

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 1	TO LEASE NO. GS-10B-07200	DATE July 13, 2011	PAGE 1 of 3
ADDRESS OF PREMISES Bellwether Way, Building B, 3rd Floor, Bellingham, WA 98225-2954		Bldg. # WA7997	

THIS AGREEMENT, made and entered into this date by and between Bellwether Gate B, LLC, whose address is 160 Northshore Drive, Bellingham, WA 98226-4425

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

WHEREAS, the parties hereto desire to amend the above Lease to reflect a change in building being occupied; a revised rent structure based on the reduced square footage; a revised lease commencement date; and to document the Government's use of temporary swing space offered by the Lessor. Therefore, Paragraphs 1, 2, 3, 7, 8, 9, 10, 17, 20, 21 and 22 are deleted in their entirety and replaced with the same numbered paragraphs in lieu thereof.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective May 1, 2011, as follows:

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

- A. Long Term Government Leased Premises: A total of 4,241 rentable square feet (RSF) of office and related space, which yields 3,993 ANSI/BOMA Office Area square feet (ABOA) of space at **19 Bellwether Way, Building B, Top (3rd) Floor, Bellingham, WA** to be used for such purposes as determined by the General Services Administration, including a total of six (6) structured parking spaces and five (5) surface, reserved parking spaces, valued at \$175 per space per month, for Government use only, at no additional cost to the Government.
- B. Temporary Space: Beginning on June 1, 2011 and continuing through Beneficial Occupancy of the Long Term Government Leased premises described above (Approximately 3 months) the Government will occupy a total of 3,431 RSF of office and related space, which yields 3,230 ABOA square feet of space at **21 Bellwether Way, Building A, Suite 403, Bellingham, WA** to be used for such purposes as determined by the General Services Administration, including a total of six (6) structured parking spaces and five (5) surface, reserved parking spaces, valued at \$175 per space per month, for Government use only, at no additional cost to the Government. ONLY Operating expenses are to be charged to the Government for this temporary space, as outlined in Paragraph 3.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon beneficial occupancy and continuing as outlined below, subject to termination rights hereinafter set forth. Beneficial occupancy shall be memorialized by a separate supplemental lease agreement between the Lessor and the Government.

A. Long Term Government Leased Premises: A period of fifteen (15) years, ten (10) years firm.

B. Temporary Space: Beginning on June 1, 2011 and continuing through Beneficial Occupancy of the Long Term Government Leased premises described above (Approximately 3 months).


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

LESSOR

SIGNATURE 	NAME OF SIGNER David Elmer
ADDRESS [REDACTED]	

IN PRESENCE OF

SIGNATURE 	NAME OF SIGNER Ginger Pennington
ADDRESS [REDACTED]	

UNITED STATES OF AMERICA

SIGNATURE 	NAME OF SIGNER TERRIA HEINLEIN
OFFICIAL TITLE CONTRACTING OFFICER	

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3. The Government shall pay the Lessor rent as follows:

A. Long Term Government Leased Premises:

	Shell Rent	Operating Costs	Taxes	TIs	Annual Rent	Monthly Rent
Year 1	\$75,913.90	\$14,644.70	\$6,168.97	\$19,462.38	\$116,189.95	\$9,682.50
Year 2	\$78,191.32	\$14,644.70	\$6,168.97	\$19,462.38	\$118,467.37	\$9,872.28
Year 3	\$80,537.06	\$14,644.70	\$6,168.97	\$19,462.38	\$120,813.11	\$10,067.76
Year 4	\$82,953.17	\$14,644.70	\$6,168.97	\$19,462.38	\$123,229.22	\$10,269.10
Year 5	\$85,441.76	\$14,644.70	\$6,168.97	\$19,462.38	\$125,717.81	\$10,476.48
Year 6	\$88,005.02	\$14,644.70	\$6,168.97	\$19,462.38	\$128,281.07	\$10,690.09
Year 7	\$90,645.16	\$14,644.70	\$6,168.97	\$19,462.38	\$130,921.21	\$10,910.10
Year 8	\$93,364.52	\$14,644.70	\$6,168.97	\$19,462.38	\$133,640.57	\$11,136.71
Year 9	\$96,165.46	\$14,644.70	\$6,168.97	\$19,462.38	\$136,441.51	\$11,370.13
Year 10	\$99,050.42	\$14,644.70	\$6,168.97	\$19,462.38	\$139,326.47	\$11,610.54
Year 11	\$102,021.94	\$14,644.70	\$6,168.97	N/A	\$122,835.61	\$10,236.30
Year 12	\$105,082.59	\$14,644.70	\$6,168.97	N/A	\$125,896.26	\$10,491.36
Year 13	\$108,235.07	\$14,644.70	\$6,168.97	N/A	\$129,048.74	\$10,754.06
Year 14	\$111,482.12	\$14,644.70	\$6,168.97	N/A	\$132,295.79	\$11,024.65
Year 15	\$114,826.58	\$14,644.70	\$6,168.97	N/A	\$135,640.25	\$11,303.35

