

LEASE NO. GS-10B-07332

Succeeding/Superseding Lease
GSA FORM L202 (September 2011)

This Lease is made and entered into between

Sage Properties, LLC

("the Lessor"), whose principal place of business is **680 Hawthorne Ave. SE, Suite 300, Salem, OR 97301-6685**, 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

Creekside Corporate Center, 660 Hawthorne Avenue SE, Suite 120, Salem, OR 97301-6683

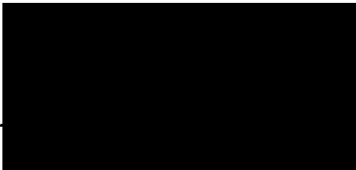
and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein.

LEASE TERM

To Have and To Hold the said Premises with their appurtenances for the term 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 GSA.

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:

Title: **MEMBER**

Date: **JANUARY 30, 2012**

FOR THE GOVERNMENT: 

Lindsey Snow

Lease Contracting Officer

Date: **JAN 31 2012**

WITNESSED BY:



Name:

Title: **BARBARA S. BOBROWITZ**

Date: **JANUARY 30, 2012**

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEPT 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 lease. These exceptions include, but are not limited to, security improvements, Fire Protection and Life Safety 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 forth in the lease paragraphs and attached General Clauses.

The Premises are described as follows:

Office and Related Space: **3,604** rentable square feet (RSF), yielding **3,192** ANSI/BOMA Office Area (ABOA) square feet of office and related space based upon a Common Area Factor of **13%** (rounded to the closest percentage), located on the **1st** floor(s) and known as Suite(s) **120**, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

1.02 EXPRESS APPURTENANT RIGHTS (SEPT 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 the leased premises. 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: **13** 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 **13** 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.
- 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, subject to terms and conditions further described in Section 7 of this lease..

1.03 RENT AND OTHER CONSIDERATION (SUCCEEDING) (SEPT 2011)

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

	February 1, 2012 through January 31, 2017			
	Annual Rent	Annual Rate/RSF ¹	Monthly Rent	Monthly Rate/RSF ¹
Shell Rent	\$76,260.00	\$21.16	\$6,355.00	\$1.76
Operating Costs ²	\$24,780.00	\$6.88	\$2,065.00	\$0.57
Building Specific Security ³	\$0.00	\$0.00	\$0.00	\$0.00
Total Rent	\$101,040.00	\$28.04	\$8,420.00	\$2.33

¹Rates may be rounded.

²Operating costs for the purposes of this lease include Common Area Maintenance, Real Property Taxes, Utilities and Janitorial costs.

³Building Specific Security Costs for shatter-resistant window protection are to be provided by the Lessor at its sole cost.

	February 1, 2017 through January 31, 2022			
	Annual Rent	Annual Rate/RSF ¹	Monthly Rent	Monthly Rate/RSF ¹
Shell Rent	\$89,700.00	\$24.89	\$7,475.00	\$2.07
Operating Costs ²	\$24,780.00	\$6.88	\$2,065.00	\$0.57
Building Specific Security ³	\$0.00	\$0.00	\$0.00	\$0.00
Total Rent⁴	\$114,480.00	\$31.77	\$9,540.00	\$2.64

¹Rates may be rounded.

²Operating costs include common area maintenance, real property taxes, utilities and janitorial costs. The operating costs in the rent table for years 6 through 10 currently reflect the same fixed amount charged for the first 5 years, however, operating costs shall be adjusted effective February 1, 2017 and shall remain fixed for the remaining term, excluding renewal option periods. The operating costs adjustment will be established by negotiations which shall be based on the submission of a new GSA-Form 1217 to be completed by the Lessor with actual costs from the previous trailing twelve month period, no later than 180 days prior to February 1, 2017. Negotiations will be conducted to ensure that the adjusted operating costs accurately reflect the government's actual share of services and utilities. Consideration will be taken regarding other tenants' usage patterns.

³Building Specific Security Costs for [REDACTED] are to be provided by the Lessor at its sole cost.

⁴Total rent is To Be Determined following the effective date for Operating Cost adjustment, detailed in Footnote 2 above.

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; and
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. 13 unreserved surface parking spaces are provided at no additional cost to the Government, for such use as further described in Section 7 of this lease.

F. The Lessor provides to the Government a tenant improvement allowance of \$10,000.00, which may be used as a rent credit if the amount is not used for alterations or tenant improvements within the Premises,

1.04 TERMINATION RIGHTS

The Government may terminate this Lease, in whole or in parts, at any time effective after January 31, 2017, including any exercised renewal option periods, by providing not less than 180 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.

