

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 2	TO LEASE NO. GS-10B-07037	DATE 10/14/10	PAGE 1 of 4
ADDRESS OF PREMISES Pacific Plaza, 1301 Pacific Avenue 8 th floor, Tacoma, WA 98402		BLDG No: WA7967	

THIS AGREEMENT, made and entered into this date by and between **Pacific Plaza Development, LLC**.

whose address is 1001 Shaw Road
Puyallup, WA 98372

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 finalize the tenant improvement allowance, document the occupancy date, and restate the commission and commission credit paragraph.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective June 28th, 2010, as follows.

I. In separate correspondence dated January 6, 2010, the Government issued a Notice to Proceed for Tenant Improvements in the amount of \$977,425. The total costs for tenant improvements are \$986,636.81. Tenant improvement costs to be amortized in the rent are \$547,509. The Government hereby orders the balance of \$439,127.81.

II. Paragraph 2 of the lease is hereby deleted and the following replaced:

2. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning June 28, 2010 through June 27, 2020, subject to termination and renewal rights as may be hereinafter set forth per Paragraph 4 of the lease. The lease term is ten (10) years, five (5) years firm.

III. Paragraph 3 of the lease is hereby deleted and the following replaced:

3. The Government shall pay the Lessor annual rent of \$651,018.12 for years 1-5 and \$589,008 for years 6-10. The total amortized cost for build out of the Tenant Improvements (\$547,509.15) is amortized into the rental rate over the first (5) years of this lease; per paragraph 15 herein. Rent breakdown for the ten (10) year lease term is as follows:

For month 1, monthly rent shall be reduced by the amount of the commission credit agreement agreed to in this lease, and shall be paid based upon the adjusted rent schedule stated in Paragraph 22 herein.

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

LESSOR

[REDACTED]	NAME OF SIGNER DANIEL D. PUTNAM MEMBER, PACIFIC PLAZA DEV. LLC
	ADDRESS 1001 SHAW ROAD, PUYALLUP WA. 98372

IN PRESENCE OF

[REDACTED]	NAME OF SIGNER Gareth J. Floyd Notary My Commission Expires 11-30-2011
	SIGNATURE 1250 Pacific Ave, Suite 101 Tacoma, WA 98402

UNITED STATES OF AMERICA

[REDACTED]	NAME OF SIGNER TERRIA HEINLEIN
	OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

Rent Breakdown (Years 1-5)	Annual Rent	Monthly Rent
*Shell Rent	\$454,320	\$37,860
Operating Cost	\$63,480	\$5,290
Amortization of TI	\$133,218.12	\$11,101.51
Full Service Rent	\$651,018.12	\$54,251.51

*Parking costs per Exhibit B are included in Shell Rent

Rent Breakdown (Years 6-10)	Annual Rent	Monthly Rent
*Shell Rent	\$525,528	\$43,794
Operating Cost	\$63,480.00	\$5,290
Amortization of TI	\$00.00	\$00.00
Full Service Rent	\$589,008	\$49,084

*Parking costs per Exhibit B are included in Shell Rent

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

Pacific Plaza Development, LLC
c/o Neil Walter Company
Attn: Herb Brooks
1940 East D Street
Tacoma, WA 98421

IV. Paragraph 4 of the lease is hereby deleted and the following replaced:

4. The Government may terminate this lease in whole or in part effective at any time on or after June 27, 2015, by giving at least 90 days prior notice in writing to the Lessor. No rental shall accrue after the effective date of the termination. Said notice shall be computed commencing with the day after the date of mailing.

V. Paragraph 22 of the lease is hereby deleted and the following replaced:

22. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] per rentable square foot per year for the first five years of this lease. 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 \$54,251.51 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent

VI. Upon completion, inspection, and acceptance of the space, the Government shall reimburse the Lessor in one lump sum payment in the total amount of \$439,127.81, upon receipt of an original invoice after completion, inspection, and acceptance of the space by the Contracting Officer.

The invoice should be submitted electronically to (www.finance.gsa.gov) or sent to the addresses below:

General Services Administration
FTS and PBS Payment Division (7BCP)
P.O. Box 17181
Fort Worth, TX 76102-0181

A copy of the invoice must be provided to the Contracting Officer at the following address:

General Services Administration
Attn: Terria Heinlein
400 15th St SW
Auburn, WA 98001-6599

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 #: PS0016652

If the invoice is not submitted on company letterhead, the person(s) with whom the Lease contract is made must sign it.

The expense list provided below and Government-approved design intent drawings which formed the basis for the tenant improvement costs are hereby incorporated into the lease as Exhibit A. Letter from Lessor indicating increase in parking spaces (from 24 spaces to 28 spaces) is Exhibit B

GSA FORM 278 (REV 8/2004) **BACK**
INITIALS: RCR & JH
LESSOR & GOVT