

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE

August 7, 2009

LEASE NO.
09WSA0200C

THIS LEASE, made and entered into this date by and between

Port of Newport

whose address is **600 SE Bay Boulevard
Newport, OR 97365**

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 to be used for a Marine Operations Center and other Government uses:

A total of 37,491 ANSI/BOMA Office Area square feet (USF) (28,205 USF of base requirement and 9,286 USF of additional warehouse requirement) of space (equal to 40,852 rentable square feet (RSF)) consisting of 17,100 RSF of office space, 14,002 RSF of warehouse and related space, and 9,750 RSF additional warehouse space. The office space shall be located in a two-story steel frame tilt-up concrete building with configuration and design in accordance with the drawings attached hereto and the specifications set forth in Solicitation for Offers 09WSA0200C; and a single-story warehouse steel frame tilt-up concrete building with configuration and design in accordance with the drawings attached hereto and the specifications set forth in Solicitation for Offers 09WSA0200C.

A total of 30,000 square-feet (SF) of paved equipment laydown and outdoor storage area located in accordance with the attached site plan.

Two (2) 35 foot wide piers serving a single wharf that is 35 feet (equal to 33 useable feet) wide and 1,300 feet long. The west end of the wharf shall be double loaded for berths 1 and 2 (see attached Dimensional Layout Base Plan C1.1). The remaining four (4) berths will be single loaded on the channel (north) side of the wharf. The pier load capacity must be equal to or greater than 500 pounds live load per square foot for all berths. Further, the piers must meet all requirements outlined in Section 1.2 C of Solicitation for Offers 09WSA0200C. The location of the piers and wharf shall be in accordance with the attached Dimensional Layout Base Plan C1.1.

A small boat dock that is ten (10) feet wide by 225 feet long and constructed with concrete floats. The dock shall be double loaded and will have a single aluminum gangway connection to the fixed pier in accordance with the attached drawings. The location of the small boat dock shall be in accordance with the attached site plan.

All other space requirements outlined in the Program of Requirements and Solicitation for Offers 09WSA0200C including but not limited to the hazardous material storage building, contractors shed, guard station, and the totem pole structure. All structures shall be constructed and located in accordance with the Program of Requirements, Solicitation for Offers 09WSA0200C, and the drawings and plans attached hereto.

The site is located west of OSU Drive on the Yaquina Bay in accordance with the attached site plans. The approximate latitude and longitude of the site is 44° 37'31" North, 124° 02' 50" West.

2. **TO HAVE AND HOLD** the said premises with their appurtenances for a 20 year firm term beginning on July 1, 2011 through June 30, 2031. The parties will execute a Supplemental Lease Agreement (SLA) following the

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lease execution date to confirm the commencement and expiration dates, if different from the dates indicated above.

3. The Government shall pay the Lessor an annual rent of **\$2,533,439.48 (equal to \$86.80 for 28,205 USF of base requirement and \$9.18 for 9,286 USF of additional warehouse requirement)** at the rate of **\$211,119.96** per month in arrears. The rent includes a tenant improvement allowance of \$3,243,575.00 or \$115.00 per BOASF (equal to 28,205 X \$115.00 BOASF (USF)). The tenant improvement allowance shall be amortized over the term of the lease at 6.5%. The Annual Rent does NOT include interior utilities and interior janitorial; however the annual rent does include the Operating Expenses (line 27 of GSA form 1217). Rent for a lesser period shall be prorated. Rent shall be made payable to: **The Port of Newport, 600 SE Bay Boulevard, Newport, OR 97365.** Rent shall be paid via Electronic Funds Transfer (Direct Deposit).

4. This paragraph has been deleted prior to execution.

5. This paragraph has been deleted prior to execution.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

- a. Space, services, and supplies as set forth in Solicitation for Offers (SFO) 09WSA0200C, dated November 24, 2008, with all amendments and additional provisions, which are incorporated and made a part of this lease.
- b. A minimum of one hundred and eighty-three (183) on-site parking spaces, at least one hundred (100) of which will be secured and lit in accordance with Solicitation for Offer 09WSA0200C. Of the one hundred and eighty-three (183) parking spaces a certain number must be reserved for the handicapped; this number shall be in accordance with local code. The parking spaces shall be located in accordance to the site plan attached hereto. In the event local code requires a greater amount and type of parking spaces than referenced above, then the amount and type of spaces required by local code shall be provided.
- c. The Government is entitled to a tenant improvement allowance equal to \$3,243,575.00 or \$115.00 per BOASF (equal to 28,205 X \$115.00 BOASF (USF)). The amortized cost of the tenant improvement allowance is included in the annual rent stated herein; however, the Government may return any unused portion of the tenant improvement allowance in exchange for a decrease in rent, as further outlined in Paragraph 3.3 of the SFO. Further, if the Government anticipates spending more than its allotted allowance, the Government, at its sole discretion, has the right to borrow an additional \$20.00 per BOASF which shall be amortized over the term of the lease at 6.5%.

