

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

10-29-10

LEASE NO. LPR19168- / BUILDING NO. PR4020ZZ

THIS LEASE, made and entered into this date by and between **MILLENNIUM TOWER CORP.**

whose address is 606 Boulevard Tito Castro, Suite 601, Ponce, PR 00716-0218

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:
Six thousand one hundred forty-three (6,143) rentable square feet (RSF) yielding five thousand three hundred forty-two (5,342) ANSI/BOMA Office Area square feet (USF), of office and related space located on the third floor in the building known and designated as Millennium I Plaza, State Road #14, Km 4.2, Ponce, PR 00716 (Building), as shown on the floor plan labeled "Exhibit A", attached hereto and made a part hereof; together with the exclusive right by the Government to use a) twenty-five (25) designated, secure and reserved parking spaces located in the parking structure located at the building and b) the elevator for the detainee's entrance, as shown on the plan labeled "Exhibit B", attached hereto and made a part hereof (together the "Premises").
2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on:
SEE ATTACHED RIDER PARAGRAPH 10
3. The Government shall pay the Lessor annual rent of:
SEE ATTACHED RIDER PARAGRAPH 13
4. ~~The Government may terminate this lease in whole or in part at any time~~

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5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

~~provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

(INTENTIONALLY OMITTED)

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

SEE RIDER TO LEASE

7. The following are attached and made a part hereof:

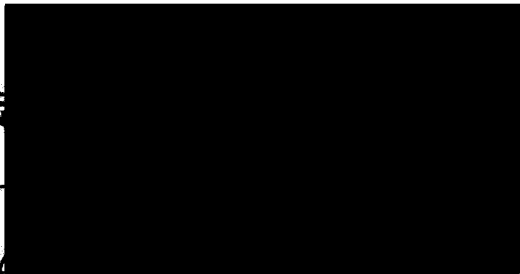
SEE RIDER

IN WITNESS

LESSOR

BY

IN PRESENCE OF



(Signature)

_____ ibed their names as of the date first above written.

Corp CV

(Title)

(Address)

UNITED STATES

BY



(Signature)

Contracting Officer, General Services Administration

(Official Title)

J & CW.
LESSOR GOVERNMENT

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For years 1-5 of the lease term, annual rental of \$363,037.82 per annum at the rate of \$30,253.15 per month in arrears, which annual rental includes the base rate for Operating Costs specified in paragraph 16 of this Rider, plus accrued annual adjustments and \$132,792.12 per annum for the amortization of the Lessor's contribution to the TI cost and Building-Specific Security cost as set forth in paragraph 12 above. This annual rental shall be subject to adjustment as set forth in paragraph 12 of this Rider above and paragraphs 3.3, 4.2, 4.3 and 4.4 herein. Rent for a lesser period shall be prorated.

For years 6 through 10 of the lease term, total annual rental of \$269,397.06 per annum at the rate of \$22,449.76 per month in arrears, which annual rental includes the base rate for Operating Costs specified in paragraph 16 of this Rider. This annual rental shall be subject to adjustment as set forth in paragraph 12 of this Rider above and paragraphs 3.3, 4.2, 4.3 and 4.4 herein. Rent for a lesser period shall be prorated.

14. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease consisting of the shell rate, parking, base year operating expenses and amortization of tenant improvement less the commission credit to the tenant. Fifty percent (50%) of the commission shall be due at the execution of the lease, and the remaining fifty percent (50%) due at the lease commencement. Lessor shall pay the Broker no additional commissions associated with this lease transaction. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph 2.2, 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 balance of the Commission of [REDACTED] (half at lease execution and half at lease occupancy) to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease. Notwithstanding Paragraph 13 of this Standard Form 2, 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 of \$30,253.15, of which \$14,846.31 is shell rent, minus Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent;

Second month's rental payment of \$30,253.15, of which \$14,846.31 is shell rent, minus Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent;

Third month's rental payment of \$30,253.15, of which \$14,846.31 is shell rent, minus Commission Credit of [REDACTED] equals [REDACTED] adjusted third month's rent;

