

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

12/17/10

LEASE NO.

GS-10B-07233

BUILDING NO.

WA8028

THIS LEASE, made and entered into this date by and between WEST 1116 RIVERSIDE PARTNERS

Whose address is 1116 W. RIVERSIDE AVENUE
SPOKANE, WA 99201-1106

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 9,488 rentable square feet (RSF) of office and related space, which yields 8,640 ANSI/BOMA Office Area (ABOA) square feet of space at the North Coast Life Building, 1116 W. Riverside Avenue, Spokane, WA 99201-1106 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government, Lessor leases to the Government a total of twenty-six (26) reserved parking spaces, consisting of eighteen (18) structured spaces and eight (8) surface spaces for Government vehicles. There is no additional value attributed to the parking spaces. Although parking is included in the rent the spaces shall be valued at \$200/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 fifteen (15) years, subject to termination and renewal rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government within one hundred twenty (120) working days of the Government issuing the Notice to Proceed for Tenant Improvements.

3. The Government shall pay the Lessor annual rent per the table below, per month in arrears.

Rent Period ¹	Shell Rent	Operating Rent ²	Tenant Improvement Costs ³	Bldg Security	Total Rent
09/01/11 - 08/31/21	\$204,249.60	\$45,964.80	\$55,625.42	\$2,160.00	\$307,999.82
09/01/21 - 08/31/26	\$149,910.40	\$45,964.80			\$195,875.20

¹ Dates specified above may be adjusted subject to Beneficial Occupancy. Rent for the period of 09/01/11 through 11/30/11 is adjusted pursuant to Paragraph 16 of this SF-2.

² Base Operating Rent subject to adjustments in accordance with Paragraph 10 of this SF-2.

³ Tenant Improvement Costs in accordance with Paragraph 8 of this SF-2.

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

LESSOR
WEST 1116 RIVERSIDE AVENUE PARTNERS

BY _____
IN PRESENCE _____

BY _____
UNITED STATES OF AMERICA

Managing Partner
(Title)

1116 W. Riverside Ave. Spokane, WA 99201
(Address)

Contracting Officer, General Services Administration
(Official Title)

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

WEST 1116 RIVERSIDE PARTNERS
1116 W. RIVERSIDE AVENUE
SPOKANE, WA 99201-1106

4. The Government may terminate this lease in whole or in part at any time on or after the tenth (10th) lease year by giving at least 180 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. There are no renewal options.
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 9WA2130 dated June 11, 2010.
 - B. Build out in accordance with standards set forth in SFO 9WA2130 dated June 11, 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 9WA2130 dated June 11, 2010 (pages 1-51).
 - B. [REDACTED] Spokane Resident Agency revised June 27, 2008 (pages 1-49).
 - C. GSA Form 3517B entitled GENERAL CLAUSES (Rev 11/05) (pages 1-33).
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev 1/07) (pages 1-7).
8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of \$382,060.80 (8,640 ABOA SF x \$44.22) shall be amortized through the rent for ten (10) years at the rate of 8%. The total cost of Tenant Improvements for the amortization period shall be \$556,254.21.
9. In accordance with the SFO paragraph 4.2 B entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 30.11% (9,488 RSF/31,511 RSF).
10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs Base*, the escalation base is established as \$4.84/RSF (\$45,931.35/annum).
11. In accordance with the SFO paragraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.098 (9,488 RSF/8,640 ABOA SF).
12. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$3.01/ABOA SF for vacant space (rental reduction).

LESSOR

BY

West 1116 Riverside Partners
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13. In accordance with the SFO paragraph 4.6 entitled *Overtime Usage*, upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. to 5:00 p.m., Monday through Friday, and except Federal Holidays), at a rate of \$0.00 per hour.
14. Security costs in the amount of \$14,600 shall be amortized through the rent for 120 months at the rate of 8%.
15. Adjusted monthly rent payments (application of commission credit):

The commission credit shall be applied against the shell rental payments over the minimum number of months that will not exceed the monthly shell rental per SFO subparagraph 2.4 B. The monthly rent is \$25,666.65. The monthly shell rent is \$17,020.80. The commission credit is [REDACTED] and is calculated as follows:

Total Commission: Gross Rent Yrs 1 - 5 = \$1,539,999.10
 Commission \$1,539,999.10 x [REDACTED] = [REDACTED]
 \$1,539,999.10 x [REDACTED] = [REDACTED]

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

The monthly rent payments adjusted for the commission credit are as follows:

Rent Period	Scheduled Monthly Rent	Scheduled Mo. Shell Rent	Commission Credit	Commission Credit Remaining	Adjusted Monthly Rent Payment
09/01/11 – 09/30/11	\$25,666.65	\$17,020.80	[REDACTED]	[REDACTED]	[REDACTED]
10/01/11 – 10/31/11	\$25,666.65	\$17,020.80	[REDACTED]	[REDACTED]	[REDACTED]
11/01/11 – 11/30/11	\$25,666.65	\$17,020.80	[REDACTED]	\$-0-	\$24,018.77

16. 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.
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. 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".
19. 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.

The Lessor hereby waives restoration.

LESSOR 1126 Riverside Partners
 BY [REDACTED] Mng. Ptner

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BY [REDACTED]