

**LEASE NO. GS-09B-03218**

Streamlined Lease  
GSA FORM L201B (October 2012)

This Lease is made and entered into between

Lessor's Name **KTR LV IV LLC**, a Delaware limited liability company

(Lessor), whose principal place of business is 300 Barr Harbor Drive, Suite 160, Conshohocken, Pennsylvania 19428-3822, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(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:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

Arrowhead Commerce Center 3395 East Patrick Lane, Suites 100 and 200, Las Vegas, Nevada 89120-6220

and more fully described in Section 1.01, The Premises (June 2012) and Exhibit A - Floorplans for Suite 100 and Suite 200 and the Site plan for the 1.6 acre wareyard, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

**LEASE TERM**

To Have and To Hold the said Premises with its appurtenances for the term beginning on August 1, 2013 and continuing for a period of

10 Years, 5 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically 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.

[Redacted Signature]  
Name: Peter Lloyd  
Title: Partner  
Entity Name: KTR LV IV LLC  
Date: 8/1/2013

[Redacted Signature]  
Name: Inger Whitfield  
Title: Lease Contracting Officer  
General Services Administration, Public Buildings Service  
Date: AUG 01 2013

[Redacted Signature]  
Name: [Redacted]  
Title: Lease Administrator  
Date: 8/1/13

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

**SECTION 1 THE PREMISES, RENT, AND OTHER TERMS**

**1.01 THE PREMISES (JUN 2012)**

The Premises are described as follows:

A. **Office and Related Space:** 11,074 rentable square feet (RSF), yielding 10,894 ANSI/BOMA Office Area (ABOA) square feet (SF) of office, warehouse and related Space located on the first floor in Suite(s) 100 and 200, of the Building, and 1.8 acres of wareyard which is parcel APN161-31-310-013 (Pecos & Patrick Business Park) as depicted on the floor plan(s) and site plan attached hereto as Exhibit A, Total of 7 Pages. The Lessor shall provide a total of .2 acres in the wareyard area as Free space to the Government. No rental consideration shall be due by the Government with regard to the .2 acres of wareyard space.

**Temporary Space:** The Lessor shall provide 10,000 ABOA square feet of temporary warehouse space for Government's usage. The temporary warehouse space shall be located on-site with the office/warehouse space under lease at the Arrowhead Commerce Center (Pecos & Patrick Business). The warehouse space shall be provided for Government's usage during the wareyard construction period. The wareyard must be completed and accepted by the Government prior to occupancy of the wareyard and release of warehouse space. The temporary warehouse space shall be provided at no additional cost to Government.

**Relocation of Temporary Space during the construction period:** The Government agrees to moving/relocation to an alternate 10,000 ABOA square foot warehouse during the wareyard construction phase. The alternate space must located on-site with the office/warehouse space under lease at the Arrowhead Commerce Center (Pecos & Patrick Business). To limit disruption to the Government's normal business function, the Government shall not be required to move more than one (1) time per month (within a 30 day period). The Government will not be required to move more than four (4) times during the 180 day wareyard construction period. The Lessor shall provide a seven (7) day prior written notice to Government, said notice shall be issued 7 days prior to date of required relocation to alternate warehouse space.

B. **Common Area Factor:** The Common Area Factor (CAF) is established as 1.016522857 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

**1.02 EXPRESS APPURTENANT RIGHTS (JUN 2012)**

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. **Parking:** 7 surface/outside parking spaces in the immediate vicinity of Suites 100 and 200 shall be marked reserved as depicted on Exhibit for the exclusive use of the Government. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

**1.03 RENT AND OTHER CONSIDERATION (SEP 2012)**

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

Years 1-5: \$263,118.24 at the rate of \$21,926.52 per month in arrears; consisting of Shell Rent of \$197,670.90 (\$17.85RSF) and Operating Rent of \$65,447.34 (\$5.91RSF).

Years 6-10: \$284,679.14 at the rate of \$24,658.60 per month in arrears; consisting of Shell Rent of \$229,231.00 (\$20.70RSF) and Operating Costs of \$65,447.34(\$5.91RSF).

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

**KTR LV IV, LLC**  
300 Barr Harbor Drive, Suite 150  
Conshohocken, Pennsylvania 19428-3822

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 10,894 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. 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.

D. Rent shall be paid to 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 (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

E. 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 the paragraph entitled "The Premises."
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 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 (JUN 2012)**

A. CBRE INC ("Broker") is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the commission agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to CBRE INC with the remaining [REDACTED], 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.

B. 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 \$21,926.52 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.\*

Month 2 Rental Payment \$21,926.52 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.\*

Month 3 Rental Payment \$21,926.52 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.\*

\* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration".

**1.05 TERMINATION RIGHTS (AUG 2011)**

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.

ININTENTIONALLY DELETED

**1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)**

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	No. OF PAGES
THE LEASE, GSA FORM L 201B UNDER GS-09B-03218	38
FLOOR PLAN(S) AND SITE PLAN(S) -- EXHIBIT A	7
AGENCY SPECIFIC/SPECIAL REQUIREMENTS Agency Specific Requirements, [REDACTED] Satellite Office, Las Vegas (dated 05/31/2013)	1
AGENCY SPECIAL REQUIREMENTS: HENDERSON DRILL RIG EQUIPMENT LIST (DATED 09/24/12)	1
AGENCY SPECIAL REQUIREMENTS: WAREHOUSE PROPOSED LAYOUT (DATED 9/24/12)	1
3595 EAST PATRICK LANE, LOCATION SPECIFIC SCOPE OF WORK FOR RLP03218, SHELL AND TENANT IMPROVEMENT SCOPE OF WORK	2
SECURITY REQUIREMENTS - FACILITY LEVEL II	4
SECURITY UNIT PRICE LIST	2
GSA FORM 3517B GENERAL CLAUSES	46
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10

**1.08 TENANT IMPROVEMENTS AND PRICING (STREAMLINED) (SEPT 2011)**

The Lessor has agreed to a Not to Exceed TI price of \$41,000 based on the 3595 East Patrick Lane, Location Specific Scope of Work for RLP03218, Government Tenant Improvement Scope of Work attached to Lease No. GS-09B-03218. The Government shall make a lump sum payment for any or all Government requested tenant improvement work upon substantial completion, in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011) INTENTIONALLY DELETED

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the Initial build-out of the Space:

	INITIAL BUILD-OUT
Architect/Engineer Fees (\$ per ABOA SF or % of TI Construction Costs)	N/A
Lessor's Project Management Fee (% of TI Construction Costs)	5%

1.11 INTENTIONALLY DELETED

1.12 INTENTIONALLY DELETED

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 16.16 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 11,074 RSF by the total Building space of 68,510 RSF.

1.14 REAL ESTATE TAX BASE (JUN 2012)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is \$13,539.00. The real estate tax payment calculation will be subject to review of all tax related documentation to confirm actual payment to be made.

1.15 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$5.91 per RSF (\$65,447.34 annum).

1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)

In accordance with the paragraph 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 \$2.91 per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011) INTENTIONALLY DELETED

1.18 24-HOUR HVAC REQUIREMENT (APR 2011) INTENTIONALLY DELETED

1.19 BUILDING IMPROVEMENTS (SEP 2012) INTENTIONALLY DELETED

1.20 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.