15. For the purposes of the Real Estate Tax Adjustment clause pursuant to SFO Section 4.2 of the Lease, the Government is deemed to occupy 16.6027% of the rentable area of the building (6,143 RSF / 37,000 RSF).
16. For the purposes of the Operating Cost Escalation pursuant to SFO Section 4.3 Operating Costs of the Lease, the base rate shall be \$52,090.00 per annum or \$8.48 per RSF, which amounts are hereby conclusively accepted by the Lessor and the Government as the base rate for Operating Cost Escalation purposes, and which base rate shall be adjusted annually throughout the 10 year term of the lease.
17. Intentionally omitted..
18. The common area factor is established as 14.99% (6,143 RSF / 5,342 USF).
19. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$27.62 / USF for vacant space (rental reduction).
20. As part of the rental consideration, twenty five (25) secure, structured parking spaces located at the building shall be available on a 24/7 basis for daytime and overnight use by the Government at no additional cost.
21. The Lessor shall furnish domestic water and chilled drinking water; janitorial and common area electricity as part of the rental consideration. Tenant electricity shall be paid for by the Government directly to the public utility company based on readings from a Lessor-furnished and installed meter. Prior to substantial completion, the Lessor shall provide to the Government the number(s) for the meters serving the Government leased space.

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8. The following are attached and made a part hereof:
- a. Rider To Lease, containing Paragraphs 8 through 36;
 - b. Section 1.0, Summary, paragraphs 1.1 through 1.13;
 - c. Section 2.0, Award Factors and Price Evaluation, paragraphs 2.1 through 2.4;
 - d. Section 3.0, How to Offer and Submittal Requirements, paragraphs 3.1 through 3.7;
 - e. Section 4.0, Utilities, Services and Lease Administration, paragraph 4.1 through 4.12;
 - f. Section 5.0, Design, Construction and Other Post Award Activities, paragraphs 5.1 through 5.15;
 - g. Section 6.0, General Architecture, paragraphs 6.1 through 6.12;
 - h. Section 7.0, Architectural Finishes, paragraphs 7.1 through 7.14;
 - i. Section 8.0, Mechanical, Electrical, Plumbing, paragraphs 8.1 through 8.18
 - j. Section 9.0, Fire Protection, Life Safety and Environmental Issues, paragraphs 9.1 through 9.12;
 - k. Section 10.0, Lease Security Standards, paragraphs 10.1 through 10.24;
 - l. Section 11.0, Special Requirements, paragraph 11.1
 - m. Attachment 1, Special Requirements for Immigration and Customs Enforcement, Office of Investigations, Mayaguez, PR
 - n. Attachment 2, Document Security Notice for Prospective Bidders,
 - o. General Clauses, GSA Form 3517B, paragraphs 1 through 48;
 - p. Representations and Certifications, GSA Form 3518, paragraphs 1 through 9;
 - q. Exhibit "A," Floor plan highlighting the demised premises;
 - r. Exhibit "B" diagram highlighting the parking areas.
9. The Lessor shall construct the Premises so as to deliver the space in accordance with all of the requirements of this Lease ready for occupancy by the Government, no later than one hundred twenty (120) working days after receiving the Tenant Improvement Notice to Proceed from the Government, as set forth in paragraph 5.11 of the SFO to this lease.
10. The term of this Lease shall commence upon Substantial Completion of all alterations specified in this Lease and shall run for a period of ten (10) years thereafter, subject to the termination rights set forth below. The Commencement Date of the Lease shall be more particularly set forth in a Supplemental Lease Agreement (SLA) to this lease.
11. **TERMINATION RIGHT: THE GOVERNMENT MAY TERMINATE** this Lease in whole or in part at any time on or after the last day of the fifth (5th) year by giving at least ninety (90) days' prior notice in writing to the Lessor and no rental shall accrue after the effective date of termination.
12. The Lessor shall contribute a Tenant Improvement (hereinafter "TI") Allowance of \$298,991.74 towards the cost of TI. Such contribution has been included as part of the rental consideration set forth in Paragraph No. 13 below. The Lessor's contribution toward the TI cost shall be amortized over the 5-year firm term of the lease at an interest rate of 7.75% per annum (\$11.28 per rentable square foot per annum). If the TI cost exceeds the Tenant Improvement Allowance of \$55.97 USF, then the Government shall have the option to either (i) pay the Lessor the difference between \$55.97 per USF and the total TI cost in a one-time lump sum payment upon Substantial Completion of the TI, acceptance thereof by the Government and submission of a proper invoice by the Lessor, or (ii) have the right to amortize the difference into the rent in the same manner as set forth above. In the event the TI cost is less than \$55.97 per USF, only the actual TI cost shall be amortized into the annual rent at the same interest rate and in the same manner as set forth above and the rental rate set forth in Paragraph No. 13 below shall be reduced accordingly. Such additional payment or rental reduction, if applicable, will be memorialized in a Supplemental Lease Agreement. Please refer to paragraphs 3.2 and 3.3 herein for addition TI pricing information.
- The Lessor shall also contribute an estimated Building Specific Security cost of \$250,000 in addition to the TI Allowance identified above. The Lessor's contribution towards the Building-Specific Security cost is being amortized over the five year firm term of the Lease at the interest rate of 7.75% per annum as set forth in Paragraph 13 below. However, the Government retains the right to elect to pay this amount in whole or in part in a one-time lump-sum payment upon substantial completion and acceptance thereof by the Government, and the annual rental rate shall be adjusted accordingly.

