

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE
FEB 1 2011

LEASE NO.
GS-10B-07249

BUILDING NO.
AK3214

THIS LEASE, made and entered into this date by and between **ALASKA PACIFIC UNIVERSITY DBA DR. GLENN OLDS HALL**.

Whose address is 4101 UNIVERSITY DRIVE, #40, ANCHORAGE, ALASKA 99508-4652.

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:
A total of **19,650** rentable square feet (RSF) of office and related space, which yields **15,352** ANSI/BOMA Office Area (ABOA) square feet of space in a building to be constructed at Alaska Pacific University, Glenn Olds Hall, 4210 University Drive, Anchorage, AK 99508-4650 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are four (4) parking spaces for the exclusive use of Government employees and patrons. The premises are to be constructed in accordance with the [redacted] Space requirements, dated December 17, 2010; design intent drawings, dated January 12, 2011; and the provisions of Solicitation For Offers 7AK2212, as amended in its entirety.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon beneficial occupancy and continuing through April 6, 2028.

3. The Government shall pay the Lessor annual rent of:

| | | |
|--------------------------------|--------------------------------------|--|
| For Year 1, an annual rent of | \$785,214.0000 at the rate of | \$65,434.5000 per month in arrears. |
| For Year 2, an annual rent of | \$796,599.6030 at the rate of | \$66,383.3003 per month in arrears. |
| For Year 3, an annual rent of | \$808,150.2972 at the rate of | \$67,345.8581 per month in arrears. |
| For Year 4, an annual rent of | \$819,868.4766 at the rate of | \$68,322.3730 per month in arrears. |
| For Year 5, an annual rent of | \$831,756.5695 at the rate of | \$69,313.0475 per month in arrears. |
| For Year 6, an annual rent of | \$843,817.0397 at the rate of | \$70,318.0866 per month in arrears. |
| For Year 7, an annual rent of | \$856,052.3868 at the rate of | \$71,337.6989 per month in arrears. |
| For Year 8, an annual rent of | \$868,465.1464 at the rate of | \$72,372.0955 per month in arrears. |
| For Year 9, an annual rent of | \$881,057.8910 at the rate of | \$73,421.4909 per month in arrears. |
| For Year 10, an annual rent of | \$893,833.2304 at the rate of | \$74,486.1025 per month in arrears. |
| For Year 11, an annual rent of | \$906,793.8123 at the rate of | \$75,566.1510 per month in arrears. |
| For Year 12, an annual rent of | \$919,942.3226 at the rate of | \$76,661.8602 per month in arrears. |
| For Year 13, an annual rent of | \$933,281.4862 at the rate of | \$77,773.4572 per month in arrears. |
| For Year 14, an annual rent of | \$946,814.0678 at the rate of | \$78,901.1723 per month in arrears. |
| For Year 15, an annual rent of | \$960,542.8718 at the rate of | \$80,045.2393 per month in arrears. |
| For Year 16, an annual rent of | \$974,470.7434 at the rate of | \$81,205.8953 per month in arrears. |

*Year 1 Rent shall be adjusted per Paragraph 20 below. Annual Rent Breakdown provided in Exhibit B.

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

LESSOR Alaska Pacific University DBA Dr. Glenn Olds Hall
LESSOR NAME

BY [Signature]
(Signature)
IN PRESENCE OF [Signature]
(Signature)

AGENT for APU
(Title)
[Redacted]
(Address)

UNITED STATES OF AMERICA

BY [Signature]
(Signature) **LINDSEY D. SNOW**
CONTRACTING OFFICER Contracting Officer, General Services Administration
(Official Title)

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

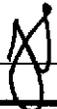
APU/ Glenn Olds Hall
4101 University Drive, #40
Anchorage, Alaska 99508-4652

