

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

November 10, 2010

LEASE NO.

GS-10B-07221

BUILDING NO.

WA7772ZZ

THIS LEASE, made and entered into this date by and between RATTLESNAKE MOUNTAIN DEVELOPMENT CO., LLC

Whose address is 8911 WEST GRANDRIDGE BLVD., SUITE C
KENNEWICK, WA 99336 - 7126

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 17,000 rentable square feet (RSF) of office and related use space, which yields 16,000 ANSI/BOMA Office Area square feet (USF) of space at the [redacted] Building, 2608 South 47th Street, Tacoma, WA to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on September 1, 2011 and continuing through August 31, 2026, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$522,750.00 at the rate of \$43,562.50 per month in arrears for years 1 - 10 and \$554,540.00 at the rate of \$46,211.67 per month in arrears for years 11 - 15.

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

RATTLESNAKE MOUNTAIN DEVELOPMENT CORPORATION, LLC
8911 GRANDRIDGE BLVD., SUITE C
KENNEWICK, WA 99336 - 7126

4. The Government may terminate this lease in whole or in part at any time on or after September 1, 2021 by giving at least 120 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. *Intentionally Deleted*

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

LESSOR

LESSOR NAME

[redacted]

mm / owner

(Title)

IN PRESENCE OF

[redacted]

*8911 Grandridge Blvd #C
Kennewick WA 99336*

(Address)

[redacted]

Contracting Officer, General Services Administration

(Official Title)

(Signature)

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 6WA0433 dated July 14, 2010.
 - B. Build out in accordance with standards set forth in SFO 6WA0433 dated July 14, 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. Standard Form 2 – U.S. Government Lease for Real Property (3 pages)
 - B. Solicitation for Offers 6WA0433 dated July 14, 2010 (51 pages)
 - C. [REDACTED] Special Space Specifications and Requirements, dated November 5, 2009 (13 pages); along with the following attachments:
 - [REDACTED] - IWS/LAN, dated March 17, 2009, (20 pages)
 - IWS/LAN Cable installation and General Notes, no date, (2 pages)
 - DCR LAN Rack, no date, (1 page)
 - [REDACTED] no date, (6 pages)
 - Unican L1000 Simplex, no date, (1 page)
 - Power Assist and Low Energy Power Operated Doors, dated July 29, 1997, (9 pages)
 - Specifications for Intrusion Detection System, dated March 22, 2010, (20 pages)
 - [REDACTED], Table F.2, no date, (1 page)
 - Zephyr Fans, no date, (3 pages)
 - D. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05) (33 pages)
 - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) (7 pages)
8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$700,277.76 (16,000 USF x \$43.76) shall be amortized through the rent for 10 years at the rate of 8.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$101,955.62/USF.
9. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 85.00%.
10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$4.25/RSF (\$72,250.00/annum).
11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.0625 (17,000 RSF/16,000 USF).
12. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.00/USF for vacant space (rental reduction).
13. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$3.25 per hour for the entire building or any portion thereof.
14. *Intentionally Deleted*

The Lessor hereby waives restoration.

LESSOR

UNITED STATES OF AMERICA

BY

asm

(Initial)

BY

JA

(Initial)

15. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$46,480.00 and parcel No. 0320188002.
16. 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 SFO subparagraph 2.3 B. The monthly rent is \$43,562.50. The monthly shell rent is \$29,041.67. The commission credit is [REDACTED] and is calculated as follows:

[REDACTED]

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

The monthly rent payments adjusted for the commission credit are 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>
09/01/11 - 09/30/11	\$43,562.50	\$29,041.67	[REDACTED]	[REDACTED]	[REDACTED]
10/01/11 - 10/31/11	\$43,562.50	\$29,041.67	[REDACTED]	[REDACTED]	[REDACTED]
11/01/11 - 11/30/11	\$43,562.50	\$29,041.67	[REDACTED]	[REDACTED]	[REDACTED]
12/01/11 - 12/31/11	\$43,562.50	\$29,041.67	[REDACTED]	[REDACTED]	[REDACTED]

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. 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.
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.

LESSOR

UNITED STATES OF AMERICA

BY

DSM

(initial)

BY

JA

(initial)