

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

4-6-09

LEASE NO.

GS-07B-16625

THIS LEASE made and entered into this date by and between EQUASTONE 1777 TOWER, LP, A DELAWARE CORPORATION

Whose address is 8910 UNIVERSITY CENTER LANE, SUITE 500  
SAN DIEGO, CA 92122

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:

A total of 20,963 rentable square feet (RSF) of office and related space, which yields 18,830 ANSI/BOMA Office Area square feet (USF) consisting of the entire Fifteenth (15<sup>th</sup>) Floor and a portion of the Fourteenth (14<sup>th</sup>) Floor being the areas shown on the floor plans attached as Exhibit D and made a part hereof, in the building known as Northwood Tower located at 1777 NE Loop 410, San Antonio, TX 78217. Included in the rent at no additional cost to the Government are 35 parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon completion and acceptance of the work required by this lease and continuing for a period of 10 years, with a firm term of 5 years, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$572,967.93 (\$27.33/RSF - \$30.43/USF) at the rate of \$47,747.33 per month in arrears for years 1-5, and \$543,780.22 (\$25.94/RSF - \$28.88/USF) at the rate of \$45,315.02 per month in arrears for years 6-10.

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

EQUASTONE 1777 TOWER, LP, A DELAWARE CORPORATION  
8910 UNIVERSITY CENTER LANE, SUITE 500  
SAN DIEGO, CA 92122

4. The Government may terminate this lease in whole or in part at any time after the end of the firm term by giving at least 120 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. Cost adjustments and termination rights shall be adjusted to coincide with any revised actual commencement date. The commencement date, as stated in Paragraph 2 above, is the estimated commencement date. The actual commencement date will be established by Supplemental Lease Agreement to the lease, if necessary. The lease will then be in effect for 10 years, 5 years firm, subject to termination rights as specified in Paragraph 4 above. The anniversary date for annual escalations, operating cost adjustments, and termination rights shall be adjusted to coincide with any revised actual commencement date.

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

LESSOR

EQUASTONE 1777 TOWER, L.P.

BY  \_\_\_\_\_  
(Signature)

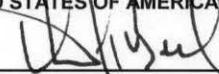
Todd Parker, Executive Vice President  
(Title)

IN PRESENCE OF

 \_\_\_\_\_  
(Signature)



UNITED STATES OF AMERICA

BY  \_\_\_\_\_  
(Signature)

Contracting Officer, General Services Administration  
(Official Title)

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO No. 6TX0451 dated March 17, 2008, as amended October 15, 2008.
  - B. Build out in accordance with standards set forth in SFO No. 6TX0451 dated March 17, 2008, as amended October 15, 2008, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations are to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
  - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
7. The following are attached and made a part hereof:
- A. Solicitation for Offers #6TX0451 dated March 17, 2008, Amendment No. 1, dated October 15, 2008, and Amendment No. 2, dated March 30, 2009
  - B. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05)
  - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
  - D. Floor Plans
  - E. Proof of Ownership and Legal Description
8. The following changes were made in this lease prior to its execution:  
SFO 6TX0451 paragraphs 1.4.A, 1.4.B, 1.4.C, 1.9.A.14, 1.10.C, and 9.18 are stricken in their entirety.
9. In accordance with the SFO paragraph entitled *Tenant Improvements Rental Adjustment*, Tenant Improvements in the total amount of \$554,709.20 (18,830 USF x \$29.46) shall be amortized through the rent for 5 years at the rate of 6.0%. The Government will pay \$110,941.84 in lump sum payment. The total annual cost of Tenant Improvements for the amortization period shall be \$128,688.99.
10. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 8.175%.
11. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$5.96/RSF (\$124,868.04/annum).
12. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.1133 (20,963 RSF/18,830 USF).
13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.30/USF for vacant space (rental reduction).
14. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage for the leased premises is established as \$50.00 per hour with a two hour minimum.
15. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] 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 of \$47,747.33 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.
- Second Month's Rental Payment of \$47,747.33 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent.
16. The Government and the Lessor have mutually agreed that the 14th floor, in its existing condition, satisfies the Building Shell requirements in the SFO. Any demolition to the 14<sup>th</sup> floor that may be required as part of the tenant improvement construction shall be paid for out of the Tenant Improvement Allowance, including repairing any ceiling tiles or grid that may be damaged as a result of tenant improvement construction. Notwithstanding the above, the Lessor shall be responsible for providing new ceiling and grid on any portion of the east side of the 15<sup>th</sup> floor to match the existing ceiling on the west side of the 15<sup>th</sup> floor.
17. If there is any conflict between this SF-2 and the SFO, the terms specified in this SF-2 shall govern.

LESSOR

UNITED STATES OF AMERICA

BY \_\_\_\_\_

(Initial)

BY \_\_\_\_\_

(Initial)