

LEASE NO. GS-02P-LPR19162

Succeeding Lease
GSA FORM L202 (September 2013)

This Lease is made and entered into between

Lessor's Name TORRE CHARDON, S.E.

(Lessor), whose principal place of business is # 350 Ave Carlos Chardon, Ste 900, Hato Rey, P. R. 00918-2137, 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

350 Ave Carlos Chardon, Hato Rey, P. R. 00918-2137

and more fully described in Section 1 and Exhibit 1, 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 July 1, 2016 or upon acceptance of the Premises as required by this Lease, whichever is later, and continuing for a period of

10 Years, 5 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.

FOR THE LESSOR:

[Redacted Signature]

Name: Rafael Ruiz - Comas
Title: Corporate Leasing Director
Date: August 1, 2016

FOR THE GOVERNMENT:

[Redacted Signature]

[Name]
Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 8/1/16

WITNESSED FOR THE LESSOR BY:

[Redacted Signature]

Name: Cristina T. Hermida
Title: Property & Leasing Executive
Date: August 1, 2016

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 (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:** 59,731 rentable square feet (RSF), yielding 51,124 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space located on the 12th, 14th, 15th, and 16th floor(s) and known as Suite(s) 1201, 1400, 1500 and 1600, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit 1.

B. **Common Area Factor:** The Common Area Factor (CAF) is established as 23 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:** 134 parking spaces as depicted on the plan attached hereto as Exhibit 2, reserved for the exclusive use of the Government, of which 134 shall be structured/inside parking spaces, and 0 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 ¹	\$1,672,468.00	\$1,672,468.00
TENANT IMPROVEMENTS RENT ²	\$ 19,368.86	\$0.00
OPERATING COSTS ³	\$ 586,952.03	\$ 586,952.03
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 0.00	\$0.00
PARKING ⁵	\$ 0.00	\$ 0.00
TOTAL ANNUAL RENT	\$2,278,992.59	\$2,259,420.03

¹Shell rent calculation:

(Firm Term) \$28.00 per RSF multiplied by 59,731 RSF

²The Tenant Improvement Allowance of \$0.324268 is amortized at a rate of 5 percent per annum over 5 years.

³Operating Costs rent calculation: \$9.83 per RSF multiplied by 59,731 RSF

⁴Building Specific Amortized Capital (BSAC) of \$0.00 are amortized at a rate of 0 percent per annum over 0 years

⁵Parking costs described under sub-paragraph H below

B. INTENTIONALLY DELETED

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.

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 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. INTENTIONALLY DELETED

B. INTENTIONALLY DELETED

INTENTIONALLY DELETED -

1.05 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.

1.06 RENEWAL RIGHTS (SEP 2013) – 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)	4	1
PARKING PLAN(S)	2	2
SECURITY REQUIREMENTS, LEVEL III	10	3
AGENCY SPECIAL REQUIREMENTS	SEE SECTION 7	SEE SECTION 7
SECURITY UNIT PRICE LIST	3	4
GSA FORM 3517B GENERAL CLAUSES	15	5
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	6
SMALL BUSINESS SUBCONTRACTING PLAN	N/A	N/A
SEISMIC FORM C, BUILDING RETROFIT OR NEW CONSTRUCTION PRE-AWARD COMMITMENT	1	7
LEASE AMENDMENT(S) ISSUED UNDER RLP AMENDMENT No. 1- 4	4	8
OTHER (ABBAS FINDINGS)	5	9

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)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$0.00 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 0 percent.

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 23 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 59,731 RSF by the total Building space of 252,697 RSF.

1.12 REAL ESTATE TAX BASE (SEP 2013) – INTENTIONALLY DELETED

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 \$9.83 per RSF (\$586,952.03/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 \$6.50 per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$0.00 per hour per zone
- Number of zones: X
- \$25.00 per hour for the entire Space per floor.

1.16 24-HOUR HVAC REQUIREMENT (SEP 2014) – CLAUSE INTENTIONALLY DELETED- 24HR HVAC HAS BEEN INCLUDED IN THE OPERATING RENT FOR LAN ROOMS 500 ABOA SF OR LESS IN SIZE. SEE SECTION 6.05(G).

1.17 BUILDING IMPROVEMENTS (SEP 2012)

The Lessor shall complete the following additional Building improvements as shown below:

- A. Energy efficiency – Replace HVAC, lighting, ceiling tiles, plumbing faucets and fixtures in the building as appropriate per RLP Form 102, Section 2.06, Energy Independence and Security Act (Succeeding) (SEP 2013), and RLP Form 102, Section 5.02 at no additional cost to the Government. Replace all restroom fixtures for water-sense labeled fixture in accordance with Section 3.35 of the Lease. Work will be completed in phases to minimize impact of use of space by tenants. Work to be completed no later than 120 working days after the effective date of the Lease.
- B. ABAAS Upgrades– Upgrades and/or improvements to bring the Building, offered Space, and areas serving the offered Space into compliance with Lease accessibility requirements. Renovate and replace counters and handicapped stall, including but not limited to fixtures, waste receptacles, toilet paper dispensers, sanitary women's dispensers, partitions, outlets and switches in the restrooms to comply with ABAAS, all work to be completed in phases to minimize impact to tenants. Relocate all electrical switches and power outlets to comply with ABAAS height requirement: 48" AFF. Work will be completed in phases to minimize impact of use of the restroom by tenants. Work related to the counters at kitchenette, coffee nook, switch and power relocation, press room ramp, and doors with issues of less than 18" maneuverability clearance identified during the review are to be completed no later than 60 days after the effective date of the Lease and all other ABAAS renovations to be completed no later than 120 working days after the effective date of the Lease. See Exhibit 9 (Attached).
- C. Install Shatter-Resistant Window Protection all exterior windows of Government space. Work to be completed within 10 working days after the effective date of the Lease.
- D. Fire & Life Safety – Correct deficiencies identified by the Fire Protection Engineer in the Fire & Life Safety Report, GSA Form 12000, no later than 60 working days after the effective date of the Lease.

Deficiency: Fire-stopping of cable penetrations and conduit penetrations of the walls of the telephone cable rooms on the 2nd and 10th floors is damaged.

Recommended Correction: Provide 2-hour-rated fire-stopping at the wall penetrations into these two rooms.

Deficiency: The stair pressurization system duct work interconnects Stairway "A" to Stairway "B". This should not be a problem when the fans are running during a fire because the positive pressure in the ducts can be expected to keep smoke from entering the ducts. However, if the stair pressurization fans should fail to start during a fire, or if the Fire Department should order the fans shut down during a fire, smoke could migrate via the pressure-neutral ducts from one stairway to the other, compromising both exits.

Recommended Correction: Isolate the stair pressurization by sealing off some grilles so that neither fan supplies air to both Stairway "A" and Stairway "B".

- E. Seismic retrofit – The Lessor has committed on Seismic Form C (Exhibit 7) to this Lease to do a Seismic Retrofit, and to meet all other Seismic Requirements in this Lease.

The following Intermediate Non-Structural Component need to be corrected:

1. Lay-In Ceiling Tiles – Need to be secured with clips but not limited to: in the to-be leased space and in all corridors and exits.
2. Light Fixtures – Light fixtures in suspended grid ceilings are to be supported independently of the ceiling suspension system by a minimum of two wires at diagonally opposite corners of the fixtures.

Work will be completed in phases to minimize impact of use of space by tenants. Work to be completed no later than 120 working days after the effective date of the Lease.