

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

July 14, 2009

LEASE NO. GS-07B-16654

THIS LEASE, made and entered into this date by and between Seven Properties, LLP

whose address is 4808 Jefferson, N.E.
Albuquerque, NM 87109

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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

Approximately 8,358 rentable square feet (approximately 7,930 ANSI/BOMA office area square feet) of office and related space to be constructed on approximately 1.711 acres; two (2) tracts of land described as Lots numbered Twelve (12) and Thirteen (13) in Block lettered "C" Commerce Commercial at Enchanted Hills, Rio Rancho, Sandoval County, New Mexico (as described in Exhibit B attached hereto), and forty (40) onsite parking spaces; twenty (20) of which shall be separated for employee parking to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the leased premises, estimated to be within 180 working days following the Government issuance of the Notice to Proceed and continuing for a term through fifteen (15) years, subject to terms stated within.
3. The Government shall pay the Lessor annual rent payable monthly in arrears at the following rate:

TERM	RATE PER RSF	MONTHLY RENT	ANNUAL RENT
Years 1-5	\$42.7622517	\$29,783.91	\$357,406.90
Years 6-10	\$44.3535535	\$30,892.25	\$370,707.00
Years 11-15	\$46.0244209	\$32,056.00	\$384,672.11

Rent shall be paid monthly in arrears. The Lessor and Government both acknowledge and agree this shall be a full service lease agreement in accordance with SFO 8NM2010. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Seven Properties, LLP
4808 Jefferson, N.E.
Albuquerque, NM 87109

4. The Government may terminate this lease at any time after the tenth (10th) year by giving at least 60 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. ~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

~~provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

PARAGRAPH 5 IS DELETED WITHOUT SUBSTITUTION

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

- a. Facilities, services, utilities, maintenance, parking and tenant improvements shall be provided within 180 working days from Government issuance of the Notice to Proceed and in accordance with the terms of the attached Solicitation for Offers 8NM2010.
- b. Forty (40) onsite parking spaces, twenty (20) of which shall be separated for employee parking and shall be provided as part of the rental consideration.

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

Sheets 3, 4, 5 and 6 containing paragraphs 9-25 to Lease GS-07B-16654 (4 pages)
Exhibit A, Base Plans (3 pages)
Exhibit B, Legal Description (2 page)
Solicitation For Offers 8NM2010 (45 pages)
Solicitation For Offers 8NM2010 Special Requirements (97 pages)
Amendment #1 to SFO 8NM2010 dated September 19, 2008 (1 page)
Amendment #2 to SFO 8NM2010 dated September 30, 2008 (1 page)
General Clauses GSA Form 3517B (Rev.11/05) (33 pages)
Representations and Certifications GSA Form 3518 (Rev. 1/07) (5 pages)

8. The following changes were made in this lease prior to its execution:
Paragraph 5 was deleted in its entirety without substitution

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

LESSOR Seven Properties, LLP

By: LARS J. SEGO
Its: SENIOR PROJECT MANAGER

BY

(Signature)

(Signature)

IN PRESENCE OF:

(Signature)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION
Contracting Officer
General Services Administration
819 Taylor Street, Room 12A
Fort Worth, TX 76102

(Signature)

(Official title)

Sheet 3, Attached to and made part of Lease No. GS-07B-16654
Lots numbered Twelve (12) and Thirteen (13) in Block lettered "C" Commerce Commercial at
Enchanted Hills, Rio Rancho, Sandoval County, New Mexico

9. In accordance with provisions of Paragraphs 3.4 Tax Adjustment, 3.6 Operating Costs, and 3.13 Adjustment for Vacant Premises of the Solicitation for Offers 8NM2010, the following parameters are established:

(a) The lease is subject to operating cost escalation. For operating cost adjustment, the operating costs are established at \$7.00 per rentable square foot. The base cost of services is established at \$58,499.20 based on \$6.9991864 for 8,358 rentable square feet.

(b) The lease is subject to real estate tax escalation. For tax escalation in accordance with terms of Paragraph 3.4, the percentage of occupancy is 100% based on Gross Building Area of 8,358 square feet divided by the Government's premises of 8,358 RSF. The base year tax statement will be submitted within 60 calendar days after the last date the Real Estate Tax payment is due from the Lessor to the Taxing Authority without payment of penalty or interest after payment to establish the base year taxes. If the tax statement is for multiple parcels or buildings, the value of each property shall be defined.

(c) The Adjustment for Vacant space is \$1.60 per rentable square foot.

10. In accordance with Paragraph 7.3, Overtime Usage, the overtime HVAC services will be provided at the rate of \$8.00 per hour for entire building or \$2.00 per hour per zone for partial usage. Overtime rates shall not be paid during normal building operation hours of 7:00 am to 6:00 pm Monday through Friday and only after the 168 hours of overtime provided annually at no charge has been utilized. Unused overtime is not transferable from one year to the next.

