

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

April 2, 2010

LEASE NO.

GS-10B-07153

Building # 7993

THIS LEASE, made and entered into this date by and between GJ LLC

Whose address is 5312 N. VISTA CT
SPOKANE, WA 99212 - 1639

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 19,326 ANSI/BOMA Rentable square feet (RSF) of office and related space, which yields a minimum of 16,807 ANSI/BOMA Office Area/usable square feet (USF) of space at 8500 W. SR 2, Spokane, WA to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 43 secured parking spaces for use by Government employees and 30 spaces for use by visitors.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on December 1, 2010 and continuing through November 30, 2025, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor *Annual Rent* as detailed below and it shall be paid monthly in arrears. Parking is included in the above rate at no additional cost to the Government.

<u>Rent Period</u> ¹	<u>Shell Rent</u> ²	<u>Operating Rent</u> ³	<u>Annual Rent</u>
12/01/10-11/30/25	\$513,105.30	\$74,984.88	\$588,090.18

¹ Rent will be adjusted for any change in rentable square footage not to exceed 19,326 RSF at time of Beneficial Occupancy.

² Shell Rent includes \$3.57 per RSF for real estate taxes.

³ Operating costs are base plus accumulated CPI.

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

GJ LLC
5312 N. VISTA CT
SPOKANE, WA 99212 - 1639

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

LESSOR
GJ LLC

BY

IN PRESENCE OF

UNITED STATES OF AMERICA

BY

Contracting Officer, General Services Administration
(Official Title)

4. The Government may terminate this lease in whole or in part at any time on or after November 30, 2025 by giving at least 120 days' 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.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

<u>Rent Period</u>	<u>Shell Rent</u>	<u>Operating Rent¹</u>	<u>Annual Rent</u>
12/01/25 -11/30/30			

¹Subject to previously accumulated and continued accrued CPI escalations

provided notice be given in writing to the Lessor at least 120 days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

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 9WA2225 dated August 13, 2009.

B. Build out in accordance with standards set forth in SFO 9WA2225 dated August 13, 2009 and the Government's design intent drawings. Government space plans shall be fully developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under paragraph 2 above.

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. Standard Form 2 - U.S. Government Lease for Real Property (pages 1-4);

B. Solicitation for Offers 9WA2225 (pages 1-56) dated August 13, 2009;

C. [REDACTED] Design Guide 2006 (pages 1-199);

D. [REDACTED] Space Allocation (3 page);

E. [REDACTED]

F. Amendment #1 (1 page) dated October 27, 2009; Amendment #2 (pages 1-6) dated January 27, 2010; and Amendment #3 (1 page - w/DoD attachment under letter E above attached) dated February 8, 2010;

G. GSA Form 3517B (pages 1-33) entitled GENERAL CLAUSES (Rev. [11/05]);

H. GSA Form 3518 (pages 1-7) entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [01/07]);

I. Site Plan - [REDACTED] Spokane, WA (1 page); revised December 14, 2009

8. In accordance with the SFO paragraph 3.4 B f. and Amendment #2 paragraph 3, and the Lessor-provided TICS Table, upon completion, inspection and acceptance of the space, the Government shall reimburse the Lessor in a lump sum payment for Tenant Improvements in the amount of \$1,385,943.16 and Building Specific Security items in the amount of \$14,350.00. Payment shall be made within 30 business days after receipt of an invoice.

The original invoice must be submitted directly to the GSA Finance Office at the following address:

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: Michael O'Brien, 10PTA
400 15th Street SW
Auburn, WA 98001

LESSOR

BY

UNITED STATES OF AMERICA

BY

(Initial)

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 #: TBD and provided to Lessor *P50016926* *SMM 4/2/10*

9. In accordance with the SFO paragraph 4.1.C entitled *Common Area Factor*, the common area factor is established as 1.15 (16,807 RSF / 19,326 USF), but is subject to change upon final design of building (see paragraph 17 of this SF-2).

