

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 2	TO LEASE NO. GS-10B-07077	DATE 11/4/10	PAGE 1 of 2
ADDRESS OF PREMISES: Cedar River Corporate Park, Building A 2200 Lind Avenue, SW, Suite 100, Renton, WA 98057			WA7979

THIS AGREEMENT, 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

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 establish beneficial occupancy, reconciliation of the TI's, change percentage of occupancy, change the operating cost base, and change the tax base. To accomplish this, Paragraphs 2, 3, 8, 9, and 10 are deleted in their entirety and replaced with the following same numbered paragraphs.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended upon execution by the government, as follows:

- 2. To have and to hold the said premises with their appurtenances for the term beginning on May 27, 2010 and continuing through May 26, 2020, subject to termination and renewal rights as may be hereinafter set forth.
- 3. The Government shall pay the Lessor annual rent of \$533,478.38 at the rate of \$44,456.53 per month in arrears for years 1-5 and \$576,068.37 at the rate of \$48,005.70 per month in arrears for years 6-10.

For Month's 1 through 3, monthly rent shall be reduced by the amount of the commission credit agreed to in this lease and shall be paid based on the adjusted rent scheduled herein.

Rent Breakdown (Years 1-5)	Annual Rent	Monthly Rent
Shell Rent	\$283,002.08	\$23,583.51
Operating Cost	\$99,013.60	\$8,251.13
Amortization of TI	\$151,462.70	\$12,621.89
Full Service Rent	\$533,478.38	\$44,456.53
Rent Breakdown (Years 6-10)	Annual Rent	Monthly Rent
Shell Rent	\$325,592.07	\$27,132.68
Operating Cost	\$99,013.60	\$8,251.13
Amortization of TI	\$151,462.70	\$12,621.89
Full Service Rent	\$576,068.37	\$48,005.70

Rent checks shall be made payable to: TARRAGON- CEDAR RIVER CORPORATE PARK LLC 1000 SECOND AVENUE, SUITE 3200 SEATTLE, WA 98104

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

LESSOR	
[Redacted]	NAME OF SIGNER Joseph D. Blitner
1000 Stewart St. #1920, Seattle, WA 98101	

IN PRESENCE OF	
[Redacted]	NAME OF SIGNER Sarah A. Streeter
1000 Stewart St. #1920, Seattle, WA 98101	

UNITED STATES OF AMERICA	
[Redacted]	NAME OF SIGNER TERRIA WEINLEIN
[Redacted]	OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

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8. Per attachment A dated August 17, 2010, the total improvement cost of the project is in the amount of \$955,113.28, plus the addition of 6 change orders hereby attached in the amount of \$55,721.57 equals to a total project cost of \$1,010,834.85. The total project costs exceed the tenant improvement allowance established into the lease agreement of \$955,113.28, the balance is \$55,721.57. Upon completion, inspection and acceptance of space the government shall reimburse the Lessor in a Lump Sum payment in the amount of \$55,721.57 via lump sum payment.

A proper invoice must include the following:

- Invoice date
 - Name of the Lessor as shown on the Lease
 - Lease contract number, building address, and a description, price, and quantity of the items delivered
 - GSA PDN #PS0017407
9. Tax Adjustment: Pursuant to Paragraph 4.2, "Tax Adjustment (SEP 2000)," for purposes of tax escalation, the Government occupies 17,681/143,667 rentable square feet. Base year taxes are established at \$15,568.30 (\$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 (\$99,013.60/annum).
17. The lessor and the broker have agreed to a cooperating lease commission of [REDACTED] for years 1-5 of the firm term and [REDACTED] for years 6-10 of the firm term value of the lease, plus [REDACTED] per rentable square foot. Real estate taxes and operating costs are excluded from the calculation of commission. The total amount of 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 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.

Notwithstanding, 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 in this scheduled for adjusted monthly rent.

First Month's Rental Payment of \$44,456.53, minus one third of the commission credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$44,456.53, minus one third of the commission credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment of \$44,456.53, minus one third of the commission credit [REDACTED] equals \$ [REDACTED] adjusted Third Month's Rent.

The Lessor hereby waives restoration as a result of all improvements.

All other terms and conditions remain in full force and effect. The stated completion of improvements and acceptance requirements.

END OF SECTION