

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE June 2, 2011

LEASE NO. GS-10B-07297 BUILDING NO. WA7950

THIS LEASE, made and entered into this date by and between PARK 120 INVESTMENTS, LLC

Whose address is C/O WALLACE PROPERTIES
330 112TH AVENUE NE, SUITE 200
BELLEVUE, WA 98004-5800

and whose interest in the property hereinafter described is that of OWNER

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

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

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

A total of 9,906 rentable square feet (RSF) of office and related space, which yields 9,712 ANSI/BOMA Office Area (ABOA) square feet of space at the Park 120 building, located at 636 120th Avenue NE, Bellevue, WA 98005-3028 to be used for such purposes as determined by the General Services Administration.

- TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for ten (10) years, subject to termination and renewal rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government within one hundred twenty (120) calendar days of the Government issuing the Notice to Proceed for Tenant Improvements.

- The Government shall pay the Lessor annual rent per the table below, per month in arrears.

Rent Period ¹	Shell Rent ²	Operating Rent ³	Amortized Tenant Improvements ⁴	Total Annual Rent
09/01/12 - 08/31/13	\$159,399.82	\$67,360.80	\$101,423.91	\$328,184.63
09/01/13 - 08/31/14	\$164,035.93	\$67,360.80	\$101,423.91	\$332,820.64
09/01/14 - 08/31/15	\$168,811.02	\$67,360.80	\$101,423.91	\$337,595.73
09/01/15 - 08/31/16	\$173,729.36	\$67,360.80	\$101,423.91	\$342,514.07
09/01/16 - 08/31/17	\$178,795.25	\$67,360.80	\$101,423.91	\$347,579.96
09/01/17 - 08/31/18	\$179,146.80	\$67,360.80	\$-0-	\$246,507.60
09/01/18 - 08/31/19	\$184,521.20	\$67,360.80	\$-0-	\$251,882.00
09/01/19 - 08/31/20	\$180,056.84	\$67,360.80	\$-0-	\$257,417.64
09/01/20 - 08/31/21	\$185,758.54	\$67,360.80	\$-0-	\$263,119.34
09/01/21 - 08/31/22	\$201,631.30	\$67,360.80	\$-0-	\$268,992.10

¹ Dates specified above may be adjusted subject to Beneficial Occupancy. Rent for the period of 09/01/12 through 10/31/12 is adjusted pursuant to Paragraph 16 below.

² Shell Rent includes \$0.4913 per RSF years 1-5 for Building Specific Security items.

³ Operating Rent is subject to annual CPI adjustment.

⁴ Tenant Improvement Costs in accordance with paragraph 8 of this SF-2.

LESSOR
PARK 120 INVESTMENTS, LLC

BY _____

President

(Title)

IN PRESENCE OF _____

330 112th Ave NE, Bellevue, WA

(Address)

UNITED STATES OF AMERICA

Contracting Officer, General Services Administration

(Official Title)

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

PARK 120 INVESTMENTS, LLC
C/O WALLACE PROPERTIES
330 112TH AVENUE NE, SUITE 200
BELLEVUE, WA 98004-5800

4. The Government may terminate this lease in whole or in part at any time on or after the fifth (5th) lease year by giving at least 120 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals, upon 180 days advance written notice by the Government:

