

**LEASE NO. GS-09P-LAZ03303**

Standard Lease  
GSA FORM L201C (September 2013)

This Lease is made and entered into between

Lessor's Name: 

(Lessor), whose principal place of business is 7400 North Oracle Road, Suite 219, Tucson, AZ 85704-6331 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

7400 North Oracle Road, Tucson, AZ 85704-6331

and more fully described in Section 1 and Exhibit A1, A2, A3, and A4 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.

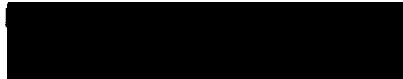
**LEASE TERM**

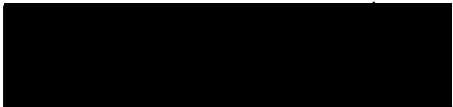
To Have and To Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

**Ten (10) Years, Five (5) Years Firm,**

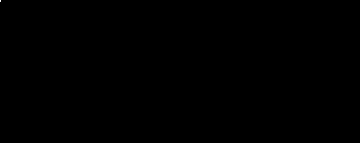
subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

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.

  
Name: Michael White  
Title: MANAGING PARTNER  
Entity Name: NORTHWEST CORPORATE CENTRE  
Date: November 4, 2014

  
Name: DAVID CONNOR  
Title: Lease Contracting Officer  
General Services Administration, Public Buildings Service  
Date: November 13, 2014

**WITNESSED FOR THE LESSOR BY:**

  
WHITE  
Title: WITNESSED  
Date: 11/04/2014

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: 38,408 rentable square feet (RSF), yielding 33,929 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on a portion of the First, the entirety of the Second, and a portion of the Third floor and known as Suites #100, #101, #242, #326, and #365 of the Building, as depicted on the floor plan(s) attached hereto as Exhibits A1 through A4.
- B. Common Area Factor: The Common Area Factor (CAF) is established as 1.13 percent. This factor, which represents the conversion from ABOA to rentable square feet, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the 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: Thirty-five (35) fenced parking spaces within an automated, gated enclosure as depicted on the plan attached hereto as Exhibit B reserved 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.
- 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 2013)**

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

|               | Shell<br>Rent/Rsf <sup>(1)</sup> | OpEx/Rsf <sup>(3)</sup> | TI<br>Amort/Rsf <sup>(2)</sup> | Total<br>Annual<br>Rent/Rsf | Total Annual<br>Dollars |
|---------------|----------------------------------|-------------------------|--------------------------------|-----------------------------|-------------------------|
| Year 1        | \$20.50                          | \$7.00                  | \$8.53                         | \$36.03                     | \$1,383,840.24          |
| Year 2        | \$20.50                          | \$7.00                  | \$8.53                         | \$36.03                     | \$1,383,840.24          |
| Year 3        | \$20.50                          | \$7.00                  | \$8.53                         | \$36.03                     | \$1,383,840.24          |
| Year 4        | \$21.33                          | \$7.00                  | \$8.53                         | \$36.86                     | \$1,415,718.88          |
| Year 5        | \$21.33                          | \$7.00                  | \$8.53                         | \$36.86                     | \$1,415,718.88          |
| Non-Firm Term |                                  |                         |                                |                             |                         |
| Year 6        | \$21.33                          | \$7.00                  | \$8.53                         | \$36.86                     | \$1,415,718.88          |
| Year 7        | \$22.17                          | \$7.00                  | \$0.00                         | \$29.17                     | \$ 1,120,335.58         |
| Year 8        | \$22.17                          | \$7.00                  | \$0.00                         | \$29.17                     | \$1,120,335.58          |
| Year 9        | \$22.17                          | \$7.00                  | \$0.00                         | \$29.17                     | \$1,120,335.58          |
| Year 10       | \$22.17                          | \$7.00                  | \$0.00                         | \$29.17                     | \$1,120,335.58          |

<sup>1</sup>Shell rent calculation:

(Firm Term) Shell Rent per RSF (as per table above) multiplied by 38,408 RSF  
 (Non-Firm Term) Shell Rent per RSF (as per table above) multiplied by 38,408 RSF

<sup>2</sup>The Tenant Improvement Allowance of \$8.53 is amortized at a rate of 6 percent per annum over five (5) years.

<sup>3</sup>Operating Costs rent calculation: \$7.00 per RSF multiplied by 38,408 RSF

- B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 33,929 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.
- C. 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.

D. 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.

E. 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), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

F. 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. Carpenter/Robbins Commercial Real Estate, Inc. as subcontractor for Studley Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] of the gross rent 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 Broker 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 \$115,320.02 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.\*

Month 2 Rental Payment \$115,320.02 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.\*

Month 3 Rental Payment \$115,320.02 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd 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.

#### 1.06 INTENTIONALLY DELETED

#### 1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

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

| DOCUMENT NAME                                     | NO. OF PAGES | EXHIBIT  |
|---|--------------|----------|
| FLOOR PLAN(S)                                     | 4            | A-4      |
| PARKING PLAN(S)                                   | 1            | B        |
| AGENCY SPECIAL REQUIREMENTS                       | 159          | C1 - C10 |
| SECURITY REQUIREMENTS for Level III               | 2            | D        |
| GSA FORM 3517B GENERAL CLAUSES                    | 47           | E        |
| GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS | 10           | F        |
| HVAC OVERTIME ZONES                               | 3            | G        |

#### 1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$41,5986 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs, Agency Special Requirements, and Security Requirements for Level III improvements. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of six (6%) percent.

**1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)**

A. 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.

B. 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.

C. 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.

**1.10 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) | \$2.00 PER ABOA SF |
| LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)            | 10%                |

**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 43.32% (percent). The Percentage of Occupancy is derived by dividing the total Government Space of 38,408 RSF by the total Building space of 88,668 RSF.

**1.14 REAL ESTATE TAX BASE (SEP 2013)**

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is \$2.53 per RSF. Tax adjustments shall not occur until the tax year following lease commencement has passed.

**1.15 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 \$7.00 per RSF (\$268,856/annum).

**1.16 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 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 \$3.00 per ABOA SF of Space vacated by the Government.

**1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)**

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage" as identified in Exhibit G.

- \$50 per hour per Blocks A, B, C combined
- \$25 per hour per Block E and Block F

**1.18 24-HOUR HVAC REQUIREMENT (APR 2011)**

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. The Lessor shall provide heating and cooling 24 hours per day as follows:

- \$3,000 per year for SCIF 1<sup>st</sup> floor (2 units)
- \$3,000 per year for LAN 2<sup>nd</sup> floor (2 units)
- \$3,000 per year for IT 2<sup>nd</sup> floor (1 unit)
- No charge for 3<sup>rd</sup> floor unit currently not in use

If additional 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$3,000 per zone for each area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

**1.19 BUILDING IMPROVEMENTS (SEP 2012)**

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

- A. Update existing shell building conditions to comply with current ABAAS regulations

**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.