

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE No. GS-09B-02196

THIS LEASE, made and entered into this date between RYAN COMPANIES US, INC.

whose address is: One North Central Avenue
Suite 1300
Phoenix, AZ 85004-4418

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:
210,202 rentable square feet (r.s.f.), yielding approximately 191,095 ANSI/BOMA Office Area square feet and related space located at the Southeast corner of 7th Street and Deer Valley Road, Phoenix, Arizona 85024, together with 405 onsite parking spaces (345 on-site, inside secured parking spaces and 60 on-site visitor parking spaces), as depicted on the attached Exhibit A (the "Site Plan"), 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 \$7,724,923.50 at the rate of \$643,743.63 per month in arrears. The cost for parking is included in the annual rental rate. Rent will not be paid for delivery of any space in excess of 210,202 rentable square feet. Rent for a lesser period shall be prorated and breaks down as follows:

Rent Breakdown (Years 1 - 20)	Per RSF	Per ANSI/BOMA SF	Annual Rent	Monthly Rent
Shell Rent	\$22.27	\$24.49	\$4,681,198.54	\$390,099.88
Operating Cost	\$7.00	\$7.70	\$1,471,414.00	\$122,617.83
Amortization of TI	\$4.02	\$4.42	\$845,012.04	\$70,417.67
Amortization of Building-Specific Security	\$3.46	\$3.81	\$727,298.92	\$60,608.24
Full Service Rent	\$36.75	\$40.42	\$7,724,923.50	\$643,743.63

Rent checks shall be payable to:

Ryan Companies US, Inc.
One North Central Avenue
Suite 1300
Phoenix, Arizona 85004-4418

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. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. LAZ02196 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:

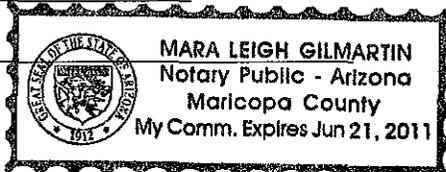
All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number LAZ02196 (pages 1-70) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - b) Agency Program of Requirements (POR) (pages 1-141) and Room Data Matrix (pages 1-8);
 - c) Amendment Number 1 (pages 1-11), Amendment Number 2 (page 1), Amendment Number 3 (page 1), Amendment Number 4 (pages 1-9);
 - d) GSA Form 3517 (pages 1-33);
 - e) GSA Form 3518 (pages 1-7);
 - f) Assignable Purchase Option (pages 1-15);
 - g) Best and Final Technical Offer Submitted on January 15, 2010;
 - h) Sheet no. 1-5 containing Paragraphs 9-31; Unit Price Sheet
 - i) Subcontracting Plan;
 - j) Davis Bacon Wages; Current Schedule
 - k) Site Plan, "Exhibit A," (pages 1-2);
 - l) Fitness Equipment (Exhibit B)
 - m) Project Schedule
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 31 have been added.

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

LESSOR: RYAN COMPANIES US, INC.

BY John Strittmatter
 (Signature) John Strittmatter

(Signature) 

IN PRESENCE OF:
Mara Leigh Gilmartin
 (Signature) Mara Leigh Gilmartin

One North Central Ave. #1300, Phoenix, AZ 85004
 (Address)

