

U.S. GOVERNMENT LEASE FOR REAL PROPERTY  
(Short Form)

1. LEASE NUMBER  
GS-07B-16790

PART I - SOLICITATION/DESCRIPTION OF REQUIREMENTS (To be completed by Government)

A. REQUIREMENTS

2. The Government of the United States of America is seeking to lease approximately 1,901 rentable square feet of office and related space located in Gallup, NM for occupancy not later than October 30, 2010 for a term of 10 years, 5 years firm. Rentable space must yield a minimum of 1,653 to a maximum of 1,736 square feet of ANSI/BOMA Office Area (ABOA) for use by Tenant for personnel, furnishing, and equipment.
3. INITIAL OFFERS ARE DUE ON OR BEFORE CLOSE OF BUSINESS March 10, 2009.

B. STANDARD CONDITIONS AND REQUIREMENTS

4. The following standard conditions and requirements shall apply to any premises offered for lease to the UNITED STATES OF AMERICA (the GOVERNMENT):
- a. Space offered must be in a quality building of sound and substantial construction meeting the Government's requirements for the intended use.
  - b. The Lessor shall provide floor plans for the offered space and a valid Certificate of Occupancy for the intended use of the Government and shall meet, maintain, and operate the building in conformance with all applicable current (as of the date of this solicitation) codes and ordinances. If space is offered in a building to be constructed for lease to the Government, the building must be in compliance with the most recent edition of the building code, fire code, and ordinances adopted by the jurisdiction in which the building is located.
  - c. Offered space shall meet or be upgraded to meet the applicable egress requirements in National Fire Protection Association (NFPA) 101, *Life Safety Code* or an alternative approach or method for achieving a level of safety deemed equivalent and acceptable by the Government. Offered space located below-grade, including parking garage areas, and all areas referred to as "hazardous areas" (defined in NFPA 101) within the entire building (including non-Government areas), shall be protected by an automatic sprinkler system or an equivalent level of safety. Additional automatic fire sprinkler requirements will apply when offered space is located on or above the 6<sup>th</sup> floor. Unrestricted access to a minimum of two remote exits shall be provided on each floor of Government occupancy. Scissor stairs shall be counted as only one approved exit. Open-air exterior fire escapes will not be counted as an approved exit. Additional fire alarm system requirements will apply when offered space is located 2 or more stories in height above the lowest level of exit discharge.
  - d. The Building and the leased space shall be accessible to persons with disabilities in accordance with appendices C and D of 36 CFR Part 1191 (ABA Chapters 1 and 2 and Chapters 3 through 10 of the ADA-ABA Accessibility Guidelines).
  - e. The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented. The space shall be free of other hazardous materials and in compliance with applicable Federal, State, and local environmental laws and regulations.
  - f. Services, utilities, and maintenance will be provided daily, extending from 7:30 a.m. to 5:30 p.m. except Saturday, Sunday, and Federal holidays. The Government shall have access to the leased space at all times, including the use of electrical services, toilets, lights, elevators, and Government office machines without additional payment.
  - g. The Lessor shall complete any necessary alterations within 60 days after receipt of approved layout drawings.
  - h. The Offeror must have an active registration in the Central Contractor Registration (CCR) System (via the Internet at <http://www.ccr.gov>) prior to lease award and throughout the life of the lease. To remain active, the Lessor must update or renew its registration annually. The Government will not process rent payments to Lessors without an active CCR Registration. The Government will recognize no change of ownership of the leased premises until the new owner registers in the CCR system.

5. SERVICES AND UTILITIES (To be provided by Lessor as part of rent)

- |  |  |   |   |  |
|--|--|---|---|--|
| <input checked="" type="checkbox"/> HEAT                   | <input checked="" type="checkbox"/> TRASH REMOVAL            | <input type="checkbox"/> ELEVATOR SERVICE           | <input checked="" type="checkbox"/> INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS | <input type="checkbox"/> OTHER (Specify below) |
| <input checked="" type="checkbox"/> ELECTRICITY            | <input checked="" type="checkbox"/> CHILLED DRINKING WATER   | <input checked="" type="checkbox"/> WINDOW WASHING  | <input type="checkbox"/> PAINTING FREQUENCY                                       |  |
| <input checked="" type="checkbox"/> POWER (Special Equip.) | <input checked="" type="checkbox"/> AIR CONDITIONING         | Frequency _____                                     | Space _____   |  |
| <input checked="" type="checkbox"/> WATER (Hot & Cold)     | <input checked="" type="checkbox"/> TOILET SUPPLIES          | <input checked="" type="checkbox"/> CARPET CLEANING | Public Areas _____  |  |
| <input checked="" type="checkbox"/> SNOW REMOVAL           | <input checked="" type="checkbox"/> JANITORIAL SERV. & SUPP. | Frequency <u>Daily</u>                              |   |  |

