

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

GS-02B19139 B/N PR3906

THIS LEASE made and entered into this date by and between Rio Grande Management, Inc., whose address is: P.O. Box 9749, San Juan, PR 00908, 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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of approximately 2,917 rentable square feet yielding approximately 2,813/ANSI/BOMA Office Area square feet, of office and related space located on part of the ground floor level located at #38 Pimentel Street, Calle Garcia De La Noceda, Rio Grande, Puerto Rico 00745, as shown on the demising floor plans labeled Exhibits "A thru C" including parking as set forth in Paragraph 20 of the Rider to Lease. In no event shall the Government pay for more than 2,813/usf.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on

_____ through _____, subject to termination and renewal rights as may be hereinafter set forth. **SEE PARAGRAPH 10 OF THE RIDER.**

3. The Government shall pay the Lessor annual rent of

\$ _____

at the rate of \$ _____ per _____ in arrears.

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

SEE PARAGRAPH 12 OF THE RIDER.

4. The Government may terminate this lease at any time after the five (5) year firm term, by giving at least 90 days prior notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals: **DELETED**

provided notice be given in writing to the Lessor at least _____ days before the end of the original lease _____ term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

INITIALS: *RL* & *CB*
Lessor Gov't

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
SEE RIDER TO LEASE.
7. C.B. Richard Ellis Real Estate, represented by Crown Partnership, Inc. and Realty Management Group is the authorized real estate broker representing the Government in connection with this lease transaction. The Lessor and Realty Management Group, Inc. 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 Commission Credit is [REDACTED]. The first 50% of the entire commission shall be due upon lease award and the remaining 50% less the commission credit shall be due upon the acceptance of the space by the Government. 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.
8. 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 commence with the first month of the rental payments and continue as indicated in this schedule for adjusted monthly rent:
- First Month's rental payment \$9,054.85 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent.
- Second month's rental payment \$9,054.85 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent.
- Third month's rental payment \$9,054.85 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted third month's rent.

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

LESSOR RIO GRANDE MANAGEMENT, INC.

BY _____ (Signature)

IN PRESENCE _____ (Address)
_____ (Signature)

UNITED STATES GENERAL SERVICES ADMINISTRATION

BY _____ Contracting Officer
(Signature) (Official title)

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RIDER TO LEASE NO.GS-02B-19,139

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

1. Lease Rider, containing Paragraphs 9 through 28;
2. Section 1.0, Summary, Paragraphs 1.2 through 1.5;
3. Section 2.0, (Intentionally Omitted)
4. Section 3.0, Miscellaneous, Paragraphs 3.1 through 3.17;
5. Section 4.0, General Architectural, Paragraphs 4.1 through 4.14;
6. Section 5.0, Architectural Finishes, Paragraphs 5.1 through 5.22;
7. Section 6.0, Mechanical, Electrical, Plumbing, Paragraphs 6.1 through 6.19;
8. Section 7.0, Services, Utilities, Maintenance, Paragraphs 7.1 through 7.10;
9. Section 8.0, Safety and Environmental Management, paragraphs 8.1 through 8.12;
10. Section 9.0, Lease Security Standards, Paragraph 9.1 through 9.18;
11. Section 10.0, Special Requirements, Paragraph 10.1;
12. Attachment A- [REDACTED] Space Requirements Questionnaire, pages 1-12;
13. Attachment B- Document Security Notice to Prospective Bidders/Offeror;
14. General Clauses, GSA Form 3517B, paragraphs 1 through 33;
15. Representations and Certifications, GSA Form 3518, paragraphs 1 through 7;
16. Exhibit "A" Floor plan highlighting the demised premises.
17. Exhibit "B" Site Plan
18. Exhibit "C" Parking Plan

10. The term of the Lease shall commence upon completion of the leased space by the Lessor, and acceptance thereof by the Government as "substantially completed" as set forth in Paragraph 1 552.270-4- DEFINITIONS (SEP 1999) of the General Clauses. A notice to proceed shall be transmitted in accordance with Paragraph 3.15 Construction Schedule and Acceptance of Tenant Improvements, in the SFO portion of this Lease. The Government shall inspect the leased premises within ten (10) business days of its receipt from the Lessor of a statement that the demised premises are completed and ready for occupancy. The actual commencement date shall be set forth by a Supplemental Lease Agreement to be executed by the parties hereto. Thereafter, the term of this Lease shall run for an initial lease term of ten (10) years, five (5) year firm term. The current lease number GS-02B-18979 shall terminate as of the day preceding the commencement date of this lease number GS-02B-19139.