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

BY _____
 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 twenty (20) year term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
10. All rentable space will be located in a single-tenant, standalone building. The Government will have exclusive use of the site and buildings. The Office Building and Annex Facility will be surrounded by a perimeter vehicle barrier that is inside the property line and is a minimum of 100 feet, 0 inches from the nearest façade of the building.
11. The Lessor will provide 25% contiguous expansion space in increments of 15,000 net rentable office and related space.
12. The Lessor will provide direct controlled pedestrian access into the building from the street/sidewalk. The Lessor will provide one [REDACTED] at the site entrance.
13. The Daily Delay rate for compensation of the Lessor for Government caused delays in accordance with paragraph 3.3 D.13 of the SFO is established as Five Thousand dollars (\$5,000.00) per day for delays occurring prior to commencement of construction and Nine Thousand dollars (\$9,000.00) for delays after commencement of construction. The parties have agreed that the same rates shall apply for the purpose of compensating the Government for delays that the Lessor is responsible for under this Lease. Recovery of such sums shall be the only compensation for delay; provided however, that this provision shall not limit the Governments entitlement to compensation in the event that this lease is terminated pursuant to the Default in Delivery provision of this Lease.
14. The Government will assign the "Assignable Purchase Option" agreement to the Lessor and the Lessor must purchase the site within 90 days after award of the lease and in accordance with the attached Assignable Option Agreement. The Lessor will obtain "Fee Simple Interest" of the site and maintain that interest for no less than one year.
15. The "Continuing Purchase Option" in Section 1.8 A of the SFO has been deleted in its entirety and the Government will not have the right to purchase the building during the firm term of the lease.
16. The Lessor shall provide four separate buildings: A 5-story Main Office Building (159,353 net usable square feet), The Annex Facility (30,830 net usable square feet), The [REDACTED] (912 net usable square feet) and a Parking Structure.
17. Any requested change order after award will have the Lessor's administrative mark up for General Conditions, including but not limited to the General Contractor's fee, Architectural/Engineering fees and Lessor's Project Management fee, which will total 6%. In no event will this mark up fee exceed 6%.
18. The Lessor will provide one full-time Assistant Property Manager and a full-time Building Engineer that will be housed in the main office building, at a room location to be determined in the future. These employees will be present during normal working hours and will be accessible 24 hours a day, 7 days a week.

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Lessor Government

19. The Lessor will provide, at no additional cost to the Government, fitness equipment totaling [REDACTED] in value and a marble and granite [REDACTED] emblem/seal to be installed in the floor of the main lobby of the Office Building totaling [REDACTED] in value (itemized in the attached Exhibit B).
20. Lessor will ensure that any site cast precast concrete will meet the following standards:
- A. Design Standards: ACI 301 and ACI 318
 - B. Quality Control Standard: TCA Specification 3470
21. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.4, "Tax Adjustment," for purposes of tax escalation, the Government occupies 210,202 rentable square feet (100% occupancy).
22. **OPERATING COST:** Pursuant to Paragraph 4.6, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$7.00 per rentable square foot per annum.
23. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.14, "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 \$3.15 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.6, "Operating Costs."
24. **OVERTIME USAGE:** Pursuant to Paragraph 8.4, "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, and except Federal Holidays ("Normal Hours")), at a rate of \$225.00 per hour per floor. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. Any overtime usage must be approved in advance by the Government. For the hours of Over Time approved and used. The Lessor must submit a proper invoice quarterly to GSA Building Manager Elaine Grimstrud at 401 West Washington Street, Room 180, Phoenix, AZ 85003, to receive payment.
25. **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 the rate of \$0.00 per hour after "Normal Hours".
26. **CONSTRUCTION SCHEDULE:**
- A. Within 30 days after award of the lease contract, the Lessor shall submit to the Contracting Officer a tentative construction schedule. Within 60 days after award of the lease, the finalized schedule shall be submitted to the Contracting Officer.
 - B. The Lessor shall complete all Tenant Improvements in accordance with 1) the Government reviewed working/construction drawings and 2) all terms and conditions of the SFO and POR.
 - C. 30 days prior to the completion of the interior construction, the Lessor shall issue written notice to the Government to inspect the space. The Government shall have 30 working days to inspect and to either accept or reject the space.

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D. The entire Office Building, Annex Facility and Parking Structure must be completed and ready for occupancy by March 2012. The actual move-in will take place on a phase occupancy basis, between March 2012 and April 2012.

27. **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.**

28. 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".

29. **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.

30. **COMMISSION AND COMMISSION CREDIT:**

The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] for lease years 1-5, [REDACTED] for lease years 6-10 and [REDACTED] for lease years 11-20 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 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:

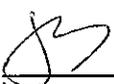
First Month's Rental Payment \$643,743.63 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent

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Second Month's Rental Payment \$643,743.63 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent

Third Month's Rental Payment \$643,743.63 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent

31. Pursuant to Paragraph 4.2, "Unit Costs for Adjustments", the following negotiated amounts may be used, during the first year of the lease to price alterations costing \$100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government.

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