

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE <i>June 19, 2012</i>	LEASE NO. GS-10B-07291	BUILDING NO. WA7731	PAGE NO. 1 of 4
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THIS LEASE, made and entered into this date by and between BELLTOWN INVESTMENT PARTNERS, LLC

Whose address is C/O THE SCHUSTER GROUP, INC
2505 SECOND AVENUE, SUITE 520
SEATTLE, WA 98121

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:

- The Lessor hereby leases to the Government the following described premises:

A total of 5,710 rentable square feet (RSF) of office and related space, which yields 4,976 ANSI/BOMA Office Area (ABOA) square feet of space, subject to paragraph 19 of this SF-2, at the Fairway Center, 14240 Interurban Avenue S., Tukwila, WA 98168-4660 to be used for such purposes as determined by the General Services Administration.

- TO HAVE AND TO HOLD the said premises with their appurtenances for a term of ten (10) years, three (3) years firm, subject to beneficial occupancy, termination, and renewal rights as may be hereinafter set forth. Beneficial occupancy shall be established via Lease Amendment.

- The Government shall pay the Lessor annual rent per the table below.

Rent Period	Shell Rent ¹	Operating Rent	Tenant Improvement Costs ²	Total Annual Rent
Year 1	\$105,635.00	\$23,182.60	\$-0-	\$128,817.60
Year 2	\$109,061.00	\$23,182.60	\$-0-	\$132,243.60
Year 3	\$112,487.00	\$23,182.60	\$-0-	\$135,669.60
Year 4	\$115,913.00	\$23,182.60	\$N/A	\$139,095.60
Year 5	\$119,339.00	\$23,182.60	\$N/A	\$142,521.60
Year 6	\$122,765.00	\$23,182.60	\$N/A	\$145,947.60
Year 7	\$126,191.00	\$23,182.60	\$N/A	\$149,373.60
Year 8	\$129,617.00	\$23,182.60	\$N/A	\$152,799.60
Year 9	\$133,043.00	\$23,182.60	\$N/A	\$156,225.60
Year 10	\$136,469.00	\$23,182.60	\$N/A	\$159,651.60

¹ Shell Rent for the first two lease months is adjusted pursuant to Paragraph 17 below.

² Tenant Improvement Costs are calculated in accordance with Paragraph 8.

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

LES
BY
IN

COO - Authorized Agent

(Title)

2505 2nd Ave, Ste 520, Seattle, WA

(Address)

U

Contracting Officer, General Services Administration

(Official Title)

Rent shall be paid monthly, in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

