

LEASE NO. GS-10P-LOR07416

Standard Lease
GSA FORM L201C (October 2012)

This Lease is made and entered into between

RUBICON GSA II DUNCAN PLAZA PORTLAND, LLC (Lessor), whose principal place of business is 30 W. Monroe Street, Suite 1700, Chicago, Illinois 60603-2417, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(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:

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

333 SW First Ave, Portland, OR 97204

and more fully described in Section 1 and Exhibit A(1), together with rights to the use of parking and other areas as set forth herein, to be used for such office and related purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term September 18, 2016 through September 17, 2031.

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.

FOR THE LESSOR:

Name: Rubicon GSA II Duncan Plaza Portland, LLC

By: Rubicon US REIT, Inc., Manager

By: Sam Fuchs

Title: Authorized Signatory

Date: 11/20/13

FOR THE GOVERNMENT:

Name: LINDSEY D. SNOW

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: NOV 21 2013

WITNESSED FOR THE LESSOR BY:

Name: David Van Steenis

Title: Senior Associate

Date: 11/20/2013

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

Government accepts the Premises and tenant improvements in their existing condition where specifically noted. Such acceptance by the Government of existing Premises shall not relieve Lessor of 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:

A. Office and Related Space: 126,500 rentable square feet (RSF), yielding 113,904 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on **part of the 1st, 3rd, and the full 8th, 9th, and 10th** floor(s) of the Building, as depicted on the summary of space leased entitled "Block 300 USACE Footprint" and the floor plan(s) attached hereto as Exhibit A(1).

B. Common Area Factor: The Common Area Factor (CAF) is established as 1.11 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (JUN 2012)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: 25 parking spaces as depicted on the plan attached hereto as Exhibit A(2), reserved for the exclusive use of the Government, of which 25 shall be structured/inside parking spaces, and 0 shall be surface/outside parking spaces.

B. Antennas, Satellite Dishes, and Related Transmission Devices: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all Building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (SEP 2012)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	9/18/16 - 9/17/31
	ANNUAL RENT
SHELL RENT ¹	\$3,071,420.00
TENANT IMPROVEMENTS RENT ²	\$ 326,370.00
OPERATING COSTS ³	\$ 943,690.00
BUILDING SPECIFIC AMORTIZED CAPITAL ⁴	\$ 65,780.00
TOTAL ANNUAL RENT	\$4,407,260.00

¹Shell rent (Firm Term) calculation: \$24.28 per RSF multiplied by 126,500 RSF

²The Tenant Improvement Allowance of \$2,847,600 is amortized at a rate of 8 percent per annum over 15 years and is subject to adjustment per Paragraph 1.09.

³Base operating Costs rent calculation: \$7.46 per RSF multiplied by 126,500 RSF subject to annual operating costs adjustments per Paragraph 2.09, which shall accrue and continue to apply throughout the Lease term.

⁴Building Specific Amortized Capital (BSAC) of \$569,520 are amortized at a rate of 8 percent per annum over 15 years

B. RENTAL CREDIT

The Lessor will provide the Government an allowance of \$470,000.00 of which \$164,260.05 will be spent with respect to the 10th floor security guard desk area, consistent with Lease No. GS-10B-05541, LA #137, under which this work is being performed for a fixed price of \$164,260.05. This amount shall be paid for from the Lessor allowance of \$470,000.00, leaving a balance of \$305,739.95. This balance may be used by the Government either under this Lease for initial tenant improvement or BSAC items, or under Lease No. GS-10B-05541 before September 18, 2016, pursuant to a lease amendment agreed to by the Government and the Lessor. The credit, TIA and BSAC costs will be reconciled and memorialized in a future Lease Amendment.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. Subparagraph Intentionally Deleted

E. 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.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Government's System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. 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 the paragraph entitled "The Premises."

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.

H. Subparagraph Intentionally Deleted

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. CBRE, Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED], subject to adjustment based upon the actual amounts of Tenant Improvement and BSAC allowances spent and amortized into the rent, and is earned upon Lease execution by the Government and the Lessor and receipt of the fully executed Lease by the Lessor, payable according to the Commission Agreement signed between the two parties.

B. Subparagraph Intentionally Deleted

1.05 INTENTIONALLY DELETED

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLANS	7	A(1)
PARKING PLANS	2	A(2)
24-HOUR HVAC PLAN	3	A(3)
AGENCY SPECIFIC REQUIREMENTS	3	B
SECURITY REQUIREMENTS	9	C
GSA FORM 3517B GENERAL CLAUSES	47	D
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	11	E
CERTIFICATE OF SEISMIC COMPLIANCE	1	F
SMALL BUSINESS SUBCONTRACTING PLAN	8	G

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$25.00 per ABOA SF (\$25.00 x 113,904 ABOA = \$2,847,600 total). The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 8 percent for a total annual rate of \$326,370.00.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

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 may elect 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 elect 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 substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (% OF TI CONSTRUCTION COSTS)	\$ACTUAL COSTS NOT TO EXCEED 10%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	10%

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$5.00 per ABOA SF (\$5.00 x 113,904 ABOA = \$569,520 total). The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 8 percent for a total annual rate of \$65,780.00.

1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC 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 elect to pay a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC 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 BSAC identified above, the Government shall have the right to either:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
3. Negotiate an increase in the rent.

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 34.93 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 126,500 RSF by the total Building space of 362,203 RSF.

1.14 REAL ESTATE TAX BASE (JUN 2012)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is \$955,533.80 + \$9,587.57, respectively for the property tax parcel numbers R246060 and R246061, *for the entire building. SE yd*

1.15 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$7.46 per RSF (\$943,690.00/annum).

1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)

In accordance with the paragraph 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 \$2.20 per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$37.19 per hour per floor

1.18 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms (see attached Exhibit A(3)) or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$96,553.86 for such existing supplemental HVAC units provided for the rooms shown on A(3). Lessor will provide maintenance and repair for these existing HVAC supplemental units. If replacement is needed it will be a Government expense. If additional supplemental HVAC units are added, all associated costs, including but not limited to costs of equipment, the installation, maintenance, repair, replacement, and operation, including utilities, shall be a Government expense. SF

1.19 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the space, the Lessor shall complete the following additional Building improvements:

- A. CARPET AND PAINT: Carpet and paint should be replaced at no additional costs to the Government, per the cyclical replacement requirement included in Lease LOR05541, which was not met. Wall coverings where applicable (ex - in the Summit Room) shall be removed, walls textured to smooth and repainted. The work required shall be coordinated between the Government and Lessor to ensure minimal impact to the Government.
- B. RESTROOMS: The following upgrades to the restrooms on floors 3, 8, 9 and 10 will be provided by the Lessor: The sinks, countertops, faucets, tile (floor and wall), partitions, exterior restroom doors, hardware, and shelving will be replaced.
- C. KITCHENETTES: Kitchenettes on floors 8, 9, and 10 will require new countertops, new cabinets, and backsplashes, and the plumbing should be examined as it is currently not functioning properly. Flooring and painting should be replaced at no additional cost to the Government.
- D. FIRE ALARM SYSTEM: The fire alarm system must be updated to meet current fire code requirements (visual devices must be present in all common areas).
- E. EXIT SIGNS: Exit signs must be placed in accordance with current fire code requirements.

1.20 INTENTIONALLY DELETED