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Attorneys for TMT Olive Lab, Inc., a Delaware non-profit corporation

IN RE: CWF-0329-WATERFRONT LID LEVY ASSESSMENT HEARINGS; PARCEL NO. 0660002030; 1100 OLIVE WAY, SEATTLE, WA

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DECLARATION OF JAN A. GRUEN IN SUPPORT OF OBJECTIONS TO PROPOSED FINAL ASSESSMENT LEVIED UPON PROPERTY OWNER

I, JAN A. GRUEN, hereby declare as follows:

1. I am an attorney admitted to practice in the State of California and am a member in good standing of the California State Bar. I am a partner with the law firm of Horner Law Group, P.C., counsel of record for TMT Olive Lab, Inc., a Delaware non-profit corporation. I have personal knowledge of the facts set forth below. As to those facts provided upon information and belief, I believe them to be true and assert them based thereon. If called as a witness, I can and will competently testify to the following.

2. I am California counsel of record for TMT Olive Lab, Inc., a Delaware non-profit corporation, owner ("**Owner**") of the property located at 1100 Olive Way, Seattle, King County, Washington State (the "**Property**").

3. The Tax Parcel ID associated with the Property is 0660002030.

4. At all times since the date of Owner's purchase of the Property, I am informed and believe that the sole tenant of the Property has been a non-profit medical research facility, to wit, Seattle Children's Hospital and Research Foundation, which is a tax exempt, IRC §501(c)(3), charitable organization ("**Tenant**"). I also am informed and believe that Tenant uses the Property solely as a research laboratory for affiliated Children's Hospital.

5. The Property was acquired by Owner on or about June 30, 2011. The purchase

price paid for the Property was $11,120,000.

6. On or about February 11, 2020, Owner was given the opportunity to submit additional evidence for consideration in connection with this matter which evidence was to be submitted by April 13, 2020. This Declaration and associated Exhibits are submitted in support of Owner's objections to the Proposed Final LID Assessment as more particularly defined below. While Owner has not had the opportunity to cross-examine the county Assessor regarding its findings, Owner provides the following additional information for consideration in connection with the Proposed LID Assessment and to rebut the validity of same.

7. Attached hereto and incorporated herein by reference as **Exhibit A** is a true and correct aerial photograph of the Property which establishes that the Property is a two-story commercial building with a subterranean garage dwarfed by surrounding buildings. The Property is situated approximately one-half mile from the waterfront, has no views whatsoever of the water and has no waterfront access.

8. Attached hereto and incorporated herein by reference as **Exhibit B** as though fully set forth herein is a true and correct copy of the Waterfront Seattle Final Special Benefit Study (the "**Proposed Final LID Assessment**").

9. As a quasi-public facility which benefits the families and children of Seattle and the overall King County community, I am informed and believe that the Property and Tenant derive no special benefit whatsoever from the contemplated Waterfront LID Improvements. Accordingly, like other such quasi-public facilities situated within the LID boundaries, including, without limitation, the Group Home located at 1930 Boren Avenue, the Church located at 911 Stewart, and numerous housing projects, the Property should likewise be determined to receive a 0% special benefit, and therefore be exempt from the contemplated special assessment.

10. According to Exhibit B, the Property is currently assessed (for Tax Year 2020) by the King County Department of Assessments (the "**Assessor**") at $2,144,100, and the total value of the Property is appraised at $31,436,500. However, the Proposed Final LID Assessment states that the current value of the Property is $56,253,00, which is almost 80% greater than the Assessor's own estimation of the current fair market value of the Property.

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11. Based on the inflated and unsupported property value assigned to the Property, the Proposed LID Assessment Role states without supporting evidence that the Property stands to receive an $84,000 special benefit as the result of the contemplated Waterfront LID Improvements.

12. Given its location and purpose, the Property does not stand to receive any special benefit as the result of the contemplated purely cosmetic improvements to the waterfront.

13. Attached hereto and incorporated by reference as **Exhibit C** as though fully set forth herein is a Real Estate Appraisal of the Property dated September 30, 2017. The Value Conclusion is $19,700,000 which is 60% less than the random value assigned to the Property by the Assessor. Exhibit A is located at page 23 of the appraisal.

14. While the value of the Property has increased overtime and since the date of the most recent available appraisal, there is no reasonable basis to believe that the value of the Property has increased to reach the value set forth in the Proposed Final LID Assessment.

15. Attached hereto and incorporated herein by reference as **Exhibit D** as though fully set forth herein are the original objections submitted to the LID Hearing Examiner for consideration on February 3, 2020. Owner asks that these objections be reconsidered in light of this Declaration.

16. Attached hereto and incorporated by reference as **Exhibit E** as though fully set forth herein are additional objections submitted to the LID Hearing Examiner for consideration on February 11, 2020 which is what gave rise to Owner's right to submit this additional evidence of the impropriety of the proposed assessment.

17. Given the location of the Property, the complete lack of any benefit associated with the waterfront improvements, and its use, the Property should not be assessed any assessment amount in connection with the LID particularly when considered in conjunction with the fact that the Property is in use as a non-profit medical research facility serving the local Seattle community, is located far from the contemplated improvement area and does not benefit from tourist dollars in any manner. Alternatively, given the attached appraisal, the Proposed Final LID Assessment should be corrected to reflect the true lesser value of the Property any

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assessment should be reduced significantly to correct for the actual value of the property and the facts set forth herein regarding location and use.

18. Owner hereby incorporates by reference all objections made and evidence submitted as part of King County Superior Court Case No. 19-2-05733-5 SEA (Consolidated with No. 19-2-08787-1 SEA) and all other evidence submitted by other property owners in connection the Proposed Final LID Assessment.

19. Owner joins in and incorporates by reference all objections made, all appraisal evidence submitted, and all cross-examination testimony of the Assessor elicited by all other property owners in connection with the Proposed Final LID Assessment.

20. Owner reserves its right to augment the above, including submission of a more current appraisal which will become available in 2020, as it deems appropriate.

21. Based on the foregoing and the exhibits attached hereto, Property Owner demands that there be no assessment levied against the Property, or alternatively, that any such assessment be reduced significantly in accord with the foregoing.

I declare under penalty of perjury under the laws of the State of California and in general compliance with the laws of the State of Washington that the foregoing is true and correct, and that this Declaration was executed this 13th day of April, 2020, in Walnut Creek, California.

Jan A. Gruen, Esq.

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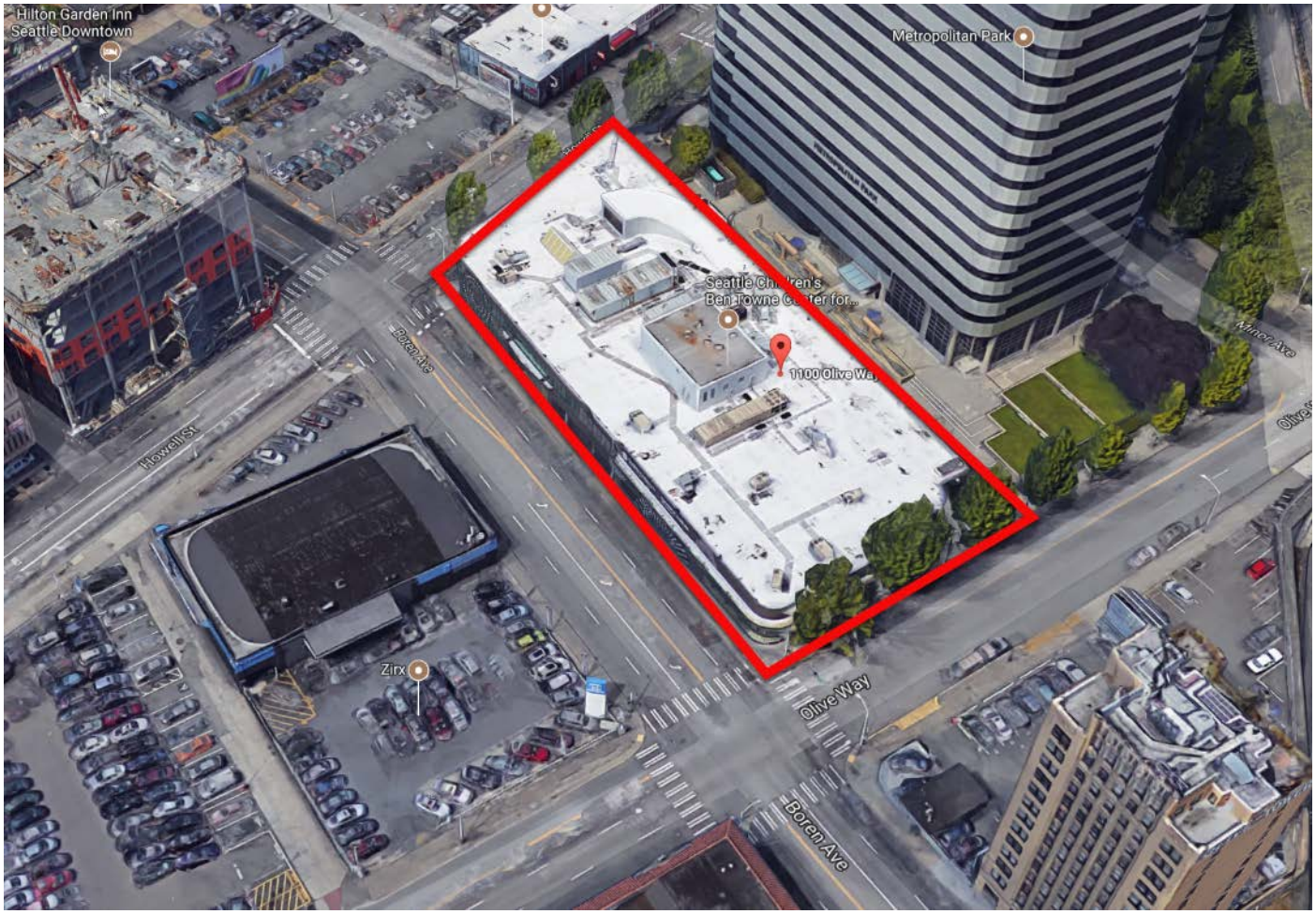
EXHIBIT A

Property Description

Site Description

Aerial Map



Site Size

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
660002030	0.76	33,090	0.76	33,090	Level	Basically Rectangular

Shape

The site has a trapezoid shape.. The site has an average depth of 120 feet.

Frontage/Access

The subject property has excellent access with frontage as follows: Olive Way: 119 feet, Boren Ave: 270 feet. It is a corner lot.

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EXHIBIT B

Seattle
Department of
Transportation

Date: November 19, 2019

To: Monica Martinez Simmons, City Clerk

From: Sam Zimbabwe, Director

Subject: Waterfront Local Improvement District (LID #6751) Final Assessment Roll CORRECTION

The Seattle Municipal Code, Section 20.04.070, requires the Director of Transportation to prepare and file with the City Clerk, the proposed final assessment roll for local improvement districts (LIDs).

Following transmittal of the proposed final assessment roll for LID #6751, the Waterfront LID, the certified real estate appraiser, ABS Valuation, identified a few errors (i.e., the title on the residential spreadsheets, and some previously omitted property names, addresses and square footages on the same spreadsheet) in the original file dated 11-7-19. The overall revisions resulted in no change to the cost/benefit ratio although some special benefit amounts were updated.

The attached file dated 11-14-19 corrects those errors. Please file this corrected proposed final assessment roll.

Thank you, and don't hesitate to contact Dorinda Costa (5-0765) with any questions.

CC: Ben Noble, Director, City Budget Office
Anthony Auriemma, Legislative Director, Mayor's Office
Marshall Foster, Director, Office of the Waterfront and Civic Projects
Angela Brady, Deputy Director, OWCP
Joshua Curtis, Partnerships Manager, OWCP
Dorinda Costa, Finance Manager, OWCP
Shawna Larsen, Legislative and Government Affairs Liaison, SDOT
Glen Lee, City Finance Director, FAS
Kristi Beattie, Strategic Advisor, FAS
Alena Johnson, Strategic Advisor, FAS
Caleb Wagenaar, Budget Analyst, City Budget Office
Eric McConaghy, Legislative Analyst, Legislative

Waterfront Seattle Final Special Benefit Study

All Other LID Commercial Properties

LID Map Number	King Co. Property Tax ID	County Link	Property Name	Tax Payer Name	Property Address	Zoning	Land Area/ SF	Gross Building Area/SF	Net Building Area/SF	Highest and Best Use Without LID	Market Value Without LID	Highest and Best Use With LID	Market Value With LID	Special Benefit	Special Benefit % Change	Total Assessment
D-145	0660000625	http://blue.kingcou	Watermark CREDIT UNION	BROWN VIRGINIA	800 STEWART ST, SEATTLE 98101	DOC2 500/300-550	13,555	43,506	26,771	Multi-Family/Commercial Redevelopment	$23,044,000	Multi-Family/Commercial Redevelopment	$23,136,000	$92,000	0.40%	$36,048
D-146	0660000708	http://blue.kingcou	HYATT REGENCY SEATTLE F-UU	ELLIOTT NE LLC	808 HOWELL ST, SEATTLE 98101	DOC2 500/300-550	63,883	1,400,666	1,062,251	Multi-Family/Commercial Redevelopment	$732,952,000	Multi-Family/Commercial Redevelopment	$736,522,000	$3,570,000	0.49%	$1,398,805
D-147	0660000740	http://blue.kingcou	HYATT REGENCY - ASSOC w/-0708	LOT B LLC	815 HOWELL ST, SEATTLE 98101	DOC2 500/300-550	26,820	0	0	Commercial Use	$46,935,000	Commercial Use	$47,123,000	$188,000	0.40%	$73,663
D-148	0660000800	http://blue.kingcou	SALEY RESTAURANT	MAZON MICHAEL E	800 OLIVE WAY, SEATTLE 98101	DOC2 500/300-550	2,667	630	630	Commercial Redevelopment	$3,734,000	Commercial Redevelopment	$3,752,000	$18,000	0.48%	$7,053
D-149	8729740000	http://blue.kingcou	2200 WESTLAKE (PAN PACIFIC, WHOLE FOODS & CONDOS) F-L		2200 WESTLAKE AVE, SEATTLE 98121	DMC 240/290-440	25,439	188,277	188,277	Commercial Use	$0	Commercial Use	$0	$0		$0
D-149-001	8729740010	http://blue.kingcou	2200 WESTLAKE (PAN PACIFIC, WHOLE FOODS & CONDOS) F-L	WRI 2200 WESTLAKE LP	2200 WESTLAKE AVE, SEATTLE 98121	DMC 240/290-440	1,603	24,352	24,352	Commercial Use	$21,842,000	Commercial Use	$21,864,000	$22,000	0.10%	$8,620
D-149-003	8729740030	http://blue.kingcou	2200 WESTLAKE (PAN PACIFIC, WHOLE FOODS & CONDOS) F-L	HHLP SEATTLE ASSOCIATES LLC	2200 WESTLAKE AVE, SEATTLE 98121	DMC 240/290-440	2,267	107,237	107,237	Commercial Use	$118,210,000	Commercial Use	$118,269,000	$59,000	0.05%	$23,117
D-149-004	8729740040	http://blue.kingcou	2200 WESTLAKE (PAN PACIFIC, WHOLE FOODS & CONDOS) F-L	WRI 2200 WESTLAKE LP	2200 WESTLAKE AVE, SEATTLE 98121	DMC 240/290-440	1,654	43,616	43,616	Commercial Use	$39,121,000	Commercial Use	$39,159,000	$38,000	0.10%	$14,889
D-149-005	8729740050	http://blue.kingcou	2200 WESTLAKE (PAN PACIFIC, WHOLE FOODS & CONDOS) F-L	WRI 2200 WESTLAKE LP	2200 WESTLAKE AVE, SEATTLE 98121	DMC 240/290-440	277	13,072	13,072	Commercial Use	$11,726,000	Commercial Use	$11,739,000	$13,000	0.11%	$5,094
D-151	0660001324	http://blue.kingcou	CORNISH COLLEGE OF THE ARTS - STUDENT HOUSING	CORNISH COLLEGE OF THE ARTS	2025 TERRY AVE, SEATTLE 98121	DMC 240/290-440	10,620	157,623	149,836	Multi-Family/Commercial	$61,731,000	Multi-Family/Commercial	$61,792,000	$61,000	0.10%	$23,901
D-152	0269800000	http://blue.kingcou	ARISTO, THE CONDOMINIUM		2015 TERRY AVE, SEATTLE 98121	DMC 240/290-440	17,980	52,077	52,077	Commercial Redevelopment	$0	Commercial Redevelopment	$0	$0		$0
D-152-001	0269800020	http://blue.kingcou	ARISTO, THE CONDOMINIUM	LUI WAH (QPRT) +WAH LUI (TR	2015 TERRY AVE, SEATTLE 98121	DMC 240/290-440	3,542	9,732	9,732	Commercial Redevelopment	$9,000,000	Commercial Redevelopment	$9,013,000	$13,000	0.14%	$5,094
D-154	0660001370	http://blue.kingcou	Parking Garage	SPRUCE STREET SCHOOL	922 VIRGINIA ST, SEATTLE 98101	DMC 240/290-440	7,200	9,600	7,200	Commercial Redevelopment	$12,240,000	Commercial Redevelopment	$12,258,000	$18,000	0.15%	$7,053
D-155	0660001365	http://blue.kingcou	Spruce Street School	SPRUCE STREET SCHOOL	914 VIRGINIA ST, SEATTLE 98101	DMC 240/290-440	7,200	22,860	22,860	Commercial Redevelopment	$12,240,000	Commercial Redevelopment	$12,258,000	$18,000	0.15%	$7,053
D-156	0660001310	http://blue.kingcou	Social Security Administration	CREIGHTON JOHN	901 LENORA ST, SEATTLE 98121	DMC 240/290-440	21,600	21,600	21,600	Commercial Redevelopment	$36,720,000	Commercial Redevelopment	$36,775,000	$55,000	0.15%	$21,550
D-157	0660001305	http://blue.kingcou	STORAGE BUILDING	CORNISH COLLEGE OF THE ARTS	2014 9TH AVE, SEATTLE 98121	DMC 240/290-440	7,200	28,800	28,800	Commercial Redevelopment	$11,520,000	Commercial Redevelopment	$11,537,000	$17,000	0.15%	$6,661
D-158	066000 1280	http://blue.kingcou	YUEN LUI + CLEANERS	CORNISH COLLEGE OF THE ARTS	2000 9TH AVE	DMC 240/290-440	14,400	34,200	25,843	Commercial Redevelopment	$15,840,000	Commercial Redevelopment	$15,864,000	$24,000	0.15%	$9,404
D-159	066000 1255	http://blue.kingcou	1915 TERRY BLDG. (Amazon - Kumo Bldg)	SEATTLE CHILDREN'S HOSPITAL	1915 TERRY AVE	DMC 340/290-440	42,360	274,362	263,216	Commercial Use	$127,103,000	Commercial Use	$127,303,000	$200,000	0.16%	$78,364
D-160	066000 1240	http://blue.kingcou	Print Time	DIAMOND PARKING INC	1932 9TH AVE	DMC 340/290-440	7,200	5,880	5,880	Commercial Redevelopment	$11,520,000	Commercial Redevelopment	$11,537,000	$17,000	0.15%	$6,661
D-161	0660001235	http://blue.kingcou	JULIE APARTMENTS	JULIE APARTMENTS LIMITED PA	1922 9TH AVE, SEATTLE 98101	DMC 340/290-440	7,200	30,180	24,242	Multi-Family/Commercial	$12,600,000	Multi-Family/Commercial	$12,600,000	$0	0.00%	$0
D-162	066000 1230	http://blue.kingcou	9th & Stewart Life Sciences Bldg.	CHILDRENS HEALTHCARE SYSTEM	1916 9TH AVE	DMC 340/290-440	7,200	0	0	Commercial Redevelopment	$11,520,000	Commercial Redevelopment	$11,537,000	$17,000	0.15%	$6,661
D-163	066000 1225	http://blue.kingcou	9th & Stewart Life Sciences Bldg.	CHILDRENS HEALTHCARE SYSTEM	1906 9TH AVE	DMC 340/290-440	7,200	0	0	Commercial Redevelopment	$11,520,000	Commercial Redevelopment	$11,537,000	$17,000	0.15%	$6,661
D-164	066000 1215	http://blue.kingcou	9th & Stewart Life Sciences Bldg.-Childrens	CHILDRENS HEALTHCARE SYSTEM	1900 9TH AVE	DMC 340/290-440	13,560	299,070	219,788	Commercial Use	$129,832,000	Commercial Use	$129,932,000	$100,000	0.08%	$39,182
D-165	0660001190	http://blue.kingcou	RESIDENCE INN - DENNY	SEATTLE LAND BL LLC	1815 TERRY AVE, SEATTLE 98101	DMC 340/290-440	7,080	0	0	Commercial Redevelopment	$11,328,000	Commercial Redevelopment	$11,345,000	$17,000	0.15%	$6,661
D-166	0660001170	http://blue.kingcou	ASPIRA APARTMENTS	T-C ASPIRA LLC	1823 TERRY AVE, SEATTLE 98101	DMC 340/290-440	20,414	517,164	294,449	Multi-Family/Commercial	$192,259,000	Multi-Family/Commercial	$192,553,000	$294,000	0.15%	$115,196
D-167	0660001195	http://blue.kingcou	RESIDENCE INN - DENNY L-U	SEATTLE LAND BL LLC	1801 TERRY AVE, SEATTLE 98101	DMC 340/290-440	7,200	236,367	179,528	Commercial Redevelopment	$63,230,000	Commercial Redevelopment	$63,427,000	$197,000	0.31%	$77,189
D-168	274800 0000	http://blue.kingcou	Gethsemane Lutheran Church & Apts		911 STEWART ST	DMC 340/290-440	13,557	67,403	67,403	Multi-Family/Commercial	$0	Multi-Family/Commercial	$0	$0		$0
D-168-001	274800 0010	http://blue.kingcou	Gethsemane Lutheran Church & Apts	GETHSEMANE LUTHERAN CHURCH	911 STEWART ST	DMC 340/290-440	2,576	12,785	10,560	Multi-Family/Commercial	$4,121,000	Multi-Family/Commercial	$4,128,000	$7,000	0.00%	$2,743
D-168-002	274800 0020	http://blue.kingcou	Gethsemane Lutheran Church & Apts	GETHSEMANE LUTHERAN CHURCH	911 STEWART ST	DMC 340/290-440	3,593	17,889	17,889	Multi-Family/Commercial	$5,748,000	Multi-Family/Commercial	$5,757,000	$9,000	0.16%	$3,526
D-168-003	2748000030	http://blue.kingcou	Gethsemane Lutheran Church & Apts	9TH & STEWART LLC	911 STEWART ST, SEATTLE 98101	DMC 340/290-440	7,389	36,729	31,200	Multi-Family/Commercial	$17,670,000	Multi-Family/Commercial	$17,670,000	$0	0.00%	$0
D-169	066000 1135	http://blue.kingcou	1800 NINTH (Amazon - Alexandria Bldg)	HART 1800 NINTH AVENUE LLC	1800 9TH AVE	DMC 340/290-440	28,320	480,840	305,837	Commercial Use	$170,996,000	Commercial Use	$171,250,000	$254,000	0.15%	$99,523
D-170	066000 1420	http://blue.kingcou	CORNISH COLLEGE OF THE ARTS	CORNISH COLLEGE OF THE ARTS	1000 LENORA ST	DMC 240/290-440	31,050	126,593	126,593	Commercial Redevelopment	$37,260,000	Commercial Redevelopment	$37,279,000	$19,000	0.05%	$7,445
D-171	066000 1475	http://blue.kingcou	SURFACE PAVEMENT PARKING LOT (VACANT LAND)	NASH HOLLAND BOREN & LENORA	2031 BOREN AVE	DMC 240/290-440	7,200	0	0	Commercial Redevelopment	$10,080,000	Commercial Redevelopment	$10,088,000	$8,000	0.08%	$3,135
D-172	066000 1480	http://blue.kingcou	Surface Pavement Parking- formerly Assoc w Terry Housing Apts -1460	NASH HOLLAND BOREN & LENORA	2025 BOREN AVE	DMC 240/290-440	7,200	0	0	Commercial Redevelopment	$10,080,000	Commercial Redevelopment	$10,088,000	$8,000	0.08%	$3,135
D-173	066000 1485	http://blue.kingcou	SURFACE PAVEMENT PARKING LOT (VACANT LAND)	NASH HOLLAND BOREN & LENORA	2019 BOREN AVE	DMC 240/290-440	7,200	0	0	Commercial Redevelopment	$10,080,000	Commercial Redevelopment	$10,088,000	$8,000	0.08%	$3,135
D-174	066000 1490	http://blue.kingcou	RAISBECK PERFORMANCE HALL/CORNISH	CORNISH COLLEGE OF THE ARTS	2015 BOREN AVE	DMC 240/290-440	13,950	7,940	7,940	Commercial Redevelopment	$20,925,000	Commercial Redevelopment	$20,942,000	$17,000	0.08%	$6,661
D-175	066000 1505	http://blue.kingcou	YOUTHCARE - ORION CENTER	CORNISH COLLEGE OF THE ARTS	1020 VIRGINIA ST	DMC 240/290-440	3,300	7,004	7,004	Commercial Redevelopment	$4,950,000	Commercial Redevelopment	$4,954,000	$4,000	0.08%	$1,567
D-176	066000 1470	http://blue.kingcou	ALPHA CINE	CORNISH COLLEGE OF THE ARTS	1001 LENORA ST	DMC 240/290-440	7,200	21,600	21,600	Commercial Redevelopment	$10,800,000	Commercial Redevelopment	$10,809,000	$9,000	0.08%	$3,526
D-177	0660001460	http://blue.kingcou	TERRY AVENUE HOUSING	TERRY APTS	2020 TERRY AVE, SEATTLE 98121	DMC 240/290-440	18,611	65,210	40,078	Multi-Family/Commercial	$32,569,000	Multi-Family/Commercial	$32,569,000	$0	0.00%	$0
D-178	0660001455	http://blue.kingcou	GRAHAM APTS	GRAHAM APTS	2014 TERRY AVE, SEATTLE 98121	DMC 240/290-440	2,619	7,920	4,900	Multi-Family/Commercial	$4,583,000	Multi-Family/Commercial	$4,583,000	$0	0.00%	$0
D-179	066000 1445	http://blue.kingcou	CORNISH COLLEGE CLASSROOMS	NASH - HOLLAND 1000 VIRGINI	1000 VIRGINIA ST	DMC 240/290-440	14,400	28,800	28,800	Commercial Redevelopment	$21,600,000	Commercial Redevelopment	$21,617,000	$17,000	0.08%	$6,661
D-180	066000 1510	http://blue.kingcou	SURFACE PARKING LOT (VACANT LAND)	CHILDRENS HEALTHCARE SYSTEM	1024 STEWART ST	DMC 340/290-440	42,360	0	0	Commercial Redevelopment	$67,776,000	Commercial Redevelopment	$67,844,000	$68,000	0.10%	$26,644
D-181	066000 1530	http://blue.kingcou	SURFACE PARKING LOT (VACANT LAND)	CHILDRENS HEALTHCARE SYSTEM	1001 VIRGINIA ST	DMC 340/290-440	14,160	0	0	Commercial Redevelopment	$22,656,000	Commercial Redevelopment	$22,679,000	$23,000	0.10%	$9,012
D-182	066000 1525	http://blue.kingcou	BUILDING CURE	CHILDRENS HEALTHCARE SYSTEM	1920 TERRY AVE	DMC 340/290-440	14,160	6,000	6,000	Commercial Redevelopment	$22,656,000	Commercial Redevelopment	$22,679,000	$23,000	0.10%	$9,012
D-183	0660001512	http://blue.kingcou	SURFACE PARKING LOT (VACANT LOT)	SEATTLE CHILDREN'S HOSPITAL	1906 TERRY AVE	DMC 340/290-440	13,334	0	0	Commercial Redevelopment	$21,334,000	Commercial Redevelopment	$21,356,000	$22,000	0.10%	$8,620
D-184	337440 0000	http://blue.kingcou	HILL7 - Hilton Garden Inn & Office Building		1821 BOREN AVE	DMC 340/290-440	41,619	589,533	428,832	Commercial Use	$0	Commercial Use	$0	$0		$0
D-184-001	3374400010	http://blue.kingcou	HILL7 - Hilton Garden Inn & Office Building F-Up	1821 BOREN AVENUE LLC	1821 BOREN AVE, SEATTLE 98101	DMC 340/290-440	11,229	158,207	143,152	Commercial Use	$112,233,000	Commercial Use	$112,629,000	$396,000	0.35%	$155,162
D-184-002	337440 0020	http://blue.kingcou	HILL7 - Hilton Garden Inn & Office Building	HUDSON 1099 STEWART STREET	1821 BOREN AVE	DMC 340/290-440	30,390	431,326	285,680	Commercial Use	$183,801,000	Commercial Use	$183,983,000	$182,000	0.10%	$71,312
D-185	066000 1605	http://blue.kingcou	Amazon - Oscar Bldg (fmrly Midtown21)	MIDTOWN21 LLC	1007 STEWART ST	DMC 340/290-440	13,334	489,821	373,458	Commercial Redevelopment	$333,638,000	Commercial Redevelopment	$333,831,000	$193,000	0.06%	$75,622
D-186	066000 1600	http://blue.kingcou	MIDTOWN21 (AMAZON)	MIDTOWN21 LLC	1818 TERRY AVE	DMC 340/290-440	3,540	0	0	Commercial Redevelopment	$5,664,000	Commercial Redevelopment	$5,670,000	$6,000	0.11%	$2,351
D-187	0660001200	http://blue.kingcou	RESIDENCE INN - DENNY	SEATTLE LAND BL LLC	914 HOWELL ST, SEATTLE 98101	DMC 340/290-440	6,960	0	0	Commercial Redevelopment	$11,136,000	Commercial Redevelopment	$11,153,000	$17,000	0.15%	$6,661
D-188	066000 1595	http://blue.kingcou	MIDTOWN21 (AMAZON)	MIDTOWN21 LLC	1820 TERRY AVE	DMC 340/290-440	3,540	0	0	Commercial Redevelopment	$5,664,000	Commercial Redevelopment	$5,670,000	$6,000	0.11%	$2,351
D-189	066000 1580	http://blue.kingcou	SEATTLE VAULT SELF-STORAGE	INSIGNIA 2006 LLC+SEAWEST	1800 TERRY AVE	DMC 340/290-440	21,600	93,660	76,860	Commercial Redevelopment	$34,560,000	Commercial Redevelopment	$34,612,000	$52,000	0.15%	$20,375
D-190	219270 0000	https://blue.kingcou	EAST TERRY CONDOMINIUM	-	1004 OLIVE WAY	DMC 340/290-440	47,813	0	0	Commercial Redevelopment	$0	Commercial Redevelopment	$0	$0		$0
D-190-001	219270 0010	https://blue.kingcou	EAST TERRY CONDOMINIUM - Convention Center	WSCC PFD ACCOUNTING	1004 OLIVE WAY	DMC 340/290-440	23,907	81,784	81,784	Commercial Redevelopment	$40,641,000	Commercial Redevelopment	$40,743,000	$102,000	0.25%	$39,966
D-190-002	219270 0020	https://blue.kingcou	EAST TERRY CONDOMINIUM - Office	WSCC PFD ACCOUNTING	1004 OLIVE WAY	DMC 340/290-440	23,907	564,480	564,480	Commercial Redevelopment	$40,641,000	Commercial Redevelopment	$40,743,000	$102,000	0.25%	$39,966
D-194	066000 2245	http://blue.kingcou	Recovery Cafe	FRIENDS OF RECOVERY CAFE	2022 BOREN AVE	DMC 240/290-440	8,071	9,453	8,000	Commercial Redevelopment	$11,299,000	Commercial Redevelopment	$11,305,000	$6,000	0.05%	$2,351
D-195	066000 2230	http://blue.kingcou	VACANT LAND - (OLD DENNY CENTER)	INSIGNIA 2006 LLC+SEAWEST	1100 VIRGINIA ST	DMC 240/290-440	25,500	0	0	Multi-Family/Commercial Redevelopment	$38,250,000	Multi-Family/Commercial Redevelopment	$38,269,000	$19,000	0.05%	$7,445
D-196	066000 2195	http://blue.kingcou	CITY OF SEATTLE (SEATTLE POLICE COMMUNICATION GARAGE)	1901 MINOR SEATTLE LIMITED	1933 MINOR AVE	DMC 240/290-440	14,400	3,788	3,788	Commercial Redevelopment	$21,600,000	Commercial Redevelopment	$21,617,000	$17,000	0.08%	$6,661
D-197	066000 2210	http://blue.kingcou	MODERN DIGITAL	HILLIS CLARK MARTIN+PETERSO	1921 MINOR AVE	DMC 240/290-440	7,200	6,000	6,000	Commercial Redevelopment	$10,800,000	Commercial Redevelopment	$10,809,000	$9,000	0.08%	$3,526
D-198	066000 2215	http://blue.kingcou	VACANT LAND	HILLIS CLARK MARTIN+PETERSO	1913 MINOR AVE	DMC 240/290-440	7,200	0	0	Commercial Redevelopment	$10,800,000	Commercial Redevelopment	$10,809,000	$9,000	0.08%	$3,526
D-199	066000 2220	http://blue.kingcou	SURFACE PARKING LOT (VACANT LAND)	HILLIS CLARK MARTIN+PETERSO	1909 MINOR AVE	DMC 240/290-440	7,200	0	0	Commercial Redevelopment	$10,800,000	Commercial Redevelopment	$10,809,000	$9,000	0.08%	$3,526
D-200	066000 2225	http://blue.kingcou	SURFACE PARKING LOT (VACANT LAND)	HILLIS CLARK MARTIN+PETERSO	1901 MINOR AVE	DMC 240/290-440	6,432	0	0	Commercial Redevelopment	$9,648,000	Commercial Redevelopment	$9,656,000	$8,000	0.08%	$3,135
D-201	0660002190	http://blue.kingcou	Group Home	VBOB LLC	1930 BOREN AVE, SEATTLE 98101	DMC 240/290-440	14,400	16,520	16,520	Commercial Redevelopment	$25,200,000	Commercial Redevelopment	$25,200,000	$0	0.00%	$0
D-202	066000 2170	http://blue.kingcou	Fassio Office Bldg.	GZI BOREN LLC	1916 BOREN AVE	DMC 240/290-440	22,800	21,852	21,600	Commercial Redevelopment	$34,200,000	Commercial Redevelopment	$34,227,000	$27,000	0.08%	$10,579
D-203	066000 2155	http://blue.kingcou	DOLLAR CAR RENTAL	GZI BOREN LLC	1900 BOREN AVE	DMC 240/290-440	5,160	256	256	Commercial Redevelopment	$7,740,000	Commercial Redevelopment	$7,746,000	$6,000	0.08%	$2,351
D-204	066000 2115	http://blue.kingcou	SURFACE PARKING LOT (VACANT LAND)	NIPO DOWNTOWN HOTEL INC	1121 STEWART ST	DMC 240/290-440	9,960	0	0	Commercial Redevelopment	$16,932,000	Commercial Redevelopment	$16,946,000	$14,000	0.08%	$5,486
D-205	0660002125	http://blue.kingcou	KINECTS	TRITELL LLC	1823 MINOR AVE, SEATTLE 98101	DMC 240/290-440	17,700	512,983	444,203	Multi-Family/Commercial	$246,552,000	Multi-Family/Commercial	$246,806,000	$254,000	0.10%	$99,523
D-206	066000 2140	http://blue.kingcou	RETAIL/RESIDENTIAL BUILDING	STONE SQUARED PROPERTIES LL	1809 MINOR AVE	DMC 240/290-440	7,200	11,594	11,594	Commercial Redevelopment	$12,240,000	Commercial Redevelopment	$12,250,000	$10,000	0.08%	$3,918
D-207	066000 2145	http://blue.kingcou	Market House Corned Beef	DIAMOND PARKING INC #0847A	1124 HOWELL ST	DMC 240/290-440	3,600	3,370	3,370	Commercial Redevelopment	$6,120,000	Commercial Redevelopment	$6,125,000	$5,000	0.08%	$1,959
D-208	066000 2150	http://blue.kingcou	Re-Bar Tavern	1120 HOWELL LLC	1114 HOWELL ST	DMC 240/290-440	3,600	3,600	3,600	Commercial Redevelopment	$6,120,000	Commercial Redevelopment	$6,125,000	$5,000	0.08%	$1,959
D-209	8647700000	http://blue.kingcou	Tilt49 Office/Apt (Amazon - Lowflyinghawk Bldg & AMLI Arc Apts)		1812 BOREN AVE, SEATTLE 98101	DMC 240/290-440	41,657	947,181	652,274	Multi-Family/Commercial	$0	Multi-Family/Commercial	$0	$0		$0
D-209-001	8647700010	http://blue.kingcou	Tilt49 Office/Apt (Amazon - Lowflyinghawk Bldg & AMLI Arc Apts)	AMLI RESIDENTIAL	1812 BOREN AVE, SEATTLE 98101	DMC 240/290-440	19,425	424,994	360,000	Multi-Family/Commercial	$286,127,000	Multi-Family/Commercial	$286,419,000	$292,000	0.10%	$114,412
D-209-002	8647700020	http://blue.kingcou	Tilt49 Office/Apt (Amazon - Lowflyinghawk Bldg & AMLI Arc Apts)	URBAN RENAISSANCE PROPERTY	1812 BOREN AVE, SEATTLE 98101	DMC 240/290-440	22,232	305,542	292,274	Multi-Family/Commercial	$270,919,000	Multi-Family/Commercial	$271,215,000	$296,000	0.11%	$115,979
D-210	066000 2030	http://blue.kingcou	1100 OLIVE BUILDING - CHILDREN'S HOSPITAL LAB BLDG	TMT OLIVE LAB INC	1100 OLIVE WAY	DMC 340/290-440	33,090	66,588	38,345	Commercial Redevelopment	$56,253,000	Commercial Redevelopment	$56,337,000	$84,000	0.15%	$32,913
D-211	066000 2054	http://blue.kingcou	METROPOLITAN PARK I (West) OFFICE BLDG	SPUS7 METRO PARK WEST LP	1701 MINOR AVE	DMC 340/290-440	42,530	413,715	336,041	Commercial Use	$205,656,000	Commercial Use	$205,806,000	$150,000	0.07%	$58,773
D-212	066000 2295	http://blue.kingcou	VACANT LAND	PROJECT STEWART LLC	1221 DENNY WAY	DMC 240/290-440	11,500	0	0	Commercial Redevelopment	$18,975,000	Commercial Redevelopment	$18,994,000	$19,000	0.10%	$7,445
D-213	066000 2300	http://blue.kingcou	VACANT LAND	PROJECT STEWART LLC	1221 DENNY WAY	DMC 240/290-440	3,180	0	0	Commercial Redevelopment	$5,247,000	Commercial Redevelopment	$5,252,000	$5,000	0.10%	$1,959
D-214	066000 2305	http://blue.kingcou	VACANT LAND	PROJECT STEWART LLC	1221 DENNY WAY	DMC 240/290-440	3,180	0	0	Commercial Redevelopment	$5,247,000	Commercial Redevelopment	$5,252,000	$5,000	0.10%	$1,959
D-215	066000 2290	http://blue.kingcou	SURFACE PARKING LOT (VACANT LAND) (PARKING LOT TO ACCT #0660	PROJECT STEWART LLC	1201 DENNY WAY	DMC 240/290-440	8,900	0	0	Commercial Redevelopment	$14,685,000	Commercial Redevelopment	$14,700,000	$15,000	0.10%	$5,877
D-216	066000 2285	http://blue.kingcou	Kroesen's Uniforms	PROJECT STEWART LLC	1918 MINOR AVE	DMC 240/290-440	7,200	0	0	Commercial Redevelopment	$11,880,000	Commercial Redevelopment	$11,892,000	$12,000	0.10%	$4,702
D-217	066000 2280	http://blue.kingcou	Small Office/Shop Building	PROJECT STEWART LLC	1914 MINOR AVE	DMC 240/290-440	7,200	0	0	Commercial Redevelopment	$11,880,000	Commercial Redevelopment	$11,892,000	$12,000	0.10%	$4,702
D-218	066000 2264	http://blue.kingcou	1200 STEWART	PROJECT STEWART LLC	1200 STEWART ST	DMC 240/290-440	13,560	1,395,172	958,822	Commercial Redevelopment	$111,930,000	Commercial Redevelopment	$112,041,000	$111,000	0.10%	$43,492
D-219	066000 2381	http://blue.kingcou	METROPOLITAN PARK NORTH BUILDING	HUDSON MET PARK NORTH LLC	1204 HOWELL ST	DMC 240/290-440	42,600	380,312	184,691	Commercial Use	$120,277,000	Commercial Use	$120,382,000	$105,000	0.09%	$41,141
D-220	0660002340	http://blue.kingcou	BALFOUR PLACE APARTMENTS	BALFOUR PLACE PARTNERS LLC	1820 MINOR AVE, SEATTLE 98101	DMC 240/290-440	24,360	140,049	97,080	Multi-Family/Commercial	$50,578,000	Multi-Family/Commercial	$50,578,000	$0	0.00%	$0

EXHIBIT C

JLL | Achieve Ambitions

Real Estate Appraisal of Olive Lab

September 30, 2017

File Number: 1701-2017-1388

Valuation and Advisory Services

5 Riverway, Suite 200
Houston, TX 77056

Phone: 713,243.3300
Fax: 713.827.8552

October 5, 2017

Mr. Nick Wilde
Stockbridge Capital Group
445 Hamilton Ave, Suite 403A
White Plains, New York 10601

Re: Real Estate Appraisal
Olive Lab
1100 Olive Way, Seattle
King County, WA 98101

File Number: 1701-2017-1388

Dear Mr. Wilde:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is an existing office and laboratory property containing 38,345 square feet of rentable area. The Improvements were constructed in 1946, and converted in 2001 as a laboratory and renovated in 2009 by the current tenant. The property is 100.0% leased as of the effective appraisal date with approximately 2 years remaining on the primary term. The site area is 0.76 acres or 33,090 square feet.

Please reference page 9 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

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Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	9/30/2017	$19,700,000

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

Respectfully submitted,

JLL Valuation & Advisory Services, LLC

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Summary of Salient Facts and Conclusion

Part One

Property Name	Olive Lab
Address	1100 Olive Way
	Seattle, King County, Washington 98101
Property Type	Office/R&D
Owner of Record	Ironwood Apartments, Inc.
Tax ID	660002030
Land Area	0.76 acres; 33,090 SF
Gross Building Area	38,345 SF
Rentable Area	38,345 SF
Percent Leased	100%
Year Built	The buildings were built from 1946 to 1946.
Zoning Designation	DMC 340/290-440 - Downtown Mixed Commercial
Highest & Best Use - As If Vacant	Multifamily Use
Highest & Best Use - As Improved	Laboratory Use
Exposure Time; Marketing Period	6 months; 6 months
Date of Report	10/5/2017

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	9/30/2017	$19,700,000

The values reported above are subject to definitions, assumptions and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Stockbridge Capital Group may use or rely on the information, opinions and conslusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions and limiting conditions contained therein.

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

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Introduction

Sale History

The most recent closed sale of the subject property is shown in the following table.

Sale History	
Grantor:	Ironwood Apartments, Inc.
Grantee:	TMT Olive Lab, Inc.
Sale Date:	June 30, 2011
Sale Price:	$11,120,000
Document Number:	201106301465
Comments:	Lease has 9 years remaining on primary term. Seattle Children's Hospital is a credit tenant. Cap rate is 5.8%.

To the best of our knowledge, the prior sale was a typical market investment sale as the lease contained about 9 years remaining at the time of sale. Based on the calculated NOI of $648,000 at the time of sale, the prior sale cap rate was 5.8%.

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date. To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the 'as is' market value of the subject property of the Leased Fee interest in the property as of the effective date of the appraisal, September 30, 2017. The date of the report is October 5, 2017. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

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(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Property Rights Appraised

Fee simple estate is defined as, "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Leased fee interest is defined as, "A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease)."

Leasehold interest is defined as, "The tenant's possessory interest created by a lease."

Lease is defined as: "A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Intended Use and User

The intended use of the appraisal is for asset valuation. The client is Stockbridge Capital Group. The intended user(s) of the appraisal is/are the client and property owner. The appraisal is not intended for any other use or user. No party or parties other than client and property owner may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal guidelines of Stockbridge Capital Group.

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Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

Scope of Work	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Significant Appraisal Assistance	No one provided significant real property appraisal assistance to the person(s) signing this certification.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
Valuation Analyses	
Cost Approach:	A cost approach was not applied as The age of the property would limit the reliability of an accrued depreciation estimate. In addition, this approach is not typically used by market participants, except for new or nearly new properties.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was applied as the subject is an income producing property and there is adequate data to develop a value estimate with this approach.

Inspection

Kai Pan, MAI, has not personally inspected the subject property. Eric L. Enloe, MAI, CRE, FRICS has not personally inspected the subject property. Steve Calandra, MAI, conducted an interior and exterior inspection of the subject property on August 16, 2017.