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11. The Lessor agrees to contribute a Tenant Improvement (TI) Allowance of \$141,883.95 towards the cost of the TI. The Lessor's contribution towards the remaining TI cost of \$141,883.95 will be amortized over the 5-year firm term of the lease compounded at an interest rate of 6.25% per annum. If the TI cost exceeds \$141,883.95 then the Government shall have the option to either (i) pay the Lessor the difference between \$141,883.95 and the total TI cost in a one-time lump sum payment upon Substantial Completion of the TI, acceptance thereof by the Government and submission of a proper invoice by the Lessor, or (ii) have the right to amortize the difference into the rent in the same manner as set forth above. In the event the TI cost is less than \$141,883.95 only the actual TI cost shall be amortized into the annual rent in the same manner as set forth above and the rental rate set forth in Paragraph No. 12 below shall be reduced accordingly. Such additional payment or rental reduction, if applicable, will be memorialized in a Supplemental Lease Agreement.
12. The Government shall pay the Lessor annual rental as follows:
- For years 1 through 5 of the lease term a total annual rental of \$37.25 per rentable square foot (RSF) or \$42.86/ANSI BOMA Office area square feet (ABOASF), for a total of \$108,658.25 per annum, at the rate of \$9,054.85 per month in arrears as adjusted by operating costs escalations, which annual rental includes \$11.35/ RSF or \$13.05/ABOASF or \$33,114.46 per annum, for the amortization at an 6.25% interest rate of the Lessor's contribution to the TI cost.
- For years 6 through 10 of the lease term at a total annual rental of \$27.73/RSF or \$28.76/ABOASF, for a total of \$80,888.41 per annum at the rate of \$6,740.70 per month in arrears plus accrued annual adjustments for operating costs escalations.
13. The Lessor shall be solely responsible for the technical accuracy of the construction documents to be developed by the Lessor from the approved layout drawings and the construction of the leased premises as required by this Lease, including, but not limited to air conditioning requirements, lighting placement, plumbing and fire and life safety requirements.
14. As part of the annual base rental set forth in Paragraph No. 12 above and at no additional cost to the Government, the Lessor hereby agrees to provide the following Building Shell improvements:
- a) Provide all necessary labor and materials (including overhead, profit, design and permit costs) necessary to renovate the ground floor level

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trust.

- f) The new owner needs to provide a DUNS number.

Rider to Lease GS-02B-19,139, Building No.
Calle Garcia De La Noceda, # 38 Pimentel Street ,
Rio Grande, Puerto Rico 00745

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- g) The new owner needs to be registered in Central Contractor Registration System (CCR).
- h) The foregoing information must be received by the fifteenth day of the month in which the transfer of title will be affected. The rent for that month, adjusted in accordance with the effective date of the transfer will be processed to the Lessor. Initial rental payment to the new owner will be processed on the first day of the second month following the transfer of title. If the notification of transfer and related information is not received until the sixteenth day of the month (or later), in which the transfer of title will be effected, the full contract rental for that month will be forwarded to the Lessor. In this instance, it will be the responsibility of both the Lessor and the new owner to submit, in conjunction with other requested information, a letter of agreement regarding disposition of the monthly rent with respect to the effective date of transfer. In any instance, failure to submit the documentation required for transfer of title will result in a stop payment of rent until such time as all documentation is received by the Contracting Officer.
25. The Lessor shall not be reimbursed for any services not provided for in the Lease including, but not limited to, repairs and alterations, nor will any rental be paid for occupancy in whole or in part except for the Lease term specified in this Lease, unless approved in advance and in writing by an authorized official of the General Services Administration.
26. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than the officers or employees of the General Services Administration or personnel authorized by the Contracting Officer
27. The Lease shall not be binding on either party until it has been executed by a duly authorized official of the General Services Administration and Lessor.
28. The Government will be allowed to provide, at its expense, a communications/radio antenna on the roof of the building . There shall be no additional cost to the Government for the utilization of the roof for these purposes.

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