

**U.S. GOVERNMENT LEASE FOR REAL PROPERTY
(Short Form)**

1. LEASE NUMBER: BLDG. NUMBER:
LWA07196 WA7664

PART I - SOLICITATION/DESCRIPTION OF REQUIREMENTS (To be completed by Government)

A. REQUIREMENTS

The Government of the United States of America is seeking to lease approximately 6,800 rentable square feet of warehouse space located in Spokane, WA for occupancy not later than **October 15, 2009** for a term of ten (10) years, with a five (5) year firm term. Rentable space must yield a minimum of 6,800 square feet of ANSI/BOMA Warehouse Area (previously Usable) for use by Tenant for personnel, furnishing, and equipment. **Initial Offers due by September 25, 2009.**

B. STANDARD CONDITIONS AND REQUIREMENTS

The following standard conditions and requirements shall apply to any premises offered for lease to the UNITED STATES OF AMERICA (hereinafter called the GOVERNMENT):

Space offered must be in a quality building of sound and substantial construction, either a new, modern building or one that has undergone restoration or rehabilitation for the intended use.

The Lessor shall provide a valid Certificate of Occupancy for the intended use of the Government and shall meet, maintain, and operate the building in conformance with all applicable current (as of the date of this solicitation) codes and ordinances. If space is offered in a building to be constructed for lease to the Government, the building must be in compliance with the most recent edition of the building code, fire code, and ordinances adopted by the jurisdiction in which the building is located.

Offered space shall meet or be upgraded to meet the applicable egress requirements in National Fire Protection Association (NFPA) 101, *Life Safety Code* or an alternative approach or method for achieving a level of safety deemed equivalent and acceptable by the Government. Offered space located below-grade, including parking garage areas, and all areas referred to as "hazardous areas" (defined in NFPA 101) within the entire building (including non-Government areas), shall be protected by an automatic sprinkler system or an equivalent level of safety. Additional automatic fire sprinkler requirements will apply when offered space is located on or above the 6th floor. Unrestricted access to a minimum of two remote exits shall be provided on each floor of Government occupancy. Scissor stairs shall be counted as only one approved exit. Open-air exterior fire escapes will not be counted as an approved exit. Additional fire alarm system requirements will apply when offered space is located 2 or more stories in height above the lowest level of exit discharge.

The Building and the leased space shall be accessible to workers with disabilities in accordance with the Americans With Disabilities Act Accessibility Guidelines (36 CFR Part 1191, App. A) and the Uniform Federal Accessibility Standards (Federal Register vol. 49, No. 153, August 7, 1984, reissued as FED. STD. 795, dated April 1, 1988, and amended by Federal Property Management Regulations CFR 41, Subpart 101-19.6, Appendix A, 54 FR 12628, March 28, 1989). Where standards conflict, the more stringent shall apply.

The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented. The space shall be free of other hazardous materials according to applicable Federal, State, and local environmental regulations.

Services, utilities, and maintenance will be provided daily, extending from 7:00 a.m. to 7:00 p.m. except Saturday, Sunday, and Federal holidays. The Government shall have access to the leased space at all times, including the use of common electrical services, toilets, lights, elevators, and Government office machines without additional payment.

The Lessor shall complete any necessary alterations within five (5) days after receipt of approved layout drawings.

2. SERVICES AND UTILITIES (To be provided by Lessor as part of rent)

<input checked="" type="checkbox"/> HEAT	<input checked="" type="checkbox"/> TRASH REMOVAL	<input type="checkbox"/> ELEVATOR SERVICE N/A	<input checked="" type="checkbox"/> INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS	<input checked="" type="checkbox"/> OTHER (Specify below)
<input checked="" type="checkbox"/> ELECTRICITY	<input type="checkbox"/> CHILLED DRINKING WATER	<input checked="" type="checkbox"/> WINDOW WASHING Frequency every 6 months	<input checked="" type="checkbox"/> PAINTING FREQUENCY Space every 5 years Public Areas every 5 years	Onsite parking will be provided for 7 Surface stalls
<input checked="" type="checkbox"/> POWER (Special Equip.)	<input type="checkbox"/> AIR CONDITIONING	<input type="checkbox"/> CARPET CLEANING Frequency		
<input type="checkbox"/> WATER (Hot & Cold)	<input type="checkbox"/> TOILET SUPPLIES			
<input checked="" type="checkbox"/> SNOW REMOVAL	<input type="checkbox"/> JANITORIAL SERV. & SUPP.			

