

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

JUL 11 2011

LEASE NO.

GS-10B-07296

THIS LEASE, made and entered into this date by and between **PORT OF PORT TOWNSEND**

Whose address is 375 HUDSON ST
PORT TOWNSEND, WA 98368-4629

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 1,600 rentable square feet (RSF) of office and related space, which yields 1,473 ANSI/BOMA Office Area square feet (USF) of space at Port Administration Building, 375 Hudson Street, Port Townsend, WA 98368 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 4 parking spaces (2 GOV spaces and 2 visitor spaces) valued at \$100.00 per month for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on beneficial occupancy and continuing for ten (10) years, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$42,208.00 at the rate of \$3,517.33 per month in arrears for years 1 - 5 and \$35,792.00 at the rate of \$2,982.67 per month in arrears for years 6 - 10.

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

PORT OF PORT TOWNSEND
PO BOX 1180
PORT TOWNSEND, WA 98368-0980

4. The Government may terminate this lease at any time on or after year five (5) by giving at least 90 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. This lease has 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 9WA2259 dated December 23, 2010.

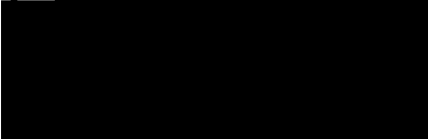
B. Build out in accordance with standards set forth in SFO 9WA2259 dated December 23, 2010, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.

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

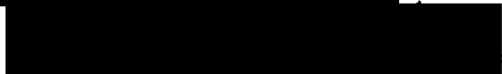
LESSOR
PORT OF PORT TOWNSEND

BY 

Executive Director
(Title)



P.O. Box 1180 Port Townsend, WA 98368-
(Address) 0980



Contracting Officer, General Services Administration
(Official Title)

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 9WA2259 dated December 23, 2010
- B. GSA Form 3517A entitled GENERAL CLAUSES (Rev. [6/08])
- C. GSA Form 3518A entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$52,689.21 (1,473 USF x \$35.77) shall be amortized through the rent for 5 years at the rate of 2%. The total annual cost of Tenant Improvements for the amortization period shall be \$11,082.29.

9. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 24.6% (1,600 RSF / 6,500 RSF).

10. In accordance with the SFO paragraph entitled *Tax Adjustment*, the building is not currently paying taxes because it is owned by a local governmental entity. Should taxes be assessed in the future, the Government shall pay its pro-rata share of taxes.

11. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$3.25/RSF (\$5,200.00/annum).

12. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.0862 (1,600 RSF/1,473 USF).

13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$0.00/USF for vacant space (rental reduction).

14. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour for the entire building or any portion thereof.

15. 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 Section 2.3 of the SFO. The commission credit shall begin in month one (1) of the Lease. The monthly rent is [REDACTED]. The monthly shell rent is [REDACTED]. The commission credit is calculated as follows based on [REDACTED] per RSF per year for the firm term:

Total Commission: [REDACTED]
GSA Credit: [REDACTED]
Jones Lang LaSalle: [REDACTED]

The monthly rent adjusted for the total GSA commission credit of [REDACTED] 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>
Month 1	\$3,517.33	\$2,160.00	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$3,517.33	\$2,160.00	[REDACTED]	[REDACTED]	[REDACTED]

The Lessor agrees that the commission of [REDACTED] is due and payable to Jones Lang LaSalle pursuant to that certain Broker Commission Agreement dated December 23, 2010.

16. Offeror's Tenant Improvement Fee Schedule: Pursuant to the offer received March 20, 2011, the Offeror's Tenant Improvement Fee Schedule shall be applicable to Tenant Improvements, any Building-Specific Security, and change orders during initial construction arising under this Lease. The applicable fees are:

- a. General Conditions will be 0% of Total Subcontractors Costs estimated to be \$52,689.21.
- b. General Contractor's fee will be 0% of Total Subcontractors Costs estimated to be \$52,689.21.
- c. Architectural/Engineering fees will be \$1.00 per usable square foot.
- d. Lessor's Project Management fee will be 0% of Total Subcontractors Costs estimated to be \$52,689.21.

LESSOR

UNITED STATES OF AMERICA

BY

LC

(Initial)

BY

PPW

(Initial)

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 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.

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".

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

LC

(Initial)

BY

RPV

(Initial)