

U.S. GOVERNMENT LEASE FOR REAL PROPERTY
(Short Form)

1. LEASE NUMBER
GS-09B-02272

PART I - SOLICITATION/DESCRIPTION OF REQUIREMENTS (To be completed by Government)

A. REQUIREMENTS

- 2. The Government of the United States of America is seeking to lease approximately 7,000 rentable square feet of warehouse space located in South San Francisco, CA (see delineated area) for occupancy not later than September 24, 2010 (date) for a term of ten (10) years/five (5) years firm. Rentable space must yield a minimum of 6,500 to a maximum of 7,000 square feet of ANSI/BOMA Office Area (ABOA) for use by Tenant for personnel, furnishing, and equipment.**
- 3. INITIAL OFFERS ARE DUE ON OR BEFORE CLOSE OF BUSINESS (COB is 4:30pm PST) May 7, 2010.**

B. STANDARD CONDITIONS AND REQUIREMENTS

4. The following standard conditions and requirements shall apply to any premises offered for lease to the UNITED STATES OF AMERICA (the GOVERNMENT):
- a. Space offered must be in a quality building of sound and substantial construction meeting the Government's requirements for the intended use.
 - b. The Lessor shall provide floor plans for the offered space and a valid Certificate of Occupancy for the intended use of the Government and shall meet, maintain, and operate the building in conformance with all applicable current (as of the date of this solicitation) codes and ordinances. If space is offered in a building to be constructed for lease to the Government, the building must be in compliance with the most recent edition of the building code, fire code, and ordinances adopted by the jurisdiction in which the building is located.
 - c. Offered space shall meet or be upgraded to meet the applicable egress requirements in National Fire Protection Association (NFPA) 101, *Life Safety Code* or an alternative approach or method for achieving a level of safety deemed equivalent and acceptable by the Government. Offered space located below-grade, including parking garage areas, and all areas referred to as "hazardous areas" (defined in NFPA 101) within the entire building (including non-Government areas), shall be protected by an automatic sprinkler system or an equivalent level of safety. Additional automatic fire sprinkler requirements will apply when offered space is located on or above the 6th floor. Unrestricted access to a minimum of two remote exits shall be provided on each floor of Government occupancy. Scissor stairs shall be counted as only one approved exit. Open-air exterior fire escapes will not be counted as an approved exit. Additional fire alarm system requirements will apply when offered space is located 2 or more stories in height above the lowest level of exit discharge.
 - d. The Building and the leased space shall be accessible to persons with disabilities in accordance with appendices C and D of 36 CFR Part 1191 (ABA Chapters 1 and 2 and Chapters 3 through 10 of the ADA-ABA Accessibility Guidelines).
 - e. The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented. The space shall be free of other hazardous materials and in compliance with applicable Federal, State, and local environmental laws and regulations.
 - f. Services, utilities, and maintenance will be provided daily, extending from 6:00 a.m. to 7:00 p.m. except Saturday, Sunday, and Federal holidays. The Government shall have access to the leased space at all times, including the use of electrical services, toilets, lights, elevators, and Government office machines without additional payment.
 - g. The Lessor shall complete any necessary alterations within thirty (30) days after receipt of approved layout drawings.
 - h. The Offeror must have an active registration in the Central Contractor Registration (CCR) System (via the Internet at <http://www.ccr.gov>) prior to lease award and throughout the life of the lease. To remain active, the Lessor must update or renew its registration annually. The Government will not process rent payments to Lessors without an active CCR Registration. The Government will recognize no change of ownership of the leased premises until the new owner registers in the CCR system.