10. In accordance with the SFO paragraph 4.2, entitled *Tax Adjustment*, and pursuant to GSA Form 1217 Lessor's Annual Cost Statement, Base Real Estate Taxes shall be formally established after the property and improvements are fully assessed. During the interim, taxes are included in the shell lease rate at \$68,993.82 per annum and the tax parcel numbers are 25203.9078; 25203.9076 and 25203.9080.

11. In accordance with the SFO paragraph entitled 4.2 B (9) *Percentage of Occupancy*, the percentage of Government occupancy is established as 100%.

12. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the escalation base is established as \$3.88 per RSF (\$74,984.88/annum).

13. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, there is no adjustment for vacant premises.

14. In accordance with the SFO paragraph 4.6 entitled *Overtime Usage*, there is no charge for overtime HVAC usage.

15. Rooms required to have heating and cooling 24 hours per day shall be provided at the rate of \$00.00 per hour after "Normal Hours."

16. Adjusted monthly rent payments (application of commission credit):
The GSA commission credit shall be applied in equal monthly amounts against the shell rental payments over the minimum number of months that will not exceed the monthly shell rental per paragraph 1.12 of the SFO. The monthly total rent is \$49,007.52. The monthly shell rent is \$42,758.78. The total commission is [REDACTED] with a credit to GSA of [REDACTED]. The commission is calculated as follows:

(Years 1-5)
\$30.43 X 19,326 RSF = [REDACTED]
\$588,090.18 X 5 yrs = [REDACTED]
\$2,940,450.90 X [REDACTED] = [REDACTED]

(Years 6-15)
\$30.43 X 19,326 RSF = [REDACTED]
\$588,090.18 X 10 yrs = [REDACTED]
\$2,940,450.90 X [REDACTED] = [REDACTED]

Total Commission: [REDACTED]

GSA Rent Credit: [REDACTED]
Studley/LaBonde Credit: [REDACTED]

The monthly rent is adjusted for the GSA commission credit as follows:

<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Rent/Commission Credit</u>	<u>Rent/Commission Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
12/01/10 - 12/31/10	\$49,007.52	\$42,758.78	[REDACTED]	[REDACTED]	[REDACTED]
01/01/11 - 01/31/11	\$49,007.52	\$42,758.78	[REDACTED]	[REDACTED]	[REDACTED]
02/01/11 - 02/28/11	\$49,007.52	\$42,758.78	[REDACTED]	[REDACTED]	[REDACTED]
03/01/11 - 03/31/11	\$49,007.52	\$42,758.78	[REDACTED]	[REDACTED]	[REDACTED]

LESSOR

BY

(Initial)

UNITED STATES OF AMERICA

BY

(Initial)

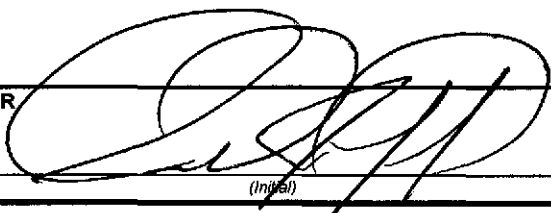
17. The Government reserves the right to adjust the final square footage after receipt and approval of CAD drawings and final site acceptance of the premises. Any adjustments, including those for agreed upon square footage and annual rent shall be documented by Supplemental Lease Agreement.

18. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for waste, damages or restoration arising from or related to any alteration or removal of any alteration by the Government during the term of this Lease or any extensions. Alterations may be completed by either the Government and/or the Lessor including the initial buildout of the leased space and/or any subsequent modifications required during the lease period. At the Government's sole discretion, property remaining in leased space after termination of the lease contract will become the property of the Lessor.

All terms and conditions of this lease as expressly contained herein represent the total obligations of the Lessor and the Government. Any agreements, written or oral, between the parties prior to the execution of this Lease are not applicable or binding. This agreement may be amended only by written instrument executed by the Lessor and the Government.

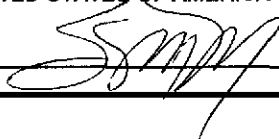
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UNITED STATES OF AMERICA

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