6. OTHER REQUIREMENTS

Offerors should also include the following with their offers:

A Tenant Improvement Allowance in the amount of \$34.719298 per ANSI/BOMA square foot is required under this lease.

In accordance with Paragraph 3.14, Overtime Usage, the overtime HVAC services will be provided at the rate of \$15.00 per hour. Overtime rates shall not be paid during normal business hours.

If you desire that this lease be subject to operating cost escalation in accordance with the terms of Paragraph 1.8 of Attachment #1, please specify clearly the following. For operating cost adjustment, the operating costs are established at \$6.30 per rentable square foot. The base cost of services is established at \$11,970.00 per year based on \$6.30 per rentable square foot for 1,900 total rentable square feet.

The lease is subject to real estate tax escalation. The base year is the first year of full assessment after construction of the building. For tax escalation in accordance with the terms of Paragraph 1.9, the percentage of occupancy is 26.38 percent based on a total building square footage of 7,200 and Government premises of 1,900 rsf.

7. NOTE: All offers are subject to the terms and conditions outlined above, and elsewhere in this solicitation, including the Government's General Clauses and Representations and Certifications.

8. BASIS OF AWARD

- THE ACCEPTABLE OFFER WITH THE LOWEST PRICE PER SQUARE FOOT, ACCORDING TO THE ANSI/BOMA Z65.1-1996 DEFINITION FOR BOMA USABLE OFFICE AREA, WHICH MEANS "THE AREA WHERE A TENANT NORMALLY HOUSES PERSONNEL AND/OR FURNITURE, FOR WHICH A MEASUREMENT IS TO BE COMPUTED."
- OFFER MOST ADVANTAGEOUS TO THE GOVERNMENT, WITH THE FOLLOWING EVALUATION FACTORS BEING
  - SIGNIFICANTLY MORE IMPORTANT THAN PRICE
  - APPROXIMATELY EQUAL TO PRICE
  - SIGNIFICANTLY LESS IMPORTANT THAN PRICE
  - (Listed in descending order, unless stated otherwise):

**PART II - OFFER (To be completed by Offeror/Owner and remain open until lease award)**

**A. LOCATION AND DESCRIPTION OF PREMISES OFFERED FOR LEASE BY GOVERNMENT**

<p>1. NAME AND ADDRESS OF BUILDING (Include ZIP Code)</p> <p>Kryptonite Holdings, LLC 2020 East Aztec Avenue Gallup, NM 87301</p>	<p>2. LOCATION(S) IN BUILDING</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">a. FLOOR(S)</td> <td style="width: 50%;">b. ROOM NUMBER(S)</td> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">--</td> </tr> <tr> <td colspan="2">c. SQ. FT.</td> </tr> <tr> <td style="text-align: center;">RENTABLE <u>1,900</u></td> <td>d. TYPE</td> </tr> <tr> <td style="text-align: center;">ABOA <u>1,653</u></td> <td><input checked="" type="checkbox"/> GENERAL OFFICE      <input type="checkbox"/> OTHER (Specify)</td> </tr> <tr> <td style="text-align: center;">Common Area Factor <u>1.15</u></td> <td><input type="checkbox"/> WAREHOUSE</td> </tr> </table>	a. FLOOR(S)	b. ROOM NUMBER(S)	1	--	c. SQ. FT.		RENTABLE <u>1,900</u>	d. TYPE	ABOA <u>1,653</u>	<input checked="" type="checkbox"/> GENERAL OFFICE <input type="checkbox"/> OTHER (Specify)	Common Area Factor <u>1.15</u>	<input type="checkbox"/> WAREHOUSE
a. FLOOR(S)	b. ROOM NUMBER(S)												
1	--												
c. SQ. FT.													
RENTABLE <u>1,900</u>	d. TYPE												
ABOA <u>1,653</u>	<input checked="" type="checkbox"/> GENERAL OFFICE <input type="checkbox"/> OTHER (Specify)												
Common Area Factor <u>1.15</u>	<input type="checkbox"/> WAREHOUSE												

**B. TERM**

3. To have and to hold, for the term commencing upon completion and acceptance of the work required by this lease and continuing for a period of ten (10) years, with a firm term of five (5) years, subject to termination and renewal rights as may be hereinafter set forth. The actual lease term dates will be forth established by Supplemental Lease Agreement. The Government may terminate this lease in whole or in part at any time after the fifth (5<sup>th</sup>) year, by giving at least one-hundred, twenty (120) days 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.