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Area Demographics and Market Analysis

Seattle MSA Area Analysis

The subject is located in the Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area, hereinafter called the Seattle MSA, as defined by the U.S. Office of Management and Budget. The Seattle MSA is 5,872 square miles in size, and is the fifteenth most populous metropolitan area in the nation.

Population

The Seattle MSA has an estimated 2017 population of 3,726,343, which represents an average annual 1.1% increase over the 2010 census amount of 3,439,809. Seattle MSA added an average of 40,933 residents per year over the 2010 - 2017 period, and its annual growth rate is greater than that of the state of Washington.

Population Trends

	Population			Compound Ann. % Chng	
	2010 Census	2017 Est.	2022 Est.	2010 - 2017	2017 - 2022
Seattle MSA	3,439,809	3,726,343	3,995,106	1.1%	1.4%
Washington	6,724,540	7,177,994	7,585,878	0.9%	1.1%

Source: Esri 2017. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Seattle MSA's population is projected to increase at a 1.4% annual rate from 2017 - 2022, equivalent to the addition of an average of 53,753 residents per year. The Seattle MSA growth rate is expected to exceed that of Washington, which is projected to be 1.1%.

Employment

The current estimate of total employment in the Seattle MSA is 1,891,600 jobs. Since 2006, employment grew by 185,800 jobs, equivalent to a 10.9% gain over the entire period. There were gains in employment in seven of the past ten years despite the national economic downturn and slow recovery.

The Seattle MSA's rate of change in employment outperformed the state of Washington, which experienced an increase in employment of 9.0% or 259,700 over this period.

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Employment Trends

	Total Employment (Annual Average)				Unemployment Rate (Ann. Avg.)	
Year	Seattle MSA	Change	n	Change	Seattle MSA	Washington
2006	1,705,800		2,894,200		4.2%	5.0%
2007	1,758,300	3.1%	2,968,400	2.6%	3.7%	4.7%
2008	1,775,300	1.0%	2,993,800	0.9%	4.5%	5.4%
2009	1,688,000	-4.9%	2,862,700	-4.4%	8.7%	9.2%
2010	1,667,000	-1.2%	2,836,000	-0.9%	9.7%	10.0%
2011	1,694,100	1.6%	2,872,200	1.3%	8.7%	9.3%
2012	1,733,900	2.3%	2,919,200	1.6%	7.2%	8.1%
2013	1,783,000	2.8%	2,985,900	2.3%	5.8%	7.0%
2014	1,835,600	3.0%	3,065,300	2.7%	5.3%	6.1%
2015	1,891,600	3.1%	3,153,900	2.9%	4.9%	5.7%
Overall Change 2006-2015	185,800	10.9%	259,700	9.0%		
Avg Unemp. Rate 2006-2015					6.3%	7.1%
Unemployment Rate - August 2016					4.5%	5.4%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Seattle MSA unemployment rate of 6.3% has been lower than the Washington rate of 7.1%. In the latter half of the decade that trend has continued, as the Seattle MSA has consistently overperformed Washington. Recent data shows that the Seattle MSA unemployment rate is 4.5%, in comparison to a 5.4% rate for Washington, a positive sign for the Seattle MSA economy.

Employment Sectors

The composition of the Seattle MSA job market is illustrated in the chart below, paired with that of Washington. Total employment for the two areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Seattle MSA jobs in each sector.

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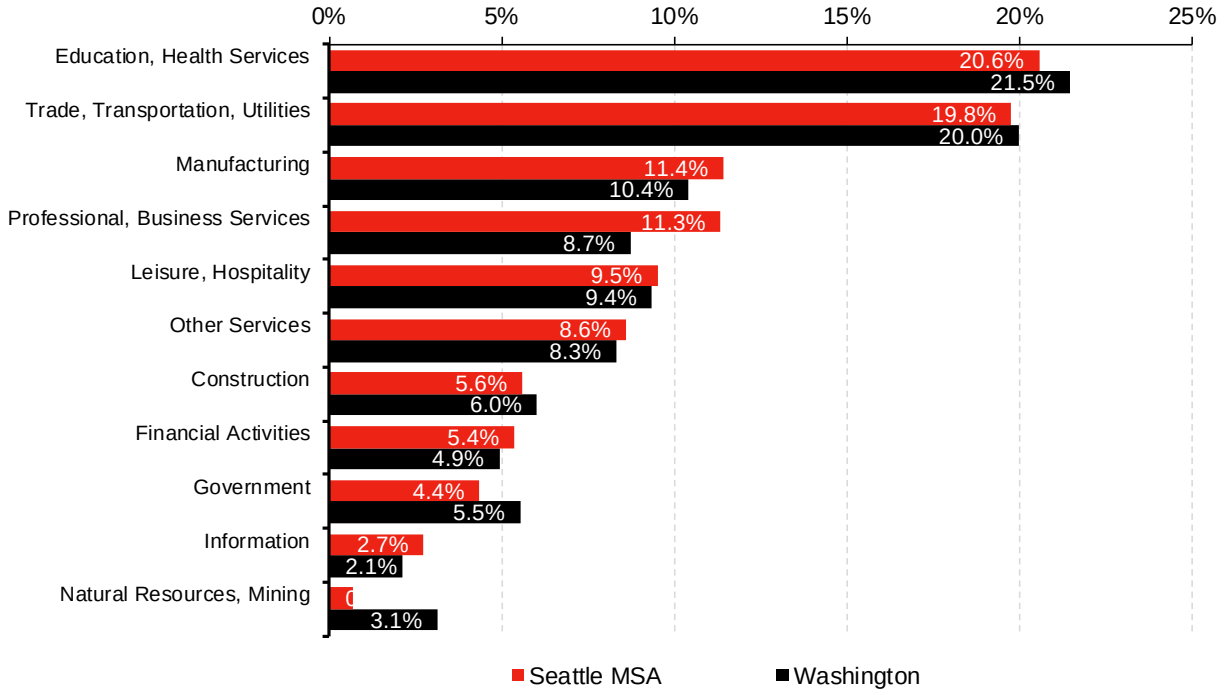
Employment Sectors - 2017



Source: Esri 2017. Compiled by JLL Valuation & Advisory Services, LLC.

The Seattle MSA has a greater percentage employment than Washington in the following categories:

1. Manufacturing - which accounts for 11.4% of Seattle MSA payroll employment compared to 10.4% for Washington as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
2. Professional, Business Services - which accounts for 11.3% of Seattle MSA payroll employment compared to 8.7% for Washington as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Leisure, Hospitality - which accounts for 9.5% of Seattle MSA payroll employment compared to 9.4% for Washington as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
4. Other Services - which accounts for 8.6% of Seattle MSA payroll employment compared to 8.3% for Washington as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.

The Seattle MSA is underrepresented in the following categories:

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1. Education, Health Services - which accounts for 20.6% of Seattle MSA payroll employment compared to 21.5% for Washington as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Trade, Transportation, Utilities - which accounts for 19.8% of Seattle MSA payroll employment compared to 20.0% for Washington as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric/gas/water utilities.
3. Construction - which accounts for 5.6% of Seattle MSA payroll employment compared to 6.0% for Washington as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Government - which accounts for 4.4% of Seattle MSA payroll employment compared to 5.5% for Washington as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.

Major Employers

The table below contains major employers in the Seattle MSA.

Major Employers - Seattle MSA

	Name	Number of Employees
1	The Boeing Co.	81,919
2	Microsoft Corp.	43,031
3	University of Washington	30,200
4	Amazon.com Inc.	24,700
5	King County Government	13,400
6	Starbucks Corp.	11,239
7	Swedish Health Services	10,758
8	City of Seattle	10,080
9	Costco Wholesale Corp.	9,264
10	Nordstrom	8,982

Source: http://www.edc-seaking.org/service/economic-data/economic-basics

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Seattle MSA is the eleventh largest metropolitan area economy in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Seattle MSA than Washington overall during the past nine years. The Seattle MSA has expanded at a 2.5% average annual rate while the state of Washington has grown at a 1.9% rate. As the national economy improves, that trend has reversed, with the Seattle MSA lagging Washington. GDP for the Seattle MSA rose by 2.9% in 2015 while Washington's grew by 2.9%.

The Seattle MSA has a per capita GDP of $75,960, which is 37.0% greater than Washington's GDP of $55,403. This means that the Seattle MSA industries and employers are adding relatively much more value to the economy than their peers in Washington.

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Gross Domestic Product

Year	[$mil] Seattle MSA	Change	[$mil] n	Change
2006	$227,899		$335,912	
2007	$244,109	7.1%	$354,944	5.7%
2008	$247,855	1.5%	$359,214	1.2%
2009	$240,035	-3.2%	$351,316	-2.2%
2010	$246,506	2.7%	$357,663	1.8%
2011	$252,156	2.3%	$360,358	0.8%
2012	$261,447	3.7%	$369,797	2.6%
2013	$266,017	1.7%	$374,911	1.4%
2014	$275,689	3.6%	$386,000	3.0%
2015	$283,602	2.9%	$397,321	2.9%
Compound % Chg (2006-2015)		2.5%		1.9%
GDP Per Capita 2015	$75,960		$55,403	

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted “real” GDP stated in 2009 dollars.

Household Income

The Seattle MSA has a much higher level of household income than Washington. Median household income for the Seattle MSA is $70,781, which is 16.1% higher than Washington.

Median Household Income - 2017

	Median
Seattle MSA	$70,781
Washington	$60,959
Comparison of Seattle MSA to Washington	16.1%

Source: Esri 2017. Compiled by JLL Valuation & Advisory Services, LLC.

The following chart shows the distribution of households across nine income levels.

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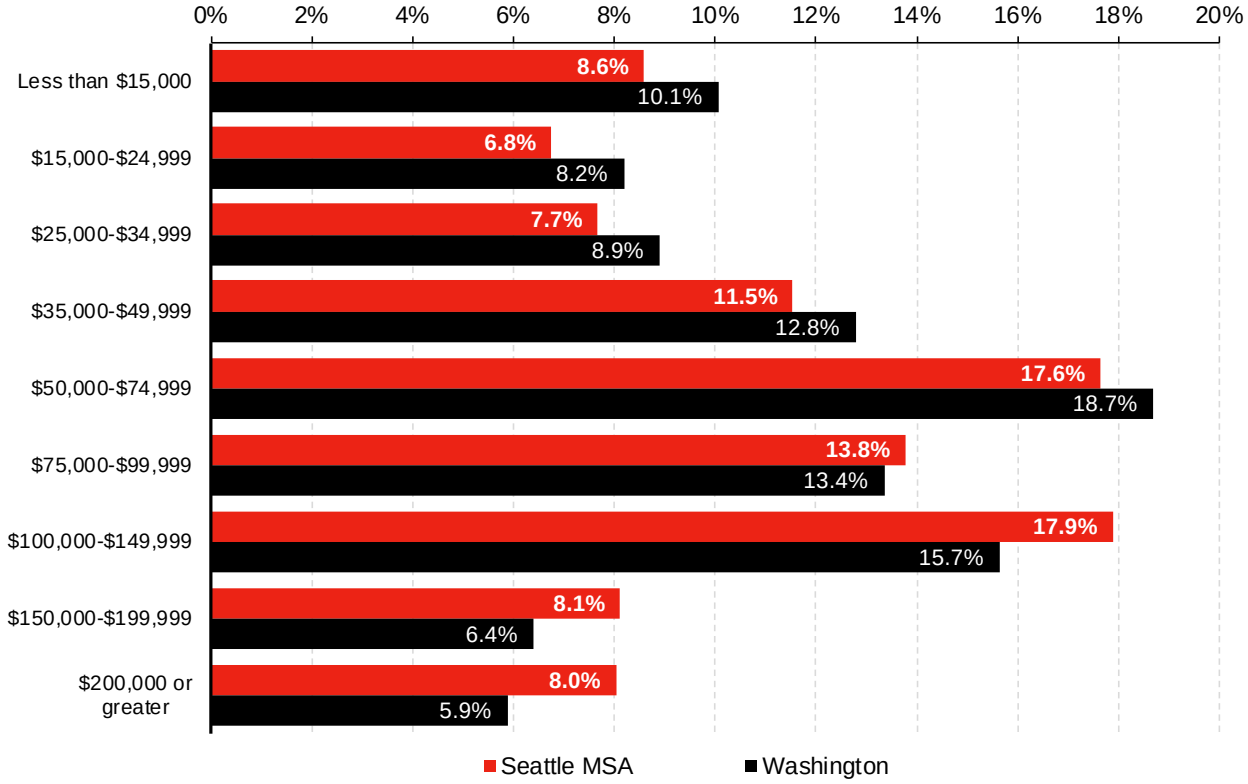
Household Income Distribution - 2017



Source: Esri 2017. Compiled by JLL Valuation & Advisory Services, LLC.

The Seattle MSA has a smaller concentration of households in the lower income levels than Washington. Specifically, 23% of the Seattle MSA households are below the $35,000 level in household income as compared to 27% of Washington households. A greater concentration of households exists in the higher income levels, as 48% of the Seattle MSA households are at the $75,000 or greater levels in household income versus 41% of Washington households.

Education and Age

Residents of the Seattle MSA have a higher level of educational attainment than those in Washington. An estimated 40% of the Seattle MSA residents are college graduates with four-year degrees or higher, while Washington residents have an estimated 34% with at least a four-year degree. People in the Seattle MSA are similar in age to their peers in Washington. The median age of both the Seattle MSA and Washington is 38 years.

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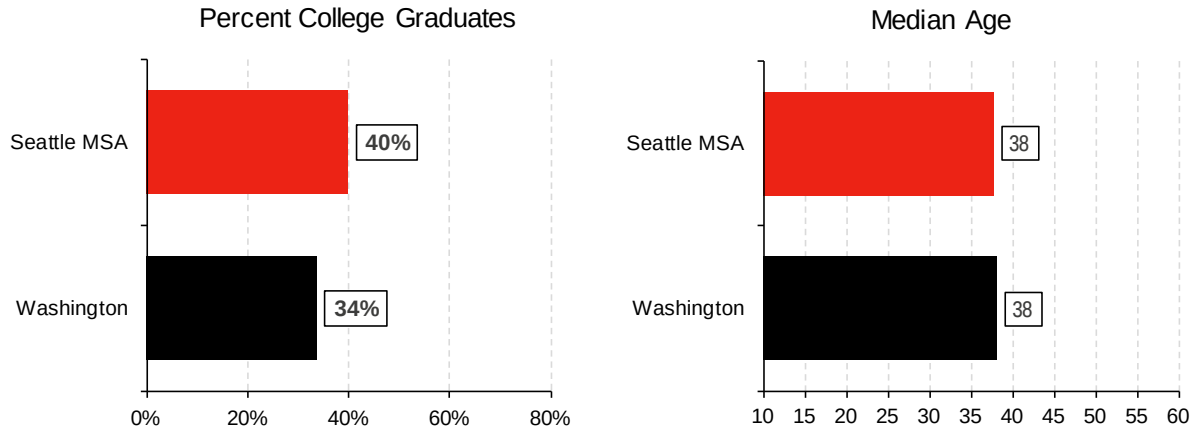
Education & Age - 2017



Source: Esri 2017. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

The Seattle MSA's economy will benefit from a rapidly growing population base, and higher income and education levels. The Seattle MSA saw an increase in the number of jobs in the past 10 years and has maintained a lower unemployment than Washington during the past decade. Furthermore, the Seattle MSA is well-positioned from being the fifteenth most populous metropolitan area in the country and having both a higher rate of GDP growth in the past nine years and a higher level of GDP per capita than Washington overall. We project that the Seattle MSA’s economy will improve and employment will grow, strengthening the demand for real estate overall.

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Surrounding Area Analysis

Boundaries

The subject is located in the CBD submarket, which is generally bound as follows:

North	Denny Way
South	S. Dearborn St.
East	12th Ave.
West	Elliott Bay

Demographics

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

Surrounding Area Demographics

2016 Estimates	1 mile radius	3 mile radius	5 mile radius	Seattle MSA	n
Population 2010	59,195	185,730	387,040	3,439,809	6,724,540
Population 2017	73,449	218,078	444,213	3,726,343	7,177,994
Population 2022	81,395	237,030	480,102	3,995,106	7,585,878
Compound % Change 2010 - 2017	3.1%	2.3%	2.0%	1.1%	0.9%
Compound % Change 2017 - 2022	2.1%	1.7%	1.6%	1.4%	1.1%
Households 2010	37,540	99,669	189,215	1,357,475	2,620,076
Households 2017	46,729	116,244	216,792	1,454,625	2,774,253
Households 2022	52,016	126,910	234,996	1,554,110	2,924,655
Compound % Change 2010 - 2017	3.2%	2.2%	2.0%	1.0%	0.8%
Compound % Change 2017 - 2022	2.2%	1.8%	1.6%	1.3%	1.1%
Median Household Income	$49,622	$64,619	$72,510	$70,781	$60,959
Average Household Size	1.4	1.7	1.9	2.5	2.5
College Graduate %	37%	38%	39%	40%	34%
Median Age	35	36	36	38	38
Owner Occupied %	16%	29%	38%	60%	63%
Renter Occupied %	73%	62%	55%	40%	37%
Median Home Value	$415,713	$581,373	$583,188	$367,440	$296,396
Median Year Structure Built	1976	1965	1960	1980	1980
Avg. Travel Time to Work in Min.	-	-	-	28	26

Source: Esri 2017. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three mile radius of the subject is 218,078, and the average household size is 1.7. Population in the area has risen relatively rapidly since the 2010 census, and this trend is expected to continue in the ensuing five years. The pace of population growth within a three mile radius is projected to exceed that of the Seattle MSA overall.

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Median household income is $64,619, which is lower than the household income for the Seattle MSA as a whole. The populace within a three mile radius has less formal college education than residents in the Seattle MSA, which is noteworthy given that median home values in the area are substantially higher.

Demand Generators

Major employers include Amazon.com and Starbucks. These are located within 2 miles of the property and represent significant concentrations in the coffee and online retail industries. In addition to its strong employment base, the area is easily accessible to the Bellevue and Tacoma submarkets, all within 40 minutes driving time. Access to employment centers in other submarkets is a major demand driver.

Access and Linkages

Primary access to the area is provided by Interstate 90, a major arterial that crosses the Seattle area in an east/west direction. Access to the subject from Interstate 90 is provided by Howell St., and travel time from the major arterial to the subject is about 4 minutes. Overall, vehicular access is good.

Primary access to the area is provided by Interstate 5, a major arterial that crosses the Seattle area in a north/south direction. Access to the subject from Interstate 5 is provided by Howell St, and travel time from the major arterial to the subject is about 2 minutes. Overall, vehicular access is good.

Public transportation is provided by King County Metro Transit and provides access to downtown Seattle and outlying neighborhoods in King County. The nearest bus station is the Convention Place Station, located across Olive Way from the subject. The local market perceives public transportation as good compared to other areas in the region.

The Seattle-Tacoma International Airport is located about 16 miles from the property; travel time is about 25 minutes, depending on traffic conditions. The subject is located within the Seattle CBD, the economic and cultural center of the region.

Outlook and Conclusion

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future.

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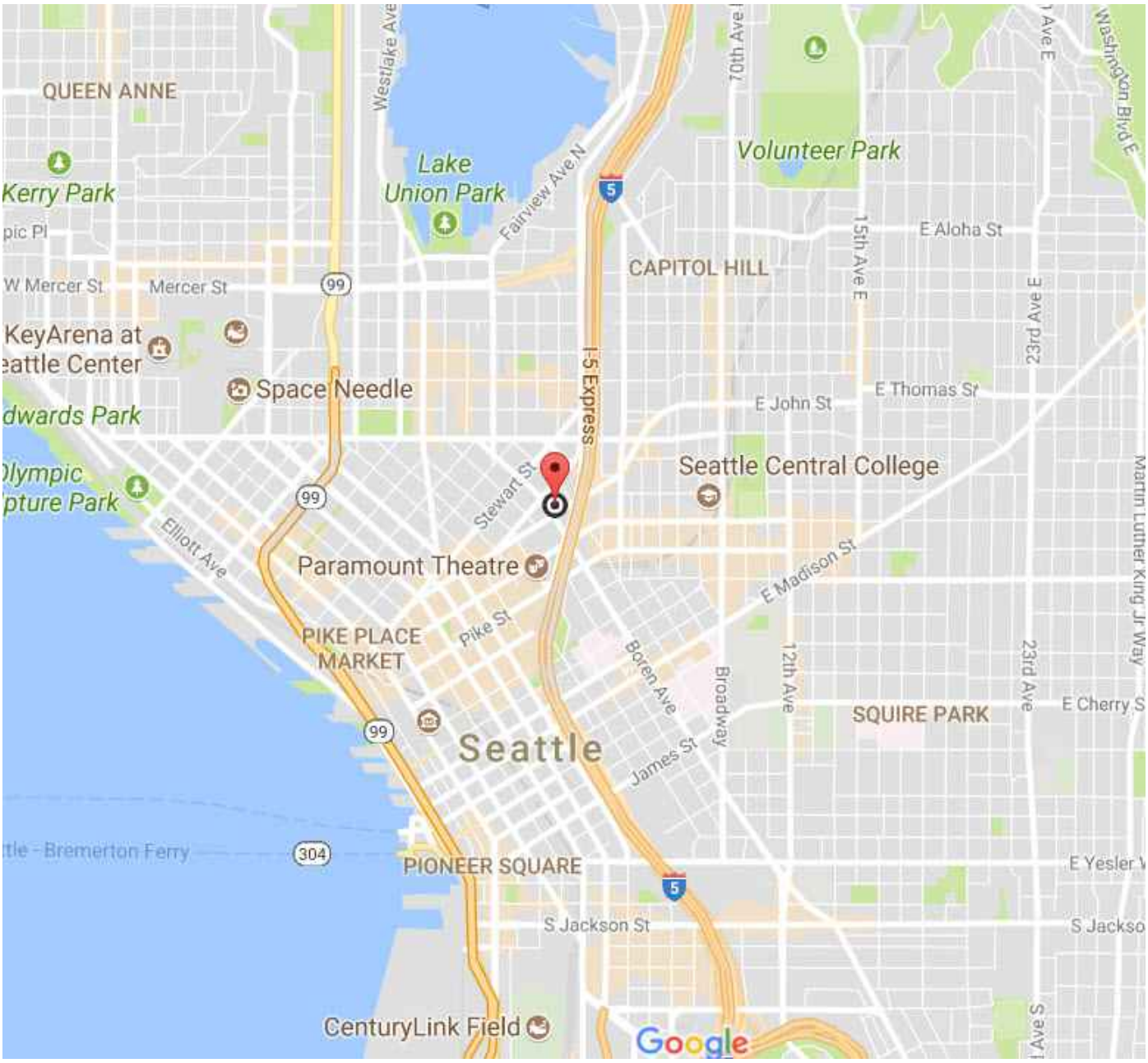
Location Map



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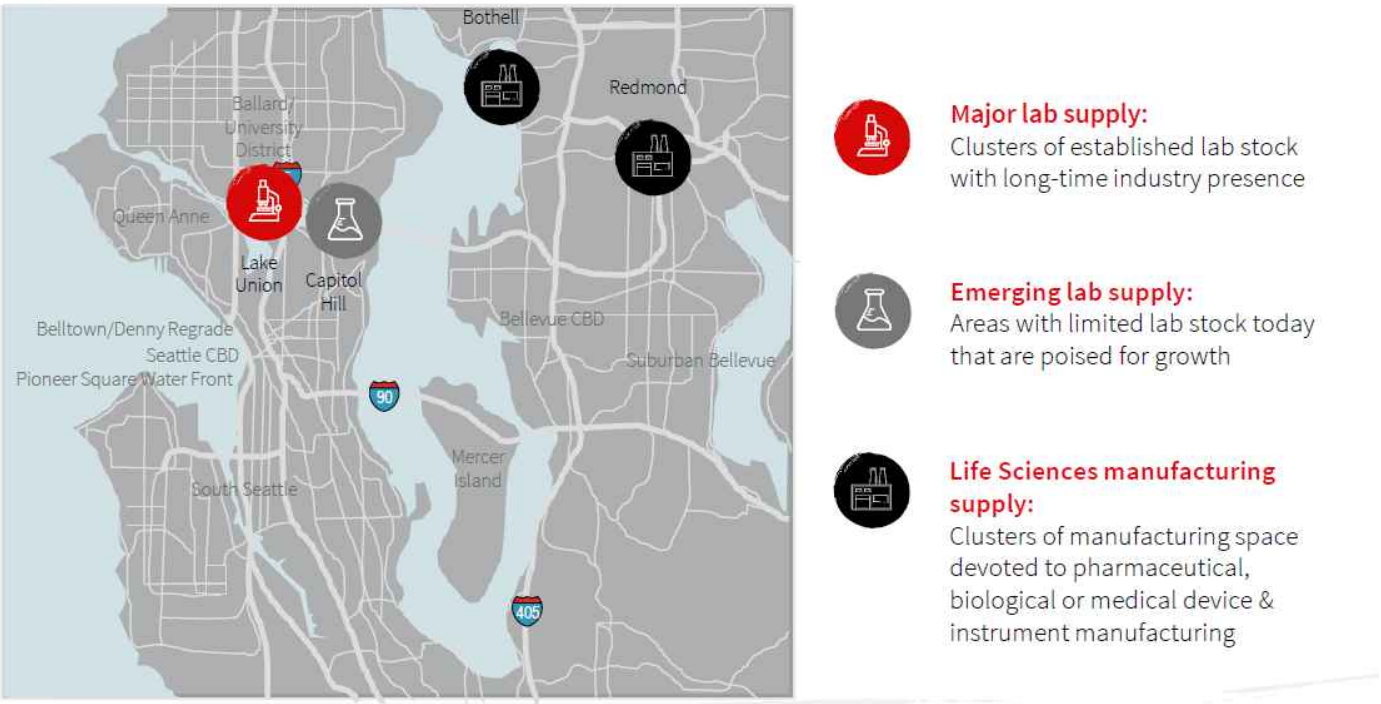
Life Science Market Overview

The following analysis is provided by *JLL Life Sciences Outlook Seattle-Bellevue 2017* as published by JLL Research.

The life sciences industry is the fifth largest industry in Washington and is responsible for more than $12.5 billion of the state's GDP. As the industry continues to expand and capture a wider range of emerging sectors, such as digital health, the trade organization formerly known as Washington Biotechnology & Biomedical Association has rebranded itself as Life Science Washington. This name change, coupled with the establishment of the Life Science and Global Health Advisory workforce panel and the declaration of June 1st as Life Sciences Day in Washington, signals a commitment from the local life sciences community to make the industry more competitive on a global level.

A number of world-renowned life sciences research institutions and companies based in Washington are clustered in the Seattle area, one of the nation's premier life sciences markets. This list includes the Allen Institute for Brain Science, Fred Hutch, Seattle Biomedical Research Institute, the Institute for Systems Biology, Seattle Genetics and Juno Therapeutics. The presence of major philanthropic organizations and educational institutions, such as the Bill & Melinda Gates Foundation and the University of Washington, has much to do with the high life sciences concentration. The Gates Foundation has funded several major grants to Seattle-based research institutes and the University of Washington consistently ranks in the top five of institutions receiving NIH funding nationally.



Puget Sound is home to many large life sciences institutions, but is driven primarily by small to mid-sized companies that are experiencing dynamic growth as a result of significant innovation.

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The Puget Sound market continually ranks in the top 10 nationally in VC and NIH funding, as well as patents issued, further demonstrating its position as an innovation hub supported by some of the world's largest philanthropic organizations.

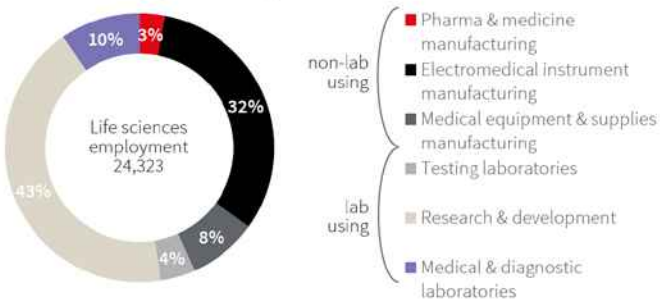
At $894.1 million, the Seattle cluster accounted for 3.6 percent of all NIH funding nationally. The number of life sciences businesses has grown by 3.1 percent year-over-year, as startups continue to pop up. As a result of that, along with growth from established companies, employment grew by 1 percent. While there was a notable decline in VC funding in the last 12 months, Paul Allen recently committed $100 million to create the Paul G. Allen Frontiers Group. This is a scientific fund that specializes in biological science.

Workforce	Total life sciences	% Life sciences to private employment	Year-over-year growth
Employment	24,323	1.8%	1.0%
Establishments	959	0.9%	3.1%

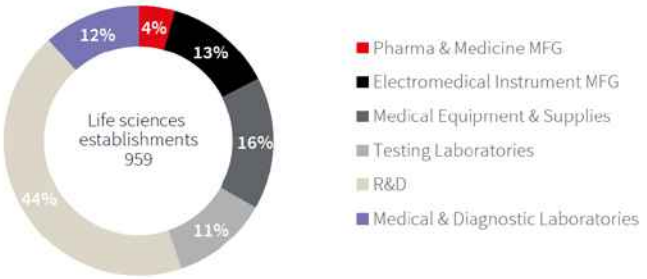
Funding	Total life sciences	% To total U.S.
VC funding	$128.0m	1.3%
NIH funding	$894.1m	3.6%

Inventory	Total supply	% Total vacancy	Average asking rent (NNN)
	9.7M s.f.	5.5%	$22.03 p.s.f.

Life sciences employment composition



Life sciences establishment composition



Despite a failed trial that caused it to cancel its flagship cancer drug, Juno Therapeutics has grown its headcount to about 550 employees. The company received a $50 million payment from its partner, Celgene, to develop and commercialize its pipeline internationally. Seattle based Alpine Immune Sciences landed $48 million in Series A funding in mid-2016. The company believes this funding will get it through the initial clinical testing of its cancer and autoimmune disease drugs.

Research and development companies make up the largest portion of life sciences institutions in the area. Seattle is on the cutting edge of the fast-growing immuneoncology segment of the life sciences industry. According to a recent report by Research and Markets, this segment is expected to grow from $14 billion in 2019 to $34 billion by

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2024. Adaptive Biotechnologies, which is headquartered in the Eastlake neighborhood of Lake Union, has a chance to be a major player in the space.

The subject is located near Lake Union and Capital Hill submarkets as defined by JLL Research. The following page from JLL Research summarizes a few major deals in these markets over the past year.

Lake Union

Rents continue to rise, with lab space nearly impossible to get

- Lake Union's office market sits at 4.4 percent vacant, but the lab subset is even tighter, at just 1.3 percent. This is a decline of 180 basis points year-over-year.
- Only one block of available space larger than 50,000 square feet is currently being marketed in the area. The space in the Rosen Building, previously occupied by the University of Washington, is being offered as a long-term sublease.
- The presence of the life sciences community plays a large role in Lake Union being the most expensive submarket in the Downtown Seattle cluster. Average asking rates for lab space are $39.37 per square foot, NNN. This is an increase of 14.8 percent year-over-year and represents a 19.8 percent premium over traditional Lake Union office space.
- The Alexandria Center, a 288,850-square-foot building, is the only life sciences project currently under construction. It will deliver fully leased in Q2.
- ZymoGenetics said it will vacate the Lake Union Steam Plant in 2019. Bristol-Myers Squibb acquired the pharmaceutical company for $885 million in 2010. Some of the Steam Plant's employees will transition to the company's Bothell facility. While this is certainly a hit to the Lake Union life sciences industry, it does open up about 112,000 square feet of lab space for one of the region's other biotech companies.

Capitol Hill

Pill Hill will remain space constrained

- Capitol Hill is the home to Harborview Medical Center, Swedish Medical Center, as well as Benaroya Research Institute, Theraclone Sciences, CellNetix and PharmaIN.
- The submarket currently has no vacant lab product and no new projects planned for the near future.

Facilities scorecard

Supply	Lake Union	Capitol Hill
Rentable lab stock	2.0M s.f.	0.6M s.f.
Owner occupied lab stock	1.7M s.f.	0.3M s.f.
(% of total lab stock)	37.7%	8.7%
Total vacancy	1.3%	0.0%
(Change year-over-year)	-1.8 ppts	-10.8 ppts
# of large blocks over 50,000 s.f.	1	0
Under construction (s.f.)	0.3M s.f.	0 s.f.
Demand		
# of requirements	7	0
Total s.f. requirements	280,000 s.f.	0 s.f.
Pricing		
Average asking rent (NNN)	$39.37 p.s.f.	$31.20 p.s.f.
(Change year-over-year)	+14.8%	0.0%

Recent activity

Battelle
1100 Dexter Avenue N
Lake Union
42,575 s.f.
Class A

1st Hill Medical Pavilion
Heitman / NexCore Group
Capitol Hill
Rba: 227,628
Class A
$845/s.f.

Rosen Building
964 Republican Street
Lake Union
60,375 s.f.
Class A

The Alexandria Center
400 Dexter Avenue N
Lake Union
288,850 s.f.
Class A
$47.00 NNN

Activity key: **Leasing**
Sales
Under construction
Large blocks of space

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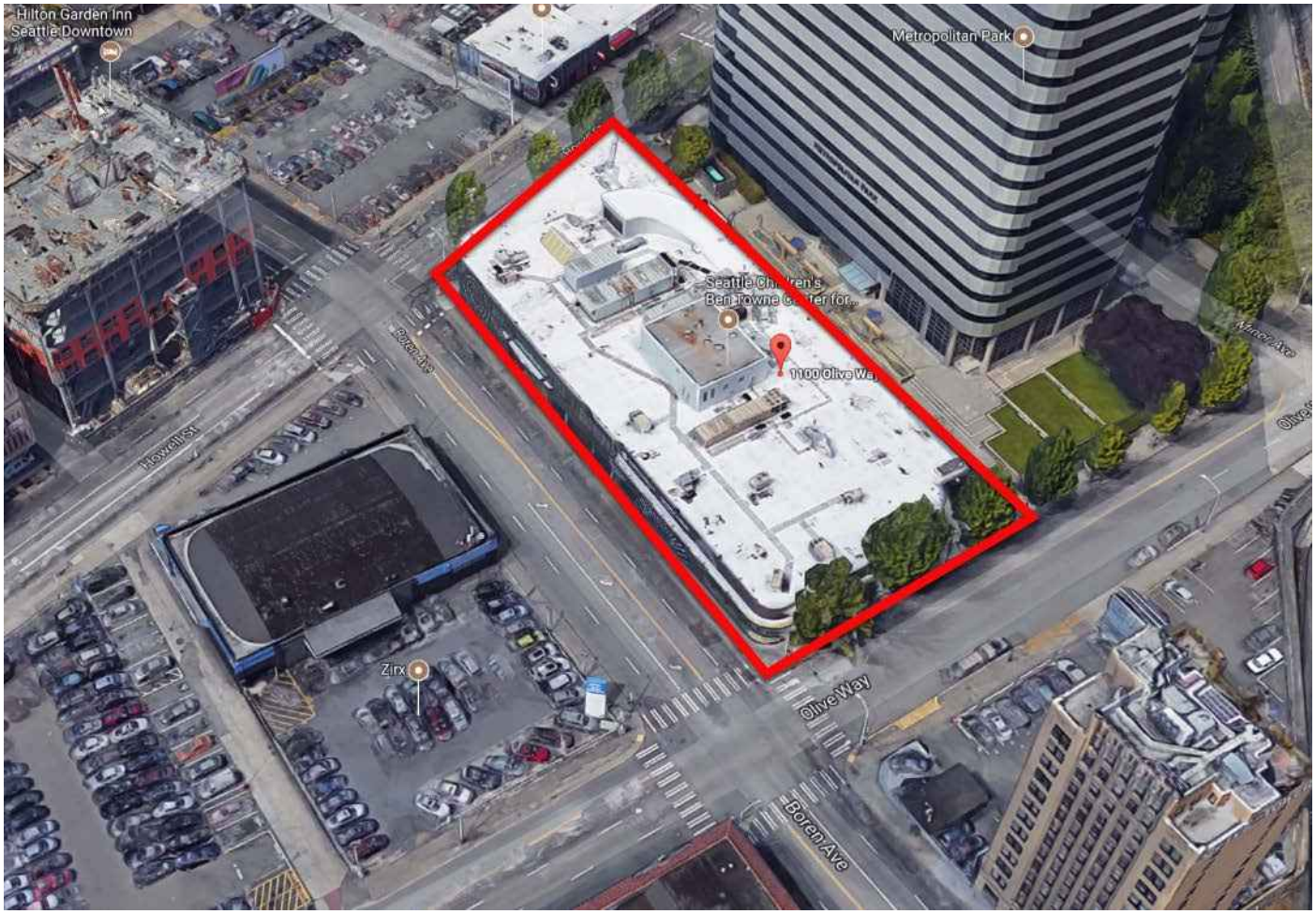
Property Description

Site Description

Aerial Map



Site Size

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
660002030	0.76	33,090	0.76	33,090	Level	Basically Rectangular

Shape

The site has a trapezoid shape.. The site has an average depth of 120 feet.

Frontage/Access

The subject property has excellent access with frontage as follows: Olive Way: 119 feet, Boren Ave: 270 feet. It is a corner lot.

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Visibility
The site has Excellent visibility along Olive Way.

Topography
The subject has gently sloping topography.

Drainage
No drainage problem were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.

Soil Conditions
The soil conditions observed at the subject appear to be typical of the region and adequate to support development.

Utilities
Utility providers for the subject property are as follows:

Electricity: Puget Sound Energy
Sewer: City sewer
Water: City water
Natural Gas: Puget Sound Energy
Adequacy: The subject's utilities are typical and adequate for the market area.

Flood Zone
The subject is not in a flood zone.
FEMA Map Number: 53033C0630F
FEMA Map Date: May 16, 1995

Wetlands/Watershed
No wetlands were observed during our site inspection.

Environmental Hazards
A Phase I environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise and are beyond the scope of this appraisal. It is assumed that the property is not adversely affected by environmental hazards.

Encumbrance/Easements/Restrictions
We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Overall Site Utility
The site has good and typical utility.

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Tax Map

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Improvements Description

Improvements Description	
Name:	Olive Lab
Property Type:	Office/R&D
Overview:	The subject is an existing office and laboratory property containing 38,345 square feet of rentable area. The Improvements were constructed in 1946, and converted in 2001 as a laboratory and renovated in 2009 by the current tenant. The property is 100.0% leased as of the effective appraisal date with approximately 2 years remaining on the primary term. The site area is 0.76 acres or 33,090 square feet.

Building Summary

Building Name/ID	Effective Age	Condition	Number of Stories	Gross Building Area	Rentable Area
Seattle Children's Research Institute - Olive Lab Building	20	Good	2.0	38,345	38,345

General - Seattle Children's Research Institute - Olive Lab Building	
Building Identification:	Seattle Children's Research Institute - Olive Lab Building
Building Description:	Office - Life Science Laboratory
Construction:	Class B
Construction Quality:	Good
Year Built:	1946
Renovations:	2001 (initial lab conversion)/ 2009 (upgrades by Children's Hospital)
Effective Age:	20 years
Remaining Useful Life:	20
Condition:	Good
Appeal/Appearance:	Good
Areas, Ratios & Numbers:	Number of Stories: 2.00 Gross Building Area: 38,345 Rentable Area: 38,345 Land to Building Ratio: 0.86 to 1 1st floor contains storage area and 66 parking spaces. 2nd floor contains office, laboratory, production area, and a vivarium.
Foundation, Frame & Exterior - Seattle Children's Research Institute - Olive Lab Building	
Foundation:	Poured concrete slab
Structural Frame:	Reinforced Concrete Frame
Exterior:	Glass and concrete
Windows:	Fixed Casement
Roof/Cover:	Flat / Rubber Membrane
Interior - Seattle Children's Research Institute - Olive Lab Building	
Interior Layout:	Good
Floor Cover:	Carpet, Linoleum
Walls:	Painted drywall

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Ceilings & Ceiling Height:	Acoustic ceiling panels
Lighting:	A mix of fluorescent and incandescent lighting.
Restrooms:	One pair of men's and women's restrooms on the 2nd floor
Other:	Tenant reportedly spent over $5,000,000 in major interior upgrades in 2009.
Mechanical Systems - Seattle Children's Research Institute - Olive Lab Building	
Heating	Central
Cooling:	Central
Electrical:	Assumed adequate
Plumbing Condition	Assumed good
Sprinkler:	100% Wet
Elevators/Escalators:	One/ None
Security:	Yes
Parking	
Parking Type and Number of Spaces:	Type: Parking structure; Managed by Republic Parking , Annual rent is $63,000 Spaces: 66 Condition: Good
Parking Ratio:	1.72 spaces per 1,000 square feet.
Adequacy:	Adequate
Property Analysis	
Design & Functional Utility:	Good
Deferred Maintenance:	None
Capital Improvements:	None
Furniture, Fixtures & Equipment (FF&E)	None included
Americans With Disabilities Act	Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.
Hazardous Substances	A Phase I environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise and are beyond the scope of this appraisal. It is assumed that the property is not adversely affected by environmental hazards.