The collective total of fees associated with the Lessor's administrative, general contractor, overhead and profit, general conditions, and architectural/engineering costs for the Government's tenant improvements shall not exceed twenty-one percent (21%). All of these fees shall be paid out of the tenant improvement allowance. For purposes of clarification, any costs associated with the Lessor's building shell requirements as further outlined in the SFO shall be at the sole expense of the Lessor.

- d. In accordance with Paragraph 7.12 of the SFO, the Lessor is required to paint the demised premises every four (4) years and required to paint the public areas at least every three (3) years.
 - e. The Lessor is responsible for exterior maintenance and janitorial cleaning of the premises, property and grounds as specified in Paragraphs 4.7, 4.8 and 4.9 of the SFO, and as may be stated elsewhere in the SFO.
 - f. In accordance with GSA Form 3517B, Clause No. 20, of this lease, the Government shall have the right to measure the space to confirm the amount of space delivered to the Government. In the event that the usable square footage is less than 37,491 USF the annual rent shall be revised to reflect the lower square footage amount. However, payment will not be made for delivered space which is in excess of the maximum USF solicited unless otherwise agreed to by the Government. Should the rental rate then vary from that stated in Article 3 of the Standard Form 2 of this lease, the revised rental will be established by a supplemental lease agreement to this lease.
7. The First Year rental consideration is **\$86.80 for 28,205 USF of the base requirement and \$9.18 for 9,286 USF of additional warehouse requirement**; of the **\$86.80 for 28,205 USF of base requirement, \$5.55** per NUSF is attributed to operating expenses (line 27 of the 1217). Operating expenses will be adjusted annually on the anniversary date of the lease in accordance with SFO paragraph 4.3. The base for operating expenses is

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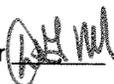
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\$156,600.00, excluding utilities and interior janitorial services which will be paid by the Government as specified in Solicitation for Offers 09WSA0200C. Real estate taxes, Insurance, and Department of State Lands (DSL) Land Lease costs are included in the annual rent and will be adjusted and paid annually on the anniversary date of the lease in accordance with Solicitation for Offers 09WSSA0200C as amended. The base year insurance is the insurance premium for the first full 12-month period coincident with Government occupancy of leased space in its entirety.

8. The following are attached and made apart hereof:

- a. Additional Provisions to Lease No. 09WSA0200C (1 page).
- b. Solicitation for Offers 09WSA0200C, dated November 24, 2008 (61 pages).
- c. Amendment No. 1 to SFO No. 09WSA0200C, dated December 19, 2008 (1 page).
Amendment No. 2 to SFO No. 09WSA0200C, dated January 12, 2009 (1 page).
Amendment No. 3 to SFO No. 09WSA0200C, dated May 4, 2009 (7 pages).
- d. Marine Operations Center - Pacific (MOC-P) Program of Requirement, dated November 21, 2008 (178 pages).
- e. Attachment #1 – Rate Structure (1 page).
- f. Attachment #1 – Rate Structure – Additional Warehouse Space (1 page).
- g. GSA Form 1217 – Lessor's Annual Cost Statement, dated June 4, 2009 (2 pages).
- h. GSA Form 12000 – Fire Protection and Life Safety, dated May 2005 (4 pages).
- i. Pre-Lease Building Security Plan (6 pages).
- j. Construction Schedule, dated May 30, 2009 (3 pages).
- k. Building and Pier Seismic Certification (2 pages).
- l. GSA Form 3518 – Certifications and Representations, July 2004 (7 pages).
- m. GSA Form 3517 B – General Clauses, November 2005 (33 pages).
- n. Parking Plan and Narrative (1 page).
- o. Site Plan (3 pages).
- p. Building Design Drawings and Narrative (10 pages).
- q. Pier Design Drawings and Narrative (7 pages).

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9. The following changes were made in this lease prior to its execution:
- a. Articles 4 and 5 were deleted in their entirety prior to execution of the lease.

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

LESSOR : Port of Newport

Don Mann, GM.

(Signature)

(Signature)

Name of Signer Don Mann, General Mgr.

Name of Singer _____

In Presence Of

Dean Fleck

(Signature)

(Signature)

Name of Signer Dean Fleck, V-P

Name of Singer _____

UNITED STATES OF AMERICA

BY

James Barrows
James Barrows (Signature)

Contracting Officer, Facilities and Logistics Division

(Official Title)

Lessor *Don Mann* Govt. *[Signature]*

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LESSOR : Port of Newport

Ginny Goblirsch *JoAnn Barton*
 (Signature) (Signature)

Name of Signer Ginny Goblirsch, Comm. Pres • Name of Singer JoAnn Barton, Comm. Sec.

In Presence Of
Dean Fleck *Don Mathews*
 (Signature) (Signature)

Name of Signer Dean Fleck, Comm. VP Name of Singer Don Mathews, Comm. Treas.

UNITED STATES OF AMERICA

BY *James Barrows* Contracting Officer, Facilities and Logistics Division
 James Barrows (Signature) (Official Title)

Lessor *Delaware* Govt. *[Signature]*

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