

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

September 16, 2010

LEASE NO.

GS-10B-07205

BUILDING NO.

WA7788ZZ

THIS LEASE, made and entered into this date by and between WASHINGTON SECURITIES & INVESTMENT CORPORATION (WSIC)

Whose address is 8911 GRANDRIDGE BLVD., SUITE C
KENNEWICK, WA. 99336

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 8,300 rentable square feet (RSF) of office and related space, which yields 7,900 ANSI/BOMA Office Area square feet (USF) of space at the [REDACTED], 811 South Hill Drive, Puyallup, Washington 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 beginning on November 15, 2010, through November 14, 2025, subject to termination and renewal rights as may be hereinafter set forth, and further subject to beneficial occupancy per SFO paragraph 5.9.

3. The Government shall pay the Lessor Annual Rent of \$284,184.47 at the rate of \$23,682.04 per month in arrears for years 1 - 5, and Annual Rent of \$300,950.47 at the rate of \$25,079.21 per month in arrears for years 6 - 10, and Annual Rent of \$315,981.00 at a rate of \$26,331.75 per month in arrears for years 11 - 15.

Rent Period ¹	Shell Rent	Operating Rent ²	Amortized TIs ³	Annual Rent	Monthly Rent
11/15/10-11/14/15	\$178,865.00	\$55,942.00	\$49,377.47	\$284,184.47	\$23,682.04
11/15/15-11/14/20	\$195,631.00	\$55,942.00	\$49,377.47	\$300,950.47	\$25,079.21
11/15/20-11/14/25	\$260,039.00	\$55,942.00	\$0.00	\$315,981.00	\$26,331.75

¹ Dates are estimates which may adjust subject to Beneficial Occupancy and rent for the estimated period of 11/15/10 through 03/14/11 is adjusted pursuant to Paragraph 16 below.

² Base Operating Rent subject to adjustments in accordance with the SFO paragraph 4.3.

³ Amortized TIs for years 1-10 subject to SFO paragraph 3.3.

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

WSIC
8911 GRANDRIDGE BLVD., SUITE C
KENNEWICK, WA 99336

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

LESSOR
WSIC

BY [REDACTED]
IN PRESENCE [REDACTED]

PRESIDENT
(Title)

8911 Grandridge Blvd #C
Kennnewick (Address) *WA 99336*

UNI
BY [REDACTED]

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 the tenth lease year 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. **Intentionally Deleted**
6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9WA2326 dated March 23, 2010.
 - B. Build out in accordance with standards set forth in SFO 9WA2326 dated March 23, 2010, 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. The Lessor hereby waives restoration.
 - 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 9WA2326 dated March 23, 2010 (49 pages), and the following attached Special Requirements:
 - Special Space Specifications and Requirements, dated May 27, 2009 (13 pages)
 - ██████████ – IWS/LAN, dated March 17, 2009, (20 pages)
 - IWS/LAN Cable installation and General Notes, no date, (2 pages)
 - DCR LAN Rack, no date, (1 page)
 - Pannex 1300 Series (Panic Bars), no date, (6 pages)
 - Rolling Shutters, no date (4 pages)
 - ██████████, no date (4 pages)
 - ██████████, no date, (1 page)
 - American National Standard for Power Assist and Low Energy Power Operated Doors, dated July 29, 1997, (9 pages)
 - Specifications for ██████████, dated November 03, 2009, (19 pages)
 - ██████████, no date, (4 pages)
 - Zephyr Fans, no date, (3 pages)
 - B. GSA Form 3517B entitled GENERAL CLAUSES (Rev 11/05) (pages 1-33);
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev 1/07) (pages 1-7);
 - D. Building Floor Plan (undated) (1 page).
8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of \$339,147.00 (7,900 USF x \$42.93) shall be amortized through the rent for ten (10) years at the rate of 8.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$49,377.47.
9. In accordance with the SFO paragraph 4.2 B entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 0.83% (8,300 RSF/10,000 RSF)
10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs Base*, the escalation base is established as \$55,942.00/annum (\$6.74/RSF).
11. In accordance with the SFO paragraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.05 (8,300 RSF/7,900 USF).
12. **Intentionally Deleted**
13. **Intentionally Deleted**
14. **Intentionally Deleted**

The Lessor hereby waives restoration.

LESSOR

UNITED STATES OF AMERICA

BY

DSM

(Initial)

BY

JA

(Initial)

15. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$29,836.00 and parcel No. 6020120081.
16. Adjusted monthly rent payments (application of commission credit):
 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 SFO subparagraph 2.3 B. The monthly rent is \$23,682.04. The monthly shell rent is \$14,905.42. The GSA commission credit is [REDACTED] and is calculated as follows:

Commission: [REDACTED]
 Commission: [REDACTED]

GSA Commission Credit:
 Studley/LaBonde Land, Inc. Commission: [REDACTED]

The monthly rent payments adjusted for the commission credit are 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>
11/15/10 – 12/14/10	\$23,682.04	\$14,905.42	[REDACTED]	[REDACTED]	[REDACTED]
12/15/10 – 01/14/11	\$23,682.04	\$14,905.42	[REDACTED]	[REDACTED]	[REDACTED]
01/15/11 – 02/14/11	\$23,682.04	\$14,905.42	[REDACTED]	[REDACTED]	[REDACTED]
02/15/11 – 03/14/11	\$23,682.04	\$14,905.42	[REDACTED]	[REDACTED]	[REDACTED]
03/15/11 – 04/14/11	\$23,682.04	\$14,905.42	[REDACTED]	[REDACTED]	[REDACTED]

17. 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 build-out 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.
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. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this lease, they shall be deemed to mean "this Lease"; where the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
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

UNITED STATES OF AMERICA

BY SSM
 (Initial)

BY JA
 (Initial)