BELLTOWN INVESTMENT PARTNERS, LLC
C/O THE SCHUSTER GROUP, INC.
2505 SECOND AVENUE, SUITE 520
SEATTLE, WA 98121

- 4. The Government may terminate this lease in whole or in part at any time after the completion of the third (3rd) lease year 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. *Renewal Options.* Paragraph intentionally left blank.
- 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 9WA2267 dated September 15, 2011.
 - B. Build out in accordance with standards set forth in SFO 9WA2267 dated September 15, 2011 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.
 - 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 SFO 9WA2267 dated September 15, 2011 (50 pages)
 - B. Special Requirements document entitled "Tukwila, WA - [REDACTED] 17 pages)
 - C. GSA Form 3517B entitled GENERAL CLAUSES (Rev 11/05) (33 pages)
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev 1/07) (7 pages)
 - E. Pre-Lease Building Security Plan (7 pages)
 - F. Floor Plan (1 page)
 - G. Amendment No. 1 to Solicitation for Offers SFO 9WA2267, dated October 3, 2011
 - H. Amendment No. 2 to Solicitation for Offers SFO 9WA2267, dated March 8, 2012
- 8. *Tenant Improvements Included in Offer.* In accordance with the SFO paragraph 3.2, Tenant Improvements in the total amount of \$230,040.48 (4,976 ABOA SF x \$46.23) shall be amortized through the rent for three (3) years at the rate of 6.25%.
- 9. *Tenant Improvement Fee Schedule:* The Lessor's tenant improvement fee schedule is outlined as follows:
 - A. The General conditions will not exceed 8.5% of the total subcontractor's costs.
 - B. The General Contractor's fee will not exceed 7.5% of the total subcontractor's costs and General Conditions.
 - C. The Architectural/Engineering fees will not exceed 6% of the total subcontractor's costs.
 - D. The Lessor's Project Management fee will not exceed 2.0% of the total of General Contractor's Total Cost.
- 10. *Tax Adjustment.* In accordance with the SFO paragraph 4.2, the tax base for the Government-occupied space is established at \$9,149.62 and the King County Tax Assessor's Parcel No. is: 336590-1881.
- 11. *Percentage of Occupancy.* In accordance with the SFO paragraph 4.2 B, the percentage of Government occupancy is established as 7.254% (5,710 RSF Lease / 78,717 RSF entire building)
- 12. *Operating Costs.* In accordance with the SFO paragraph 4.3, the escalation base is established as \$4.06/RSF (\$23,182.60/annum).
- 13. In accordance with the SFO paragraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.1475 (5,710 RSF/ 4,976 ABOA Sq. Ft.).

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14. *Adjustment for Vacant Premises.* In accordance with the SFO paragraph 4.4, the adjustment is established as \$1.00 per ABOA SF for vacant space (rental reduction).
15. *Overtime Usage.* In accordance with the SFO paragraph 4.6, 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 (8:00 a.m. to 5:00 p.m., Monday through Friday, and except Federal Holidays), at a rate of \$50.00 per hour for the entire premises. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must seek prior written approval of proposed overtime costs from GSA and submit a proper invoice quarterly to GSA Building Manager or designee to receive payment.
16. The "Overtime Usage" rate specified above shall not apply to any portion of the premises that is required to have heating and cooling 24 hours per day as specified by the SFO. The charges for areas requiring 24 hour heating and cooling (HVAC) shall be provided at the rate of \$0.00 per square foot.
17. Adjusted monthly rent payments (application of Commission Credit):

The Commission Credit shall be applied 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 \$10,734.80. The monthly shell rent is \$8,802.92. The Commission Credit is [REDACTED] and is calculated as follows:

Total Annual Rent Year 1:	\$128,817.60
Total Annual Rent Year 2:	\$132,243.60
Total Annual Rent Year 3:	\$135,669.60
TOTAL FIRM TERM RENT:	\$396,730.80

Total Commission/Rent Credit: [REDACTED]
 GSA Commission Credit: [REDACTED]
 Studley/LaBonde Land, Inc. Commission: [REDACTED]

The monthly rent payments adjusted for the Commission Credit are as follows:

<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>
Month 1	\$10,734.80	\$8,802.92	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$10,734.80	\$8,802.92	\$0	\$0	\$10,734.80
Month 3	\$10,734.80	\$8,802.92	\$0	\$0	\$10,734.80

18. The Lessor hereby waives restoration.
19. 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.
20. 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".
21. 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.

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22. In accordance with the SFO paragraph 11.2, Lessor shall remedy the following items at no additional cost to the government:

- A. Ceilings, Floors, Walls, Windows and Doors:
 - 1. Leaks in the ceiling.
 - 2. Leaks in windows.
- B. Restrooms:
 - 1. Lighting in ladies restroom seems to be below standard.
 - 2. Faucets in downstairs ladies room not functioning properly.
 - 3. Toilets in ladies room does not work adequately with a single flush.
- C. Periodic Work:
 - 1. Provide a schedule of periodic services.
 - 2. Janitorial cleaning services have not met GSA/Agency standards.
- D. Safety and Environment:
 - 1. Back exit door is not ADA compliant.
- E. Utility/Energy:
 - 1. Many concerns regarding the HVAC system including fumes from neighboring industry entering office area and disparate hot/cold locations throughout office area.


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