

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

September 30, 2011

LEASE NO.

GS-10B-07323

BUILDING NO.

AK3166

THIS LEASE, made and entered into this date by and between CAL WORTHINGTON TRUST

Whose address is C/O Frampton & Opinsky, LLC
2525 BLUEBERRY ROAD, SUITE 204
ANCHORAGE, AK 99503

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 8,555 rentable square feet (RSF) of office and related space, which yields 7,687 ANSI/BOMA Office Area (ABOA) square feet of space, subject to Paragraph 19 of this SF-2, at the Peterson Tower, 510 L Street, Anchorage, Alaska 98501-1956 to be used for such purposes as determined by the General Services Administration. In addition, Lessor leases to the Government fourteen (14) structured parking spaces and sixteen (16) surface parking spaces valued by the Government at \$50,399.52 per year, which value is included in the Rent.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a term of ten (10) years, subject to beneficial occupancy, termination, and renewal rights as may be hereinafter set forth. Beneficial occupancy shall be established via Lease Amendment.

3. The Government shall pay the Lessor annual rent per the table below.

Rent Period ¹	Shell Rent	Operating Rent	Parking Rent	Tenant Improvement Costs	Total Annual Rent
Years 1-5	\$222,258.90	\$56,463.00	\$50,399.52	\$TBD	\$329,121.42
Years 6-7	\$222,258.90	\$56,463.00	\$50,399.52	\$TBD	\$329,121.42
Years 8-10	\$242,192.05	\$56,463.00	\$50,399.52	\$TBD	\$349,054.57

¹ Rent for the first two lease months is adjusted pursuant to Paragraph 17 below.

² Parking spaces are priced at \$50,399.52 annually and will be adjusted every five (5) years to the rate of the public facility being used.

³ Tenant Improvement Costs are calculated in accordance with Paragraph 8 below.

⁴ Total Annual Rent (and the GSA Commission Credit and the Studley LaBonde Land, Inc. Commission) will be adjusted to reflect the actual tenant improvement costs to be amortized and included in the Annual Rent in accordance with Paragraph 8 below.

Continued on Page 2

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

LESSOR

CAL WORTHINGTON TRUST

BY

Shad Bledsoe
(Signature)

AS AGENT IN FACT
FOR CAL WORTHINGTON
TRUST

PROPERTY MANAGER
(Title)

IN PRESENCE OF

[Signature]
(Signature)

2525 BLUEBERRY RD ST 204
ANCHORAGE, ALASKA 99503
(Address)

UNITED STATES OF AMERICA

BY

Lena Heinlein
(Signature)

Contracting Officer, General Services Administration
(Official Title)

Rent shall be paid monthly, in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

CAL WORTHINGTON TRUST
C/O FRAMPTON & OPINSKY, LLC
2525 BLUEBERRY ROAD, SUITE 205
ANCHORAGE, ALASKA 99503

4. The Government may terminate this lease in whole or in part at any time after the completion of the seventh (7th) lease year by giving at least 180 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. *Renewal Options.* Paragraph 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 7AK2080 dated May 12, 2011.
 - B. Build out in accordance with standards set forth in SFO 7AK2080 dated May 12, 2011 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.
 - 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 7AK2080 dated May 12, 2011 (47 pages)
 - B. GSA Form 3517B entitled GENERAL CLAUSES (Rev 11/05) (33 pages)
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev 1/07) (7 pages)
 - D. Floor Plan dated 9/6/11 (1 page)
8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, the Tenant Improvement Allowance (TIA) is \$192,175.00 (7,687 ABOA SF x \$25.00), a portion of which TIA shall be amortized through the rent for 7 years at the rate of 8%. Tenant Improvements have not been completed as of the effective date of the lease. The Government intends to pay Shell and Operating Rent per the table in Paragraph 3 effective October 1, 2011. Upon Notice to Proceed by the Government for construction of Tenant Improvements for the space, a Lease Amendment will be issued to amortize the actual Tenant Improvement amount expended 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, pursuant to the Broker Commission Agreement, will also be made at that time.
9. Tenant Improvement Fee Schedule: The Lessor's tenant improvement fee schedule is outlined as follows:
 - A. The General Conditions will not exceed 4.0% of the total subcontractor's costs.
 - B. The General Contractor's fee will not exceed 15% of the total subcontractor's costs and General Conditions.
 - C. The Architectural/Engineering fees will not exceed \$1.25 per ABOA SF.
 - D. The Lessor's Project Management fee will not exceed 5.0% of the total of General Contractor's Total Cost.
10. *Tax Adjustment.* Paragraph intentionally deleted.
11. *Percentage of Occupancy.* In accordance with the SFO subparagraph 4.2 B, the percentage of Government occupancy is established as 9.7% (88,291 RSF entire building / 8,555 RSF Lease).
12. *Operating Costs Base.* Paragraph intentionally deleted.
13. In accordance with the SFO subparagraph 4.1 C entitled *Common Area Factor*, the common area factor is established as 1.11292 (8,555 RSF/7,687 ABOA SF).
14. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$3.60 per ABOA SF for vacant space (rental reduction).

Continued on Page 3

LESSOR

UNITED STATES OF AMERICA

BY 

(Initial)

BY 

(Initial)

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 through Friday, and except Federal Holidays), at a rate of \$400.00 per hour for the entire premises. 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 seek prior written approval of proposed overtime costs from GSA and submit a proper invoice quarterly to GSA Building Manager or designee to receive payment.
16. 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) shall be provided at the rate of \$0.00 per square foot.
17. Adjusted monthly rent payments (application of Commission Credit):

The Commission Credit shall be applied against the shell rental payments over the minimum number of months that will not exceed the monthly shell rental per SFO subparagraph 2.3 B. The monthly rent is \$27,426.79. The monthly shell rent is \$18,521.58. The Commission Credit is [REDACTED] and is calculated as follows:

Total Rent* Years 1 - 7:	\$329,121.42 x 7 years =	\$2,303,849.94
Total Commission/Commission Credit:	\$2,303,849.94 x $\frac{b(4)}{100} =$	\$ [REDACTED]
GSA Commission Credit:	\$ [REDACTED] x $\frac{b(4)}{100} =$	\$ [REDACTED]
Studley/LaBonde Land, Inc. Commission:	\$ [REDACTED] x $\frac{b(4)}{100} =$	\$ [REDACTED]

The monthly rent payments adjusted for the Commission Credit are as follows:

Rent Period	Scheduled Monthly Rent	Scheduled Mo. Shell Rent	Commission Credit	Commission Credit Remaining	Adjusted Monthly Rent Payment
Month 1	\$27,426.79	\$18,521.58	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$27,426.79	\$18,521.58	[REDACTED]	\$0	[REDACTED]
Month 3	\$27,426.79	\$18,521.58	\$0	\$0	\$27,426.79

*Adjustments to Total Rent, and thus GSA Commission Credit and Studley LaBonde Land, Inc. Commission, will be made in accordance with Paragraph 8 above.

18. The Lessor hereby waives restoration.
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 Lease Amendment.
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.

LESSOR

BY

[Signature]

(Initial)

UNITED STATES OF AMERICA

BY

[Signature]

(Initial)