

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

2/24/2012

LEASE NO.: GS-02B-19159 Building Number: PR3948

THIS LEASE, made and entered into this date by and between **OCHOA REALTY CORP**

whose address is **Mailing Address: P.O. Box 9020083
San Juan, Puerto Rico 00902-0083**

**Physical Address: 500 Tanca St, 6th Floor
San Juan, Puerto Rico 00902-0083**

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. LOCATION AND SQUARE FOOTAGE:

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

- A. A total of 5,918 rentable square feet (RSF) of office and related space, which yields 5,191 ANSI/BOMA Office Area square feet (BOSF) of space on part of the first (1st) and third (3rd) floors at Ochoa Building, 500 Tanca Street, San Juan, Puerto Rico 00902-0083 as indicated on the attached Floor Plan marked Exhibit A, to be used for such purposes as determined by the General Services Administration (GSA).
- B. One (1) unreserved parking space located at Dona Fela Garage in Old San Juan. All of the parking will be lit in accordance with the Security Section of the lease. The cost of this parking space shall be included as part of the rental consideration. The Government shall have access to the parking 24 hours per day, 7 days per week.


2. TERM:

TO HAVE AND TO HOLD the said premises with their appurtenances for a term of ten (10) years, five (5) years firm, beginning upon the substantial completion of the space and acceptance by the Government as satisfactorily complete. The commencement date of this lease shall more specifically be set forth in a Supplemental Lease Agreement upon substantial completion and acceptance of the space by the Government.

- Continued on Page 2 -

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

LESSOR

SIG 	SIGNATURE
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NAME OF SIGNER <i>ROBERTO F. RODRIGUEZ</i>	NAME OF SIGNER
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IN PRESENCE OF

SIGNATURE	SIGNATURE
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NAME OF SIGNER	NAME OF SIGNER
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UNITED STATES OF AMERICA

	NAME OF SIGNER <i>Wanda A. Casilla</i>
	OFFICIAL TITLE OF SIGNER <i>Contracting Officer</i>

2/24/2012 (signature)

3. **RENTAL RATES:**

The Government shall pay the Lessor annual rent of \$289,271.38 (\$48.88/RSF yielding \$55.73/BOSF) at the rate of \$24,105.95 per month in arrears for years 1 through 5 and an annual rent of \$231,097.92 (\$39.05/RSF yielding \$44.52/BOSF) at the rate of \$19,258.16 per month in arrears for years 6 through 10. For any period less than one full year, the rental rates have been annualized.

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

OCHOA REALTY CORP.
(Mailing address)
P.O. Box 9020083
San Juan, Puerto Rico 00902-0083

(Physical Address)
500 Tanca St, 6th Floor
San Juan, Puerto Rico 00902-0083
Tel: 787-474-4900

4. **TERMINATION NOTICE:**

The Government may terminate this lease in whole or in part at any time after the firm term of five years, upon 120 days written notice 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.

5. **RENEWAL OPTION(S): N/A**

6. **RENTAL CONSIDERATION**

The Lessor shall furnish to the Government, as part of the rental consideration, tenant improvements, facilities, services, supplies, utilities, and maintenance in accordance with this Lease.

7. **ATTACHMENTS:**

The following are attached and made a part hereof:

- (a) Rider to Lease GS-02B-19159,
- (b) Solicitation for Offers 8PR2025, dated 7/01/2010, including
- (c) SFO Amendments No. 1 and No. 2
- (d) GSA Form 3517B entitled GENERAL CLAUSES (Rev. [11/05]), 33 pages;
- (e) GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]), 7 pages;
- (f) Pre-lease Fire Protection and Life Safety Evaluation for a Low-Rise Building, 4 pages;
- (g) Certification that the Building is in full compliance with all local zoning regulations, 4 pages;
- (h) ABAAS Compliance Checklist – Lease Facilities, 11 pages;
- (i) Certificate Seismic Compliance, 81 pages;
- (j) Pre-lease Building Security Plan, 8 pages;
- (k) Energy Efficiency and Conservation Report, 8 pages;
- (l) Floor Plan, First and Third Floors, attached as Exhibit A., 2 pages;
- (m) Form B, Document Security, 3 pages.

INITIALS: (signature) & (signature)

8. Pursuant to Paragraph 4.3, Operating Costs, the base rate for operating costs is established at \$10.59 per RSF or \$12.07 per BOSF, totaling \$62,671.62 per annum.
9. Studley, Inc. is the authorized real estate broker representing the Government in connection with this lease transaction. The Lessor and Studley, Inc. have agreed to a cooperating lease commission of [REDACTED] of the firm term value 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 Paragraph 2.1 of the SFO, "Broker Commission and Commission Credit", in the lump sum amount of [REDACTED] within 30 days following execution of this lease by the Government.

The shell rental payments due and owing under this lease shall be reduced to fully recapture 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:



First Month's rental payment \$24,105.95 minus prorated Commission Credit of [REDACTED] equals \$12,932.84 adjusted first month's rent.