13. The Government shall pay the Lessor annual rental as follows:

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22. The Lease shall not be binding on either party until it has been executed by a duly authorized official of the U.S. General Services Administration and Lessor.
23. Wherever the words "Offeror" or "Successful Offeror" appear in the 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 the "leased premises", "premises" or "Premises" and where the word "Lessee" is used herein it shall be deemed to mean Government.
24. If any term or provision of the Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Lease or the application thereof of such term or provision to persons or circumstances other than those as which it is held invalid or unenforceable shall not be effected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
25. Each employee of the Lessor and/or its contractor(s) employed in the operation of the building shall be (1) citizen of the United States of America; (2) an alien who has been lawfully admitted for permanent residency as evidenced by Alien Registration Receipt Card Form I-151; or (3) an alien who presents other information from the Immigration and Naturalization Services that employment will not effect his/her immigration status.
26. If during the term of the Lease, including extensions, the title to this property is transferred to another person either by sale, foreclosure, condemnation or other transaction, the Lessor (transferor) shall promptly notify the Contracting Officer of said transfer. The following information shall accompany this notification:
- a) A certified copy of the deed transferring title of the property from the Lessor to the new owner.
 - b) A letter from the new owner assuming, approving and agreeing to be bound by the terms of this lease.
 - c) A letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of transfer, provided the Government is current on rent and all other obligations under the Lease. The Lessor acknowledges that the Government pays rent one (1) month in arrears.
 - d) The new owner's taxpayer's identification number or Social Security number.
 - e) The new owner's full legal name. If a corporation, indicate the state of incorporation. If a partnership, list all partners fully. If a limited partnership, list the names of all general partners and identify the laws of which states the limited partnership is created. If a realty trust, give the names of all trustees and the recording date of the trust.

The foregoing information must be received by the fifteenth (15th) day of the month in which the transfer will be affected. The rent for that month, adjusted in accordance with the effective date of the transfer will be processed to the Lessor. Initial rent payments to the new owner will be processed on the first day of the second month following the transfer of title. If the notification of transfer and related information is not received until the sixteenth day of the month (or later), in which the transfer of title will be affected, the full contract rent for that month will be forwarded to the Lessor. In this instance, it will be the responsibility of both the Lessor and the new owner to submit, in conjunction with other requested information, a letter of agreement regarding disposition of the monthly rent relative to the effective date of transfer. In any instance, failure to submit the documentation required for transfer of title will result in the stop payment of rent until such time as all documentation is received by the Contracting Officer.

27. The Lessor shall not be reimbursed for any service 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 by an authorized official of the U. S. General Services Administration.
28. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than officers and employees of the U. S. General Services Administration or personnel authorized by the Contracting Officer.
29. All plans submitted for consideration shall have been generated by a Computer Aided Design (CAD) program which is compatible with the latest release of AutoCAD. The required file extension is .DWG. Clean and purged files shall be submitted on CD-ROM. All submissions shall be accompanied with a written matrix indicating the layering standard to ensure that all information is recoverable. Plans shall include a proposed corridor pattern for typical floors and/or partial floors. All architectural features of the space shall be accurately shown.

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30. To the extent of any inconsistency between the terms of this Standard Form 2 (SF2) and Rider and any of the attachments, the terms of this SF2 and Rider shall govern.
31. The Lessor shall be solely responsible for the technical accuracy of the construction documents to be developed by the Lessor from the approved layout drawings and the construction of the leased premises as required by this Lease, including, but not limited to air conditioning requirements, lighting placement, plumbing and fire and safety requirements.
32. The Government shall have 24-hour/day, 7-day/week access to the leased premises.
33. The Lessor agrees that the Government shall have no obligation to restore the premises as a result of initial or future alterations whether performed by the Lessor or the Government.
34. The Lessor shall provide the name and telephone number of a designated representative that can be contacted to correct deficiencies. The Lessor shall immediately advise the Government of any change in the name, address and telephone number of the successor within 24 hours.
35. As part of the rental consideration, the Government shall have the right to install a satellite dish and/or antenna on the roof of the building.
36. The Document Security Notice shall continue throughout the entire term of the Lease. (See Attachment 2 of Lease "Document Security Notice to Prospective Bidders/Offerors).

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