

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE <p style="text-align: center; font-size: 1.2em;">JUL 16 2011</p>	LEASE NO. GS-10B-07107	BUILDING NO. OR6359
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THIS LEASE, made and entered into this date by and between **EQUITABLE CENTER, LLC**

Whose address is **530 CENTER ST NE STE 110
SALEM, OREGON 97301 - 3761**

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:

- The Lessor hereby leases to the Government the following described premises:

A total of 6,160 rentable square feet (RSF) of office and related space, which yields 5,600 ANSI/BOMA Office Area square feet (USF) of space at The Equitable Center, 530 Center Street N.E., 4th Floor, Salem, Oregon to be used for such purposes as determined by the General Services Administration. In addition, Lessor leases to the Government five (5) reserved, structured parking spaces.

- TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon beneficial occupancy and continuing for ten years, subject to termination and renewal rights as may be hereinafter set forth.

- The Government shall pay the Lessor Annual Rent of \$165,560.16 at the rate of \$13,796.68 per month in arrears and Annual Rent of \$124,274.40 at the rate of \$10,356.20 per month in arrears for years 6 - 10. The rent includes parking at a rate of \$60.00 per month/per space for five (5) spaces, or an annual amount of \$3,600.00 for the initial term of ten (10) years, option years 11 - 15 and option years 16 - 20.

Rent Period ¹	Shell Rent	Operating Rent ²	Amortized Tls ³	Annual Parking	Annual Rent	Monthly Rent
07/01/11-06/30/16	\$83,714.40	\$30,861.60	\$47,384.16	\$3,600.00	\$165,560.16	\$13,796.68
07/01/16-06/30/21	\$88,812.80	\$30,861.60	\$00.00	\$3,600.00	\$124,274.40	\$10,356.20

¹ Dates are estimates which may adjust subject to Beneficial Occupancy and rent for the estimated period of 07/01/11 through 08/31/11 is adjusted pursuant to Paragraph 15 below.

² Base Operating Rent subject to adjustments in accordance with the SFO paragraph 4.3.

³ Amortized Tls for years 1-5 subject to Paragraph 3.3.

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

**EQUITABLE CENTER, LLC
530 CENTER ST NE STE 110
SALEM, OREGON 97301 - 3761**

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

LESSOR
EQUITABLE CENTER, LLC

BY _____

IN PRESENCE _____

UNITED STATES OF AMERICA

BY _____

Contracting Officer, General Services Administration
(Official Title)

CR

4. The Government may terminate this lease in whole or in part at any time on or after the fifth lease year by giving at least 90 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. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

Rent Period	Shell Rent	Operating rent*	Annual Parking	Annual Rent*	Monthly payment*
07/01/21-06/30/26	\$102,132.80	\$30,861.60	\$ 3,600.00	\$136,594.40	\$11,382.87
07/01/26-06/30/31	\$114,452.80	\$30,861.60	\$ 3,600.00	\$148,914.40	\$12,409.53

*Operating Rent subject to required adjustments in accordance with the SFO paragraph 4.3.

provided notice be given in writing to the Lessor at least 90 days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO GS-10B-07107 dated December 1, 2009, as amended December 16, 2009.
 - B. Build out in accordance with standards set forth in SFO GS-10B-07107 dated December 1, 2009, as amended December 16, 2009 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. Solicitation for Offers GS-10B-07107 dated December 1, 2009 (pages 1-49), attached Special Requirements (12 pages) and Amendment 1 dated December 16, 2009 (1 page).
 - B. GSA Form 3517B entitled GENERAL CLAUSES (Rev 11/05) (pages 1-33)
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev 1/07) (pages 1-7)
 - D. Building Floor Plan (undated) (1 page)
8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of \$204,247.68 (5,600 USF x \$36.4728) shall be amortized through the rent for five (5) years at the rate of 6.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$47,384.16.
9. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$9,753.82 and Account No. R89034, R89035, and R89036.
10. In accordance with the SFO paragraph 4.2 B entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 4.8467% (6,160 RSF/127,096 RSF).
11. In accordance with the SFO paragraph 4.3 entitled *Operating Costs Base*, the escalation base is established as \$30,861.60/annum.
12. In accordance with the SFO paragraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.10 (6,160 RSF/5,600 USF).
13. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.50/USF for vacant space (rental reduction).

LESSOR

UNITED STATES OF AMERICA

BY _____


(Initial)

BY _____


(Initial)

14. In accordance with the SFO paragraph 4.6 entitled *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 a rate of \$15.00 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 400 – 15th Street SW, Auburn, WA 98001, to receive payment.

15. 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 \$13,796.68. The monthly shell rent is \$6,976.20. The commission credit is [REDACTED] and is calculated as follows:

Commission: [REDACTED]
 GSA Commission Credit: [REDACTED]
 Studley/LaBonde Land, Inc. Commission: [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>
07/01/11 – 07/31/11	\$13,796.68	\$6,976.20	[REDACTED]	[REDACTED]	[REDACTED]
08/01/11 – 08/31/11	\$13,796.68	\$6,976.20	[REDACTED]	[REDACTED]	[REDACTED]
09/01/11 – 09/30/11	\$13,796.68	\$6,976.20	[REDACTED]	[REDACTED]	[REDACTED]

16. 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.
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. 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"; where the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
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.
20. The Lessor must provide a Seismic Certificate establishing that the building conforms to Seismic Standards upon beneficial occupancy. Shall the Government not be in receipt of such Seismic Certificate, the Government will seek compliant space with the intent of terminating the lease after the five year firm term.


LESSOR

UNITED STATES OF AMERICA

BY _____


(Initial)

BY _____


(Initial)