Years 11-15: Shell Rate of \$18.00 / Per Rentable Square Feet with 3% annual increase to Shell Rent.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9WA2333 dated December 21, 2010.
 - B. Build out in accordance with standards set forth in SFO 9WA2333 dated December 21, 2010 and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
 - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
7. The following are attached and made a part hereof:
 - A. Solicitation for Offers SFO 9WA2333 dated December 21, 2010 (pages 1-48).
 - B. Special Requirements:
 - Special Space Specifications & Requirements, dated March 8, 2009 (14 pages)
 - Specifications for [REDACTED], dated March 22, 2010, (20 pages)
 - IWS/LAN, dated March 17, 2009, (20 pages)
 - IWS/LAN Cable installation and General Notes, no date, (2 pages)
 - DCR LAN Rack, no date, (1 page)
 - American National Standard for Power Assist & Low Energy Power Operated Doors, dated July 29, 1997, (9 pages)
 - OmniLock 100, 300 & 500 Series, no date (2 pages)
 - Unican L1000 Simplex, no date, (1 page)
 - Rolling Shutters, no date (4 pages)
 - Zephyr Fans, no date, (3 pages)
 - Pannex 1300 Series (Panic Bars), no date, (8 pages)
 - C. GSA Form 3517B entitled GENERAL CLAUSES (Rev 11/05) (pages 1-33)
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev 1/07) (pages 1-7)
 - E. Amendment #1 Dated January 25, 2011 (1 page)
 - F. Site Plan
 - G. Unit Price for Adjustments
8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of \$416,839.04 (9,712 USF X \$42.94) are calculated at 8% for 5 years (which equals \$101,423.91 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 the SFO paragraph 4.2 B *Percentage of Occupancy*, the percentage of Government occupancy is established as 47.2862% (9,906 RSF / 20,949 RSF).
10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the escalation base is established as \$6.80/RSF (\$67,360.80/annum).
11. In accordance with the SFO paragraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.019975 (9,906 RSF/9,712 ABOA SF).

LESSOR

UNITED STATES OF AMERICA

BY

S.L.
(initial)

BY

JH
(initial)

(initial)

12. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as a reduction of \$0.98 per RSF / \$1.00 per ABOA SF for vacant space.
13. The "Overtime Usage" rate specified above shall not apply to any portion of the premises that is required to have heating and cooling 24 hours per day as specified by the SFO. The charges for areas requiring 24 hour heating and cooling (HVAC), if any, shall be provided at no additional charge to the Government.
14. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$14,363.70 and the Assessor's Parcel No. is: 3325059147.
15. In accordance with the SFO paragraph 4.6 entitled *Overtime Usage*, upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. to 5:00 p.m., Monday - Friday, except Federal Holidays), at a rate of \$30.00 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 400 - 15th Street SW, Auburn, WA 98001, to receive payment.
16. Adjusted monthly rent payments (application of commission credit):

The commission credit shall be applied equally over the first two months so as not to exceed the monthly shell rental per SFO subparagraph 2.4 B. Monthly rent is \$27,348.72 and monthly shell rent is \$12,877.80. The commission credit is [REDACTED].

GSA Rent Commission Credit: \$49,530.00 X 51.5% = [REDACTED]
 Studley/LaBonde Commission: \$49,530.00 X 48.5% = [REDACTED]

The monthly rent payments adjusted for the commission credit are as follows:

Rent Period	Scheduled Monthly Rent	Scheduled Mo. Shell Rent	Commission Credit	Commission Credit Remaining	Adjusted Monthly Rent Payment
09/01/12 - 09/30/12	\$27,348.72	\$12,877.80	[REDACTED]	[REDACTED]	[REDACTED]
10/01/12 - 10/31/12	\$27,348.72	\$12,877.80	[REDACTED]	[REDACTED]	[REDACTED]
11/01/12 - 11/30/12	\$27,348.72	\$12,877.80	[REDACTED]	[REDACTED]	[REDACTED]

17. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for waste, damages or restoration arising from or related to any alteration or removal of any alteration by the Government during the term of this Lease or any extensions. Alterations may be completed by either the Government and/or the Lessor including the initial build-out of the leased space and/or any subsequent modifications required during the lease period. At the Government's sole discretion, property remaining in leased space after termination of the lease contract will become the property of the Lessor.
18. The Government reserves the right to adjust the final square footage after receipt and approval of CAD drawings and final site acceptance of the premises. Any adjustments, including those for agreed upon square footage and annual rent shall be documented by Supplemental Lease Agreement.
19. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this lease, they shall be deemed to mean "this Lease"; where the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
20. All terms and conditions of this lease as expressly contained herein represent the total obligations of the Lessor and the Government. Any agreements, written or oral, between the parties prior to the execution of this Lease are not applicable or binding. This agreement may be amended only by written instrument executed by the Lessor and the Government.

LESSOR

UNITED STATES OF AMERICA

BY _____

S.L.
(Initials)

BY _____

JH
(Initials)