3. OTHER REQUIREMENTS

NOTE: All offers are subject to the terms and conditions outlined above, and elsewhere in this solicitation, including the Government's General Clauses and Representations and Certifications.

4. BASIS OF AWARD

- THE ACCEPTABLE OFFER WITH THE LOWEST PRICE PER SQUARE FOOT, ACCORDING TO THE ANSI/BOMA Z65.1-1996 DEFINITION FOR BOMA USABLE OFFICE AREA, WHICH MEANS "THE AREA WHERE A TENANT NORMALLY HOUSES PERSONNEL AND/OR FURNITURE, FOR WHICH A MEASUREMENT IS TO BE COMPUTED."
- OFFER MOST ADVANTAGEOUS TO THE GOVERNMENT, WITH THE FOLLOWING EVALUATION FACTORS BEING
- SIGNIFICANTLY MORE IMPORTANT THAN PRICE
 - APPROXIMATELY EQUAL TO PRICE
 - SIGNIFICANTLY LESS IMPORTANT THAN PRICE
 - (Listed in descending order, unless stated otherwise):

Handwritten initials and signature

PART II - OFFER (To be completed by Offeror/Owner)

A. LOCATION AND DESCRIPTION OF PREMISES OFFERED FOR LEASE BY GOVERNMENT

5. NAME AND ADDRESS OF BUILDING (Include ZIP Code) West Spokane Industrial Park Building B1-1 13026 W McFarlane Rd Airway Heights, WA 99001-5046	6. LOCATION(S) IN BUILDING	
	a. FLOOR(S) 1st	b. ROOM NUMBER(S) -
	c. RENTABLE SQ. FT. 6,186	d. TYPE <input type="checkbox"/> GENERAL OFFICE <input type="checkbox"/> OTHER (Specify) <input checked="" type="checkbox"/> WAREHOUSE Storage Locker

B. TERM

To have and to hold, for the term commencing on July ²⁴ 23, 2010 and continuing through July ²³ 22, 2020 inclusive. The Government may terminate this lease at any time on or after July ²³ 22, 2015, by giving at least 90 days notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

C. RENTAL

Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. Rent for a period of less than a month shall be prorated.

7. AMOUNT OF ANNUAL RENT Years 1-5: \$32,476.50; which is comprised of: Shell: \$29,878.38 OPEX: \$2,598.12 Years 6-10: \$35,755.08 which is comprised of: Shell: \$33,156.96 OPEX: \$2,598.12	9. MAKE CHECKS PAYABLE TO (Name and address) FPA Spokane Industrial, LLC P.O. Box 1410 Suisun City, CA 94585 Suisun City, CA 94585
8. RATE PER MONTH Years 1-5: \$2,706.38; which is comprised of: Shell: \$2,489.87 OPEX: \$216.51 Years 6-10: \$2,979.59; which is comprised of: Shell: \$2,763.08 OPEX: \$216.51	

10a. NAME AND ADDRESS OF OWNER (Include ZIP code. If requested by the Government and the owner is a partnership or joint venture, list all General Partners, using a separate sheet, if necessary.)

FPA Spokane Industrial, LLC, 4665 MacArthur Court, Suite 200, Newport Beach, CA 92660-1856

10b. TELEPHONE NUMBER OF OWNER [REDACTED]	11. TYPE OF INTEREST IN PROPERTY OF PERSON SIGNING <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> AUTHORIZED AGENT <input type="checkbox"/> OTHER (Specify)
12. NAME OF OWNER OR AUTHORIZED AGENT Michael B. Earl	13. TITLE OF PERSON SIGNING Manager
[REDACTED]	15. DATE 7-27-10
	16. OFFER REMAINS OPEN UNTIL 4:30 P.M. (Date)

PART III - AWARD (To be completed by Government)

Your offer is hereby accepted. This award consummates the lease which consists of the following documents: (a) this GSA Form 3626, (b) Additional Paragraphs to GSA Form 3626, (c) Attachment#1 to GSA Form 3626 – Minimum Lease Security Standards, (d) Amendment#1 to GSA Form 3626, (e) Amendment#2 to GSA Form 3626, (f) Floor Plan, (g) Representations and Certifications, (h) the Government's General Clauses, and (i) the following changes or additions made or agreed to by you:

Commission and Commission Credit: The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction.

