

LEASE NO. GS-10B-07281

Succeeding/Superseding Lease
GSA FORM L202 (January 2012)

This Lease is made and entered into between

Drake Building Associates, LLC

("the Lessor"), whose principal place of business is 250 NW Franklin Ave STE 204, Bend, OR 97701-2814, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

("the Government"), acting by and through the designated representative of the General Services Administration ("GSA"), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

Alexander Drake Building, 250 NW Franklin Avenue, Bend, OR 97701-2814

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein.

LEASE TERM

To Have and To Hold the said Premises with their appurtenances for the term beginning December 19, 2012 and continuing through December 18, 2022, Block A and December 19, 2012 and continuing through December 18, 2013, Block B.

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.



Title: Manager
Date: 11/1/12

FOR THE GOVERNMENT:

 **LINDSEY D. SNOW**
CONTRACTING OFFICER

Lindsey D. Snow
Lease LCO
Date: NOV 15 2012



Title: member
Date: 11-1-12

[Type text]

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEPT 2011)

Unless otherwise noted, the Government accepts the leased premises and tenant improvements in their current existing condition, with the following exceptions further outlined more thoroughly in this lease. These exceptions include, but are not limited to, security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. The Lessor shall be responsible for continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the lease paragraphs and attached General Clauses.

The Premises are described as follows:

Office and Related Space: Total square footage of 8,326 rentable square feet (RSF), 7,053 ANSI/BOMA Office Area (ABOA) square feet of office and related space divided into the following two blocks: Block "A" 6,156 rentable square feet (RSF) 5,217 ANSI/BOMA Office Area (ABOA); Block "B" 2,170 rentable square feet (RSF), yielding 1,836 ANSI/BOMA Office Area (ABOA) square feet of office and related space based upon a Common Area Factor of 18%, located on the ~~1st~~ ^{3d} floor of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

1.02 EXPRESS APPURTENANT RIGHTS (SEPT 2011)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. Parking: 2 surface parking spaces as depicted on the plan attached hereto as Exhibit B of which 0 shall be structured inside spaces reserved for the exclusive use of the Government. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

1.03 RENT AND OTHER CONSIDERATION (SUCCEEDING) (SEPT 2011)

A. The Government shall pay the Lessor annual rent, payable monthly in arrears, at the following rates for Block "A", 6,156 RSF:

	Firm Term, 12/19/2012- 12/18/2017		12/19/2017- 12/18/2022	
	Annual Rent	Monthly Rent	Annual Rent	Monthly Rent
Shell Rent	\$114,483.13	\$9,540.26	\$125,563.93	\$10,463.66
Operating Costs	\$ 33,057.72	\$2,754.81	\$ 33,057.72	\$2,754.81
Tenant Improvements Rent ²	TBD	TBD	NA	NA
Total Annual Rent	\$147,540.85	\$12,295.07	\$158,621.65	\$13,218.47

¹Rates may be rounded.

²The Tenant Improvements Allowance is intended to be \$9.58 per ABOA SF, effective upon completion and acceptance of the work, amortized at a rate of 8 percent per annum over 5 years.

The Government shall pay the Lessor annual rent, payable monthly in arrears, at the following rates for Block "B", 2,170 RSF:

	12/19/2012-12/18/2013	
	Annual Rent	Monthly Rent
Shell Rent	\$37,751.49	\$3,145.96
Operating Costs	\$ 11,652.90	\$971.08
Total Annual Rent	\$49,404.39	\$4,117.03

¹Rates may be rounded.

B. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

C. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

D. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in "Paragraph 1.01 The Premises" created herein;

[Type text]

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

1.04 PARAGRAPH INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS (SUCCEEDING) (SEP 2011)

Block "A" The Government may terminate this Lease, in whole or in parts, at any time effective after December 18, 2017 by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

Block "B" The Government may terminate this Lease, in whole or in parts, at any time effective after December 18, 2013 by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 RENEWAL RIGHTS (SEPT 2011)

Block "A" This Lease may be renewed at the option of the Government for two [redacted] at the following rental rate(s):

	OPTION TERM, [redacted]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[redacted]	[redacted]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [redacted] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [redacted]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[redacted]	[redacted]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [redacted] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least 90 days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

Block "B" This Lease may be renewed at the option of the Government for [redacted] at the following rental rate(s):

	OPTION TERM, [redacted]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[redacted]	[redacted]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [redacted] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [redacted]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[redacted]	[redacted]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [redacted] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

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	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	\$40,576.58	\$3,381.38
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

[Type text]

	OPTION TERM, 1 [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE	

[Type text]

	FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.
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	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	
	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	
	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	
	OPTION TERM, [REDACTED]	
	ANNUAL RENT	Monthly Rent
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least 90 days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

1.07 DOCUMENTS INCORPORATED BY REFERENCE (SEPT 2011)

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
PARKING PLAN(S)	1	B
GSA FORM 3517B GENERAL CLAUSES	1	
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	
GSA Form 1364S, Proposal to Lease Space	3	
GSA FORM 3516	1	

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEPT 2011)

The Government shall have the right to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may choose to pay lump sum for any part or all of the remaining principal balance of the TIs. If the

[Type text]

Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining firm term of the Lease.

The Tenant Improvement Allowance (TIA) for purposes of this \$9.58 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for the TIs. This amount is amortized in the rent over the firm term of this Lease at an annual interest rate of 6% percent.

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the firm term.

B. The Government shall have the right to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may choose to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the firm term of the Lease.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either

1. Reduce the TI requirements.
2. Pay lump sum for the overage upon completion and acceptance of the improvements.
3. Increase the rent according to the negotiated amortization rate over the firm term of the Lease.

1.09 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (SEPT 2011)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the Real Estate Tax Adjustment clause of this lease is 26.6 percent. The percentage of occupancy is derived by dividing the total Government space of 8,326 RSF by the total building space of 31,281 rentable square feet.

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment clause of the Lease is \$15,070.48.

1.10 OPERATING COST BASE (SEPT 2011)

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$44,710.62/annum.

1.11 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEPT 2011)

In accordance with the section entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$3.00 per ABOA sq. ft. of space vacated by the Government.

1.12 HOURLY OVERTIME HVAC RATES (SEPT 2011)

The following rates shall apply in the application of the clause titled "Overtime HVAC Usage:"

\$0.00 per hour per zone

Number of zones: 1

\$ 0.00 per hour for the entire space.

1.13 PARAGRAPH INTENTIONALLY DELETED

1.14 PARAGRAPH INTENTIONALLY DELETED