

LEASE NO. GS-10P-LWA07423
BLDG. NO. WA7705

Succeeding/Superseding Lease
GSA FORM L202 (September 2013)

This Lease is made and entered into between

KOLB CONSTRUCTION INC
621 NE 24TH ST
GRESHAM, OR 97030-2825

(Lessor), whose principal place of business is 621 NE 24th Street, Gresham, Oregon 97030-2825, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

HUR Building
820 Simpson Avenue
Hoquiam, WA 98550-3813

and more fully described in Section 1 and Exhibit A-1, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term March 1, 2015 – February 28, 2025

subject to termination and renewal rights as hereinafter set forth. Substantial completion and acceptance of the Space shall be more specifically set forth in a Lease Amendment by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the

[Redacted Signature]

Name: _____

Title: President

Date: 2/2/15

[Redacted Signature]

a Gonzalez
Acting Officer

General Services Administration, Public Buildings Service

Date: FEB 10 2015

[Redacted Signature]

Name: MICHAEL NELSON

Title: _____

Date: 2/2/15

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

- A. Office and Related Space: **5,897** rentable square feet (RSF), yielding **5,441** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **1st** floor of the Building, as depicted on the floor plan(s) attached hereto as Exhibit **A**.
- B. Common Area Factor: The Common Area Factor (CAF) is established as **8.4** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

- A. Parking: **40** parking spaces as depicted on the plan attached hereto as Exhibit **A-2** reserved for the exclusive use of the Government, of which **0** shall be structured/inside parking spaces, and **40** shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. SUB-PARAGRAPH INTENTIONALLY DELETED

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

- A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM 03/01/2015 – 02/28/2025
	ANNUAL RENT
SHELL RENT ¹	\$73,712.50
OPERATING COSTS ²	\$ 37,316.36
TOTAL ANNUAL RENT	\$111,028.86

¹Shell rent calculation:
(Firm Term) \$12.50 per RSF multiplied by 5,897 RSF
Parking costs are included in the Shell Rent
²Operating Costs: \$37,316.36 per annum
³Any future Tenant Improvement (TI) are to be paid via lump sum.

- B. SUB-PARAGRAPH INTENTIONALLY DELETED
- C. SUB-PARAGRAPH INTENTIONALLY DELETED
- D. SUB-PARAGRAPH INTENTIONALLY DELETED
- E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.
- F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.
- G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:
 - 1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

LESSOR:  GOVERNMENT: 

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

H. SUB-PARAGRAPH INTENTIONALLY DELETED.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. **DTZ Americas, Inc.** (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to **DTZ Americas, Inc.** with the remaining [REDACTED] which is the Commission Credit, to 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 in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

March 2015 Shell Rental Payment \$6,142.71 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted March 2015 Shell Rent.*
 *Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after February 28, 2025, by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 RENEWAL RIGHTS (SEP 2013)

This Lease may be renewed at the option of the Government for two [REDACTED] each at the following rental rate(s):

	OPTION TERM, [REDACTED]
	ANNUAL RENT [REDACTED]
SHELL ANNUAL RENT	[REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL REMAIN UNCHANGED FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.

	OPTION TERM, [REDACTED]
	ANNUAL RENT [REDACTED]
SHELL ANNUAL RENT	[REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL REMAIN UNCHANGED FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.

provided notice is given to the Lessor at least 90 days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN	1	A-1
PARKING PLAN	1	A-2
AGENCY SPECIFIC/SPECIAL REQUIREMENTS	53	B
SECURITY REQUIREMENTS	7	C
GSA FORM 3517B GENERAL CLAUSES	47	D
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	11	E

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.09 INTENTIONALLY DELETED

1.10 INTENTIONALLY DELETED

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 64 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 5,897 RSF by the total Building space of 9,216 RSF.

1.12 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment paragraph of the Lease is for the leased space is \$8,434.32. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.13 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$37,316.36/annum.

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$2.70 per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$35.00 per hour for the entire Space.

1.16 INTENTIONALLY DELETED

1.17 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements prior to acceptance of the Space:

- A. Energy Efficient Upgrades to be completed within 60 days of Lease Award and will include:
 - a. Exterior Lighting— Replacement of existing bulbs with high efficiency sodium bulbs.
 - b. Interior Lighting – Replacement of existing bulbs and ballasts with high efficiency bulbs and ballasts.