

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

AUG 30

LEASE NO.

LOR07190

BUILDING NO.

OR6734

THIS LEASE, made and entered into this date by and between SHOCKNAWE, LLC, AN OREGON LIMITED LIABILITY COMPANY

Whose address is MONTGOMERY PARK
321 1ST AVE E STE 3A
ALBANY, OREGON 97321-2794

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:

A total of 3,358 rentable square feet (RSF) of office and related space, which yields 2,920 ANSI/BOMA Office Area square feet (USF) of space at 321 1st Avenue East, Albany, Oregon 97321-2777, together with 12 on site, Government reserved parking spaces 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 upon Government beneficial occupancy and continuing for fifteen years, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent per the following table.

<u>Rent Period</u>	<u>Shell Rent</u>	<u>Parking</u>	<u>Operating Rent¹</u>	<u>Tenant Improvements²</u>	<u>Annual Rent</u>
Years 1-8	\$74,976.53	\$9,000.00	\$19,433.75	\$23,486.81	\$126,897.09
Years 9-15	\$83,639.50	\$9,000.00	\$19,433.75	\$00.00	\$112,073.25

¹ Operating Rent base shall be adjusted per Paragraph 12 of this SF2.
² Amortized TIs for years 1-8 subject to SFO #8OR2030 Paragraph 3.3.

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

MONTGOMERY PARK
321 1ST AVENUE E, SUITE 3A
ALBANY, OREGON 97321-2794

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

LESSOR
SHOCKNAWE, LLC

BY
IN P

MANAGING MEMBER
(Title)

321 1ST AVE E, #3A, Albany 97321
(Address)

UN

BY

Contracting Officer, General Services Administration

4. The Government may terminate this lease in whole at any time on or after year 8, 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. This paragraph is intentionally omitted.
6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. The 12 parking spaces described in Paragraph 1 of this SF2 are valued at \$75 per space per month with 2 of the 12 onsite reserved parking spaces provided at no cost to the government.
 - B. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 8OR2030 dated April 27, 2009, as amended.
 - C. Build out in accordance with standards set forth in SFO 8OR2030 dated April 27, 2009, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
 - D. 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 8OR2030 dated April 27, 2009 (pages 1-58), Amendment 1 dated May 13, 2009 (page 1), Amendment 2 dated April 8, 2010 (page 1), Amendment 3 dated May 10, 2010 (page 1).
 - C. GSA Form 3517B (pages 1-33) entitled GENERAL CLAUSES (Rev. [06/08])
 - D. GSA Form 3518 (pages 1-7) entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])
 - E. Site Plan (1 page)
 - F. Floor Plan (1 page)
8. The following paragraphs 9 through 21 of this Standard Form 2 have been added to this lease prior to its execution.
9. In accordance with the SFO paragraph 3.3 entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$138,450.75 (2,920 USF x \$47.41464) shall be amortized through the rent for 8 years at the rate of 8%. The total annual cost of Tenant Improvements for the amortization period shall be \$23,486.81.
10. In accordance with the SFO paragraph 4.2, entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$5,293.45 and the Account No. R914078.
11. In accordance with the SFO paragraph 4.2 (B) 9 entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 22.635% (3,358/14,835).
12. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the escalation base is established as \$19,433.75/annum.
13. In accordance with the SFO paragraph 4.1 (C) entitled *Common Area Factor*, the common area factor is established as 1.15 (3,358 RSF/2,920 USF).
14. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as:
 1. Reduced by \$ 4.10 per Rentable Square Foot of partially vacated premises; and,
 2. Reduced by \$ 4.60 per Rentable Square Foot of completely vacated premises.
15. **OVERTIME USAGE:** Pursuant to Paragraph 4.6, "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, at a rate of \$10.00 per hour. 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 located at 400 – 15th Street SW, Auburn, WA 98001, to receive payment.

LESSOR

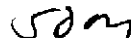
UNITED STATES OF AMERICA

BY



(Initial)

BY



(Initial)

16. **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 \$30.00 per 100 square feet, per month after "Normal Hours".
17. 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 2.6 B. of the SFO. The commission credit shall begin in month one (1) of the Lease. The monthly rent is \$10,574.76. The monthly shell rent is \$6,998.04. The commission credit is calculated as follows:

TOTAL RENT: Years 1-8: \$126,897.09 x 8 = \$1,015,176.72
 TOTAL FIRM TERM: \$1,015,176.72

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

The monthly rent adjusted for the total GSA commission credit of \$7, 867.62 is as follows:

<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Commission Credit</u>	<u>Commission Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
Month 1	\$10,574.76	\$6,998.04	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$10,574.76	\$6,998.04	[REDACTED]	[REDACTED]	[REDACTED]
Month 3	\$10,574.76	\$6,998.04	[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 November 4, 2009.

18. Offeror's Tenant Improvement Fee Schedule: Pursuant to the offer dated April 14, 2010, the Offeror's Tenant Improvement Fee Schedule shall be applicable to Tenant Improvements, any Building-Specific Security, and change orders during initial construction arising under this Lease. The applicable fees are:
- a. General Conditions will be 8.00% of Total Subcontractors Costs estimated to be \$100,000.00.
 - b. General Contractor's fee will be 7.00% of Total Subcontractors Costs estimated to be \$100,000.00.
 - c. Architectural/Engineering fees will be a \$4,000.00 flat fee.
 - d. Lessor's Project Management fee will be Total Subcontractors Costs plus a \$6,000.00 flat fee.
19. 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.
20. 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".
21. 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 [Signature]
 (Initial)

BY [Signature]
 (Initial)