

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE March 31, 2011

LEASE NO. GS-10B-07244 BUILDING NO. WA7774

THIS LEASE, made and entered into this date by and between THE 1984 LEVIN LIVING TRUST DATED JULY 31, 1984

Whose address is C/O MARTIN M. EISENBERG
177 BOVET ROAD, SUITE 600
SAN MATEO, CA 94402-3116

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:

- The Lessor hereby leases to the Government the following described premises:

A total of 7,563 rentable square feet (RSF) of office and related space, which yields 7,023 ANSIBOMA Office Area (ABOA) square feet of space at 151 SW 156th Street, Burien, WA 98166-4503 to be used for such purposes as determined by the General Services Administration.

- TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for fifteen (15) years, subject to termination and renewal rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government within one hundred twenty (120) calendar days of the Government issuing the Notice to Proceed for Tenant Improvements.

- The Government shall pay the Lessor annual rent per the table below, per month in arrears.

Rent Period ¹	Shell Rent ²	Operating Rent ³	Amortized Tenant Improvements ⁴	Total Annual Rent
01/15/12 - 01/14/14	\$132,779.05	\$46,330.94	\$-0-	\$179,109.99
01/15/14 - 01/14/16	\$139,283.23	\$46,330.94	\$-0-	\$185,614.17
01/15/16 - 01/14/18	\$146,165.56	\$46,330.94	\$-0-	\$192,496.50
01/15/18 - 01/14/22	\$153,350.41	\$46,330.94	\$-0-	\$199,681.35
01/15/22 - 01/14/24	\$162,377.61	\$46,330.94	\$-0-	\$208,708.55
01/15/24 - 01/14/26	\$170,470.02	\$46,330.94	\$-0-	\$216,800.96
01/15/26 - 01/14/27	\$179,016.21	\$46,330.94	\$-0-	\$225,347.15

¹ Dates specified above may be adjusted subject to Beneficial Occupancy. Rent for the period of 01/15/12 through 04/14/12 is adjusted pursuant to Paragraph 16 below.

² Shell Rent includes \$0.03064 per RSF years 1-10 for Building Specific Security items.

³ Base Operating Rent subject to adjustments in accordance with paragraph 11 of this SF-2.

⁴ Tenant Improvement Costs in accordance with paragraph 8 of this SF-2.

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

LESSOR
THE 1984 LEVIN LIVING TRUST DATED JULY 31, 1984

**SYDNEY LEVIN
TRUSTEE**

BY _____
IN PRESENCE _____

(Title)

MARTIN M. EISENBERG
177 BOVET RD., SUITE 600
SAN MATEO, CA. 94402-3122

UNITED STATES OF AMERICA

BY _____

Contracting Officer, General Services Administration
(Official Title)

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

THE 1984 LEVIN LIVING TRUST DATED JULY 31, 1984
C/O MARTIN M. EISENBERG
177 BOVET ROAD, SUITE 600
SAN MATEO, CA 94402-3116

4. The Government may terminate this lease in whole or in part at any time on or after the tenth (10th) lease year by giving at least 120 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
- ~~5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals, upon 120 days advance written notice by the Government: This paragraph is intentionally deleted.~~
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 OWA2071 dated November 15, 2010.
 - B. Build out in accordance with standards set forth in SFO OWA2071 dated November 15, 2010 and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
 - 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. Solicitation for Offers SFO OWA2071 dated November 15, 2010 (pages 1-47).
 - B. Special Requirements:
 - Special Security Requirements - Special Space Specifications & Requirements, dated February 25, 2010 (13 pages)
 - Specifications for Information System, dated March 22, 2010, (20 pages)
 - Special Security Requirements - IWS/LAN, dated March 17, 2009, (20 pages)
 - IWS/LAN Cable installation and General Notes, no date, (2 pages)
 - DCR LAN Rack, no date, (1 page)
 - American National Standard for Power Assist & Low Energy Power Operated Doors, dated July 29, 1997, (9 pages)
 - Commission for the Blind, no date (2 pages)
 - Unipan I 1000 Simplex, no date, (1 page)
 - Rolling Shutter, no date (4 pages)
 - Zephyr Fans, no date, (3 pages)
 - Roller Shade Panels (Aluminum), no date, (6 pages)
 - C. GSA Form 3517B entitled GENERAL CLAUSES (Rev 11/05) (pages 1-33)
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev 1/07) (pages 1-7)
8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the amount of \$300,092.79 (7,023 USF x \$42.73) shall be amortized through the rent at the rate of 3.0%. Tenant Improvements have not been completed as of the effective date of this SF-2. The Government intends to pay Shell and Operating Rent per the table in Paragraph 3 effective January 15, 2012. Upon completion and acceptance by the Government of Tenant Improvements for the space, a Supplemental Lease Agreement will be issued to amortize the Tenant Improvement amount over the *remaining firm term* and this amount will be added into the annual rental amount. Adjustments to the Broker Commission and GSA Commission credit will also be made at that time.
9. In accordance with the SFO paragraph 4.2 B *Percentage of Occupancy*, the percentage of Government occupancy is established as 100% (7,563 RSF / 7,563 RSF).
10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the escalation base is established as \$6.126/RSF (\$46,330.94/annum).
11. In accordance with the SFO paragraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.076890218 (7,563 RSF/7,023 ABOA SF).

