent subject to adjustments in accordance with the SFO paragraph 4.3. Base year is 2014. Next adjustment will be Feb 2015.

<sup>3</sup> Real Estate Taxes subject to adjustments in accordance with the SFO paragraph 4.2.

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

TEMPERATE PARADISE PROPERTIES LLC  
c/o Kidder Mathews  
PO Box 34860  
Seattle, WA 98124-1860

8. In accordance with the SFO paragraph 3.3 entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$1,621,860.96 (38,434 USF x \$42.198599) shall be amortized through the rent for ten (10) years at the rate of 0%. The total annual cost of Tenant Improvements for the amortization period shall be \$162,110.52.
9. In accordance with the SFO subparagraph 4.2 B.9 entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 100% (38,434 RSF/38,434 RSF).
10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs Base*, the escalation base is established as \$174,540.98/annum. The base year is 2014. The next escalation will be Feb 2015.
11. In accordance with the SFO subparagraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.00 (38,434 RSF/38,434 USF).
15. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$62,747.28. This amount is the amount equal to 92% of the total taxes for Parcel No.12821310000. There are two buildings on this parcel: one of which is 3,380 sq ft and the other is 38,434 sq ft. The Government occupies the larger building. This is the percentage of the parcel that is Government-occupied space. The tax base year is 2014.

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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 \$501,159.07. Notwithstanding Paragraph 3 of this amendment, 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 \$83,526.51. The monthly shell rent is \$55,472.22. The commission credit is [REDACTED] and is calculated as follows:

Commission (years 1-5):	\$4,510,431.67 (total adjusted rent) x [REDACTED]
Commission (years 6-10):	\$5,163,405.05 (total rent) x [REDACTED]
Total Commission:	[REDACTED]
GSA Commission Credit:	[REDACTED]
Studley/LaBonde Land, Inc. Commission:	[REDACTED]

The total "free rent" is \$501,159.07 and the monthly rent is adjusted during the first six (6) 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>
02/01/14 – 07/31/14	\$83,526.51	\$55,472.22	\$83,526.51	\$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>
08/01/14 – 08/31/14	\$83,526.51	\$55,472.22	[REDACTED]	[REDACTED]	[REDACTED]
09/01/14 – 09/30/14	\$83,526.51	\$55,472.22	[REDACTED]	[REDACTED]	[REDACTED]
10/01/14 – 10/31/14	\$83,526.51	\$55,472.22	\$0	\$0	\$83,526.51

**NOTE: Use of the GSA FORM 276, Supplemental Lease Agreement (SLA) has been discontinued. All references in the lease to "GSA Form 276" or Supplemental Lease Agreement" shall be now hereby construed to mean "Lease Amendment".**

All other terms and conditions of the Lease shall remain in full force and effect.