1.05 RENEWAL RIGHTS (SEPT 2011)

This Lease may be renewed at the option of the Government for 2 terms of 5 YEARS with all other terms and conditions of the lease remaining in full force and effect at each at the following rental rate(s):

OPTION TERM: 02/01/2022 – 01/31/2027				
	ANNUAL RENT	ANNUAL RATE / RSF	MONTHLY RENT	MONTHLY RATE / RSF
SHELL RENTAL RATE	\$106,500.00	\$29.55	\$8,875	\$2.46
OPERATING COST	OPERATING COSTS INCLUDE COMMON AREA MAINTENANCE, REAL PROPERTY TAXES, UTILITIES AND JANITORIAL COSTS. OPERATING COSTS SHALL BE ADJUSTED AT THE BEGINNING OF THE RENEWAL OPTION TERM AND REMAIN FIXED FOR THE 5 YEAR RENEWAL OPTION TERM. THE OPERATING COSTS ADJUSTMENT WILL BE ESTABLISHED BY NEGOTIATIONS WHICH SHALL BE BASED ON THE LESSOR'S SUBMISSION OF A NEW GSA-FORM 1217 WHICH SHALL BE COMPLETED WITH ACTUAL COSTS FROM THE PREVIOUS TRAILING TWELVE MONTH PERIOD, NO LATER THAN 180 DAYS PRIOR TO THE EFFECTIVE DATE OF THE LEASE RENEWAL PERIOD. NEGOTIATIONS WILL BE CONDUCTED TO ENSURE THAT THE ADJUSTED OPERATING COSTS ACCURATELY REFLECT THE GOVERNMENT'S ACTUAL SHARE OF SERVICES AND UTILITIES. CONSIDERATION WILL BE TAKEN REGARDING OTHER TENANTS' USAGE PATTERNS.			

OPTION TERM: 02/01/2027 – 01/31/2032				
	ANNUAL RENT	ANNUAL RATE / RSF	MONTHLY RENT	MONTHLY RATE / RSF
SHELL RENTAL RATE	\$126,540.00	\$35.11	\$10,545.00	\$2.93
OPERATING COST	OPERATING COSTS INCLUDE COMMON AREA MAINTENANCE, REAL PROPERTY TAXES, UTILITIES AND JANITORIAL COSTS. OPERATING COSTS SHALL BE ADJUSTED AT THE BEGINNING OF THE RENEWAL OPTION TERM AND REMAIN FIXED FOR THE 5 YEAR RENEWAL OPTION TERM. THE OPERATING COSTS ADJUSTMENT WILL BE ESTABLISHED BY NEGOTIATIONS WHICH SHALL BE BASED ON THE LESSOR'S SUBMISSION OF A NEW GSA-FORM 1217 WHICH SHALL BE COMPLETED WITH ACTUAL COSTS FROM THE PREVIOUS TRAILING TWELVE MONTH PERIOD, NO LATER THAN 180 DAYS PRIOR TO THE EFFECTIVE DATE OF THE LEASE RENEWAL PERIOD. NEGOTIATIONS WILL BE CONDUCTED TO ENSURE THAT THE ADJUSTED OPERATING COSTS ACCURATELY REFLECT THE GOVERNMENT'S ACTUAL SHARE OF SERVICES AND UTILITIES. CONSIDERATION WILL BE TAKEN REGARDING OTHER TENANTS' USAGE PATTERNS.			

LESSOR: WLS GOVERNMENT: RS

provided notice is given to the Lessor at least 180 days before the end of the original lease/option 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.

1.06 DOCUMENTS INCORPORATED BY REFERENCE (SEPT 2011)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
PARKING PLAN	1	B
ADDITIONAL SECURITY REQUIREMENTS	2	C
GSA FORM 3517B GENERAL CLAUSES	33	
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	

1.07 INTENTIONALLY DELETED

1.08 INTENTIONALLY DELETED

1.09 INTENTIONALLY DELETED

1.10 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEPT 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 annual rent shall be reduced by \$0.60 per ABOA sq. ft. of space vacated by the Government.

1.11 HOURLY OVERTIME HVAC RATES (SEPT 2011)

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

\$2.50 per hour per zone

Number of zones: 1

\$ 2.50 per hour for the entire space.

1.12 INTENTIONALLY DELETED

1.13 ADDITIONAL BUILDING IMPROVEMENTS (SEPT 2011)

No additional building improvements are required for the Government to continue its occupancy of the existing leased premises.