

US GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

AUG 3 2010

LEASE NO.

GS-10B-07191

Bldg.# OR6735

THIS LEASE, made and entered into this date between **Harrison & First, LLC**

whose address is: 150 SW Harrison St., Suite 200
Portland, OR 97201-5392

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:
8,958 rentable square feet (RSF.), yielding approximately 8,300 ANSI/BOMA Office Area square feet and related space located on the first floor at 150 SW Harrison Street in Portland, OR 97201-5392, together with five (5) structured 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 ten (10) years, subject to renewal rights hereinafter set forth. Pursuant to Paragraph 1.9 of the Solicitation For Offers, "Occupancy Date," occupancy is required by April 1, 2011.
3. **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)
Shell Rental Rate	\$143,945.98	\$11,995.50*	\$158,198.28	\$13,183.19
TI Rental Rate	\$83,039.62	\$6,919.97*	\$0.00	\$0.00
Building Specific Security	\$12,820.06	\$1,068.34*	\$0.00	\$0.00
Operating Cost Rate	\$41,385.96	\$3,448.83	\$41,385.96	\$3,448.83
Full Service Rent	\$281,191.62	\$23,432.64*	\$199,584.24	\$16,632.02

*Rounded

Rent checks shall be payable to:

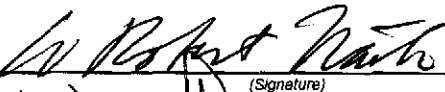
Harrison & First, LLC
150 SW Harrison St., Suite 200
Portland, OR 97201-5392

4. **TERMINATION RIGHTS:** Paragraph intentionally deleted.

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

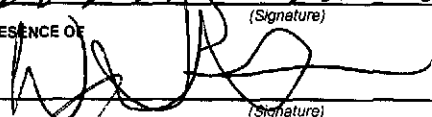
LESSOR Harrison & First, LLC

BY



(Signature)

IN PRESENCE OF



(Signature)

Co Managing Member

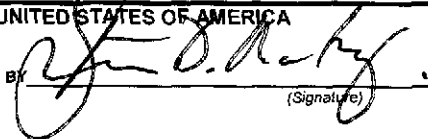
(Title)

150 SW HARRISON ST STE 200
PORTLAND, OR 97201

(Address)

UNITED STATES OF AMERICA

BY



(Signature)

Stephen D. Monkewicz, Contracting Officer, GSA

STEPHEN D. MONKEWICZ
CONTRACTING OFFICER

(Official Title)

5. **RENEWAL OPTIONS:** The Government may renew this Lease for two (2) five (5) year option periods provided notice be given in writing to the Lessor at least one hundred eighty (180) days before the end of the lease term. Said notice shall be computed commencing with the day after the date of mailing. All other terms and conditions of this lease shall remain the same during any renewal term. The Government shall pay the Lessor shell rent for the renewal periods as outlined below, per month in arrears. Rent for a lesser period shall be prorated.

Renewal Option 1 (Years 11-15) – Annual Shell Rental Rate [REDACTED]

Renewal Option 2 (Years 16-20) – Annual Shell Rental Rate [REDACTED]

The operating cost base for the option period is established in paragraph 12 of this SF2 and will continue to be adjusted during the option periods. The annual rate for the option periods will be determined by the shell rate stated in this paragraph plus the operating rate at the time of renewal.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- The five (5) parking spaces described in Paragraph 1 at no cost to the Government, and parking spaces required by local code. The market value of each parking space is \$165.00 monthly.
 - 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 Solicitation For Offers (SFO) No. 9OR2145 and its attachments.
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:
- The Solicitation For Offers Number 9OR2145 (pages 1-49) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - Special Requirements (pages 1-27);
 - Amendment Number 1 (page 1);
 - GSA Form 3517B (pages 1-33);
 - GSA Form 3518 (pages 1-7);
 - SF-2 and attached pages containing paragraphs 1-17 (pages 1-3);
 - CD containing first generation CAD drawings of the Leased Space;
 - Site Plan (page 1);
 - GSA Form 1364 (pages 1-2);
 - GSA Form 1217 (pages 1-2);
8. The following changes were made in this lease prior to its execution:
- Paragraph 4 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 17 have been added.
9. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2 of the SFO, "Tax Adjustment," for purposes of tax escalation, the Government occupies 8,958/18,730 rentable square feet (47.83%) and the tax property ID number is R272217. The tax base is established as \$12,638.00 and is included in the shell rent.
10. **OPERATING COSTS:** Pursuant to Paragraph 4.3 of the SFO, "Operating Costs," the base rate for the purposes of operating cost escalation is established at \$4.62 per rentable square foot per annum, and shall be adjusted according to CPI as specifically described in Paragraph 4.3 of the SFO.
11. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4 of the SFO, "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 \$1.50 per ANSI/BOMA Office Area square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be adjusted annually based upon Paragraph 4.3 of the SFO, "Operating Costs."

LESSOR

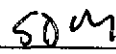
BY



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UNITED STATES OF AMERICA

BY



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12. **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 (7:00 a.m. – 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$5.00 per hour for the entire leased space. 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.
13. **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 \$0.00 per hour after "Normal Hours."
14. **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 \$44.18/ANSI BOMA sq. foot shall be amortized over the first five (5) years of the lease term at an interest rate (amortization rate) of 5% per year ($8,300 \text{ USF} \times \$44.18 = \$366,694$ amortized at 5% for 5 years = \$83,039.62 annually).
15. **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).
16. **BUILDING SPECIFIC SECURITY:** Building Specific Security items in the amount of \$56,612.00 shall be amortized over the first five (5) years of the lease term at an interest rate (amortization rate) of 5% per year for an annual total of \$12,820.06.
17. 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."

LESSOR

UNITED STATES OF AMERICA

BY



(Initial)

BY



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