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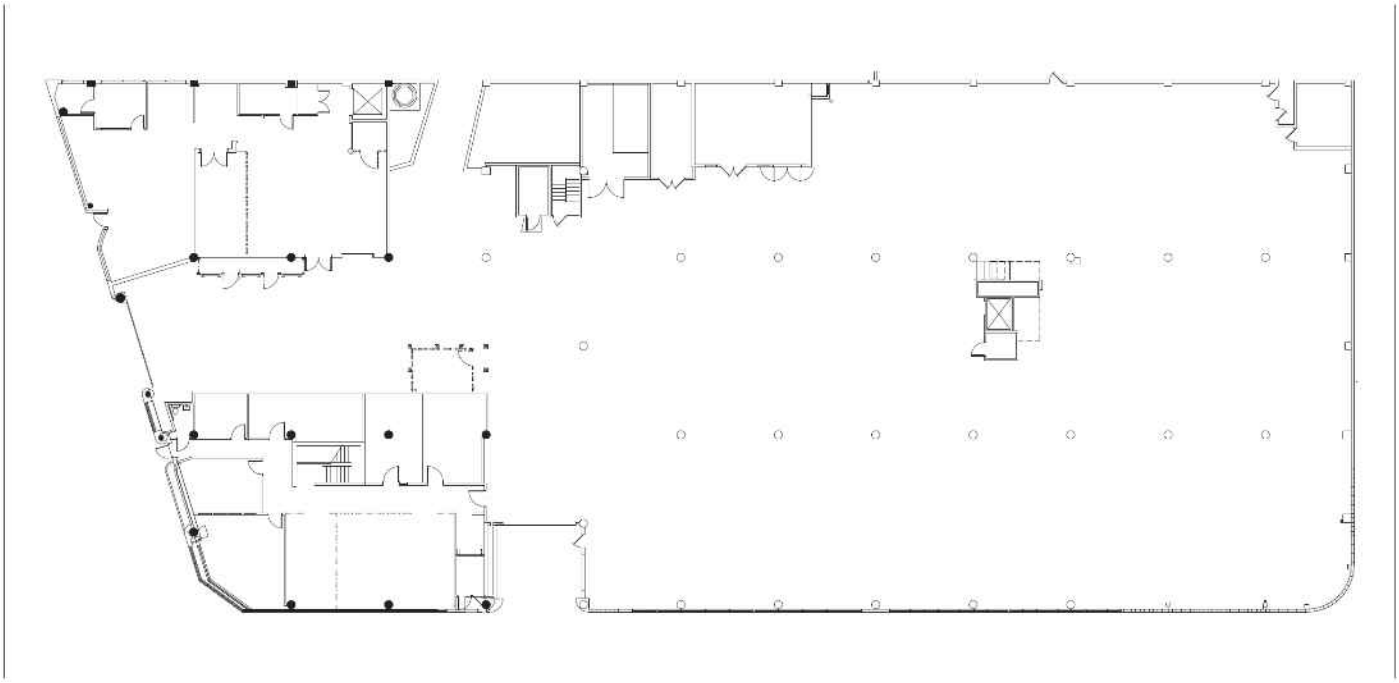
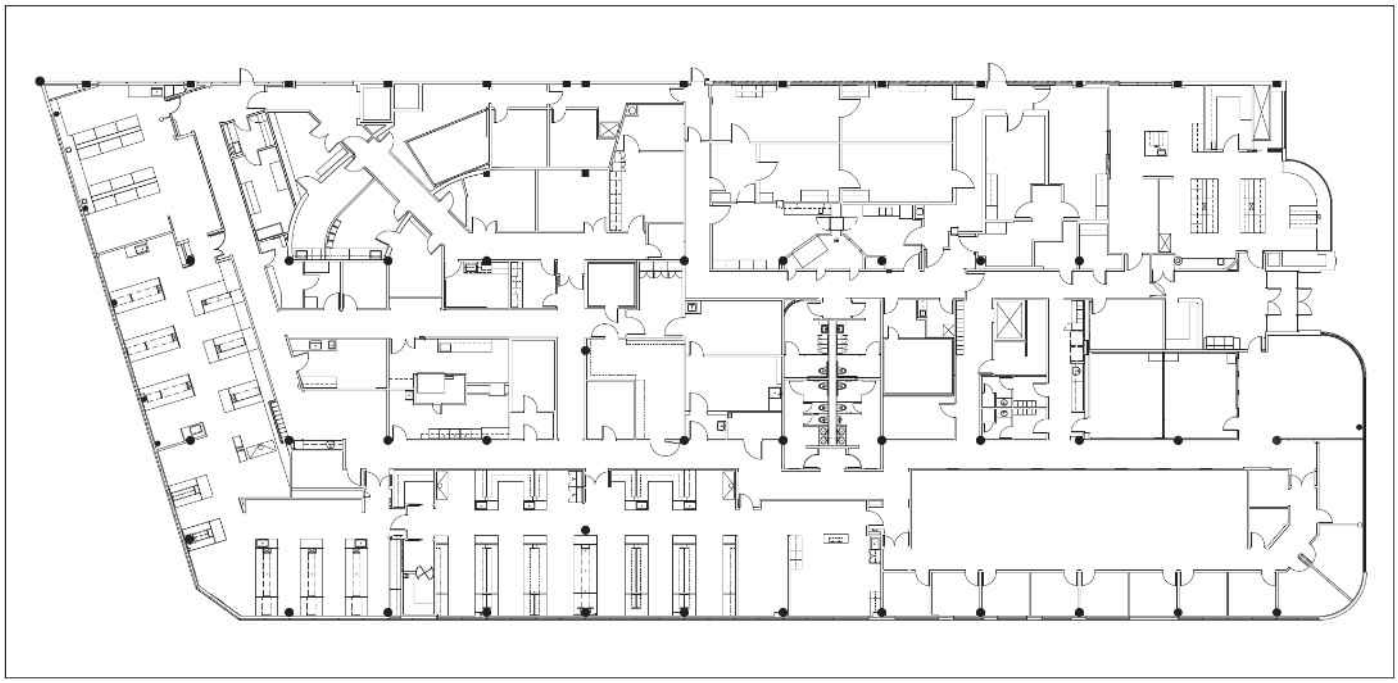
Floor Plans





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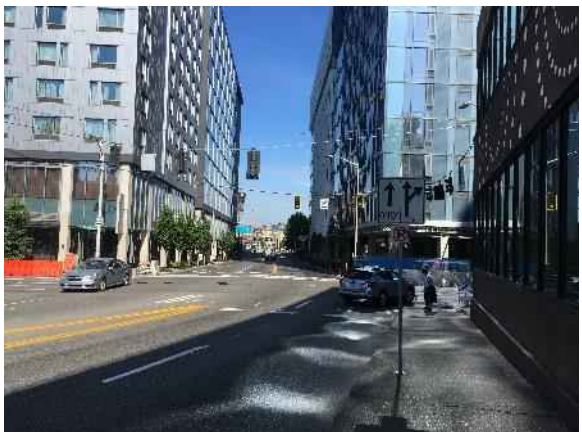
Subject Photographs

View of subject
(Photo Taken on August 16, 2017)

View of south elevation along Olive Way
(Photo Taken on August 16, 2017)

View of rear elevation
(Photo Taken on August 16, 2017)

View of side elevation
(Photo Taken on August 16, 2017)



Street view
(Photo Taken on August 16, 2017)

Street view
(Photo Taken on August 16, 2017)

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View of lab
(Photo Taken on August 16, 2017)

Interior view of office
(Photo Taken on August 16, 2017)

View of garage
(Photo Taken on August 16, 2017)

Interior view
(Photo Taken on August 16, 2017)

Interior view
(Photo Taken on August 16, 2017)

View of roof
(Photo Taken on August 16, 2017)

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Assessment and Taxes

Real estate tax assessments are administered by the King County Assessor's office and are estimated by jurisdiction on a township basis for the subject. Real estate taxes in Washington and this jurisdiction represent ad valorem taxes, meaning tax applied in proportion to value. The real estate taxes for an individual property may be determined by multiplying the assessed value by the composite rate. Market value for the subject property is based on the assessment value. Taxes are paid current.

According to Commercial Appraiser Russ Butler of the King County Assessor's Office, all properties in King County are reassessed annually with a date of value of January 1. Mr. Butler stated that a sale would not trigger a reassessment of a property, however, the transaction price would be considered in the annual reassessment and may contribute to an increased value.

Real Estate Taxes	
Taxing Authority	City of Seattle
Assessment Year	2017

Real estate taxes and assessments for the current tax year are shown in the following table.

Real Estate Assessment and Taxes - 2017

	Assessed Value					Taxes and Assessments		
Tax ID	Land	Improvements	Total Assessment	Equalization Factor	Equalized Total	Tax Rate	Ad Valorem Taxes	Special Assessment
660002030	$23,990,200	$1,000	$23,991,200	0.0682	$1,636,223	$9.25	$15,132	$4,081
Notes:								

Tax History

Assessment Year	Total Assessment	Equalization Factor	Equalized Total	Tax Rate	Ad Valorem Taxes	Special Assessment	Total Taxes	Annual Change
2017	$23,991,200	0.068201	$1,636,223	$9.25	$15,132	$4,081	$19,212	9.0%
2016	$21,509,500	0.068201	$1,466,969	$9.49	$13,916	$3,718	$17,634	11.0%
2015	$19,855,000	0.068201	$1,354,130	$9.28	$12,560	$3,332	$15,892	8.5%
2014	$16,546,000	0.068201	$1,128,453	$10.29	$11,615	$3,033	$14,648	-

Comments

King County Assessor's market value for the site is $23,990,200. This indicates that the property is appraised by the taxing authority as a development site. Due to the current use by the tenant, who is a non-profit entity, majority of the assessed value are exempt, and the total taxable value is only $1,636,100.

Assessment Analysis

Since the property is assessed at land value, we have not utilized tax comparables in evaluating the reasonableness of the subject's assessed value as a laboratory.

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Zoning

The subject is zoned by DMC – 340/290-440, Downtown Mixed Commercial.

Land Use Controls	
Zoning Code	DMC 340/290-440 - Downtown Mixed Commercial
Zoning Description	Areas characterized by lower scale office, retail, and commercial uses related to activity in the office core, retail core, or other moderate-scale commercial cores in the Downtown Urban Center.
Zoning Density/FAR	Base FAR – 5, Max FAR with Bonus – 7, residential exempt
Actual Density of Use	Max height for multifamily - 40 floors (including bonus), non-residential uses limited to height limit of 340 feet.
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use. It appears that the current zoning allows for the site to be developed to its highest and best use, which is multifamily. It is noted that we are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

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Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

- **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
- **Physically Possible:** To what use is the site physically adaptable?
- **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
- **Maximally Productive:** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

Legally Permissible

The site is zoned DMC – Downtown Mixed Commercial, which is Areas characterized by lower scale office, retail, and commercial uses related to activity in the office core, retail core, or other moderate-scale commercial cores in the Downtown Urban Center. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only multifamily use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for multifamily use in the subject's area. It appears that a newly developed multifamily use on the site would have a value commensurate with its cost. Therefore, multifamily use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than multifamily use. Accordingly, it is our opinion that multifamily use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

The highest and best use of the site, as vacant, is for multifamily use.

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Highest and Best Use as Improved

The subject is developed with a 38,345-sq. ft. class B, low-rise laboratory/office building, which is not consistent with the highest and best use of the site as if vacant. However, the existing improvements are currently leased and produce a positive cash flow that we expect will continue and significantly increase at the commencement of the second option term. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, laboratory use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property, the likely buyer is an investor.

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Valuation

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

- The Cost Approach
- The Income Approach
- The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

Cost New
- Depreciation
+ Land Value
= Value

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

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Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparables

We have researched four comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources and when possible, verified by a party to the transaction.

Life Science Sales Comparables

Comp Comp	Address City	Grantor Grantee	Price Date	Acres Rentable Area	Year Built Construction	Notes
	1100 Olive Way		--	.76	1946	
1	3450 Monte Villa Parkway Bothell	BioMed Realty Seattle Genetics	$17,800,000 8/8/2017	4.85 50,987	1996 Class B	Owner-occupant sale.
2	1522 217th Pl SE Bothell	BioMed Realty Jump Holdings LLC	$18,150,000 12/29/2016	8.18 67,799	1987 Class B	100% leased to Juno Therapeutics as laboratory until 2025.
3	964 Republican Seattle	Vulcan Urban Renaissance	$40,988,675 8/28/2015	.47 60,375	1922 Class A	100% leased to University of Washington.
4	401 Terry Ave N Seattle	Vulcan Kilroy Realty	$106,125,000 3/13/2014	.98 140,605	2003 Class A	100% leased to ISB with 7 years remaining on lease term.

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Comparables Map

Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

1. Property Rights Sold
2. Financing
3. Conditions of Sale
4. Market Trends
5. Location
6. Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

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Sales Grid

Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	1100 Olive Way	3450 Monte Villa	1522 217th Pl SE	964 Republican	401 Terry Ave N
City	Seattle	Bothell	Bothell	Seattle	Seattle
County	King County	Snohomish	Snohomish	King	King
State	WA	WA	WA	WA	WA
Date	9/30/2017	8/8/2017	12/29/2016	8/28/2015	3/13/2014
Price		$17,800,000	$18,150,000	$40,988,675	$106,125,000
Price Adjustment		$0	$0	$0	$0
Adjusted Price		$17,800,000	$18,150,000	$40,988,675	$106,125,000
GBA	38,345	50,987	67,799	60,375	140,605
GBA Unit Price	$0.00	$349.11	$267.70	$678.90	$754.77
Building Class	B	B	B	A	A
Year Built	1946	1996	1987	1922	2003
Net Operating Income Per SF	$37.54	N/A	$15.49	$35.98	$45.29
Transaction Adjustments		Adj.	Adj.	Adj.	Adj.
Property Rights	Leased Fee	Fee Simple 0.0%	Leased Fee 0.0%	Leased Fee 0.0%	Leased Fee 0.0%
Financing	Conventional	Cash 0.0%	Cash to seller 0.0%	Cash to seller 0.0%	Cash 0.0%
Conditions of Sale	Cash	Market 0.0%	Market 0.0%	Market 0.0%	Market 0.0%
Market Conditions	9/30/2017	8/8/2017	12/29/2016	8/28/2015	3/13/2014
Annual % Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
Expend. After Sale		$0.00	$0.00	$0.00	$0.00
Adjusted GBA Unit Price		$349.11	$267.70	$678.90	$754.77
Market Trends Through	9/30/2017 2.0%	0.3%	1.5%	4.2%	7.3%
Adjusted GBA Unit Price		$350.11	$271.73	$707.63	$809.80
Subsequent Trends Ending	9/30/2017 0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted GBA Unit Price		$350.11	$271.73	$707.63	$809.80
Location		30%	30%	0%	0%
Access/Exposure		0%	0%	0%	0%
Size		0%	0%	0%	10%
Building Quality		0%	0%	0%	0%
Condition		0%	0%	0%	0%
Economic Characteristics		0%	20%	-25%	-30%
Adjusted GBA Unit Price		$455.15	$407.59	$530.72	$647.84
Net Adjustments		30%	50%	-25%	-20%
Gross Adjustments		30%	50%	25%	40%

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Comparable Sale Adjustments

Sales Comparable 1

This comparable has been adjusted upward by 30.00% due to its inferior location. Bothell is a suburban submarket, inferior to the subject's core location in the Seattle CBD. This comparable has been substantially renovated, similar to the subject.

Sales Comparable 2

This comparable has been adjusted upward by 30.00% due to its inferior location. This comparable has been adjusted upward by 20.00% due to its inferior economic characteristics. Bothell is a suburban submarket, inferior to the subject's core location in the Seattle CBD. This comparable has been substantially renovated, similar to the subject. This comparable's NOI is below the subject's current, below-market NOI and requires an upward adjustment.

Sales Comparable 3

This comparable has been adjusted downward by 25.00% due to its superior economic characteristics. This comparable has been substantially renovated, similar to the subject. The NOI at the time of sale is similar to the subject's market NOI but is substantially higher than the subject's current NOI. Thus, this comparable requires a downward adjustment.

Sales Comparable 4

This comparable has been adjusted upward by 10.00% due to its inferior size. This comparable has been adjusted downward by 30.00% due to its superior economic characteristics. This comparable has been substantially renovated, similar to the subject. The size adjustment reflects the Inverse relationship that often exists between building size and unit value. In addition, the NOI at the time of sale is substantially higher than the subject, and requires a downward adjustment.

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Sales Comparison Approach Conclusion

Value Ranges & Reconciled Value

Number of Comps:	4	Unadjusted	Adjusted	% Δ
	Low:	$267.70	$407.59	52%
	High:	$754.77	$647.84	-14%
	Average:	$512.62	$510.33	0%
	Median:	$514.01	$492.94	-4%
	Reconciled Value/Unit Value:		$530.00	
	Subject Size:		38,345	
	Indicated Value:		$20,322,850	
	Reconciled Final Value:		**$20,300,000**	
Twenty Million Three Hundred Thousand Dollars				

All of the value indications have been considered. Because of its similar location, use and NOI/SF, Comparable 3 has been given most weight in arriving at our final reconciled per gba value of $530.00.

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Income Capitalization Approach

1. The Income Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for value of the property. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.

Direct Capitalization Analysis

The steps involved in capitalizing the subject's net operating income are as follows:

1. Develop the subject's Potential Gross Income (PGI) through analysis of the subject’s actual historic income and an analysis of competitive current market income rates.
2. Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
3. Develop and subtract operating expenses to derive the Net Operating Income (NOI).
4. Develop the appropriate capitalization rate (R_o).
5. Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

Potential Gross Income (PGI)

Rent Roll

The following rent roll details the current occupancy and rent status on a unit by unit basis.

Rent Roll

Tenant/Lessee	Suite	Space Type	No. of Units	Square Feet	% of Total	Lease Date Start	Lease Date End	Lease Term	Lease Type	Contract Rent*	Rent SF or Unit	Mkt. Rent SF or Unit	Projection Basis	Projected Rent	% of Market
Seattle Children's Hospital	1	Laboratory/Office	1	38,346	100%	11/1/2009	10/31/2019	120 Mos.	Net	$691,206	$18.03	$36	Market	$1,380,456	50%
		Totals	1	38,346	100.0%				Total Contract Rent	$691,206	$18.03	$/SF/Year	Total Projected Rent†	$1,380,456	$36.00
		Leased	1	38,346	100.0%				Total Commercial	$691,206	$18.03	$/SF/Year	Total Commercial†	$1,380,456	$36.00
		Vacant	0	0	0.0%										

*Contract Rent = Annualized rent as of appraisal date

†Before V&C Allowance

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Lease Synopsis

Lease Synopsis

Lessor	Ironwood Apartments, Inc.
Lessee	Seattle Children's Hospital
Leased SF	38,345
Lease Type	Absolute Net
Tenant Paid Expenses	All operating expenses, including admin fee of 10%.
Owner Paid Expenses	Roof and structure
Commencement	11/1/2009
Expiration	10/31/2019
Cancellation Clause	None
Term	120 Months
Remaining Term	25 Months

Base Rent & Escalations	Period	Months	PSF/Yr.	Annual Rent
	11/1/2009 - 10/31/2014	0 - 60	$15.26	$585,133
	11/1/2014 - 10/31/2015	61 - 72	$17.16	$657,997
	11/1/2015 - 10/31/2016	73 - 84	$17.58	$674,224
	11/1/2016 - 10/31/2017	85 - 96	$18.03	$691,206
	11/1/2017 - 10/31/2018	97 - 108	$18.48	$708,571
	11/1/2018 - 10/31/2019	109 - 120	$18.94	$726,320
Current Rent (Blended)				**$705,677**

Comments	TI Allowance of $200,000, or $5.21 PSF. Lease includes 1,191 SF of storage space leased at 1/2 rental rate of laboratory. Tenant reserves the right to extend lease for 2 periods of 5 years each. The 1st option period's base rent will be the lesser of the base rent immediately prior to extension term, subject to annual 2.5% increases, or 95% of Market Rental Value. The 2nd option period's base rent will be market rent.

Founded in 1907 with main hospital and offices located in north Seattle, Seattle Children's Hospital is ranked in the top 10 children's hospitals in the country by U.S. News & Report. For Fiscal Year 2016, gross revenue was $2.173 billion, with 420,996 annual patient visits. Payor mix is approximately 47% Medicaid and remaining insurance and managed care. Seattle Children's Hospital an investment grade tenant with Ratings of Aa2 by Moody's and AA by Fitch.

Although the tenant's credit is investment grade, the property is currently under leasehold until November 2019, just over 2 years remaining on current term. The tenant holds 2, five-year renewal options. The first renewal option's base rent will be the lesser of the base rent immediately prior to extension term, subject to annual 2.5% increases, or 95% of Market Rental Value. The 2nd option period's base rent will be market rent. In addition, it was reported that the tenant spent over $5,000,000 in major interior upgrades in 2009. Based on the market rent analysis developed later in this analysis, the in-place rental rate is below market. Considering this and significant tenant improvements paid for by the tenant, we project that it is likely that the tenant will exercise its renewal options.

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Market Rent

Market Rent Comparables

We have researched three comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comp	Address City/State	Year Built Condition	Property Name Tenant	Date	Term	Type	Size	Base Rent/SF
1	3450 Monte Villa Parkway Bothell, WA	1996 Good	Seattle Genetics					
			Zymogentics	1/1/2018	72 Months	NNN	51,000	$26.27
2	400 Dexter Ave N Seattle, WA	2017 Excellent	The Alexandria Center					
			Juno Therapeutics	2/3/2017	85 Months	NNN	183,623	$48.00
3	500 Fairview Ave N Seattle, WA	2016 Excellent	Life Science Building					
			Nanostring Technologies	4/1/2016	120 Months	NNN	21,541	$51.72

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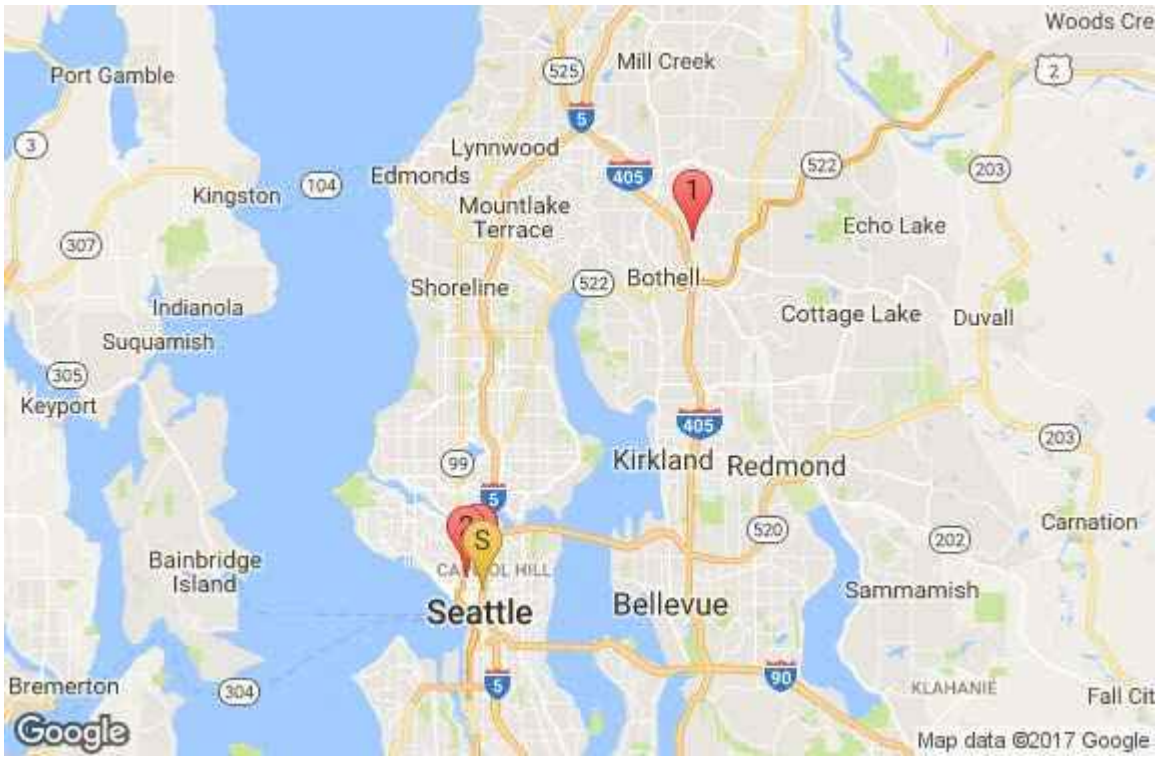
Comparables Map



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Analysis Grid

The above rentals have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

1. Lease Terms
2. Conditions of Lease
3. Other
4. Economic Trends (time)
5. Location
6. Physical Characteristics

On the following page is a rental comparison grid displaying the subject property, the comparables and the adjustments applied.

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Lease Analysis Grid

Laboratory/Office		Comp 1		Comp 2		Comp 3	
Address	1100 Olive Way	3450 Monte Villa		400 Dexter Ave N		500 Fairview Ave N	
City	Seattle	Bothell		Seattle		Seattle	
County	King County	Snohomish		King		King	
State	WA	WA		WA		WA	
Date	9/30/2017	1/1/2018		2/3/2017		4/1/2016	
Lease Type		NNN		NNN		NNN	
Term		72 Months		85 Months		120 Months	
Year Built	1946	1996		2017		2016	
Size	38,345	51,000		183,623		21,541	
Base Rent/SF		**$26.27**		**$48.00**		**$51.72**	
Transaction Adjustments			Adj.		Adj.		Adj.
Expense Structure		NNN	$0	NNN	0%	NNN	0%
Conditions of Lease		Normal	0%	Normal	0%	Normal	0%
Market Conditions	9/30/2017	1/1/2018		2/3/2017		4/1/2016	
Annual % Adjustment		0%		0%		0%	
Adjusted Rent		$26.27		$48.00		$51.72	
Market Trends/Year	2.0%	0.0%		1.3%		3.0%	
Adjusted Rent		$26.27		$48.63		$53.28	
Expenses		$0.00		$0.00		$0.00	
Adjusted Rent		$26.27		$48.63		$53.28	
Location		30%		0%		0%	
Access/Exposure		0%		0%		0%	
Size		0%		5%		0%	
Building Quality		0%		-15%		-15%	
Condition		0%		-15%		-15%	
Economic Characteristics		0%		0%		0%	
Adjusted Rent		$34.15		$36.47		$37.29	
Net Adjustments		**30%**		**-25%**		**-30%**	
Gross Adjustments		30%		37%		34%	

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Comparable Rent Adjustments

Lease Comparable 1

This comparable has been adjusted upward by 30.00% due to its inferior location.

Lease Comparable 2

This comparable has been adjusted upward by 5.00% due to its inferior size. This comparable has been adjusted downward by 15.00% due to its superior building quality. This comparable has been adjusted downward by 15.00% due to its superior condition.

Lease Comparable 3

This comparable has been adjusted downward by 15.00% due to its superior building quality. This comparable has been adjusted downward by 15.00% due to its superior condition.

Reconciled Market Rent

Considering the subject's urban location and building characteristics, we've concluded to a rental rate near the middle of the adjusted range.

Ranges & Reconciled Rent

Number of Comps:	3	Unadjusted	Adjusted	% Δ
	Low:	$26.27	$34.15	30%
	High:	$51.72	$37.29	-28%
	Average:	$42.00	$35.97	-14%
	Median:	$48.00	$36.47	-24%
Reconciled Market Rent:			$36.00	
Thirty Six Dollars				

Potential Gross Income Summary

Potential Gross Income - Occupied Space

Occupied Space	SF	Units	Projected Rent	Projected $ Rent/SF	Market Rent	Market Rent/SF	Market V. Proj. Rent
Laboratory/Office	38,346	1	$705,677	$18.40	$1,380,456	$36.00	-49%
Occupied Space Totals	38,346	1	$705,677	$18.40	$1,380,456	$36.00	-48.9%
Commercial Totals	38,346	1	$705,677	$18.40	$1,380,456	$36.00	-48.9%

The subject's contract rent is significantly below market. One reason for this is that the lease began in 2009 before the tenant spent $5,000,000 renovating the property. We have utilized market rent in our analysis and deducted the lost rent during the period that the subject is leased below market.

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Potential Gross Income Summary

Potential Gross Income Summary

Market Rent		Contract & Market Rent	
Market PGI For Occupied Space	$1,380,456	Projected Rent For Occupied Space	$705,677
Market PGI For Vacant Space	$0	Market PGI For Vacant Space	$0
Market Potential Gross Income	$1,380,456	Projected & Market PGI	$705,677
Market PGI per SF	$36.00	Projected & Market PGI per SF	$18.40
		Market Rent to Projected Rent Variar	-49%

Parking Income

The first floor parking is managed by Republic Parking, with a net annual rent of $63,000. This is assumed to continue as long as the property remains occupied.

Vacancy and Collection Loss

Based on the subject's credit, and consider the below-market nature of the current lease rate and the tenant option, we have projected vacancy and collection loss at 0%.

Effective Gross Income

Potential Gross Income	$1,443,456
Less: Vacancy & Collection Loss	0%
Effective Gross Income	$1,443,456

Expenses

The following table details the subject's current expenses.

History and Projections

Income	JLL Projection 1
Base Rent	$1,380,456
Net Parking Income	63,000
Eff./Potential Gross Income	$1,443,456
Less Vacancy & Collection Loss	0
Effective Gross Income	$1,443,456
Expenses	
Reserves	3,835
Total Expenses	$3,835
Expense Ratio	0.0%
Net Operating Income	$1,439,621

As stated previously, it is assumed that operating expenses are directly paid by the tenant. The only expense deductions that are appropriate is structural maintenance.

The expense deduction for structural maintenance represents an allowance for future replacement of capital items such as the roof and HVAC system. We estimate this expense at $0.10 per square foot based on the age, condition, and construction quality of the improvements.

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Net Operating Income

NOI Projection

Income		Annual	Per SF
Base Rent		$1,380,456	$36.00
Net Parking Income		63,000	1.64
Potential Gross Income		$1,443,456	$37.64
Less Vacancy & Collection Loss	0%	0	$0.00
Effective Gross Income		$1,443,456	$37.64

Expenses		
Reserves	3,835	0.10
Total Expenses	$3,835	$0.10
Net Operating Income	$1,439,621	37.54

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Capitalization Rate

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

NOI ÷ Sale Price = Capitalization Rate

For example, if a property sells for $500,000, and has a stabilized NOI of $50,000, the indicated capitalization rate is 10%.

Market Extracted Rates

The table below details capitalization rates extracted from the market.

Comparable Sale Cap Rates

Comparable	City	Price	Date	NOI	Cap Rate
1	Bothell	$17,800,000	8/8/2017	$0	-
2	Bothell	$18,150,000	12/29/2016	$1,089,000	6.00%
3	Seattle	$40,988,675	8/28/2015	$2,172,400	5.30%
4	Seattle	$106,125,000	3/13/2014	$6,367,500	6.00%

Survey Data

Table 21
SEATTLE OFFICE MARKET
Second Quarter 2017

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO
DISCOUNT RATE (IRR)[a]				
Range	5.25% – 10.00%	5.25% – 10.00%	5.50% – 10.50%	6.00% – 11.00%
Average	7.19%	7.24%	7.37%	8.04%
Change (Basis Points)		– 5	– 18	– 85
OVERALL CAP RATE (OAR)[a]				
Range	4.25% – 8.00%	4.25% – 8.00%	4.50% – 8.00%	4.50% – 9.00%
Average	5.82%	5.83%	5.81%	6.47%
Change (Basis Points)		– 1	+ 1	– 65
RESIDUAL CAP RATE				
Range	5.00% – 9.00%	5.00% – 9.00%	5.00% – 9.00%	5.00% – 9.00%
Average	6.27%	6.27%	6.43%	6.68%
Change (Basis Points)		0	– 16	– 41
MARKET RENT CHANGE[b]				
Range	2.50% – 5.00%	2.50% – 5.00%	2.50% – 5.00%	2.50% – 8.00%
Average	3.54%	3.60%	3.71%	4.25%
Change (Basis Points)		– 6	– 17	– 71
EXPENSE CHANGE[b]				
Range	2.00% – 3.00%	2.00% – 3.00%	2.00% – 3.00%	1.00% – 3.00%
Average	2.79%	2.79%	2.79%	2.75%
Change (Basis Points)		0	0	+ 4
MARKETING TIME[c]				
Range	1 – 12	1 – 12	1 – 12	1 – 12
Average	4.8	4.8	5.0	5.3
Change (▼, ▲, =)		=	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months

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Capitalization Rate Conclusion

As previously mentioned, the tenant, Seattle Children's Hospital, is a credit tenant. Seattle Children's Hospital is an investment grade tenant with Ratings of Aa2 by Moody's and AA by Fitch. Although the term remaining is approximately 2 years, the lease is at a below market rate, and is therefore likely to be renewed.

Based on the above analysis, we conclude to a going-in capitalization rate of 5.5% for the subject.

Direct Capitalization Value

Direct Capitalization

Stabilized	Leased Fee Projection
Effective Gross Income	$1,443,456
Expenses	$3,835
Net Operating Income	$1,439,621
Capitalization Rate	5.5%
Indicated Stabilized Value	$26,174,935
Rounded Stabilized Value	$26,200,000

As Is	
Indicated Stabilized Value	$26,174,935
Less Adjustments	
Lost Rent	$5,229,070
Total Adjustments	$5,229,070
Indicated As Is Value	$20,945,864
Rounded As Is Value	$20,900,000

As previously noted, we have calculated the difference between market rent and contract rent for the remaining years of the base term and the first option period and deducted this amount to arrive at an "as is" value indication. The calculation is illustrated below.

Rent Lost

Year	Contract Rent	Market Rent	Difference (Rent Lost)
2017	$233,296	$460,152	$226,856
2018	$711,529	$1,391,960	$680,431
2019	$729,346	$1,426,759	$697,412
2020	$747,580	$1,462,428	$714,848
2021	$766,269	$1,498,988	$732,719
2022	$785,426	$1,536,463	$751,037
2023	$805,062	$1,574,875	$769,813
2024	$684,804	$1,340,759	$655,955
Total	$5,463,313	$10,692,383	$5,229,070

**Contract rent grows by 2.5% annually beginning in the 1st option period and we have also grown market rent by 2.5% annually.*

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Discounted Cash Flow Analysis

We use Argus Enterprise to develop a projection of periodic cash flows from the property over an anticipated investment holding period based on leases in place and anticipated changes in market rent and operating expenses. This analysis considers current market conditions and typical assumptions of market participants concerning future trends as summarized in the following table.

Discounted Cash Flow Analysis - General Assumptions

Cash Flow Software					
Program	Argus Valuation - Enterprise				
Period of Analysis	10/1/2017 - 9/30/2027				
Analysis Start Date	9/30/2017				
Holding Period (Yrs)	10				
Discount Rate and Reversion Cap Rate					
	As-Is		**Δ OAR**		**Δ OAR**
Discount Rate	8.50%				
Reversion Capitalization Rate	7.00%				
Inflation	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Thereafter**
General Inflation	2.5%	2.5%	2.5%	2.5%	2.5%
Market Rent	2.5%	2.5%	2.5%	2.5%	2.5%
Vacancy & Collection Loss					
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Thereafter**
General Vacancy	0.0%	0.0%	0.0%	0.0%	0.0%
Applied to:	Gross potential revenue				
Collection Loss	0.0%	0.0%	0.0%	0.0%	0.0%
Applied to:	Gross potential revenue				
Excluded Tenants:	None				
Argus General Vacancy Adjustments					
Applied to revenue net of absorption & turnover vacancy?				No	
General vacancy reduced by absorption & turnover vacancy?				Yes	
Concessions					
Capital Expenditures					
Capital Budget	Deducted per Capital Budget Summary				
Reserves/SF	$0.10				
Reserves Deducted Below NOI?	Yes				
Reversion Analysis Factors					
Vacancy/Collection Loss Treatment					
Selling Expenses	2.00%				
Adjustments To Sale Price	None				

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Our analysis also considers market lease terms, analyzed previously, as well as assumptions regarding leasing commissions and the probability of existing tenants renewing their leases. This information is detailed in the following tables.

Concluded Market Leasing Assumptions

Space Type	SF	Market Rent	Measure	Rent Escalations	Lease Type	Lease Term (Mos.)	Free Rent (Mos.)	Effective Rent	TI/SF New	TI/SF Renew	Renewal Probability	LC New	LC Renewal
Laboratory/Office	38,345	$36.00	PSF/Yr	Annual CPI Esclation	NNN	60	4	$36.00	$50	$10	100.0%	4%	2%

Renewal Probability

A 100% renewal probability through the first option has been applied. The renewal probability was reduced to 65% for the second option period because the market rent will significantly increase at that time.

Replacement Reserves

This expense category accounts for the cost of periodic replacement of capital items such as the roof and HVAC system. We estimate this expense at $0.10 per square foot.

Discount Rate and Reversion Capitalization Rate Selection

Data from national investor surveys that we consider in selecting discount and reversion capitalization rates is shown in the exhibits that follow.

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Table 21
SEATTLE OFFICE MARKET
Second Quarter 2017

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO
DISCOUNT RATE (IRR)[a]				
Range	5.25% – 10.00%	5.25% – 10.00%	5.50% – 10.50%	6.00% – 11.00%
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Change (Basis Points)		0	– 16	– 41
MARKET RENT CHANGE[b]				
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Average	3.54%	3.60%	3.71%	4.25%
Change (Basis Points)		– 6	– 17	– 71
EXPENSE CHANGE[b]				
Range	2.00% – 3.00%	2.00% – 3.00%	2.00% – 3.00%	1.00% – 3.00%
Average	2.79%	2.79%	2.79%	2.75%
Change (Basis Points)		0	0	+ 4
MARKETING TIME[c]				
Range	1 – 12	1 – 12	1 – 12	1 – 12
Average	4.8	4.8	5.0	5.3
Change (▼, ▲, =)		=	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months

Discount Rate

The most current national survey data indicates that discount rates for the Seattle Office property type range from 5.25% to 10.00% and average 7.19%. Rates have moved downward over the past year. Considering the current economic conditions, the quality of the property, its tenants and income stream, we conclude that an as is discount rate of 8.5% is appropriate for the subject.

Reversion

Current survey data indicates a range of reversion capitalization rates of 5.0% to 9.0%, with an average of 6.27%, for the Seattle office market Seattle office market. The average spread between the going-in and reversion rates is 45 basis points, and in general, reversion rates are typically 25 to 100 basis points greater than going-in rates. For the subject, we conclude a reversion capitalization rate of 7.0%. This represents a spread of 150 basis points over our concluded stabilized going-in rate of 5.5%. We have utilized a larger than typical spread because the tenant will only have approximately two years remaining on the second option period at the time of reversion.

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Schedule of Prospective Cash Flows

Cash Flow Report

Olive Lab (Amounts in USD)
Oct, 2017 through Sep, 2028
10/5/2017 2:32:59 PM

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	Year 1 Sep-2018	Year 2 Sep-2019	Year 3 Sep-2020	Year 4 Sep-2021	Year 5 Sep-2022	Year 6 Sep-2023	Year 7 Sep-2024	Year 8 Sep-2025	Year 9 Sep-2026	Year 10 Sep-2027	Year 11 Sep-2028	Total
Rental Revenue												
Potential Base Rent	707,155	724,841	726,320	742,964	761,539	780,577	800,091	1,537,253	1,627,513	1,668,201	1,709,906	11,786,359
Absorption & Turnover Vacancy	0	0	0	0	0	0	0	-534,707	0	0	0	-534,707
Scheduled Base Rent	707,155	724,841	726,320	742,964	761,539	780,577	800,091	1,002,546	1,627,513	1,668,201	1,709,906	11,251,652
Total Rental Revenue	707,155	724,841	726,320	742,964	761,539	780,577	800,091	1,002,546	1,627,513	1,668,201	1,709,906	11,251,652
Other Tenant Revenue												
Total Expense Recoveries	14,432	14,793	14,823	15,163	15,542	15,930	16,328	13,548	33,215	34,045	34,896	222,715
Total Other Tenant Revenue	14,432	14,793	14,823	15,163	15,542	15,930	16,328	13,548	33,215	34,045	34,896	222,715
Total Tenant Revenue	721,587	739,634	741,143	758,127	777,081	796,507	816,419	1,016,094	1,660,728	1,702,246	1,744,802	11,474,367
Other Revenue												
Parking Garage Lease	63,000	64,575	66,189	67,844	69,540	71,279	73,061	74,887	76,759	78,678	80,645	786,458
Total Other Revenue	63,000	64,575	66,189	67,844	69,540	71,279	73,061	74,887	76,759	78,678	80,645	786,458
Potential Gross Revenue	784,587	804,209	807,332	825,972	846,621	867,786	889,480	1,090,982	1,737,487	1,780,924	1,825,447	12,260,826
Effective Gross Revenue	784,587	804,209	807,332	825,972	846,621	867,786	889,480	1,090,982	1,737,487	1,780,924	1,825,447	12,260,826
Operating Expenses												
Management	14,432	14,793	14,823	15,163	15,542	15,930	16,328	20,322	33,215	34,045	34,896	229,489
Total Operating Expenses	14,432	14,793	14,823	15,163	15,542	15,930	16,328	20,322	33,215	34,045	34,896	229,489
Net Operating Income	770,155	789,416	792,509	810,809	831,079	851,856	873,152	1,070,660	1,704,272	1,746,879	1,790,551	12,031,337
Leasing Costs												
Tenant Improvements	0	0	0	0	0	0	0	891,720	0	0	0	891,720
Leasing Commissions	0	0	0	0	0	0	0	227,658	0	0	0	227,658
Total Leasing Costs	0	0	0	0	0	0	0	1,119,378	0	0	0	1,119,378
Capital Expenditures												
Reserve	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	42,181
Total Capital Expenditures	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	42,181
Total Leasing & Capital Costs	3,835	3,835	3,835	3,835	3,835	3,835	3,835	1,123,213	3,835	3,835	3,835	1,161,559
Cash Flow Before Debt Service	766,320	785,581	788,674	806,974	827,244	848,021	869,318	-52,553	1,700,438	1,743,045	1,786,717	10,869,778
Cash Flow Available for Distribution	766,320	785,581	788,674	806,974	827,244	848,021	869,318	-52,553	1,700,438	1,743,045	1,786,717	10,869,778

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Argus Present Value

Present Value Report

Olive Lab (Amounts in USD)
10/5/2017 2:33:12 PM
Valuation Date: Oct, 2017
Discount Method: Annual

Analysis Period	Period Ending	Cash Flow Before Debt Service	P.V. of Cash Flow @7.50 %	P.V. of Cash Flow @8.00 %	P.V. of Cash Flow @8.50 %	P.V. of Cash Flow @9.00 %	P.V. of Cash Flow @9.50 %
Year 1	Sep-2018	766,320	712,856	709,556	706,286	703,046	699,836
Year 2	Sep-2019	785,581	679,789	673,509	667,316	661,208	655,183
Year 3	Sep-2020	788,674	634,852	626,075	617,460	609,001	600,697
Year 4	Sep-2021	806,974	604,263	593,150	582,292	571,681	561,310
Year 5	Sep-2022	827,244	576,224	563,008	550,155	537,652	525,488
Year 6	Sep-2023	848,021	549,485	534,397	519,790	505,647	491,951
Year 7	Sep-2024	869,318	523,985	507,238	491,100	475,546	460,553
Year 8	Sep-2025	-52,553	-29,467	-28,393	-27,363	-26,375	-25,426
Year 9	Sep-2026	1,700,438	886,920	850,642	816,006	782,929	751,335
Year 10	Sep-2027	1,743,045	845,715	807,367	770,923	736,281	703,343
Totals		9,083,062	5,984,622	5,836,550	5,693,965	5,556,617	5,424,271
Property Resale @ 7.00 % Cap Rate		25,067,716	15,389,403	14,675,407	13,997,681	13,354,225	12,743,156
Total Unleveraged Present Value			21,374,025	20,511,958	19,691,646	18,910,841	18,167,426

Percentage Value Distribution					
Income	28.00%	28.45%	28.92%	29.38%	29.86%
Net Sale Price	72.00%	71.55%	71.08%	70.62%	70.14%
	100.00%	100.00%	100.00%	100.00%	100.00%

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Value Indication

The income capitalization approach results in the following value indication.

Income Capitalization Approach - Indicated Value

Method	Market Value As Is
Direct Capitalization	$20,900,000
Discounted Cash Flow	$19,700,000
Reconciled Value	$19,700,000
Rounded	$19,700,000
Per SF	$513.74

The discounted cash flow analysis is given greater weight since it better accounts for the impact of an irregular cash flow pattern, and is the method more often relied upon by investors in this property type, given the subject's physical and economic characteristics.

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Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

Summary of Value Indications

	Market Value As Is
Cost Approach	Not Used
Sales Comparison Approach	$20,300,000
Income Capitalization Approach	$19,700,000
Reconciled	$19,700,000

Cost Approach

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation. The cost approach was not also developed in this appraisal. Buyers of healthcare properties place little credence in the cost approach. The estimation of depreciation is difficult to do with any precision, especially for older buildings. Thus, the cost approach was not developed.

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing.

Significant adjustments are required for many of the sales because of differences in the various elements of comparison. This reduces the reliability of this approach. As a result, the sales comparison approach is used primarily as support for the income capitalization approach. Thus, this approach was only used in support of the Income Approach.

Income Approach – Direct Capitalization

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return.

An investor is the most likely purchaser of the appraised property, and a typical investor would place greatest reliance on the income capitalization approach. For these reasons, the income capitalization approach is given greatest weight in the conclusion of value upon stabilization.

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Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of September 30, 2017, subject to the Limiting Conditions and Assumptions of this appraisal.

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	9/30/2017	$19,700,000

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

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Insurable Value

An estimate of insurable replacement cost based on the calculator method of Marshall Valuation Service is shown in the following table. This estimate is based on the replacement cost new of the building improvements. From the total of these amounts, we deduct insurance exclusions, such as foundations, piping below ground, and architect's fees.

Land value, site improvement costs, entrepreneurial profit, depreciation, and costs to raze damaged structures are not considered in the following estimate.

JLL Valuation & Advisory Services are not insurance underwriters. We have not viewed the specific policy or policies that may cover the subject property, nor have we been given specific instructions by the client on inclusions and/or exclusions to the insurable replacement cost estimate. Methodologies for developing insurable replacement cost estimates vary between underwriters. The client should independently determine that the items included in our estimate are consistent with the terms of the subject's insurance coverage. Failure by the client to independently verify proper methodology with respect to calculation of the replacement cost in accordance with the subject's insurance coverage shall not be deemed negligence in the provision of these estimates.

We are not experts in estimating replacement costs for insurable value purposes. We recommend the engagement of an appropriately qualified professional if a definitive estimate of insurable replacement cost is required.

Insurable Value

Building Name	MVS Building Type	MVS Building Class	Quality	Quantity	Unit	Unit Cost	Cost New
Seattle Children's Research Institute - Olive Lab Building	Building	Class B	Good	38,345	SF	$292.64	$11,221,281
Subtotal							$11,221,281
Less Insurance Exclusions:							
Piping Below Ground					1.0%		$112,213
Foundation					0.0%		$0
Basement					0.0%		$0
Architect's Fees					5.0%		$561,064
Subtotal: Insurance Exclusions							$673,277
Insurable Replacement Cost							$10,548,004
Rounded							**$10,500,000**

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Certification Statement

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
12. Kai Pan, MAI, has not personally inspected the subject property. Eric L. Enloe, MAI, CRE, FRICS has not personally inspected the subject property. Steve Calandra, MAI, conducted an interior and exterior inspection of the subject property on August 16, 2017.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. As of the date of this report, Kai Pan, MAI, Steve Calandra, MAI and Eric L. Enloe, MAI, CRE, FRICS have completed the continuing education program for Designated Members of the Appraisal Institute.

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Kai Pan, MAI
Senior Vice President
Certified General
Washington Certificate #: 9101718
(Temporary)

Steve Calandra, MAI
Managing Director
Certified General
Washington Certificate #: 1102391

Eric L. Enloe, MAI, CRE, FRICS
Managing Director
Certified General
WA Certificate #: 1102163

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Limiting Conditions and Assumptions

1. All reports and work product we deliver to you (collectively called “report”) represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.

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10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the

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leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.

19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.

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27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The report will be subject to those Hypothetical Conditions and Extraordinary Assumptions. Each person that is permitted to use the report agrees to be bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.

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Definitions

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

1. Appraisal Institute. *The Appraisal of Real Estate.* 14th ed. Chicago: Appraisal Institute, 2013. Print.
2. Appraisal Institute. *The Dictionary of Real Estate Appraisal.* 6th ed. 2015. Print

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements).

