

LEASE NO. GS-10B-07287

Standard Lease
GSA FORM L201C (05/11)

This Lease is made and entered into between

VECO 36TH AVENUE, INC.

("the Lessor"), whose principal place of business is VECO 36th Avenue, Inc., c/o Frampton & Opinsky, LLC, 2525 Blueberry Road, Suite 204, Anchorage, AK 99503-2647, 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

949 East 36th Avenue, Anchorage, Alaska 99508-4328 (Building No. AK3237)

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

15 Years, 10 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth to be used for such purposes as determined by GSA. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Lease Amendment upon substantial completion and acceptance of the space by the Government.

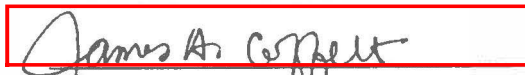
In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:



Name: **Darrell Chambers**
Title: **Vice President, Strategy and Business Planning, Analysis**
Date: **7/18/13**

FOR THE GOVERNMENT:



JAMES A. COFFELT
Lease Contracting Officer
Date: **July 29, 2013**

WITNESSED BY:



Name: **Paula Kay**
Title: **Director, Contract Administration**
Date: **July 17, 2013**

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

	YEARS 1 – 10 ANNUAL RENT	YEARS 11-15 ANNUAL RENT
SHELL RENTAL RATE	\$613,530.24	\$767,275.30
TENANT IMPROVEMENTS RENTAL RATE*	\$129,894.12	\$0.00
OPERATING COSTS	\$134,816.25	\$134,816.25
BUILDING SPECIFIC SECURITY COSTS	\$2,257.00	\$0.00
FULL SERVICE RATE	\$880,497.61	\$902,091.55

*The Tenant Improvements Allowance is amortized at a rate of 7 percent per annum for 10 years.

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 20,835 ABOA sq. ft. based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

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

D. 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.

E. 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.

F. 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.

1.04 BROKER COMMISSION AND COMMISSION CREDIT:

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 \$264,149.28 and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only \$174,338.53 of the Commission, will be payable to Jones Lang LaSalle Americas, Inc. with the remaining \$89,810.75, 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 time practicable.

Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to recapture fully 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 \$73,374.80 minus prorated Commission Credit of \$44,905.37 equals \$28,469.43 adjusted 1st Month's Rent.

Month 2 Rental Payment \$73,374.80 minus prorated Commission Credit of \$44,905.38 equals \$28,469.42 adjusted 2nd Month's Rent.

1.05 TERMINATION RIGHT

The Government may terminate this Lease, in whole or in part, at any time effective after the firm term of this Lease 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-INTENTIONALLY DELETED

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)	2	A
PARKING PLAN(S)	1	B
AGENCY SPECIFIC REQUIREMENTS DATED 8/3/2011	16	C
ADDITIONAL SECURITY REQUIREMENTS	2	D
GSA FORM 3517B GENERAL CLAUSES	33	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	F
SECURITY UNIT PRICE LIST	1	G
AMENDMENTS TO RLP NO. 8AK2149	1	H
SMALL BUSINESS SUBCONTRACTING LETTER	2	I

1.08 TENANT IMPROVEMENT ALLOWANCE

The Tenant Improvement Allowance for purposes of this Lease is ~~\$44.89~~ per ABOA sq. ft. The Tenant Improvement Allowance is the amount that the Lessor shall make available for the Government to be used for the Tenant Improvements. This amount has been amortized in the rent over the firm term of this Lease at an interest rate of 7 percent per year.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (APR 2011)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TI Allowance. The Government may use all or part of the Tenant Improvement Allowance. The Government may return to the Lessor any unused portion of the Tenant Improvement Allowance in exchange for a decrease in rent according to the agreed-upon amortization rate over the firm term.

B. The Government shall have the right to make lump sum payments for any or all work covered by the Tenant Improvement Allowance. That part of the Tenant Improvement Allowance 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 choose to pay lump sum for any part or all of the remaining unpaid amortized balance of the Tenant Improvement Allowance. If the Government elects to make a lump sum payment for the Tenant Improvement Allowance after occupancy, the payment of the Tenant Improvement Allowance 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 Tenant Improvement requirements;
2. Pay lump sum for the overage upon completion and acceptance of the improvements; or
3. Increase the rent according to the negotiated amortization rate over the firm term of the Lease.

1.10 TENANT IMPROVEMENT FEE SCHEDULE

For pricing Tenant Improvement Costs as defined herein, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (PER ABOA SQ. FT. OR % OF CONSTRUCTION COSTS)	\$1.25 PER ABOA SF
LESSOR'S PROJECT MANAGEMENT FEE (% OF CONSTRUCTION COSTS)	5%

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE

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 16.8539 percent. The percentage of occupancy is derived by dividing the total Government space of 23,053 RSF by the total building space of 136,781 rentable square feet.

The tax parcel number is: 003-232-34-000. No real estate tax adjustments shall apply.

1.12 OPERATING COST BASE

No operating cost adjustments shall apply.

1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES

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 \$3.60 per ABOA sq. ft. of space vacated by the Government.

1.14 NON-24/7 HVAC RATES

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



\$400.00 per hour for the entire building.

1.15 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.

1.16 ADDITIONAL BUILDING IMPROVEMENTS

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. The Lessor shall complete the seismic upgrades identified in the BBFM Engineers Memo dated December 13, 2011, and further documented in the memo dated January 30, 2013 from Dave Forsland, Property Manager with Frampton Opinsky, and with input from Colin Maynard, PE, of BBFM Engineers. The seismic upgrade shall be completed with minimal disruption to **RS** and shall be completed within sixteen (16) months of the lease execution date.
- B. The Lessor shall provide a final construction schedule, all final design and construction documents for the seismic retrofit, including structural calculations, drawings, and specifications to the Government for review and approval prior to the start of construction. When required by local building code, a geotechnical report shall be made available to the Government. The schedule will be mutually agreed to by GSA, **RS** and the Lessor. The TAC suite shall not undergo any renovations between January 1st through April 30th.
- C. If swing space is required in order to reduce the amount of disruption to the tenant agency, Lessor is required to provide and relocate the tenant agency to a temporary alternate location for any area affected by alterations at Lessor's sole expense. Likewise, the Lessor would be responsible at Lessor's expense to relocate the tenant agency into the newly renovated space. This would include providing, but not limited to, the temporary extension of and access to telecommunication and data systems to the temporary office space so that the current level of operational efficiency and effectiveness is not disrupted. The Lessor will also be responsible for working with all contractors and the tenant agency's office management to provide a reasonable work environment that would minimize any interruptions to daily business activities during any construction period. If different work scheduling for the contractor becomes necessary, Lessor will be responsible.