

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE: *March 12, 2010*

LEASE No. GS-09B-02486

THIS LEASE, made and entered into this date between **UNIVEST DEVELOPMENT COMPANY, LLC**

whose address is: **10611 N. Hayden Rd. Suite D-105
Scottsdale, AZ 85260**

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:
9,326 rentable square feet (r.s.f.), yielding approximately 9,130 ANSI/BOMA Office Area square feet and related space; 4,894 rentable square feet (r.s.f.), yielding approximately 4,894 usable square feet (u.s.f.) of warehouse space; and 21,000 square feet of wareyard space located at 3253 and 3201 E. Universal Way, Tucson, AZ 85706, together with sixty-eight (68) onsite reserved surface parking spaces, twenty-seven (27) onsite secured structured parking spaces, and one (1) onsite secured structured oversized parking space, as depicted on the attached Exhibit A (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. PARAGRAPH 2 INTENTIONALLY OMITTED
3. PARAGRAPH 3 IS INTENTIONALLY OMITTED
4. The Government may terminate this lease in whole or in part effective any time after the initial fifteen (15) year firm term by giving at least 90 days' prior notice in writing 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. PARAGRAPH 5 INTENTIONALLY DELETED

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following twenty (20) year term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
10. The Government shall pay the Lessor annual rent as follows:

For months 1 through 120, annual rent of \$410,745.00 at the rate of \$34,228.75 per month in arrears;
For months 121 through 180, annual rent of \$442,099.80 at the rate of \$36,841.65 per month in arrears;
For months 181 through 240, annual rent of \$414,655.20 at the rate of \$34,554.60 per month in arrears;
Rent for a lesser period shall be prorated. Rent checks shall be payable to:

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11. The Lessor shall have 180 working days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 14,220/14,220 rentable square feet (100%).
13. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$5.66 per rentable square foot per annum.
14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$3.00 per usable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs."
15. **OVERTIME USAGE:** Pursuant to Paragraph 4.6, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. – 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$35.00 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 quarterly to GSA Building Manager or designee located at 300 West Congress St., Suite 2J, Tucson, AZ 85701 to receive payment.
16. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$1,800.00 per year for all specified rooms after "Normal Hours".
17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the 15 year firm term of the lease agreement at an interest rate (amortization rate) of 0 % per year.
18. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.14 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
 - B. The price proposal required to be provided by Lessor in SFO Paragraph 5.14 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.6, B (1) through (9), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
 - C. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
 - D. The construction schedule required in Paragraph 5.14 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.14, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.

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- C. Architectural/ Engineering fees will be [redacted] of total subcontractor costs.
- D. Lessor's Project Management fees will be [redacted] of total subcontractor costs.

27. Lessor must comply with federal requirements concerning the identification and protection of archeological resources under the Archeological Resources Protection Act and National Historic Preservation Act. This requires research and field survey to assess the potential presence of resources that may be disturbed by construction activity. Compliance may also require site testing to determine the presence of artifacts, artifact recovery, recordation, and interpretation, the costs of which may only be recovered in lease rent payments. No other federal funding source for compliance is available.

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