(Dictionary, 6th Edition)

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 6th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
   - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
   - CAM can refer to all operating expenses.
   - CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative
   - load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.
2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 6th Edition)

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Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 6th Edition)

Discount Rate

A rate on return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 6th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 6th Edition)

Effective Date

1. The date on which the appraisal or review opinion applies. (SVP)
2. In a lease document, the date upon which the lease goes into effect.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 6th Edition)

External Obsolescence

A type of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent (Dictionary, 6th Edition).

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinion or conclusion. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary, 6th Edition)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 6th Edition)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 6th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (Dictionary, 6th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. (Dictionary, 6th Edition)

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Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 6th Edition)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best legal use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (Dictionary, 6th Edition)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but it is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary, 6th Edition)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the revisionary right when the lease expires.

(Dictionary, 6th Edition)

Market Area

The geographic region from which a majority of demand comes in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. (Dictionary, 6th Edition)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and reevaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 6th Edition)

Market Value

A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following:

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after a reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgably, and for self-interest, and assuming that neither is under undue duress.
2. Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

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- Identification of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

1. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
   - Buyer and seller are typically motivated;
   - Both parties are well informed or well advised, and acting in what they consider their best interests;
   - A reasonable time is allowed for exposure in the open market;
   - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
   - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

   (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

2. The International Valuation Standards Council defines *market value* for the purpose of international standards as follows: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion. (IVS)
3. The Uniform Standards for Federal Land Acquisitions defines *market value* as follows: Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date for the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 6th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 6th Edition)

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Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest taxes, depreciation, and amortization) (Dictionary, 6th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 6th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 6th Edition)

Rentable Area

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The

rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 6th Edition)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 6th Edition)

Scope of Work

The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2016-2017 ed.)

Stabilized Occupancy

An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life. (Dictionary, 6th Edition)

Tenant Improvements (TIs)

Fixed improvements to the land or structures installed and paid for use by a lessee.
The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 6th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. (Dictionary, 6th Edition)

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Appendix A

Appraiser Qualifications

Kai Pan, MAI

Senior Vice President
Valuation and Advisory Services, Houston
Kai.Pan@am.jll.com

Current responsibilities

Kai Pan, MAI, serves as Senior Vice President of JLL Houston's Valuation and Advisory Services (VAS) business. In this role, Mr. Pan is responsible for performing various appraisal and consulting services for commercial lending, litigation, and tax protest purposes. He has extensive, national experience with all types of healthcare properties including acute care hospitals, specialty hospitals, LTACHs, nursing homes, independent living facilities, assisted living facilities, Alzheimer's facilities, cancer centers, ambulatory surgery centers, urgent care facilities, dialysis facilities and medical office buildings. Mr. Pan has performed Stark Compliance appraisals of medical properties on a national basis.

In addition, Mr. Pan's experience spans a variety of property types including land, retail, office, multifamily, industrial, and hospitality. His specialty valuation projects including aircraft hangars & FBOs, marinas, underground storage facilities, wastewater treatment plants, and corporate campuses.

Experience

Prior to joining JLL in late 2016, Mr. Pan served as Director at Integra Realty Resources (IRR) in Houston and was a member of the Integra Realty Resources Seniors Housing, Healthcare and Hospitality specialty practices.

Mr. Pan has successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and other institutions. He has completed the continuing education program for Designated Members of the Appraisal Institute.

Affiliations and designations

- Appraisal Institute: Designated Member (MAI)
- Successfully completed the Requirements of UASFLA – The "Yellow Book" course by the American Society of Farm Managers and Rural Appraisers
- Certified General Real Estate Appraiser – Texas – TX-1338827-G
- Certified General Real Estate Appraiser – Louisiana – G3721
- Certified General Real Estate Appraiser – Mississippi – GA-1170
- Certified General Real Estate Appraiser – Arizona – 32092
- Certified General Real Estate Appraiser – Tennessee – 5225
- Certified General Real Estate Appraiser – Georgia – 375061
- Certified General Real Estate Appraiser – South Carolina – AB.7521 CG

Education

- The University of Texas at Austin, Bachelor of Business Administration: Finance

State of Washington
DEPARTMENT OF LICENSING

APPRAISER PROGRAM
P O Box 9021
Olympia WA 98507

ADDRESS SERVICE REQUESTED

PAN,KAI
5 RIVERWAY SUITE 200
HOUSTON, TX 77056

STATE OF WASHINGTON

GENERAL R.E. APPRAISER

TEMPORARY PERMIT

PAN,KAI
5 RIVERWAY SUITE 200
HOUSTON, TX 77056

License Number	Expiration Date	
9101718	09/21/2017	Pat Kohler, Director

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

CERTIFIED GENERAL REAL ESTATE APPRAISER

TEMPORARY PERMIT

PAN,KAI
5 RIVERWAY SUITE 200
HOUSTON, TX 77056

License Number	Issue Date	Expiration Date
9101718	03/21/2017	09/21/2017

Pat Kohler, Director

PL-630-159 (R/3/16)

Steve Calandra, MAI

Managing Director
Valuation and Advisory Services, U.S.

Steve.Calandra@am.jll.com

Current Responsibilities

Steve Calandra serves as the Managing Director of the Valuation and Advisory Services business in Southern California. In this role, he directs valuation and consulting engagements related to a wide variety of property types in the Southern California market and national institutional assets and portfolios. Mr. Calandra has a broad range of experience in the valuation and analysis of asset types including retail, office, industrial, multi-family, development land, manufactured housing, regional malls, hotels, self-storage, and going-concern valuations of complex assets. Mr. Calandra's expertise includes valuation of fee simple, leased fee and leasehold interests, feasibility studies, highest and best use studies, rental surveys, partial takings, conservation easements, re use and redevelopment projects, eminent domain and condemnation, acquisition/disposition, foreclosure related valuations, trust accounts, estate, gift and Internal Revenue Service related tax valuations.

Experience

Steve Calandra has been involved in commercial real estate valuations since 1996. Prior to joining JLL, he held various positions with Integra Realty Resources, including Senior Managing Director of the Orange County and Inland Empire office. Mr. Calandra has become a trusted advisor to his clients providing appraisal and consulting services to lenders, pension funds, REITs, law firms, CPA's, government agencies, school districts, and builders in all phases of development, helping them to achieve their current goals and plan for the future.

Specialties

Office Properties
Agricultural Properties
Subdivisions
Special Use Properties
Eminent Domain/Condemnation
Gas Station/C-Stores
Estate Valuations

Highest and Best Use Case Studies: Analysis of alternative uses of vacant land or an improved property in order to maximize value.

Affiliations and designations

- Member: Appraisal Institute
- Certified General Real Estate Appraiser in AZ, CA, HI, NV, OR, WA, UT, NY

Education

- Bachelor of Arts, English Literature and Creative Writing; California State University, Fresno

State of Washington
DEPARTMENT OF LICENSING
APPRAISER PROGRAM
P O Box 9021
Olympia, WA 98507

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REAA 456

STEVEN ROSS CALANDRA
124 W AVENIDA SANTIAGO
SAN CLEMENTE CA 92672

STATE OF WASHINGTON
CERTIFIED GENERAL REAL ESTATE APPRAISER

STEVEN ROSS CALANDRA
124 W AVENIDA SANTIAGO
SAN CLEMENTE CA 92672

1102391	08/08/2018	Pat Kohler
License Number	Expiration Date	Pat Kohler, Director

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

CERTIFIED GENERAL REAL ESTATE APPRAISER

STEVEN ROSS CALANDRA
124 W AVENIDA SANTIAGO
SAN CLEMENTE CA 92672

1102391	08/09/2016	08/08/2018	Pat Kohler
License Number	Issued Date	Expiration Date	Pat Kohler, Director

PL-630-159 (R/3/16)

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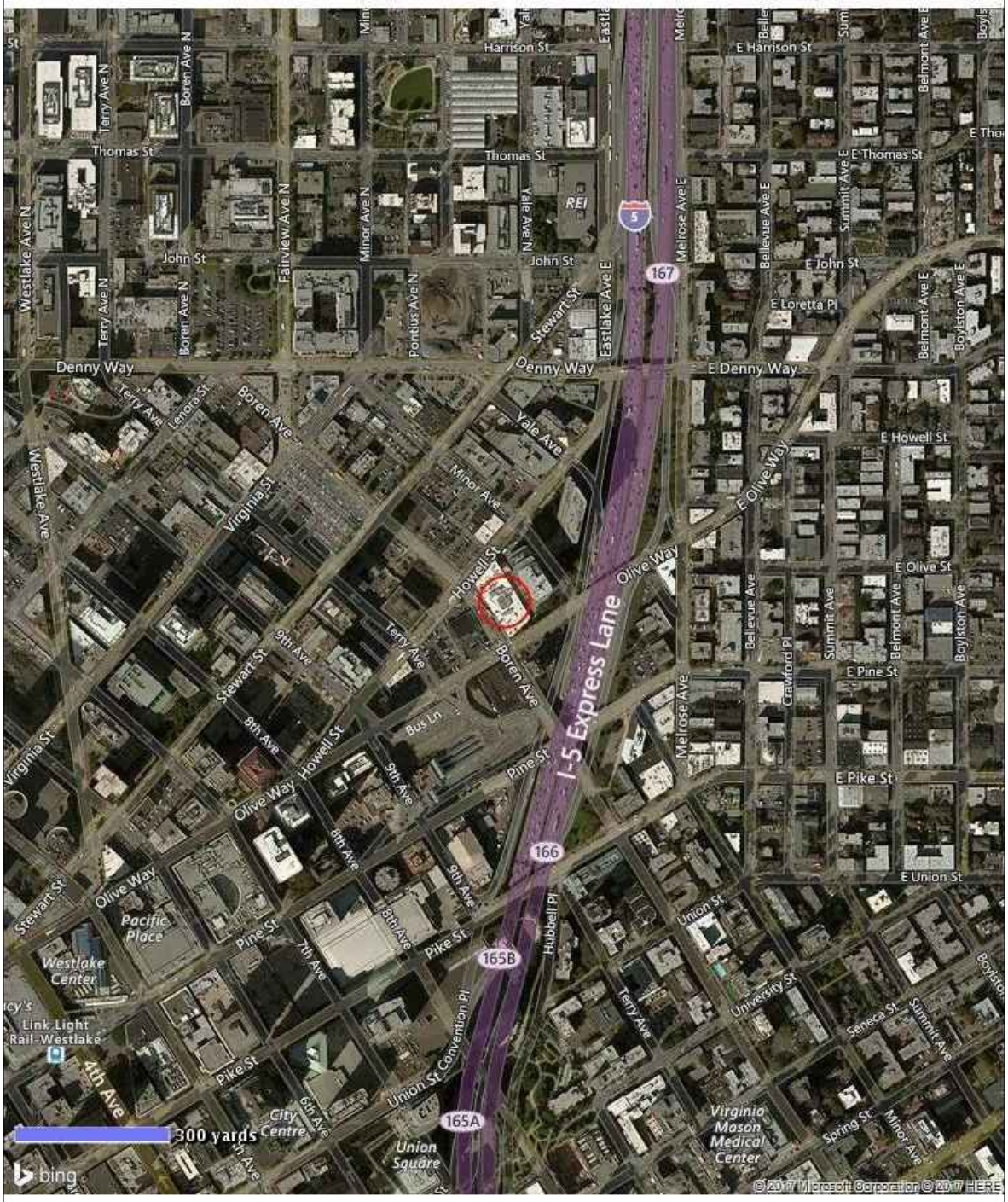
Appendix B

Property Information

InterFlood by a la mode

Prepared for: JLL
1100 Olive Way
Seattle, WA 98101-1873



Powered by CoreLogic©

MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **53033C0630F**
Zone: **X**
Map Date: **May 16, 1995**
FIPS: **53033**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

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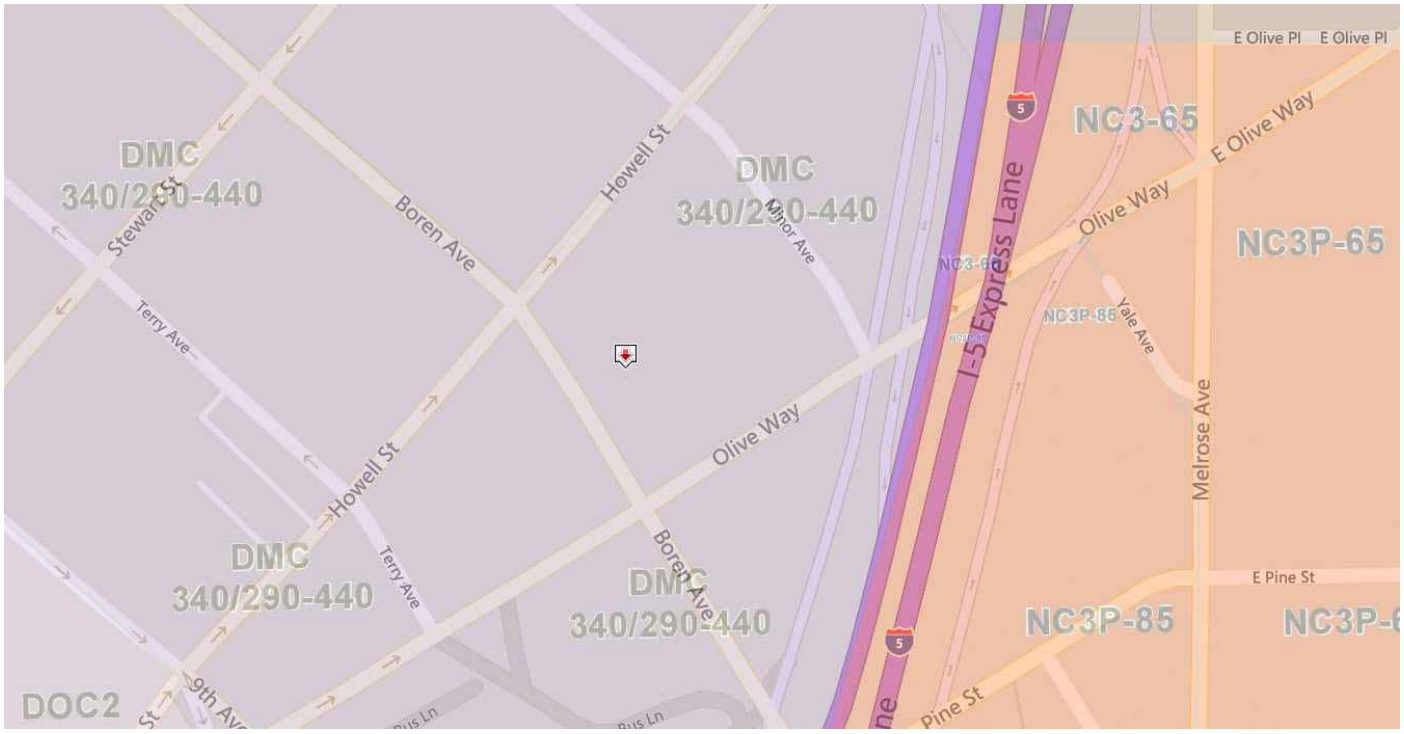

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A.L.T.A./A.C.S.M. LAND TITLE SURVEY

LEGAL DESCRIPTION

(PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-484124-CC, DATED APRIL 11, 2011)

PARCEL 1

LOTS 1 THROUGH 5, BLOCK 50, SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL (DECEASED), COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY, WASHINGTON.

PARCEL 2

TOGETHER WITH THOSE CERTAIN EASEMENT RIGHTS AS DELINEATED IN DOCUMENT ENTITLED "EASEMENT AGREEMENT" WHICH WAS RECORDED UNDER RECORDING NO. 8503291528, AS AMENDED BY DOCUMENT ENTITLED "MODIFICATION OF EASEMENT AGREEMENT" WHICH WAS RECORDED UNDER RECORDING NO. 9211191591.

SPECIAL EXCEPTIONS PER SAID TITLE REPORT

ITEM 4

THE TERMS, PROVISIONS AND EASEMENT(S) CONTAINED IN THE DOCUMENT ENTITLED "EASEMENT AGREEMENT" RECORDED MARCH 29, 1985 AS RECORDING NO. 8503291528 OF OFFICIAL RECORDS.
DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED NOVEMBER 19, 1992 AS RECORDING NO. 9211191591 OF OFFICIAL RECORDS.

ENCROACHMENTS

NO ENCROACHMENTS WERE FOUND PER THIS SURVEY.

BASIS OF BEARING

HELD A BEARING OF N30°38'17"W ON CENTERLINE OF BOREN AVE PER CITY OF SEATTLE ENG. MAP FOR THE NW 1/4 SEC. 32-25N-4E, RECORDS OF CITY OF SEATTLE, WA.

SURVEYOR'S NOTES

1) SUBJECT PROPERTY IS LOCATED IN ZONE "X" WHICH IS NOT LOCATED IN 100 YEAR FLOOD HAZARD AREA AS PER FEMA MAP PANEL NO. 53033C0630F DATED MAY 16, 1995.

2) FOUND A TOTAL OF 64 UNDERGROUND PAINTED PARKING SPACES INSIDE SUBJECT PROPERTY.
REGULAR = 64
HANDICAP = 0

3) SUBJECT PROPERTY IS ZONED "DMC 340/290-400" PRESENT USE IS OFFICE BUILDING.
BUILDING SETBACK REQUIREMENTS: FRONT = 0', SIDE = 0', REAR = 0'
BUILDING HEIGHT REQUIREMENTS:
MAXIMUM = 340' FOR NON-RESIDENTIAL AND LIVE-WORK USES, 290' FOR RESIDENTIAL USES, AND 400' IF USING THE BONUS UNDER SMC 23.49.015.
PARKING REQUIREMENTS:
NO PARKING IS REQUIRED EITHER LONG-TERM OR SHORT TERM IN DOWNTOWN ZONES

4) FOUND NO VISABLE EVIDENCE OF BURIAL GROUNDS, CEMETERIES, EARTH MOVING WORK, BUILDING CONSTRUCTION, BUILDING ADDITIONS, OBSERVABLE EVIDENCE OF SITE USED AS A SOLID WASTE DUMP, SUMP OR SANITARY LANDFILL, NOR ANY CHANGES OF RIGHT-OF-WAY LINES, WITHIN RECENT MONTHS PER OUR VISIT ON JUNE 01, 2011. AFFECTING THE SUBJECT PROPERTY.

5) APPROX. SUBJECT PROPERTY AREA IS 33,284 SQ.FT.+/- [0.8 +/- ACRE] PER THIS SURVEY.

6) SUBJECT PROPERTY TAX PARCEL NO. 0660002030.

METHOD OF SURVEY

INSTRUMENTATION FOR THIS SURVEY WAS A LEICA ELECTRONIC DISTANCE MEASURING UNIT. PROCEDURES USED IN THIS SURVEY WERE DIRECT AND REVERSE ANGLES. NO CORRECTION NECESSARY. MEETS KING COUNTY AND STATE STANDARDS SET BY WAC 332-130-090.

LEGEND

- FOUND CITY MONUMENT IN CASE
- FOUND SURFACE BRASS DISC
- FOUND PK NAIL
- FOUND TACK IN LEAD
- FOUND SCRIBE "X" IN CONCRETE
- TRAFFIC VAULT
- LIGHT STANDARD
- CATCH BASIN
- WATER METER
- WATER VALVE
- POWER VAULT
- SIGNAL CONTROL VAULT
- ELECTRIC METER
- TELEPHONE MANHOLE
- FIRE HYDRANT
- GAS VALVE
- SIDE SEWER CLEAN OUT
- ELECTRIC BOX
- (CITY) CITY OF SEATTLE ENG. MAP (N.W.1/4 23-25-4)
- ( ) PLAT
- H.C.R. HANDICAP RAMP
- RETAINING WALL AS NOTED
- CONCRETE SURFACE
- ASPHALT SURFACE
- CONCRETE CURB
- CENTERLINE OF ROAD
- BUILDING LINE
- DECIDUOUS TREE (NOT SHOWN TO SCALE) TRUNK DIA. SHOWN IN INCHES.

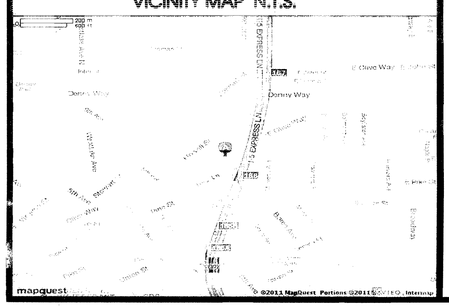
SURVEYOR'S CERTIFICATE:

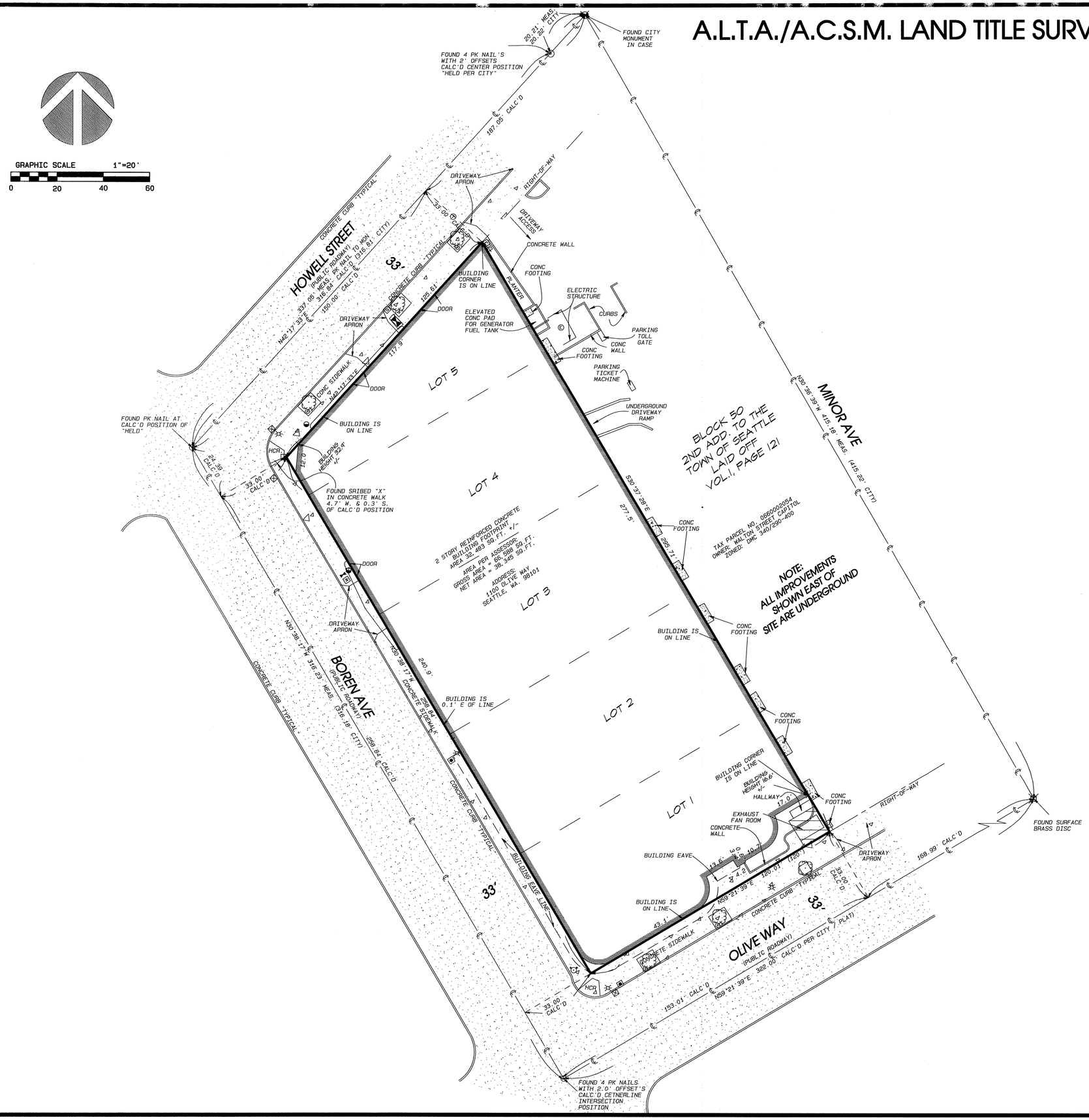
TO: STOCKBRIDGE, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, IRONWOOD APARTMENTS, INC., A WASHINGTON CORPORATION, TMT OLIVE LAB, INC., A DELAWARE CORPORATION AND FIRST AMERICAN TITLE INSURANCE COMPANY;

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 2, 3, 4, [6(A) AND 6(B) INFORMATION NOT PROVIDED BY INSURER], 7(A), 7(B1), 7(C), 8, 9, 11(A), 12, 13, 14, 16, 17 AND 18 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON MARCH 7TH, 2011.

07/21/2011
EDWIN J. GREEN JR. PLS#15025 DATE:

VICINITY MAP N.T.S.





measure success

A.L.T.A./A.C.S.M. LAND TITLE SURVEY
NW 1/4 OF THE NW 1/4 OF SEC. 32, TWP. 25N., RGE. 4E., W.M.
CITY OF SEATTLE, KING COUNTY, WA.

IRONWOOD APARTMENTS
1100 OLIVE WAY
SEATTLE, WA. 98101

EDWIN J. GREEN JR. STATE OF WASHINGTON 15025 REGISTERED PROFESSIONAL LAND SURVEYOR

GeoDimensions
GeoDimensions, Inc., 35402 SE Center Street, Snoqualmie, WA 98065
phone 425.458.4488 support@geodimensions.net
www.geodimensions.net

JOB NUMBER:	3233
DATE:	06/08/2011
DRAFTED BY:	V.L.J.
CHECKED BY:	E.J.G.
SCALE:	1" = 20'
REVISION HISTORY	
DATE:	06/23/2011
DATE:	07/21/2011
SHEET NUMBER	
1 OF 1	

Tenancy Schedule I

Property: xolivel1 As of Date: 07/26/2017 By Property

Property	Unit(s)	Lease	Lease Type	Area	Lease From	Lease To	Term	Tenancy Years	Monthly Rent	Monthly Rent/Area	Annual Rent	Annual Rent/Area	Annual Rec./Area	Annual Misc/Area	Security Deposit Received	LOC Amount/ Bank Guarantee
Olive Lab (xolivel1)		**Republic Parking Northwest, Inc. (t0000408)**	**Office-Generic**	**0.00**	**12/01/2011**			**5.58**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Charge Schedules	Charge	Type	Unit	Area Label	Area	From	To	Monthly Amt	Amt/Area	Annual	Annual/Area	Management Fee	Annual Gross Amount		
		pkg	Misc		NRA SqFt	0.00	12/01/2011		5,250.00	0.00	63,000.00	0.00	0.00	63,000.00		
	Amendment	Type	Status	From	To	Move In	Term	Area	Description		Notes					
		Original Lease	Activated	12/01/2011		12/01/2011			Parking Lot Lease							
Olive Lab (xolivel1)	**001, STOR-1**	**Seattle Children's Hospital (t0000352)**	**Office-Generic**	**38,346.00**	**11/01/2009**	**10/31/2019**	**120**	**7.66**	**57,600.47**	**1.50**	**691,205.64**	**18.03**	**0.81**	**0.00**	**0.00**	**0.00**
	Rent Steps	Charge	Type	Unit	Area Label	Area	From	To	Monthly Amt	Amt/Area	Annual	Annual/Area	Management Fee	Annual Gross Amount		
		rnt	Rent	001	NRA SqFt	37,155.00	11/01/2016	10/31/2017	56,692.33	1.52	680,307.96	18.31	0.00	680,307.96		
		rnt	Rent	001	NRA SqFt	37,155.00	11/01/2017	10/31/2018	58,116.61	1.56	697,399.32	18.77	0.00	697,399.32		
		rnt	Rent	001	NRA SqFt	37,155.00	11/01/2018	10/31/2019	59,571.85	1.60	714,862.20	19.24	0.00	714,862.20		
		sto	Rent	STOR-1	NRA SqFt	1,191.00	11/01/2016	10/31/2017	908.14	0.76	10,897.68	9.15	0.00	10,897.68		
		sto	Rent	STOR-1	NRA SqFt	1,191.00	11/01/2017	10/31/2019	930.97	0.78	11,171.64	9.38	0.00	11,171.64		
		sto	Rent	STOR-1	NRA SqFt	1,191.00	11/01/2018	10/31/2019	954.78	0.80	11,457.36	9.62	0.00	11,457.36		
	Charge Schedules	Charge	Type	Unit	Area Label	Area	From	To	Monthly Amt	Amt/Area	Annual	Annual/Area	Management Fee	Annual Gross Amount		
		rnt	Rent	001	NRA SqFt	37,155.00	11/01/2016	10/31/2017	56,692.33	1.52	680,307.96	18.31	0.00	680,307.96		
		sto	Rent	STOR-1	NRA SqFt	1,191.00	11/01/2016	10/31/2017	908.14	0.76	10,897.68	9.15	0.00	10,897.68		
		cam	CAM	001	NRA SqFt	37,155.00	01/01/2017	10/31/2019	1,457.00	0.03	17,484.00	0.47	0.00	17,484.00		
		ins	CAM	001	NRA SqFt	37,155.00	01/01/2017	10/31/2019	1,141.00	0.03	13,692.00	0.36	0.00	13,692.00		
		rnt	Rent	001	NRA SqFt	37,155.00	11/01/2017	10/31/2018	58,116.61	1.56	697,399.32	18.77	0.00	697,399.32		
		sto	Rent	STOR-1	NRA SqFt	1,191.00	11/01/2017	10/31/2019	930.97	0.78	11,171.64	9.38	0.00	11,171.64		
		rnt	Rent	001	NRA SqFt	37,155.00	11/01/2018	10/31/2019	59,571.85	1.60	714,862.20	19.24	0.00	714,862.20		
		sto	Rent	STOR-1	NRA SqFt	1,191.00	11/01/2018	10/31/2019	954.78	0.80	11,457.36	9.62	0.00	11,457.36		
	Recovery	Group	Pool	Est. Chrg Code	From	To	Numerator	Denom.	Share %	Mgmt %	Cap	Base	Base Yr			
		CAM		cam	01/01/2012	10/31/2019				0.00	0.00	0.00				
			admin				NRA SqFt	NRA SqFt	100.00	0.00	0.00	0.00				
			basecam				NRA SqFt	NRA SqFt	100.00	0.00	0.00	0.00				

Tenancy Schedule I

Property: xolivel1 As of Date: 07/26/2017 By Property

Property	Unit(s)	Lease	Lease Type	Area	Lease From	Lease To	Term	Tenancy Years	Monthly Rent	Monthly Rent/Area	Annual Rent	Annual Rent/Area	Annual Rec./Area	Annual Misc/Area	Security Deposit Received	LOC Amount/ Bank Guarantee
			jani				NRA SqFt	NRA SqFt	100.00	0.00	0.00	0.00				
			mgmtfee				NRA SqFt	NRA SqFt	100.00	0.00	0.00	0.00				
			snow				NRA SqFt	NRA SqFt	100.00	0.00	0.00	0.00				
		Ins		ins	01/01/2012	10/31/2019				0.00	0.00	0.00				
			ins				NRA SqFt	NRA SqFt	100.00	0.00	0.00	0.00				

	Amendment	Type	Status	From	To	Move In	Term	Area	Description	Notes		
		Original Lease	Activated	11/01/2009	10/31/2019	11/01/2009	120					
		Component	Activated	11/01/2009	10/31/2019	11/01/2009	120	37,155.00	office/lab space			
		Component	Activated	11/01/2009	10/31/2019	11/01/2009	120	1,191.00	storage space			

	Options	Type	Status	Who	Date	Valid Till Date	Term	Earliest	Latest	Monthly Rent	Description	Time of Essence
		Renewal	Active	Tenant	10/31/2019		60	04/30/2018	10/31/2018		1st of 2 extension options	
		ROFO	Active		10/31/2019		12				Right of First Offer	
		Renewal	Active	Tenant	10/31/2024		60	05/01/2023	11/01/2023		Last of 2 extension options	

Occupancy Summary	Area	Percentage
Occupied Area	38,346.00	100.00
Vacant Area	0.00	0.00
Total	**38,346.00**	**100.00**

Summary by Charge Code	Monthly Amount
CAM Estimates (cam)	1,457.00
Insurance Estimate (ins)	1,141.00
Parking Rent (pkg)	5,250.00
Base Rent Office (rnt)	174,380.79
Storage Rent (sto)	2,793.89

Occupancy Summary	Area	Percentage
Total Occupied Area	38,346.00	100.00
Total Vacant Area	0.00	0.00
Grand Total	**38,346.00**	**100.00**

LEASE AGREEMENT

BETWEEN

IRONWOOD APARTMENTS, INC.

("**LANDLORD**")

AND

SEATTLE CHILDREN'S HOSPITAL, d/b/a
SEATTLE CHILDREN'S RESEARCH INSTITUTE

("**TENANT**")

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made and entered into as of October 21, 2009, by and between **IRONWOOD APARTMENTS, INC.,** a Washington corporation ("**Landlord**") and **SEATTLE CHILDREN'S HOSPITAL,** a Washington non-profit corporation, d/b/a Seattle Children's Research Institute ("**Tenant**").

1. Basic Lease Information.

1.01 "**Project**": The Project consists of the land legally described in **Exhibit A** (the "**Land**"), the street address of which is 1100 Olive Way, Seattle, Washington, together with the building (the "**Building**") and all improvements situated thereon.

1.02 "**Premises**": The Premises consists of the entire leasable area within the Building, but excluding the underground parking garage within the Building. The "**Rentable Square Footage of the Premises**" is deemed and agreed for all purposes hereunder to be 38,345 square feet, comprised of 37,155 square feet of office/lab space and 1,191 square feet of storage space (the "**Storage Space**").

1.03 "**Delivery Date**": The date on which the Premises are delivered to Tenant for commencement of construction of the Tenant Improvements is referred to herein as the "**Delivery Date**." The current target for the Delivery Date is November 1, 2009 (the "**Target Delivery Date**").

1.04 **"Commencement Date"** and **"Termination Date":** The "**Commencement Date**" for this Lease shall be the Delivery Date. The term of this Lease (the "**Term**") shall commence on the Commencement Date and, unless sooner terminated or extended as provided herein, shall expire on the date (the "**Termination Date**") that is one hundred twenty (120) full calendar months after the Rent Commencement Date.

1.05 "**Rent Commencement Date**" means the date which is one hundred twenty (120) days after the Commencement Date.

1.06 **"Tenant Improvement Allowance"**: $200,000, to be paid to Tenant in accordance with the terms of the Work Letter attached as **Exhibit B**. The term "**Tenant Improvements**" is also defined in such Work Letter.

1.07 "**Prepaid Rent**": None.

1.08 **"Base Rent" and "Storage Rent":** On or before the Rent Commencement Date and on or before the first day of each calendar month thereafter during the Term, Tenant shall pay base rent for the Premises ("**Base Rent**") equal to the sum of the following: (a) Fifteen and 50/100 Dollars ($15.50) per rentable square foot of the Office Space per annum, subject to adjustment as provided in Section 5.02 below ("**Office Rent**"); and (b) gross rent equal to fifty percent (50%) of then applicable Base Rent rate per rentable square foot of the Storage Space per annum ("**Storage Rent**").

1.09 "**Landlord's Broker**": None.

1.10 "**Tenant's Broker**": Craig Kinzer of Kinzer Real Estate Services.

1.11 "**Permitted Use**" means general office, laboratory and research use (including a vivarium), subject in each case to Tenant obtaining applicable permits and licenses and complying with all applicable Laws related to such uses.

1.12 "**Notice Addresses**":

Landlord:
Ironwood Apartments, Inc.
c/o SRM Development, LLC
111 North Post, Suite 200
Spokane, Washington 99201
Attn: Asset Manager

Tenant:
Seattle Children's Hospital
4800 Sand Point Way N.E.
Seattle, Washington 98105
Attn: Jeffrey M. Sconyers, General Counsel
Tel: 206-987-2044
Fax: 206-987-3830

With a copy to:

Davis Wright Tremaine LLP
1201 Third Avenue, Suite 2200
Seattle, WA 98101-3045
Attn: Dennis E. McLean
Tel: 206.757-8100
Fax: 206.757-7100

1.13 "**Business Day(s)**": Monday through Friday of each week, exclusive of New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day ("**Holidays**").

1.14 "**Landlord Work**" means the work that Landlord is obligated to perform at the Project pursuant to the work letter (the "**Work Letter**") attached to this Lease as **Exhibit B**.

The following exhibits and attachments are incorporated into and made a part of the Lease:

Exhibit A	(Legal Description of Land)
Exhibit B	(Work Letter)
Exhibit C	(Commencement Letter)
Exhibit D	(Building Rules and Regulations)
Exhibit E	(Form of SNDA)

2. Lease Grant.

Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term, subject to and on all of the terms and conditions set forth herein.

3. Delivery of Premises; Possession.

3.01 **Actual Delivery Date.** Landlord's failure to deliver the Premises to Tenant by the Target Delivery Date shall not be a default by Landlord. In the case of delays of the actual Delivery Date beyond the Target Delivery Date, there shall be a day-for-day extension of the Commencement Date (so that the Commencement Date occurs on the actual Delivery Date). No later than sixty (60) days prior to the Target Delivery Date, Landlord shall provide Tenant with a notice (a) advising Tenant whether or not Landlord expects the Delivery Date to occur on or before the Target Delivery Date, and (b) if Landlord does not expect the Delivery Date to occur by such date, then advising Tenant of the anticipated length of delay. Thereafter Landlord shall provide weekly updates to Tenant advising Tenant of the anticipated actual Delivery Date. Notwithstanding the foregoing, in the event Landlord is unable to deliver the Premises to Tenant within sixty (60) following the Target Delivery Date, Tenant may terminate this Lease by written notice to Landlord. If this Lease is

terminated by Tenant as provided in the preceding sentence, Landlord shall return to Tenant any prepaid amounts.

3.02 **Confirmation of Commencement Date.** Promptly after the determination of the Commencement Date and Rent Commencement Date, Landlord and Tenant shall enter into a commencement letter agreement in the form attached as **Exhibit C**. Tenant's failure to execute and return the commencement letter, or to provide written objection to the statements contained in the letter, within thirty (30) days after the date of the letter shall be deemed an approval by Tenant of the statements contained therein.

3.03 **Acceptance of Premises.** Except as expressly provided in this Lease to the contrary, the Premises shall be accepted by Tenant in their "as is" condition and configuration as of the date of this Lease without any representations or warranties by Landlord and without any obligation of Landlord to perform any alterations or improvements thereto. By taking possession of the Premises, Tenant agrees that the Premises are in good order and satisfactory condition.

3.04 **Fixtures and Personal Property.** Tenant shall be entitled to use throughout the Term, without additional charge, the fixtures within the Premises that were installed by the prior tenant, Targeted Genetics Corporation ("**TGC**"). Such fixtures shall be provided by Landlord on an as-is basis without any representation or warranty whatsoever regarding the condition of such fixtures or their suitability for Tenant's intended use. Landlord acknowledges that Tenant intends to acquire from TGC certain personal property owned by TGC located in the Premises (the "**TGC Personal Property**"). Landlord hereby waives and releases any interest it has or may have in the TGC Personal Property, including without limitation any statutory landlord's lien thereon and right to assert such lien claim.

4. Tenant's Options to Extend.

4.01 **Extension Option.** So long as Tenant is not in Default hereunder at the time it delivers a Notice of Intent (defined below), Tenant shall have the right to extend the Term of this Lease (each, an "**Extension Option**") for two (2) consecutive periods of five (5) years each (each, an "**Extension Term**"). Tenant may exercise an Extension Option for the applicable Extension Term by delivering to Landlord notice of Tenant's intention to exercise the Extension Option (the "**Notice of Intent**") no earlier than the date that is eighteen (18) months prior to, and no later than the date that is twelve (12) months prior to, the expiration of the then-existing Term of this Lease. Upon Tenant's delivery of the Notice of Intent, both Landlord and Tenant shall be irrevocably obligated to extend the Term for the applicable Extension Term. Each such Extension Term shall be on all of the terms and conditions contained in this Lease, except that Base Rent payable hereunder shall be as follows:

4.01.1 For the first Extension Term, Base Rent shall be the lesser of (i) the Base Rent payable immediately prior to the commencement of the first Extension Term (with annual increases of two and one-half percent (2.5%) on such Base Rent amount during the first Extension Term); or (ii) ninety five percent (95%) of Market Rental Value.

4.01.2 For the second Extension Term, Base Rent shall be the Market Rental Value, but not less than the Base Rent payable immediately prior to the commencement of the second Extension Term (with annual increases of two and one-half percent (2.5%) on such Base Rent amount during the second Extension Term).

4.02 **Market Rental Value**. The term "**Market Rental Value**" shall be the rental rate being charged during the preceding 6-month period by landlords in lease transactions for Comparable Premises, taking into consideration (a) the location of the project or other building, (b) the quantity and quality of tenant improvements or allowances existing or to be provided versus the amounts offered by Landlord, (c) proposed term of lease, (d) extent of service provided or to be provided by landlord, (e) the time the particular rate under consideration became or is to become

effective, (f) the value of tenant concessions being offered for similar sized tenancies with similar quality tenants, and (g) any other relevant terms, conditions or concessions. For purposes hereof, the term "**Comparable Premises**" shall mean premises of similar nature and quality of construction in downtown Seattle, Washington.

4.03 **Determination of Market Rental Value.** Landlord shall submit its opinion of Market Rental Value to Tenant within 20 days after Landlord's receipt of the Notice of Intent and Tenant shall respond thereto within 20 days thereafter by either (a) accepting Landlord's opinion of Market Rental Value, or (b) submitting Tenant's opinion of Market Rental Value, in which case the parties will attempt to agree upon the Market Rental Value of the Premises. If Tenant fails to respond to Landlord within such 20 day period, Tenant shall be deemed to have accepted Landlord's opinion of Market Rental Value in accordance with clause (a) above.

4.04 **Appraisal.** If Tenant responds as described in Section 4.03(b) but Landlord and Tenant cannot agree upon the Market Rental Value of the Premises within 60 days thereafter, then Landlord and Tenant within an additional 30 days shall each submit to the other their final written statement of Market Rental Value ("**Final Statement**"). Within 20 days thereafter Landlord and Tenant shall together appoint one real estate appraiser (who shall be a Member of the Appraisal Institute ("**M.A.I.**")) who shall select either Landlord's or Tenant's Final Statement of Market Rental Value as the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises, without any compromising or averaging. If Landlord and Tenant cannot mutually agree upon an appraiser within said 20-day period, any party may apply to the Presiding Judge of the Superior Court for King County, Washington, requesting said Judge to appoint the M.A.I. qualified appraiser. The appraiser so appointed shall promptly determine whether Landlord's or Tenant's Final Statement of Market Rental Value is the closest to the actual (in such appraiser's opinion) Market Rental Value of the Premises, and such Final Statement of Market Rental Value shall be the Market Rental Value for the purpose of determining Base Rent during the second Extension Term. The fees and expenses of said appraiser shall be borne equally by Landlord and Tenant. The appraiser appointed or selected pursuant to this Section shall have at least 10 years experience appraising commercial properties in the County in which the Project is located.

5. Rent.

5.01 **Base Rent and Additional Rent.** Tenant shall pay Landlord, without any setoff or deduction except as expressly provided herein, equal monthly installments of Base Rent and Additional Rent (collectively referred to as "**Rent**") as provided herein. Base Rent shall be due as provided in Section 1.08 above, as adjusted pursuant to Section 5.02 below. Additional Rent shall be due for all periods during the Term commencing with the Commencement Date. "**Additional Rent**" means all sums in addition to Base Rent that Tenant is required to pay Landlord under this Lease, including without limitation Expenses and Taxes as defined below. Base Rent and recurring monthly charges of Additional Rent shall be due and payable on and after the Commencement Date (with respect to Additional Rent) and on and after Rent Commencement Date (with respect to Base Rent) in advance on the first day of each calendar month without notice or demand, provided that if the Commencement Date or Rent Commencement Date is a date other than the first day of a calendar month then Additional Rent and/or Base Rent, as applicable, shall first be due on the Commencement Date and/or Rent Commencement Date, as applicable, for the period from such date through the end of the month during which such date occurs. All other items of Rent (that is, Rent other than Base Rent and recurring monthly charges of Additional Rent) shall be due and payable by Tenant on or before 30 days after billing by Landlord. Rent shall be made payable to the entity, and sent to the address, Landlord designates and shall be made by good and sufficient check or by other means acceptable to Landlord. Tenant shall pay Landlord an administration fee equal to 5% of all past due Rent, provided that Tenant shall be entitled to a grace period of 5 days following written notice for the first late payment of Rent in any calendar year. In addition, past due Rent shall accrue interest at 12% per annum. Landlord's acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due. Rent for any partial month during the Term shall be prorated. No endorsement or statement on a check or letter accompanying

payment shall be considered an accord and satisfaction. Tenant's covenant to pay Rent is independent of every other covenant in this Lease.

