

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

OCT 14 2009

LEASE NO.

GS-10B-07077

BUILDING NO.

WA7979

THIS LEASE, made and entered into this date by and between TARRAGON – CEDAR RIVER CORPORATE PARK LLC

Whose address is 1000 SECOND AVENUE, SUITE 3200
SEATTLE, WA 98104

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:

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

A total of 17,022 rentable square feet (RSF) of office, warehouse, and related space, which yields 16,871 ANSI/BOMA Office Area square feet (USF) of space at Cedar River Corporate Park - Building A, 2200 Lind Ave SW, Suite 100, Renton, WA 98057 to be used for such purposes as determined by the General Services Administration. The 16,871 ANSI/BOMA Office Area square feet (USF) is comprised of 4,573 ANSI/BOMA Office Area square feet (USF) of office space and 12,298 ANSI/BOMA Office Area square feet (USF) of warehouse space. Included in the rent at no additional cost to the Government are 10 secured parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on December 31, 2009 and continuing through December 30, 2019, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$513,404.00 (\$30.1612/RSF - \$30.4312/USF) at the rate of \$42,783.67 per month in arrears for years 1 – 5 and \$ 554,406.54 (\$32.57/RSF - \$32.8615/USF) at the rate of \$46,200.55 per month arrears for years 6 – 10.

For months 1 through 3, monthly rent shall be reduced by the amount of commission credit agreed to in this lease, and shall be paid based upon the adjusted schedule stated in Paragraph 17 herein.

For months 4 through 60, rent shall be structured as follows

Rent Breakdown (Years 1- 5)	Per RSF	Annual Rent	Monthly Rent
Shell Rent	\$16.0060	\$272,454.42	\$22,704.54
Operating Cost	\$ 5.5964	\$ 95,261.00	\$ 7,938.41
Amortization of TI	\$ 8.5588	\$145,688.58	\$12,140.72
Full Service Rent	\$30.1612	\$513,404.00	\$42,783.67

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

LESSOR

TARRAGON – CEDAR RIVER CORPORATE PARK LLC

[Redacted Signature]

Vice President

(Title)

IN PRESENCE OF

[Redacted Signature]

1000 2nd Ave. # 3200 Seattle, WA 98104

(Address)

[Redacted Signature]

Contracting Officer, General Services Administration

For months 61 through 120, rent shall be structured as follows

Rent Breakdown (Years 6- 10)	Per RSF	Annual Rent	Monthly Rent
Shell Rent	\$18.4148	\$313,456.96	\$26,121.41
Operating Cost	\$ 5.5964	\$ 95,261.00	\$ 7,938.41
Amortization of TI	\$ 8.5588	\$145,688.58	\$12,140.72
Full Service Rent	\$32.57	\$554,406.54	\$46,200.54

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

TARRAGON - CEDAR RIVER CORPORATE PARK LLC
1000 SECOND AVENUE, SUITE 3200
SEATTLE, WA 98104

4. PARAGRAPH 4 IS INTENTIONALLY OMMITTED.
5. PARAGRAPH 5 IS INTENTIONALLY OMMITTED.
6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 6WA0048 dated June 11, 2009, as amended in Amendments 1 and 2, dated June 17, 2009 and July 16, 2009 respectively.
 - B. Build out in accordance with standards set forth in SFO 6WA0048 dated June 11, 2009, as amended in Amendments 1 and 2, dated June 17, 2009 and July 16, 2009 respectively, 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 6WA0048 dated June 11, 2009, as amended in Amendments 1 and 2, dated June 17, 2009 and July 16, 2009 respectively.
 - B. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05])
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])
 - D. Sheets No.1-2 containing Paragraphs 13-23
 - E. Site Plan (Exhibit "A", Page 1)
 - F. Floor Plan (Exhibit "B", Page 1)
 - G. Antennae - Typical Installation (Exhibit "C", Pages 1-3)
8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$918,702.00 (16,476 USF x \$55.76) shall be amortized through the rent for 10 years at the rate of 10.00%. The total annual cost of Tenant Improvements for the amortization period shall be \$145,688.58.
9. Tax Adjustment: Pursuant to Paragraph 4.2, "Tax Adjustment (SEP 2000)," for purposes of tax escalation, the Government occupies 17,022 / 143,667 (11.88% of Office Park) rentable square feet. Base year taxes are established at \$14,988.00 (\$0.88051/RSF). Taxes shall be increased or decreased from the base pursuant to annual adjustment per Section 3.5 of the SFO. Tax parcel number is identified as 3340400285.
10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$5.60/RSF (\$95,261.00/annum).
11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.0089 (17,022 RSF/16,871 USF).
12. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.75/USF for vacant space (rental reduction).

LESSOR

UNITED STATES OF AMERICA

BY _____



(Initial)

BY _____



(Initial)

13. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$7.51 per hour for the entire building or any portion thereof.
14. 24 Hour Rooms: 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 Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$00.00 per hour after "Normal Hours."
15. PARAGRAPH 14 IS INTENTIONALLY OMMITTED.
16. The Lessor hereby waives restoration.
17. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of years 1-5 of the firm term and [REDACTED] of years 6-10 of the firm term value of this lease plus [REDACTED] per rentable square foot. Real estate taxes and operating costs are excluded from the calculation of commission. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. 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 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.

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 and continue as indicated in this schedule for adjusted Monthly Rent.

First Month's Rental Payment of \$42,783.67 minus one third of the Commission Credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$42,783.67 minus one third of the Commission Credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment of \$42,783.67 minus one third of the Commission Credit [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

18. The antenna(s) referenced in SFO Paragraph 1.1 AMOUNT AND TYPE OF SPACE (AUG 2008) Subparagraph F shall be reasonably shielded from view from common site areas and installed using one of the methods outlined in Exhibit "C", Antennae – Typical Installation.
19. If it is anticipated that the Government will spend more than the allowance identified in Paragraph 8 above, only options (1) or (2) as described in SFO Paragraph 3.3 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2008) Subparagraph A.3 will be utilized.
20. SFO Paragraph 5.9 LIQUIDATED DAMAGES (AUG 2008) will not apply as long as the cause of delay is determined to be force majeure.



Lessor
Initials



Government
Initials

SHEET NO. 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-10B-07077

21. A Temporary Certificate of Occupancy, deemed acceptable by the Contracting Officer, issued by the local jurisdiction shall be suitable for acceptance of space outlined in SFO Paragraph 5.13 CONSTRUCTION SCHEDULE AND ACCEPTANCE OF TENANT IMPROVEMENTS (AUG 2007) Subparagraph G ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY.
22. Since there is no common area lobby, the tenant suite entry door shall be a high-quality exterior aluminum glass storefront door and not the door described in SFO Paragraph 7.6 DOORS: SUITE ENTRY (AUG 2008).
23. SFO Paragraph 11.1 Subparagraphs A.3 and A.4 are replaced with the following:
 3. 2 drive in doors into the Warehouse – 12' wide x 14' high
 4. 1 door: 12' wide x 14' high



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