STANDARD FORM 2 FEBRUARY 1965 EDITION GENERAL SERVICES ADMINISTRATION FPR (41CFR) 1D16.601	**U.S. GOVERNMENT LEASE FOR REAL PROPERTY**
DATE OF LEASE: 3/1/2012	LEASE No. GS-09B-02827

THIS LEASE, made and entered into this date between IDI, LLC

whose address is: Post Office Box 2232
Sierra Vista, AZ 85636

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:

   4,782 rentable square feet (r.s.f.), yielding approximately 4,782 ANSI/BOMA Office Area square feet and related space located on the 1st Floor at 4670 Industry Drive, Sierra Vista, Arizona as depicted on the attached Exhibit A (the "Site Plan") together with 11 reserved, secured surface parking spaces, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. **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 ten (10) years, five (5) years firm term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent as follows in arrears:

Years	Annual Shell Rent	Annual Operating Costs	Annual Amortized T.I's	Annual Amortized Security Costs	Total Annual Rent	Monthly Rent
1 - 5	$64,557.00	$31,704.66	$44,759.52	$0.00	$141,021.20*	$11,751.77*
6-10	$82,824.24	$31,704.66	$0.00	$0.00	$114,528.90	$9,544.08

All costs unless otherwise noted are per rentable square foot / year. *Does not include commission credit per SF2 paragraph 20

Rent for a lesser period shall be prorated. Rent checks shall be payable to:

IDI, LLC
Post Office Box 2232
Sierra Vista, AZ 85636

4. The Government may terminate this lease in whole or in part effective at any time after the 5th year of this lease by giving at least ninety (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 IS INTENTIONALLY OMITTED

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
   A. The parking space(s) described in Paragraph 1.
   B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings; provided that the Government shall make payments for lump sum items. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 0AZ2191 and its attachments.
   C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

a) The Solicitation For Offers Number 0AZ2191 (pages 1-50) (all references to SFO shall also refer to any Special Requirements and Amendments);

b) Amendment 1 to SFO Number 0AZ2191 (1 page);

c) Amendment 2 to SFO Number 0AZ2191 (1 page);

d) Tenant Office Space Requirements, Volume 2010-A (Issued 9/14/10) (43 pages);

e) GSA Form 3517 (pages 1 – 33)

f) GSA Form 3518 (pages 1-7);

g) Sheet no. 1-2 containing Paragraphs 9-20;

h) Site Plan - Exhibit A (1 page);

i) Floor Plan of Premises – Exhibit B (1 page);

j) Parking Diagram – Exhibit C (1 page).

8. The following changes were made in this lease prior to its execution:

Paragraph 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 20 have been added.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: IDI, LLC

BY _____ _____

(Signature) (Signature)

IN PRESENCE OF:

_____ _____

(Signature) (Address)

UNITED STATES OF AMERICA: **GENERAL SERVICES ADMINISTRATION, Public Buildings Service:**

BY Jessica L. Escobedo

CONTRACTING OFFICER, GSA

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EXCEPTION TO SF2 APPROVED

9. The Lessor shall have 120 calendar 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.

10. **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 $4.32 per ANSI/BOMA Office Area square foot per annum for operating expenses.

11. **OPERATING COST**: : Pursuant to Paragraph 4.3, "Operating Costs" , the base rate for purposes of operating cost escalation is established at $6.63 per rentable square foot per annum.

12. **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 $5.00 per hour or part thereof, with a minimum of 3 hours per occurence. 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 Celia M. Stutz, celia.stutz@gsa.gov GSA Tucson Field Office, 300 W. Congress St. Room 4B, Tucson, AZ 85701-1371 to receive payment.

13. **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 $2.50 per RSF per year after "Normal Hours".

14. **TENANT IMPROVEMENT ALLOWANCE**: The maximum Tenant Improvement Allowance is $194,033.69 The Tenant Improvement Allowance shall be amortized over the 5 year firm term of the lease agreement at an interest rate (amortization rate) of 5.75% per year. The following fees will be added to the Tenant Improvement Allowance:
    - GENERAL CONDITIONS SHALL NOT EXCEED [redacted] OF THE TENANT IMPROVEMENT ALLOWANCE
    - GENERAL CONTRACTOR'S FEES SHALL NOT EXCEED [redacted] OF THE TENANT IMPROVEMENT ALLOWANCE
    - ARCHITECTURAL / ENGINEERING FEES SHALL NOT EXCEED [redacted] PER RENTABLE SQUARE FOOT
    - LESSOR'S PROJECT MANAGER'S FEES CALCULATED AT [redacted] OF THE TENANT IMPROVEMENT ALLOWANCE

15. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**

    A. The price proposal required to be provided by Lessor in SFO Paragraph 5.10 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.2, 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 5.10 (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 5.10, "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.

    E. In addition to the submission requirements specified under Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements,", Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 15 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

16. **ACCEPTANCE OF SPACE:**

    A. The following is added to Paragraph 5.10 G (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.

    B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Government.

    C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as

Initials: _____ & _____
Lessor Government

B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Government.

C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudiciug the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

17. **OCCUPANCY REPORTS**:
    A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
    B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

18. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation if the improvements remain in place after the Government's acceptance of the space.**

19. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

20. 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 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 Paragraph 3 of this Standard Form 2, 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 be taken in the first month as indicated in this schedule for adjusted Monthly Rent:

First Month Rental Payment $11,751.77 minus Commission Credit of [redacted] equals [redacted] adjusted First Month's Rent.

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