

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

1/12/11

LEASE NO.

LWA07223; Bldg WA7923

THIS LEASE, made and entered into this date by and between Black ProInvest Schade Towers, LLC.

whose address is 107 S. Howard, Suite 600
Spokane, WA 99201

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:

Existing building consisting of a total of 3,656 rentable square feet (RSF) of office and related space, which yields 3,100 ANSI/BOMA Office Area square feet (USF) located at 528 E. Spokane Falls Boulevard, Spokane, Washington 99202-2134 and 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 six (6) on-site, secured, reserved, surface parking spaces for the exclusive use of Government employees. Although the parking is included in the rent, for purposes of this lease the parking shall be valued at \$250.00 per space/month.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for ten (10) years, five (5) years firm, subject to termination and renewal rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government substantially complete no later than June 1, 2011.

3. The Government shall pay the Lessor total annual rent of \$104,232.56 (\$28.51/RSF - \$33.62/USF) at the rate of \$8,686.05 per month in arrears for years one through five decreasing to \$82,260.00 (\$22.50/RSF - \$26.54/USF) per annum at the rate of \$6,855.00 per month in arrears for years six through ten.

Rent shall be adjusted in accordance with the provisions of the Solicitation For Offers and General Clauses. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

BLACK PROINVEST SCHADE TOWERS, LLC
107 SOUTH HOWARD, SUITE 600
SPOKANE, WASHINGTON 99201

4. The Government may terminate this Lease in whole or in part at any time after the fifth (5th) year by giving at least sixty (60) 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. The lease includes no renewal options.

NAME OF SIGNER

BARRY N. BAKER

NAME OF SIGNER

DAVID R. BLACK

NAME OF SIGNER

JEFF A. McGOUGH

NAME OF SIGNER

Michael J. O'Brien

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

STANDARD FORM 2 (REV. 12/2006)

Prescribed by GSA - FPR (41 CFR) 1-16.60

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 8WA2128 dated 3/3/2010.
 - B. Build out in accordance with standards set forth in SFO 8WA2128 dated 3/3/2010, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations are 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 Government's 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 8WA2128 dated 3/3/2010;
 - B. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05)
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
 - D. Attachment A – Base Plans
 - E. Attachment B – Legal Description
 - F. IHS Special Requirements
 - G. Commission Agreement
8. "INTENTIONALLY LEFT BLANK "
9. In accordance with the SFO paragraph entitled *Tax Adjustment*, the percentage of Government occupancy is established as 5.99% (3,656 RSF / 61,024 RSF). The real estate tax base is \$37,946.88 and the Property consists of the following tax parcels: 35173.0120; 35173.0122; 35173.0124; 35173.0906; 35174.0556.
10. In accordance with the SFO paragraph entitled *Operating Costs*, the escalation base is established as \$5.92/RSF (\$21,643.52 per annum).
11. In accordance with the SFO paragraph entitled *Measurement of Space*, the common area factor is established as 1.1794 (3,656 RSF / 3,100 USF).
12. In accordance with the SFO Paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$0.00/RSF for vacant space (rental reduction).
13. In accordance with the SFO paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour for the entire space or any portion thereof beyond the normal hours of operation of 7:00 AM to 5:00 PM Monday through Friday. Lessor will provide areas requiring 24/7 HVAC at no additional cost to the Government.
14. "INTENTIONALLY LEFT BLANK"
15. The total ANSI/BOMA square foot area referred to in Paragraph 1 of the SF-2 herein is subject to an adjustment with the actual number of ANSI/BOMA Office Area square feet delivered to be determined by mutual field measurements in accordance with provisions of Paragraph 4.1 in the SFO. However, it is mutually agreed that the total ANSI/BOMA Office Area square feet must equal a minimum of 3,100 ANSI/BOMA Office Area square feet as stated in Paragraph 1.1 of the SFO. If the actual number of ANSI/BOMA Office Area square feet differs from Paragraph 1 of this SF-2, the Lease shall be amended by a Supplemental Lease Agreement after field measurement to establish the square footage in compliance with the terms of this paragraph.
16. All information submitted by the Lessor during negotiations, including but not limited to plans, renderings, specifications, etc. are incorporated by reference.
17. The Lessor hereby forever and unconditionally waives any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the Government during the term of this Lease or any extensions. Alterations completed by either the Government or Lessor including initial build out of the Lease space and/or any subsequent modifications required during the Lease period. At the

INITIALS: BOB LESSOR & MD GOVT

Government's sole discretion, alterations will remain in the Lease space after termination of the Lease contract and will become property of the Lessor.

- 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, rental will not be paid for occupancy in whole or in part except for the term specified herein.
- 19. Wherever the words "offeror" 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"; wherever the words "space offered for Lease" appear in this Lease, they shall be deemed to mean "Leased premises."
- 20. This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible too contradict the provisions of this Lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.
- 21. In accordance with the SFO paragraph entitled *Broker Commission and Commission Credit*, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing GSA in connection with this Lease transaction. The Lessor and CBRE have agreed to a Lease commission of [REDACTED] of the firm term value of this Lease ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon Lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.4, only [REDACTED], which is [REDACTED] of the Commission, will be payable to CBRE when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured.

First month's rental payment of \$8,686.05 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted first month's rent).

Second month's rental payment of \$8,686.05 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted second month's rent).

Third month's rental payment of \$8,686.05 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted third month's rent).

INITIALS [Signature] LESSOR & [Signature] GOVT