

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE *December 15, 2010*

Lease No. **GS-10B-07236**

Bldg. No. **WA7765**

THIS LEASE, made and entered into this date by and between **C & H Properties, LLC**
whose physical address is 4615 159th Avenue NE, Redmond, WA 98052-5256
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:

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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 6,960 rentable square feet (RSF) of office and related space, which yields 6,960 ANSI/BOMA Office Area square feet (USF) of space at Alderwood West Center, 18905 33rd Avenue West, Suite 200, Lynnwood, WA 98036 to be used for such purposes as determined by the General Services Administration. Parking per local code and pro rata share will be available for Government use at no additional cost.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on November 11, 2011 and continuing through November 10, 2021, subject to termination and renewal rights as may be hereinafter set forth. The lease term is ten (10) years, five (5) years firm.

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

	Shell Rent	Operating Costs	Taxes	TIs	Annual Rent	Monthly Rent
Years 1 - 5	\$103,921.19	\$37,340.43	\$12,017.30	\$69,301.88	\$222,580.80	\$18,548.40
Years 6 - 10	\$127,182.70	\$37,340.43	\$12,017.30		\$176,540.43	\$14,711.7025

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: C & H Properties, LLC, 4615 159th Avenue NE, Redmond, WA 98052-5256.

4. The Government may terminate this lease in whole or in part at any time on or after November 10, 2016 of the fifth (5th) year of the lease by giving at least 90 (ninety) days' prior 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.

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

LESSOR
C & H Properties, LLC

BY
(Signature)

[Redacted Signature]

(Title) *Managing Partner*

IN PRESENCE OF

(Signature)

[Redacted Signature]

(Address) *1518 1ST AVENUE
SEATTLE WA 98101*

UN

[Redacted Signature]

Contracting Officer, General Services Administration
(Official Title)

5. Paragraph #5 intentionally omitted.
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 6WA0426 dated June 09, 2010.
 - B. Build out in accordance with standards set forth in SFO 6WA0426 dated June 09, 2010 and all [REDACTED] Special Requirements and Specifications. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on actual date of beneficial occupancy, if different from the date identified in Paragraph 2 above.
7. The following are attached and made a part hereof:
 - A. Solicitation for Offers 6WA0426 dated June 09, 2010 (53 pages).
 - B. [REDACTED] Special Requirements and Specifications (4 documents, 84 pages total)
 - C. GSA Form 3517B entitled GENERAL CLAUSES (Rev. [06/08]) (33 pages)
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [6/07]) (8 pages)
 - E. Exhibit A: Floor Plan of Suite 200 (1 page)
8. In accordance with SFO No. 6WA0426, paragraph 3.2 entitled *Tenant Improvements Included in Offer*, the Government requests that the Lessor provide \$298,723.20 toward the cost of the general Tenant Improvements. The tenant build out cost of \$298,723.20 (based on \$42.92 per ANSI/BOMA Office Area square foot) will be amortized at a rate of 6.0% over the firm term of five (5) years. Upon completion and acceptance of the Tenant Improvements by an authorized Government official, actual, final Tenant Improvement costs shall be reconciled and memorialized in a Supplemental Lease Agreement.
9. In accordance with SFO paragraph 4.2(B)(9) entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 30.00% (6,960 RSF / 23,200 RSF of total building size).
10. In accordance with SFO paragraph 4.3 entitled *Operating Costs Base*, the cost of services base is established at \$37,340.43 per annum for 6,960 square feet of rentable office and related space.
11. In accordance with SFO paragraph 4.1(C) entitled *Common Area Factor*, the common area factor is established as 1.00.
12. Paragraph #12 intentionally omitted.
13. In accordance with SFO paragraph entitled 4.6 *Overtime Usage*, Overtime usage must be requested orally or in writing by the Contracting Officer or the Contracting Officer's authorized representative. Lessor shall not charge the Government with an overtime usage rate for HVAC.
14. Paragraph #14 intentionally omitted.
15. Lessor shall provide janitorial service within Tenant's space Monday thru Friday, between the operating hours of 6:00 am and 6:00 pm.
16. In accordance with SFO paragraph 4.2 entitled *Tax Adjustment*, the real estate property tax base is established at \$12,017.13 per annum for 6,960 square feet of rentable office and related space. The Tax Parcel ID Numbers are: 00372600100807 and 00372600100804.

LESSOR

BY [REDACTED]

UNITED STATES OF AMERICA

JA BY
(Initial)

17. The Government assumes no responsibility for any conclusions or interpretations made by the Lessor based on information made available by the Government and/or its contractors. Nor does the Government assume any responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before execution of this contract unless that understanding or representation is expressly stated in the Lease.
18. All questions pertaining to this Lease shall be referred in writing to the General Services Administration Contracting Officer or their designee. The Government occupant **is not** authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized in writing by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this lease, including but not limited to: repairs, alterations and overtime services. Additionally, rent will not be paid for occupancy in whole or in part except for the term specified herein.
19. The Lessor and Broker have agreed to a cooperating lease commission of [REDACTED] of the Aggregate Lease Value for the initial firm term of the lease, or [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.
20. 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 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	\$18,548.40	\$8,660.10	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$18,548.40	\$8,660.10	[REDACTED]	\$0.00	[REDACTED]
Month 3	\$18,548.40	\$8,660.10	\$0.00	\$0.00	\$18,548.40

21. 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: C & H Properties, LLC
 P.O. Box 3034
 Redmond, WA 98073

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

The Lessor hereby waives restoration.

LESSOR

[REDACTED]

UNITED STATES OF AMERICA

JH

BY
 (Initial)