5. SERVICES AND UTILITIES (To be provided by Lessor as part of rent)

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|---|---|---|---|--|
| <input type="checkbox"/> HEAT | <input checked="" type="checkbox"/> TRASH REMOVAL | <input type="checkbox"/> ELEVATOR SERVICE | <input checked="" type="checkbox"/> INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS | <input type="checkbox"/> OTHER (Specify below) |
| <input checked="" type="checkbox"/> ELECTRICITY | <input type="checkbox"/> CHILLED DRINKING WATER | <input type="checkbox"/> WINDOW WASHING | <input type="checkbox"/> PAINTING FREQUENCY _____ | |
| <input type="checkbox"/> POWER (Special Equip.) | <input type="checkbox"/> AIR CONDITIONING | Frequency _____ | Space _____ | |
| <input type="checkbox"/> WATER (Hot & Cold) | <input checked="" type="checkbox"/> TOILET SUPPLIES | <input type="checkbox"/> CARPET CLEANING | Public Areas _____ | |
| <input type="checkbox"/> SNOW REMOVAL | <input type="checkbox"/> JANITORIAL SERV. & SUPP. | Frequency _____ | | |

6. OTHER REQUIREMENTS

Proposed space must be within the following delineated area:

West at South Airport Blvd and Utah Ave to Littlefield Ave to East Grand Ave to Gateway Blvd
North at Gateway Blvd and East Grand to Sister Cities Blvd (Oyster Point Blvd) to Hillside Blvd
East at South Spruce St and Hillside Blvd to El Camino Real (Hwy 82) to San Bruno Ave
South at San Bruno Ave and El Camino Real (HWY 82) to South Airport Ave to close the delineated area

Offerors should also include the following with their offers:

The estimated cost to prepare the space for occupancy by the Government and the Offeror's proposed amortization rate for tenant alterations.

A block plan of the proposed space

Completed/Initialed copies of the following forms:

- Short Form Lease Amendments
- Attachment 1: Minimum Lease Security Standards
- Certificate of Seismic Compliance
- Form 12000: Fire Protection and Life Safety Survey
- Form B: Document Security: Notice to Prospective Bidders/Offerors
- 3517: General Clauses
- 3518A: Representations and Certifications (Short Form)
- 1364: Proposal to Lease Space
- 1217: Lessor's Annual Cost Statement

7. NOTE: All offers are subject to the terms and conditions outlined above, and elsewhere in this solicitation, including the Government's General Clauses and Representations and Certifications.

8. BASIS OF AWARD

- THE ACCEPTABLE OFFER WITH THE LOWEST PRICE PER SQUARE FOOT, ACCORDING TO THE ANSI/BOMA Z65.1-1996 DEFINITION FOR BOMA USABLE OFFICE AREA, WHICH MEANS "THE AREA WHERE A TENANT NORMALLY HOUSES PERSONNEL AND/OR FURNITURE, FOR WHICH A MEASUREMENT IS TO BE COMPUTED."
- OFFER MOST ADVANTAGEOUS TO THE GOVERNMENT, WITH THE FOLLOWING EVALUATION FACTORS BEING
- SIGNIFICANTLY MORE IMPORTANT THAN PRICE
 - APPROXIMATELY EQUAL TO PRICE
 - SIGNIFICANTLY LESS IMPORTANT THAN PRICE
 - (Listed in descending order, unless stated otherwise):
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PART II - OFFER (To be completed by Offeror/Owner and remain open until lease award)

A. LOCATION AND DESCRIPTION OF PREMISES OFFERED FOR LEASE BY GOVERNMENT

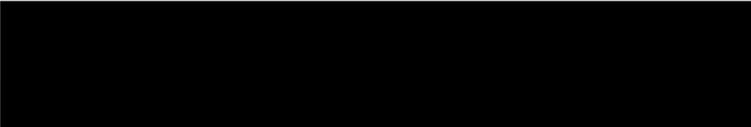
1. NAME AND ADDRESS OF BUILDING (Include ZIP Code) 220 South Linden Ave South San Francisco, CA	2. LOCATION(S) IN BUILDING	
	a. FLOOR(S) 1	b. ROOM NUMBER(S)
	c. SQ. FT. RENTABLE <u>7,000</u> ABOA <u>7,000</u> Common Area Factor <u>1.0</u>	d. TYPE <input type="checkbox"/> GENERAL OFFICE <input type="checkbox"/> OTHER (Specify) <input checked="" type="checkbox"/> WAREHOUSE

D. TERM

3. To have and to hold, for the term commencing on establishment of beneficial occupancy and continuing through the following 10 years, 5 years firm inclusive. Actual dates will be memorialized in a separate Supplemental Lease Agreement. The Government may terminate this lease in whole or in part at any time on or after the fifth (5th) year of the lease, by giving at least ninety (90) days notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

C. RENTAL

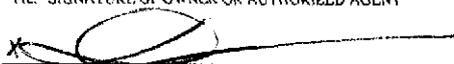
4. Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. Rent for a period of less than a month shall be prorated.

