

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

4/29/11

LEASE NO.

GS-07B-16897

THIS LEASE, made and entered into this date by and between **MW Development LLC**

whose address is: 10500 Copper Ave NE
Albuquerque, New Mexico 87123-1845

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:

A total of 19,508 rentable square feet (RSF) of office and related space, which yields 17,667 ANSI/BOMA Office Area square feet (USF) of space on the first floor of the building located in Copper Pointe at 10500 Copper NE in Albuquerque, NM 87123-1845 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are seventy-five (75) employee visitor parking spaces and two (2) reserved parking spaces for the exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for ten (10) years, five (5) years firm, with two (2) five year options, subject to termination and renewal rights as may be hereinafter set forth. Actual lease term dates will be established by Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$474,167.12 at the rate of \$39,513.93 per month in arrears for years 1-5. This includes operating costs of \$93,644.44 per year as identified in paragraph 11 and the amortizing of the Tenant Improvement Allowance of \$789,347.08 as identified in paragraph 9. For years 6-10 the Government will pay the Lessor \$307,251.00 at the rate of \$25,604.25 per month in arrears. This includes operating costs of \$93,644.44 plus CPI's.

Rent shall be adjusted in accordance with the provisions of the Solicitation for Offers and General Clauses. Rent for a lesser period shall be prorated. Rent shall be made payable to:

MW Development, LLC.
190 Central Park Square
Suite #301
Los Alamos, New Mexico 87544-4005

4. The Government may terminate this lease in whole or in part at any time after the fifth (5th) year by giving at least sixty (60) days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

LESSOR

NAME OF SIGNER

Hugo Hinojosa

s, NM 87544

NAME OF SIGNER

Mary Lou Kampman

STATES OF AMERICA

NAME OF SIGNER

Paul J Barker

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

STANDARD FORM 2 (REV. 12/2006)

Prescribed by GSA - FPR (41 CFR) 1-16.60

5. This Lease may be renewed at the option of the Government for the following terms and at the following rentals: Years 11-15 rent will be \$237,991.56; this excludes operating costs of \$93,644.44 plus CPI's. Years 16-20 rent will be \$262,376.56; this excludes operating costs of \$93,644.44 plus CPI's.
6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. Those facilities, services, utilities, and maintenance in accordance with the Solicitation for Offers 8NM2129.
 - 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 stated in Solicitation for Offers 8NM2129 and the design intent drawings.
 - C. Build out shall be in accordance with Solicitation for Offers 8NM2129 and Government approved design intent drawings.
 - D. Deviations to the Government's design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
7. The following are attached and made a part hereof:
 - A. Solicitation for Offers 8NM2129 dated October 28, 2010 (Pages 1-53);
 - B. [REDACTED] Site Location Criteria dated August 6, 2006 (Pages 1-2);
 - C. Design Guide 2010 HQ [REDACTED] (Pages 1-194)
 - D. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05) (Pages 1-33);
 - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) (pages 1-6)
 - F. Exhibit A – Base Plans
 - G. Exhibit B – Legal Description
8. The following changes were made to this lease prior to its execution and made a part hereof: None
9. In accordance with SFO paragraph 3.3, Tenant Improvements (TI), the Tenant Improvement Allowance provided in the lease is \$789,347.08 which is amortized at an interest rate of 6% over 5 years. The TI will be used to construct the interior space in accordance with the approved Design Intent Drawings.
10. In accordance with the SFO paragraph 4.2 entitled Tax Adjustment, the percentage of Government occupancy is established as 9.2421249% of the entire building (19,508 RSF / 211,077 RSF).
11. In accordance with SFO paragraph 4.3, Operating Costs Base, the escalation base is established as \$93,644.44.
12. In accordance with SFO paragraph 4.1, Measurement of Space, the common area factor is established as 1.1042055 (19,508 RSF / 17,667 USF).
13. In accordance with SFO paragraph 4.4, Adjustment for Vacant Premises, the adjustment is established as \$3.00/USF for vacant space (rental reduction) for the space vacated by the Government prior to expiration of the term of the lease.
14. In accordance with SFO Paragraph 4.6, Overtime Usage, the rate for overtime usage is established as \$35.00 per hour beyond the normal hours of operation of 6:30 AM to 4:30 PM Monday through Friday and 8:00 AM – 12:01 PM (Noon) on Saturdays, excluding Government holidays. A 24 Hour HVAC rate does not apply.
15. All questions pertaining to this lease shall be referred to the Contracting Officer of the General Services Administration (GSA) or his/her designee. The Government occupant is not authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by Lessor except as provided by the terms of this lease or any other cost authorized in writing by the GSA Contracting Officer. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to; repairs, changes in scope of work, alterations, and overtime services without the written authorization of a Contracting Officer. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.



INITIALS: SS LESSOR & CA GOVT

- 16. 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 MW Development, LLC. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the term 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.
- 17. The Tenant Improvement Fee Schedule is as follows and Lessor agrees not to exceed these figures:
 - A. The General Conditions will not exceed 2.4% of the total subcontractor's costs.
 - B. The General Contractors fee will not exceed 9.4% of the total subcontractor's costs.
 - C. Architectural and Engineering fees will not exceed \$2.50 per useable square foot.
 - D. Lessor's Project Management fees will not exceed 2% of the total subcontractor's costs.
- 18. In accordance with SFO paragraph 2.4, *Broker Commission and Commission Credit*, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and CBRE have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable per the commission agreement signed by the lessor and CBRE. Due to the Commission Credit described in Paragraph 2.4, only [REDACTED], which is [REDACTED] of the Commission, will be payable to CBRE when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first full month of the rental payments and continue until the credit has been fully recaptured.

First Full month's rental payment of \$39,513.93 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted first month's rent).

Second Full month's rental payment of \$39,513.93 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted second month's rent).

Third Full month's rental payment of \$39,513.93 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted third month's rent).

INITIALS:  LESSOR &  GOVT