Shell rent increases 3% annually. Operating Costs are subject to CPI adjustments. Real Estate Taxes are subject to adjustment. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Bellwether Gate B, LLC, P.O. Box 31548, Bellingham, WA 98228-3548.

B. Temporary Space:

	Shell Rent	Operating Costs	Taxes	TIs	Annual Rent	Monthly Rent
June 1, 2011- Ben. Occ. Perm. Space (approx. 3 mo.)	\$0.00	\$11,847.67	\$0.00	\$0.00	\$11,847.67	\$987.31

7. The following are attached and made a part hereof:

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- A. Solicitation for Offers 8WA2169 dated January 29, 2010 (53 pages).
- B. [REDACTED] Specific Requirements and Specifications (2 documents, 58 pages total)
- C. GSA Form 3517B entitled GENERAL CLAUSES (Rev. [06/08]) (33 pages)
- D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (7 pages)
- E. Exhibit A: 3rd Floor Plan of Building B; Site Plan (5 pages)
- F. Exhibit B: Suite 403 Floor Plan of Building A- Temporary Space (1 Page)

8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of \$142,835.20 are calculated at 6.5% for 10 years (which equals \$19,462.38 per year added to the annual rent), at which point the TIs will have been fully paid and will be reduced from the rent.

9. In accordance with SFO paragraph 4.2(B)(9) entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 37.36% (Leased space 4,241 RSF/ Total Building 11,351 RSF).

INITIALS:  LESSOR
GOV'T

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10. In accordance with SFO paragraph 4.3 entitled *Operating Cost Base*, the cost of services is established at \$14,644.70 per annum for 4,241 RSF.

17. In accordance with SFO paragraph 4.2 entitled *Tax Adjustment*, the real property tax base is established at \$6,168.97 per annum for 4,241 RSF. Tax Parcel ID # is 380225317365.

20. The Lessor and Broker have agreed to a cooperating lease commission of [REDACTED] of the Aggregate Lease Value of \$1,273,028.30 for the initial firm term of the lease, or [REDACTED] (\$1,273,028.30 [REDACTED]). In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit, or [REDACTED] to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this Lease.

21. Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this Lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments after Beneficial Occupancy of the permanent Government leased space and will continue until the commission credit has been accounted for.

The monthly rent adjusted for the commission credit is as follows:

Rent Period	Scheduled Monthly Rent	Scheduled Monthly Shell Rent	Commission Credit Owed	Commission Credit Remaining	Adjusted Monthly Rent Payment
Month 1 (Of Permanent Gov. Leased Space)	\$9,682.50	\$6,326.16	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$9,682.50	\$6,326.16	[REDACTED]	[REDACTED]	[REDACTED]

22. Any notices required or permitted under this Lease shall be delivered in person or by first class mail as follows:

To Government: U.S. General Services Administration
Attn: Terria Heinlein
Leasing Contracting Officer
400 15th Street SW
Auburn, WA 98001-6599

To Lessor: Bellwether Gate B, LLC
Attn: David Ebenal
P.O. Box 31548
Bellingham, WA 98228-3548

or at such other address as either party designates in writing to the other.

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

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