

LEASE NO. GS-08P-LCO14809

Streamlined Lease
GSA FORM L201B (September 2013)

INSTRUCTIONS TO OFFEROR: Do not attempt to complete this lease form (GSA Lease Form L201B, hereinafter Lease Form). Upon selection for award, GSA will transcribe the successful Offeror's final offered rent and other price data included on the lease proposal form (GSA Lease Proposal Form 1364B, hereinafter Lease Proposal Form) into a Lease Form, and transmit the completed Lease Form, together with appropriate attachments, to the successful Offeror for execution.

This Lease is made and entered into between

COLORADO IMPERIAL LLC

(Lessor), whose principal place of business is 12675 Danielson Court, Suite 414, Poway, CA 92064 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

1313 E. Highway 160, Monte Vista, CO 81144 and more fully described in Section 1 and 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.

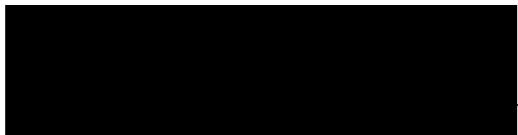
LEASE TERM


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 continuing for a period of

20 Years 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.


Name: Glenn [Redacted]
Title: MANAGER
Entity Name: COLORADO IMPERIAL LLC
Date: 7-31-2014

FO 
Name: [Redacted]
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 8-14-14

WITNESSED FOR THE LESSOR BY:


Name: Michelle L. Smykel
Title: Project Manager
Date: 7-31-2014

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: 10,006 rentable square feet (RSF), yielding 6,840 ANSI/BOMA Office Area (ABOA) square feet (SF) of office, 2,100 (ABOA) square feet of warehouse and 28,000 sf of secured wareyard and related Space located on the ground floor(s) of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A1.

B. Common Area Factor: The Common Area Factor (CAF) is established as 1.119239 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:

INITIAL
[Handwritten initials]

Parking: 93 parking spaces as depicted on the plan attached hereto as Exhibit B1, reserved for the exclusive use of the Government, of which 0 shall be structured/inside parking spaces, and 93 shall be surface/outside parking spaces. The parking spaces to be provided, at no additional cost to the Government are: 58 public and employee; 4 public RV spaces; 15 secured GOV, 16 secured trailer spaces for [redacted]. 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 (SEP 2013)

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

INITIAL
[Handwritten initials]

	FIRM TERM 1-5	FIRM TERM 6-10	FIRM TERM 11-15	NON FIRM TERM 16-20
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$214,530.64	\$224,536.64	\$234,542.64	\$244,548.64
TENANT IMPROVEMENTS RENT ²	\$ 63,681.36	\$ 63,681.36	\$ 63,681.36	\$ 63,681.36
OPERATING COSTS ³	\$ 58,494.07	\$ 58,494.07**	\$ 58,494.07**	\$ 58,494.07**
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 8,501.76	\$ 8,501.76	\$ 8,501.76	\$ 8,501.76
PARKING ⁵	\$ 0.00	N/A	\$ 0.00	N/A
TOTAL ANNUAL RENT	\$345,207.83	\$355,213.83	\$365,219.83	\$375,225.83

CPI adjustments

¹Shell rent calculation:

- (Years 1-5 Term) Shell \$21.4402 per RSF
- (Years 6-10 Term) Shell \$22.4402 per RSF
- (Years 11-15 Term) Shell \$23.4402 per RSF
- (Years 16-20 Term) Shell \$24.4402 per RSF

²The Tenant Improvement Cost of \$646,421.08 is amortized at a rate of 7.75% percent per annum over 20 years.

³Operating Costs rent calculation: \$5.8459 per RSF multiplied by 10,006 RSF

⁴Building Specific Amortized Capital (BSAC) of \$86,300.00 are amortized at a rate of 7.75% percent per annum over 20 years

⁵Parking costs described under sub-paragraph H below

In instances where the Lessor amortizes either the TI or 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.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 6,840 ABOA SF of office space and 2,100 ABOA sf of warehouse space based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. 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.

