

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

5/6/2011

LEASE No. GS-09B-02592

Bldg # NV8210

THIS LEASE, made and entered into this date between [REDACTED], LLC

whose address is: c/o SDA, Inc.
The Denver Tech Center
5655 South Yosemite Street, Suite 301
Greenwood Village, Colorado 80111-3221

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:
58,909 rentable square feet (r.s.f.), yielding approximately 51,225 ANSI/BOMA Office Area square feet and related space located in a 5-story building to be constructed at the Southeast Corner of Las Vegas Boulevard and the Southwest Corner of Clark Avenue and 6th Street, Las Vegas, Nevada 89101, together with **158** on-site structured, secured parking spaces, as depicted on the attached floor plans and site 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 **\$2,055,915.00** at the rate of \$171,326.25 per month in arrears for lease years 1 through 15.

	Annual Rent	Monthly Rent
Shell Rental	\$1,507,037.04	\$125,586.42
TI Rental	\$224,846.50	\$18,737.21
Building Specific Security	\$51,871.88	\$4,322.57
Operating Cost	\$272,159.58	\$22,679.97
Full Service Rent	\$2,055,915.00	\$171,326.25
Full Service Rent per RSF	\$34.90/RSF	

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

[REDACTED], LLC
c/o SDA, Inc.
The Denver Tech Center
5655 South Yosemite Street, Suite 301
Greenwood Village, Colorado 80111

4. PARAGRAPH 4 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. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 8NV2013 and its attachments.
 - 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 8NV2013, as revised/updated February 4, 2010 (pages 1-59) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - b) Special Requirements (pages 1-7);
 - c) Amendment Number 8 (page 1), Amendment Number 9 (page 1); (Amendments 1 - 7 have been incorporated into the SFO as revised/updated February 4, 2010); Amendment Number 10 (pages 1-7);
 - d) GSA Form 3517B (pages 1-33, 11-05);
 - e) GSA Form 3518 (pages 1-7, 01-07);
 - f) Davis Bacon Wages;
 - g) Floor Plan/Site Plan (Exhibit "A", 1 page).
8. The following changes were made in this lease prior to its execution:
- Paragraphs 2, 4, & 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 27 have been added.

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

LESSOR: [REDACTED], LLC

BY [REDACTED] (Signature) Marc Biagiotti, Vice President (Signature)

IN PRESENCE OF: [REDACTED] 5655 S. Yosemite St., Ste.301
[REDACTED] Greenwood Village, CO 80111
(Signature) (Address)

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

BY [REDACTED] ROBERT W. NIMMO
CONTRACTING OFFICER, GSA

9. **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 **fifteen (15) years term** in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
10. The Lessor shall have **two hundred forty (240) working days** after receipt of the Notice to Proceed from the Government to complete the build-out of the entire space. The Government has the option but not the obligation to accept beneficial occupancy in advance of the 240 day period. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
11. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 58,909/58,909 rentable square feet (100%).
12. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at **\$4.62** per rentable square foot per annum.
13. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$4.62 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3. "Operating Costs."
14. **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. – 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$0.00 per hour.
15. **24 HOUR ROOMS:** The Overtime usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at a rate of \$0.00 per hour after "Normal Hours".
16. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance of **\$2,220,425.00** shall be amortized over the 15 year firm term of the lease agreement at an interest rate (amortization rate) of 6.0% per year.
17. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.14 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
 - B. The price proposal required to be provided by Lessor in SFO Paragraph 5.14 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.6, 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.
 - C. 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.
 - D. The construction schedule required in Paragraph 5.14 (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 5.14, "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.
 - E. In addition to the submission requirements specified under Paragraph 5.14, "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 10 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.
18. **ACCEPTANCE OF SPACE:**
- A. The following is added to Paragraph 5.14 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.

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- 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.

19. 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.

20. **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.**

21. 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".

22. **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.

23. COMMISSION AND COMMISSION CREDIT:

The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] for years 1-5; [REDACTED] for years 6 – 10 and [REDACTED] for years 11-15 of the firm term value of this lease. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego 39 % 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 \$171,326.25 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$171,326.25 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$171,326.25 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

24. In accordance with SFO Paragraph 3.2B, the following project development fees will be allowed in amounts not to exceed as specified below for Tenant Improvements, Building Specific Security Costs, and change orders during the initial construction.

- A. General Conditions: 5%
B. The General Contractors fee: 5%
C. Architectural and Engineering fees: \$0.00

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D. Lessor's Project Management fees: 5%

25. **BUILDING SPECIFIC SECURITY ALLOWANCE:** The Building Specific Security (BSS) Allowance of \$512,250.00 shall be amortized over the 15 year firm term of the lease agreement at an interest rate (amortization rate) of 6.0% per year as set forth in Paragraph 3 of this Lease.
- A. Building Specific Security items refer to those items in SFO Section 10 "Lease Security Standards" that are NOT marked as Building Shell or Tenant Improvements.
 - B. The Government, at its sole discretion, shall make all decisions as to the usage of the BSS Allowance. The Government may use all or part of the BSS Allowance. The Government may return to the Lessor any unused portion of the BSS Allowance in exchange for a decrease in rent according to the amortization rate over the firm term.
 - C. The Government reserves the right to make cash payments for any or all work performed by the Lessor. Prior to occupancy, the Government, at its sole discretion, may choose to pay lump sum for any or all of the BSS Allowance. If, prior to occupancy, the Government elects to make a lump sum payment for any portion of the BSS Allowance, the payment of the BSS Allowance by the Government will result in a decrease in the rent. At any time after occupancy and during the firm term of the lease, the Government, at its sole discretion, may choose to pay lump sum for any part or all of the remaining unpaid amortized balance of the BSS Allowance if the original occupant agency vacates the space. If the Government elects to make a lump sum payment for the BSS Allowance after occupancy, the payment of the BSS Allowance by the Government will result in a decrease in the rent according to the amortization rate over the firm term of the lease.
 - D. If it is anticipated that the Government will spend more than the allowance identified above, the Government reserves the right to either 1) reduce the BSS requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.
26. The actual date, rental rate, and square footage will be established by a supplemental lease agreement (SLA). This information will be based upon the Government and Lessor's actual field measurement for acceptance of beneficial occupancy. In any event, Pursuant to Paragraph 1.3 of the Solicitation for Offers entitled "Amount and Type of Space (AUG 2008)", the total square footage for the Government's assignment shall not exceed the maximum allowable space allocation of 51,225 ANSI/BOMA Office Area square feet of office and related space.
27. In accordance with Paragraph 1.4.G of the Solicitation for Offers (as amended by SFO Amendment No. 10), Lessor is obligated to design and construct the leased premises with sufficient structural upgrades to reduce any potential blast impact to the equivalent of a 50-foot physical setback. After lease award, the Lessor shall provide evidence of Hinman & Associates blast protection calculations, and their final determination that the proposed design for the facility shall meet the equivalency of a 50-foot setback blast requirement as prescribed in Paragraph 1.4.G of the Solicitation for Offers (as amended by SFO Amendment No. 10).

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