("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Boxes 7 & 8 of this GSA Form 3626, the shell rental payments due and owing under this lease shall be reduced to fully recapture 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:

First Month's Rental Payment \$2,706.38 minus [REDACTED]

Adjusted First Month's Rent

THIS DOCUMENT IS NOT BINDING ON THE AUTHORIZED CONTRACTING OFFICER.

SIGNED BELOW BY

17a. NAME OF CONTRACTING OFFICER (Type or Print)

17c. DATE

Michael J. O'Brien

3/20/10

le

GSA FORM 3626 – ADDITIONAL PARAGRAPHS
U.S. GEOLOGICAL SURVEY (USGS)
SPOKANE, WA
SFO 5WA0025

1. SEISMIC SAFETY FOR EXISTING CONSTRUCTION

- A. Definitions, for the purpose of this paragraph:
1. "Engineer" means a professional civil or structural engineer licensed in the state where the property is located.
 2. "ASCE/SEI 31" means, American Society of Civil Engineers Standard "Seismic Evaluation of Existing Buildings". ASCE/SEI 31 can be purchased from ASCE at (800) 548-2723, or by visiting <http://www.pubs.asce.org>.
 3. "RP 6" means, "Standards of Seismic Safety for Existing Federally Owned and Leased Buildings and Commentary," issued by the Interagency Committee on Seismic Safety in Construction as ICSSC RP 6 and the National Institute of Standards and Technology as NISTIR 6762. RP 6 can be obtained from the Building and Fire Research Laboratory, National Institute of Standards and Technology, Gaithersburg, MD 20899, or by visiting <http://fire.nist.gov/bfrlpubs/build02/PDF/b02006.pdf>
 4. "Seismic Standards" mean the Life Safety Performance Level of RP 6, unless otherwise specified.
 5. "Seismic Certificate" means a certificate executed by an Engineer on the Certificate of Seismic Compliance form included with this solicitation as Attachment B, together with any required attachments.
 6. "Tier 1 Evaluation" means an evaluation by an Engineer in accordance with Chapters 2.0 and 3.0 of ASCE/SEI 31. A Tier 1 Evaluation must include the appropriate Structural, Nonstructural and Geologic Site Hazards and Foundation Checklists.
 7. "Tier 2 Evaluation" means an evaluation by an Engineer in accordance with Chapter 4.0 of ASCE/SEI 31.
 8. "Tier 3 Evaluation" means an evaluation by an Engineer in accordance with Chapter 5.0 of ASCE/SEI 31.
- B. Offers to lease space totaling 10,000 Rentable Square Feet or less are exempt from the Seismic Standards unless the space is in a building with an Unreinforced Masonry, Reinforced Concrete Moment-Resisting Frame, Tilt-up Concrete or Precast Concrete Frame structural system. If the offer is exempt from the Seismic Standards, the Offeror shall include in its offer a statement that the building type of the offered building is not Unreinforced Masonry, Reinforced Concrete Moment-Resisting Frame or Precast Concrete Frame. Offers qualifying under this exemption will be evaluated on an equal basis with offers that meet the Seismic Standards.
- C. The Government intends to award a lease to an Offeror of a building that meets the Seismic Standards. If an offer is received which meets the Seismic Standards and the other requirements of this solicitation, then other offers which do not meet the Seismic Standards will not be considered. If none of the offers meet the Seismic Standards, the Contracting Officer will make the award to the Offeror whose building meets the other requirements of this solicitation and provides the best value to the Government, taking into account price, seismic safety and any other award factors specified in this solicitation.
- D. In order to meet the Seismic Standards, an offer must either include a Seismic Certificate establishing that the offered building complies with the Seismic Standards or include a commitment to renovate the building to comply with the Seismic Standards prior to delivery of the space.
1. The Offeror shall provide, with its initial offer, a Seismic Certificate. This certificate must be based upon a Tier 1 Evaluation and must include the checklists from the Tier 1 Evaluation.
 - (a) If the Tier 1 Evaluation does not demonstrate compliance with the Seismic Standards, the Offeror may obtain a Tier 2 or Tier 3 Evaluation in order to demonstrate compliance with the Seismic Standards. If the Offeror submits a Seismic Certificate based on a Tier 2 or Tier 3 Evaluation, the data, working papers, and reports from such evaluation must be made available to the Government.
 - (b) The Contracting Officer may, at his/her discretion, allow an Offeror to submit a Seismic Certificate after the deadline for best and final offers. However, the Contracting Officer is not obligated to delay award in order to enable an Offeror to submit a Seismic Certificate.
 2. If the Offeror proposes to renovate the building in order to meet the Seismic Standards, the Offeror must provide the construction schedule with the offer. All design and construction documents for the renovation, including structural calculations, drawings, specifications, geotechnical report(s), etc. shall be made available to the Government prior to construction. If the offer includes a commitment to renovate the building to meet the Seismic Standards, the Lessor must deliver a Seismic Certificate establishing that the building conforms to the Seismic Standards prior to delivery of the space to the Government; the space shall not be considered substantially complete until an acceptable Seismic Certificate has been delivered to the Contracting Officer.