D. 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.

E. 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.

F. 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.

G. 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.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities (with the exclusion of N/A), maintenance required for the proper operation of the Property, the Building, and the Leased 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. The Lessor shall ensure that such utilities are separately metered. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating, ventilation, and air conditioning requirements.

H. Parking shall be provided at a rate of \$0.00 per parking space per month (structured/inside), and \$0.00 per parking space per month (surface/outside).

1.04 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, 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.

1.05 RENEWAL RIGHTS (SEP 2013) INTENTIONALLY DELETED

1.06 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	A1
PARKING PLAN(S)	1	B1
AGENCY SPECIFIC/SPECIAL REQUIREMENTS	114	C1
SECURITY REQUIREMENTS	7	D1
SECURITY UNIT PRICE LIST	2	E1
GSA FORM 3517B GENERAL CLAUSES	47	F1
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	G1
BUILDING MODERNIZATION AND MATERIALS STATEMENT	3	H1
TICS TABLE	28	I1
LEASE AMENDMENT(S) ISSUED UNDER RLP AMENDMENT No. X1, 2, 3, 4, 5 & 6	6	J1



1.07 TENANT IMPROVEMENTS AND PRICING (STREAMLINED) (SEP 2013)

The Lessor has agreed to total TI pricing of **\$646,421.08** based on the Agency Specific Requirements (ASR) and Design Intent Drawing (DID) included in Exhibit **A1**. This amount is amortized in the rent over the Firm Term of this Lease at an interest rate of **7.75** percent per year.

The TI Unit Prices listed in Exhibit **I1 (TICS Table)** will be used to make the adjustment for variances between turnkey pricing based on the schematic drawing in the agency requirements package and the approved design intent drawings. The prices quoted will also be used to order alterations during the first year of the Lease. The prices quoted shall be the cost to furnish, install, and maintain each item, unless otherwise specified. These prices may be indexed or renegotiated to apply to subsequent years of the Lease upon mutual agreement of the Lessor and the Government. Final rent calculations will be reconciled and the Lease will be amended after acceptance of the Space.

The Government shall have the right to make lump sum payments for any or all TI work.

The Lessor has agreed to total TI pricing of **\$646,421.08** based on the approved DIDs included in Exhibit **A1**. This amount is amortized in the rent over the Firm Term of this Lease at an interest rate of **7.75** percent per year.

The Government shall have the right to make lump sum payments for any or all TI work.

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions as to the use of the mutually agreed upon Tenant Improvement pricing. The Government may use all or part of the Tenant Improvement pricing. The Government may return to the Lessor any unused portion of the mutually agreed upon Tenant Improvement costs in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump sum payments for any or all work covered under the Tenant Improvement pricing. That part of the Tenant Improvements 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 Tenant Improvements. If the Government elects to make a lump sum payment for the Tenant Improvements after occupancy, the payment of the Tenant Improvements 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 allowance identified above, the Government may elect to:

1. Reduce the TI requirements;
2. Pay lump sum for the overage 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, as identified in the TICS table:

	INITIAL BUILD-OUT
Architect/Engineer Fees (\$ per ABOA SF or % of TI Construction Costs)	\$50,000 lump sum
Lessor's Project Management Fee (% of TI Construction Costs)	5%

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$0.9508 per ABOA SF. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 7.75 percent.

1.11 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.

1.12 PERCENTAGE OF OCCUPANCY (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy of this Lease is 100% percent. The Percentage of Occupancy is derived by dividing the total Government Space of 10,006 RSF by the total Building space of 10,006 RSF.

1.13 INTENTIONALLY DELETED

1.14 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 \$5.8459 per RSF (\$58,494.00/annum).

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 \$4.00 per ABOA SF of Space vacated by the Government.

1.16 BUILDING IMPROVEMENTS (SEP 2012)

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

- A. Asbestos Abatement as stated in Final Proposal Revision dated 7/29/14
- B. Environmental Mitigation as stated in Phase I and Phase II provided with Initial Offer and Final Proposal Revision dated 7/29/14
- C. Energy Savings Improvements as stated on Proposal to Lease Space (1364B) attached to Final Proposal Revision dated 7/29/14

1.17 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.