

This Lease is made and entered into between

IIT Sumner DC LLC, a Delaware Limited liability company,

(Lessor), whose principal place of business is 518 Seventeenth Street, Suite 1700, Denver, CO 80202, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

3700 150th Avenue Ct E, Sumner, WA 98390

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term as follows:

Lease Effective Date: Upon ^{execution} ~~execution~~, Lessor shall allow the Government to occupy the space for pre-commencement activities at no cost to the Government.

Lease Commencement Date: February 1, 2014 rent shall commence for the lease term and acceptance of the Premises (known as Beneficial Occupancy) as required by this Lease and continuing for a total period of

10 years firm with a one-time right to terminate at the end of 5 years,

subject to termination rights as hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

Handwritten notes:
INITIAL
HERE
JAC

FOR THE LESSOR: IIT Sumner DC LLC, a Delaware limited liability company

FOR THE GOVERNMENT:

By: IIT NAIF Intermediate Holdco II LP, a Delaware limited partnership, its sole member

By: IIT NAIF Intermediate Holdco GP II LLC, a Delaware limited liability company, its general partner

By: IIT North American Industrial Fund I Limited Partnership, a Delaware limited partnership, its sole member

By: IIT North American Industrial Fund I GP LLC, a Delaware limited liability company, its general partner

By: IIT Real Estate Holdco LLC, a Delaware limited liability company, its sole member

By: Industrial Income Operating Partnership LP, a Delaware limited partnership, its sole member

By: Industrial Income Trust I, a Delaware limited partnership, its sole member



Name: James A. Coffelt

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 1/24/2014

By: _____

Name: _____



Title: Managing Director, Western Region

Entity Name: _____

Date: 1-20-14

SEE CALIFORNIA
ACKNOWLEDGMENT
ATTACHED

INTL: TOJ DATE: 01/20/2014



Title: Operations Coordinator

Date: 1-20-14

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Warehouse and related office space **59,458** rentable square feet incorporating approximately 3,000 ANSI/BOMA Office Area (ABOA) of office and related Space located on the 1st floor and known as Suite 200 of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. Common Area Factor: The Common Area Factor (CAF) is established as **0** percent. This factor, which represents the conversion from ABOA to rentable square feet shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (JUN 2012)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Passenger Vehicle and Semi-Trailer Parking / Wareyard: **50** vehicle parking spaces and 45 spaces for 53-foot trailers and adjacent wareyard area as depicted on the plan attached hereto as **Exhibit A**, reserved for the exclusive use of the Government, which shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Docking: **22** dock spaces as depicted on the plan attached hereto as Exhibit **A**, reserved for the exclusive use the Government, of which **one (1)** is drive-in (Grade Level).

C. Loading Docks. See "LOADING DOCKS SHELL WAREHOUSE" paragraph in Section 3.51 of this Lease.

D. Antennas, Satellite Dishes, and Related Transmission Devices: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all Building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

1.03 TRUCK TURNING RADIUS REQUIREMENTS (SEPT 2013)

Local code truck turning radius is required for 53' trailers and 12' tractors (65' trucks) shall be provided and maintained at all times for all loading docks designed for such sized trucks. One-way design for service traffic is preferred in order to avoid the need for large turning areas.

1.04 RENT AND OTHER CONSIDERATION (SEP 2012)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

| | FIRM TERM: | | NON FIRM TERM: FEB. 1, 2019 – JAN. 31, 2024 |
|--|-------------------------------|------------------------------|---|
| | FEB. 1, 2014 – SEPT. 30, 2014 | OCT. 1, 2014 – JAN. 31, 2019 | |
| | ANNUAL RENT | ANNUAL RENT | ANNUAL RENT |
| SHELL RENT ¹ | \$329,262.91 | \$329,262.91 | \$377,096.04 |
| RESERVE FOR MAINTENANCE AND REPAIRS ² | \$3,569.10 | \$3,569.10 | \$3,569.10 |
| TENANT IMPROVEMENTS RENT #1 ³ | \$121,805.96 | \$121,805.96 | \$0.00 |
| TENANT IMPROVEMENTS RENT #2 ⁴ | \$356,535.96 | \$0.00 | \$0.00 |
| OPERATING COSTS ⁵ | \$88,048.00 | \$88,048.00 | \$88,048.00 |
| REAL ESTATE TAXES AND INSURANCE ⁶ | \$37,786.00 | \$37,786.00 | \$37,786.00 |
| TOTAL ANNUAL RENT⁷ | \$937,007.93 | \$580,471.97 | \$506,499.14 |

¹ Exclusive of property taxes, capital maintenance and repairs, and building insurance. Shell rent shall be subject to 2.75% annual step increases each year during the firm and non-firm term. In consideration of the shell rent, lessor grants the Government a concession of \$375,000 toward construction of the tenant improvements.

