

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

SEP 16 2009

LEASE NO.

GS-10B-07076 Bldg.# OR6725

THIS LEASE, made and entered into this date between **Overton Pearl, LLC**

whose address is: 1626 NW 15th Ave.
Portland, OR 97209-2572

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:
36,912 rentable square feet (RSF.), yielding approximately 34,288 ANSI/BOMA Office Area square feet and related space located on the First (1st), Second (2nd), and Third (3rd) Floors at the Overton Office Building, at 1455 NW Overton, Portland, OR 97209, together with four (4) secured onsite parking spaces provided at no cost to the Government, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. 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 termination and renewal rights as may be hereinafter set forth.
- 3.a. **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	\$1,107,360.00	\$92,280.00	\$1,324,476.38	\$110,373.03	\$1,520,774.40	\$126,731.20
TI Rental Rate	\$163,520.16	\$13,626.68	\$163,520.16	\$13,626.68	\$163,520.16	\$13,626.68
Building Specific Security	\$20,596.90	\$1,716.41	\$20,596.90	\$1,716.41	-- --	-- --
Operating Cost Rate	\$155,768.64	\$12,980.72	\$155,768.64	\$12,980.72	\$155,768.64	\$12,980.72
Full Service Rent	\$1,447,245.70	\$120,603.81	\$1,664,362.08	\$138,696.84	\$1,840,063.20	\$153,338.60

Rent checks shall be payable to:

Overton Pearl, LLC
1626 NW 15th Ave.
Portland, OR 97209-2572

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

LESSOR Overton Pearl, LLC

BY

(Signature)

IN PRESENCE OF

(Signature)

(Title)

UNITED STATES OF AMERICA

BY

(Signature)

Stephen D. Monkewicz, Contracting Officer, GSA
(Official Title)

- 3.b. The Lessor has agreed to abate the shell rent for months 1 and 2 of the first (1st) lease year. Furthermore, the Lessor has agreed to provide a rent credit in the amount of \$100,000.00. Per Paragraph 18 of this Standard Form 2, the Lessor has agreed to prepare design intent drawings for the Government's approval, the cost for which shall not exceed \$9,228.00 and shall be subtracted from the aforementioned rent credit. The remaining rent credit, in the amount of \$90,772.00 shall be assessed in month 3 of the first (1st) lease year.

Notwithstanding Paragraph 3.a. of this Standard Form 2, the gross rental payments due and owed under this lease shall be reduced to fully recapture this rent abatement and 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 \$120,603.81 minus abated shell rent of \$92,280.00 equals \$28,323.81 adjusted First Month's Rent.

Second Month's Rental Payment \$120,603.81 minus abated shell rent of \$92,280.00 equals \$28,323.81 adjusted Second Month's Rent.

Third Month's Rental Payment \$120,603.81 minus rental credit of \$90,772.00 equals \$29,831.81 adjusted Third Month's Rent.

4. **TERMINATION RIGHTS:** The Government may terminate this lease at any time after the tenth (10th) lease year by giving at least ninety (90) days' prior notice in writing to the Lessor. 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 of the rental consideration, the following:
- A. The four (4) parking space(s) described in Paragraph 1 at no cost to the Government, as well as 85 parking spaces on-site or within 660 feet of the premises, at no cost to the Government and parking spaces required by local code. The market value of each parking space is \$185.00 monthly.
 - B. 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 the Solicitation For Offers No. 9OR2001 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers No. 9OR2001.
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:
- a) The Solicitation For Offers Number 9OR2001 (pages 1-54) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - b) Special Requirements (Pages 1-35);
 - c) Amendment Number 1 (page 1);
 - d) GSA Form 3517B (pages 1-33);
 - e) GSA Form 3518 (pages 1-7);
 - f) SF-2 and attached pages containing paragraphs 1-26 (pages 1-5);
 - g) CD containing first generation CAD drawings of the Leased Space;
 - h) Site Plan (Sheet A1.1);
 - i) Government-provided Test Fit drawings - Attachment A (pages 1-3).

8. The following changes were made in this lease prior to its execution:

Paragraph 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 26 have been added.

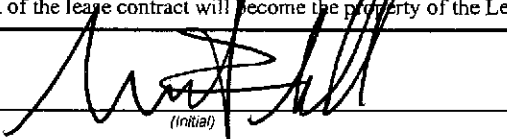
9. The Lessor shall have one hundred-thirty 130 working days from the issuance of the Construction Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.

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.