5.02 **Base Rent Adjustments.** Base Rent during the initial 120-month Term shall be adjusted as follows:

Lease Year	Annual Office Rent/ Storage Rent per RSF	Annual Base Rent (Office Rent/Storage Rent)	Monthly Base Rent Payment
Lease Years 1 through 5	**$15.50/$7.75**	**$585,132.75** ($575,902.50/$9,230.25)	**$48,761.06**
Lease Year 6	**$17.43/$8.72**	**$657,997.17** ($647,611.65/$10,385.52)	**$54,833.10**
Lease Year 7	**$17.86/$8.93**	**$674,223.93** ($663,588.30/$10,635.63)	**$56,185.33**
Lease Year 8	**$18.32/$9.15**	**$691,205.70** ($680,308.05/$10,897.65)	**$57,600.47**
Lease Year 9	**$18.77/$9.38**	**$708,570.93** ($697,399.35/$11,171.58)	**$59,047.58**
Lease Year 10	**$19.24/$9.62**	**$726,319.62** ($714,862.20/$11,457.42)	**$60,526.63**

5.03 **Net Lease.** Except as expressly provided in Section 5.06 below, all costs of operating, maintaining, repairing, managing and owning the Project shall be paid by Tenant, it being the intention of the parties hereto that except as specifically noted herein this Lease shall be absolutely net to Landlord.

5.04 **Expenses and Taxes.** Beginning on the Commencement Date Tenant shall pay the total amount of Expenses and Taxes for each calendar year during the Term. Except with respect to Landlord's insurance costs and as otherwise directed by Landlord, Tenant shall pay all Expenses directly to the provider of the applicable goods or services and shall maintain direct accounts with such providers. Without in any way limiting the foregoing, Tenant shall establish direct accounts with, and shall pay directly, the providers of all utility services to the Premises. Landlord shall submit invoices or statements to Tenant for Landlord's insurance costs promptly after Landlord's receipt thereof, and Tenant shall pay such amounts within thirty (30) days after receipt of such invoices or statements, but in any event prior to the date such amounts are due. Upon Landlord's request, Tenant shall provide Landlord with reasonable evidence of such payment. As of the Commencement Date, Landlord represents and warrants that Landlord has paid in full all currently due Taxes. For each calendar year, Landlord shall provide Tenant with a copy of the tax statement at least thirty (30) days prior to when the Taxes are due and Tenant shall pay the Taxes for the Property directly to the taxing authority prior to delinquency. Tenant shall have the right to

challenge, at its sole expense, the assessment for Taxes and Landlord agrees to provide whatever assistance Tenant may reasonably require at Tenant's expense. Upon the request of Tenant, and if required to preserve the right to challenge such Taxes, Landlord will take all such actions as may be necessary or desirable to preserve Tenant's right to challenge such taxes. If Landlord receives any reimbursement of Taxes which were previously paid by Tenant, Landlord will promptly deliver the amount reimbursed to Tenant.

5.05 **Definition of Expenses.** "**Expenses**" means all costs and expenses incurred in each calendar year in connection with operating, maintaining, repairing, managing and owning the Project (excluding those items identified in Section 5.06 below) and painting, and controlling graffiti on, the exterior of the Building. Expenses include, without limitation: (a) all labor and labor related costs, including wages, salaries, bonuses, taxes, insurance, uniforms, training, retirement plans, pension plans and other employee benefits, for personnel providing services to the Project; (b) accounting and bookkeeping costs; (c) the cost of services; (d) rental and purchase cost of parts, supplies, tools and equipment; (e) commercially reasonable insurance premiums and deductibles; (f) electricity, gas and other utility costs; (g) landscaping costs; and (h) repair and replacement of Building systems or equipment; provided that if such repairs or replacements are treated as capital costs under generally accepted accounting principles, such costs are includable in Expenses each year only to the extent of that fraction allocable to the year in question calculated by amortizing such costs over the reasonable useful life of the improvement resulting therefrom, with interest on the unamortized balance at ten percent (10%) per annum.

5.06 **Exclusions from Expenses.** Expenses shall not include: the cost of the maintenance, repair and, if necessary, replacement, of the roof and structural elements of the Building; costs of maintaining, operating or replacing the garage in the Building (other than insurance, property taxes and utilities if not separately metered) and the fees charged by any garage operator; ground rent, if any; depreciation or amortization of the Building or Building systems or equipment or expenses; interest or principal payments of mortgage and other non-operating debts of Landlord; the cost of repairs or other work to the extent Landlord is reimbursed by insurance or condemnation proceeds; costs incurred in connection with the sale, financing or refinancing of the Project; real estate broker's commissions; fines, interest and penalties incurred due to the late payment by Landlord of Taxes or Expenses (to the extent paid directly by Landlord); attorneys' fees, costs, disbursements and other expenses incurred in connection with disputes with tenants, or lease negotiations with prospective tenants, organizational expenses associated with the creation and operation of the entity which constitutes Landlord; or costs incurred to remove or remediate any existing Hazardous Substances from the Property or Premises and any judgments, fines, penalties, or other costs incurred in connection with any existing Hazardous Substance exposure or release. Payment for the foregoing excluded items shall be at Landlord's cost without reimbursement from Tenant.

5.07 **Definition of Taxes.** "**Taxes**" shall mean: (a) all real property taxes and other assessments on the Project, including, but not limited to, gross receipts taxes, assessments for special improvement districts and building improvement districts, governmental charges, fees and assessments for police, fire, traffic mitigation or other governmental service of purported benefit to the Project, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Project's share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Project; and (b) all personal property taxes for property that is owned by Landlord and used in connection with the operation, maintenance and repair of the Project. Without limitation, Taxes shall not include any income, capital levy, transfer, business and occupation, capital stock, gift, estate or inheritance tax, or any sales taxes or parking assessments levied with respect to the ownership or operation of the parking garage. If a change in Taxes is obtained for any year of the Term during which Tenant paid any Taxes, then Taxes for that year will be retroactively adjusted and Landlord shall provide Tenant with a credit, if any, based on the adjustment. Tenant shall pay Landlord the amount of any such increase in Taxes within 30 days after Tenant's receipt of a statement from Landlord.

6. Compliance with Laws; Use.

The Premises shall be used for the Permitted Use and for no other use whatsoever. Tenant shall comply with all statutes, codes, ordinances, orders, rules and regulations of any municipal or governmental entity whether in effect now or later, including the Americans with Disabilities Act ("**Law(s)**"), regarding the operation of Tenant's business and its use and occupancy of the Premises. Landlord makes no representation or warranty that the Permitted Use is permitted by Law and it shall be the sole responsibility of Tenant to confirm such compliance. In addition, Tenant shall, at its sole cost and expense, promptly cause the Building to comply or, at Landlord's election, promptly reimburse Landlord for the cost causing the Building to comply with any Laws relating to access to the Project or the Building, the structural portions of the Building, the public restrooms or other accommodations within the Building, the parking facilities within the Project, and the Building mechanical, electrical and plumbing systems and equipment located in the internal core of the Building, but only to the extent that such compliance obligations are triggered by Tenant's use of the Premises, other than for the Permitted Use, or Alterations or improvements in the Premises performed or requested by Tenant. Tenant shall promptly provide Landlord with copies of any notices it receives regarding an alleged violation of Law. Tenant shall comply with the rules and regulations of the Building attached as **Exhibit D** and such other reasonable rules and regulations adopted by Landlord from time to time, including rules and regulations for the performance of Alterations (defined in Section 9). In the event of any conflict between the terms of this Lease and the Rules and Regulations, the terms of this Lease shall prevail.

7. Building Services.

7.01 **Tenant Obligation.** Tenant shall be solely responsible for providing all services to the Premises, including without limitation: (a) water, sewer, electricity and all other utilities; (b) heating, ventilation and air conditioning; (c) janitorial service; (d) elevator service; and (e) such other services as Tenant may deem necessary or appropriate for the Premises. Tenant acknowledges that Landlord has no responsibility for the provision of any services to the Premises and shall have no liability for any interruption or failure of such services. Notwithstanding the foregoing, in the event an interruption or failure of service occurs by reason of Landlord's negligence, omission or willful misconduct and such interruption causes the Premises or a portion thereof to be untenantable and Tenant has given Landlord notice of such interruption, then commencing three (3) Business Days following such interruption, Rent shall abate (in whole or in part based on the number of square feet that are untenantable) until the Premises (or the untenantable portion thereof) are rendered tenantable.

7.02 **Intentionally Omitted.**

8. Removal of Certain Tenant Property and Leasehold Improvements.

Upon the expiration or termination of this Lease, Tenant on the Termination Date shall return the Premises to Landlord in a broom-clean condition, normal wear and tear and casualty excepted, with all of its personal property, equipment and trade fixtures removed and any damage caused to the Premises by such removal repaired; provided, however, in no event shall Tenant be required to remove any electronic, fiber, phone and data cabling and related equipment that is installed by or for the benefit of Tenant (collectively **"Cable"**) nor any pre-existing tenant improvements. In addition, Landlord, by written notice to Tenant at least 30 days prior to the Termination Date, may require Tenant, at its expense, to remove any of the Tenant Improvements or subsequent Alterations (collectively "**Leasehold Improvements**") that, in Landlord's reasonable judgment, are of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard office improvements (such other items collectively are referred to as "**Required Removables**"). Required Removables shall include, without limitation, internal stairways, raised floors, personal baths and showers, cafeterias or kitchens, vaults, rolling file systems, Roof Equipment (as defined in Section 9.04) and structural alterations and modifications. Tenant shall repair damage caused by the installation or removal of Required Removables.

The Required Removables shall be removed by Tenant, with all damage repaired, before the Termination Date. If Tenant fails to perform its obligations as required hereunder, Landlord may perform such work at Tenant's expense. After receipt of Tenant's written request for approval of any proposed Alterations or Leasehold Improvements, and within the applicable time period established in this Lease for approving Alterations or Leasehold Improvements, Landlord shall advise Tenant in writing as to which portions of the proposed Leasehold Improvements would be Required Removables and which proposed Alterations or Leasehold Improvements could remain in the Premises after the Termination Date, and Landlord shall be bound by such written determination.

9. Repairs and Alterations.

9.01 **Tenant Obligation.** Except as expressly provided in Section 9.02 below, Tenant shall be solely responsible, at Tenant's sole expense, for the maintenance and repair of the Premises and all systems therein, as well as the exterior window cleaning. Tenant shall maintain the Premises in good repair and working order. If Tenant fails to make any repairs to the Premises for more than 30 days after written notice from Landlord (although only reasonable advance notice will be required in an emergency), Landlord may make the repairs, and Tenant shall pay the reasonable cost of the repairs, together with an administrative charge in an amount equal to 10% of the cost of the repairs.

9.02 **Landlord Obligation.** Landlord shall, at its expense, keep and maintain in good repair and working order and perform maintenance upon and replacement of: the roof, roof membrane and structural elements of the Building and the parking garage in the Building. Landlord shall be responsible for repairs and replacements to the exterior windows and curtain wall of the Building, at Landlord's expense; provided, however, an amortized portion of such expenses may be passed on to Tenant during each Lease year as Additional Rent, as determined by amortizing the cost thereof over the useful life of the item repaired or replaced, with interest at the Prime Rate (defined below) plus 1% per annum.

9.03 **Alterations.** Tenant shall not make alterations, repairs, additions or improvements (collectively referred to as "**Alterations**") without first obtaining the written consent of Landlord in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that: (i) will cost no more than $50,000.00 and will not affect the Building structure, roof, electrical or mechanical systems; or (ii) satisfies all of the following criteria (a "**Cosmetic Alteration**"): (a) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; (b) is not visible from the exterior of the Building; (c) will not affect the Building structure or roof or electrical or mechanical systems or any water intrusion prevention or other membrane or skin of the Building; and (d) does not require work to be performed inside the walls or above the ceiling of the Premises (except for cable installation). Alterations permitted under the preceding sentence shall be subject to all the other provisions of this Section. Prior to starting work, Tenant shall furnish Landlord with plans and specifications; names of contractors reasonably acceptable to Landlord (provided that Landlord may designate specific contractors with respect to Building structure or roof or electrical or mechanical systems or any water intrusion prevention or other membrane or skin of the Building); required permits and approvals; and evidence of contractors' and subcontractors' insurance in amounts reasonably required by Landlord and naming Landlord as an additional insured. Any material changes to the plans and specifications must also be submitted to Landlord for its approval. Alterations shall be constructed in a good and workmanlike manner using materials of good quality. Tenant shall reimburse Landlord for reasonable sums paid by Landlord for third party examination of Tenant's plans for non-Cosmetic Alterations. Upon completion, Tenant shall furnish "as-built" plans for non-Cosmetic Alterations, and full and final waivers of lien. Landlord's approval of an Alteration shall not be deemed a representation by Landlord that the Alteration complies with Law.

9.04 **Roof Mounted Equipment.** Subject to approval by applicable governmental authorities and compliance with all applicable Laws, and subject to the approval of Landlord, not to be unreasonably withheld, conditioned or delayed, Tenant shall have the right, at Tenant's sole cost and expense, to install, maintain and operate roof mounted telecommunication devices, replacement

or supplemental back up power generators, and related equipment, including cables from the exterior of the Premises to equipment inside the Premises, necessary for the operation of such devices ("**Roof Equipment**") so long as (a) no Roof Equipment unreasonably interferes with the use and operation by any other occupant in the Building of any other like device or an occupant's operation of its business in the Building; (b) Landlord, not Tenant, shall be responsible for any maintenance or repair to the Building, including without limitation the roof, which may arise in connection with the installation, use, maintenance, repair or removal of the Roof Equipment, with all such maintenance and repair costs to be charged to Tenant as Additional Rent; and (c) Tenant shall indemnify and hold Landlord harmless from and against any and all loss, costs, claims, damages, or expenses (including reasonable attorneys' fees) arising in connection with the installation, use, maintenance, repair, and removal of such Roof Equipment. Tenant will ensure that the Roof Equipment, and each part of it, will be installed in accordance with local building rules of construction and occupancy codes and subject to clause (b) above, shall repair all damage to the Premises and Building (including but not limited to the roof and/or walls of the Premises and Building) caused as a result of Tenant's installation of the Roof Equipment. Subject to clause (b) above, Tenant shall be responsible for the repair and maintenance of the Roof Equipment during the Term of the Lease, at its sole cost and expense, and prior to the Termination Date of the Lease, shall remove said Roof Equipment and repair damage to the Building result from the use, operation and removal of the Roof Equipment. Roof penetrations shall be allowed only to the extent that they do not invalidate roof warranties; roof penetrations shall be performed by Landlord's designated contractor (or such other qualified contractor as Tenant may select and Landlord shall approve) at Tenant's expense if required in order to preserve roof warranties. Tenant hereby agrees that the Roof Equipment shall remain well screened from public view. Landlord acknowledges and agrees that Tenant shall have the exclusive right to install and use Roof Equipment during the Term of this Lease.

10. Entry by Landlord.

Landlord may enter the Premises to inspect, show or facilitate the performance of repairs, alterations or additions to the Premises or any portion of the Building; provided, however, Tenant-designated areas within the Premises devoted to research laboratory and related uses (including any vivariums) may have restricted access for security, privacy and health/life safety purposes. Except in emergencies when only reasonable advance notice is necessary, Landlord shall provide Tenant with 48-hours advance written notice prior to entry. When entering or performing any repair or other work on the Premises, Landlord, its agents, employees and/or contractors: (a) shall identify themselves to Tenant's personnel immediately upon entering the Premises; and (b) shall not, in any way, materially or unreasonably affect, interrupt or interfere with Tenant's use, business or operations on the Premises or Tenant's security procedures and privacy policies. Landlord agrees that any entry by Landlord or its principals, employees, agents or contractors shall be done in compliance with Tenant's reasonable security procedures and privacy requirements, including a requirement that all persons seeking access to the Premises shall be accompanied by a Tenant representative. Entry by Landlord shall not constitute a constructive eviction or entitle Tenant to an abatement or reduction of Rent.

11. Assignment and Subletting.

11.01 **Landlord Consent.** Except in connection with a Permitted Transfer (defined in Section 11.04), Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use any portion of the Premises (collectively or individually, a "**Transfer**") without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. For purposes of this Section 11, the following events shall be deemed to be a Transfer: (i) the issuance of equity interests (whether stock, partnership interests or otherwise) in Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, to any person or group of related persons, in a single transaction or a series of related or unrelated transactions, such that, following such issuance, such person or group shall have Control (as defined below) of Tenant, or any assignee or subtenant, if applicable; or (ii) a transfer of Control of Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, in a single transaction or a series of related or unrelated transactions (including, without limitation, by consolidation, merger,

acquisition or reorganization), except that the transfer of outstanding capital stock or other listed equity interests by persons or parties other than "insiders" within the meaning of the Securities Exchange Act of 1934, as amended, through the "over-the-counter" market or any recognized national or international securities exchange, shall not be included in determining whether Control has been transferred. "**Control**" shall mean direct or indirect ownership of 50% or more of the equity interests in any business entity. Any Transfer in violation of this Section shall, at Landlord's option, be deemed a Default by Tenant as described in Section 18, and shall be voidable by Landlord. In no event shall any Transfer, including a Permitted Transfer, release or relieve Tenant from any obligation under or with respect to this Lease.

11.02 **Procedure and Limitations.** Tenant shall provide Landlord with financial statements for any proposed transferee, a fully executed copy of the proposed assignment, sublease or other Transfer documentation and such other information as Landlord may reasonably request. Within 20 days after receipt of the required information and documentation, Landlord shall either: (a) consent to the Transfer by execution of a consent agreement in a commercially reasonable form; or (b) reasonably refuse to consent to the Transfer in writing stating the specific reasons for such disapproval. In determining whether to approve a proposed Transfer, Landlord may consider any and all factors that Landlord in its judgment deems relevant, including the proposed transferee's reputation and creditworthiness, the character of the business to be conducted by the proposed transferee at the Premises and the effect of such assignment or subletting on the reputation of the Project. In addition, with respect to any Transfer that may be approved by Landlord, Landlord shall have the right to reasonably approve the specific form of assignment or sublease agreement or other Transfer documentation. Tenant shall pay Landlord a review fee of $500.00 for Landlord's review of any requested Transfer and shall also reimburse Landlord for all attorneys' fees and third party costs incurred by Landlord as part of its review, not to exceed $1,000.00.

11.03 **Increased Rent**. Tenant shall pay Landlord 50% of all rent and other consideration which Tenant receives as a result of a Transfer that is in excess of the Rent payable to Landlord for the portion of the Premises and Term covered by the Transfer. Tenant shall pay Landlord for Landlord's share of the excess within 30 days after Tenant's receipt of the excess. Tenant may deduct from the excess, without interest, all reasonable and customary expenses directly incurred by Tenant attributable to the Transfer, including any tenant improvement allowance, leasing commissions, rent abatement and other tenant incentives. If Tenant is in Default, Landlord may require that all sublease payments be made directly to Landlord, in which case Tenant shall receive a credit against Rent in the amount of Tenant's share of payments received by Landlord.

11.04 **Permitted Transfers.** Notwithstanding anything set forth in this Section 11 to the contrary, Landlord's consent shall not be required, and the requirements of Sections 11.01 and 11.02 shall not apply (except for the continuing liability of the original Tenant under Section 11.01 and delivery of required documents related to the transferee's financial condition and the assignment or sublease agreement under Section 11.02), with respect to a Transfer where the transferee (i) is acquiring all or substantially all of the assets of Tenant, (ii) is acquiring Control of Tenant, (iii) Controls, is Controlled by, or is under common Control with Tenant; or (iv) as a result of a merger, consolidation or reorganization will either be Controlled by or be under common Control with Tenant (any such Transfer being referred to herein as a "**Permitted Transfer**"). A Permitted Transfer shall also include: (a) one or more subleases of not more than 5,000 rentable square feet of area in the aggregate to TGC; and (b) one or more subleases of not more than 10,000 rentable square fee of area in the aggregate to a party that has an ongoing business relationship with Tenant (e.g., joint research effort) and is occupying a portion of the Premises to facilitate that relationship.

12. Liens.

Tenant shall not permit construction liens or other liens to be placed upon the Project, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of Tenant or its transferees. Tenant shall give Landlord notice at least 15 days prior to the

commencement of any work in the Premises to afford Landlord the opportunity, where applicable, to post and record notices of non-responsibility to the extent such notices are effective under any applicable statute. Tenant, within 10 days of notice from Landlord, shall fully discharge any lien by settlement or by bonding over the lien in the manner prescribed by the applicable lien Law and, if Tenant fails to do so, Landlord, at its option, may bond over or otherwise discharge the lien. Tenant shall reimburse Landlord for any reasonable amount paid by Landlord, including, without limitation, reasonable attorneys' fees and bond premiums, within twenty (20) days after receipt of written demand.

13. Indemnity and Waiver of Claims.

13.01 **Tenant Indemnity.** Except to the extent caused by the negligence or willful misconduct of Landlord or its members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees (defined in Section 23) and agents ("**Landlord Related Parties**") and its or their invitees, Tenant assumes responsibility for and agrees at the sole discretion of Landlord to defend, indemnify and hold harmless Landlord and Landlord Related Parties from any and all claims, demands, damages, expenses, losses, fines, penalties or liabilities, including loss of use, arising from, resulting in any manner directly or indirectly from or connected with any damage or injury arising out of Tenant's use or occupancy of the Premises or any acts or omissions (including violations of Law) of Tenant or any of Tenant's officers, employees, agents, transferees, contractors, invitees or licensees ("**Tenant Related Parties**"). Tenant's duty to defend Landlord and Landlord Related Parties shall not be apportioned or reduced in any way by the negligence or other fault of Landlord and Landlord Related Parties, or the fault or negligence of Tenant Related Parties or its employees or agents, or any other third-party. Tenant's obligation to defend, indemnify and hold Landlord and Landlord Related Parties harmless shall include, but will not be limited to, attorney and expert fees, court costs, the reasonable hourly rate of the employees of Landlord and Landlord Related Parties and all other claim-related expenses, to the fullest extent permitted by law, even though such claims may prove to be false, groundless, or fraudulent, provided, however, that if under any applicable Laws indemnification by Tenant of concurrent negligence is valid only to the extent of the negligence of Tenant or Tenant Related Parties, then Tenant's duty to indemnify for liability for damage arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (i) Landlord and Landlord Related Parties, or their agents or employees, and (ii) Tenant or Tenant Related Parties, shall apply only to the extent of negligence of Tenant and Tenant Related Parties, except when negligence is not a requirement of liability.

13.02 **Landlord Indemnity.** Except to the extent caused by the negligence or willful misconduct of Tenant or any Tenant Related Parties, Landlord shall indemnify, defend and hold harmless Tenant against and from all claims, demands, damages, expenses, losses, fines, penalties or liabilities arising out of or in connection with the negligence or willful misconduct (including violations of Law) of Landlord or the Landlord Related Parties.

13.03 **Limited Waiver.** For the purposes of these indemnification provisions only, Tenant and Landlord specifically and expressly waive any immunity that may be granted them under the Washington State Industrial Insurance Act, Title 51 RCW; provided that such waiver shall be expressly limited to the waiving party's indemnity obligations herein and shall not be intended as a benefit to any third party. Further, the indemnification obligation under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under worker's compensation acts, disability benefits acts, or other employee benefits acts. The parties acknowledge and agree that this waiver has been specifically negotiated.

13.04 **Waiver.** Except to the extent caused by Landlord's or Landlord Related Parties' negligence or willful misconduct, Tenant hereby waives all claims against and releases Landlord and Landlord Related Parties from all claims for any injury to or death of persons, damage to property or business loss in any manner related to (a) Force Majeure, (b) acts of third parties, (c) the bursting or leaking of any tank, water closet, drain or other pipe, (d) the inadequacy or failure of any security or protective services, personnel or equipment, or (e) any matter not within the reasonable control of Landlord.

13.05 **Survival.** The indemnities and waivers contained in this Section 13 shall survive the expiration or termination of the Term.

14. Insurance.

14.01 **Tenant Insurance.** Tenant shall maintain the following insurance ("**Tenant's Insurance**"): (a) Commercial General Liability Insurance applicable to claims of bodily injury, property damage, personal and advertising injury, products and completed operations as well as an endorsement or a separate automobile liability policy for owned, hired and non-owned automobile liability. Form to include contractual liability, broad form property damage, explosion, collapse and underground hazards and stop gap liability and all on an occurrence policy; provided, however, that so long as Seattle Children's Hospital is and remains the Tenant, Tenant may provide a "claims made" policy if such policy is amended or endorsed with (i) coverage through a retroactive date preceding the date of this Lease, and (ii) a 3-year discovery period that runs from termination of this Lease or change of insurance carriers by Tenant. Primary policy should have limits of $1,000,000 per claim, $2,000,000 aggregate with an umbrella/excess policy limits of $5,000,000 with a per location aggregate endorsement applicable to all layers. Umbrella/excess to extend over general liability and automobile liability; (b) Property /Business Interruption Insurance written on an All Risk or Special Causes of Loss Form, including earthquake sprinkler leakage, at replacement cost value and with a replacement cost endorsement covering all of Tenant's business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property within the Premises ("**Tenant's Property**") and any Leasehold Improvements performed by or for the benefit of Tenant; (c) Workers' Compensation Insurance in amounts required by Law; and (d) Employers Liability Coverage of at least $1,000,000.00 per occurrence (provided that if this coverage is unavailable from the Worker's Compensation carrier or applicable State Fund, a "Stop Gap Liability" endorsement to the Commercial General Liability Policy is acceptable). All Commercial General Liability Insurance policies shall name as additional insureds Landlord, the property manager (if one is retained by Tenant), and any other designees of Landlord specified in a written notice to Tenant, as the interest of such designees shall appear. Any company writing Tenant's Insurance shall have an A.M. Best rating of not less than A-VIII. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) shall give Landlord and its designees at least 45 days' advance written notice of any cancellation, termination, material change or lapse of insurance.

14.02 **Evidence of Insurance.** With respect to each required policy, Tenant shall provide Landlord prior to the earliest to occur of (i) the Commencement Date, (ii) the date Tenant commences any Tenant Improvement Work, or (iii) the date Tenant is provided with possession of the Premises, and thereafter as necessary to assure that Landlord always has current documentation evidencing Tenant's Insurance, a certificate of insurance providing evidence of all coverages required by this Lease. Tenant shall not be entitled to take occupancy of the Premises or commence construction of any Leasehold Improvements until Landlord has received and approved the evidence of insurance. Tenant shall furnish to Landlord copies of any endorsements that are subsequently issued amending coverages or limits. Renewal certificates shall be filed with Landlord not later than thirty (30) days prior to any coverage expiration date. In the event Tenant fails to obtain Tenant's Insurance as provided herein, Landlord may, following delivery of at least 5 days prior written notice to Tenant, obtain the required insurance on Tenant's behalf and at Tenant's expense.

14.03 **Landlord's Insurance.** At all times following mutual execution of this Lease and throughout the Term, Landlord shall procure and keep in full force and effect the following insurance, which shall be deemed reasonable for purposes of this Lease:

(a) All-Risk property insurance insuring the Project, Building and all leasehold improvements therein (but excluding Tenant's equipment and furnishings) all in the amount of the full replacement cost (except Actual Loss Sustained -- Business Income) with changes of law coverage and with commercially reasonable deductibles (which deductibles currently are established at $10,000);

(b) Earthquake Coverage to cover the full cost of replacing the Project, Building and all leasehold improvements therein (but excluding Tenant's equipment and furnishings) with commercially reasonable deductible (which deductible currently is established at $250,000);

(c) Business Income Interruption at least in the full amount of annual rent, which is currently set at $760,000;

(d) Commercial General Liability insurance insuring Landlord's interest in the Project; and

(e) Such other insurance as Landlord determines is typical and commercially reasonable from time to time.

Notwithstanding the foregoing, leasehold improvements and alterations performed and/or paid for by Tenant shall only be covered by the property insurance and earthquake insurance specified above if Tenant promptly advises Landlord and Landlord's insurance carrier in writing of the nature and replacement value of the leasehold improvements or alterations in question and requests coverage therefor, and the insurance carrier confirms that the requested coverage has taken effect.

15. Subrogation.

Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant's Property, Leasehold Improvements, the Building, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance. For the purposes of this waiver, any deductible with respect to a party's insurance shall be deemed covered by and recoverable by such party under valid and collectable policies of insurance.

16. Casualty Damage.

16.01 **Termination or Repair.** If all or any portion of a Building becomes untenantable by fire or other casualty to the Building (collectively a "**Casualty**"), Landlord, with reasonable promptness (and in any event no later than 60 days following such casualty), shall cause a qualified, experienced general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required using standard working methods to substantially complete the repair and restoration of the Building and any portion of the Project necessary to provide access to the Building ("**Completion Estimate**"). If the Completion Estimate indicates that the Building cannot be made tenantable within 210 days from the date the repair is started or the Building has been rendered untenantable and there is less than 2 years of the Term remaining, then either party shall have the right to terminate this Lease upon written notice to the other within 10 days after receipt of the Completion Estimate. Tenant, however, shall not have the right to terminate this Lease if the Casualty was caused by Tenant or any Tenant Related Parties. In addition, Landlord, by notice to Tenant within 90 days after the date of the Casualty, shall have the right to terminate this Lease if: (1) any Mortgagee requires that the insurance proceeds be applied to the payment of the mortgage debt; or (2) a material uninsured loss to the Building occurs (if all insurance required to be maintained by Landlord was in place).

16.02 **Terms Applicable to Repair.** If this Lease is not terminated, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, restore the Building (including the Leasehold Improvements and Alterations to the extent insurance coverage has been extended to those items) and the garage structure and other improvements lying outside the Premises and all landscaping at the Project ("**Common Areas**"). Such restoration shall be to substantially the same condition that existed prior to the Casualty, except for modifications required by Law or any other modifications to the Common Areas deemed desirable or expedient by Landlord or necessary under applicable Law. Upon notice

from Landlord, Tenant shall assign or endorse over to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's Insurance with respect to any Leasehold Improvements performed by or for the benefit of Tenant; provided if the estimated cost to repair such Leasehold Improvements exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, the excess cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repairs of the Leasehold Improvements. In no event shall Landlord be required to spend more for the restoration than the proceeds received by Landlord (plus commercially reasonable policy deductibles), whether insurance proceeds or proceeds from Tenant. Landlord shall not be liable for any inconvenience to Tenant, or injury to Tenant's business resulting in any way from the Casualty or the repair thereof. During any period of time that all or a material portion of the Premises is rendered untenantable as a result of a Casualty, the Rent shall abate for the portion of the Premises that is untenantable and not used by Tenant.

17. Condemnation.

This Lease shall automatically terminate if the entire Premises are taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "**Taking**"). If any portion of the Premises is subject to a Taking, this Lease shall terminate as to the part so taken. If as a result of a Taking the Premises or any portion thereof (even though any improvements are not physically affected), are no longer reasonably suited for the conduct of Tenant's usual business in Tenant's reasonable business judgment, Tenant may terminate this Lease by giving Landlord written notice within 45 days after it first receives notice of the Taking. If this Lease is terminated as provided herein, the termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority or closing of a deed in lieu transfer. If this Lease is not terminated, Base Rent shall be appropriately adjusted to account for any reduction in the square footage of the Building or Premises. All compensation awarded for a Taking shall be the property of Landlord. The right to receive compensation or proceeds is expressly waived by Tenant, however, Tenant may file a separate claim for Tenant's Property and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the amount of Landlord's award. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking.

18. Events of Default.

18.01 **Tenant Default**. Each of the following occurrences, together with any other default specifically described in this Lease, shall be a "**Default**": (a) Tenant's failure to pay any portion of Rent when due ("**Monetary Default**"); provided, however, that Tenant shall not be in Monetary Default solely due to such a failure so long as (i) no more than three (3) such failures occur during any 12 month period and (ii) any such failure is cured within five (5) days after notice of such failure from Landlord to Tenant; (b) Tenant's failure (other than a Monetary Default) to comply with any term, provision, condition or covenant of this Lease, if the failure is not cured within 30 days after written notice to Tenant provided, however, if Tenant's failure to comply cannot reasonably be cured within 30 days, Tenant shall be allowed additional time as is reasonably necessary to cure the failure so long as Tenant begins the cure within 10 days and diligently pursues the cure to completion; (c) Tenant permits a Transfer without Landlord's required approval or otherwise in violation of Section 11 of this Lease; (d) Tenant becomes insolvent, makes a transfer in fraud of creditors, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts when due or forfeits or loses its right to conduct business; or (e) the leasehold estate is taken by process or operation of Law.

18.02 **Landlord Default.** Subject to the provisions of Section 20 below, Tenant shall have all rights and remedies available at law or in equity in the event of any failure by Landlord to perform its obligations hereunder. Notwithstanding anything to the contrary in this Lease, in no event shall Landlord be liable for consequential or punitive damages.

19. Remedies.

19.01 **Remedies.** Upon Default, Landlord shall have the right to pursue any one or more of the following remedies:

(a) Terminate this Lease, in which case Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord, in compliance with Law, may enter upon and take possession of the Premises and remove Tenant, Tenant's Property and any party occupying the Premises. Tenant shall pay Landlord, on demand, all past due Rent and other losses and damages Landlord suffers as a result of Tenant's Default, including, without limitation, all Costs of Reletting (defined below) and any deficiency that may arise from reletting or the failure to relet the Premises. "**Costs of Reletting**" shall include all reasonable costs and expenses incurred by Landlord in reletting or attempting to relet the Premises, including, without limitation, legal fees, brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant, amortized over the term of the new lease, but Tenant's liability shall be limited to the portion attributable to the unexpired term of this Lease.

(b) Terminate Tenant's right to possession of the Premises and, in compliance with Law, remove Tenant, Tenant's Property and any parties occupying the Premises. Landlord may (but shall not be obligated to) relet all or any part of the Premises, without notice to Tenant, for such period of time and on such terms and conditions (which may include commercially reasonable concessions, free rent and work allowances) as Landlord shall reasonably determine. Landlord may collect and receive all rents and other income from the reletting. Tenant shall pay Landlord on demand all past due Rent, all Costs of Reletting (amortized over the term of the new lease, but Tenant's liability shall be limited to the portion attributable to the unexpired term of this Lease) and any deficiency arising from the reletting or failure to relet the Premises. The re-entry or taking of possession of the Premises shall not be construed as an election by Landlord to terminate this Lease

(c) Notwithstanding anything to the contrary set forth in this Section 19, Landlord shall have an affirmative obligation to use reasonable efforts to mitigate its damages.

19.02 **Calculation of Damages**. In lieu of calculating damages under Section 19.01, Landlord may elect to receive as damages the sum of (a) all Rent accrued through the date of termination of this Lease or Tenant's right to possession, and (b) an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at the Prime Rate then in effect, minus the then present fair rental value of the Premises for the remainder of the Term, similarly discounted, after deducting all anticipated Costs of Reletting (to the extent allocated to Tenant above). "**Prime Rate**" shall be the per annum interest rate designated as the Prime Rate in the most recently published edition of the Wall Street Journal or, if the Wall Street Journal is not published, by a similar publication designated by Landlord. Notwithstanding anything set forth in this Lease to the contrary, Tenant shall not be liable to Landlord under this Lease with respect to consequential or punitive damages.

19.03 **Self Help**. If Tenant is in Default of any of its non-monetary obligations under the Lease, Landlord shall have the right to perform such obligations. Tenant shall reimburse Landlord for the cost of such performance upon demand plus an administrative charge equal to 10% of such cost. The repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under this Lease. No right or remedy of Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at Law or in equity.

20. Limitation of Liability.

Notwithstanding anything to the contrary contained in this Lease, the liability of Landlord (and of any successor landlord) shall be limited to the interest of Landlord in the Project and the rents and proceeds thereof. Tenant shall look solely to Landlord's interest in the Project and the rents and proceeds thereof for the recovery of any judgment or award against Landlord or any Landlord Related Party. Neither

Landlord nor any Landlord Related Party shall be personally liable for any judgment or deficiency, and in no event shall Landlord or any Landlord Related Party be liable to Tenant for any lost profit, damage to or loss of business or any form of special, indirect or consequential damage. Before filing suit for an alleged default by Landlord, Tenant shall give Landlord and the Mortgagee(s) whom Tenant has been notified hold Mortgages (defined in Section 23 below), notice and reasonable time to cure the alleged default.

21. Signage; Building Name.

In addition to Tenant's other rights hereunder, Tenant, so long as it leases the entire Building, and subject to the other terms and conditions of this Section 21, shall have the right throughout the Term to: (a) name or rename the Building; and (b) place signs identifying Tenant on the exterior of the Building. The following terms and conditions shall apply with respect to signage:

21.01 Tenant's right to place signage pursuant to this Section 21 shall be a revocable license only; provided, however, that Landlord hereby agrees not to revoke such license unless Tenant is in Default. Tenant's right to place signage pursuant to this Section 21 is personal to the original Tenant named herein and may not be exercised or assigned, voluntarily or involuntarily, by, to or on behalf of any person or entity other than such original Tenant or a transferee of the entire Premises from such original Tenant pursuant to a Permitted Transfer (as defined in Section 11.04). No assignee, sublessee or other transferee other than a transferee under such a Permitted Transfer shall be entitled to or have such right to place signage, and such right to place signage is not assignable separate and apart from this Lease or otherwise.

21.02 All signs must be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. All signs must also comply with all applicable ordinances and laws, and Tenant shall obtain at its own expense all required governmental permits and approvals of such signage. Landlord makes no representation with respect to Tenant's ability to obtain such approval. Tenant shall be responsible for all costs of installing, maintaining and removing its signage, and shall be responsible for the repair, painting, and/or replacement of the Building façade upon removal of Tenant's signage.

21.03 Except as described above, Tenant shall not have the right to place, construct or maintain any advertisement, awning, banner or other exterior decoration on the Building without Landlord's prior written approval, not to be unreasonably withheld. Tenant may install a lobby directory and suite entrance signage at its cost, subject to Landlord's reasonable approval.

22. Holding Over.

If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease, and Tenant shall pay, in addition to Additional Rent, an amount equal to 150% of the Base Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. If Landlord is unable to deliver possession of the Premises to a new tenant or to perform improvements for a new tenant as a result of Tenant's holdover without Landlord's express written consent and Tenant fails to vacate the Premises within 15 days after notice from Landlord, Tenant shall be liable for all damages that Landlord suffers from the holdover.

23. Subordination to Mortgages; Estoppel Certificate.

Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, or ground lease(s) now arising upon the Premises, the Buildings or the Project, and to renewals, modifications, and extensions thereof (collectively referred to as a "**Mortgage**"). The party having the benefit of a Mortgage shall be referred to as a "**Mortgagee**". With respect to any Mortgage first arising after the date of this Lease, Tenant shall, within 20 days of Landlord's request therefor, execute a nondisturbance,

subordination and attornment agreement in the form attached hereto as **Exhibit E** or in such other commercially reasonable form as may be required by the Mortgagee. As an alternative, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Landlord and Tenant shall each, within 10 days after receipt of a written request from the other, execute and deliver a commercially reasonable estoppel certificate to those parties as are reasonably requested by the other (including a Mortgagee or prospective tenant). Without limitation, such estoppel certificate may include a certification as to the status of this Lease, the existence of any defaults and the amount of Rent that is then due and payable. Tenant acknowledges that the Purchase Option (as defined in Section 29) if any, and the Right of First Offer (as defined in Section 30) may materially inhibit Landlord' ability to obtain financing secured by the Project, and Tenant agrees to execute any commercially reasonable documents in form acceptable to Mortgagee to subordinate the Purchase Option, if any, and the Right of First Offer to the loan documents evidencing or securing the Mortgage; provided, however, that such rights shall remain enforceable against Landlord notwithstanding such subordination, and shall apply to and be enforceable against any transferee(s) of the Project following foreclosure of the Mortgage or the granting of any deed in lieu of foreclosure of the Mortgage.

Landlord covenants to use diligent and good faith efforts to obtain from the Mortgagee under any Mortgage encumbering all or a portion of the Project as of the date of this Lease a recognition and non-disturbance agreement for Tenant's benefit in a commercially reasonable form.

24. Notice.

All demands, approvals, consents or notices (collectively referred to as a "**notice**") shall be in writing and delivered by hand or sent by registered or certified mail with return receipt requested or sent by overnight or same day courier service at the party's respective Notice Address(es) set forth in Section 1. Each notice shall be deemed to have been received on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises without providing a new Notice Address, 3 days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party at least 10 days written notice of the new address.

25. Surrender of Premises.

At the termination of this Lease or Tenant's right of possession, Tenant shall return the Premises to Landlord in the condition required by Section 8. If Tenant fails to remove any of Tenant's Property within 2 days after termination of this Lease or Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's Property. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's Property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred. If Tenant fails to remove Tenant's Property from the Premises or storage, within 30 days after notice, Landlord may deem all or any part of Tenant's Property to be abandoned and title to Tenant's Property shall vest in Landlord.

26. Parking.

Subject to the other provisions of this Section 26 and this Lease, Tenant and its customers will be entitled to lease up to all of the parking spaces within the Property on an unreserved basis during the Term at the then-prevailing market rates for monthly parking in similar properties located in downtown Seattle as determined by the then Operator (as defined below) acting reasonably and in good faith, as such rates may change from time to time. The Operator or Landlord shall provide Tenant with a written notice of any changes in parking rates (including a current parking survey of similar properties) no later than forty-five (45) days prior to the effective date of any proposed rate change. At least thirty (30) days prior to the Rent Commencement Date Tenant shall notify Landlord in writing of the number of parking spaces on the Property ("**Parking Spaces**") that Tenant intends to lease. Tenant shall have the right to change the number of Parking Spaces leased hereunder from time to time, however Tenant shall give Landlord at least thirty (30) days' prior written notice of any subsequent change.

Landlord shall contract with an experienced parking operator in the City of Seattle (the "**Operator**") to manage the garage in the Building and provide parking access to monthly parkers on a 24/7 basis. Upon the Rent Commencement Date and thereafter during the Lease Term, Landlord may provide to Tenant, or cause the Operator to provide to Tenant, the requested number of parking passes or cards or keys ("**Parking Passes**") for the use of Tenant and its employees. If requested by Landlord, Tenant shall execute and deliver to Landlord the standard parking agreement used by Landlord or the Operator (the "**Parking Agreement**") with respect to the operation and administration of the garage and any Parking Passes. No deductions or allowances shall be made for days when Tenant or any of its employees do not utilize the parking facilities or for Tenant utilizing less than all of the Parking Passes or Parking Spaces. Except for particular spaces and areas designated by Landlord or the Operator for reserved parking, all parking in the garage shall be on an unreserved, first-come, first-served basis. Neither Landlord nor the Operator shall be responsible for money, jewelry, automobiles or other personal property lost in or stolen from the garage or the surface parking areas regardless of whether such loss or theft occurs when the garage or other areas therein are locked or otherwise secured. Except as caused by the negligence or willful misconduct of Landlord or Operator and without limiting the terms of the preceding sentence, Landlord shall not be liable for any loss, injury or damage to persons using the garage or any surface parking areas or automobiles or other property therein, it being agreed that, to the fullest extent permitted by law, the use of the Parking Spaces shall be at the sole risk of the user and/or Tenant. Landlord or its Operator shall have the right from time to time to designate the location of the Parking Spaces and to promulgate reasonable rules and regulations regarding the garage, the surface parking areas, if any, the Parking Spaces and the use thereof, including, but not limited to, rules and regulations controlling the flow of traffic to and from various parking areas, the angle and direction of parking and the like. Tenant shall comply with and cause its employees to comply with all such rules and regulations, all reasonable additions and amendments thereto, and the terms and provisions of any Parking Agreement. Landlord or the Operator shall have the right to temporarily close the garage or certain areas therein in order to perform necessary repairs, maintenance and improvements to the garage or the surface parking areas, if any. In such event, Landlord or Operator shall provide Tenant with at least 48 hours advance notice (except in cases of emergency) and shall use reasonable efforts to minimize the impact on the availability of parking to the Tenant during business hours. Tenant shall not assign or transfer any of the Parking Passes without the consent of Landlord, other than an assignment or transfer to a Permitted Transferee or any other assignee or subtenant approved by Landlord. Landlord shall have the right to require Tenant to pay a fee for any lost or damaged Parking Passes.

27. Hazardous Substances; Decommission Report.

27.01 **Tenant Responsibility.**

(a) Tenant shall not generate, release, store, deposit, transport, or dispose of (collectively "**Release**") any hazardous substances, sewage, petroleum products, hazardous materials, toxic substances or any pollutants or substances, defined as hazardous or toxic in applicable federal, state and local Laws and regulations ("**Hazardous Substances**") in, on or about the Premises, in violation of any applicable Laws.

(b) Tenant shall indemnify and defend (with counsel approved by Landlord) Landlord, and hold Landlord harmless, from and against any and all claims, liabilities, losses, damages, cleanup costs, and expenses (including reasonable attorneys' fees) arising out of or in any way relating to the Release by Tenant or any of its agents, representatives, employees or invitees, or the presence of any Hazardous Substances in, on or about the Premises occurring as a result of or in connection with Tenant's use or occupancy of the Premises.

(c) Landlord shall have the right from time to time to enter the Premises, Building and Property in accordance with Section 10 above and inspect the same for the presence of Hazardous Substances and compliance with the provisions of this Section.

