

**US GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE

APR 21 2010

LEASE NO.

GS-10B-07163

Bldg.# OR6732

THIS LEASE, made and entered into this date between **Lindquist Homes**

whose address is: 702 SE Powell Blvd.
Portland, OR 97202-2625

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:
53,064 rentable square feet (RSF.), yielding approximately 47,805 ANSI/BOMA Office Area square feet and related space located on the First (1st), Second (2nd), Third (3rd), and Fourth (4th) Floors at 4310 SW Macadam Avenue, Portland, OR 97239-4222, together with one-hundred-two (102) secured onsite parking spaces and four (4) surface parking spaces provided at no cost to the Government, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
- TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on upon Beneficial Occupancy by the Government for fifteen (15) years, subject to renewal rights hereinafter set forth. Pursuant to Paragraph 1.10 of the Solicitation For Offers, "Occupancy Date," Occupancy is required by April 30, 2011.
- RENTAL RATE:** The Government shall pay the Lessor annual rent per the table below, per month in arrears. Rent for a lesser period shall be prorated.

	Annual Rent (yrs 1-5)	Monthly Rent (yrs 1-5)	Annual Rent (yrs 6-10)	Monthly Rent (yrs 6-10)	Annual Rent (yrs 11-15)	Monthly Rent (yrs 11-15)
Shell Rental Rate	\$1,642,330.80	\$136,860.90	\$1,748,458.80	\$145,704.90	\$1,859,893.20	\$154,991.10
TI Rental Rate	\$213,909.29	\$17,825.77	\$213,909.29	\$17,825.77	\$213,909.29	\$17,825.77
Building Specific Security	\$32,899.68	\$2,741.64	\$32,899.68	\$2,741.64	\$32,899.68	\$2,741.64
Operating Cost Rate	\$232,420.32	\$19,368.36	\$232,420.32	\$19,368.36	\$232,420.32	\$19,368.36
Full Service Rent	\$2,121,560.09	\$176,795.67	\$2,227,688.09	\$185,640.67	\$2,339,122.49	\$194,926.87

Rent checks shall be payable to:

Lindquist Homes
702 SE Powell Blvd.
Portland, OR 97202-2625

- TERMINATION RIGHTS:** Paragraph intentionally deleted.

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



President

702 SE Powell (Title)
Portland, Oregon 97202

(Address)

STEPHEN D. MONKEWICZ
Stephen D. Monkewicz, Contracting Officer, GS
CONTRACTING OFFICER

5. **RENEWAL OPTIONS:** The Government may renew this Lease for [REDACTED] option period provided notice be given in writing to the Lessor at least two-hundred-seventy (270) days before the end of the original lease term. Said notice shall be computed commencing with the day after the date of mailing. All other terms and conditions of this lease shall remain the same during any renewal term. For the [REDACTED] the Government shall pay the Lessor annual rent of [REDACTED] 0 at the rate of \$ [REDACTED] per month in arrears. Rent for a lesser period shall be prorated. The operating cost base for the option period is established in paragraph 12 of this SF2 and will continue to be adjusted during the option period. The shell rate for the option period will be determined by the annual rate stated in this paragraph less the operating rate at the time of renewal.
6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- The one-hundred-six (106) parking space(s) described in Paragraph 1 at no cost to the Government, and parking spaces required by local code. The market value of each parking space is \$185.00 monthly.
 - 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. All costs associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by Solicitation For Offers (SFO) No. 6OR0135 and its attachments.
 - Adequate space for telecommunications antennae and transmission devises in accordance with Paragraph 8.14 of the SFO entitled, "Telecommunications: Local Exchange Access".
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:
- The Solicitation For Offers Number 6OR0135 (pages 1-57) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - Special Requirements (Pages 1-740);
 - Amendment Number 1 (pages 1-4);
 - Amendment Number 2 (pages 1-8);
 - Amendment Number 3 (pages 1-8); *SOM*
 - Amendment Number 4 (pages 1-2);
 - GSA Form 3517B (pages 1-33);
 - GSA Form 3518 (pages 1-7);
 - SF-2 and attached pages containing paragraphs 1-24 (pages 1-5);
 - CD containing first generation CAD drawings of the Leased Space;
 - Site Plan;
 - GSA Form 1364 (pages 1-2);
 - GSA Form 1217 (pages 1-2);
- In the event of any conflict between the provisions of this SF2 and any lease documents incorporated by reference as an attachment hereto, the provisions of this SF2 shall control and take precedence.
8. The following changes were made in this lease prior to its execution:
Paragraph 4 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 25 have been added.
9. The Lessor shall have one hundred (100) working days from the issuance of the Tenant Improvement Construction Notice to Proceed to complete the build-out of the entire space. All items specified in the Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
10. **WAIVER OF RESTORATION:** 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 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.

