

# LEASE NO. GS-07P-LNM17383

Standard Lease  
GSA FORM L201C (October 2012)

This Lease is made and entered into between

**WHITFIELD PROPERTIES, INC.**

(Lessor), whose principal place of business is **1100 SOUTH MAIN STREET, SUITE 100, LAS CRUCES, NM 88005**, 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

**1800 MARQUESS STREET, LAS CRUCES, NM 88005**

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 upon acceptance of the Premises as required by this Lease and continuing for a period of

**Twenty (20) Years Full, Fifteen (15) 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: Susan W. Drewry

TITLE: President

ENTITY NAME: Whitfield Properties, Inc.

DATE: February 27, 2015

### FOR THE GOVERNMENT:

[Redacted Signature]

NAME: Kristine Deltorto

TITLE: Lease Contracting Officer

General Services Administration, Public Buildings Service

DATE: 3/10/15

### WITNESSED FOR THE LESSOR BY:

[Redacted Signature]

NAME: Larry Dorbandt, CCIM, RPA

TITLE: Managing Member: Dorbandt Realty, LLC

DATE: February 27, 2015

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 (JUN 2012)

The Premises are described as follows:

#### A. Office, Warehouse and Related Space:

1. Office Space: 23,337.8 rentable square feet (RSF), yielding 22,007.8 ANSI/BOMA Office Area (ABOA) square feet of Office space;
  2. Warehouse Space: 8,373.2 rentable square feet (RSF) yielding 8,373.2 usable square feet (USF) of Warehouse space;
- are located on the first (1<sup>st</sup>) floor of the Building, as depicted on the floor plan(s) attached hereto as EXHIBIT B.
3. 70,000 square feet (SF) of secured wareyard space (as depicted on the site plan(s) attached hereto as EXHIBIT C) shall be provided to the Government at no additional cost and shall not be included in the total square footage of the Lease.

#### B. Common Area Factor: The Common Area Factors (CAF) are established as:

1. Office Space: 1.060433% (23,337.8 RSF ÷ 22,007.8 ABOA)
2. Warehouse Space: 1.00% (8,373.2 RSF ÷ 8,373.2 USF)

These factors, which represent 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 (JUN 2012)

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: A total of 190 parking spaces as depicted on the plan attached hereto as EXHIBIT C, reserved for the exclusive use of the Government, of which 0 shall be structured/inside parking spaces, and 190 shall be surface/outside parking spaces provided in the following configuration:

1. A total of twenty-one (21) parking spaces for visitor vehicle parking consisting of fifteen (15) general parking spaces measuring 10'x20', two (2) parking spaces for pull-thru vehicles measuring 14'x10' and four (4) being handicapped accessible.
2. A total of one hundred-nineteen (119) parking employee parking spaces consisting of one hundred-sixteen (116) general parking spaces measuring 10'x20' and three (3) being handicapped accessible. The spaces do not need to be secured.
3. A total of fifty (50) secured parking spaces measuring 10'x20' located within the secured wareyard.

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: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all Building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

### 1.03 RENT AND OTHER CONSIDERATION (SEP 2012)

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

##### 1. Office Rent:

	FIRM TERM ANNUAL RENT	NON FIRM TERM ANNUAL RENT
TENANT IMPROVEMENT RENT <sup>1</sup> :	\$67,858.53	\$0.00
BUILDING SPECIFIC AMORTIZED CAPITAL <sup>2</sup> :	\$18,689.66	\$0.00
SHELL RENT:	\$385,576.66	\$449,816.84
OPERATING COSTS:	\$51,443.37	\$51,443.37
TOTAL ANNUAL RENT:	\$523,568.22	\$501,260.21

<sup>1</sup> The Tenant Improvement Allowance of \$980,447.49 is amortized at a rate of 0.50% (percent) per annum over 15 years.

<sup>2</sup> The Building Specific Amortized Capital (BSAC) of \$270,035.71 is amortized at a rate of 0.50% (percent) per annum over 15 years.



2. Warehouse Rent:

	FIRM TERM ANNUAL RENT	NON FIRM TERM ANNUAL RENT
TENANT IMPROVEMENT RENT <sup>1</sup> :	\$3,969.74	\$0.00
SHELL RENT:	\$39,856.43	\$43,852.45
OPERATING COSTS:	\$18,457.02	\$18,457.02
TOTAL ANNUAL RENT:	\$62,283.19	\$62,309.47

<sup>1</sup> The Tenant Improvement Allowance of \$57,356.42 is amortized at a rate of 0.50% (percent) per annum over 15 years.

3. Blended Office and Warehouse Rent:

	FIRM TERM ANNUAL RENT	NON FIRM TERM ANNUAL RENT
TENANT IMPROVEMENT RENT <sup>1</sup> :	\$71,828.27	\$0.00
BUILDING SPECIFIC AMORTIZED CAPITAL <sup>2</sup> :	\$18,689.66	\$0.00
SHELL RENT:	\$425,433.09	\$493,669.29
OPERATING COSTS:	\$69,900.39	\$69,900.39
TOTAL ANNUAL RENT:	\$585,851.41	\$563,569.68

<sup>1</sup> The Tenant Improvement Allowance of \$1,037,803.91 is amortized at a rate of 0.50% (percent) per annum over 15 years.

<sup>2</sup> The Building Specific Amortized Capital (BSAC) of \$270,035.71 is amortized at a rate of 0.50% (percent) per annum over 15 years.

