

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

JUL 15 2011

LEASE NO.

GS-10B-07166

BLDG NO.

WA8033

THIS LEASE, made and entered into this date by and between RS HOLDINGS LLC

Whose address is 610 SW ALDER STREET, SUITE 1221
PORTLAND, OR 97205-3613

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 14,750 rentable square feet (RSF) of office and related space, which yields 12,826 ANSI/BOMA Office Area square feet (ABOA) of space at Bank of America Financial Center, 805 Broadway, Vancouver, WA 98660-3301 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 beneficial occupancy and continuing for ten (10) years, subject to renewal rights as are hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$386,025.70 at the rate of \$32,168.81 per month in arrears. The components are shown in the table below:

Rent Period	Shell Rent ¹	Operating Rent ²	Amortized TIs ³	Amortized Building Specific Security ⁴	Monthly Rent ⁵
Months 1-6	\$0.00 ⁶	\$5,644.70	\$6,516.77	\$525.04	\$12,686.52
Month 7	\$3,572.99 ⁷	\$5,644.70	\$6,516.77	\$525.04	\$16,259.51
Months 8-10	\$3,573.00 ⁷	\$5,644.70	\$6,516.77	\$525.04	\$16,259.52
Months 11-12	\$19,482.29	\$5,644.70	\$6,516.77	\$525.04	\$32,168.81

Rent Period	Shell Rent ¹	Operating Rent ²	Amortized TIs ³	Amortized Building Specific Security ⁴	Annual Rent ⁵
Years 2-10	\$233,787.50	\$67,736.43	\$78,201.26	\$6,300.51	\$386,025.70

¹ The Shell Rent amount includes the base year tax amount as shown in Paragraph 11 of this SF2.
² Operating Rent base shall be adjusted per Paragraph 13 of this SF2.
³ See Paragraph 8 of this SF2.
⁴ See Paragraph 10 of this SF2.
⁵ The monthly rent owed for the first year of the lease will be adjusted per Paragraphs 17 and 18 of this SF2.
⁶ Shell rent shall be adjusted per Paragraph 17 of this SF2.
⁷ Shell rent shall be adjusted per Paragraph 18 of this SF2.

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

MANAGER / MEMBER
(Title)

610 SW ALDER ST, SUITE 1221
(Address) PORTLAND, OR

UNITED STATES OF AMERICA

ANDSEY D. SNOW
CONTRACTING OFFICER

Contracting Officer, General Services Administration
(Official Title)

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

RS HOLDINGS
610 SW ADLER STREET, SUITE 1221
PORTLAND, OR 97205-3613

- 4. Termination rights – Intentionally deleted.
- 5. The Government is entitled to two 5 year renewal options provided notice is given in writing to the Lessor at least 180 days before the end of the lease or any renewal term at the following rental rates:

Rent Period	Shell Rent ¹	Operating Rent ²	Annual Rent
Years 11-15	\$303,407.50	\$67,736.43	\$371,143.93
Years 16-20	\$348,690.00	\$67,736.43	\$416,426.43

¹ The Shell Rent amount includes the base year tax amount as shown in Paragraph 11 of this SF2.

² Operating Rent base shall be adjusted per Paragraph 13 of this SF2.

All other terms and conditions of the lease shall remain the same during the renewal term. Said notice shall be computed commencing with the day after the date of the mailing.

- 6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9WA2337 dated January 27, 2011.
 - B. Build out in accordance with standards set forth in SFO 9WA2337 dated January 27, 2011, and the Government's design intent drawings. Government space plans shall be developed subsequent to award.
 - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
- 7. The following are attached and made a part hereof:
 - A. Standard Form 2 (3 pages)
 - B. Solicitation for Offers 9WA2337 dated January 27, 2011 (51 pages)
 - C. Agency Special Requirements dated January 7, 2008 (14 pages)
 - D. IDS Specifications dated March 22, 2010 (20 pages)
 - E. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 6/08) (33 pages)
 - F. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) (7 pages)
 - G. Site Plan (1 page)
 - H. Security Unit Price List (3 pages)
- 8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Improvements in the total amount of \$561,265.76 (12,826 ABOA SF x \$43.76) shall be amortized through the rent for 10 years at the rate of 7%. The total annual cost of Tenant Improvements for the amortization period shall be \$78,201.26.
- 9. Tenant Improvement Fee Schedule: The Lessor's tenant improvement fee schedule is outlined as follows:
 - A. The General Conditions will not exceed 4.0% of the total subcontractor's costs.
 - B. The General Contractor's fee will not exceed 4.0% of the total subcontractor's costs and General Conditions.
 - C. The Architectural/Engineering fees will not exceed \$.60 per usable square foot of the leased premises.
 - D. The Lessor's Project Management fee will not exceed 5% of the total of general contractor's total cost.
- 10. Building Specific Security Costs in the amount of \$45,220.00 shall be amortized through the rent for 10 years at the rate of 7%, at which point the Building Specific Security Costs will have been fully paid and will be reduced from the rent. The total annual Building Specific Security costs during the amortization period shall be \$6,300.51.
- 11. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$22,238.76 and the property account number 39000000.
- 12. In accordance with the SFO paragraph 4.2(B) entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 7.8770% (14,750 RSF / 187,254 RSF).
- 13. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the operating cost base is established as \$67,736.43/annum.
- 14. In accordance with the SFO paragraph 4.1(C) entitled *Common Area Factor*, the common area factor is established as 1.1500 (14,750 RSF/12,826 ABOA SF).

