

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

Sierra Center
Reno

DATE OF LEASE: MAR 19 2010

LEASE No. GS-09B-02147

THIS LEASE, made and entered into this date between Mt. Hood, LLC,

whose address is: c/o WCM - Asset Manager, 1301 5th Avenue, Suite 1500
Seattle, WA 98101-2632

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:
35,692 rentable square feet (r.s.f.), yielding 31,088 ANSI/BOMA Office Area square feet and related space located on the 1st and 2nd floor of 6999 Sierra Center Parkway, Reno, Nevada, 89511-2213, together with thirty-eight (38) secured, reserved, access controlled parking spaces (of which 14 are covered), as depicted on the attached First generation blue-line plan (Exhibit A) ("the "Premises") to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. TO HAVE AND TO HOLD the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following fifteen (15) years, ten (10) years firm term in accordance with the Paragraph entitled "Inspection of Premises" herein, subject to termination rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent as follows:

Months	Shell Rate (r.s.f. per year)	Itemized, Security Related Shell Costs (r.s.f. per year)	Annual Base Year Service Cost (r.s.f. per year)	Annual Amortized T.I.'s (r.s.f. per year)	Annual Total Rent (r.s.f. per year)	Total Monthly Rent	Total Annual Rent
1 - 6	\$ 0.00	\$0.00	\$0.00	\$0.00	\$ 0.00	\$ 0.00	\$ 0.00
7 - 120	\$18.714538	\$1.230214	\$7.710047	\$3.665201	\$31.320000	\$93,156.12	\$1,117,873.44
121- 180	\$24.689953	\$0.00	\$7.710047	\$0.00	\$32.400000	\$96,368.40	\$1,156,420.80

The Government shall pay rent monthly, in arrears. Rent for a lesser period will be prorated. Rent shall be abated for the first six (6) months of the Lease. The cost for the 38 parking spaces referenced in Paragraph 1 of this SF-2 are included in the Shell Rent.

Rent checks shall be payable to:

Mt. Hood, LLC, c/o WCM its Asset Manager
1301 5th Avenue, Suite 1500
Seattle, WA 98101-2632

4. The Government may terminate this lease, in whole or in part, at any time on or after the end of the ten (10) year firm term by giving at least ninety (90) days prior 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.
5. PARAGRAPH 5 IS INTENTIONALLY OMITTED

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The thirty-eight (38) parking spaces described in Paragraph 1 and parking spaces required by local code.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's final construction drawings. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All costs associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 4NV0102 and its attachments.
 - C. Adequate space for telecommunications antennae in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access." of the Solicitation for Offers.

7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number 4NV0102 (55 pages);
- b) [REDACTED] - Space Request Package, pages 1-3, dated 6/22/09;
- c) [REDACTED], pages 1-17, dated June 4, 2009;
- d) [REDACTED], Security Standards For Leased Space, pages 1-17, dated 9/29/04;
- e) [REDACTED], Space Planning & Facilities Management, pages 1-7, dated January 1, 2009;
- f) GSA Form 3517B - dated November, 2005 (33 pages);
- g) GSA Form 3518 - dated January, 2007 (7 pages);
- h) Sheet numbers 1 - 2 containing Paragraphs 9 - 26 Attached To and Forming A Part of Lease No. GS-09B- 02147
- i) Exhibit A - Premises (3 pages);

8. The following changes were made in this lease prior to its execution:

Paragraph 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 26 have been added.

LESSOR: MT HOOD, LLC

By: OE MT. HOOD, LLC,
a Washington limited liability company

By: Washington Capital Management, Inc.,
a Washington corporation,
Its Manager

By: [REDACTED]

Date: 5/10/2010

IN PRESENCE OF [REDACTED]

1301 5th Ave Suite 1500 Seattle WA
(Address) 98101

[REDACTED] SERVICES ADMINISTRATION, Public Buildings Service:

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-102147

9. Paragraph Number 9 is intentionally omitted.
10. Paragraph Number 10 is intentionally omitted.
11. The Lessor shall have eighty (80) working days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. TAX ADJUSTMENT: Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 35,692/ 35,692 rentable square feet (100.0 %).
13. OPERATING COST: Pursuant to Paragraph 4.3 of Solicitation For Offers (SFO) Number 4NV0102, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$ 7.710047 per rentable square foot per annum.
14. ADJUSTMENT FOR VACANT PREMISES: Pursuant to Paragraph 4.4 of Solicitation For Offers (SFO) Number 4NV0102, "Adjustment for Vacant Premises", in the event of the Government vacating, in whole, prior to lease expiration, the rental will be reduced by \$4.60 per rentable square foot per annum for operating expenses, or in part the rental will be reduced by \$1.50 per rentable square foot per annum. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs."
15. OVERTIME USAGE: Pursuant to Paragraph 4.6 of Solicitation For Offers (SFO) Number 4NV0102, "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. – 5:00 p.m., Monday through Friday, and except Federal Holidays, at an hourly rate of \$75.00 per hour per floor, or \$50.00 per hour per zone of approximately one-half floor. The maximum hourly rate is \$150.00 per hour to provide HVAC for the entire building. These rates shall apply for the entire lease term. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours.
16. 24 HOURS ROOMS/COMPUTER ROOMS: The charges for heating and cooling of these areas shall be provided based upon the actual costs from the meter reading after "Normal Hours." Lessor shall bill GSA quarterly detailing evidence of actual cost. As part of the tenant improvement cost, the Lessor shall purchase and install an independent HVAC unit serving room(s) requiring 24 hour HVAC. As part of the Lessor's shell cost, Lessor shall purchase and install a meter within the common electrical room within the building to measure the consumption of electricity associated with the room(s) requiring 24 hour HVAC.
17. TENANT IMPROVEMENT ALLOWANCE: The maximum Tenant Improvement Allowance has been established by Paragraph 3.2 of Solicitation For Offers (SFO) Number 4NV0102, "Tenant Improvements Included in Offer" to be \$1,308,183.00 (\$42.083996). The Tenant Improvement Allowance shall be amortized over the 10 year firm term of the lease agreement at an interest rate (amortization rate) of 0.0% per year. The maximum Building Specific Security Allowance is \$439,088.00 and shall be amortized over the 10 year firm term of the lease agreement at an interest rate (amortization rate) of 0.0% per year. If the Government requests additional amortization in excess of the maximum limit established above (\$1,747,271.00), the Lessor shall amortize the overage at a rate of 10% per annum.
18. BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:
 - A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.12 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
 - B. The price proposal required to be provided by Lessor in SFO Paragraph 5.12 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.3, B (1) through (9), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
 - C. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
 - D. The construction schedule required in Paragraph 5.12 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.12, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
 - E. In addition to the submission requirements specified under Paragraph 5.12, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format twenty (20) working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.
19. ACCEPTANCE OF SPACE:
 - A. The following is added to Paragraph 5.12 G (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
 - B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.

Initials mm (Lessor)/Gov't

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09R-02147

C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

20. OCCUPANCY REPORTS:

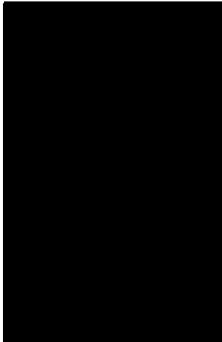
- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

21. UNAUTHORIZED IMPROVEMENTS: All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.

22. 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"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

23. UNIT COSTS FOR ADJUSTMENT:

Pursuant to Paragraph 5.2, "Unit Costs for Adjustment", the following negotiated amounts may be used, during the first year of the lease to price alterations costing \$100,000 or less. Prices include labor, materials and installation. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government:



ITEM	UNIT COST
Ceiling High Partitioning	
Floor Duplex Electrical (first floor/ second floor)	
Wall Duplex Electrical	
Floor Fourplex Electrical (first floor/ second floor)	
Wall Fourplex Electrical	
Dedicated Electrical Outlet	
Floor Telephone Outlet (first floor/ second floor)	
Wall Telephone Outlet	
Interior Door	

24. WAIVER OF RESTORATION: The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

25. 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 of SFO #4NV0102, 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 Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. As Lessor has provided free rent for the initial six (6) months of the lease term, the reduction in shell rent shall commence with the seventh month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Initials (Lessor)  (Gov't) 

SHEET NUMBER 3 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02147

Seventh Month's Rental Payment \$93,156.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Seventh Month's Rent;

Eighth Month's Rental Payment \$93,156.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Eighth Month's Rent;

Ninth Month's Rental Payment \$93,156.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Ninth Month's Rent;

Tenth Month's Rental Payment \$93,156.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Tenth Month's Rent;

Eleventh Month's Rental Payment \$93,156.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Eleventh Month's Rent.

26. TENANT IMPROVEMENT FEE SCHEDULE:

The following fee schedule shall be applied to the Tenant Improvement costs paid by the Government.

1. General Conditions shall be 5% of the total subcontractor's costs associated with the Tenant Improvements;
2. General Contractor's fee shall be 4% of the total subcontractor's costs associated with the Tenant Improvements;
3. Lessor's Project Management fee shall be 2.5% of the total subcontractor's costs associated with the Tenant Improvements;
4. Architectural Fees owed by the Government shall not exceed \$2.00/ABOA-SF.

*Aug 3
Sept
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
June*

*7th month
8th
9th
10th
11th*

Initials (Lessor) / *[Signature]* (Gov't)