5. AMOUNT OF ANNUAL RENT Years 1-2: \$68,880.00	7. HVAC OVERTIME RATE PER HOUR N/A	8. ELECTRONIC FUNDS TRANSFER PAYMENT SHALL BE MADE TO (Name and Address) 
6. RATE PER MONTH \$5,740.00		

9a. NAME AND ADDRESS OF OWNER (Include ZIP code. If requested by the Government and the owner is a partnership or joint venture, list all General Partners, using a separate sheet, if necessary.)
David Lai, L & D DEVELOPMENT, INC, 220 South Linden Ave, South San Francisco, CA 94080

9b. TELEPHONE NUMBER OF OWNER 650-588-8800	10. TYPE OF INTEREST IN PROPERTY OF PERSON SIGNING <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> AUTHORIZED AGENT <input type="checkbox"/> OTHER (Specify)
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11a. NAME OF OWNER OR AUTHORIZED AGENT (Type or Print) David Lai	11b. TITLE OF PERSON SIGNING President
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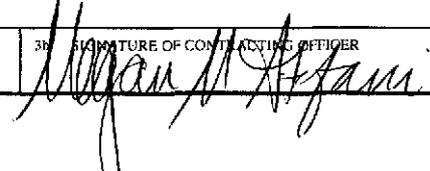
11c. SIGNATURE OF OWNER OR AUTHORIZED AGENT 	11d. DATE 7-26-2010
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PART III - AWARD (To be completed by Government)

1. Your offer is hereby accepted. This award consummates the lease which consists of the following attached documents: (a) this GSA Form 3626, (b) Representations and Certifications, (c) the Government's General Clauses, and (d) the following changes or additions made or agreed to by you:

- Exhibit "A" Floor Plan (1 Page)
- Sheet No. 1 attached to and made a part of GS-09B-02272 containing paragraphs 12 and 13 (1 Page)
- SFO Amendment #1 (1 Page)
- SFO Amendment #2 (1 Page)
- Short Form Lease Amendments (Pages 1-7)
- Attachment 1 to GSA Form 3626 Minimum Lease Security Standards (Pages 1-3)

2. THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.

3a. NAME OF CONTRACTING OFFICER (Type or Print) Megan M. Stefani	3b. SIGNATURE OF CONTRACTING OFFICER 	3c. DATE 7/27/10
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SHEET NO. 1 ATTACHED TO AND MADE A PART OF GS-09B-02272

"12. The Government shall pay the Lessor annual rent as follows:

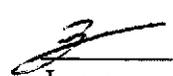
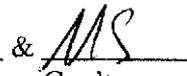
For years 1 through 2 annual rent of \$68,880.00 (\$9.83/rsf comprised of \$9.60/rsf for shell and \$0.24/rsf for operating costs) at a rate of \$5,740.00 per month.

For years 3 through 5 annual rent of \$71,400.00 (\$10.20/rsf comprised of \$9.96/rsf for shell and \$0.24/rsf for operating costs) at a rate of \$5,950.00 per month.

For years 6 through 7 annual rent of \$73,080.00 (\$10.44/rsf comprised of \$10.20 for shell and \$0.24/rsf for operating costs.) at a rate of \$6,090.00 per month.

For years 8 through 10 annual rent of \$75,600.00 (\$10.80/rsf comprised of \$10.56/rsf for shell and \$0.24/rsf for operating costs) at a rate of \$6,300.00 per month."

"13. Should the Lessor elect to lease the remaining square footage not utilized by the Government, the Government shall be notified in writing in advance. To the extent possible, such notice shall occur at least thirty (30) days prior to the execution of any lease."


Lessor & 
Gov't