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12. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as a reduction of \$6.126 per RSF / \$6.60 per ABOA SF for vacant space.
13. 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 SFO. The charges for areas requiring 24 hour heating and cooling (HVAC), if any, shall be provided at no additional charge to the Government.
14. In accordance with the SFO paragraph 4.2 entitled *Tax Adjustment*, the tax base for the Government-occupied space is established at \$19,603.00 and the Assessor's Parcel No. is: 1221000895.
15. In accordance with the SFO paragraph 4.6 entitled *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. to 5:00 p.m., Monday - Friday, except Federal Holidays), at a rate of \$20.00 per hour. 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 located at 400 - 15th Street SW, Auburn, WA 98001, to receive payment.
16. Adjusted monthly rent payments (application of commission credit):

The commission credit shall be applied equally against the shell rental payments over four months so as not to exceed the monthly shell rental per SFO subparagraph 2.4 B. Monthly rent is \$14,925.83 and monthly shell rent is \$11,064.92. The commission credit is \$ [REDACTED]

Gross Rent	Yrs 1-2 = \$	358,219.98	Yrs 5-6 = \$	384,993.00
	Yrs 3-4 = \$	371,228.34	Yrs 7-10 = \$	798,725.40
			Total Rent	\$1,913,166.73

GSA Rent Commission Credit: \$ [REDACTED]
 Studley/LaBonde Commission: \$ [REDACTED]

The monthly rent payments adjusted for the commission credit are as follows:

<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Commission Credit</u>	<u>Commission Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
01/15/12 - 02/14/12	\$14,925.83	\$11,064.92	[REDACTED]	[REDACTED]	[REDACTED]
02/15/12 - 03/14/12	\$14,925.83	\$11,064.92	[REDACTED]	[REDACTED]	[REDACTED]
03/15/12 - 04/14/12	\$14,925.83	\$11,064.92	[REDACTED]	\$ -0-	[REDACTED]
04/15/12 - 05/14/12	\$14,925.83	\$11,064.92	\$ -0-	\$ -0-	\$14,925.83

17. 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 this Lease or any extensions. Alterations may be completed by either the Government and/or the Lessor including the initial build-out 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.
18. The following Energy Efficiency and Conservation (Sept 2010) items are hereby included in this lease:
 - A. Existing buildings must have earned the Energy Star label in the most recent year or will have obtained it prior to lease award, unless the offered space meets one of the statutory exceptions listed below. All new construction shall achieve an Energy Star label within 18 months after occupancy by the Government. The Offeror is encouraged to include shared savings in the offer as a result of energy upgrades where applicable. ENERGY STAR tools and resources can be found at the www.energystar.gov Web site. The term "most recent year" means that the date of award of the Energy Star label by EPA must not be more than 1 year prior to the lease award date. For example, an Energy Star label awarded by EPA on October 1, 2010 is valid for all lease awards made on or before September 30, 2011.
 - B. To earn the Energy Star label, a building owner or representative must follow the instructions on the Energy Star Web site at <http://www.energystar.gov/eslabel>.