Second Month's rental payment \$24,105.95 minus prorated Commission Credit of [REDACTED] equals \$12,932.84 adjusted second month's rent.

10. Pursuant to Paragraph 4.4, "Adjustment for Vacant Premises", in the event of the Government vacating the premises in whole or in part prior to lease expiration, the rental will be reduced by \$9.29 per RSF (equating to \$10.59 per BOSF) per annum for operating expenses.
11. Pursuant to Paragraph 4.6, "Overtime Usage", the rate for the lessor providing HVAC services shall be \$45.00 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 monthly to the GSA Finance Office, GSA Greater Southwestern Division (7BCP), P.O. Box 17181, Fort Worth Texas, 76102, with duplicate copy to the GSA Building Manager or designee located at the Federico Degetau Federal Building, 150 Carlos Chardon Avenue, Room 359, Attn: **Alexis Lopez and/or Vanessa Borges-Arroyo, Hato Rey, Puerto Rico 00918-1746**, to receive payment. Requests and payment for these services will be made in accordance with paragraph 4.6, "Overtime Usage".
12. The lessor shall provide HVAC and maintenance to the LAN room(s) 24 hrs. a day/7 days a week at an additional cost of \$2,520.00/yr, or \$210.00/mo. The Lessor must submit a proper invoice monthly to the GSA Finance Office, GSA Greater Southwestern Division (7BCP), P.O. Box 17181, Fort Worth Texas, 76102, with duplicate copy to the GSA Building Manager or designee located at the Federico Degetau Federal Building, 150 Carlos Chardon Avenue, Room 359, Attn: Sandra : **Alexis Lopez and/or Vanessa Borges-Arroyo, Hato Rey, Puerto Rico 00918-1746**, to receive payment.
13. Pursuant to Paragraph 3.1, "Tenant Improvements Included in Offer", the maximum Tenant Improvement Allowance shall be \$290,540.27 (\$55.97/ BOSF or \$49.09/ RSF) amortized over 60 months at 6.00% payable monthly at the rate of \$5,617.13 or \$67,405.56 annually and is included in the annual rent payment identified in Paragraph 3 of this lease. The rental rates will be adjusted accordingly in a Supplemental Lease Agreement so as to amortize the actual cost of the Tenant Improvements from the commencement date of the Lease. Pursuant to Paragraph 3.2, "Tenant Improvements Rental Adjustment", the Government, at its sole discretion, shall make all decisions as to the usage and payment for said Tenant Improvement Allowance.
14. 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" appear in this Lease, they shall be deemed to mean "Premises".
15. In accordance with Paragraph 4.2 (B) (9), the Government's percentage of occupancy is agreed to be 5.24 % based on 5,918 rentable square feet leased to the Government and a total of 112,973 rentable square feet for the entire Building.
16. The Ochoa Building is a historic building and has a real property tax exemption of 100% for a period of ten years ending on December 31, 2014. The Lessor plans to renew the exemption for another 10 year period at that time. The Government of Puerto Rico may or may not extend the exemption. Adjustments for real estate taxes will apply upon expiration of any exemption period and in accordance with Paragraph 4.2, Tax Adjustments (Aug 2008) of the Lease.
17. Paragraph 4.5 of the Lease is hereby changed to read as follows:

NORMAL HOURS:



INITIALS:

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LESSOR & GOVT

Services, utilities, and maintenance shall be provided Monday to Friday, extending 7:00 a.m. to 7:00 p.m., except Saturdays, Sundays, and federal holidays.

18. The leased premises must meet the Energy Efficiency and Conservation requirements per paragraph 3.5, Green Lease Submittals, emphasize energy efficiency during the design process and build the space for superior energy performance to reduce the carbon footprint of the operating building. The lessor agrees to complete all the energy efficiency and conservation improvements recommended in the Energy Efficiency and Conservation Report annexed hereto, and share all cost savings with the Government. The lessor at its own expense shall identify and implement best operational and maintenance strategies and equipment retrofit opportunities for improving energy efficiency in the buildings, track progress over time, monitor, verify and document results, and submit to the Contracting Officer for evaluation within 10 months of project occupancy, all necessary documentation and certifications obtained.
19. All structural corrections to the building as recommended in the Seismic Evaluation for the Ochoa Building Engineer's Report will be completed no later than fifty (50) working days after the effective date of the lease.
20. The Lessor shall not be reimbursed for any services not provided for in the Lease including, but not limited to, repairs and alterations nor will any rental be paid for occupancy in whole or in part except for the Lease term specified in this Lease, unless approved in advance and in writing by an authorized official of the General Services Administration.
21. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than the officers or employees of the General Services Administration or personnel authorized by the Contracting Officer.
22. Each employee of the Lessor and/or its contractor(s) employed in connection with the operation of the Building shall be (1) a citizen of the United States of America; (2) an alien who has been lawfully admitted for permanent residence as evidenced by Alien Registration Receipt Card, Form I-151; or (3) an alien who presents other evidence from the Immigration and Naturalization Service that employment will not affect his/her immigration status.

INITIALS:

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LESSOR & CONTRACTOR