B. The Rents are subject to adjustment based upon a mutual on-site measurement of the Spaces upon acceptance, not to exceed **20,007.8 ABOA SF** for the Office space and **8,373.2 USF** for the Warehouse space based upon the methodology outlined under the "Payment" clause of GSA Form 3517B.

C. Office and Warehouse 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. Office 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). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

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 (with the exclusion of electric and gas), 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 Government shall be responsible for paying the cost of electric and gas directly to the utility provider. 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 and air conditioning requirements.

H. Parking shall be included in the shell rental rate.

**1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)**

A. **CBRE, INC** (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] for the Office Space and [REDACTED] for the Warehouse space) and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] (\$58,901.43 for the Office Space and [REDACTED] for the Warehouse space) of the Commission will be payable to **CBRE, INC** with the remaining [REDACTED] for the Office Space and [REDACTED] for the Warehouse space), 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 full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent.

1. The Office space commission credit of [REDACTED] shall be credited as follows:

Month 1 Full Rental Payment \$43,630.69 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1<sup>st</sup> Month's Rent.\*

Month 2 Full Rental Payment \$43,630.69 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2<sup>nd</sup> Month's Rent.\*

Month 3 Full Rental Payment \$43,630.69 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3<sup>rd</sup> Month's Rent.\*

Month 4 Full Rental Payment \$43,630.69 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 4<sup>th</sup> Month's Rent.\*

Month 5 Full Rental Payment \$43,630.69 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 5<sup>th</sup> Month's Rent.\*

Month 6 Full Rental Payment \$43,630.69 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 6<sup>th</sup> Month's Rent.\*

2. The Warehouse space commission credit of \$21,020.57 shall be credited as follows:

Month 1 Full Rental Payment \$5,190.26 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1<sup>st</sup> Month's Rent.\*

Month 2 Full Rental Payment \$5,190.26 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2<sup>nd</sup> Month's Rent.\*

Month 3 Full Rental Payment \$5,190.26 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3<sup>rd</sup> Month's Rent.\*

Month 4 Full Rental Payment \$5,190.26 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 4<sup>th</sup> Month's Rent.\*

Month 5 Full Rental Payment \$5,190.26 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 5<sup>th</sup> Month's Rent.\*

Month 6 Full Rental Payment \$5,190.26 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 6<sup>th</sup> Month's Rent.\*

Month 7 Full Rental Payment \$5,190.26 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 7<sup>th</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 the Firm Term of this Lease, by providing not less than ninety (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 INTENTIONALLY DELETED

#### 1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Legal Description of the Premises	1	A
Floor Plan(s)	1	B
Site Plans with Parking Plan(s)	1	C
Agency Specific Requirements: Las Cruces, NM BLM Real Estate Leasing Services, Dated 02/2013	136	D



Security Requirements for ISC Level II	5	E
GSA Form 3517B, General Clauses	48	F
GSA Form 3518, Representations and Certifications	10	G
Seismic Form C, Building Retrofit Or New Construction Pre-Award Commitment	2	H
Energy Efficiency and Conservation Improvements	2	I
Modernization and Renovation Plan	1	J
Phasing Plan with Illustration	3	K

#### 1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowances (TIA) for purposes of this Lease are:

- **\$44.55/ ABOA SF** for the Office Space
- **\$6.85/ ABOA SF** for the Warehouse Space

The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. These amounts are amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0.50% (percent).

#### 1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA 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 by the TIA. That part of the TIA 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 TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA 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 shall have the right to either:

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.

#### 1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (% OF TI CONSTRUCTION COSTS):	7.0%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS):	3.0%

#### 1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) (applicable to the Office space) is \$12.27 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 0.50% (percent).

#### 1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012)

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 shall have the right to either:

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.

**1.13 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 31,711 RSF by the total Building space of 31,711 RSF (23,337.8 RSF (Office Space) + 8,373.2 RSF (Warehouse Space)).

**1.14 REAL ESTATE TAX BASE (JUN 2012)**

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is the first year of full assessment. Tax adjustments shall not occur until the tax year following lease commencement has passed.

**1.15 OPERATING COST BASE (AUG 2011)**

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be:

- \$51,443.37 for the Office space
- \$18,457.02 for the Warehouse space

**1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)**

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 leased 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:

- \$3.15 per ABOA SF of Office Space vacated by the Government
- \$0.62 per USF of Warehouse Space vacated by the Government

**1.17 INTENTIONALLY DELETED**

**1.18 INTENTIONALLY DELETED**

**1.19 BUILDING IMPROVEMENTS (SEP 2012)**

Before the Government accepts the space, the Lessor shall complete the following additional Building improvements:

A. Energy efficiency and conservation improvements in accordance with EXHIBIT I (as attached to this Lease); including, but not limited to: replacements of heating, ventilation and air conditioning (HVAC) components, not including boilers and chillers; lighting improvements such as retrofits and replacements of interior and exterior lighting, lighting control and occupancy sensors; building envelope modifications including insulation installation, weathering and the application of reflective solar window tinting; and the installation of water and sewer conservation system improvements. Please refer to EXHIBIT I for the comprehensive list of all potentially cost effective energy efficiency and conservation improvements.

B. Remove existing HVAC rooftop units in order to replace the entire roof with a new insulated roof and to replace all rooftop HVAC units with new, high-efficiency units.

C. All modernization and renovation improvements in accordance with EXHIBIT J (as attached to this Lease); including, but not limited to new carpet tile and paint throughout both the newly added and existing space.

**1.20 INTENTIONALLY DELETED**