

LEASE NO. GS-10P-LWA07428
BUILDING NO. WA7763

Succeeding/Superseding Lease
GSA FORM L202 (September 2013)

This Lease is made and entered into between

Skotdal Mutual, LLC

(Lessor), whose principal place of business is 2707 Colby Avenue, Ste. 1200, Everett, WA 98201-3528, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

Key Bank Tower
2707 Colby Avenue
Everett, WA 98201

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term **December 1, 2014-November 30, 2019** subject to renewal rights as are hereinafter set forth.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

[Redacted Signature] _____
Skotdal

Title: MANAGER

Date: 9/25/2014

FOR THE GOVERNMENT:

[Redacted Signature] **LINDSEY D. SNOW**
CONTRACTING OFFICER

Name: _____

Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: SEP 30 2014

[Redacted Signature] _____

Title: Manager - Commercial Leasing

Date: 9/25/2014

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. Office and Related Space: **9,852** rentable square feet (RSF), yielding **8,576** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **11th** floor and known as Suite(s) **1101 and 1115**, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A, and consisting of two blocks, as follows:

| Block | Agency | Floor | Suite | RSF | ABOA SF |
|--------------|------------|-------|-------|--------------|--------------|
| Block A | [REDACTED] | 11 | 1101 | 8,525 | 7,421 |
| Block B | [REDACTED] | 11 | 1115 | 1,327 | 1,155 |
| Total | | | | 9,852 | 8,576 |

B. Common Area Factor: The Common Area Factor (CAF) is established as **14.88** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: **11** parking space permits for the use of the Government, of which **11** shall be structured/inside parking space permits, and **0** shall be surface/outside parking space permits, attributed to the two blocks of Space, as follows:

| Block | Agency | Parking Space Permits |
|--------------|------------|-----------------------|
| Block A | [REDACTED] | 9 |
| Block B | [REDACTED] | 2 |
| Total | | 11 |

In addition, the Lessor shall provide such additional parking space permits as required by the applicable code of the local government entity having jurisdiction over the Property.

B. INTENTIONALLY DELETED.

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

| | 12/1/2014 TO 11/30/2019 |
|--------------------------|-------------------------|
| | ANNUAL RENT |
| SHELL RENT | \$240,093.24 |
| OPERATING COSTS | \$ 42,265.08 |
| PARKING | \$ 13,860.00 |
| TOTAL ANNUAL RENT | \$296,218.32 |

B. INTENTIONALLY DELETED

C. INTENTIONALLY DELETED

D. INTENTIONALLY DELETED

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

H. Parking shall be provided under the following pricing structure:

1. From December 1, 2014 through November 30, 2019, parking shall be provided at a rate of \$105.00 per parking permit per month (structured/inside).

2. From December 1, 2019 through November 30, 2024, parking shall be provided at a rate of \$110.00 per parking permit per month (structured/inside).

3. From December 1, 2024 through November 30, 2029, parking shall be provided at a rate of \$115.00 per parking permit per month (structured/inside).

1.04 BROKER COMMISSION (JUN 2012)

A. Jones Lang LaSalle Americas, Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. [REDACTED] of the Commission will be payable to Jones Lang LaSalle Americas, Inc.

B. INTENTIONALLY DELETED

1.05 INTENTIONALLY DELETED

1.06 RENEWAL RIGHTS (SEP 2013)

This Lease may be renewed in whole or in parts at the option of the Government for two firm terms of [REDACTED] each at the following rental rate(s):

| | ANNUAL RENT BLOCK A | ANNUAL RENT BLOCK B | TOTAL ANNUAL SHELL RENT |
|--------------------------------|--|------------------------|----------------------------|
| SHELL RENTAL RATE ¹ | [REDACTED] | [REDACTED] | [REDACTED] |
| OPERATING COSTS | OPERATING COST BASIS SHALL CONTINUE FROM THE ORIGINAL LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS. | | |

| | ANNUAL RENT BLOCK A | ANNUAL RENT BLOCK B | TOTAL ANNUAL SHELL RENT |
|--------------------------------|--|------------------------|----------------------------|
| SHELL RENTAL RATE ¹ | [REDACTED] | [REDACTED] | [REDACTED] |
| OPERATING COSTS | OPERATING COST BASIS SHALL CONTINUE FROM THE ORIGINAL LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS. | | |

¹Shell renewal rates do not include the cost of parking as outlined 1.03 H. Applicable parking costs will be recalculated at the time of renewal based on the rates and terms provided in 1.03 H.

provided notice is given to the Lessor at least 180 days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

The following documents are attached to and made part of the Lease:

| DOCUMENT NAME | NO. OF PAGES | EXHIBIT |
|--|--------------|---------|
| FLOOR PLAN(S) | 1 | A |
| SECURITY REQUIREMENTS | 4 | B |
| GSA FORM 3517B GENERAL CLAUSES | 47 | C |
| GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS | 10 | D |
| SEISMIC FORM B, CERTIFICATE OF SEISMIC COMPLIANCE, EXISTING BUILDING | 11 | E |
| LEASE AMENDMENT(S) ISSUED UNDER RLP AMENDMENT No. 1 | 5 | F |

1.08 INTENTIONALLY DELETED

1.09 INTENTIONALLY DELETED

1.10 INTENTIONALLY DELETED

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 6.97 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 9,852 RSF by the total Building space of 141,334 RSF.

1.12 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment paragraph of the Lease is \$293,096.80 for the entire building. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.13 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$42,265.08 per annum.

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$0.96 per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$30.00 per hour for the entire Space.

1.16 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$0.00 per ABOA SF. of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

1.17 INTENTIONALLY DELETED