27.02 **Survival.** The provisions of this Section shall survive the expiration or termination of this Lease.

28. Landlord Marketing of Premises.

If Tenant does not exercise its Extension Option under Section 4 above or this Lease is in the final 12 months of the Term, Tenant acknowledges that Landlord will be marketing the Premises to prospective tenants, and Tenant shall reasonably cooperate with Landlord's efforts to market and show the Premises, which shall include allowing "for lease" signs to be posted on the Property and allowing Landlord, prospective tenants and their brokers and consultants to visit and inspect the Premises during normal business hours and upon reasonable advance notice and subject to the other requirements as provided in Section 10 above.

29. Purchase Option Negotiations.

Landlord and Tenant each represent, warrant and covenant to and for the benefit of each other that, following mutual execution of this Lease, they shall engage in good faith negotiations regarding the granting by Landlord to Tenant of an exclusive option to purchase the Project or all stock in Landlord, on such terms and conditions as the parties shall mutually agree ("**Purchase Option**"). The parties' obligations hereunder shall continue for a period of 180 days following Lease execution and, during this period, Landlord agrees not to negotiate a possible sale of all or any portion of the Project or a majority of the voting and capital stock in Landlord ("**Stock**") with any third party who is not an existing shareholder as of the date of this Lease or a family member of such existing shareholder, it being the understanding of the parties that the negotiation period is to be exclusively for the benefit of Tenant. The failure of the parties to agree upon a purchase option shall not constitute a default by either party under this Lease or otherwise affect the validity or enforceability of this Lease.

30. Tenant's Right of First Offer.

Landlord hereby grants to Tenant an exclusive right of first offer to purchase the Project or the Stock, as the case may be (the "**Right of First Offer**"). Prior to Landlord entering into a binding purchase and sale agreement with a third party, for the purchase of the Project or the Stock, or marketing the Project or Stock for sale, Landlord shall provide to Tenant written notice of Tenant's opportunity to purchase the Project or Stock, which shall set forth the price ("**Offered Price**") and terms ("**Offered Terms**") on which it is willing to sell the Project or Stock to Tenant. The Offered Terms at a minimum shall provide for a 30-day feasibility period and 60-days from waiver of feasibility to close. Tenant shall have 15 Business Days in which to provide written notice to Landlord of its intent to purchase the Project or Stock at the Offered Price and on the Offered Terms. If Tenant does not timely elect to buy the Project or Stock at the Offered Price and on the Offered Terms, then Landlord may market and sell the Project or Stock to a third party at the Offered Price (or for a price not less than 95% of the Offered Price), provided such sale closes within 9 months following delivery of Tenant's notice (or the expiration of such 15 day period if no notice is delivered); provided, however, that should the sale terms offered to a third party purchaser include any element of seller financing that was not previously contained in the Offered Terms, Landlord shall first again offer such terms to Tenant and Tenant shall have 15 Business Days within which to give notice of its intent to purchase the Project or Stock or such changed terms. The Right of First Offer granted under this Section 30 is personal to the Original Tenant and any Permitted Transferee, and notwithstanding anything to the contrary contained in this Lease, this right first offer is not assignable or transferable to any party other than a Permitted Transferee and may only be exercised by the Original Tenant or a Permitted Transferee if the Original Tenant or such Permitted Transferee, as the case may be, is then the Tenant under this Lease.

31. Miscellaneous.

31.01 **OFAC.** This Lease shall be interpreted and enforced in accordance with the Laws of the State of Washington and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state. If any term or provision of this Lease shall to any extent be void or unenforceable, the remainder of this Lease shall not be affected. If there is more than one Tenant or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities, and requests or demands

from any one person or entity comprising Tenant shall be deemed to have been made by all such persons or entities. Notices to any one such person or entity shall be deemed to have been given to all such persons and entities. Tenant represents and warrants to Landlord that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant and that Tenant is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, to the best of Tenant's knowledge (i) in violation of any Laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov/ofac/tllsdn.pdf or any replacement website or other replacement official publication of such list.

31.02 **Attorney Fees.** If either party institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Lease, the prevailing party shall be entitled to reimbursement of all of its costs and expenses, including, without limitation, reasonable attorneys' fees. Landlord and Tenant hereby waive any right to trial by jury in any proceeding based upon a breach of this Lease. Either party's failure to declare a default immediately upon its occurrence, or delay in taking action for a default, shall not constitute a waiver of the default, nor shall it constitute an estoppel.

31.03 **Force Majeure.** Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant (other than the payment of any amount due under this Lease), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, governmental actions or failure to act, civil disturbances and other causes beyond the reasonable control of the performing party ("**Force Majeure**").

31.04 **Transfer by Landlord.** Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Building and Project. Upon transfer Landlord shall be released from any further obligations hereunder and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations, provided that, any successor pursuant to a voluntary, third party transfer (but not as part of an involuntary transfer resulting from a foreclosure or deed in lieu thereof) shall have expressly assumed Landlord's obligations under this Lease.

31.05 **No Offer; Brokers and Agency.** Landlord has delivered a copy of this Lease to Tenant for Tenant's review only and the delivery of it does not constitute an offer to Tenant or an option.

(a) Tenant represents that it has dealt directly with and only with Tenant's Broker as a broker in connection with this Lease. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Lease. Landlord shall pay Tenant's Broker a commission pursuant to a separate agreement. Landlord agrees to indemnify and hold Tenant and the Tenant Related Parties harmless from all claims of any brokers other than Landlord's Broker claiming to have represented Landlord in connection with this Lease.

(b) **Agency Disclosure.** At the signing of this Lease, Tenant's agent, Craig Kinzer of Kinzer Real Estate Services represented Tenant. Each party signing this document confirms that the prior oral and/or written disclosure of agency was provided to such party in this transaction, as required by RCW 18.86.030(1)(g).

(c) Landlord and Tenant, by their execution of this Lease, each acknowledge and agree that they have timely received a pamphlet on the law of real estate agency as required under RCW 18.86.030(1)(f).

31.06 **Time of the Essence**. Time is of the essence with respect to Tenant's exercise of any renewal or extension rights granted to Tenant. The expiration of the Term, whether by lapse of time, termination or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

31.07 **Quiet Enjoyment**. Tenant may peacefully have, hold and enjoy the Premises, subject to the terms of this Lease, provided Tenant pays the Rent and fully performs all of its covenants and agreements. This covenant shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building.

31.08 **Miscellaneous**. This Lease does not grant any rights to light or air over or about the Building. Landlord excepts and reserves exclusively to itself any and all rights not specifically granted to Tenant under this Lease. This Lease constitutes the entire agreement between the parties and supersedes all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents. Neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be modified only by a written agreement signed by an authorized representative of Landlord and Tenant.

31.09 **Memorandum of Lease.** At Tenant's request, Landlord and Tenant shall execute a memorandum of this Lease in recordable form, setting forth information regarding this Lease, the dates of commencement and expiration of this Lease and any other information required to be included therein by any applicable laws. Tenant, at its expense, shall have the right to cause the memorandum to be recorded in the appropriate land records. In no event shall any memorandum of this Lease or any amendment hereof be deemed to change or otherwise affect any of the obligations or provisions of this Lease or such amendment hereof. In the event of a termination of this Lease, Tenant, within 30 days of the date of such termination, shall execute, acknowledge and deliver to Landlord all necessary instrument(s) in recordable form evidencing a termination of this Lease and sufficient to discharge any memorandum hereof, and any memorandum of any amendment hereof, of record.

31.10 **No Waiver.** The waiver by either party of any agreement, condition, or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease, nor will any custom or practice that may grow up between the parties in the administration of the Terms of this Lease be construed to waive or to lessen the right of such party to insist upon the performance by the other party in strict accordance with the Terms of this Lease. The subsequent acceptance of Rent by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition, or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance by Landlord of a lesser sum than the Rent or other sum then due shall be deemed to be other than on account of the earliest installment of Rent nor shall it be deemed to be an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or other amount or pursue any other remedy provided in the Lease.

31.11 **Captions.** The captions of the various articles of this Lease are for convenience only and do not necessarily define, limit, describe, or construe the contents of such articles.

31.12 **Authority.** Tenant and the party executing this Lease on behalf of Tenant represent to Landlord that such party is authorized to do so by requisite action of the board of directors of Tenant, and agrees, upon execution of this Lease, to deliver to Landlord a resolution or similar document to that effect. Landlord and the party executing this Lease on behalf of Landlord represent to Tenant that such party is authorized to do so by requisite action of the board of trustees of Landlord, and agrees, upon execution of this Lease, to deliver to Tenant a resolution or similar document to that effect.

31.13 **Counterparts.** This Lease may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Lease, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement. For purposes of this Lease, signatures transmitted by facsimile or e-mail (in pdf format) shall have the same binding effect as original signatures.

31.14 **Storage Space.** Landlord shall also make available and deliver to Tenant in broom-clean condition for its use during the Lease Term the Storage Space in the Building, which is located in the Building's parking garage. Such Storage Space shall be considered a part of the Premises and Tenant shall pay to Landlord therefor the Storage Rent as provided in Section 1.08 above.

31.15 **Sales Tax Deferral.**

(a) Retail sales tax otherwise applicable to portions of construction of the Tenant Improvements performed by Tenant may be eligible for deferral pursuant to RCW 82.63 (the "**Sales Tax Deferral**") based on Tenant's intended uses of the Premises (such eligible construction being referred to hereinafter as "**Qualifying Investment**"). Landlord agrees that if Tenant elects to seek the Sales Tax Deferral, Landlord will cooperate with Tenant's application for the same at no expense to Landlord. If the retail sales tax for the Qualifying Investment is deferred and if, for any reason, any part of the retail sales tax so deferred is subsequently required to be repaid by Landlord, Tenant shall promptly reimburse Landlord, together with any penalties that are or become due in connection therewith; and Tenant shall indemnify and hold Landlord harmless from any and all costs, expenses and claims arising out of or related to any retail sales tax deferral for the Qualifying Investment.

(b) Landlord will use reasonable efforts to cooperate and assist Tenant in any challenges or audits to the RCW 82.63 benefit at no expense to Landlord. In any contest regarding the benefit allowed under RCW 82.63, Tenant shall be the sole contact with the Department of Revenue. Landlord shall promptly notify Tenant of any such action of which it becomes aware and will promptly forward to Tenant any correspondence regarding such challenge or audit. Tenant shall have the right to contest or review (in the name of Tenant) any proceedings regarding the RCW 82.63 benefit (which may be instituted either during or after the Term). Landlord shall without limitation furnish, on a timely basis, such data, documents, information and assistance, and make such appearances, as may be reasonably required by Tenant. Landlord will execute all necessary instruments in connection with any such protest, appeal or other proceedings. Tenant shall be entitled to any resulting refund (obtained by reason of any such proceeding or otherwise) whether obtained during or after the expiration of the Term and whether obtained by Landlord or Tenant.

31.16 **Property Tax Exemption.** As a non-profit corporation organized under the laws of the State of Washington, the Premises leased by Tenant may be exempt, in whole or in part, from the payment of *ad valorem* real property, personal property, and other taxes due to Tenant's occupancy or possession thereof under applicable state law. Therefore, Tenant shall have the right to undertake all activities reasonably required to secure any applicable exemption from such taxes available to Tenant or the Property due to Tenant's tax-exempt status. Landlord agrees that the benefit of any exemptions so obtained by Tenant shall inure solely to Tenant. However, Tenant shall be excused from its duty to pay its share of Taxes only to the extent Landlord is not required to pay such share to the applicable taxing authority. Landlord is aware that Tenant may be entitled to claim an exemption from real property taxes for the Premises, however Landlord has made no representation or warranty to Tenant regarding the availability of such exemption. To the extent Tenant obtains such an exemption, Tenant shall not be liable for payment to Landlord of any additional sum for Taxes, but shall remain liable for payment of other taxes as defined in Section 5.07 of this Lease for which Tenant has not received an exemption. Tenant shall be solely responsible for obtaining any such desired exemption. Landlord, at Tenant's sole cost and expense,

shall use commercially reasonable efforts to cooperate in obtaining any exemption from Taxes for Tenant.

31.17 **Back-up Generator.** Landlord shall make available to Tenant, on an exclusive basis, back-up power from Landlord's generator located on the Building roof ("**Landlord's Generator**"). Tenant shall pay all utility and maintenance costs relating to Landlord's Generator. Landlord's Generator shall be maintained and repaired by Tenant in accordance with reasonable guidelines and applicable law. Tenant may use Landlord's Generator solely for Tenant's own business purposes in the event Tenant's primary electrical service at the Premises is interrupted, and not for the benefit of any other party not located in the Premises. Pursuant to Section 9.04 above, Tenant shall have the right to install, maintain, operate, repair and replace an additional generator on the Building roof.

[Remainder of Page Intentionally Blank – Signatures on Following Page]

Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

IRONWOOD APARTMENTS, INC.

By: _____

Name: John M. Stone

Title: President

TENANT:

SEATTLE CHILDREN'S HOSPITAL, d/b/a Seattle Children's Research Institute

By: _____

Name: _____

Title: _____

Tenant's Tax ID Number (SSN or FEIN):

_____

Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

IRONWOOD APARTMENTS, INC.

By: _____

Name: _____

Title: _____

TENANT:

SEATTLE CHILDREN'S HOSPITAL, d/b/a Seattle Children's Research Institute

By: Lisa Brandenburg

Name: Lisa Brandenburg

Title: Chief Admin Officer

Tenant's Tax ID Number (SSN or FEIN):

91-0564748

STATE OF WASHINGTON)
) ss.
COUNTY OF ~~KING~~ Spokane)

On this 21 day of October, 2009, before me personally appeared ~~Eric Campbell,~~ John Stone who executed the foregoing instrument in his capacity as the President of IRONWOOD APARTMENTS, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington, residing at Spokane
My commission expires: 02/27/11
Durinda M. Howard
[Type or Print Notary Name]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2009, before me personally appeared _____, who executed the foregoing instrument in his/her capacity as the _____ of SEATTLE CHILDREN'S HOSPITAL, the _____ that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington, residing at _____
My commission expires: _____
[Type or Print Notary Name]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2009, before me personally appeared Eric Campbell, who executed the foregoing instrument in his capacity as the _____ of IRONWOOD APARTMENTS, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

_____
Notary Public in and for the State of Washington, residing at _____
My commission expires: _____
_____
[Type or Print Notary Name]

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 21st day of October, 2009, before me personally appeared Lisa Brandenburg, who executed the foregoing instrument in ~~his~~/her capacity as the Chief Administrative Officer of SEATTLE CHILDREN'S HOSPITAL, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Lisa B. Reitzes
Notary Public in and for the State of Washington, residing at Seattle
My commission expires: 9/26/10
Lisa B. Reitzes
[Type or Print Notary Name]

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lots 1, 2, 3, 4 and 5 in Block 50 of Second Addition to the Town of Seattle, as laid off by the heirs of Sarah A. Bell (deceased), (commonly known as the heirs of Sarah A. Bell's 2nd Addition to the City of Seattle), as per plat recorded in Volume 1 of Plats, Page 121, records of King County Auditor.

Situate in the City of Seattle, County of King, State of Washington.

EXHIBIT B

WORK LETTER

1. Conflicts; Terms. This Work Letter (**"Work Letter"**) sets forth the terms and conditions relative to the construction of certain leasehold improvements in the Premises. This Work Letter supplements the Lease and, if there is any conflict or inconsistency between the provisions of the Lease and this Work Letter, the provisions of this Work Letter will control. Except as expressly defined in this Work Letter, all initially capitalized terms will have the meanings stated for such terms in the Lease. The following terms, which are not defined in the Lease, have the meanings indicated:

(a) **"Landlord's Representative"** means Mike Erickson.

(b) **"Tenant's Representative"** means Victoria Cleator.

2. Completion and Delivery of Landlord Work. Landlord will deliver the Premises to Tenant free of other occupants and in broom clean condition (**"Landlord Work"**). Except for the Landlord Work, Landlord has no obligation to make any improvements or alterations to the Premises whatsoever and Tenant accepts the Premises in their current as-is condition.

3. Tenant Improvement Plans, Budget and Schedule. "**Tenant Improvements**" means construction of all improvements in the Premises other than Landlord Work. The Tenant Improvements will include all space planning, design work, utilities and other building components necessary for Tenant's intended use of the Premises. Immediately following mutual execution of the Lease, Landlord shall deliver to Tenant for its use and reference all as-built plans and drawings (including any in CAD format) for the Building in Landlord's possession or control, to assist Tenant in designing the Tenant Improvements. Tenant shall provide to Landlord its plans for construction of the Tenant Improvements in form suitable for permit application (collectively, the "**Working Drawings**") and a proposed budget ("**TI Budget**") and schedule ("**TI Schedule**") for construction of the Tenant Improvements. The Working Drawings, TI Budget and TI Schedule, and all material changes thereto, shall be subject to Landlord's prior written consent, which shall not be unreasonably conditioned or withheld. Landlord shall have 14 days to review and comment upon the Working Drawings, TI Budget and TI Schedule, and 7 days to review and comment on any material changes thereto. Landlord shall be deemed to have approved the Working Drawings, TI Budget and TI Schedule and any changes thereto unless Landlord delivers to Tenant a written description of specific items that are not acceptable and specific changes that must be made to secure Landlord's approval within the review periods set forth in the preceding sentence.

4. Contractors. All contractors and subcontractors participating in construction of the Tenant Improvements shall be reputable and shall meet all licensing and insurance requirements of the state in which the Premises are located, and shall be subject to Landlord's prior written consent, which shall not be unreasonably conditioned, withheld or delayed. Tenant's choice of contractors and subcontractors shall not materially affect any guaranties or warranties relating to the Building or Building systems. Prior to commencement of the Tenant Improvements, Tenant shall provide Landlord with its general contractor's Washington State contractor's registration number, final Working Drawings, TI Budget and TI Schedule (as approved by Landlord). All contractors and subcontractors participating in construction of the Improvements shall be subject to any reasonable construction site rules promulgated by Landlord.

5. Permits; Construction of Tenant Improvements; Final Completion. Tenant shall be responsible at its own cost and expense (subject to Landlord's reimbursement obligation below) to apply for and obtain all governmental approvals and permits ("**Governmental Approvals**") required to construct the Tenant Improvements. Landlord will cooperate with Tenant in obtaining the Governmental Approvals, including making necessary submittals, attending required meetings and approving any changes to the Working Drawings necessary to comply with governmental requirements. Tenant shall complete the Tenant Improvements at Tenant's sole risk, cost and expense (subject to Landlord's reimbursement obligation below) in accordance with the final Working Drawings and TI Schedule as approved by

Landlord. Construction shall be performed in a good and workmanlike manner and in compliance with all applicable Laws. "**Final Completion**" of the Tenant Improvements shall mean the issuance of a final certificate of occupancy for the Premises, together with delivery to Landlord of a certificate from Tenant's architect or contractor that the Tenant Improvements have been substantially completed in accordance with the approved Working Drawings and the Tenant Improvement specifications, subject to punch-list items.

6. Liens. Tenant shall not permit construction liens or other liens to be placed upon the Project, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for the benefit of Tenant. Tenant, within 10 days of notice from Landlord, shall fully discharge any lien by settlement or by bonding over the lien in the manner prescribed by the applicable lien Law and, if Tenant fails to do so, Landlord, at its option, may bond over or otherwise discharge the lien. Tenant shall reimburse Landlord for any reasonable amount paid by Landlord, including, without limitation, reasonable attorneys' fees and bond premiums.

7. Tenant Insurance, Tenant's Indemnity; Notice of Loss or Injury. Regardless of whether or not the Term has commenced, the insurance requirements and indemnity provisions set forth in Sections 13 and 14 of the Lease shall apply to Tenant at any time that Tenant or its contractors or subcontractors are engaged in construction of the Tenant Improvements or other activities at the Project. During construction of Tenant Improvements both parties shall give prompt notice to the other of all losses, damages, or injuries to any person or to property of Tenant, Landlord or third parties. Landlord or Tenant shall promptly report to the other all such claims of which that party has notice, whether related to matters insured or uninsured. No settlement or payment for any claim for loss, injury or damage or other matter as to which one party may have an obligation for any payment or reimbursement, shall be made by the other without the written approval of the affected party.

8. Disbursement of Tenant Improvement Allowance. The Tenant Improvement Allowance may be used only for costs of construction of Tenant Improvements, Tenant's relocation costs and other costs related to this Lease. Subject to the foregoing and to the other provisions of the Work Letter and the Lease, Landlord shall disburse the Tenant Improvement Allowance to reimburse hard and soft costs and expenses incurred by Tenant in designing, permitting, and constructing the Tenant Improvements. The Tenant Improvement Allowance shall be advanced by Landlord to Tenant, on a monthly basis, and shall be made within 20 days after Tenant has submitted to Landlord (i) a certificate from Tenant's architect or contractor setting forth a description of the work performed, materials furnished, and costs therefor incurred by or on behalf of Tenant, and (ii) conditional lien releases for the present pay period and unconditional lien releases for all prior periods executed by all contractors and subcontractors and materials suppliers performing work on the Tenant Improvements. In no event will any portion of the Tenant Improvement Allowance be used for the cost of furniture, fixtures, equipment or communications wiring or infrastructure. In no event will any portion of the Tenant Improvement Allowance be disbursed for costs that exceed budgeted line item amounts in the approved TI Budget; Tenant, from its own funds, will re required to pay any and all such cost overruns. Tenant shall pay all costs of construction of the Tenant Improvements above the amount of the Tenant Improvement Allowance, without reimbursement from Landlord, regardless whether such costs are included in the TI Budget. Landlord's review and approval of the TI Budget does not constitute a representation by Landlord that the Tenant Improvements can be constructed within such budget, nor does it relieve Tenant of any obligation to pay for all costs of construction of the Tenant Improvements above and beyond the Tenant Improvement Allowance.

9. Representatives. Landlord appoints Landlord's Representative to act for Landlord in all matters covered by this Work Letter. Tenant appoints Tenant's Representative to act for Tenant in all matters covered by this Work Letter. The designated Landlord's and Tenant's Representatives are authorized to speak and act on behalf of Landlord and Tenant respectively and each party will fully and unconditionally be entitled to rely on the other's Representative for any and all purposes of this Work Letter. Either Landlord or Tenant may change its designated representatives by notice to the other, but no such change or revocation of the power of such Representative will affect any approval or consent given by the Representative prior to the receipt of such notice. The signature or initials of the designated Representative of a party will be deemed conclusive evidence of the approval of such party to any matter

arising under this Work Letter.

EXHIBIT C

COMMENCEMENT LETTER

Date _____

Tenant _____
Address _____
_____
_____

Re: Commencement Letter with respect to that certain Lease dated as of the ___ day of _____, 20__, by and between _____, as Landlord, and _____, as Tenant, for _____ rentable square feet on the ____ floor of the Building located at _____.

Lease Id: _____
Business Unit Number: _____

Dear _____:

In accordance with the terms and conditions of the above referenced Lease, Tenant accepts possession of that portion of the Premises consisting of Building _____and agrees:

1. Commencement Date under the Lease is _____;

Please acknowledge your acceptance of possession and agreement to the terms set forth above by signing all 3 counterparts of this Commencement Letter in the space provided and returning 2 fully executed counterparts to my attention.

Sincerely,

_____
Authorized Signatory

Agreed and Accepted:

Tenant: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D

BUILDING RULES AND REGULATIONS

This Exhibit is attached to and made a part of the Lease by and between **IRONWOOD APARTMENTS, INC.** ("**Landlord**") and **SEATTLE CHILDREN'S HOSPITAL, d/b/a Seattle Children's Research Institute** ("**Tenant**") for the Project known as 1101 Olive Way, Seattle, Washington.

The following rules and regulations shall apply, where applicable, to the Premises, the Building, the parking facilities (if any), the Project and the appurtenances. In the event of a conflict between the following rules and regulations and the remainder of the terms of the Lease, the remainder of the terms of the Lease shall control. Capitalized terms have the same meaning as defined in the Lease.

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit Tenant's employees to loiter in or about garage structure or the other portions of the Project outside the Premises ("Common Areas").

2. Plumbing fixtures and appliances shall be used only for the purposes for which designed and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed in the fixtures or appliances. Damage resulting to fixtures or appliances due to the gross negligence or willful misconduct of Tenant, its agents, employees or invitees shall be paid for by Tenant and Landlord shall not be responsible for the damage.

3. Except as expressly provided in the Lease, no signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord, not to be unreasonably withheld, delayed or conditioned. Except in connection with the hanging of lightweight pictures and wall decorations, or in connection with any Alterations expressly that may be made by Tenant without Landlord's prior consent as provided in the Lease, no nails, hooks or screws shall be inserted into any part of the Premises or Building except by the Building maintenance personnel without Landlord's prior approval, which approval shall not be unreasonably withheld, delayed or conditioned.

4. Landlord, or at Tenant's election, Tenant, shall provide and maintain in the first floor (main lobby) of the Building an alphabetical directory board or other directory device listing tenants and specified employees and no other directory shall be permitted unless previously consented to by Landlord in writing.

5. Tenant may install and maintain its own card access security system within the Premises at its cost.

6. Except as expressly provided to the contrary under Section 9.03 (Alterations) of the Lease, all contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's standard, reasonable rules, regulations, policies and procedures, which may be revised from time to time.

7. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage, loss or injury.

8. Tenant shall ensure that its equipment does not overload floors or cause structural damage. Damage to the Building by the installation, maintenance, operation, existence or removal of Tenant's Property shall be repaired at Tenant's sole expense.

9. **[Intentionally Omitted].**

10. Tenant shall not: (1) make or permit any improper, objectionable or unpleasant noises or odors in the Building other than those associated with operation of Tenant's research activities; (2) solicit business or distribute or cause to be distributed, in any portion of the Building, handbills, promotional materials or other advertising; or (3) conduct or permit other activities in the Building that might, in Landlord's sole opinion, constitute a nuisance.

11. No animals, except those associated with any vivarium use and those assisting handicapped persons, shall be brought into the Building or kept in or about the Premises

12. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building or about the Project, except for those substances as are typically found in similar premises used for general office and/or laboratory purposes and are being used by Tenant in a safe manner and in accordance with all applicable Laws. Subject to the foregoing, Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Project, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law which may now or later be in effect. Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant and shall remain solely liable for the costs of abatement and removal.

13. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises or the Building. Tenant shall not use, or permit any part of the Premises to be used for lodging, sleeping or for any illegal purpose.

14. **[Intentionally Omitted].**

15. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation. Tenant shall not furnish supplemental cooling or heating to the Premises, including, without limitation, the use of electric or gas heating devices, without Landlord's prior written consent, not to be unreasonably withheld, delayed or conditioned.

16. Tenant shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for machines for the exclusive use of Tenant's employees and invitees.

17. Bicycles and other vehicles are not permitted inside the Building or on the walkways outside the Building, except in areas designated by Landlord.

18. Landlord may from time to time adopt systems and procedures for the security and safety of the Building and Project, its occupants, entry, use and contents. Tenant, its agents, employees, contractors, guests and invitees shall comply with Landlord's reasonable systems and procedures, after being notified thereof.

19. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's reasonable opinion may impair the reputation of the Building or its

desirability. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.

20. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the Common Areas, unless a portion of the Common Areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the Common Areas or any other part of the Building. The Building (including the Premises) shall be designated as a non-smoking building.

21. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform exterior appearance.

22. **[Intentionally Omitted].**

23. Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service, including Tenant's own janitorial service.

EXHIBIT E

FORM OF SUBORDINATION AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

[RETURN TO LENDER'S OUTSIDE COUNSEL]
_____
_____
_____
_____

AGREEMENT OF SUBORDINATION
NONDISTURBANCE AND ATTORNMENT

THIS AGREEMENT is dated the ____ day of _____, _____ between _____ ("**Lender**"), _____, a _____ ("**Tenant**"), _____, a _____ ("**Borrower**").

RECITALS:

A. Tenant has executed that certain lease dated _____, _____ (the "**Lease**") covering the premises described in the Lease ("**Premises**") in that certain building located at _____ _____ (the "**Property**") and more particularly described in Exhibit A attached hereto and made a part hereof, by this reference; and

B. Borrower is the landlord under the Lease; and

C. Lender has made or has agreed to make a mortgage loan to Borrower secured by a mortgage or deed of trust encumbering the Property which includes an assignment of the landlord's interest in the Lease (the "**Mortgage**"); and

D. Tenant, Borrower and Lender desire to confirm their understanding with respect to the Lease and the Mortgage.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, agreements contained herein, the parties hereto agree as follows:

1. The Lease and any extensions, modifications or renewals thereof, including but not limited to any option to purchase or right of first refusal to purchase the Property or any portion thereof, if

any, is and shall continue to be subject and subordinate in all respects to the Mortgage and the lien created thereby, and to any advancements made thereunder and to any consolidations, extensions, modifications or renewals thereof.

2. Tenant agrees to deliver to Lender, in the manner set forth in Paragraph 7, a copy of any notice of default sent to the landlord by Tenant. If the landlord fails to cure such default within the time provided in the Lease, Lender shall have the right, but not the obligation to cure such default on behalf of the landlord within thirty (30) calendar days after the time provided for the landlord to cure such default in the Lease or within a reasonable period if such default cannot be cured within that time, provided Lender is proceeding with due diligence to cure such default. In such event Tenant shall not terminate the Lease while such remedies are being diligently pursued by Lender. Further, Tenant shall not terminate the Lease on the basis of any default by the landlord which is incurable by Lender (such as, for example, the bankruptcy of the landlord or breach of any representation by the landlord), provided Lender is proceeding with due diligence to commence an action to appoint a receiver or to obtain the right to possession of the Property by foreclosure, deed in lieu of foreclosure, or otherwise ("**Foreclosure**"). Tenant hereby agrees that no action taken by Lender to enforce any rights under the Mortgage or related security documents, by reason of any default thereunder (including without limitation, the appointment of a receiver, any Foreclosure or any demand for rent under any assignment of rents or leases) shall give rise to any right of Tenant to terminate the Lease nor shall such action invalidate or constitute a breach of any of the terms of the Lease.

3. So long as Tenant is not in default under the Lease beyond any applicable notice and cure period, Tenant's possession and occupancy of the Premises shall not be disturbed by Lender or any party claiming by or through Lender during the term of the Lease or any extension thereof.

4. If Lender succeeds to the interest of the landlord under the Lease, subject to Tenant's performance of its obligations under the Lease, the Lease will continue in full force and effect. Thereupon, Lender shall recognize the Lease and Tenant's rights thereunder and Tenant shall make full and complete attornment to Lender as substitute landlord upon the same terms, covenants and conditions as provided in the Lease, except any option to purchase or right of first refusal to purchase the Property as may be provided in the Lease. Further, Tenant agrees that any such option or right of first refusal to purchase the Property or any portion thereof, as may be provided in the Lease shall not apply to and shall not in any way impair or delay any Foreclosure, as defined herein; provided, however, that such rights shall remain enforceable against Borrower, and shall apply to and be enforceable against successors or assigns of Borrower following a Foreclosure, notwithstanding the foregoing.

5. Tenant agrees that, if Lender shall succeed to the interest of the landlord under the Lease, Lender, its successors and assigns, shall not be:

(a) liable for any prior act or omission of the landlord or any prior landlord or consequential damages arising therefrom; or

(b) subject to any offsets or defenses which Tenant might have as to the landlord or any prior landlord; or

(c) required or obligated to credit Tenant with any rent or additional rent for any rental period beyond the then current month which Tenant might have paid the landlord; or

(d) bound by any cancellation or termination of the Lease (other than a unilateral termination made by Tenant pursuant to the terms of the Lease) or any material amendments or modifications of the Lease such as those affecting rent, term or permitted use made without Lender's prior written consent; or

(e) liable for refund of all or any part of any security deposit unless such security deposit shall have been actually received by Lender.

The foregoing shall not, however: (i) relieve Lender or any other party succeeding to the interests of the landlord as a result of any foreclosure of the obligation to remedy or cure conditions at the Premises which constitute a landlord default under the Lease and which continue at the time of such succession or acquisition, and (ii) constitute a waiver by Tenant of any claims or causes of action it may have against the landlord as a result of conditions or events which occurred prior to the succession by Lender to the interests of the landlord.

6. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The words, "**Lender**," "**Borrower**" and "**Tenant**" shall include their respective heirs, legatees, executors, administrators, beneficiaries, successors and assigns.

7. All notices, and all other communication with respect to this Agreement, shall be directed as follows: if to Lender, _____ or such other address as Lender may designate in writing to Tenant and, if to Tenant, at the address set forth in the Lease or at such other address as Tenant may designate in writing to Lender. All notices shall be in writing and shall be: (a) hand-delivered; (b) sent by United States express mail or by private overnight courier; or (c) sent by certified mail postage prepaid, return receipt requested, to the appropriate address set forth above. Notices served as provided in (a) and (b) shall be deemed to be effective upon delivery. Any notice sent by certified mail shall be deposited in the United States mail with postage thereon fully prepaid and shall be deemed effective on the day of actual delivery as shown by the addressee's return receipt or the expiration of three business days after the date of mailing, whichever is earlier in time.

8. Borrower has agreed under the Mortgage and other loan documents that rentals payable under the Lease shall be paid directly by Tenant to Lender upon any default by Borrower under the Mortgage. After receipt of notice from Lender to Tenant, at the address set forth above or at such other address as to which Lender has been notified in writing, that rentals under the Lease should be paid to Lender, Borrower hereby authorizes and directs Tenant to pay to Lender, or at the direction of Lender, all monies due or to become due to the landlord under the Lease from and after Tenant's receipt of such notice. Tenant shall have no responsibility to ascertain whether such demand by Lender is permitted under the Mortgage, or to inquire into the existence of a default. Borrower hereby waives any right, claim, or demand it may now or hereafter have against Tenant by reason of such payment to Lender, and any such payment shall discharge the obligations of Tenant to make such payment to the landlord.

9. This Agreement contains the entire agreement between the parties and no modifications shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party.

10. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LENDER:	TENANT:
_____	_____
_____	_____
By: _____	By: _____
Its: Authorized Signatory	Its: _____

BORROWER:

_____

By: _____
Its: _____

[Acknowledgments Attached]

Appendix C

Comparable Data

Comparable 1

Transaction

ID	260603	Date	8/8/2017
Address	3450 Monte Villa	Price	$17,800,000
City	Bothell	Price Per SF	$349.11
State	WA	Transaction Type	Closed Sale
Tax ID	813300000700	Financing	Cash
Grantor	BioMed Realty	Property Rights	Fee Simple
Grantee	Seattle Genetics		

Site

Acres	4.9
Land SF	211,266

Improvements & Financial Data

Rentable Area	50,987		
Year Built	1996		
Renovations	$1,999	Cap Rate	--
Condition	Good		

Comments

Property formerly occupied by Bristol Myers Squibb for drug manufacturing. Purchased by Seattle Genetics in an owner-occupant transaction.

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Comparable 2

Transaction

ID	260571	Date	12/29/2016
Address	1522 217th Pl SE	Price	$18,150,000
City	Bothell	Price Per SF	$267.70
State	WA		
Tax ID	27053000102900	Financing	Cash to seller
Grantor	BioMed Realty	Property Rights	Leased Fee
Grantee	Jump Holdings LLC		

Site

Acres	8.2
Land SF	356,321

Improvements & Financial Data

		PGI	$1,050,000
Rentable Area	67,799	EGI	$1,050,000
		Expense Ratio	
Year Built	1987	NOI	$1,089,000
		Cap Rate	6.00%
Condition	200800.0%		

Comments

Juno Therapeutics is the single tenant occupying 50,000 SF of the property, and will expand to entire building within 2 years. Juno Therapeutics, a clinical-stage company developing immunotherapies for cancer, is the current tenant of the building and has a lease until March 2025. Juno Therapeutics joined a number of other life science companies in the Canyon Park cluster. The site is also within close proximity of other biotechnology and pharmaceutical agencies, and research institutions. There are several termination options.

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Comparable 3

Transaction

ID	260550	Date	8/28/2015
Address	964 Republican	Price	$40,988,675
City	Seattle	Price Per SF	$678.90
State	WA	Transaction Type	Closed Sale
Tax ID	198320-0160	Financing	Cash to seller
Grantor	Vulcan	Property Rights	Leased Fee
Grantee	Urban Renaissance		
Legal Description	DENNYS DT 1ST ADD		

Site

Acres	0.5		
Land SF	20,587	Zoning	SM-SLU 175/85-280

Improvements & Financial Data

Rentable Area	60,375		
Year Built	1922	NOI	$2,172,400
		Cap Rate	5.30%
Condition	200100.0%		

Comments

This was an early 20th century warehouse that was converted into lab space in 1999. 100% occupied by University of Washington. The Rosen Building is part of UW Medicine's South Lake Union complex where more than 600 scientists conduct research on cancer vaccines, diabetes, heart regeneration and other topics.

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Comparable 4

Transaction

ID	260551	Date	3/13/2014
Address	401 Terry Ave N	Price	$106,125,000
City	Seattle	Price Per SF	$754.77
State	WA	Transaction Type	Closed Sale
Tax ID	198320-0200	Financing	Cash
Grantor	Vulcan	Property Rights	Leased Fee
Grantee	Kilroy Realty		
Legal Description	DENNYS D T 1ST ADD		

Site

Acres	1.0		
Land SF	42,480	Zoning	SM-SLU 175/85-280

Improvements & Financial Data

Rentable Area	140,605		
Year Built	2003	NOI	$6,367,500
		Cap Rate	6.00%
Condition	Good		

Comments

The property was formerly the headquarters for Merck/Rosetta Inpharmatics. ISB signed a lease for 100% of the building , including office and laboratory space, which will be home to more than 330 ISB employees starting in spring 2011. JLL reported cap rate of 6.0%. ISB current term expires 2021, and has 7 year remaining at the time of sale.

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Lease Comparable 1

Location		Building	
ID	260603	**Name**	Seattle Genetics
Address	3450 Monte Villa Parkway	**Year Built**	1996
City	Bothell	**No. of Stories**	2
State	WA		
Property Major	Office		

Leases

Tenant	Size	Base Rent/SF	Type	Date	Term
Zymogentics	51,000	$26.27	NNN	1/1/2018	72 Months

Comments

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Lease Comparable 2

Location		Building	
ID	262223	**Name**	The Alexandria Center
Address	400 Dexter Ave N	**Year Built**	2017
City	Seattle		
State	WA		
Property Major	Office		

Leases

Tenant	Size	Base Rent/SF	Type	Date	Term
Juno Therapeutics	183,623	$48.00	NNN	2/3/2017	85 Months

Comments

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Lease Comparable 3

Location		Building	
ID	262227	**Name**	Life Science Building
Address	500 Fairview Ave N	**Year Built**	2016
City	Seattle	**No. of Stories**	7
State	WA		
Property Major	Office		

Leases

Tenant	Size	Base Rent/SF	Type	Date	Term
Nanostring Technologi	21,541	$51.72	NNN	4/1/2016	120 Months

Comments

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Appendix D

Discounted Cash Flow

Input Assumptions Report

Olive Lab (Amounts in USD, Measures in SF)
Oct, 2017 through Sep, 2028
10/5/2017 2:32:49 PM

Modeling Policies - General

Sections	
Traditional Valuation	FALSE
Capitalization Valuation	FALSE
Calculate Assured Income	FALSE

Vacancy & Credit Loss	
Calculation Frequency	Annually
Calculation Month	Analysis Date

Inflation	
Monthly Detail Inflation	Expressed as Nominal Growth Factors
Inflate Market Rates	Annually
Allow Inflation in Year One	FALSE

Market Leasing	
Use Intelligent Renewals	FALSE
Round Market Leases to start on the first day of the month	TRUE

Rounding	
Vendor's Cost Net Rounding	None
AREA ERV Rounding	None
'Say' Value Rounding	None

Valuation Date	
Enter Valuation Date using days	FALSE

Modeling Policies - Revenues and Expenses

Revenue and Expense	
Use Account Number	TRUE
Show Parent Account Numbers	FALSE
Show Account Types	FALSE
Use Fixed % for Recovery Gross Up Only	FALSE
Use Amount 2	TRUE
Lock revenues and expenses entries	FALSE
Copy Year Default Basis	Use Forecast Values
Prop 13 Initial Amount	% of Unleveraged PV

Modeling Policies - Tenants

Tenants

Base Rent Input	$ / SF / Year
Calculate Potential Rent	Base Rent
Blend Calculated Market Rate	TRUE
Use Lease ID	FALSE
Show Alternate Area	FALSE
Use Straight Line/GAAP Rent	FALSE
Use Acquisition Date in GAAP Rent calculations	FALSE
Acquisition Date	October, 2017
Reset CPI on changes to Base Rent	FALSE
Use Prior Rental Value for Market Base Rent	FALSE
Use Exact Increase Amount for CPI Increases	FALSE
Calculate a Full Year of CPI for Partial Year Leases	FALSE
Timing for CPI Increases	Use Analysis Begin Date
Rent for CPI Increases	Rent in Prior 12 Months
Calculate Leasing Commissions As	Capital Expenses
Calculate Tenant Improvements As	Capital Expenses
Calculate Security Deposit Interest As	Operating Revenue
Multifamily Vacancy Allowance Calc Basis	Economic Occupancy
Calculate General Vacancy Overrides By	Tenant Group

Modeling Policies - Recoveries

Recoveries	
Default Recovery Type	Net
Gross Up Variable Expenses for Recoveries	FALSE
Gross Up Variable Expense	100.00%
Gross Up Percent of Line	100% Fixed
Use Monthly Occupancy for Gross Up	TRUE
Calculation Frequency	Annually

Automatically add Expenses to new Expense Groups	FALSE
Apply Admin Fees As	
% of Recoverable Expenses	TRUE
Calculate admin fee before deduction of Anchor Contribution	FALSE
Calculate Base Year Stop Before Admin Fees	TRUE
% of Recovery	FALSE

Property - Description

General Information	
Property Name	Olive Lab
External ID	70b65766-25c3-4062-af41-e33f87
Entity ID	
Label	
Property Type	Mixed Use (Office/Industrial)
Building Area	38346
% Owned	100.0%
Template	

Analysis	
Analysis Begin Date	October, 2017
Analysis Length Years	10
Analysis Length Months	0

Timing	
Override Scenario Settings	TRUE
Use Actuals	FALSE
Actual Values End	N/A
Use Prior Budget	FALSE
Budget Period End	N/A
Use Inflation Begin Date	FALSE
Miscellaneous Revenue Inflation Begins	N/A
Operating Expense Inflation Begins	N/A
Capital Expense Inflation Begins	N/A
Non-Operating Expense Inflation Begins	N/A

Currency & Measurement	
Property Currency	USD
Property Area Measure	SF
Scenario Currency	USD
Scenario Area Measure	SF

Property - Location

Address	
Address Line 1	1100 Olive Way
Address Line 2	
City	Seattle
State / Territory	WA
Zip / Postal Code	98101
Country	United States
Parcel Number	

Property - Additional

Additional Property Information	
Preparer Name	
Appraisal Number	
Loan Number	
Year Built	
Portfolio Name	

Comments

Property exported from ARGUS Enterprise 11.6.1.155. This model does not contain all assumptions held within ARGUS Enterprise and may produce different cash flow and valuation results.

