

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

*MAY 20, 2010*

LEASE NO.

GS-10B-07175

Bldg. No OR6613

THIS LEASE, made and entered into this date by and between Blue Mountain Development Co. NW, LLC

Whose address is 8911 W. GRANDRIDGE BLVD, STE C  
Kennewick, WA 99336-7126

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 3,995 rentable square feet (RSF) of office and related space, which yields 3,775 ANSI/BOMA Office Area square feet (USF) of space at 2205 Cove Avenue in LaGrande, Oregon 97850 to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term estimated to begin on June 1, 2010 and continuing through May 31, 2020, subject to termination and renewal rights as may be hereinafter set forth.

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

Years 1-5	Annual Rent	Monthly Rent
Shell rent	\$63,138.65	\$5,261.56
Operating Costs	\$34,840.00	\$2,903.33
Taxes	\$6,970.00	\$580.83
T.I.s	\$0.00	\$0.00
<b>Full Service Rent</b>	<b>\$104,948.65</b>	<b>\$8,745.72</b>
Years 6-10	Annual Rent	Monthly Rent
Shell rent	\$68,372.10	\$5,697.68
Operating Costs	\$34,840.00	\$2,903.33
Taxes	\$6,970.00	\$580.83
T.I.s	\$0.00	\$0.00
<b>Full Service Rent</b>	<b>\$110,182.10</b>	<b>\$9,181.84</b>

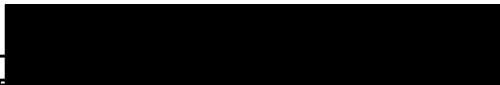
Rent for a lesser period shall be prorated. Operating Costs are subject to CPI adjustments. Real Estate Taxes are subject to adjustment. Rent checks shall be made payable to: Blue Mountain Development Co. NW, LLC, 8911 W. Grandridge Blvd., Suite C, Kennewick, WA 99336-7126

4. The Government may terminate this lease in whole or in part at any time on or after May 31, 2015 by giving at least 120 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

Blue Mountain Development Co. NW, LLC

BY 

*MIM*  
\_\_\_\_\_  
(Title)

IN PRESENCE OF 

*8911 Grandridge Blvd #C*  
*Kennewick WA 99336*  
\_\_\_\_\_  
(Address)

UNIT   
BY 

Contracting Officer, General Services Administration  
\_\_\_\_\_  
(Official Title)

5. 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 8OR2215 dated November 4, 2009.
  - B. Build out in accordance with standards set forth in SFO 8OR2215 dated November 4, 2009, and the Government's requirement of fresh paint and carpet and HVAC balancing, per Government letter dated February 25, 2010. 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.
  
6. The following are attached and made a part hereof:
  - A. Solicitation for Offers 8OR2215 dated November 4, 2009 (52 pages).
  - B. Agency Special Requirements (35 pages)
  - C. Tenant Improvement letter, dated February 25, 2010 (1 page)
  - D. GSA Form 3517B entitled GENERAL CLAUSES (Rev. [11/05]) (33 pages)
  - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [6/07]) (8 pages)
  - F. Exhibit A: Site Plan and Floor Plans (2 pages)
  
7. Per SFO No. 8OR2215, paragraph 3.2 entitled *Tenant Improvement Included in Offer*, the Government can request that the Lessor provide \$137,674.25 toward the cost of the Tenant Improvements, should the Government require Tenant Improvements. If the Government exercises Tenant Improvements, the tenant build out cost of \$137,674.25 (based on \$36.47 per ANSI/BOMA Office Area square foot) will be amortized at a rate of 8.00%. The Government only requires fresh paint and carpet and HVAC balancing at time of this lease award, which do not require use of any of the Tenant Improvement Allowance.
  
8. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 76.83.
  
9. In accordance with the SFO paragraph entitled *Operating Costs Base*, the cost of services base is \$34,840.00 per annum for 3,995 square feet of rentable office and related space.
  
10. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.0583.
  
11. This paragraph is intentionally omitted
  
12. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$3.25 per hour for the entire building or any portion thereof.
  
13. This paragraph is intentionally omitted.
  
14. Lessor shall provide janitorial service within Tenant's space Monday thru Friday, between the operating hours of 6:30 am and 5:30 pm.

LESSOR

UNITED STATES OF AMERICA

BY

*ASM*

(Initial)

BY

*[Signature]*

(Initial)

15. NOVATION AND CHANGE OF NAME

- A. In the event of a transfer of ownership of the lease premises, an assignment of lease or a change in the Lessor's legal name, the Lessor must comply with the requirements of Subpart 42.12 of the Federal Acquisition Regulations (FAR).
- B. The Government and the Lessor may execute a Change of Name Agreement where only a change of the Lessor's name is involved and the Government's and the Lessor's rights and obligations remain unaffected. A sample form is found at FAR 42.1205
- C. The Government, the Lessor and the successor in interest may execute a Novation Agreement when the Lessor's rights or obligations under the lease are legally transferred.
- D. In addition to all documents required by Far 42.1204, the Contracting Officer may request additional information (i.e., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the transferor or transferee to validate the proposed changes.
- E. The transferee must submit a new GSA Form 3518, Representations and Certifications.
- F. Any separate agreement between the transferor and transferee regarding the assumption of liabilities shall be referenced specifically in the Novation Agreement.
- G. When it is in the best interest of the Government not to concur in the transfer of a contract from one entity to another, the original contractor remains under contractual obligation to the Government. The applicability of novation agreements is detailed at FAR 42.1204.
- H. When executed on behalf of the Government, a Novation Agreement will be made part of the lease via Supplemental Lease Agreement.
- I. In the event of a change in ownership, rent will continue to be paid to the prior Lessor until the Supplemental Lease Agreement is executed by the Government. New Lessors must comply with all provisions of this Lease, including but not limited to, Central Contractor Registration and the provision of all information required by the Contracting Officer.
- J. Notwithstanding anything to the contrary in this Lease, the Government has no obligation to recognize a change of ownership or interest until (1) the payment of rent has commenced; and (2) any amounts due and owing to the Government hereunder have been paid in full or completely set off against this Lease.

16. The Contracting Officer represents the General Services Administration as an agent with authority to enter into the Lease on behalf of the Government and execute this document in his/her official capacity only and not as an individual

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.

LESSOR

UNITED STATES OF AMERICA

BY \_\_\_\_\_

*ASM*

(Initial)

BY \_\_\_\_\_

*UXO*

(Initial)

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] 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 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	\$8,745.72	\$5,261.56	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$8,745.72	\$5,261.56	[REDACTED]	[REDACTED]	[REDACTED]

20. 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: Michael J. O'Brien  
 Leasing Contracting Officer  
 400 15<sup>th</sup> Street SW  
 Auburn, WA 98001-6599

To Lessor: Blue Mountain Development Co. NW, LLC  
 Attn: Greg Markel  
 911 W. Grandridge Blvd., Suite C  
 Kennewick, WA 99336-7126

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

21. Upon the effective date of lease execution by the Government, Lease No. LOR06132 shall be superseded by Lease No. LOR07175.

LESSOR

UNITED STATES OF AMERICA

BY

*ASM*

(Initial)

BY

*MJO*

(Initial)