4. PARAGRAPH 4, **TERMINATION RIGHTS** IS INTENTIONALLY OMITTED.
5. PARAGRAPH 5, **RENEWAL OPTIONS** IS INTENTIONALLY OMITTED.
6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 7AK2212 dated June 29, 2010.
 - B. Build out in accordance with standards set forth in SFO 7AK2212 dated June 29, 2010. The tenant agency Special Requirements contained in the SFO, and the Government's design intent drawings ("Exhibit A"), dated January 12, 2011.
 - 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. Amendment 1 to SFO 7AK2212 dated July 7, 2010, (1 page);
 - B. Amendment 2 to SFO 7AK2212 dated August 27, 2010, (1 page);
 - C. Amendment 3 to SFO 7AK2212 dated December 1, 2010, (3 pages);
 - D. Amendment 4 to SFO 7AK2212 dated January 19, 2011, (1 page);
 - E. Solicitation for Offers 7AK2212 dated June 29, 2010, (51 pages);
 - F. Special Requirements: "Special Requirements – Alaska Science Center – Anchorage, AK, (5 pages);
 - G. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]), (33 pages);
 - H. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]), (7 pages);
 - I. Government Design Intent Drawings – (Exhibit A) (3 pages);
 - J. Rent Roll for [REDACTED] Anchorage, AK, (Exhibit B) (1 page);
8. In accordance with the SFO Paragraphs 3.2 entitled Tenant Improvements Included in Offer and 3.3 entitled Tenant Improvement Rental Adjustment:
 - A. Based on the requirements of the SFO, the total TI costs of \$1,289,125.38 have been determined fair and reasonable.
 - B. Tenant Improvements in the total amount of \$889,125.38 shall be amortized through the rent for 16 years at the rate of 7.8%. The total annual cost of Tenant Improvements for the amortization period shall be \$97,436.49.
 - C. Since the total TI costs exceed the Tenant Improvement Allowance, the Tenant Improvement cost balance of \$400,000.00 shall be ordered via Supplemental Lease Agreement.
 - D. This lease contract represents the Lessor's Notice to Proceed (NTP) in the amount of amortized Tenant Improvements listed above in Paragraph 8.B.
 - E. The Government has the option to buy down the TI by an additional \$200,000.00 within 120 days from execution of this lease, to be ordered by Supplemental Lease Agreement. If the Government elects to buy down the TI the annual rent shall be reduced by \$18,864.00.
 - F. The Lessor shall have three-hundred (380) working days from the execution of this contract to complete the build-out of the entire space. All items specified in this Lease Agreement, delineated on the Government's Approved Design Intent Drawings ("Exhibit A"), and specified in the [REDACTED] Space Requirements, dated December 17, 2010, shall be provided by the Lessor.
9. In accordance with the SFO paragraph 4.2.B.9 entitled Percentage of Occupancy, the percentage of Government occupancy is established as **100%**.
10. In accordance with the SFO paragraph 4.3 entitled Operating Costs, the base is established as \$186,550.00/annum.
11. In accordance with the SFO paragraph 4.1.C. entitled Common Area Factor, the common area factor is established as **1.28** (19,650 RSF/15,352 ABOA).

LESSOR

UNITED STATES OF AMERICA

BY _____



(Initial)

BY _____

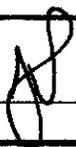


(Initial)

12. In accordance with the SFO paragraph 4.4 entitled Adjustment for Vacant Premises, the adjustment is established as \$0.00/USF for vacant space (rental reduction).
13. 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 condition (HVAC) at any time beyond normal service hours (6:00 a.m. – 4:00 p.m., Monday through Friday, and except Federal Holidays (“Normal Hours”)), at a rate of \$33.50 per hour per zone. The Lessor must submit a proper invoice quarterly to the GSA Building Manager or designee located at GSA Lease Administration Manager, 222 West 7th Avenue, Room 151, Anchorage, Alaska 99513, to receive payment.
14. Security costs for [REDACTED], required by SFO Paragraph 10.19, in the total amount of [REDACTED] shall be amortized through the rent for 16 years at the rate of 7.80%.
15. The Lessor shall provide janitorial service outside of normal working hours, Monday through Friday, except Saturdays, Sundays and Federal Holidays.
16. ACCEPTANCE OF SPACE:
 - A. The following is added to Paragraph 5.13.G. (1), “Acceptance of Space and Certificate of Occupancy”: Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Tim frames for subsequent inspections will be established by the Government.
 - B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
 - C. Neither the Government’s acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government’s occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government on this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.
17. UNAUTHORIZED IMPROVEMENTS: All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between the GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, the Lessor shall not be entitled to compensation.**
18. 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” appears in this Lease, they shall be deemed to mean “Premises.”
19. This Lease is for the turn-key price and construction proposal prepared by the Lessor in response to SFO 7AK2212. All costs for construction of the shell and tenant improvements are included in the lease rates. This lease provides for an escalation of rent as shown in Paragraph 3; no other escalations, pass-throughs, or adjustments are provided for in this lease.

LESSOR

BY



(initial)

UNITED STATES OF AMERICA

BY



(initial)

20. COMMISSION AND COMMISSION CREDIT:

The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the first ten (10) years of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph 2.3 in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rent payments due and owed under this lease shall be reduced to fully recapture this Commission Credit. The reduction in the shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$65,434.5000 minus prorated Commission Credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$65,434.5000 minus prorated Commission Credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

LESSOR

UNITED STATES OF AMERICA

BY _____

(initial)

BY _____

(initial)