Property - Area Measures

General	Rentable Area			Occupied Area			
Name	How Input	Area	Selected Rentable Areas	How Input	Selected Tenants	Selected Lease Types	Area Type
Building Area	Enter Area	38346		All Tenants			Standard Area
Office Total	Enter Area	38346		Per Lease Type		Office	Standard Area
Retail Total	Enter Area	0		Per Lease Type		Retail	Standard Area
Industrial Total	Enter Area	0		Per Lease Type		Industrial	Standard Area
Storage Total	Enter Area	0		Per Lease Type		Storage	Standard Area
Alternate Building Area	Enter Area	1		All Tenants			Alternate Area
Parking Garage Lease-14	Enter Area	0		All Tenants			Standard Area

General	Occupied Area	
Name	Minimum	Adjusted Minimum
Building Area	0	
Office Total	0	
Retail Total	0	
Industrial Total	0	
Storage Total	0	
Alternate Building Area	0	
Parking Garage Lease-14	0	

Market - Inflation

Inflation Information		Values					
Name	Inflation Basis	Sep 2018	Sep 2019	Sep 2020	Sep 2021	Sep 2022	Sep 2023
No Inflation	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
General Inflation Rate	As Entered		2.50%	2.50%	2.50%	2.50%	2.50%
Market Inflation Rate	As Entered		2.50%	2.50%	2.50%	2.50%	2.50%
Expense Inflation Rate	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
CPI Inflation Rate	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
Miscellaneous Revenues	As Entered		2.50%	2.50%	2.50%	2.50%	2.50%
Reimbursable	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
Non-Reimbursable	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
Capital Expenditures	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
Retail Sales Volume	As Entered		2.50%	2.50%	2.50%	2.50%	2.50%
Leasing Costs	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
Land Costs	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
Hard Costs	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%
Soft Costs	As Entered		0.00%	0.00%	0.00%	0.00%	0.00%

Inflation Information	Values				
Name	Sep 2024	Sep 2025	Sep 2026	Sep 2027	Sep 2028
No Inflation	0.00%	0.00%	0.00%	0.00%	0.00%
General Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Market Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Expense Inflation Rate	0.00%	0.00%	0.00%	0.00%	0.00%
CPI Inflation Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Miscellaneous Revenues	2.50%	2.50%	2.50%	2.50%	2.50%
Reimbursable	0.00%	0.00%	0.00%	0.00%	0.00%
Non-Reimbursable	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%
Retail Sales Volume	2.50%	2.50%	2.50%	2.50%	2.50%
Leasing Costs	0.00%	0.00%	0.00%	0.00%	0.00%

Land Costs	0.00%	0.00%	0.00%	0.00%	0.00%
Hard Costs	0.00%	0.00%	0.00%	0.00%	0.00%
Soft Costs	0.00%	0.00%	0.00%	0.00%	0.00%

Inflation Month:	Analysis Date
Recovery Timing:	Fiscal Recovery using Fiscal Inflation

Market - General Vacancy

Calculation					
How Input	Amount	Gross-up Revenue by Absorption & Turnover	Reduce General Vacancy by Absorption & Turnover	Override Specific Tenants	Override Treatment
% of Potential Gross Revenue	0.0%	Yes	Yes	No	Replace Standard Rate

Market - Credit Loss

Calculation			
How Input	Amount	Override Specific Tenants	Override Treatment
% of Potential Gross Revenue	0.0%	No	Replace Standard Rate

Market - Market Leasing

Name	General			Base Rent (/Area)			
Name	Term (Yrs/Mos)	Renewal %	Months Vacant	Base Rent Unit	New Base Rent	Renew Base Rent	Renewal Override
MLA Office_Lab-1043	5/0	65.0%	12	$ / SF / Year	36	Same as New	
MLA Storage-1044	5/0	65.0%	12	$ / SF / Year	10	Same as New	

Name	Base Rent (/Area)	Intelligent Renewals		Rent Increases			
Name	% of Prior Rent	Use Market Or Prior	Prior Rent	Changing Base Rent	Fixed Steps	Step Amounts	CPI Increases
MLA Office_Lab-1043				None	% Increase	2.5%	None
MLA Storage-1044				None	% Increase	2.5%	None

Name	Rent Increases	Rental Value			Free Rent(Mo)		Recoveries
Name	Inflation Rate / Index	Rental Value Unit	Rental Value	Rental Value Inflation	New Free Rent	Renew Free Rent	Structure
MLA Office_Lab-1043		Continue Prior			0	0	Net
MLA Storage-1044		Continue Prior			0	0	Net

Name	Recoveries	Miscellaneous Items		Improvements			
Name	Amount	Miscellaneous Rent	Incentives	TI Unit	New TI	Renew TI	TI Timing

MLA Office_Lab-1043		None	None	$ / Area	50	10	100.0%
MLA Storage-1044		None	None	None			

Name	Leasing Commissions					Security Deposit	
Name	New LC Unit	New LC	Renew LC Unit	Renew LC	LC Timing	New Security Deposit	Renew Security Deposit
MLA Office_Lab-1043	Fixed %	4.0%	Fixed %	2.0%	100.0%	None	None
MLA Storage-1044	Fixed %	4.0%	Fixed %	2.0%	100.0%	None	None

Name	Upon Expiration	External ID
Name	Upon Expiration	External ID
MLA Office_Lab-1043	MLA Office_Lab-1043 (1)	MLA Office_Lab-1043
MLA Storage-1044	MLA Storage-1044 (2)	MLA Storage-1044

Market - Tenant Improvements

General	Improvements						
Name	TI Unit	New TI	New Inflation	Renew TI	Renew Inflation	Timing	Rent Components
No Improvement	$ / Area	0	Leasing Costs	0	Leasing Costs	100.0%	

Market - Lease Commissions

General	Commissions						Elements to Include
Name	Commissions Unit	New LC	New Inflation	Renew LC	New Inflation	Timing	Base Rent
No Commission	$ Amount	0	Leasing Costs	0	Leasing Costs	100.0%	TRUE

General	Elements to Include				
Name	Step Rent	CPI Rent	Percent Rent	Recoveries	Free Rent
No Commission	TRUE	TRUE		FALSE	TRUE

Market - Rent Components

General	Elements to Include						
Name	Base Rent	Fixed Step Rent	Miscellaneous Rent	CPI	Percentage Rent	Recoveries	Free Rent
Standard Rent	TRUE	TRUE	FALSE	TRUE	FALSE	FALSE	TRUE
Total Prior Components	TRUE	TRUE	FALSE	TRUE	TRUE	FALSE	FALSE
Base Rent	TRUE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE

Revenues - Miscellaneous

General	Amount

Name	Parent Account Number	Account Number	Account Type	How Input	Amount1	Frequency	Amount2
Parking Garage Lease				Amount 1	5250	Monthly	

General	Amount		Apply to Tenants		Timing		
Name	Area Measure	Fixed %	Apply to Tenants	Applied Tenants	Start Date	Date	Start Date Adjustment
Parking Garage Lease		100.0 %	No		Analysis Begin		None

General	Timing					Inflation	Limits
Name	Adjustment Months	Repeat	End Date	Date	Duration Months	Inflation %	Limits
Parking Garage Lease		Monthly	None			Miscellaneous Revenues	

General	Limits			Usage	Notes	External ID
Name	Basis	Minimum	Maximum	Discounted Cash Flow	Notes	External ID
Parking Garage Lease				Include		Parking Garage Lease

Expenses - Operating Expenses

General				Amount			
Name	Parent Account Number	Account Number	Account Type	How Input	Amount1	Frequency	Amount 2
Management				Amount 1	Varies		

General	Amount			Apply to Tenants		Timing	
Name	Area Measure	Fixed %	Recoverable %	Apply to Tenants	Applied Tenants	Start Date	Date
Management		0.00%	100.00%	No		Analysis Begin	

General	Timing						Inflation
Name	Start Date Adjustment	Adjustment Months	Repeat	End Date	Date	Duration Months	Inflation %
Management	None		Monthly	None			No Inflation

General	Limits				Usage	
Name	Limits	Basis	Minimum	Maximum	Discounted Cash Flow	Traditional Valuation
Management					Include	

Operating Amount1 Varies

Management

For The Year Ending	Sep-2018	Sep-2019	Sep-2020	Sep-2021	Sep-2022	Sep-2023	Sep-2024	Sep-2025	Sep-2026	Sep-2027	Sep-2028
Oct	1,177	1,206	1,235	1,236	1,267	1,298	1,331	1,370	2,729	2,797	2,867
Nov	1,205	1,235	1,235	1,266	1,298	1,330	1,363	0	2,729	2,797	2,867
Dec	1,205	1,235	1,235	1,266	1,298	1,330	1,363	0	2,729	2,797	2,867
Jan	1,205	1,235	1,235	1,266	1,297	1,330	1,364	0	2,729	2,797	2,867
Feb	1,205	1,235	1,236	1,266	1,298	1,330	1,363	0	2,729	2,797	2,867

Mar	1,205	1,235	1,235	1,266	1,298	1,331	1,363	2,707	2,796	2,866	2,937
Apr	1,205	1,235	1,235	1,266	1,298	1,330	1,364	2,707	2,795	2,866	2,937
May	1,205	1,235	1,235	1,266	1,297	1,330	1,363	2,708	2,796	2,866	2,937
Jun	1,205	1,236	1,236	1,266	1,298	1,330	1,364	2,707	2,796	2,866	2,938
Jul	1,205	1,235	1,235	1,266	1,298	1,330	1,363	2,708	2,796	2,865	2,937
Aug	1,205	1,235	1,235	1,266	1,297	1,330	1,363	2,707	2,795	2,866	2,937
Sep	1,205	1,236	1,236	1,267	1,298	1,331	1,364	2,708	2,796	2,865	2,938
Total	14,432	14,793	14,823	15,163	15,542	15,930	16,328	20,322	33,215	34,045	34,896
Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Expense Groups
Management

Expense Groups
1-Reimb. (incl. ref accts)

Expenses - Capital Expenses

General					Amount		
Name	Parent Account Number	Account Number	Account Type	Project ID	How Input	Amount1	Frequency
Reserve					$ / Rentable Area	0.1	Annually

General	Amount			Apply to Tenants		Timing	
Name	Amount 2	Area Measure	Fixed %	Apply to Tenants	Applied Tenants	Start Date	Date
Reserve		Building Area	100.00%	No		Analysis Begin	

General	Timing						Inflation
Name	Start Date Adjustment	Adjustment Months	Repeat	End Date	Date	Duration Months	Inflation %
Reserve	None		Monthly	None			Capital Expenditures

General	Amortization				Limits		
Name	Start Date	Date	Term (Months)	Interest Rate	Limits	Basis	Minimum
Reserve	None				None		

General	Limits	Usage	
Name	Maximum	Discounted Cash Flow	Traditional Valuation
Reserve		Include	

Expenses - Expense Groups

1-Reimb. (incl. ref accts)

Type	Name	Parent Account Number	Account Number	Account Type	Percentage Recoverable	Gross Up Override

Operating	Management				100.00%	Defined in Recovery Structure

Tenants - Rent Roll

Name Active	Name	Suite	Reference Lease ID	General Tenure	Lease Status	Lease Type	Affects Occupancy
Yes	Seattle Children's Hospital			Freehold	Contract	Office	Yes
Yes	Seattle Children's Hospital (Option 1)					Office	Yes
Yes	Seattle Children's Hospital			Freehold	Contract	Office	Yes
Yes	Seattle Children's Hospital (Option 1)					Office	Yes

Name Active	Name	General Area	Alternate Area	Available	Available Date	Lease Execution	Start
Yes	Seattle Children's Hospital	37155		Specified Date	11/1/2009		Specified Date
Yes	Seattle Children's Hospital (Option 1)	37155		Specified Date			Specified Date
Yes	Seattle Children's Hospital	1191		Specified Date	11/1/2009		Specified Date
Yes	Seattle Children's Hospital (Option 1)	1191		Specified Date			Specified Date

Name Active	Name	General Start Date	Term Length Unit	Term / Expire	End	Lease Breaks	Rental Income Base Rent Unit
Yes	Seattle Children's Hospital	11/1/2009	Term/Date	10/0	10/31/2019	None	$ / SF / Year
Yes	Seattle Children's Hospital (Option 1)		Term/Date	5/0	10/31/2024	None	$ / SF / Year
Yes	Seattle Children's Hospital	11/1/2009	Term/Date	10/0	10/31/2019	None	$ / SF / Year
Yes	Seattle Children's Hospital (Option 1)		Term/Date	5/0	10/31/2024	None	$ / SF / Year

Name Active	Name	Rental Income Base Rent	Fixed Steps Unit	Step Amounts	Payment Schedule	Rental Value Unit	Rental Value
Yes	Seattle Children's Hospital	Varies			Monthly	Market Base Rent	
Yes	Seattle Children's Hospital (Option 1)	Varies			Monthly	Market Base Rent	
Yes	Seattle Children's Hospital	Varies			Monthly	Market Base Rent	

Yes	Seattle Children's Hospital (Option 1)	Varies			Monthly	Market Base Rent	

Name		Rental Income		CPI			
Active	Name	Rental Value Inflation	Free Rent (Months)	CPI Increases	Inflation Rate / Index	CPI Index Value Override	CPI Start Value Date
Yes	Seattle Children's Hospital		0	None			
Yes	Seattle Children's Hospital (Option 1)		0	None			
Yes	Seattle Children's Hospital		0	None			
Yes	Seattle Children's Hospital (Option 1)		0	None			

Name		CPI		GAAP Rent		Recoveries	
Active	Name	CPI Specified Start Value	Current Monthly CPI	GAAP Rent	Amount	Structure	Amount
Yes	Seattle Children's Hospital					Net	
Yes	Seattle Children's Hospital (Option 1)					Net	
Yes	Seattle Children's Hospital					Net	
Yes	Seattle Children's Hospital (Option 1)					Net	

Name		Miscellaneous Items		Leasing Costs			
Active	Name	Miscellaneous Rent	Incentives	Improvements Unit	Improvements	Improvements Timing	Commissions Unit
Yes	Seattle Children's Hospital	None	None	No Improvement (2)			No Commission (2)
Yes	Seattle Children's Hospital (Option 1)	None	None	No Improvement (2)			No Commission (2)
Yes	Seattle Children's Hospital	None	None	No Improvement (2)			No Commission (2)
Yes	Seattle Children's Hospital (Option 1)	None	None	No Improvement (2)			No Commission (2)

Name		Leasing Costs		Security Deposit	Market Leasing		
Active	Name	Commissions	Commissions Timing	Security Deposit	Market Leasing	Upon Expiration	Renew Prob. Override
Yes	Seattle Children's Hospital			None	MLA Office_Lab-1043 (1)	Option	
Yes	Seattle Children's Hospital (Option 1)			None	MLA Office_Lab-1043 (1)	Market	Defined On Profile
Yes	Seattle Children's Hospital			None	MLA Storage-1044 (2)	Option	

Yes	Seattle Children's Hospital (Option 1)			None	MLA Storage-1044 (2)	Market	Defined On Profile

Name		Market Leasing		Tenant Classifications	External ID
Active	Name	Months Vacant Override	Free Rent Override	Set Classifications	External ID
Yes	Seattle Children's Hospital			None	Seattle Children's Hospital
Yes	Seattle Children's Hospital (Option 1)	Defined on Profile	Defined on Profile	None	Seattle Children's Hospital (Option 1)
Yes	Seattle Children's Hospital			None	Seattle Children's Hospital
Yes	Seattle Children's Hospital (Option 1)	Defined on Profile	Defined on Profile	None	Seattle Children's Hospital (Option 1)

Base Rent

Seattle Children's Hospital

Date	Years	Months	Days	Type	Units	Amount
11/1/2009	5	0	0	Base	$ / SF / Year	15.5
11/1/2014	1	0	0	Base	$ / SF / Year	17.43
11/1/2015	1	0	0	Base	$ / SF / Year	17.86
11/1/2016	1	0	0	Base	$ / SF / Year	18.32
11/1/2017	1	0	0	Base	$ / SF / Year	18.77
11/1/2018	1	0	0	Base	$ / SF / Year	19.24

Date	Review Type	Minimum Uplift	Amount	Maximum Uplift	Amount	Adjust Expense Stops
11/1/2009						
11/1/2014						
11/1/2015						
11/1/2016						
11/1/2017						
11/1/2018						

Date	Stop Year
11/1/2009	
11/1/2014	
11/1/2015	
11/1/2016	
11/1/2017	
11/1/2018	

Seattle Children's Hospital (Option 1)

Date	Years	Months	Days	Type	Units	Amount
11/1/2019	1	0	0	Base	$ / SF / Year	19.24
11/1/2020	1	0	0	Base	% Increase	2.5%
11/1/2021	1	0	0	Base	% Increase	2.5%
11/1/2022	1	0	0	Base	% Increase	2.5%
11/1/2023	1	0	0	Base	% Increase	2.5%

Date	Review Type	Minimum Uplift	Amount	Maximum Uplift	Amount	Adjust Expense Stops
11/1/2019						
11/1/2020						
11/1/2021						
11/1/2022						
11/1/2023						

Date	Stop Year
11/1/2019	
11/1/2020	
11/1/2021	
11/1/2022	
11/1/2023	

Seattle Children's Hospital

Date	Years	Months	Days	Type	Units	Amount
11/1/2009	5	0	0	Base	$ / SF / Year	7.75
11/1/2014	1	0	0	Base	$ / SF / Year	8.72
11/1/2015	1	0	0	Base	$ / SF / Year	8.93
11/1/2016	1	0	0	Base	$ / SF / Year	9.15
11/1/2017	1	0	0	Base	$ / SF / Year	9.38
11/1/2018	1	0	0	Base	$ / SF / Year	9.62

Date	Review Type	Minimum Uplift	Amount	Maximum Uplift	Amount	Adjust Expense Stops
11/1/2009						
11/1/2014						
11/1/2015						
11/1/2016						
11/1/2017						
11/1/2018						

Date	Stop Year
11/1/2009	
11/1/2014	
11/1/2015	
11/1/2016	
11/1/2017	
11/1/2018	

Seattle Children's Hospital (Option 1)

Date	Years	Months	Days	Type	Units	Amount
11/1/2019	1	0	0	Base	$ / SF / Year	9.62
11/1/2020	1	0	0	Base	% Increase	2.5%
11/1/2021	1	0	0	Base	% Increase	2.5%
11/1/2022	1	0	0	Base	% Increase	2.5%
11/1/2023	1	0	0	Base	% Increase	2.5%

Date	Review Type	Minimum Uplift	Amount	Maximum Uplift	Amount	Adjust Expense Stops
11/1/2019						
11/1/2020						
11/1/2021						
11/1/2022						
11/1/2023						

Date	Stop Year
11/1/2019	
11/1/2020	
11/1/2021	
11/1/2022	
11/1/2023	

Tenants - Recoveries

Recovery Structures			
Structure ID	Name	Gross Up %	Assign Tenants

	Net	Seattle Children's Hospital, Seattle Children's Hospital (Option 1), Seattle Children's Hospital, Seattle Children's Hospital (Option 1)
	Base Year Stop	
	Base Year Stop -1	
	Base Year Stop +1	
	Stop Amount	
	Stop Amount / Area	
	Fixed Amount	
	Fixed Amount / Area	
	None	
	Market	

Tenants - Tenant Groups

Group 2

Name	Suite	Lease ID
Seattle Children's Hospital		
Seattle Children's Hospital (Option 1)		

Tenants - Payment Schedules

General							
Name	Payment Type	Payment Day	Payment Month	1st Quarter Day	2nd Quarter Day	3rd Quarter Day	4th Quarter Day
Monthly	In Advance	1					
English Quarter Days	In Advance			March-25	June-24	September-29	December-25
Scottish Quarter Days	In Advance			February-28	May-28	August-28	November-28
Crown Quarter Days	In Advance			January-05	April-05	July-05	October-10
Quarterly	In Advance		Lease Anniversary				
Half Yearly	In Advance		Lease Anniversary				
Annually	In Advance		Lease Anniversary				

Investment - Property Purchase

Purchase Price Information		Purchase Price Calculation					
Purchase Date	How Input	Purchase Price	Closing Costs	Total Price	Less Debt Amount	Debt %	Equity
October, 2017	Enter Price	0	0	0	0	0.00 %	0

Valuation - Assumptions

Timing	
Valuation Date Basis	Analysis Begin
Valuation Date(PV/IRR Date)	October, 2017

General	
Adopted Valuation	Discounted Cash Flow
Mid Point Valuation	DCF and Capitalization Valuation

Sensitivity Intervals	
Cap Rate Interval	0.50%
Resale Amount Interval	0.50%
Gross Income Multiplier Interval	0.25
Purchase Price Interval Basis	$ Amount
Purchase Price Interval Amount	50000
Discount Rate Interval	0.50%
IRR Target	10.00%

Acquisition Costs (DCF)		
Name	Amounts	
Description	How Input	Amount

Valuation - Direct Capitalization

Rate	
Direct Cap Rate	10.00%

Valuation - Property Resale

General		Calculation Method					
Name/Description	Default	Date Of Sale	Calc Method	Inflation	Amount	Cap Rate	Multiplier
Enter Sale Name	TRUE	9/30/2027	CAP NOI (12 Months After Sale)			7.0%	

General	Calculation Method	Stabilized Occupancy			Adjustment		
Name/Description	Cap Group	Stabilized Income Begin	#Months	Stabilized Income Definition	Add back Free Rent	Gross Up Occupancy Basis	Gross Up Occupancy %
Enter Sale Name					FALSE	None	

General	Adjustment				
Name/Description	Deductions	Hold Period	Hold Years	Fixed Date	Adjustments
Enter Sale Name	None	Length of Analysis			Varies

Property Resale Adjustments

Enter Sale Name - Adjustments

Description	Type	How Input	Amount
Selling Costs 1	Selling Costs	% Adjusted Gross	2.0%

Valuation - Present Value

Discount	
Discount Rate (APR)	8.50%
Discount Method	Annual

Increment Discount Rate	
Unleveraged Cash Flow Rate Increment	0.00%
Unleveraged Cash Flow Rate	8.50%
Unleveraged Resale Rate Increment	-2.50%
Unleveraged Resale Rate	6.00%
Leveraged Cash Flow Rate Increment	-2.50%
Leveraged Cash Flow Rate	6.00%
Leveraged Resale Rate Increment	-2.50%
Leveraged Resale Rate	6.00%

Timing	
Primary PV/IRR Date Basis	Analysis Begin
Primary PV/IRR Date	October, 2017
Secondary PV/IRR Date Basis	Primary Discount Period
Secondary PV/IRR Date	October, 2017
Secondary PV/IRR Length of Hold Basis	Defined by Resale
Secondary PV/IRR Length of Hold	Years 10 Months 0

Executive Summary Report

Olive Lab (Amounts in USD, Measures in SF)
10/5/2017 2:32:54 PM

Property Information

Property Name	Olive Lab
Property ID #	70b65766-25c3-4062-af41-e33f87
Property Type	Mixed Use (Office/Industrial)
Building Area	38,346
Address	1100 Olive Way
City, State	Seattle / WA
Zip / Postal Code	98101
Country	United States

Purchase Price / Acquisition

Acquisition / Valuation Date	10/1/2017
Purchase Price	0
Closing Costs	0 / N/A
Total Purchase Price	0
Total Debt (% LTC)	0 / N/A
Loan Costs	0
Total Equity	0

Property Assumptions (Year 1)

General Inflation (Year 2)	2.50%
Market Inflation (Year 2)	2.50%
Expense Inflation (Year 2)	0.00%
CPI Inflation (Year 2)	0.00%
Capital Expenditures ($/SF)	0.10
General Vacancy (%)	0.00%
Credit Loss Reserve (%)	0.00%

Operations (Year 1)

Effective Gross Revenue (% EGR)	784,587 (100.00%)
Operating Expenses (% EGR/$/SF)	14,432 (1.84% / 0.38)
Ground Lease Expenses (% EGR/$/SF)	0 (0.00% / 0.00)
Net Operating Income (% EGR)	770,155 (98.16%)
Total Leasing & Capital Costs	3,835
Cash Flow Before Debt Service	766,320
Debt Service (DSC)	0 (N/A)
Cash Flow after Debt Service	766,320
Investment (Net)	0
Cash Flow Available for Distribution	766,320

Occupancy Summary (Year 1)

Average Occupancy - NRA / %	38,346 / 100.00%
Available SF for Absorption as of 10/1/2017	0
Net Absorption - NRA / %	0 / 0.00%

WALE (as of PV/IRR Date)

WALE (Area)	2 Years 1 Month
WALE (Income)	2 Years 1 Month

Debt Overview (As of Loan Start Date)

Loan Start Date	
Loan Term	
Amortization Term	N/A
Interest Rate	
Debt Service Payment	

Valuation and Returns

Unleveraged Cash Flow Rate	8.50%
Unleveraged Resale Rate	6.00%
Leveraged Cash Flow Rate	6.00%
Leveraged Resale Rate	6.00%
Exit Cap. Rate	7.00%
Present Value (Unleveraged)	19,691,646
Direct Capitalization Value @ 10.00 %	7,701,548
NOI Yield (Yr. 1)	N/A
Cash on Cash Return (Yr. 1)	N/A
IRR (Unleveraged)	N/A
IRR (Leveraged)	N/A
Optimal Sale Date and IRR	N/A

Comments

Property exported from ARGUS Enterprise 11.6.1.155. This model does not contain all assumptions held within ARGUS Enterprise and may produce d ifferent cash flow and valuation results.

* Results displayed are based on Forecast data only

Cash Flow Report

Olive Lab (Amounts in USD)
Oct, 2017 through Sep, 2028
10/5/2017 2:32:59 PM

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	Year 1 Sep-2018	Year 2 Sep-2019	Year 3 Sep-2020	Year 4 Sep-2021	Year 5 Sep-2022	Year 6 Sep-2023	Year 7 Sep-2024	Year 8 Sep-2025	Year 9 Sep-2026	Year 10 Sep-2027	Year 11 Sep-2028	Total
Rental Revenue												
Potential Base Rent	707,155	724,841	726,320	742,964	761,539	780,577	800,091	1,537,253	1,627,513	1,668,201	1,709,906	11,786,359
Absorption & Turnover Vacancy	0	0	0	0	0	0	0	-534,707	0	0	0	-534,707
Scheduled Base Rent	707,155	724,841	726,320	742,964	761,539	780,577	800,091	1,002,546	1,627,513	1,668,201	1,709,906	11,251,652
Total Rental Revenue	707,155	724,841	726,320	742,964	761,539	780,577	800,091	1,002,546	1,627,513	1,668,201	1,709,906	11,251,652
Other Tenant Revenue												
Total Expense Recoveries	14,432	14,793	14,823	15,163	15,542	15,930	16,328	13,548	33,215	34,045	34,896	222,715
Total Other Tenant Revenue	14,432	14,793	14,823	15,163	15,542	15,930	16,328	13,548	33,215	34,045	34,896	222,715
Total Tenant Revenue	721,587	739,634	741,143	758,127	777,081	796,507	816,419	1,016,094	1,660,728	1,702,246	1,744,802	11,474,367
Other Revenue												
Parking Garage Lease	63,000	64,575	66,189	67,844	69,540	71,279	73,061	74,887	76,759	78,678	80,645	786,458
Total Other Revenue	63,000	64,575	66,189	67,844	69,540	71,279	73,061	74,887	76,759	78,678	80,645	786,458
Potential Gross Revenue	784,587	804,209	807,332	825,972	846,621	867,786	889,480	1,090,982	1,737,487	1,780,924	1,825,447	12,260,826
Effective Gross Revenue	784,587	804,209	807,332	825,972	846,621	867,786	889,480	1,090,982	1,737,487	1,780,924	1,825,447	12,260,826
Operating Expenses												
Management	14,432	14,793	14,823	15,163	15,542	15,930	16,328	20,322	33,215	34,045	34,896	229,489
Total Operating Expenses	14,432	14,793	14,823	15,163	15,542	15,930	16,328	20,322	33,215	34,045	34,896	229,489
Net Operating Income	770,155	789,416	792,509	810,809	831,079	851,856	873,152	1,070,660	1,704,272	1,746,879	1,790,551	12,031,337
Leasing Costs												
Tenant Improvements	0	0	0	0	0	0	0	891,720	0	0	0	891,720
Leasing Commissions	0	0	0	0	0	0	0	227,658	0	0	0	227,658
Total Leasing Costs	0	0	0	0	0	0	0	1,119,378	0	0	0	1,119,378
Capital Expenditures												
Reserve	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	42,181
Total Capital Expenditures	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	42,181
Total Leasing & Capital Costs	3,835	3,835	3,835	3,835	3,835	3,835	3,835	1,123,213	3,835	3,835	3,835	1,161,559
Cash Flow Before Debt Service	766,320	785,581	788,674	806,974	827,244	848,021	869,318	-52,553	1,700,438	1,743,045	1,786,717	10,869,778
Cash Flow Available for Distribution	766,320	785,581	788,674	806,974	827,244	848,021	869,318	-52,553	1,700,438	1,743,045	1,786,717	10,869,778

Lease Summary Report

Olive Lab (Amounts in USD, Measures in SF)
As of Feb, 2017
All Tenants/ All Lease Periods
10/5/2017 2:33:04 PM

General Tenant Information			Rent Details				CPI	Free Rent		Miscellaneous Rent	Recovery	Tenant Improvements	Leasing Commissions	Incentives	Security Deposits	Renewal Assumption
Tenant Name Suite Number Lease Dates Lease Term Tenure	Initial Area Building Share %	Lease Period Lease Status Market Leasing Lease Type	Rate Per Year Amount Per Year Rate Per Month Amount Per Month Rental Value Per Year	Rent Changes On Date	Rent Changes To $/SF-Annual	Rent Changes To $/SF-Monthly	Type Timing Inflation Rate/Index	Date	Months	Name Type Rate $/SF Total Amount	Structure Name Type Input Amount	Rate $/SF Total Amount	Rate $/SF Total Amount	Name Rate $/SF Total Amount	Security Deposit @ % Percent to Refund Non-Refundable Deposit	Market - % Reabsorb Option
1. Seattle Children's Hospital	37,155.	Base	15.50	Nov-2014	17.43	1.45	None	None			Net	0.00	0.00			Option
Suite:	96.89%	Contract	575,903	Nov-2015	17.86	1.49						0	0			
11/1/2009 - 10/31/2019		MLA Office_Lab-1043	1.29	Nov-2016	18.32	1.53										
10 Years		Office	47,992	Nov-2017	18.77	1.56										
Freehold			1,337,580	Nov-2018	19.24	1.60										
2. Seattle Children's Hospital (Option 1)	37,155.	Option	19.24	Nov-2020	19.72	1.64	None	None			Net	0.00	0.00			Market - 65.00 %
Suite:	96.89%	Option	714,862	Nov-2021	20.21	1.68						0	0			
11/1/2019 - 10/31/2024		MLA Office_Lab-1043	1.60	Nov-2022	20.72	1.73										
5 Years		Office	59,572	Nov-2023	21.24	1.77										
Freehold			1,405,295													
2. Seattle Children's Hospital (Option 1)	37,155.	Market	42.79	Mar-2026	43.86	3.66	None	None			Net	24.00	6.07			Market - 65.00 %
Suite:	96.89%	Speculative	1,589,962	Mar-2027	44.96	3.75						891,720	225,649			
3/1/2025 - 2/28/2030		MLA Office_Lab-1043	3.57	Mar-2028	46.08	3.84										
5 Years		Office	132,497	Mar-2029	47.24	3.94										
Freehold			1,589,962													
3. Seattle Children's Hospital	1,191.	Base	7.75	Nov-2014	8.72	0.73	None	None			Net	0.00	0.00			Option
Suite:	3.11%	Contract	9,230	Nov-2015	8.93	0.74						0	0			
11/1/2009 - 10/31/2019		MLA Storage-1044	0.65	Nov-2016	9.15	0.76										
10 Years		Office	769	Nov-2017	9.38	0.78										
Freehold			11,910	Nov-2018	9.62	0.80										
4. Seattle Children's Hospital (Option 1)	1,191.	Option	9.62	Nov-2020	9.86	0.82	None	None			Net	0.00	0.00			Market - 65.00 %
Suite:	3.11%	Option	11,457	Nov-2021	10.11	0.84						0	0			
11/1/2019 - 10/31/2024		MLA Storage-1044	0.80	Nov-2022	10.36	0.86										
5 Years		Office	955	Nov-2023	10.62	0.88										
Freehold			12,513													
4. Seattle Children's Hospital (Option 1)	1,191.	Market	11.89	Mar-2026	12.18	1.02	None	None			Net	0.00	1.69			Market - 65.00 %
Suite:	3.11%	Speculative	14,157	Mar-2027	12.49	1.04						0	2,009			
3/1/2025 - 2/28/2030		MLA Storage-1044	0.99	Mar-2028	12.80	1.07										
5 Years		Office	1,180	Mar-2029	13.12	1.09										
Freehold			14,157													

* Results displayed are based on Forecast data only

Lease Expiration Report

Olive Lab (Amounts in USD, Measures in SF)
As of Feb, 2017
All Tenants/ All Lease Periods
10/5/2017 2:33:08 PM

Tenants	Suite	Lease Period	Lease Status	Expiration Date	Remaining Term	Expiring Area	Building Share %	Base Rent	Base Rent/SF	Market Rent/SF	Rent vs. Market Rent	Effective Rent/SF	Effective Market/SF	Effective Rent vs. Effective Market Rent
2019 Expirations														
1. Seattle Children's Hospital		Base	Contract	10/31/2019	2 Years 9 Months	37,155.00	96.89%	714,862.20	19.24	37.82	50.87%	19.63	0.00	N/A
3. Seattle Children's Hospital		Base	Contract	10/31/2019	2 Years 9 Months	1,191.00	3.11%	11,457.42	9.62	10.51	91.56%	10.01	0.00	N/A
Total 2019 Expirations						38,346.00	100.00%	726,319.62	18.94	36.97	51.23%	19.33	0.00	N/A
2024 Expirations														
2. Seattle Children's Hospital (Option 1)		Option	Option	10/31/2024		37,155.00	96.89%	789,074.11	21.24	42.79	49.63%	21.67	43.46	49.86%
4. Seattle Children's Hospital (Option 1)		Option	Option	10/31/2024		1,191.00	3.11%	12,646.85	10.62	11.89	89.33%	11.05	12.56	88.02%
Total 2024 Expirations						38,346.00	100.00%	801,720.96	20.91	41.83	49.98%	21.34	42.50	50.21%
Final Totals					2 Years 9 Months	76,692.00	200.00%	1,528,040.58	19.92	39.40	50.57%	20.33	21.25	95.69%

* Results displayed are based on Forecast data only
* Weighted Average Leases expiration is calculated as of report date, and weighted by area. Remaining term includes contract renewals

Present Value Report

Olive Lab (Amounts in USD)
10/5/2017 2:33:12 PM
Valuation Date: Oct, 2017
Discount Method: Annual

Analysis Period	Period Ending	Cash Flow Before Debt Service	P.V. of Cash Flow @ 7.50 %	P.V. of Cash Flow @ 8.00 %	P.V. of Cash Flow @ 8.50 %	P.V. of Cash Flow @ 9.00 %	P.V. of Cash Flow @ 9.50 %	NOI to Book Value
Year 1	Sep-2018	766,320	712,856	709,556	706,286	703,046	699,836	20084.36%
Year 2	Sep-2019	785,581	679,789	673,509	667,316	661,208	655,183	10293.32%
Year 3	Sep-2020	788,674	634,852	626,075	617,460	609,001	600,697	6889.11%
Year 4	Sep-2021	806,974	604,263	593,150	582,292	571,681	561,310	5286.14%
Year 5	Sep-2022	827,244	576,224	563,008	550,155	537,652	525,488	4334.63%
Year 6	Sep-2023	848,021	549,485	534,397	519,790	505,647	491,951	3702.50%
Year 7	Sep-2024	869,318	523,985	507,238	491,100	475,546	460,553	3252.91%
Year 8	Sep-2025	-52,553	-29,467	-28,393	-27,363	-26,375	-25,426	93.10%
Year 9	Sep-2026	1,700,438	886,920	850,642	816,006	782,929	751,335	147.70%
Year 10	Sep-2027	1,743,045	845,715	807,367	770,923	736,281	703,343	150.89%
Totals		9,083,062	5,984,622	5,836,550	5,693,965	5,556,617	5,424,271	
Property Resale @ 7.00 % Cap Rate		25,067,716	15,389,403	14,675,407	13,997,681	13,354,225	12,743,156	
Total Unleveraged Present Value			21,374,025	20,511,958	19,691,646	18,910,841	18,167,426	

Percentage Value Distribution					
Income	28.00%	28.45%	28.92%	29.38%	29.86%
Net Sale Price	72.00%	71.55%	71.08%	70.62%	70.14%
	100.00%	100.00%	100.00%	100.00%	100.00%

* Results displayed are based on Forecast data only
* Resale discounting is 2.50 percentage point(s) lower than cash flow rates

JLL | Achieve Ambitions

Appendix E

Engagement Letter

Valuation & Advisory

JULY 17, 2017

STOCKBRIDGE CAPITAL GROUP
445 HAMILTON AVE, SUITE 403A
WHITE PLAINS, NY 10601
Attn: NICK WILDE

RE: Stockbridge 2017 Q3

Dear Mr. Wilde:

JLL Valuation & Advisory Services, LLC ("JLL Valuation & Advisory"), appreciates the opportunity to provide this proposal for valuation and consulting services to Stockbridge Capital Group (the "Client") with respect to the Subject Property. This proposal letter will become, upon your acceptance, our engagement letter to provide an appraisal of the Subject Property per the scope, fees and timeline outlined in Exhibit A attached to this letter (the "Services")

Client agrees to compensate JLL Valuation & Advisory for Services rendered as follows:

JLL Valuation & Advisory shall be paid fifteen thousand and five hundred dollars ($15,500) for providing the Services (the "Fee"). Our quoted Fee includes the expenses related to this engagement.

In the event that our engagement is ended for any reason before we deliver our final report we shall, without limitation to our other rights and remedies under this letter agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination.

Additional fees will be charged on an hourly basis for any work which exceeds the scope of this proposal, including litigation support services, performing additional valuation scenarios, additional research and conference calls or meetings with any party which exceed the time allotted for an assignment of this nature.

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("USPAP") requires us to disclose to you any prior services performed by the individual appraiser regarding the Subject Property within a three year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. The undersigned appraiser(s) has not provided prior services within the designated disclosure period. Further, to our knowledge, JLL Valuation & Advisory has not performed a previous appraisal, appraisal review or appraisal consulting assignment involving the Subject Property.

The provisions of this letter agreement shall be governed and controlled by the terms and conditions set forth in our General Terms and Conditions of Business for Valuation and Consulting Services attached to this letter agreement as Exhibit B and incorporated by reference. We also have included as Exhibit C our Statement of Assumptions and Limiting Conditions that will be incorporated into our deliverable.

By signing below the Client acknowledges and agrees that they have read and accept all of the terms herein, including but not limited to the scope of work, compensation and our General Terms and Conditions of Business for Valuation and Consulting Services.

We are enthusiastic about the opportunity to work with you and your colleagues on this project. If the foregoing is acceptable, please return an executed copy to me. I will contact you shortly to address any questions you may have.

Very truly yours,

Sincerely,
JLL VALUATION & ADVISORY SERVICES, LLC

By: Eric L. Enloe, MAI, CRE, FRICS

Its: Managing Director

READ, AGREED AND ACCEPTED BY:

Stockbridge Capital Group

By: _____
Name: Jean-Marie Murphy
Title: Managing Director

EXHIBIT A
PROPOSAL

Client hereby engages JLL Valuation & Advisory to complete a valuation and consulting assignment as follows:

CLIENT: Stockbridge Capital Group

PROPERTY IDENTIFICATION:

Portfolio	Pointe Plaza	Olive Lab	South Bay Business Park
Sub-Portfolio	**Pointe Plaza**	**Olive Lab**	**South Bay Business Park-A**
Address	5600-5768 Touey Avenue - Niles, IL 60	1100 Olive Way - Seattle, WA 98101	2909 Oregon Court - Torrance, California 90503
			South Bay Business Park-B
			2909 Oregon Court - Torrance, California 90503
			South Bay Business Park-C
			2909 Oregon Court - Torrance, California 90503
			South Bay Business Park-D
			2807 Oregon Court - Torrance, California 90503
			South Bay Business Park-E
			2807 Oregon Court - Torrance, California 90503
			South Bay Business Park-F
			2807 Oregon Court - Torrance, California 90503
			South Bay Business Park-G
			2908 Oregon Court - Torrance, California 90503
			South Bay Business Park-H
			2908 Oregon Court - Torrance, California 90503
			South Bay Business Park-I
			2908 Oregon Court - Torrance, California 90503
			South Bay Business Park-J
			2908 Oregon Court - Torrance, California 90503
			South Bay Business Park-K
			2908 Oregon Court - Torrance, California 90503
			South Bay Business Park-L
			2908 Oregon Court - Torrance, California 90503
			South Bay Business Park-M
			2750 Oregon Court - Torrance, California 90503
Location	Niles, IL	Seattle, Washington	Torrance, CA
Property Type	Retail	Office	Industrial
Sub-Type	Grocery Anchored Community Center	Medical Office	Industrial Flex Space (39% office)
Number of Buildings	5	1	13
Number of Tenants	20	1	52
Year Built	1999	1946, 1993	1976
NRA (sf)	193,011	38,346	195,578
Occupancy as of 03/31/17	99%	100%	93%
Fee	$ 5,250	$ 5,000	$ 5,250

INTEREST APPRAISED: Leased Fee

INTENDED USERS: Stockbridge Capital Group

INTENDED USE: Asset Valuation purposes

PURPOSE OF APPRAISAL: "As Is" Market Value and Insurable Value. Value of the portfolio plus individual values of each building in Argus for South Bay Business Park.

DATE OF VALUE: September 30, 2017

APPRAISAL STANDARDS: Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

ANTICIPATED SCOPE OF WORK:

Site Visit
Interior and exterior inspection

Valuation Approaches
Sales comparison and Income approach (including Argus 15 DCF)

Appraisal Report Option:	Comprehensive
Delivery Date:	September 1, 2017
Delivery Method:	Electronic delivery
Proposed Improvements:	If the property appraised consists of proposed improvements, Client shall provide to JLL Valuation & Advisory plans, specifications, or other documentation sufficient to identify the extent and character of the proposed improvements.
Properties Under Contract For Sale:	If the Subject Property is currently under contract for sale, Client shall provide to JLL Valuation & Advisory a copy of said contract including all addenda
Hypothetical Conditions And Extraordinary Assumptions:	To be provided in report

1. Agreement

1.1 These Terms together with any Engagement set out the terms on which JLL Valuation & Advisory will provide the Services to the Client. Each of the provisions provided in the Agreement are severable and distinct from the others.

1.2 The Engagement shall prevail to the extent of any conflict between the Terms, and the Engagement. The Agreement supersedes any previous arrangement concerning its subject matter. Unless the parties agree otherwise, these Terms shall apply to any future instructions from the Client, although such instructions may be subject to a separate Engagement.

2. DEFinitions

In this document:

Agreement means any Engagement and these Terms together.

Client means the client engaging JLL Valuation & Advisory to provide the Services.

Engagement means the proposal, agreement, letter of engagement or engagement agreement or email and any schedules/appendices sent to the Client by JLL Valuation & Advisory (or agreed in writing) which sets out details of the Services to be provided to the Client pursuant to the Agreement.

Expenses means expenses of JLL Valuation & Advisory related to the provision of the Services, and stated in the Engagement as being payable by the Client.

Fee means the fees payable in return for the Services, as described in the Engagement.

JLL Parties means JLL Valuation & Advisory and any of its officers, owners, managers, directors, affiliates, agents, subcontractors or employees.

JLL Valuation & Advisory means JLL Valuation & Advisory Services, LLC.

Party means either the Client or JLL Valuation & Advisory (as the context requires) and Parties shall mean both of them.

Services means the Services set out in the Engagement or as otherwise agreed in writing between the Parties.

Subject Property means the property/ies being valued, as stated in the Engagement.

Terms means these terms and conditions.

Valuation means the reports or reports produced as the work product of the Services.

3. Services

3.1 JLL Valuation & Advisory shall provide the Services using reasonable care and skill.

3.2 JLL Valuation & Advisory has no obligation to provide any services other than the Services.

3.3 Where agreed in writing, JLL Valuation & Advisory shall use reasonable efforts to meet any performance dates. JLL Valuation & Advisory shall not be responsible for any failure to meet performance dates due to causes outside its reasonable control and time shall not be of the essence for performance of the Services.

3.4 JLL Valuation & Advisory shall have the right to make any changes to the Services which are necessary to comply with any applicable law, regulation, safety requirement, or which do not materially affect the nature or quality of the Services and JLL Valuation & Advisory shall notify the Client in any such event.

3.5 Without prejudice to clause 10.2(c), if JLL Valuation & Advisory becomes aware of a conflict of interest, it shall advise the Client and take reasonable steps to recommend a course of action

4. Client Obligations

4.1 The Client must give JLL Valuation & Advisory access to all documents, information, premises, assets and people including (without limitation) the Subject Property, as reasonably necessary for JLL Valuation & Advisory to provide the Services.

4.2 The Client is responsible for effecting and maintaining adequate property and public liability insurance in relation to its activities and any relevant properties owned or occupied by it, as well all necessary licenses, permissions and consents which may be required by the Client, and shall be responsible for the safety of any person entering the relevant property.

4.3 The Client shall notify JLL Valuation & Advisory promptly if it considers that any details or requirements set out in the Engagement are incomplete or inaccurate.

5. Delay

JLL Valuation & Advisory will not be liable to the Client for any delay in the performance of the Services attributable to any event beyond the reasonable control of JLL Valuation & Advisory, including (without limitation) any failure by the Client to fulfil its obligations under clause 3.

6. Fees, Expenses and Payment

6.1 The Client must pay JLL Valuation & Advisory the Fee and the Expenses in accordance with this Agreement. The parties understand and agree that neither the Fee nor the payment thereof by Client is contingent upon the results, conclusions or recommendations provided by JLL Valuation & Advisory.

6.2 In consideration of the provision of the Services, the Client shall pay each invoice submitted by JLL Valuation & Advisory in accordance with this Agreement upon receipt. In the event that we are asked to invoice any other party,

we agree that Client will settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice. If the Fee or any part of it remains unpaid 30 days after it was due, thereafter the Client may not use the Valuation for any reason.

6.3 Delinquent payments hereunder shall earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid; provided however, in no event shall this delinquency rate of interest exceed the maximum rate permitted by law. The JLL Parties shall also be entitled to recover their costs (including attorneys' fees), associated with collecting any amounts owed or otherwise relating to this engagement. Upon default by Client, we shall be permitted to file a lien against the Subject Property for any Fees and Expenses owed.

