

LEASE NO. GS-02P-LPR19247

Global Lease
GSA FORM L100 (09/2015)

This Lease is made and entered into between

270 PR UNIT R, LLC

(Lessor), whose principal place of business is **250 Munoz Rivera, Suite 320, San Juan, PR 00918-1811**, 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

270 Plaza located at 270 Munoz Rivera Avenue, San Juan, PR 00918-1901

and more fully described in Section 1 and Exhibit A, 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 of **53 months** beginning on **November 1, 2016** or upon acceptance of the Premises as required by this Lease, whichever is later. The firm term of the lease shall be **46 months** depending upon acceptance of the Leased space by the Government.

Subject to termination and rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination 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.

FOR THE LESSOR

Name: Fahad Ghaffar
Title: Partner
Entity Name: 270 PR unit R, LLC
Date: 01/27/16

FOR THE GOVERNMENT:

Name: Ana M. de los Reyes
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: August 8, 2016

WITNESSED FOR THE LESSOR BY:

Name: _____
Title: _____
Date: _____

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 (SEP 2015)

The Premises are described as follows:

- A. Office and Related Space: 5,101/ABOA square feet (5,944/RSF) for lease term of 53 months, 46 months firm or less as of November 1, 2016.

Within the first 3 years of the Lease term, the Government has the right to request in writing that the Lessor provide additional space in the minimum amount of 2,801/ABOA SF, 3,264/RSF contiguous office area. The Lessor is expected to deliver the additional space 60 days from the date of government's written notice. This 60 day period may be increased or decreased by mutual agreement.

The amount of additional space, its exact location, the amount of its Tenant Improvement (TI) allowance, the repayment of the TI cost of the build out of the expansion space, the delivery schedule of said expansion space, and its effective date, shall be set forth in Lease Amendments. The term of the expansion space shall be co-terminus with the Lease, and all termination rights under the Lease shall apply.

- B. Common Area Factor: The Common Area Factor (CAF) is established as 16.53%. 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.
- C. SUBPARAGRAPH INTENTIONALLY DELETED

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

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: Three (3) Parking Spaces, structured and reserved for the exclusive use of the Government at no additional cost, and zero (0) surface/outside parking spaces. 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.
- B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (SEP 2015)

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

	<u>FIRM TERM</u>	<u>SOFT TERM</u>
	<u>ANNUAL RENT</u>	<u>ANNUAL RENT</u>
SHELL RENT ¹	\$176,239.60	\$176,239.60
TENANT IMPROVEMENTS RENT ²	\$55,279.20	\$0.00
OPERATING COSTS ³	\$87,792.88	\$87,792.88
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00	\$0.00
PARKING ⁵	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$319,311.68	\$264,032.48

¹Shell rent calculation: (Firm Term: 3.83 Years, 46 Months)
 Shell Rental Rate: \$29.65 per RSF multiplied by 5,944 RSF
²Tenant Improvements of \$188,880.67, calculated as follows: \$37,028165 times 5,101 ABOA amortized at a rate of 6% (six) percent per annum over 3.83 years. The Lessor gave the Government a \$20.00 per ABOA SF rent concession. Therefore, the \$57.02 original TIA allowance was reduced to \$37.02 per ABOA SF See Paragraph 1.08A
³Operating Costs rent calculation: \$14.77 per RSF multiplied by 5,944 RSF
⁴Building Specific Amortized Capital (BSAC) of \$0.00 are amortized at a rate of zero (0) percent per annum over 0 years
⁵Parking costs for three (3) Structured Parking Spaces: \$0.00

B. The Government shall pay the Lessor annual rent for the Expansion Space, payable in monthly installments in arrears, at the following rates:

- 1) Shell rent calculation: Shell Rental Rate: \$28.88 per RSF
- 2) Tenant Improvements calculated as follows: \$37.028165 times ABOA SF amortized at a rate of 6% (six) percent per annum. The Lessor gave the Government a \$20.00 per ABOA SF rent concession. Therefore, the \$57.02 original TIA allowance was reduced to \$37.02 per ABOA SF. See Paragraph 1.08A.
- 3) Operating Costs rent calculation: \$14.77 per RSF
- 4) Building Specific Amortized Capital (BSAC) of \$0.00 are amortized at a rate of zero (0) percent per annum over 0 years

- C. In instances where the Lessor amortizes either the TI or BSAC for a period exceeding the Firm Term of the Lease, should the Government Terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.
- D. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 5,101 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.
- E. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.
- F. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date. BSAC at Lease Award is \$0.00.
- G. 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.
- H. 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 by the Lessor in the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered and active in SAM.
- I. 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.
- J. Parking shall be provided at a rate of \$0.00 per parking space per month (structured/inside) for Three (3) reserved, structured parking spaces for Government use only.
- K. SUBPARAGRAPH INTENTIONALLY DELETED

1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEP 2015)

DTZ Americas, Inc d/b/a Cushman and Wakefield, 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. The Government shall receive no commission credit.