LESSOR

UNITED STATES OF AMERICA

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11. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2 of the SFO, "Tax Adjustment," for purposes of tax escalation, the Government occupies 53,064/53,064 rentable square feet (100.00%) and the tax property ID number is [REDACTED], on lot number 1S1E10CD-00500.
12. **OPERATING COSTS:** Pursuant to Paragraph 4.3 of the SFO, "Operating Costs," the base rate for the purposes of operating cost escalation is established at \$4.38 per rentable square foot per annum, and shall be adjusted according to CPI as specifically described in Paragraph 4.3 of the SFO.
13. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4 of the SFO, "Adjustment for Vacant Premises," in the event of the Government vacating in whole or in part prior to lease expiration, the rental rate will be reduced by \$2.50 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3 of the SFO, "Operating Costs."
14. **OVERTIME USAGE:** Pursuant to Paragraph 4.6 of the SFO, "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 ("Normal Hours")), at a rate of \$30.00 per hour per floor. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee to receive payment.
15. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$0.00 per hour after "Normal Hours."
16. **TENANT IMPROVEMENT ALLOWANCE:** The Tenant Improvement Allowance has been established by Paragraph 3.2 of the SFO, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance of \$44,188,200/ANSI BOMA sq. foot shall be amortized over the fifteen (15) year full term of the lease agreement at an interest rate (amortization rate) of 6% per year.
17. **TENANT IMPROVEMENT BUILD OUT:** The Premises are to be built out in accordance with the provisions hereinafter set forth in this lease. The actual amount of build-out will be determined by the Government approved layout. No deviation from this layout will be allowed except for those changes approved in writing by the General Services Administration Contracting Officer. Upon completion of the improvements to the Premises by the Lessor, and acceptance by the Government, the new annual rent, the Lease Commencement and Lease Expiration dates shall be established by Supplemental Lease Agreement (SLA).
18. **ADJACENCIES:**
All agencies listed in the [REDACTED] Program of Requirements must be met. The agencies are depicted on pages 6-9 of the Program of Requirements and the Offeror must be in compliance with all stated necessary agencies on all occupied floors.
19. **TENANT IMPROVEMENT PRICING/CONSTRUCTION SCHEDULE:**
 - A. Budget and Price Proposals for Tenant Improvements
 - (1) The Lessor shall submit to the Government a tenant improvement budget proposal with the Government Approved Design Intent Drawings which shall meet the requirements of the Lease Agreement.
 - (2) The price proposal referenced therein shall be a price proposal based on the Tenant Improvements and associated work shown on the Working Drawings/Construction Drawings. The Lessor shall submit the price proposal together with the Working Drawings/Construction Drawings.
 - B. Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in a format meeting the requirements of Paragraph 5.3 of the SFO (as amended), at least ten (10) working days prior to "Substantial Completion". Lessor acknowledges that the Government will not be responsible for the payment of any changes to the Tenant Improvements not approved in writing by the Contracting Officer in accordance with the terms of this Lease.
 - C. Per Paragraph 5.3 B. 5. of the SFO, a minimum of two qualified general contractors shall be invited to participate in the competitive proposal process. Each participant shall compete independently in the process. If the Lessor chooses not to invite two qualified general contractors to participate in the competitive proposal process, a minimum of two qualified subcontractors from each trade of the Tenant Improvement Cost Summary table shall be invited to participate in the competitive proposal process.
 - D. The construction schedule outlined in Paragraph 5.11 of the SFO assumes that the permitting process will be complete by August 12, 2010.

