

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

JUL 23 2009

LEASE NO. GS-10B07060

Building # WA7974

THIS LEASE, made and entered into this date by and between **J/4 ASSOCIATES**

Whose address is 2450 MOTTMAN RD SW  
TUMWATER, WA 985126219

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 7,820 rentable square feet (RSF) of office and related space, which yields 7,377 ANSI/BOMA Office Area square feet (USF) of space at Olympia View Building, 112 Henry St., Olympia, 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 is 1 structured and 22 surface parking spaces for use of Government employees and patrons. Parking is valued at \$75.00 per space for structured parking and \$50.00 per space for surface spaces.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on July 1, 2010 and continuing through June 30, 2019, subject to termination and renewal rights as may be hereinafter set forth subject to beneficial occupancy. The lease term is ten (10) years, five (5) years firm, with effective termination to be determined following the completion of tenant improvements and the Government's acceptance of space for beneficial occupancy. Beneficial occupancy shall be memorialized by a separate supplemental lease agreement between the Lessor and the Government

3. The Government shall pay the Lessor annual rent of \$253,801.03 at the rate of \$21,150.09 per month in arrears. See Paragraph 16.

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

J/4 ASSOCIATES  
P.O. BOX 46  
OLYMPIA, WA 98506

4. The Government may terminate this lease in whole or in part at any time on or after expiration of firm term 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.

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

\_\_\_\_\_  
Managing Partner

(Title)

\_\_\_\_\_  
2450 Mottman Road SW  
Tumwater, WA 98512

(Address)

\_\_\_\_\_  
Contracting Officer, General Services Administration

(Official Title)

5. There are no renewal options.
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 8WA2193 dated December 31, 2008 and amended February 18, 2009.
  - B. Build out in accordance with standards set forth in SFO 8WA2193 dated December 31, 2008 and amended February 18, 2009, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2.
  - 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. Solicitation for Offers 8WA2193 (dated December 31, 2008; 53 pages)
  - B. Amendment #1 to SFO (dated February 18, 2009; 1 page)
  - C. Special Requirements (undated, 3 pages)
  - D. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05; 33 pages)
  - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 01/07; 7 pages)
8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$343,030.50 (7,377 USF x \$46.50) shall be amortized through the rent for 5 years at the rate of 8.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$83,465.03.
9. In accordance with the SFO paragraph 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 \$1.68 per Rentable Square Foot.
10. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 42%.
11. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$2.95/RSF (\$23,069.00/annum).
12. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.06 (7,820 RSF/7,377 USF).
13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.95/RSF for vacant space (rental reduction).
14. In accordance with the SFO paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$3.50 per hour for the entire building or any portion thereof.
15. The "Overtime Usage" rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$00.00 per hour after "Normal Hours."

LESSOR

UNITED STATES OF AMERICA

BY



(Initial)

BY



(Initial)

16. Pursuant to Paragraph 3 of the Lease, *Amount of Annual Rent and Rate per Month*, payable on 7,820 Rentable area is as follows:

<u>Rent Period</u> <sup>1</sup>	<u>Annual Shell Rent</u> <sup>3</sup>	<u>Operating Rent</u>	<u>Amortized TIs</u> <sup>4</sup>	<u>Annual Rent</u> <sup>2</sup>	<u>Monthly Rent</u>
01/01/10-12/31/14	\$147,267.00	\$23,069.00	\$83,465.03	\$253,801.03	\$21,150.09
01/01/15-12/31/19	\$159,215.20	\$23,069.00	\$0.00	\$182,284.20	\$15,190.35

<sup>1</sup> Rent for the period of 01/01/10 through 12/31/14 is adjusted pursuant to Paragraph 17 of the Lease

<sup>2</sup> Full Service Annual Rent includes all operating costs, taxes and TIs

<sup>3</sup> Shell Rent at \$18.832097 per RSF for years 1-5; and \$20.36 per RSF for years 6-10

<sup>4</sup> Amortized TIs calculated at \$46.50 per USF @ 8% for 5 years

17. Adjusted monthly rent payments (Application of Commission Credit and Amortization of Tenant Improvements):

The 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 Section 2.3.B of the SFO. The monthly rent adjusted for the payment of amortized TIs and the commission credit will be calculated and set forth in the SLA documenting Beneficial Occupancy upon completion and acceptance by the Government of the required TIs.

Commission Calculation:

Years 1-5

GSA Credit:

Studley, Inc./LaBonde Land, Inc. Commission:

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

<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Commission Credit</u>	<u>Commission Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
01/01/10 - 01/31/10	\$21,150.09	\$12,272.25			
02/01/10 - 02/28/10	\$21,150.09	\$12,272.25			
03/01/10 - 03/31/10	\$21,150.09	\$12,272.25	\$-0-	\$-0-	\$21,150.09

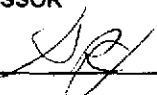
18. The Government reserves the right to adjust the final square footage after receipt and approval of CAD drawings and final site acceptance of the premises. Any adjustments, including those for agreed upon square footage and annual rent shall be documented by Supplemental Lease Agreement.

19. 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.

20. 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.

LESSOR

BY



(Initial)

UNITED STATES OF AMERICA

BY



(Initial)