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C. EXCEPTIONS. The Energy Independence and Security Act of 2007 (EISA) allows a Federal agency to lease space in a building that does not have an Energy Star label if:

1. No space is offered in a building with an Energy Star label in the delineated area that meets the functional requirements of an agency, including location needs;
2. The agency will remain in a building they currently occupy;
3. The lease will be in a building of historical, architectural, or cultural significance listed or eligible to be listed on the National Register of Historic Places; or
4. The lease is for 10,000 rentable square feet or less.

D. REQUIREMENTS FOR ALL BUILDINGS EXCEPTED FROM AN ENERGY STAR LABEL.

1. If an Energy Star label building is not offered or an exception is met in accordance with subparagraph "C" above, the successful Offeror must, nevertheless, agree to renovate the space for all energy efficiency and conservation improvements that would be cost effective over the firm term of the lease.
2. Such improvements may consist of, but are not limited to, the following:
 - a. Heating, Ventilating, and Air Conditioning (HVAC).
 - b. Lighting Improvements.
 - c. Building Envelope Modifications.
 - d. Additional information can be found on www.gsa.gov/leasing under "Green Leasing."
3. The term "cost effective" means an improvement that will result in substantial operational cost savings to the landlord by reducing electricity or fossil fuel consumption, water, or other utility costs. The term "operational cost savings" means a reduction in operational costs to the landlord through the application of building improvements that achieve cost savings over the firm term of the lease sufficient to pay the incremental additional costs of making the building improvements.
4. If the offered space meets one of the statutory exceptions identified above, but the successful Offeror obtains the Energy Star label prior to occupancy (or no later than one (1) year after signing the lease for succeeding and superseding leases), the lessor is not required to renovate such space for the energy efficiency and conservation improvements that may have been agreed to in the lease.

E. IMPROVEMENTS SCHEDULE. All improvements must be accomplished according to the following schedule:

1. With the exception of succeeding or superseding leases, the improvements must be completed **prior to occupancy.**
2. For succeeding and superseding leases, the improvements must be completed **no later than one (1) year after signing the lease.**

F. ENERGY STAR ONLINE TOOLS. To earn the ENERGY STAR label, a building owner or representative must follow the instructions on the Energy Star Web site at <http://www.energystar.gov/eslabel>. The ENERGY STAR® Building Upgrade Manual and Building Upgrade Value Calculator are tools which can be helpful in considering energy efficiency and conservation improvements to buildings.

1. ENERGY STAR® BUILDING UPGRADE MANUAL. This manual provides information on planning and implementing profitable energy saving building upgrades. The ENERGY STAR® Building Upgrade Manual is available at: <http://www.energystar.gov/bldgmanual>.
2. BUILDING UPGRADE VALUE CALCULATOR. The Building Upgrade Value Calculator, developed by the U.S. Environmental Protection Agency (EPA), is a product of the partnership between Energy Star, BOMA International, and the BOMA Foundation. This calculator was developed as part of BOMA's Energy Efficiency Program (BEEP), a series of courses designed to help commercial real estate practitioners improve their buildings' energy efficiency performance. The calculator tool was developed to help property professionals assess the financial value of investments in a property's energy performance. The Building Upgrade Value Calculator estimates the financial impact of proposed investments in energy efficiency in office properties. The calculations are based on data input by the user, representing scenarios and conditions present at their properties. The Building Upgrade Value Calculator is available on the Energy Star Web site at <http://www.energystar.gov/financiaevaluation>.

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- G. The Offeror may obtain a list of energy service companies qualified under the Energy Policy Act to perform Energy Savings Performance Contracts (ESPC), as well as additional information on cost effective energy efficiency, renewables, and water conservation. For the ESPC qualified list, refer to the www.eere.energy.gov/femp Web site, or call the Federal Energy Management Program (FEMP) Help Desk at 1-877-337-3463.
- H. The Offeror is encouraged to include shared savings in the offer as a result of energy upgrades where applicable.
- I. The Offeror is encouraged to purchase at least 50 percent of the Government tenant's electricity from renewable sources.
19. 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 Supplemental Lease Agreement.
20. 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".
21. 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.

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