

LEASE NO. GS-08P-LUT14917

Global Lease
GSA FORM L100 (03/2016)

This Lease is made and entered into between

Zion Drug, Inc.

(Lessor), whose principal place of business is 562 S. 1530 W, Hurricane, UT 84737, 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

176 E. DL Sargent Drive, Cedar City, UT

and more fully described in Section 1 and Exhibit XX, 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.

To Have and To Hold the said Premises with its appurtenances for the term beginning either upon February 1, 2017 or upon acceptance of the Premises as required by this Lease, whichever is later, and continuing for a period of

20 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.

FOR THE LESSOR:

FOR THE GOVERNMENT:

[Redacted Signature]

[Redacted Signature]

Name: David B. Stirland Beatrice, L.
Title: President Secretary/treasurer
Entity Name: Zion Drug, Inc
Date: January 30, 2017

Name: Christy Sebring
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 2-7-17

WITNESSED FOR THE LESSOR BY:

[Redacted Signature]

Name: Maft Juluson
Title: Assistant Manager SBSU
Date: 1-30-17

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: 18,026.30 rentable square feet (RSF), yielding 18,026.30 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space and an additional 80,000 SF of enclosed wareyard, as depicted on the floor plan(s) attached hereto as Exhibit A1. (Office space 11,651 sf + 6,375 warehouse sf.) All rights, responsibilities, and obligations that bind the Lessor and Government under this lease agreement, including the General Clauses, and any other attachments hereto, shall pertain to the entire space under lease, including any free space.

B. Common Area Factor: The Common Area Factor (CAF) is established as 1.0 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.

C. Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

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: 69 parking spaces as depicted on the plan attached hereto as Exhibit A2, reserved for the exclusive use of the Government, of which 0 shall be structured/inside parking spaces, and 69 shall be 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:

	02/01/2017 – 1/31/2020	02/01/2020 – 1/31/2025
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$196,126.14	\$246,419.52
TENANT IMPROVEMENTS RENT ²	\$ 19,881.60	\$ 19,881.60
OPERATING COSTS ³	\$ 82,198.56	\$ 82,198.56
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00	\$0.00
PARKING ⁵	\$ 0.00	\$ 0.00
TOTAL ANNUAL RENT	\$298,206.30	\$348,499.68

	02/01/2025-1/31/2030	02/01/2030-1/31/2034
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$289,502.37	\$338,533.91
TENANT IMPROVEMENTS RENT ²	\$ 19,881.60**	\$0.00
OPERATING COSTS ³	\$ 82,198.56	\$ 82,198.56
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00	\$0.00
PARKING ⁵	\$ 0.00	\$ 0.00
TOTAL ANNUAL RENT	\$391,582.86/\$371,700.93	\$420,732.47

	02/01/2034-1/31/2037	
	ANNUAL RENT	
SHELL RENT ¹	\$416,047.00	
TENANT IMPROVEMENTS RENT ²	\$ 0.00	
OPERATING COSTS ³	\$ 82,198.56	
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00	
PARKING ⁵	\$ 0.00	
TOTAL ANNUAL RENT	\$498,245.56	

²Tenant Improvements of \$156, 205.60 are amortized at a rate of 5% percent per annum over 10 years.
³Operating Costs rent: As stated in Section 1.14 base \$82,198.56
⁴Building Specific Amortized Capital (BSAC) of \$0.00 are amortized at a rate of X percent per annum over XX years
⁵Parking costs described under sub-paragraph I below

~~Tenant improvements are amortized at a rate of 5% per annum over 10 years. The total amount is \$156,205.60.~~
 Tenant improvements (TI's) will be billed for and be paid for 120 months. Annual rent will be adjusted accordingly.

B. 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.

DBA
 [Signature]

C. INTENTIONALLY DELETED

D. Rent is subject to adjustment upon reconciliation from quantities in the Lease to the approved DIDs and post-DID change orders, based on unit costs negotiated and agreed upon prior to Lease award.

E. INTENTIONALLY DELETED

F. 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.

G. 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.

H. 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 (with the exclusion of utilities), maintenance required for the proper operation of the Property, the Building, and the Leased 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. The Government shall be responsible for paying the cost of UTILITIES directly to the utility provider. The Lessor shall ensure that such utilities are separately metered. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating, ventilation, and air conditioning requirements.

I. Parking shall be provided at a rate of \$0.00 per parking space per month (structured/inside), and \$0.00 per parking space per month (surface/outside).

1.04 ~~BROKER COMMISSION AND COMMISSION CREDIT (SEP 2015) INTENTIONALLY DELETED~~

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. No rental shall accrue after the effective date of termination.

1.06 ~~RENEWAL RIGHTS (SEP 2013)~~

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)		A1
PARKING PLAN(S)		A2
AGENCY REQUIREMENTS	94	B
TENANT IMPROVEMENTS UNIT PRICE LIST		
SECURITY REQUIREMENTS	2	C
SECURITY UNIT PRICE LIST	2	D
GSA FORM 3517B GENERAL CLAUSES	15	E
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)		ONLINE
SEISMIC FORM A	2	F
SMALL BUSINESS SUBCONTRACTING PLAN		
LEASE AMENDMENT(S) ISSUED UNDER RLP AMENDMENT No. X 1	1	G

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)

A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$156,205.60. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over ten years of this Lease at an annual interest rate of 5 percent.

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.

E. The Lessor has agreed to total TI pricing of \$156,205.60 based on the Agency's Requirements and design schematic included in Exhibit B. This amount is amortized in the rent over the ten years of this Lease at an interest rate of 5 percent per year.

F. The TI Unit Prices listed in Exhibit X will be used to make the adjustment for variances between TI turnkey pricing based on the Agency's Requirements and the approved design intent drawings. The prices quoted will also be used to order alterations during the first year of the Lease. The prices quoted shall be the cost to furnish, install, and maintain each item, unless otherwise specified. These prices may be indexed or renegotiated to apply to subsequent years of the Lease upon mutual agreement of the Lessor and the Government. Final rent calculations will be reconciled and the Lease will be amended after acceptance of the Space.

G. The Government may elect to make lump sum payments for any or all work covered by the TI scope. That part of the TI 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 TI. If the Government elects to make a lump sum payment for the TI after occupancy, the payment of the TI by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease

1.09 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

INTENTIONALLY DELETED

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 X percent.

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC 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 a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
3. Negotiate an increase in the rent.

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 100 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 18,026 RSF by the total Building space of 18,026 RSF.

1.13 REAL ESTATE TAX BASE (SEP 2013)

INTENTIONALLY DELETED

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 \$4.56 per RSF (\$82,198.56/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 by \$XX.XX per ABOA SF of Space vacated by the Government.

1.16 HOURLY OVERTIME HVAC RATES (AUG 2014) INTENTIONALLY DELETED

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

1.18 BUILDING IMPROVEMENTS (MAR 2016)

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

- A. _____
- B. _____
- C. _____

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

LESSOR: BAI GOVERNMENT: CS
~~BAI~~