

# LEASE NO. GS-09P-LAZ03321

Succeeding/Superseding Lease  
GSA FORM L202 (September 2013)

This Lease is made and entered into between

68 E Weldon Yuma LLC

(Lessor), whose principal place of business is 7400 E. McCormick Parkway, Suite C-102, Scottsdale, AZ 85258, 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

775 E. 39<sup>th</sup> Street, Yuma, AZ 85365-8011

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 either upon November 18, 2015 through November 17, 2027, subject to termination and renewal rights as may be hereinafter set forth.

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.

FO  
\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Managing Member  
Date: 2/6/15

F  
\_\_\_\_\_  
JESSICA ESCOBEDO  
Lease Contracting Officer  
General Services Administration, Public Buildings Service  
Date: 3/2/2015

## WITNESSED FOR THE LESSOR BY:

\_\_\_\_\_  
Name: Robin Biehl  
Title: \_\_\_\_\_  
Date: 2/6/15

## SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

### 1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. Office and Related Space: 8,632 rentable square feet (RSF), yielding 8,632 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space. An additional 468 rentable square feet (RSF) yielding 468 ANSI/BOMA Office Area (ABOA) square feet (SF) is included as free space (for which the Government will not be charged rent, including real estate taxes and operating cost escalations) in excess of the total 8,632 RSF / 8,632 ABOASF indicated above. The premises consisting of 9,100 (RSF), yielding 9,100 ABOASF are defined as follows: Suite 200 is located on the 2nd floor consisting of 8,632 RSF / 8,632 ABOASF and the Fitness Room is located on the 1<sup>st</sup> floor of the Building consisting of 468 RSF / 468 ABOASF, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. Common Area Factor: The Common Area Factor (CAF) is established as 1.0 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, 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: 39 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which 16 shall be structured/inside parking spaces, and 23 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 CONSIDERATIONS (SEP 2013)

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

	FIRM TERM	NON-FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$182,135.00	\$182,135.00
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$0.00	\$0.00
OPERATING COSTS <sup>3</sup>	\$74,669.00	\$74,669.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) <sup>4</sup>	\$0.00	\$0.00
PARKING <sup>5</sup>	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$256,804.00	\$256,804.00

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

(Firm Term) \$21.10 per RSF multiplied by 8,632 RSF

(Non Firm Term) \$21.10 per RSF multiplied by 8,632 RSF

<sup>2</sup>The Tenant Improvement Allowance is \$0.00

<sup>3</sup>Operating Costs rent calculation: \$8.65 per RSF multiplied by 8,632 RSF

<sup>4</sup>Building Specific Amortized Capital (BSAC) is \$0.00

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 8,632 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) 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. Jones Lang LaSalle Americas, Inc. is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] 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 Jones Lang LaSalle Americas, Inc. 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 \$21,400.33 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1<sup>st</sup> Month's Rent.\*

Month 2 Rental Payment \$21,400.33 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2<sup>nd</sup> 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 November 18, 2022 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 RENEWAL RIGHTS (SEP 2013) PARAGRAPH 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)	1	A
PARKING PLAN(S)	2	B
SECURITY REQUIREMENTS	6	C
GSA FORM 3517B GENERAL CLAUSES	47	D
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	E
SEISMIC FORM A, BENCHMARK BUILDING	9	F

#### 1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs 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 TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.



**1.09 BUILDING-SPECIFIC-AMORTIZED-CAPITAL-(SEP-2012) PARAGRAPH INTENTIONALLY DELETED**

**1.10 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)**

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC 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 a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC 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 BSAC identified above, the Government may elect to:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
3. Negotiate an increase in the rent.

**1.11 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 100 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 8,632 RSF by the total Building space of 8,632 RSF.

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

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment paragraph of the Lease is \$2.81 per RSF (\$24,292.47/annum). Tax adjustments shall not occur until the tax year following lease commencement has passed.

**1.13 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 \$8.65 per RSF (\$74,669.00/annum).

**1.14 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 \$3.05 per ABOA SF of Space vacated by the Government.

**1.15 HOURLY OVERTIME HVAC RATES (AUG 2011) PARAGRAPH**

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$30.00 per hour for the entire Space.

**1.16 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. If 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 \$0.00 per ABOA SF of the 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.

**1.17 BUILDING IMPROVEMENTS (SEP 2012)**

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements within twelve (12) months of Lease Award:

- A. Lightning Retrofit of the building as stated in the Energy Upgrade Recommendation & Analysis
- B. Install Smart Thermostats.
- C. Lessor to upgrade Air Conditioner (A/C) from SEER 10 to SEER 15 Unit. Each SEER 10 A/C unit will be upgraded with a SEER 15 Unit each time an A/C replacement is required due to age or performance.