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in parts, at any time effective after the Firm Term of this Lease, by providing not less than 60 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.

1.06 RENEWAL RIGHTS (SEP 2013) INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2015)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
AGENCY SPECIFIC REQUIREMENTS	27	B
SECURITY REQUIREMENTS LEVEL 1	4	C
GSA FORM 3517B GENERAL CLAUSES	15	D
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	2	E
SMALL BUSINESS SUBCONTRACTING PLAN	16	F
LEASE AMENDMENT ISSUED UNDER RLP AMENDMENT NO 1	1	G
LEASE AMENDMENT ISSUED UNDER RLP AMENDMENT NO 2	1	H
ENERGY STAR BUILDING IMPROVEMENTS	1	I
FIRE LIFE SAFETY	34	J

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)

- A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$57.02 per ABOA SF (\$290,873.30)**. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. A portion of this amount (\$188,839.02), **\$37.02 per ABOA SF** is amortized in the rent over the Firm Term of this Lease at an annual interest rate of six percent (6%). **The remaining \$20.00 per ABOA SF shall be provided by the Lessor as a concession to the Government, toward the full Tenant Improvement Amount, to be used for the build out of the tenant space.**
- B. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.
- C. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.
- D. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to:
1. Reduce the TI requirements;
 2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
 3. Negotiate an increase in the rent.

1.09 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)	5%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	0%

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$0.00 per ABOA SF**. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of (0) zero-percent. **The Lessor will cover all Building Security Improvement costs at no charge to the Government.**

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012) INTENTIONALLY DELETED

1.12 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 **2.48 percent, rounded**. The Percentage of Occupancy is derived by dividing the total Government Space of **5,944 RSF** by the total Building space of **239,893 RSF**.

1.13 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease shall be established in accordance with Paragraph 2.07 of the Lease.

1.14 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$14.77 per RSF (\$87,792.88/annum).

1.15 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

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 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 pursuant to Paragraph 2.08 B per ABOA SF of Space vacated by the Government.

1.16 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- No. of zones: 1
- \$150.00 per hour for the entire Space.

1.17 24-HOUR HVAC REQUIREMENT (SEP 2014) INTENTIONALLY DELETED

1.18 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements:

- A. Lessor is responsible for compliance with ABAAS (Americans with Disabilities Act and Architectural Barriers Act) throughout the term of the lease. The Lessor shall make the improvements listed below at their cost prior to occupancy of the space.

Accessible Route from Street/Parking Area: There must be an accessible route from the street/parking area to the entry door of the project area. If no site plan has been provided, it is the PM or Project Architect's responsibility to assure an accessible route from the Street/Parking area is provided.

Kitchenette/Break Room: The counter height needs to be compliant at 34" above finished floor. The maximum depth of the countertop for ABAAS compliance is 24" max.

Maximum Reach: Also, the maximum reach for a person in a wheelchair is 48" above finished floor. If there will be a microwave, then the microwave should be low enough so that a person in a wheelchair can use it, so it will need to have the platform inside (where food/beverages are placed) at a height no higher than 48" above finished floor. This may also be achieved if the microwave is placed on the countertop itself and not built into the wall hung cabinets. Refer to Americans with Disabilities Act and Architectural Barriers Act Accessibility Guidelines Section 308.3.

Kitchenette/Break Room (floor clearance): On the CAD plans submitted, the wall opposite the counter and base cabinets is not compliant with ABAAS. It measures short of 60" from the face of the base cabinet/countertop edge. To be ABAAS compliant, the space in front of the counter/cabinets and the wall need to be 60" clear for maneuverability. Reference ABAAS section 804.2.2.

Operable Parts: For any and all operable parts, such as door hardware and faucets in the space, please comply with the Architectural Barriers Act Accessibility Guidelines Section 309. These parts should not require tight grasping and should be operable with one hand.

Wall Mounted Devices: For all unobstructed useable devices that are wall mounted, please make sure that the maximum height installed is 48" above finished floor. This is so a person in a wheelchair can operate the device or reach the item. This applies to restroom elements such as paper towel dispensers, etc. This also applies to devices for security and access such as card readers, etc.

- B. Lessor has to remedy all Fire and Life Safety listed in Exhibit J, Seismic findings in Paragraph 4.14 and any improvements as mentioned above, including the Restrooms to be in compliance with ABAAS, annotated in the Lease at no additional cost to the Government prior to acceptance of the leased premises by the Government.

1.19 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012) INTENTIONALLY DELETED