2. BROKER COMMISSION AND COMMISSION CREDIT (NOV 2006)

- A. For the purposes of this SFO, Jones Lang LaSalle Americas, Inc. (the Broker) is the authorized real estate broker representing GSA. **A GSA CONTRACTING OFFICER MUST REVIEW, APPROVE, AND EXECUTE THE LEASE.** The government expects the Lessor to pay a commission to the Broker. By submitting an offer, the Lessor agrees that if the Lessor is paying a commission or fee in connection with this lease transaction to a listing agent, an offering agent, or broker, property manager, developer, or any other agent or representative, then the Lessor will pay a commission to the Broker that it normally would be

entitled to pursuant to local business practices, as evidenced through a brokerage agreement between the Lessor and the Broker. The commission will be negotiated between the Lessor and the Broker and will be based on a lease term not to exceed the firm term of the lease contract. Commissions will not be negotiated or collected on option periods or for lease terms beyond the firm term of the lease. The Lessor agrees that the commission to be paid to the Broker shall be paid not later than the Lease Commencement date as defined in the "Construction Schedule of Tenant Improvements" paragraph in the MISCELLANEOUS section of this SFO. As part of the offer, the Offeror shall disclose any and all commissions and/or fees to be paid by the Lessor including both the Lessor's agent(s), broker(s), property manager, developer or any other agent or representative and the Broker.

- B. For the benefit of the Government, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction. The resulting total dollar value of the foregone commission (the Commission Credit) shall be applied in equal monthly amounts against shell rental payments due and owing under the Lease. The rental amount payable shall be reduced by the Commission Credit at the commencement of the Lease, over the minimum number of months that will not exceed the monthly shell rental, until the Commission Credit has been fully recaptured. The parties agree to execute a Supplemental Lease Agreement setting forth the full nature, extent, terms, and conditions of commissions paid to the Broker and the Commission Credit to be applied against the Government's rental payment obligations under the Lease.
- C. For purposes of price evaluation, the Commission Credit shall be treated as a deduction from the rent in accordance with the "Price Evaluation" paragraph in the SUMMARY section of this SFO. The amount of the commission paid to GSA's Broker shall not be considered separately as part of this price evaluation since the value of the commission is subsumed in the gross rent rate.

Attachments are listed below:

Attachment 1 to GSA Form 3626 Minimum Lease Security Standards
Form 3516A Solicitation Provisions
Form 3518A Representations and Certifications
Form 3517A General Clauses
Commission Agreement
Pre-Lease Building Security Plan
Form 12000 Pre-lease Fire Protection and Life Safety Evaluation form with a CAD/PDF drawing of the space.

mk
we