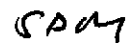
LESSOR

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11. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2 of the SFO, "Tax Adjustment GSAM 552.270-24," for purposes of tax escalation, the Government occupies 36,912/58,443 rentable square feet (63.16%).
12. **OPERATING COST:** Pursuant to Paragraph 4.3 of the SFO, "Operating Cost," the base rate for purposes of operating cost escalation is established at \$4.22 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, "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 \$0.21 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 (7:30 a.m. – 5:30 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$1.50 per hour per zone. 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 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 \$0.05 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 7% per year. The Lessor acknowledges that the lease award firm term is ten (10) years. In the event that GSA vacates the building any time after the firm term, the Lessor cannot and will not attempt to recover any unamortized Tenant Improvement Allowance from the Government.
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. Paragraph 5.11.B of SFO No. 9OR2001 is hereby amended to read as follows:
 - B. **DESIGN INTENT DRAWINGS:**
 1. The Lessor shall prepare, in exchange for a reduction in the offered rent credit as outlined in Paragraph 3b of this Standard Form 2, and provide to the Government, for the Government's approval, design intent drawings detailing the Tenant Improvements to be made by the Lessor within the Government-demised area. After award and at the Lessor's expense, the Lessor's lead designer will meet with GSA and the tenant agency (multiple working sessions may be necessary) to discuss agency functions, requirements, adjacencies, etc. The Government shall approve the date and location of all working sessions. The Lessor's lead designer shall then produce design intent drawings based on the Government-provided test fit drawings and present them to GSA and the tenant agency within 90 days from award. These drawings shall include building placement and organization of the site, layouts of tenant improvements as well as fenestration, façade, shell, and common areas and appropriate narrative for a complete description of the facility.
 2. The Government shall use best efforts to coordinate the provision of such information and details as required by the Lessor's architect to complete such drawings in a timely manner. Design intent drawings, for the purposes of this lease, are defined as fully-dimensioned drawings of the leased space which include enough information to prepare construction drawings and shall consist of: 1) furniture locations, telephone and data outlet types and locations; 2) specifications necessary for calculation of electrical and HVAC loads; and 3) all finish/color/signage selections.

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3. Review. The Government retains the right to review, approve, and request modifications (if necessary) to the Lessor's design intent drawings prior to the Lessor's commencement of working/construction drawings. The Government's review and approval of the drawings is limited as to the drawings' conformance to the specific requirements of the SFO and the agency's needs as they apply to the specific leased space. The Government shall review the Lessor's design intent drawings at 30%, 60%, and 100% of completion. Completed design intent drawings are due to the Government within ninety (90) days from award. The Government shall perform all reviews of design intent drawings within ten (10) working days of receipt of such from the Lessor. Should the government require that modifications be made to the Lessor's design intent drawings before approval can be granted, the Government shall state as such in writing to the Lessor, and the Lessor shall have ten (10) working days to cure all noted defects before returning the design intent drawings to the Government for a subsequent review. The Government shall have ten (10) working days for all subsequent reviews of the design intent drawings. Upon approval of the design intent drawings, a notice to proceed shall be transmitted to the Lessor, and the Lessor shall commence working/construction drawings for the space. At the sole discretion of the Government, the Lessor may be required to submit a budget proposal, based on the Tenant Improvements and associated work as shown on the design intent drawings. The budget proposal shall be completed within ten (10) working days of the Government's request. Delay of receipt of such proposal shall result in a Lessor delay.

19. ADJACENCIES:

All adjacencies listed in the [REDACTED] Program of Requirements must be met. The adjacencies are depicted on pages 6-9 of the Program of Requirements and the Offeror must be in compliance with all stated necessary adjacencies on all occupied floors.

20. 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. Lessor shall submit the price proposal together with the Working Drawings/Construction Drawings.
- (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. Failure to submit the budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.

C. The construction schedule shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" shall not include the period from December 15 through January 1 of any calendar year.

D. 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, 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.

E. 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. In the absence of sufficient competition from the general contractors, a minimum of two qualified subcontractors from each trade of the attached 21 Division Tenant Improvement Cost Summary table shall be invited to participate in the competitive proposal process.

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

- A. The General conditions will not exceed 8.0% of the total subcontractor's costs.
- B. The General Contractor's fee will not exceed 3.5% of the total subcontractor's costs and General Conditions for Change Order.
- C. The Architectural/Engineering fees will not exceed 4.5% of General Contractor's Total Cost of Change Order.
- D. The Lessor's Project Management fee will not exceed 5.0% 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.

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22. 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.

23. OCCUPANCY REPORTS:

- A. **Building Systems:** In accordance with Paragraph 8.2 of the SFO, "Building Systems," the Lessor shall furnish at no cost to the Government the required building system reports prior to the Government's occupancy of the Premises.
- B. **Acoustical Requirements:** In accordance with Paragraph 6.8 of the SFO, "Acoustical Requirements," the Lessor shall furnish at no cost to the Government the required acoustical reports prior to the Government's occupancy of the Premises.

24. 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 **Overton Pearl, LLC**. 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.

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, and [REDACTED] of the firm term value of years 6-10 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 the "Broker Commission and Commission Credit" paragraph, 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 to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraphs 3.a. and 3.b. 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 fourth month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Fourth Month's Rental Payment \$120,603.81 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's Rent.

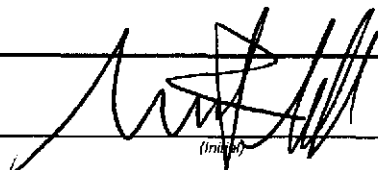
Fifth Month's Rental Payment \$120,603.81 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth Month's Rent.

Sixth Month's Rental Payment \$120,603.81 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Sixth Month's Rent.

26. 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."

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