² Lessor to hold and accumulate for necessary capital maintenance, replacement and repairs. Application of this reserve is subject to Government review which shall not be unreasonably withheld or delayed, and expenditures in excess of reserve amounts, if any, will be paid by the Government in a lump sum on presentation of a bill. Unexpended reserves, if any, will be rebated to the Government prior to lease termination in the form of equal monthly rent credits.

- ³ The Tenant Improvement Allowance of **\$518,778.50** (exclusive the \$375,000 Lessor concession for construction of TIs included in the shell rent) is amortized at a rate of **6.5** percent per annum over **5** years.
- ⁴ Tenant Improvement Allowance #2 (\$232,000) is amortized at a rate of 6.5% per annum over 8 months.
- ⁵ Operating Costs are subject to annual adjustment as *described elsewhere in the Lease*.
- ⁶ Real estate taxes are established at \$0.60/RSF. Real estate taxes and insurance are subject to annual adjustment as described elsewhere in the lease.
- ⁷ A total of \$82,315.74 of rent shall be abated, distributed as monthly abatements of \$27,438.58 taken in each of the first three months of occupancy.

In instances where the Lessor amortizes the for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed **59,458** USF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

E. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

F. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."
2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, maintenance required for the proper operation of the Property, the Building, and the Leased Premises, in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements and improvements required to be made thereto to meet the requirements of this Lease. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

1.05 DELETED INTENTIONALLY

1.06 TERMINATION RIGHTS (AUG 2011)

The Government shall have the one-time right to terminate this Lease at the end of the 5th year of the lease by providing not less than **270** days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination. In the event that Government exercises this termination right, it shall be subject to a penalty of one-third of the rental abatement (i.e., \$27,438.58).

1.07 INTENTIONALLY DELETED

1.08 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)

The following documents are attached to and made part of the Lease:

| DOCUMENT NAME | NO. OF PAGES | EXHIBIT |
|---|--------------|---------|
| FLOOR PLAN(S) | 1 | A |
| PARKING PLAN(S) | 1 | A |
| SECURITY REQUIREMENTS | 11 | C |
| GSA FORM 3517B GENERAL CLAUSES | 47 | D |
| GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS | 10 | E |
| GSA SEISMIC FORM A | 1 | F |
| PRELIMINARY CONSTRUCTION SCHEDULE (JAN 14, 2014) | 1 | G |
| SMALL BUSINESS SUBCONTRACTING PLAN | | |

1.09 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The total Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$1,125,778.50**. Lessor grants a concession of **\$375,000.00** toward construction of the TIs as an incentive to the Government. The next **\$232,000.00** of the TIA will be amortized over 8 months at an annual rate of **6.5** percent. The balance of the Allowance (**\$518,778.50**) is to be amortized over the 5-year firm term at a rate of **6.5** percent. The Lessor may be required to increase the total TI Allowance by up to 20% upon direction by the LCO. The total TIA is the amount that the Lessor shall make available for the Government to be used for TIs.

1.10 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.11 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

| | INITIAL BUILD-OUT |
|---|-------------------|
| ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS) | \$22,500 |
| LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS) | 3% |

1.12 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **13.47** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **59,458** RSF by the total Building space of **441,250** RSF.

1.13 REAL ESTATE TAX BASE (JUN 2012)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is **\$264,750.00** for the entire building.

1.14 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$88,048/annum**.

The operating costs are a pass-through. The lessor is required to submit to GSA the prior year actual operating costs annually. The difference between the base and actual will be reimbursed via lump sum. By way of providing an example of the base operating expense for some lease year is \$100,000 and the actual expenses have been \$125,000, Government shall reimburse the Lessor \$25,000. Alternatively if base expenses are \$100,000 while actual expenses have been \$75,000, Lessor shall reimburse Government the \$25,000 difference. The Lessor and the Government may reset to actual at the request of either party.

1.15 INTENTIONALLY DELETED)

1.16 HOURLY OVERTIME HVAC RATES (AUG 2011)

There are no overtime HVAC rates

1.17 24-HOUR HVAC REQUIREMENT (APR 2011)

If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor

1.18 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the space, the Lessor shall complete the following additional Building improvements:

- A. Secure the Government's portion of the site using fencing or other methods acceptable to the LCO;
- B. Construct the demising wall enclosing the leased premises;
- C. Design and build the Government's telecommunications rooms, including electrical installation;
- D. Provide and install permanent locking hardware on all exterior doors entering the Government's portion of the leased premises.

1.19 INTENTIONALLY DELETED