**C. RENTAL**

4. Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. Rent for a period of less than a month shall be prorated.

<p>5. AMOUNT OF ANNUAL RENT</p> <p>Years 1-5: \$49,837.00; which is comprised of:</p> <p style="padding-left: 20px;">Shell: \$26,391.00 OPEX: \$11,970.00 Amort. TI: \$11,476.00</p> <p>Years 6-10: \$49,096.00; which is comprised of:</p> <p style="padding-left: 20px;">Shell: \$37,126.00 OPEX: \$11,970.00 Amort. TI: \$00.00</p>	<p>7. HVAC OVERTIME RATE PER HOUR</p> <p>See Part I (B), Box 6</p>	<p>8. ELECTRONIC FUNDS TRANSFER PAYMENT SHALL BE MADE TO (Name and Address)</p> <div style="background-color: black; width: 100px; height: 50px; margin: 5px;"></div>
<p>6. RATE PER MONTH</p> <p>Years 1-5: \$4,153.08; which is comprised of:</p> <p style="padding-left: 20px;">Shell: \$2,199.25 OPEX: \$997.50 Amort. TI: \$956.33</p> <p>Years 6-10: \$4,091.33; which is comprised of:</p> <p style="padding-left: 20px;">Shell: \$3,093.83 OPEX: \$997.50 Amort. TI: \$00.00</p>		



9a. NAME AND ADDRESS OF OWNER (Include ZIP code. If requested by the Government and the owner is a partnership or joint venture, list all General Partners, using a separate sheet, if necessary.)

Kryptonite Holdings, LLC, George Munoz, 2505 E Aztec Ave, Gallup, NM 87301-4788

9b. TELEPHONE NUMBER OF OWNER

(505) 722-6570

10. TYPE OF INTEREST IN PROPERTY OF PERSON SIGNING



OWNER



AUTHORIZED AGENT



OTHER (Specify)

11a. NAME OF OWNER OR AUTHORIZED AGENT (Type or Print)

11b. TITLE OF PERSON SIGNING

owner

11c. SIGNATURE OF OWNER OR AUTHORIZED AGENT

11d. DATE



11/11/10

**PART III AWARD (To be completed by Government)**

1. Your offer is hereby accepted. This award consummates the lease which consists of the following attached documents: (a) this GSA Form 3626, (b) Attachment#1 to GSA Form 3626 – Agency Special Requirements, (c) Attachment#2 to GSA Form 3626 – Supplemental Lease Requirements, (d) Floor Plan, (e) Representations and Certifications, (c) the Government's General Clauses, and (d) the following changes or additions made or agreed to by you:

(1) Commission and Commission Credit: The Lessor and the Broker have agreed to a cooperating lease commission of [redacted] of the firm term value of this lease. The total amount of the commission is [redacted]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, 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 Commission less the Commission Credit 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 GSA Form 3626, Part II (C), Boxes 5 & 6, 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 \$4,153.08 minus prorated Commission Credit of [redacted] equals \$ [redacted] adjusted First Month's Rent

(2) 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 \$8.00 per usable square foot per annum for operating expenses.

(3) Tenant Improvement Allowance: The maximum Tenant Improvement Allowance has been established by GSA Form 3626, Part I (B), Box 6 above, "Tenant Improvements Included in Offer." (\$34,719,298 USF). The Tenant Improvement Allowance shall be amortized over the 5 year firm term of the lease agreement at an interest rate (amortization rate) of 0.00% per year.

(4) Parking Spaces: Included as part of the offered rent are seven (7) reserved, surface parking spaces for the sole use of the Government. The annual per space value is \$56.00.

**2. THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.**

3a. NAME OF CONTRACTING OFFICER (Type or Print)

Daphne E. Hadley

3b. SIGNATURE OF CONTRACTING OFFICER



3c. DATE

11-24-10