

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

JUN 23 2010

LEASE NO.

LOR07161

BUILDING NO.

OR6644

THIS LEASE, made and entered into this date by and between HOLIDAY PLAZA III, LIMITED LIABILITY COMPANY

Whose address is 2260 MCGILCHRIST ST SE  
SALEM, OR 97302-1183

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 7,245 rentable square feet (RSF) of office and related space, which yields 6,930 ANSI/BOMA Office Area square feet (USF) of space at Spinnaker Place, 2601 25<sup>th</sup> Street, Salem, Oregon, 97302-1033, to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 11 reserved parking spaces for exclusive use of Government.

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

- The Government shall pay the Lessor annual rent of \$120,846.60 per the table below.

Rent Period	Shell Rent <sup>1</sup>	Operating Rent <sup>2</sup>	Amortized Tls <sup>3</sup>	Amortized Building Specific Security	Annual Rent <sup>4</sup>
Years 1-5	\$58,394.70	\$27,893.25	\$32,855.13	\$1,738.80	\$120,881.88
Year 6-10	\$63,611.10	\$27,893.25	\$32,855.13	\$1,738.80	\$126,098.28
Year 10-15	\$67,813.20	\$27,893.25	\$-0-	\$-0-	\$95,706.45

<sup>1</sup> The Shell Rent amount includes the base year tax amount as shown in Paragraph 10 of this SF2.

<sup>2</sup> Operating Rent base shall be adjusted per Paragraph 12 of this SF2.

<sup>3</sup> See Paragraph 9 of this SF2.

<sup>4</sup> The annual rent owed for the first year of the lease will be adjusted per Paragraph 16 of this SF2.

Rent shall be paid monthly in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

*BGC*  
HOLIDAY PLAZA III, LLC  
2260 MCGILCHRIST *Street SE BGC*  
SALEM, OR 97302-1183

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

LESSOR  
HOLIDAY PLAZA III, LIMITED LIABILITY COMPANY

IN PRESENCE

*Barton G. Colson, President of Premier Management Services Corp.,  
Manager of Holiday Plaza III Limited Liability Company*

*2260 McGilchrist St SE Salem, OR 97302-1183*  
(Address)

UNITED STATES OF AMERICA

BY

Contracting Officer, General Services Administration  
(Official Title)

4. The Government may terminate this lease in whole or in part at any time on or after the tenth 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. Renewal Options – Paragraph intentionally deleted.
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 6OR0138 dated December 3, 2009, as amended.
  - B. Build out in accordance with standards set forth in SFO 6OR0138 dated December 3, 2009, as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award.
  - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
7. All terms, conditions, and obligations of the Lessor and the Government are set forth in the following:
  - A. Standard Form 2 (pages 1-3)
  - B. Solicitation for Offers 6OR0138 dated 12/3/09 (pages 1-53), Amendment 1 dated 3/19/10 (6 pages), and Amendment 2 dated 4/13/10 (2 pages)
  - C. Agency Special Requirements (pages 1-37)
  - D. GSA Form 3517B (pages 1-33) entitled GENERAL CLAUSES (Rev. [11/05])
  - E. GSA Form 3518A entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (pages 1-4)
  - F. GSA Form 1217 (1 page) entitled LESSOR'S ANNUAL COST STATEMENT
  - G. GSA Form 1364 (2 pages) entitled Proposal to Lease Space
  - H. Site Plan (1 page)
8. The following paragraphs 9 through 23 of this Standard Form 2 have been added to this lease prior to its execution.
9. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the amount of \$328,551.30 shall be amortized through the rent for 10 years at the rate of 0%, at which point the TIs will have been fully paid and will be reduced from the rent.
10. Building Specific Security Costs in the amount of \$17,388.00 shall be amortized through the rent for 10 years at the rate of 0%, at which point the Building Specific Security Costs will have been fully paid and will be reduced from the rent.
11. In accordance with the SFO paragraph 4.2, entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$7,366.41 and the parcel number is R82587.
12. In accordance with the SFO paragraph 4.2 (B) 9 the percentage of Government occupancy is established as 10.54% (7,245RSF/68,733RSF).
13. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the escalation base is established as \$3.85/RSF (\$27,893.25/annum).
14. In accordance with the SFO paragraph 2.2 entitled *Seismic Safety for Existing Construction*, the Lessor certifies that the construction type is steel I-Beam construction and a Seismic Exemption has been granted.
15. In accordance with SFO paragraph 1.7 entitled *Area of Consideration*, the Lessor must provide certification documenting that the site is not located in a flood plain prior to beneficial occupancy.
16. In accordance with the SFO paragraph 4.1 (C) entitled *Common Area Factor*, the common area factor is established as 1.045 (7,245 RSF/6,930 USF).

LESSOR

UNITED STATES OF AMERICA

BY BGC

BY LR

(Initial)

(Initial)

17. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.16/USF of vacant space (rental reduction).
18. In accordance with the SFO paragraph 4.6 entitled *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour for the entire building or any portion thereof.
19. 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 Section 2.5 B. of the SFO. The commission credit shall begin in month one (1) of the Lease. The monthly rent is \$10,073.49. The monthly shell rent is \$4,866.23. The commission credit is calculated as follows:

TOTAL RENT: Years 1-5: \$120,881.88 x 5 = \$604,409.40  
 Years 6-10: \$126,098.28 x 5 = \$630,491.40  
 TOTAL FIRM TERM: \$1,234,900.80

Total Commission: [REDACTED]  
 GSA Credit: [REDACTED]  
 Jones Lang LaSalle

The monthly rent adjusted for the total GSA commission credit of \$15,806.73 is as follows:

<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Rent/Commission Credit</u>	<u>Rent/Commission Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
Month 1	\$10,073.49	\$4,866.23	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$10,073.49	\$4,866.23	[REDACTED]	[REDACTED]	[REDACTED]
Month 3	\$10,073.49	\$4,866.23	[REDACTED]	[REDACTED]	[REDACTED]
Month 4	\$10,073.49	\$4,866.23	[REDACTED]	[REDACTED]	[REDACTED]

The Lessor agrees that the commission of [REDACTED] is due and payable to Jones Lang LaSalle pursuant to that certain Broker Commission Agreement dated December 2, 2009.

20. 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 buildout 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.
21. 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.
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"; where the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
23. 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 BGC

BY LR

(Initial)

(Initial)