6.4 If termination of the Agreement takes place prior to the Services being completed, JLL Valuation & Advisory shall, without limitation to its other rights and remedies under this Agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination.

7. Indemnity

The Client indemnifies the JLL Parties against any action, claim, proceeding, demand, damages, loss, liability, cost or expense (including attorneys' fees) ("Claim") that the JLL Parties incur in connection with or arising out of this Agreement or the Services, other than a Claim that is found by a court of competent jurisdiction to result from the gross negligence or willful misconduct of the JLL Parties. This clause survives the expiration or termination of this Agreement for any reason.

8. Exclusions of, and Limitations on, Liability

8.1 Notwithstanding any other provision of this Agreement, neither party shall in respect of any Claim be liable to the other party for any loss of capital or profit (whether direct or indirect), loss of revenue, loss of opportunity, loss of goodwill, or any form of indirect, incidental, punitive, consequential or special losses or damages of any kind.

8.2 The total liability of the JLL Parties arising out of or in connection with this Agreement or the Services, whether arising under contract, statute, tort (including negligence), breach of statutory duty or otherwise, is limited to the amount of the Fee actually collected by JLL Valuation & Advisory or any of its affiliates for the Engagement.

9. Reliance on Information and Documents

JLL Valuation & Advisory relies on the accuracy and sufficiency of information and documents provided to it by the Client and others. JLL Valuation & Advisory is not liable for anything related to, or arising in any way from, the inaccuracy or insufficiency of such information and documents.

10. Termination

10.1 Either party may terminate this Agreement without reason by giving 30 days' written notice to the other.

10.2 JLL Valuation & Advisory may terminate this Agreement immediately if:

(a) JLL Valuation & Advisory cannot provide any of the Services due to force majeure;

(b) JLL Valuation & Advisory considers that there is insufficient information available to provide a Valuation that meets JLL Valuation & Advisory 's standards;

(c) a conflict of interest arises which prevents JLL Valuation & Advisory continuing to act for the Client; or

(d) the Client seeks to have JLL Valuation & Advisory provide a Valuation that JLL Valuation & Advisory does not consider accurate.

10.3 Either party (the first party) may terminate this Agreement immediately if:

(a) the other party (the second party) breaches this Agreement and fails to remedy such breach within 14 days of being notified of it by the first party;

(b) the second party is unable to pay its debts when they are due;

(c) the second party enters into a scheme of arrangement or composition with its creditors;

(d) the second party is placed under management or administration or a receiver is appointed, or

(e) a winding up order is made in respect of the second party.

10.4 On termination of the Agreement, the Client must pay JLL Valuation & Advisory :

(a) all Expenses JLL Valuation & Advisory has incurred;

(b) if the Services are substantially complete, the Fee; and

(c) if the Services are not substantially complete, an amount reasonably determined by JLL Valuation & Advisory as being appropriate remuneration for that part of the Services performed to date.

11. Assignment and Variation of Services

11.1 A party must not assign or transfer any of its rights or obligations under this Agreement without the prior written approval of the other party. Such approval must not be unreasonably withheld.

11.2 The Client may vary the Services at any time in writing provided that such variation is within the general scope of the Services initially contemplated, and provided that JLL Valuation & Advisory agrees to the variation. The Client accepts that variation in the Services may result in

a change in the Fee and/or the completion date of the Services, and agrees to any such revised Fee and completion date as reasonably determined by JLL Valuation & Advisory. Any variation to the Services will be subject to the same terms and conditions as contained in this Agreement.

12. Valuation ASSUMPTIONS AND LIMITATIONS; Currency of Valuation

12.1 The Valuation will be subject to our standard Statement of Assumptions and Limiting Conditions, which will be incorporated into the Valuation. All users of the Valuation are specifically cautioned to understand the standard Statement of Assumptions and Limiting Conditions as well as any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the Valuation.

12.2 Each Valuation is current as at its date. Assessed values may change significantly and unexpectedly over short periods. JLL Valuation & Advisory is not liable for Claims relating to such subsequent changes in value. JLL Valuation & Advisory is not liable for Claims relating to reliance upon a Valuation more than three months after its date, or earlier if the relying party is aware of anything that may have an effect on the Valuation.

13. Confidentiality

13.1 Each party must maintain the confidentiality of the other party's information (including after termination or expiration of this Agreement) and must not disclose any information received in confidence from the other party, except where required to do so by law.

13.2 The product of JLL Valuation & Advisory's Services is confidential to, and for the use only of, the Client and any other party JLL Valuation & Advisory expressly agrees may see and rely on it. Those parties may use that work product only for its stated purpose. JLL Valuation & Advisory is not liable to any other parties for any reason and the Client indemnifies JLL Valuation & Advisory for any Claim by any such party if it obtained the work product via the Client either directly or indirectly.

14. Intellectual Property Rights

JLL Valuation & Advisory retains all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which it produces or develops for the purposes of this Agreement, or which it uses in the provision of the Services. No part of a Valuation or anything else produced by JLL Valuation & Advisory as part of the Services may be reproduced or copied without JLL Valuation & Advisory's prior written consent.

15. GENERAL

15.1 Any provision of this Agreement which is void, illegal or otherwise unenforceable will be severed to the extent permitted by law without affecting any other provision of this Agreement.

15.2 The failure or omission of a party at any time to enforce or require compliance with any provision of this Agreement or exercise any right, election or discretion under this Agreement shall not operate as a waiver of that right, election or discretion.

15.3 This Agreement is the entire agreement between the parties in relation to the Services and supersedes all previous agreements, proposals, representations, correspondence and discussions.

15.4 Amendment of this Agreement may only be effected by written agreement of both parties.

15.5 Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.

15.6 A person who is not a Party to the Agreement shall not have any rights to enforce its terms unless specifically agreed in writing.

15.7 Other than in respect of fraud or criminal conduct no employee of JLL Valuation & Advisory or any affiliate has any personal liability to the Client nor to anyone representing the Client. Neither the Client nor anyone representing the Client may make a claim or bring proceedings against an employee or former employee personally.

15.8 Neither Party may publicize or issue any specific information to the media about the Services or the Agreement's subject matter without the consent of the other.

15.9 Both Parties shall comply with all applicable laws, statutes, regulations, relating to anti-bribery and anti-corruption.

15.10 In the event there is any litigation between Client and JLL Valuation & Advisory with respect to the subject matter of this agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and disbursements in such litigation from the other party. THE PARTIES HEREBY WAIVE TRIAL BY JURY.

15.11 If anything in the Engagement conflicts with these "*Standard Terms and Conditions of Business for Valuation & Advisory*", these terms and conditions prevail.

15.12 Clauses 6, 7, 8, 10, 13 and 14 shall survive termination of the Agreement.

16. APPLICABLE LAW

16.1 This Agreement shall be governed and construed by the laws of the State in which the Subject Property is located. If no Subject Property is identified in connection with the Engagement, this Agreement shall be governed and construed by the laws of the State of Illinois.

16.2 Each of the Client and JLL Valuation & Advisory irrevocably submits to the exclusive jurisdiction of the courts of that State.

17. Use Of Data And Data Protection

17.1 Both parties acknowledge that real estate appraisal requires current and historical market data to competently analyze the Subject Property. Accordingly, the Client agrees that: (i) the data collected by JLL Valuation & Advisory in this assignment will remain the property of JLL Valuation & Advisory; and (ii) with respect to any data provided by the Client, JLL Valuation & Advisory and its affiliates may utilize, sell and include such data (either in the aggregate or individually), in the databases of JLL Valuation & Advisory and its affiliates and for use in derivative products. The Client agrees that all data already in the public domain may be utilized on an unrestricted basis.

17.2 In order for JLL Valuation & Advisory to provide the Services, JLL Valuation & Advisory and its affiliates may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). It may also verify the identity of Data Subjects including carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.

17.3 JLL Valuation & Advisory and its affiliates may use all information that it holds regarding Data Subjects for the purposes of providing the Services and may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com.

17.4 The Client agrees that JLL Valuation & Advisory may use commercially available as well as proprietary software programs to perform the Services (web based and others).

18. Special Experts

18.1 Should the Client request the assistance of any of the JLL Parties in hiring a special expert to contribute to any assignment (including but not limited to, a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), the Client agrees to perform their own due diligence to qualify said special expert. The Client agrees and acknowledges it is solely responsible in paying for the services of said special expert.

18.2 The Client acknowledges that the JLL Parties, are not responsible for the actions and findings of the special expert and agrees to hold the JLL Parties harmless from any and all damages that may arise out of the Client's reliance on the special expert.

19. Conflicts Policy

JLL Valuation & Advisory adheres to a strict conflict of interest policy. If we discover in the preparation of the Valuation a conflict with this assignment we reserve the right to withdraw from the assignment without penalty.

20. FIRREA REQuirements

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, the Valuation, if ordered independent of a financial institution or agent, may not be accepted by a federally regulated financial institution.

21. USE OF WORK PRODUCT AND RELIANCE

21.1 The intended use of the Valuation is for the internal purposes of Client to assist the Client in evaluating the Subject Property for the purpose stated in the Engagement and the Valuation. Without first obtaining the prior written consent of JLL Valuation & Advisory, the use of the Valuation by anyone other than the Client is prohibited. Accordingly, the Valuation will be addressed to and shall be solely for the Client's use and benefit and Client agrees that it shall not use any such Valuation in connection with any public documents. JLL Valuation & Advisory expressly reserves the unrestricted right to withhold its consent to the Client's disclosure of the Valuation (or any part thereof including, without limitation, conclusions of value and JLL Valuation & Advisory's identity), to any third parties. Stated again for clarification, unless JLL Valuation & Advisory's prior written consent is obtained, no third party may rely on the Valuation (even if their reliance was foreseeable).

21.2 JLL Valuation & Advisory shall not be referred to in any public documents without JLL Valuation & Advisory's prior written consent, which may be given in its sole

discretion. JLL Valuation & Advisory is not required to give consultation or testimony or to be in attendance in court with reference to the Services provided pursuant to the Engagement unless such services are expressly provided in this Agreement or otherwise agreed in writing by JLL Valuation & Advisory and Client.

21.3 The data, documentation, and assumptions derived from information supplied by Client, published information, prepared by JLL Valuation & Advisory in the regular course of its business, and other industry sources will not be independently verified by JLL Valuation & Advisory for purposes of this Agreement. JLL Valuation & Advisory will not be responsible for the accuracy of such data and information, and for any assumptions derived therefrom. However, JLL Valuation & Advisory's performance will be based on JLL Valuation & Advisory's professional evaluation of all such available sources of information. Client acknowledges and agrees that there may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material and hereby releases JLL Valuation & Advisory from any claims or liability arising from these differences.

21.4 If the Valuation is referred to or included in any offering material or prospectus, the Valuation shall be deemed referred to or included for informational purposes only and the JLL Parties shall have no liability to such recipients. JLL Valuation & Advisory disclaims any and all liability to any party other than the Client which retained JLL Valuation & Advisory to prepare the Valuation.

22. LITIGATION MATTERS

22.1 If any of the JLL Parties receives a subpoena or other judicial command to produce documents or to provide testimony involving this Engagement in connection with a lawsuit or proceeding, JLL Valuation & Advisory will use reasonable efforts to notify the Client of our receipt of same. However, if none of the JLL Parties is a party to these proceedings, Client agrees to compensate the JLL Parties for the professional time and reimburse the JLL Parties for the actual expense incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. The JLL Parties will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.

1. **The report represents an opinion of value, based on forecasts of net income such as are typically used in valuing income-producing properties. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.**
2. **The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.**
3. **JLL Valuation & Advisory is not obligated to predict future political, economic or social trends. JLL Valuation & Advisory assumes no responsibility for economic factors that may affect or alter the opinions in this report if said economic factors were not present as of the date of the letter of transmittal accompanying this report.**
4. **The reports reflects a valuation of the property free and clear of any or all liens or encumbrances unless otherwise stated.**
5. **Responsible ownership and competent property management are assumed.**
6. **All facts set forth in this report are true and accurate to the best of our knowledge. However, it should be noted that the appraisal process inherently requires information from a wide variety of sources. The information furnished by others is believed to be correct and complete and is up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our valuations has been withheld.**
7. **We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers. We have assumed that all information provided by the client, or its agents, is correct, up to date and can be relied upon.**
8. **We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants.**
9. **All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.**
10. **It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.**
11. **It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.**
12. **Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by JLL Valuation & Advisory. JLL Valuation & Advisory has no knowledge of the existence of such materials on or in the property. JLL Valuation & Advisory, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. Client is urged to retain an expert in this field, if desired. None of JLL Valuation & Appraisal and its affiliates, officers, owners, managers, directors, agents, subcontractors or employees (the "JLL Parties") shall be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the property.**
13. **The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical**

characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

14. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the appraisal report.

15. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

16. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

17. Although we reflect our general understanding of a tenant's status in our valuations (i.e. the market's general perception of their creditworthiness), inquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of leasing, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

18. Although we conducted cursory inspection of the subject sites, we did not conduct a formal survey of the property and assume no responsibility in connection with such matters. The spatial data, including sketches and/or surveys included in this report, have been supplied by the client and are assumed to be correct.

19. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

20. Neither all nor any part of this report, or copy thereof, shall be used for any purpose by anyone but the client and intended users specified in the report without my written consent. This report was prepared for the client's use at their sole discretion within the framework of the intended use stated in this report. Its use for any other purpose or use by any party not identified as an intended user of this report is beyond the scope of work of this assignment. Possession of this report, or a copy thereof, does not carry with it the right of publication.

21. JLL Valuation & Advisory, by reason of the report, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

22. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the consultant who prepared the report, or the firm with which the consultant is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of JLL Valuation & Advisory, except as outlined in the attached engagement letter.

23. Unless expressly advised to the contrary we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.

24. Unless otherwise stated our valuation excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. No allowance has been made for any plant, machinery or equipment unless it forms an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services. Therefore we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

25. It is assumed that no changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

26. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the client or their appointed specialist experts. In the case of property where construction work is in progress, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

27. **By use of this reach party that uses this report agrees to be bound by all the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.**
28. **If the Report is submitted to a lender or investor with the prior approval of JLL Valuation & Advisory, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Hypothetical Conditions and Extraordinary Assumptions and the Assumptions and Limiting Conditions incorporated in this Report.**
29. **In the event of a claim against JLL Valuation & Advisory or its affiliates or their respective officers or employees in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by JLL Valuation & Advisory or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.**
30. **The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non- existent or minimal.**

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

C:\Users\Hannah.Bayer\Box Sync\KMI GROUP\Jobs\107 - Jobs\2017 Engagement Letters\7-17-2017 Stockbridge 2017 Q3.Docx

EXHIBIT D

February 3, 2020

VIA Hand Delivery	**VIA US Mail**	**VIA Email**
Seattle City Clerk City of Seattle 600 Fourth Avenue, Floor 3 Seattle, WA 98104	Seattle City Clerk City of Seattle PO Box 94607 Seattle, WA 98124-6907	LIDHearingExaminer@seattle.gov

Re: Protests and Objections to Proposed Final Waterfront LID No. 6751 Assessment and Appeal of Final Assessment Amount
Property Address: 1100 Olive Way, Seattle, Washington
King County Tax Parcel ID: 0660002030

To Whom It May Concern:

On behalf of the property owner identified below (the "Property Owner"), and for the benefit of all legal and beneficial owners and users of the above-referenced property (the "Property"), the Undersigned protests, objects to and appeals the proposed final assessment levied against the Property in connection with LID No. 6751, which is proposed in the Waterfront Seattle Final Special Benefit Study (the "**SBS**"):

Property Information:

Property Address:	1100 Olive Way, Seattle, King County, Washington
Tax Parcel ID:	0660002030
Owner of Record:	TMT Olive Lab, Inc., a Delaware non-profit corporation
Primary Occupant:	Seattle Children's Hospital and Research Foundation (Nonprofit IRC §501(c)(3) Organization FEIN 91-1156519)
Predominant Use:	Research Laboratory for Affiliated Children's Hospital
Acquisition Date:	June 30, 2011
Mailing Address:	TMT Olive Lab, Inc. 2 Embarcadero Center, Floor 3 San Francisco, CA 94111

Property Ownership Group Contact Information:

Name of Contact:	Douglas R. Cabeal
Mailing Address:	Mr. Douglas R. Cabeal TMT Olive Lab, Inc. c/o Stockbridge 2 Embarcadero Center, Floor 3 San Francisco, CA 94111
Email Address:	Cabeal@Stockbridge.com
Office Telephone:	(415) 658-3319
Mobile Telephone:	(916) 955-1315

Building Management Local/Seattle Contact Information:

Name of Contact:	Joseph Stuart
Mailing Address:	Mr. Joseph Stuart TMT Olive Lab, Inc. c/o Colliers International Real Estate Management Services 601 Union St., Suite 5300 Seattle, WA 98101
Email Address:	joseph.stuart@colliers.com
Office Telephone:	(206) 382-8547
Mobile Telephone:	(206) 619-6063

As described above, TMT Olive Lab, Inc., a Delaware non-profit corporation ("**Property Owner**"), purchased the Property on June 30, 2011. At all times since that date, the primary tenant of the Property has been Seattle Children's Hospital and Research Foundation, which is a tax exempt, IRC §501(c)(3), charitable organization ("**Tenant**").

The Property is currently assessed (for Tax Year 2020) by the King County Department of Assessments (the "**Assessor**") at $2,144,100 and the total value of the Property is appraised at $31,436,500. However, the SBS states that the current value of the Property is $56,253,00, which is almost 80% greater than the Assessor's own estimation of the current fair market value of the Property, and based thereon the LID contends that the Property stands to receive an $84,000 special benefit as the result of the contemplated Waterfront LID Improvements.

In connection with the foregoing, we note that the purchase price paid for the Property paid by Property Owner in 2011 was $11,120,000. Tenant, the primary occupant, has been in continuous occupancy of the Property since that time under a lease agreement that was in effect when Property Owner acquired title to the Property. While the value of the Property has increased overtime there is no reasonable basis to believe that the value of the Property has increased to the value given it by the SBS.

We also note that the SBS estimates that the value of the Property hospital/research

laboratory facility would increase by a "special benefit" in the amount of $84,000 as the result of the SBS. While this may only be 0.15% of the vastly inflated $56M valuation suggested by the SBS, it is nearly 0.27% of the Assessor's estimated fair market value of the Property, and it is 0.75% of the $11M purchase price (500% greater than that projected by the SBS), and it is nearly 4% of the currently assessed values (2,667% greater than that projected by the SBS).

The Property, situated approximately one-half mile from the waterfront, has no views of the water or waterfront access. And, as a quasi-public facility, which benefits the Seattle and King County community as a whole, it would derive no special benefit whatsoever from the contemplated Waterfront LID Improvements. Accordingly, like other such quasi-public facilities situated within the LID boundaries, including, without limitation, the Group Home located at 1930 Boren Avenue, the Church located at 911 Stewart, and numerous housing projects, the Property should likewise be determined to receive a 0% special benefit, and therefore be exempt from the contemplated special assessment.

To put it most succinctly, the contemplated special benefit to the Property that is suggested by the SBS for the Property is specious at best. And, when considered in conjunction with the fact that the Property is in use as a non-profit medical research facility serving the local Seattle community which is located far from the contemplated improvement area and does not benefit from tourist dollars in any manner, it is clear that the Property does not stand to receive any special benefit as the result of the contemplated purely cosmetic improvements to the waterfront. Accordingly, any claim that the Property would receive a "special benefit" of the LID and its proposed Waterfront Improvements is nonsensical and erroneous, and the Property should not be assessed any amount in connection with the LID.

Additionally:

1. The Undersigned submits these protests and objections prior to the February 4, 2020 Hearing, notwithstanding the fact that the Final Special Benefit Study and Addenda Volume—which is significantly different from the Preliminary Assessment—was not made available to property owners until January 4, 2020. The Final Study, dated November 18, 2019, is 237 pages, with a 214-page Addenda Volume (dated November 12, 2019). The "appraiser files" related to the Final Study are even more voluminous and will not be available until at least mid-February 2020. There is good cause to continue the final hearing under SMC 20.04.090.A.1 and Hearing Examiner Rule of Procedure 2.20. Proceeding with the final assessment hearing before the property owners have sufficient time to analyze the Final Study and its supporting materials would be unfair, fundamentally wrong, and would violate due process. As provided for under Seattle Municipal Code, the Hearing Examiner should continue the final assessment hearings currently set for February 4, 2020 for at least 90 days to allow time for property owners to analyze and respond to the Final Special Benefit Study, as well as obtain and analyze other discovery. We reserve the right to supplement these objections as our analysis of the Final Study and other evidence continues.

2. The Undersigned protests and objects to the final assessment on the grounds that it does not comply with Ordinance 125760, Section 3, because there are no/inadequate plans and specifications on file with the Clerk's Office for the LID Improvements. It is unlawful to move to final assessments without such "plans and specifications." Ordinance 125760, Section 3; *Local and Road Improvement Districts Manual for Washington State 6th Edition*, pp. 3, 19, 31, 44 (2009). Testimony at the hearing will call into question whether either the narrative attachments to Ordinance 125760 or the Final Study qualify as or are sufficient to be construed as "plans and specifications" for purposes of a final assessment. It will also challenge whether the LID Improvements are possible, such as, by way of example only (there may be others), whether there is adequate space in the sidewalks and median for 110 evergreen trees.

3. The Undersigned protests and objects to the final assessment on the grounds that, without more design details and a date certain for completing construction, it is speculative whether the LID Improvements will create any benefit (whether general or special). Because the final assessment is based upon a determination of a special benefit that is speculative, it is invalid.

4. Indeed, the Final Benefit Study makes no effort to analyze or calculate the general benefits from the LID Improvements. Without such calculation, the Final Benefit Study is deficient on its face, and it is impossible to determine whether the final assessment improperly includes any values associated with general benefits from the project, rather than special benefits allegedly enjoyed exclusively? by adjacent and non-adjacent property owners. The City, including the Director of the City's Office of the Waterfront and Civics Projects Marshall Foster, has repeatedly promised that the improvements are intended to and will create a "waterfront for all" that benefits not only Seattle, but the entire region and visitors from other countries. Given that the City has acknowledged substantial general benefits to the public from the proposed LID Improvements, its final assessment must distinguish between the general and specific benefits. *Bellevue Plaza Inc. v. City of Bellevue*, 121 Wn.2d 397, 851 P.2d 662 (1993); *Hassit, LLC v. City of Edgewood*, 179 Wn.App. 917, 320 P.3d 163 (2014);

5. The Undersigned protests and objects to the final assessment on the grounds that the sheer size of the LID suggests that the project offers almost entirely general benefit. The fact that the LID boundaries include areas very far from (and not within view of) the proposed improvements suggests that the City manipulated the size of the district in order to ensure its approval.

6. The Undersigned protests and objects to the final assessment on the grounds that the final assessment is invalid because it is based upon construction estimates that are not based upon substantially complete construction documents, are out of date, and uncertain. Final assessments will bind future City Councils and budgets to complete the LID Improvements,

regardless of cost. It is unlawful to bind future City Councils and future budgets to spend hundreds of millions of dollars on projects still early in the design process. Washington Attorney General Opinion 2012 No. 4 (May 15, 2012).

7. The Undersigned protests and objects to the Waterfront LID as the City's quid pro quo for getting private donations, as an improper delegation of legislative powers, and a violation of federal law by targeting and taking the property of a particular subset of property owners "under color of law."

8. The Undersigned protests and objects to the Waterfront LID as a local improvement district within the Seattle Metropolitan Park District and subject to RCW Chapter 35.61, requiring, among other things, approval by the Seattle Board of Park Commissioners, Seattle Park District Board of Commissioners, and Seattle Park District's Governing Board.

9. The Undersigned protests and objects to the final assessment on the grounds that the City has not complied with the State Environmental Policy Act (SEPA). There has been no SEPA review of the Waterfront LID formation ordinance or in advance of this final assessment roll, a limited EIS addressing only certain of the LID Improvements in isolation and completed years before the LID formation ordinance, and no review of other improvements. The City has not considered, and improperly has segmented, the environmental impacts of the complete project, and has failed to consider the cumulative impacts of the LID Improvements. Through this piecemeal and incomplete approach, the City has artificially limited the range of reasonable alternatives and the effectiveness of any future SEPA review of the Waterfront LID and underlying project action. It is unlawful to move forward with final assessments until all SEPA reviews are complete for the Waterfront LID *and* the Waterfront LID Improvements, collectively. *LID Manual*, pp. 3, 6, 17, 24, 26; WAC 197-11-055, 197-11-060, 197-11-070; 197-11-305, 197-11-704; RCW 43.21C.030 and 43.21C.031.

10. The Undersigned protests and objects to the final assessment on the grounds that the assessment is inappropriate and/or excessive, because the Property is not receiving any special benefits from the LID, or from all component parts of the LID. It is unlawful to include any property that will not receive special benefits, and it is an unconstitutional taking of private property. *Heavens v. King County Rural Library District*, 66 Wash.2d 558, 564, 404 P.2d 453 (1965).

11. In addition to the reasons stated above, the Undersigned protests and objects to the final assessment on the grounds that there is no special benefit created by the LID Improvements because

    a. They are unnecessary, purely aesthetic, and adjacent to a planned 6-8-lane roadway and mismanaged public spaces of poor quality.

b. The LID is not local or intended to provide special benefits. It is a regional, national, and international destination being built for the general public.

c. The LID Improvements do not add anything significant to the Central Waterfront, which already has a promenade, bike path, art, plantings, seating areas, viewpoints, amphitheater, and gathering areas, as well as connecting streets and bridges.

d. The LID Improvements do not compare to the other "park" examples cited by the City and its appraiser, and there is no evidence those projects were funded using a local improvement district mechanism similar to the one here. The project might be a park boulevard, but it is not a park.

12. The Undersigned protests and objects to the final assessment on the grounds that the final assessment is excessive, because it does not provide an offset for the street and sidewalk improvements. Pursuant to RCW 35.44.420 and other legal authority, any assessment must be offset by these costs.

13. The Undersigned hereby incorporates by reference all objections made as part of King County Superior Court Case No. 19-2-05733-5 SEA (Consolidated with No. 19-2-08787-1 SEA).

14. The Undersigned joins in and incorporates by reference every objection made by every other property owner and reserves its Right to augment the above as it deems appropriate.

Based on the foregoing, Property Owner demands that there be no assessment levied against the Property, or alternatively, that any such assessment be reduced significantly.

Respectfully Submitted,

TMT Olive Lab, Inc,
a Delaware non-profit corporation

By: Doug Cabeal
Name: Douglas Cabeal
Its: VP

EXHIBIT E

HLG Horner Law Group, PC
ATTORNEYS AT LAW

Jan A. Gruen, Esq.
jgruen@hornerlawgroup.com

February 11, 2020

VIA EMAIL AND HAND-DELIVERY

City of Seattle
Office of Hearing Examiner
700 Fifth Avenue, Suite 4000
Seattle, WA 98104
Galen.Edlund-Cho@seattle.gov

Seattle City Clerk
City of Seattle
600 Fourth Avenue, Floor 3
Seattle, WA 98104
LIDHearingExaminer@seattle.gov

Re: ***Notice of Protest of Denial of Due Process Rights Regarding Hearing on Protests and Objections to Proposed Final Waterfront LID No. 6751 Assessment and Appeal of Final Assessment Amount***
Property Address: 1100 Olive Way, Seattle, Washington
King County Tax Parcel ID: 0660002030
Hearing Examiner File No.: CWF-0329-Stockbridge
Property Name: 1100 Olive Building – Children's Hospital Lab
Property Owner: TMT Olive Lab, Inc., a Delaware nonprofit corporation

Scheduled Hearing Date/Time: Tuesday, February 11, 2020, 3:00 p.m.

To Whom It May Concern:

On Friday, February 7, 2020, TMT Olive Lab, Inc., a Delaware nonprofit corporation (the "**Property Owner**") moved for a continuance of the above referenced hearing date (the "**Motion for Continuance**") by and through its California based attorneys, in good faith and for good cause shown, including, without limitation, insufficient time to retain local counsel, the inability to obtain, review and analyze records relied upon by the Tax Examiner and presumably the City Examiner in considering and/or imposing the assessment at issue herein and the unavailability of an expert appraiser witness to appear and refute the propriety of the proposed assessment on such short notice (the hearing date having only been set seven days before). The Motion for Continuance was made in full compliance with all requirements of Rule 2.20 of the Waterfront LID Assessment Roll Hearing Rules of Practice. A copy of the Motion for Continuance is attached hereto as **Exhibit "A"** and incorporated herein by reference.

Not having not received a decision on the Motion for Continuance by late in the afternoon on Monday, February 10, 2020, and the hearing having been scheduled for the next day, Property Owner's counsel contacted the City of Seattle, Office of the Hearing Examiner, by telephone, and spoke with Legal Assistant Galen Edlund-Cho. In that phone conversation, Legal Assistant Edlund-Cho advised that the Office of the Hearing Examiner had not yet reviewed the Request for Continuance. Shortly thereafter in the late afternoon, Legal Assistant Edlund-Cho

informed Property Owner's counsel that the Office of the Hearing Examiner had summarily denied the Motion for Continuance without comment or written decision.

As expressly provided for and required under the Waterfront LID Assessment Roll Hearing Rules of Practice (the "**LID Rules**"), which contemplate fairness and transparency, and in accord with this Property Owner's Due Process Rights, Property Owner hereby requests that the Hearing Examiner provide the following:

1. Written findings of fact and law establishing the basis for the Hearing Examiner's summary determination that the good cause was not shown by the Property Owner for the Motion for Continuance, including, without limitation, the legal authority for the Hearing Examiner's determination that short notice, the unavailability of documents upon which the assessment is based and the unavailability of witnesses or counsel upon less than one week's prior notice is not good cause.

In connection with this request, counsel and Property Owner have had the opportunity to review the "Order on Motion for Continuance", dated January 24, 2020, provided by Mr. Edlund-Cho in the *Matter of the Objection of GENE BURROS ET. AL.*, Hearing Examiner File: CWF-0022 & CWF-0050 (the "**Burros Order**"), and specifically note that the findings in that order are not relevant to the Motion for Continuance filed by Property Owner. For example, the Burros Order references that certain matters were posted online. This may have been relevant to a party who had actual notice of the existence of such materials but would not meet even the most minimal due process notice requirements concerning an out of state party without actual notice of such proceedings or materials.

2. To the extent that the hearing is conducted on Tuesday, February 10, 2020, over the objections of Property Owner and notwithstanding the Motion for Continuance, written findings of fact and law establishing the bases for any decision(s) made by the Hearing Examiner on the merits of the objections filed by Property Owner with respect to the valuations claimed by the authors of the Special Benefit Study, as copy of which is attached hereto and incorporated herein by reference as **Exhibit "B"**.

Specifically, as the City Examiner is presumably aware, Property Owner has not been provided with copies of any written documents, instruments, or materials, which the taxing authority may wish to have considered by the Hearing Examiner. Accordingly, if any such documents, instruments, or materials, have been provided to the Hearing Examiner by the taxing authority, such items would *per se* be an *ex parte* communication, which is expressly prohibited by Rule 2.15(c) of the Waterfront LID Assessment Roll Hearing Rules of Practice and may not be considered by the Hearing Examiner, unless, in accordance with Rule 2.15(d) of the Waterfront LID Assessment Roll Hearing Rules of Practice, such documents, instruments, or materials, are disclosed to the Property Owner, and the Property Owner is given a reasonable opportunity to examine and rebut the matters asserted therein.

Rule 2.15 EXPECTED CONDUCT AND APPEARANCE OF FAIRNESS

(b) The appearance of fairness doctrine applies to proceedings under these Rules.
(c) Except for communications regarding procedural matters (which are permitted), no party or other person, organization or other entity shall communicate or attempt to communicate *ex parte* with the Examiner.
(d) If a prohibited *ex parte* communication is made, the communication shall be publicly disclosed by the Examiner: any written communications, and a memorandum summarizing the substance of and participants in all oral communications, shall promptly be made available to the parties for review and an opportunity provided for them to rebut the communications.

Rule 2.20 CONTINUING OR REOPENING HEARING

(a) A scheduled hearing may be continued on the Examiner's initiative, or on the motion of a party for good cause shown.

In the interests of justice and fairness, and as required by plain language of the Waterfront LID Assessment Roll Hearing Rules of Practice in order to achieve substantive and procedural due process in this matter, the Undersigned demands a reasonable time period and opportunity to review and respond to all of the materials that are to be considered by the Hearing Examiner, and to call witnesses on its behalf with the hearing of this matter to take place in early April, 2020, or alternatively, if the hearing will nevertheless go forward, as scheduled, that the Hearing Examiner refuse to consider any documents, information, or materials that are submitted by the taxing authority and instead sustain the objections of the Property Owner previously submitted and included herewith as Exhibit B.

Respectfully Submitted,

Jan A. Gruen, Esq.
Counsel for TMT Olive Lab, Inc.,
a Delaware non-profit corporation

Attachments

EXHIBIT A

J. Randall Toch

From: J. Randall Toch
Sent: Friday, February 7, 2020 4:23 PM
To: lid@waterfrontseattle.org
Cc: Jan Gruen
Subject: Request for Continuance
Attachments: J_ Randall (Randy) Toch.vcf

Hi Katerina:

Following up on our phone conversation, Horner Law Group represents TMT Olive Lab, Inc. ("Client") regarding the real property situated at 1100 Olive Way, Seattle (King County Tax Parcel ID: 0660002030). A hearing on our Client's objections to the Waterfront Seattle LID Assessment has apparently been scheduled for this coming Tuesday (February 11, 2020) at 3:00.

We first learned about this expedited hearing date after our Client filed its objections to the assessment just a few days ago.

Our Client is urgently trying to retain local counsel and the appraiser that our Client intends to have appear as its witness use is not available at that time and on such short notice. Therefore, in accordance with Rule 2.20 of the Waterfront LID Assessment Roll Hearing Rules of Practice and Procedure, we respectfully (and humbly) request a continuance of the hearing date until a future month.

My contact information is below. If you need any further documents or information, please let me know.

Thank you for forwarding this request to the appropriate parties!

Randy

J. Randall Toch,
Attorney at Law and Real Estate Broker

on behalf of Horner Law Group

P.O. Box 66
Morgan Hill, CA 95038-0066
Tel. (408) 762-9712
Fax (408) 778-2453
E-Mail: rtoch@tochlawfirm.com
URL: www.tochlawfirm.com
CSB #124547 • Cal BRE #01987648

EXHIBIT B

February 3, 2020

VIA Hand Delivery	**VIA US Mail**	**VIA Email**
Seattle City Clerk	Seattle City Clerk	LIDHearingExaminer@seattle.gov
City of Seattle	City of Seattle	
600 Fourth Avenue, Floor 3	PO Box 94607	
Seattle, WA 98104	Seattle, WA 98124-6907	

Re: Protests and Objections to Proposed Final Waterfront LID No. 6751 Assessment and Appeal of Final Assessment Amount
Property Address: 1100 Olive Way, Seattle, Washington
King County Tax Parcel ID: 0660002030

To Whom It May Concern:

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Acquisition Date:	June 30, 2011
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Property Ownership Group Contact Information:

Name of Contact: Douglas R. Cabeal
Mailing Address: Mr. Douglas R. Cabeal
TMT Olive Lab, Inc.
c/o Stockbridge
2 Embarcadero Center, Floor 3
San Francisco, CA 94111
Email Address: Cabeal@Stockbridge.com
Office Telephone: (415) 658-3319
Mobile Telephone: (916) 955-1315

Building Management Local/Seattle Contact Information:

Name of Contact: Joseph Stuart
Mailing Address: Mr. Joseph Stuart
TMT Olive Lab, Inc.
c/o Colliers International
Real Estate Management Services
601 Union St., Suite 5300
Seattle, WA 98101
Email Address: joseph.stuart@colliers.com
Office Telephone: (206) 382-8547
Mobile Telephone: (206) 619-6063

As described above, TMT Olive Lab, Inc., a Delaware non-profit corporation ("**Property Owner**"), purchased the Property on June 30, 2011. At all times since that date, the primary tenant of the Property has been Seattle Children's Hospital and Research Foundation, which is a tax exempt, IRC §501(c)(3), charitable organization ("**Tenant**").

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We also note that the SBS estimates that the value of the Property hospital/research

laboratory facility would increase by a "special benefit" in the amount of $84,000 as the result of the SBS. While this may only be 0.15% of the vastly inflated $56M valuation suggested by the SBS, it is nearly 0.27% of the Assessor's estimated fair market value of the Property, and it is 0.75% of the $11M purchase price (500% greater than that projected by the SBS), and it is nearly 4% of the currently assessed values (2,667% greater than that projected by the SBS).

The Property, situated approximately one-half mile from the waterfront, has no views of the water or waterfront access. And, as a quasi-public facility, which benefits the Seattle and King County community as a whole, it would derive no special benefit whatsoever from the contemplated Waterfront LID Improvements. Accordingly, like other such quasi-public facilities situated within the LID boundaries, including, without limitation, the Group Home located at 1930 Boren Avenue, the Church located at 911 Stewart, and numerous housing projects, the Property should likewise be determined to receive a 0% special benefit, and therefore be exempt from the contemplated special assessment.

To put it most succinctly, the contemplated special benefit to the Property that is suggested by the SBS for the Property is specious at best. And, when considered in conjunction with the fact that the Property is in use as a non-profit medical research facility serving the local Seattle community which is located far from the contemplated improvement area and does not benefit from tourist dollars in any manner, it is clear that the Property does not stand to receive any special benefit as the result of the contemplated purely cosmetic improvements to the waterfront. Accordingly, any claim that the Property would receive a "special benefit" of the LID and its proposed Waterfront Improvements is nonsensical and erroneous, and the Property should not be assessed any amount in connection with the LID.

Additionally:

1. The Undersigned submits these protests and objections prior to the February 4, 2020 Hearing, notwithstanding the fact that the Final Special Benefit Study and Addenda Volume—which is significantly different from the Preliminary Assessment—was not made available to property owners until January 4, 2020. The Final Study, dated November 18, 2019, is 237 pages, with a 214-page Addenda Volume (dated November 12, 2019). The "appraiser files" related to the Final Study are even more voluminous and will not be available until at least mid-February 2020. There is good cause to continue the final hearing under SMC 20.04.090.A.1 and Hearing Examiner Rule of Procedure 2.20. Proceeding with the final assessment hearing before the property owners have sufficient time to analyze the Final Study and its supporting materials would be unfair, fundamentally wrong, and would violate due process. As provided for under Seattle Municipal Code, the Hearing Examiner should continue the final assessment hearings currently set for February 4, 2020 for at least 90 days to allow time for property owners to analyze and respond to the Final Special Benefit Study, as well as obtain and analyze other discovery. We reserve the right to supplement these objections as our analysis of the Final Study and other evidence continues.

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3. The Undersigned protests and objects to the final assessment on the grounds that, without more design details and a date certain for completing construction, it is speculative whether the LID Improvements will create any benefit (whether general or special). Because the final assessment is based upon a determination of a special benefit that is speculative, it is invalid.

4. Indeed, the Final Benefit Study makes no effort to analyze or calculate the general benefits from the LID Improvements. Without such calculation, the Final Benefit Study is deficient on its face, and it is impossible to determine whether the final assessment improperly includes any values associated with general benefits from the project, rather than special benefits allegedly enjoyed exclusively? by adjacent and non-adjacent property owners. The City, including the Director of the City's Office of the Waterfront and Civics Projects Marshall Foster, has repeatedly promised that the improvements are intended to and will create a "waterfront for all" that benefits not only Seattle, but the entire region and visitors from other countries. Given that the City has acknowledged substantial general benefits to the public from the proposed LID Improvements, its final assessment must distinguish between the general and specific benefits. *Bellevue Plaza Inc. v. City of Bellevue*, 121 Wn.2d 397, 851 P.2d 662 (1993); *Hassit, LLC v. City of Edgewood*, 179 Wn.App. 917, 320 P.3d 163 (2014);

5. The Undersigned protests and objects to the final assessment on the grounds that the sheer size of the LID suggests that the project offers almost entirely general benefit. The fact that the LID boundaries include areas very far from (and not within view of) the proposed improvements suggests that the City manipulated the size of the district in order to ensure its approval.

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regardless of cost. It is unlawful to bind future City Councils and future budgets to spend hundreds of millions of dollars on projects still early in the design process. Washington Attorney General Opinion 2012 No. 4 (May 15, 2012).

7. The Undersigned protests and objects to the Waterfront LID as the City's quid pro quo for getting private donations, as an improper delegation of legislative powers, and a violation of federal law by targeting and taking the property of a particular subset of property owners "under color of law."

8. The Undersigned protests and objects to the Waterfront LID as a local improvement district within the Seattle Metropolitan Park District and subject to RCW Chapter 35.61, requiring, among other things, approval by the Seattle Board of Park Commissioners, Seattle Park District Board of Commissioners, and Seattle Park District's Governing Board.

9. The Undersigned protests and objects to the final assessment on the grounds that the City has not complied with the State Environmental Policy Act (SEPA). There has been no SEPA review of the Waterfront LID formation ordinance or in advance of this final assessment roll, a limited EIS addressing only certain of the LID Improvements in isolation and completed years before the LID formation ordinance, and no review of other improvements. The City has not considered, and improperly has segmented, the environmental impacts of the complete project, and has failed to consider the cumulative impacts of the LID Improvements. Through this piecemeal and incomplete approach, the City has artificially limited the range of reasonable alternatives and the effectiveness of any future SEPA review of the Waterfront LID and underlying project action. It is unlawful to move forward with final assessments until all SEPA reviews are complete for the Waterfront LID *and* the Waterfront LID Improvements, collectively. *LID Manual*, pp. 3, 6, 17, 24, 26; WAC 197-11-055, 197-11-060, 197-11-070; 197-11-305, 197-11-704; RCW 43.21C.030 and 43.21C.031.

10. The Undersigned protests and objects to the final assessment on the grounds that the assessment is inappropriate and/or excessive, because the Property is not receiving any special benefits from the LID, or from all component parts of the LID. It is unlawful to include any property that will not receive special benefits, and it is an unconstitutional taking of private property. *Heavens v. King County Rural Library District*, 66 Wash.2d 558, 564, 404 P.2d 453 (1965).

11. In addition to the reasons stated above, the Undersigned protests and objects to the final assessment on the grounds that there is no special benefit created by the LID Improvements because

    a. They are unnecessary, purely aesthetic, and adjacent to a planned 6-8-lane roadway and mismanaged public spaces of poor quality.

b. The LID is not local or intended to provide special benefits. It is a regional, national, and international destination being built for the general public.

c. The LID Improvements do not add anything significant to the Central Waterfront, which already has a promenade, bike path, art, plantings, seating areas, viewpoints, amphitheater, and gathering areas, as well as connecting streets and bridges.

d. The LID Improvements do not compare to the other "park" examples cited by the City and its appraiser, and there is no evidence those projects were funded using a local improvement district mechanism similar to the one here. The project might be a park boulevard, but it is not a park.

12. The Undersigned protests and objects to the final assessment on the grounds that the final assessment is excessive, because it does not provide an offset for the street and sidewalk improvements. Pursuant to RCW 35.44.420 and other legal authority, any assessment must be offset by these costs.

13. The Undersigned hereby incorporates by reference all objections made as part of King County Superior Court Case No. 19-2-05733-5 SEA (Consolidated with No. 19-2-08787-1 SEA).

14. The Undersigned joins in and incorporates by reference every objection made by every other property owner and reserves its Right to augment the above as it deems appropriate.

Based on the foregoing, Property Owner demands that there be no assessment levied against the Property, or alternatively, that any such assessment be reduced significantly.

Respectfully Submitted,

TMT Olive Lab, Inc,
a Delaware non-profit corporation

By: Doug Cabeal
Name: Douglas Cabeal
Its: VP

PROOF OF SERVICE

Case Name: **IN RE: CWF-0329-WATERFRONT LID LEVY ASSESSMENT HEARINGS; PARCEL NO. 0660002030; 1100 OLIVE WAY, SEATTLE, WA**

I am employed in the County of Contra Costa, State of California. My business address is 800 S. Broadway, Suite 200, Walnut Creek, California 94596. I am over the age of eighteen years, and not a party to the within action

On April 13, 2020, I caused to be served the within:

- **DECLARATION OF JAN A. GRUEN IN SUPPORT OF OBJECTIONS TO PROPOSED FINAL ASSESSMENT LEVIED UPON PROPERTY OWNER**

on the party(ies) listed below, addressed as follows:

City of Seattle Office of Hearing Examiner 700 Fifth Avenue, Suite 4000 Seattle, WA 98104 *Galen.Edlund-Cho@seattle.gov*	Seattle City Clerk City of Seattle 600 Fourth Avenue, Floor 3 Seattle, WA 98104 *LIDHearingExaminer@seattle.gov*

[X] **By Electronic Mail** By causing a true copy thereof to be transmitted by electronic mail to the e-mail address shown above each mailing address, and said transmission was completed without error.

Executed April 13, 2020, at Walnut Creek, California.

By: Lorna Ovady

Lorna Ovady