

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE No. GS-09B- 14470

THIS LEASE, made and entered into this date between LBA REALTY FUND III-COMPANY III, LLC

whose address is: 17901 Von Karman Avenue, Suite 950  
Irvine, CA 92614

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:  
17,957 rentable square feet (r.s.f.), yielding approximately 15,090 ANSI/BOMA Office Area square feet and related space located on the 3<sup>rd</sup> Floor (Suite 302ST) or acceptable substitute premises at Denver Place, 999 18<sup>th</sup> Street, Denver, CO 80202, together with 4 onsite, secured parking spaces, as depicted on the attached Floor Plan (Exhibit A) (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. PARAGRAPH 2 IS INTENTIONALLY OMITTED.
3. The Government shall pay the Lessor annual rent of \$320,532.45 at the rate of \$26,711.04 per month in arrears for years 1 through 3; this rate includes the 4 on-site, secured parking spaces. Rent for a lesser period shall be prorated. Rent checks shall be payable to:  
  
**LBA Realty Fund III-Company III, LLC**  
**17901 Von Karman Avenue, Suite 950**  
**Irvine, CA 92614**
4. PARAGRAPH 3 IS INTENTIONALLY OMITTED.
5. PARAGRAPH 5 IS INTENTIONALLY OMITTED.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:

- A. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
- 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 and the Government's approved Design Intent Drawings. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 9CO2238 and its attachments. Notwithstanding the foregoing, the costs and expenses described in this paragraph shall only be included in the rental consideration if the Government elects to amortize Tenant Improvements pursuant to Paragraph 14. Such costs and expenses are specifically excluded from the rental consideration if the Government elects to reimburse Lessor via lump sum payment(s).
- C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

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

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number 9CO2238 (pages 1-48) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Special Requirements (page 1 1);
- c) Attachment to SFO 9CO2238 (pages 1-8), Amendment Number 1 (page 1-4).
- d) GSA Form 3517B (pages 1-33);
- e) GSA Form 3518 (pages 1-7);
- f) Sheet no. 1-2 containing Paragraphs 9-22;
- g) Floor plan (Exhibit A, pages 1);

8. The following changes were made in this lease prior to its execution:


Paragraphs 2, 4 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 22 have been added.

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


LESSOR: LBA REALTY FUND III-COMPANY III, LLC  
a Delaware limited liability company

BY  Brad Neglia  
(Signature) (Name & Title)  
Authorized Signatory

IN PRESENCE OF:

 Farah Faris 17901 VON KARMAN AVE. #950 Irvine, CA  
(Signature) (Address) 92614

UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service:

BY   
CONTRACTING OFFICER, GSA

**TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following three (3) years term in accordance with the Paragraph entitled "Inspection of Premises" herein, subject to termination rights as may be hereinafter set forth.

9. The Lessor shall have 90 working days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
10. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," the Government occupies 17,957/891,505 rentable square feet (2.01%). This Lease will not be subject to Tax Adjustments (this language supersedes the language in the SFO).
11. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base for purposes of operating costs ("Operating Cost Base") is established at \$100,379.63 per annum. This Operating Cost Base will not be subject to CPI increases (this language supersedes the language in the SFO).
12. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4, "Adjustment for Vacant Premises", in the event of the Government vacating the Premises, in whole but not in part, prior to lease expiration, the rental will be reduced by \$2.00 per ANSI/BOMA square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs."
13. **OVERTIME USAGE:** Pursuant to Paragraph 4.6, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. – 6:00 p.m., Monday through Friday, 8:00 am – 12:00 pm Saturday and except Federal Holidays ("Normal Hours")), at a rate of \$135.00 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at: \_\_\_\_\_, to receive payment.
14. **TENANT IMPROVEMENT ALLOWANCE:** The Tenant Improvement estimate provided by the Lessor in their offer is as follows: The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "Tenant Improvements Included in Offer," is \$181,274.56. The Tenant Improvement Allowance shall be amortized over the three (3) year firm term of the Lease agreement at an interest rate (amortization rate) of 0 % per year. The Tenant Improvement Allowance is not included in the rental rate and can be used at the Government's discretion. Should the Government require an additional Tenant Improvement Allowance, the Government shall have the right to an additional \$267,650.44 either to be paid lump sum by the Government or amortized at a rate of 8% over the firm term of the Lease. Should the Government require an Tenant Improvement Allowance in excess of the amounts noted above, the Lessor shall pay for these improvements and be reimbursed by the Government via a lump sum payment. The Government reserves the right to use the full Tenant Improvement Allowance of \$40.40 per usable square foot (\$33.67 for General and \$6.73 for Custom) and shall be paid for via lump sum.

Notwithstanding anything to the contrary in the SFO, the Government has agreed to accept the existing tile ceilings in the restrooms as a suitable alternative to drywall. Further, the Government agrees to accept the current location and configuration of the restrooms as satisfying the Building Shell requirements of the SFO. While the common area restrooms on the third floor are not ADA-compliant (the 60" turning radius cannot be met), the Lessor has constructed a fully code compliant restroom on the 2<sup>nd</sup> floor, which meets the Government's accessibility requirements per the International Building Code.

**15. BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**

- A. The price proposal required to be provided by Lessor in SFO Paragraph 5.9 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.2, B (1) through (10), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
- B. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
- C. The construction schedule required in Paragraph 5.9 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised Design Intent Drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.9, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
- D. In addition to the submission requirements specified under Paragraph 5.9, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format fifteen (15) working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

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Lessor Government

16. ACCEPTANCE OF SPACE:

- A. The following is added to Paragraph 5.9 G (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
- B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

17. OCCUPANCY REPORTS:

- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises. Notwithstanding the foregoing, the Government has agreed to accept the ceiling tiles in the Premises in their existing, as new, condition as satisfying the Building Shell requirements for Ceilings as described in the SFO.

18. **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 the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms 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.**

19. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

20. **WAIVER OF RESTORATION:** The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

22. SFO paragraph 10.19 titled SHATTER-RESISTANT WINDOW PROTECTION REQUIREMENTS is hereby deleted in its entirety.

23. **COMMISSION AND COMMISSION CREDIT:** The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED]. 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 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.

Notwithstanding Paragraph 3 of this Standard Form 2, 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 \$26,771.04 minus prorated Commission Credit of \$ [REDACTED] equals [REDACTED] adjusted First Month's Rent

Initials:   *AK*   &   *KG*    
Lessor Government