

This Lease is made and entered into between

**1225 CRATER LAKE, LLC**

("the Lessor"), whose principal place of business is 1175 E. Main Street, Suite 2A, Medford, OR 97504-7457, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

("the 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:

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

**1225 Crater Lake Avenue, Medford, Oregon 97504-5406**

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein.

To Have and To Hold the said Premises with their appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

**10 Years, 5 Years Firm, beginning February 1, 2012 and continuing through January 31, 2022**

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by the General Services Administration.

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.

[Redacted Signature]

Title: Member

Date: 11/16/11

FOR THE GOVERNMENT:

[Redacted Signature]

**LINDSEY D. SNOW  
CONTRACTING OFFICER**

Lindsey D. Snow

Lease Contracting Officer **NOV 8 2011**

Date: \_\_\_\_\_

[Redacted Signature]

Name: THOMAS H. DECKER

Title: Member

Date: 11/16/11

**SECTION 1 THE PREMISES, RENT, AND OTHER TERMS**

**1.01 THE PREMISES—SUCCEEDING (APR 2011)**

Unless otherwise noted, the Government accepts the leased premises and tenant improvements in their current existing condition, with the following exceptions further outlined more thoroughly in this solicitation. These exceptions include, but are not limited to, security improvements, National Fire Protection Association (NFPA) requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. The Lessor shall be responsible for continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set in the below SFO paragraphs and attached General Clauses.

The Premises are described as follows:

Office and Related Space: 11,408 rentable square feet (RSF), yielding 10,263 ANSI/BOMA Office Area (ABOA) square feet (sq. ft.) of office and related space (basement: 1,400 RSF, 1<sup>st</sup> floor: 115 RSF, 2<sup>nd</sup> floor: 6,449 RSF, 3<sup>rd</sup> floor 3,444 RSF), based upon a Common Area Factor of 11.16% percent (rounded to the nearest one hundredth of one percent), located on the 1st, 2nd and 3rd floors and basement of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

**1.02 EXPRESS APPURTENANT RIGHTS (APR 2011)**

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. Parking: 20 parking spaces as depicted on the plan attached hereto as Exhibit B of which 0 shall be structured inside spaces reserved for the exclusive use of the Government, 0 shall be inside parking spaces, and 20 shall be surface parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

**1.03 RENT AND OTHER CONSIDERATION—SUCCEEDING (APR 2011)**

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

	2/1/2012 – 1/31/2017		2/1/2017 – 1/31/2022	
	ANNUAL RENT	ANNUAL RATE / RSF	ANNUAL RENT	ANNUAL RATE / RSF
Shell Rental Rate	\$192,909.28	\$16.91	\$218,235.04	\$19.13
Tenant Improvements Rental Rate	\$0.00	\$0.00	\$0.00	\$0.00
Operating Costs	\$57,268.16	\$5.02	\$57,268.16	\$5.02
Building Specific Security Costs	\$2,966.08	\$0.26	\$0.00	\$0.00
<b>FULL SERVICE RATE</b>	<b>\$253,143.52</b>	<b>\$22.19</b>	<b>\$275,503.20</b>	<b>\$24.15</b>

B. 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.

C. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

D. The 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 Paragraph 1.01, "The Premises," created herein.
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.
4. 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.

E. Parking shall be provided at a rate of \$0.00 per parking space per month (Surface).

**1.04 BROKER COMMISSION AND COMMISSION CREDIT (APR 2011)**

Jones Lang LaSalle Americas, Inc. ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The total amount of the Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to Jones Lang LaSalle Americas, Inc. with the remaining [REDACTED] which is the "Commission Credit", to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest period practicable.

Notwithstanding the "Rent and Other Considerations" paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$21,095.29 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1<sup>st</sup> Month's Rent.

Month 2 Rental Payment \$21,095.29 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2<sup>nd</sup> Month's Rent.

**1.05 TERMINATION RIGHTS (APR 2011)**

The Government may terminate this Lease, in whole or in parts, at any time effective after January 31, 2017 by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

**1.06 RENEWAL RIGHTS (APR 2011)**

This Lease may be renewed at the option of the Government for [REDACTED] each at the following rental rate(s):

Shell Rental Rate	[REDACTED]		[REDACTED]	
	Annual Rent	Annual Rate / RSF	Annual Rent	Annual Rate / RSF
Operating Cost	Operating cost basis shall continue from Year 10 of existing lease term. Option term is subject to continuing annual adjustments.			

provided notice is given to the Lessor at least 90 days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

**1.07 DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Floor Plan(s)	4	A
Parking Plan(s)	1	B
Agency Specific Requirements	73	C
GSA Form 3517B General Clauses	33	D
GSA Form 3518, Representations and Certifications	7	E
Building Security Unit Price List	1	F

**1.08 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (APR 2011)**

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the Real Estate Tax Adjustment clause of this lease is 45.84% percent (rounded to the nearest one hundredth of one percent). The percentage of occupancy is derived by dividing the total Government space of 11,408 rentable square feet by the total building space of 24,887 rentable square feet.

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment clause of the Lease is \$2.06 per rentable square foot (rounded to the nearest cent), or \$23,501 in the base year.

**1.09 OPERATING COST BASE (APR 2011)**

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$5.02 per rentable sq. ft.

**1.10 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (APR 2011)**

In accordance with the section 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 \$1.28 per ABOA sq. ft. of space vacated by the Government.

**1.11 OVERTIME HVAC RATES (APR 2011)**

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

\$42 per hour for the entire space.

**1.12 24-HOUR HVAC REQUIREMENT (APR 2011)**

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. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at a rate of \$0.00 per ABOA sq. ft. of the area receiving the additional overtime HVAC.

**1.13 ADDITIONAL BUILDING IMPROVEMENTS (APR 2011)**

In addition to construction of the Tenant Improvements as required in this Lease, the Lessor shall be required to complete the following additional building improvements (e.g., Fire/Life Safety, Seismic, and Energy Efficiency) prior to acceptance of the Space:

- A. New paint and carpet shall be installed meeting the specifications of this lease within 60 working days of lease award. All costs for new carpet and paint, including the moving and returning of furnishings, shall be included in the shell rental rate.