

LEASE NO. GS-09P-LAZ00408

Global Lease
GSA FORM L100 (10/2016)

This Lease is made and entered into between

Lessor's Name 1510 NA, LLC

(Lessor), whose principal place of business is 3235 Crystal Bay Road, Wayzata, MN 55391 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

7373 E. Rosewood St. Tucson, AZ 85710

and more fully described in Section 1 and Exhibit A, 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 established as May 1, 2018 and continuing for a period of

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:

Name: Bradley Bakke
Title: Chief Manager
Entity Name: 1510 NA, LLC
Date: April 26, 2018

FOR THE GOVERNMENT:

Name: Erin Winschel
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 5/14/18

WITNESSED FOR THE LESSOR BY:

Name: Lori Bakke
Title: Secretary
Date: April 26, 2018

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 (OCT 2016)

The Premises are described as follows:

A. Office and Related Space: 26,268 rentable square feet (RSF), yielding 26,268 ANS/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 1st floor(s) of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. Common Area Factor: The Common Area Factor (CAF), defined under Section 2 of the Lease, is established as 1 percent. This factor, 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. INTENTIONALLY DELETED 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: 105 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which 105 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 (OCT 2016)

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

	THRU INSPECTION AND ACCEPTANCE OF THE TENANT IMPROVEMENTS	UPON INSPECTION AND ACCEPTANCE OF THE TENANT IMPROVEMENTS THRU	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$560,399.38	\$560,399.38	\$679,290.41
OPERATING COSTS ²	\$ 350,152.44	\$ 350,152.44	\$ 435,786.12
TENANT IMPROVEMENTS RENT ³	N/A	\$ 31,944.18	\$0.00
TOTAL ANNUAL RENT	\$910,551.82	\$942,496.00	\$1,115,076.53

¹Shell rent calculation:

(Firm Term) \$21.33 per RSF multiplied by the RSF stated under Paragraph 1.01

(Non Firm Term) \$25.86 per RSF multiplied by the RSF stated under Paragraph 1.01

²Operating Costs rent calculation: \$13.33 per RSF multiplied by the RSF stated under Paragraph 1.01. Operating Costs rent for the Non-Firm Term shall be \$16.69 per RSF.

³Tenant Improvements of \$210,144.00 are amortized at a rate of 9 percent per annum over 10 years. Commencement of the amortized tenant improvements allowance will be established upon Government inspection and acceptance and memorialized in a subsequent lease amendment.

B. In instances where the Lessor amortizes either the TI or Building Specific Amortized Capital (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.

C. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 26,268 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

D. 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.

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 herein 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.

I. INTENTIONALLY DELETED

J. INTENTIONALLY DELETED

1.04 INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS (OCT 2016)

The Government may terminate this Lease, in whole or in parts, at any time effective after the Firm Term of this Lease, by providing not less than 120 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 (OCT 2016)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
PARKING PLAN(S)	1	B
AGENCY REQUIREMENTS	2	C
SECURITY REQUIREMENTS	13	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)	2	F

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (OCT 2016)

A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$44.56 (rounded) per ABOA SF. 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 the Firm Term of this Lease at an annual interest rate of 9 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 identified TIA, the Government may elect to:

1. Reduce the TI requirements;
2. Pay lump sum for the coverage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.09 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)	\$0 OR 0%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	15%

1.10 INTENTIONALLY DELETED

1.11 INTENTIONALLY DELETED

1.12 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (OCT 2016)

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 34.44 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 26,268 RSF by the total Building space of 76,268 RSF. The tax parcel numbers are 133-23-1470 (location of leased space) and 133-23-168E (adjacent parking lot).

1.13 INTENTIONALLY DELETED

1.14 INTENTIONALLY DELETED

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 \$0.00 per ABOA SF of Space vacated by the Government.

1.16 INTENTIONALLY DELETED

1.17 INTENTIONALLY DELETED

1.18 BUILDING IMPROVEMENTS (MAR 2016)

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

- A. Lessor shall provide (inclusive of all parts, labor required for the installation) a back-up generator that provides at a minimum of 12 KW to support DOS servers in the event of a power failure (equipment/ server rooms/ HVAC/ lighting).
- B. The lessor shall repaint the entire interior of the Government demised space and common areas.
- C. The lessor shall replace the flooring throughout the Government demised space and common areas.

1.19 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.