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15. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.00/ ABOA SF for vacant space (rental reduction).

16. In accordance with the SFO paragraph 4.6 entitled *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour for the entire building or any portion thereof. Lessor will provide areas requiring 24/7 HVAC (LAN, etc.) at the rate of \$00.00 per square foot.

17. Adjusted monthly rent payment (application of shell rent abatement):
The shell rent abatement shall be applied in the six months of the lease term. The monthly rent adjusted for the shell rent abatement is as follows:

Rent Period	Scheduled Monthly Rent	Scheduled Monthly Shell Rent	Shell Rent Abatement	Adjusted Monthly Rent
Months 1-6	\$32,168.81	\$19,482.29	\$19,482.29	\$12,686.52

18. 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 2.3 of the SFO. The commission credit shall begin in month seven (7) of the Lease. The monthly rent is \$32,168.81. The monthly shell rent is \$19,482.29. The commission credit is calculated as follows:

TOTAL RENT: Years 1-10: \$386,025.70 x 10 = \$3,860,257.00
Less Shell Rent Abatement (\$116,893.74)
TOTAL FIRM TERM: \$3,743,363.26

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

The monthly rent adjusted for the total GSA commission credit of \$63,637.17 is as follows:

Rent Period	Scheduled Monthly Rent	Scheduled Mo. Shell Rent	Commission Credit	Commission Credit Remaining	Adjusted Monthly Rent Payment
Month 7	\$32,168.81	\$19,482.29	[REDACTED]	[REDACTED]	[REDACTED]
Month 8	\$32,168.81	\$19,482.29	[REDACTED]	[REDACTED]	[REDACTED]
Month 9	\$32,168.81	\$19,482.29	[REDACTED]	[REDACTED]	[REDACTED]
Month 10	\$32,168.81	\$19,482.29	[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 January 27, 2011.

19. LEED Requirements: It is agreed that the Lessor, at the Lessor's expense, shall obtain LEED EB: O&M (Leadership in Energy and Environmental Design for Existing Buildings: Operations & Maintenance) CERTIFIED level (minimum) within 26 months of beneficial occupancy. Paragraphs 1.2 (I and J) of the SFO are hereby deleted and replaced with the following:

- I. This leased premises must meet the requirements of LEED®-EB: O&M (Leadership in Energy and Environmental Design for Existing Buildings: Operations & Maintenance) Certified level (minimum). The Lessor, at the Lessor's expense, shall obtain LEED EB: O&M CERTIFIED certification from the U.S. Green Building Council (USGBC) within 26 months of project occupancy and must maintain LEED-EB: O&M CERTIFIED certification for the duration of the lease. For requirements to achieve CERTIFIED certification, Lessor must refer to the latest version at the time of submittal of the appropriate LEED Reference Guide at <http://www.leadbuilding.org>. At completion of LEED® documentation and receipt of final certification, the Offeror must provide the Government two electronic copies on compact disks of all documentation submitted to USGBC. Acceptable file format is Adobe PDF saved to disk from the LEED®-Online workspace and templates. In addition, the Lessor will provide the Government viewing access to the LEED®-Online workspace during design and through the term of the lease.
- J. After the first 26 months of occupancy, if the Lessor fails to achieve LEED certification, the Government may assist the Lessor in implementing a corrective action program to achieve a LEED® certification and deduct its costs (including administrative costs) from the rent.

20. 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

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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.

21. The Government reserves the right to adjust the final square footage after receipt and approval of CAD drawings and final site acceptance of the premises. Any adjustments, including those for agreed upon square footage and annual rent shall be documented by Lease Amendment.

22. 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".

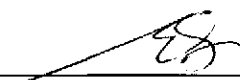
23. All terms and conditions of this lease as expressly contained herein represent the total obligations of the Lessor and the Government. Any agreements, written or oral, between the parties prior to the execution of this Lease are not applicable or binding. This agreement may be amended only by written instrument executed by the Lessor and the Government.

24. This Lease, upon execution by the Government, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible to contradict the provisions of this Lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.

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