

**FIRST AMENDMENT TO  
OPTION TO GROUND LEASE AGREEMENT**

THIS FIRST AMENDMENT TO OPTION TO GROUND LEASE AGREEMENT (herein “Amendment”), dated as of June \_\_, 2015 is made by and between PORT OF SEATTLE, a Washington municipal corporation (“**Port**”), and DES MOINES CREEK BUSINESS PARK, LLC, a Delaware limited liability company and DES MOINES CREEK BUSINESS PARK PHASE II, LLC, a Delaware limited liability company (together, “**Developer**”).

**RECITALS**

A. Port and Des Moines Creek Business Park, LLC as Optionee entered into an Option to Ground Lease Agreement as of July 17, 2014 (the “Option Agreement”).

B. On February 5, 2015, Des Moines Creek Business Park, LLC assigned to Des Moines Creek Business Park Phase II, LLC (an affiliate of Optionee under the Option Agreement) the right to exercise the Option Agreement as to the real property designated as Phase 3 in the Option Agreement.

C. In April 2015, the federal General Services Administration (GSA) selected Developer to build new regional offices for the Federal Aviation Administration (FAA) on the area designated as Phase 3 in the Option Agreement.

D. The Option Agreement requires Developer to exercise its option to ground lease the Phase 2 area by July 30, 2016 and the Phase 3 area by July 30, 2018.

E. Developer intends to ground lease the Phase 3 area by the end of the January, 2016 to meet the GSA’s August, 2017 deadline for completing the FAA facility.

F. Given that the anticipated lease-up of the Phase 3 area for the FAA facility will occur sooner than the required lease-up of the Phase 2 area, Developer proposes to re-designate the Phase 3 area as the Phase 2 area such that the acreage under lease, rental rate and lease start date requirements that currently apply to the Phase 2 area will now apply to the Phase 3 area and vice versa.

G. Port and Developer wish to clarify the terms of the Option Agreement related to the Project’s three phases in order to facilitate Developer’s ability to meet the GSA’s deadline for completion of the FAA facility.

NOW, THEREFORE, for and in consideration of the above recitals, the agreements, covenants and conditions herein contained, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Port and Developer agree to amend the Option Agreement as follows:

**AGREEMENT**

**1. Master Plan; Phasing**

Section 3 is amended to designate Phase 3 of the Master Plan/Project as Phase 2 of the Master Plan/Project and vice versa. Notwithstanding such re-designation, Developer affirms that:

(a) the Project will be developed consistent with the Amended and Restated Second Development Agreement between the Port and the City of Des Moines dated July 16, 2014, as amended by that certain First Addendum to the Amended and Restated Second Development Agreement dated as of November 6, 2014 (“Second Development Agreement”); and

(b) it will prepare a separate, related master plan for the newly designated Phase 2 area that will contain the FAA facility as required by the Second Development Agreement and Section 3.2.

**2. Property Take-Down Schedule**

Section 5.2 is amended to substitute the lease start dates, leased acreage by phase and total lease premises requirements that apply to the Phase 2 area for those that are listed for the Phase 3 area and vice versa.

**3. Base Rent**

Port and Developer agree that the Base Rent rates provided in Sections 7.4 and 7.5 shall apply to the new Phase designations.

**4. Reimbursement of Prepaid Frontage Improvement In-Lieu Fees**

Port and Developer agree that notwithstanding the re-designation of Phase 2 and Phase 3 provided for in this Amendment, Developer agrees to reimburse Port the prepaid frontage improvement in-lieu fees based on the actual frontage of each Phase along South 216<sup>th</sup> Street and/or 24<sup>th</sup> Avenue South as currently required by Section 8.1(d).

**5. Effect of Amendment**

Except as provided in this Amendment, all other terms, conditions and provisions of the Option Agreement remain unchanged and shall continue in full force and effect as set forth in the Option Agreement.

*[Intentionally Blank – Signatures Follow on Next Page]*

**DRAFT 05/18/15**

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Amendment as of the date set forth above.

**PORT:**

PORT OF SEATTLE,  
a Washington municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**DEVELOPER:**

DES MOINES CREEK BUSINESS PARK PHASE II, LLC,  
a Delaware limited liability company

By: PDC DMCBP, LLC,  
a Delaware limited liability company,  
its Managing Member

By: PDC Seattle LLC,  
a Delaware limited liability company,  
its Manager

By: \_\_\_\_\_  
Bart Brynestad  
Local Partner

DES MOINES CREEK BUSINESS PARK, LLC,  
a Delaware limited liability company

By: PDC Seattle LLC,  
a Delaware limited liability company,  
its Manager

By: \_\_\_\_\_  
Bart Brynestad  
Local Partner