LESSOR

UNITED STATES OF AMERICA

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20. **CHANGE ORDER PROCEDURES:** In the event of change orders, the Lessor agrees to the following procedures:

- A. The General conditions will not exceed 3.0% of the total subcontractor's costs.
- B. The General Contractor's fee will not exceed 3.0% of the total subcontractor's costs and General Conditions for Change Order.
- C. The Architectural/Engineering fees will not exceed 4.0% of General Contractor's Total Cost of Change Order.
- D. The Lessor's Project Management fee will not exceed 3.0% of the total of General Contractor's Total Cost and other associated costs.
- E. All requests for change orders shall be in writing from the General Services Administration's (GSA) Contracting Officer.
- F. Price quotations shall be supplied to the requestor within one week of the written request.
- G. Notification of change orders status shall be given within three weeks of the date the price quotation was received.
- H. Without written approval from the GSA Contracting Officer, no change order should be processed. If a change order is processed without written consent of the GSA Contracting Officer, the Lessor shall bear full financial responsibility for the change order and compliance to the terms of the Lease.

21. **ACCEPTANCE OF SPACE:**

- A. The Lessor shall notify the Government ten (10) days in advance of the anticipated substantial completion date as defined in Paragraph 1 of GSA Form 3517. Within ten (10) working days after the date the Lessor notifies the Government that the space is "substantially complete," the Government shall inspect the Premises and appurtenances. Within ten (10) working days after the inspection, the Government shall notify the Lessor of any deficiencies in the Premises and appurtenances and the Lessor shall thereafter diligently pursue remedying any defects. If any subsequent Government inspection is required to confirm conformance with the results of a prior inspection, any such subsequent inspection and notification of the results of such inspection shall be made in accordance with the foregoing procedure and the time frames.
- B. The period during which rent shall be deemed to have commenced for the Premises shall be the date that the entire space is accepted for occupancy by the Government (or the date accepted for occupancy, subject to completion of a written punchlist of items not materially affecting beneficial occupancy which are yet to be finished.) The space will not be considered acceptable for occupancy until the Government receives the final tenant improvement cost. Any items to be completed or corrected that have been identified at the acceptance of the space as a punchlist item and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- 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.

22. **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 Lindquist Homes. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the term 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 if the improvements remain in place after the Government's acceptance of the space.**

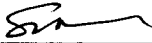
23. Wherever the words "Offeror," "Lessor," or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor;" wherever the words "solicitation," "Solicitation for Offers," or "SFO" appear in this Lease, they shall be deemed to mean "this Lease;" wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises."

24. **EXCUSABLE DELAYS:** In the event any of the following result in delay to the project schedule, such delay will be considered "Excusable Delay": (A) discovery of archaeological findings; (B) actions or failure to act by third party permitting or zoning authorities which are not the result of the lessor's actions; or (C) delays arising from unforeseeable causes beyond the control and without the fault or negligence of the Lessor or its subcontractors at any tier.

LESSOR

UNITED STATES OF AMERICA

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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 years 1-5, [REDACTED] of the firm term value of years 6-10, and [REDACTED] of the firm term value of years 11-15 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 Paragraph 2.6 of the SFO, "Broker Commission and Commission Credit," 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, in the amount of [REDACTED] to the Broker in accordance with Paragraph 2.6 of the SFO, "Broker Commission and Commission Credit."

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owed under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$176,795.67 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$176,795.67 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$176,795.67 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

LESSOR

UNITED STATES OF AMERICA

BY *JM*
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BY *SOM*
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[Handwritten Signature]