

GENERAL SERVICES ADMINISTRATION  
PUBLIC BUILDINGS SERVICE

SUPPLEMENTAL AGREEMENT  
NO. 1

DATE  
3/20/12

TO LEASE NO. GS-10B-07163 BLDG NO. OR6732

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ADDRESS OF PREMISES: 4310 SW Macadam Avenue  
Portland, OR 97239-4222

THIS AGREEMENT, made and entered into this date by and between: Lindquist Homes

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

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon Government execution of this SLA as follows:

**Supplemental Lease Agreement (SLA) Number 1** has been prepared to increase the Lease square footage, exercise the renewal option in the Lease, modify instructions for utility payments, amend the percentage of occupancy for the purposes of tax adjustments, and include language clarifying lump sum payments over the TI allowance.

To accomplish the above, Paragraphs 1, 2, 3, 9, 11, and 16 are hereby deleted in their entirety and replaced below. Paragraphs 5 and 18 are hereby deleted in their entirety. Paragraph 26 is hereby added to the Lease.

**Paragraph 1.**

The Lessor hereby leases to the Government the following described premises, which is represented in the drawings attached hereto as Exhibit A (6 pages):

**Block A:** 53,064 rentable square feet (RSF), yielding 47,805 ANSI/BOMA Office Area square feet and related space located on the First (1<sup>st</sup>), Second (2<sup>nd</sup>), Third (3<sup>rd</sup>), and Fourth (4<sup>th</sup>) 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.

**Block B:** 1,554 rentable square feet (RSF), yielding 1,400 ANSI/BOMA Office Area square feet and related space located on the First (1<sup>st</sup>), Second (2<sup>nd</sup>), Third (3<sup>rd</sup>), and Fourth (4<sup>th</sup>) Floors at 4310 SW Macadam Avenue, Portland, OR 97239-4222, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

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

LESSOR BY Lindquist Homes

IN P  
BY \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Address)

UNI  
BY *Lindsey D. Snow*  
CONTRACTING OFFICER  
GENERAL SERVICES ADMINISTRATION  
(Official Title)



The entire cost of the building's utilities consist of, utilities for Block A, Block B, and overtime utilities. The Government pays the utility costs for Block A and Block B in its monthly operating rent. If the building's utility expenses (described below), including the overtime utilities, exceed the operating rents paid for in Block A and Block B for the 12-month period beginning with the beneficial occupancy date and each successive 12-month period throughout the Lease term, the Lessor is entitled to the adjustment in that rent. The building utility costs represent 38.508% (\$92,121.04/\$239,226.84) of the building's operating rent. This percentage will be used to determine the amount of the base utilities to be subtracted from the actual annual building utility costs.

The Government shall pay the building utility adjustment in a single annual lump sum payment to the Lessor. In order to receive such an adjustment, The Government requires written documentation within thirty (30) calendar days following each anniversary date of the Lease.

Building Utilities: Currently Estimated at \$92,121.04, calculated as follows: \$89,500 or \$1.69/RSF on GSA Form 1217 dated 3/16/2010. \$1.69 multiplied by 54,618/RSF equals \$92,121.04.

- Fuel – Line 9 of GSA Form 1217;
- Current for Light and Power (including elevators) – Line 11 of GSA Form 1217;
- Power for Special Equipment – Line 13 of GSA Form 1217;
- Water – Line 15 of GSA Form 1217;
- Utilities (include electricity, if not in C11) – Line 18 of GSA Form 1217;
- Trash and recycling – Line 26 of GSA Form 1217

Disclosure shall include all of the following:

- an invoice from Lessor;
- proof of payment;
- GSA Form 1217 filled out and signed;
- back-up documentation from each vendor.

The Lessor acknowledges that the Contracting Officer shall rely on the completeness and accuracy of these submissions in order to establish an annual adjustment.

In order to obtain a Building Utility Adjustment, the Lessor shall furnish the Contracting Officer with copies of all paid receipts, or other similar evidence of payment acceptable to the Contracting Officer, and a proper invoice (as described in GSA Form GOV'T 3517, General Clauses, 552.232-75, Prompt Payment) for the requested Building Utility Adjustment, including the calculation thereof. All such documents must be received by the Contracting Officer within 30 calendar days after the anniversary date of the Lease. FAILURE TO SUBMIT THE PROPER INVOICE AND EVIDENCE OF PAYMENT WITHIN SUCH TIME FRAME SHALL CONSTITUTE A WAIVER OF THE LESSOR'S RIGHT TO RECEIVE AN OPERATING COST ADJUSTMENT PURSUANT TO THIS CLAUSE FOR THE YEAR AFFECTED.

**Payment:**

Rent shall be payable to:

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

**Paragraph 5.** Renewal Option: DELETED

**Paragraph 9.** Shall be amended at a later date following the negotiation of a schedule to provide the Lessor added time reasonably needed for construction of Tenant Improvements.

**Paragraph 11.** Tax Adjustment: Pursuant to Paragraph 4.2 of the SFO, "Tax Adjustment" for purposes of tax adjustments, the Government is responsible for (100%) of the building's taxes. The base rate is established at \$130,000.00/per annum and the tax property ID number is R317918, on lot number ISE10CD-00500. The base tax year will be established at Beneficial Occupancy.

**Paragraph 16.** The Tenant Improvement Allowance (TIA) for Block A has been established by Paragraph 3.2 of the SFO, "Tenant Improvements Included in Offer." The TIA of \$44,188,200/ANSI BOMA sq. foot shall be amortized over the first fifteen (15) years of the Lease at an interest rate (amortization rate) of 6% per year. Tenant Improvement costs in excess of the TIA defined herein shall be paid as a lump sum following GSA acceptance of space.

**Paragraph 26.** Pursuant to Paragraph 3.3A.3 of the SFO, "Tenant Improvement Rental Adjustment", the Government shall pay Tenant Improvement (TI) Costs above the Tenant Improvement Allowance (TIA) indicated in paragraph 16 of the Lease for Block A via a lump sum payment upon completion and acceptance of the improvements. The Government understands that the TI costs are estimated to be approximately \$6,000,000.00 over the TIA. This amount will be verified and confirmed once the TI Costs are fully reviewed, accepted and deemed to be fair and reasonable by the Government.

**All other terms and conditions of the Lease shall remain in full force and effect.**