11. The annual rental rate is firm and will not be adjusted based on the mutual measurement, except as provided in clause 552.270-20, page 12, paragraph 27 of the GSA Form 3517B. The rate per square foot and the base year service cost will be modified to reflect the final measurement.

12. (a) Within 180 working days after the Government has issued the Tenant Improvement Notice to Proceed to the Lessor, the space shall be constructed in accordance with Solicitation for Offers 8NM2010 and Government approved floor plans, and be ready for occupancy. The space shall comply with the handicap accessibility requirements of the solicitation.

(b) An engineered plan will be provided by the Government and will be incorporated by Supplemental Lease Agreement to establish the final location for junction boxes and connections to the systems furniture power poles. The Lessor's electrical contractor will connect systems furniture to the junction boxes after the systems furniture has been installed by the furniture vendor. The electrical contractor will be available for the pre-installation meeting approximately 30 days prior to acceptance of space to meet with the furniture vendor.

(c) The Lessor's cable vendor shall install cable and connectors in accordance with the specifications that will be incorporated with the floor plan. The Lessor's contractor shall be available for the pre-installation meeting approximately 30 days prior to acceptance of space.

INITIALS	
GOV'T KH	LESSOR [Signature]

Sheet 4, Attached to and made part of Lease No. GS-07B-16654
Lots numbered Twelve (12) and Thirteen (13) in Block lettered "C" Commerce Commercial at
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(d) The Lessor shall provide a drawing of the electrical riser diagram within 30 days so that the government's engineering firm can produce the electrical drawing for the systems furniture and local area network.

13. Within 180 working days after the Government has issued the Tenant Improvement Notice to Proceed to the Lessor the space shall be constructed and ready for occupancy and shall comply with fire safety and architectural specifications required in the solicitation and also:

(a) Properly seal all floor penetrations in telephone rooms and utility passages with noncombustible materials to provide a fire resistance rating equal to that of the floor as applicable.

(b) Install exit lights within the space.

(c) Install battery operated emergency lighting within the space.

14. The Lessor will provide 2 copies of CAD "as built" disks to the contracting officer within thirty (30) days of completion of construction.

15. The Lessor will notify the contracting officer fourteen (14) days prior to scheduled completion of construction at 30 percent, 60, 90 and 100 percent completion for purposes of scheduling inspections.

16. Janitorial cleaning/maintenance is to be performed during daytime tenant working hours, Monday through Friday, except for Federal holidays.

17. In accordance with Section 3.10 – Common Area Factor of SFO 8NM2010, the Common Area Factor is established as 1.053972257%.

18. In the event the actual amount of space exceeds 7,930 ANSI/BOMA square feet, there will be no additional cost to the Government.

19. The rental consideration includes all costs for the warm lit shell as defined by the solicitation for offers, and all costs for tenant finish as defined by the solicitation for offers. All requirements as defined by the solicitation for offers and lease will be met without additional cost.

20. The tenant buildout will conform to the specifications in SFO 8NM2010 and are to be provided by the Lessor as part of the total rental payment. The tenant buildout costs of \$300,388.40 are amortized for a period of 180 months at 7.25%. The amortized tenant buildout costs are \$3.94 per rentable square foot.

21. In accordance with Paragraph 1.13 (Broker Commission and Commission Credit) Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED]. The Commission is earned upon lease execution and payable

INITIALS	
GOV'T	LESSOR
KH	[Signature]

Sheet 5, Attached to and made part of Lease No. GS-07B-16654
Lots numbered Twelve (12) and Thirteen (13) in Block lettered "C" Commerce Commercial at
Enchanted Hills, Rio Rancho, Sandoval County, New Mexico

██████████ when the Lease is awarded and ██████████ upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 1.13 only ██████████, which is ██████████ of the Commission, will be payable to Studley when the Lease is awarded. The remaining ██████████, which is ██████████ of the Commission ("Commission Credit"), shall be credited to the shell portion of the annual rental payments.

The shell portion of the annual rental payment (\$266,002.09 per 12 months = \$22,166.84 per month) due and owing shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of rental payment and continues throughout the fourth month of the lease term as indicated in the following schedule of adjusted Monthly Rent:


Month 1:	\$29,783.91 minus prorated Commission Credit of ██████████ equals ██████████ adjusted First Month's Rent.
Month 2:	\$29,783.91 minus prorated Commission Credit of ██████████ equals ██████████ adjusted Second Month's Rent.
Month 3:	\$29,783.91 minus prorated Commission Credit of ██████████ equals ██████████ adjusted Third Month's Rent.
Month 4:	\$29,783.91 minus prorated Commission Credit of ██████████ equals ██████████ adjusted Fourth Month's Rent.

In the event that the rental rate is adjusted due to an increase or decrease to the tenant buildout amount, square footage, or other item resulting in a change to the gross rental amount, the Total Broker's Commission, Remaining Broker's Commission and Commission Credit shall be recalculated based on the revised base rental rate. The Remaining Broker's Commission is payable to:

Studley, Inc.
15303 N. Dallas Parkway, Suite 1200
Addison, TX 75001

22. All questions pertaining to this Lease shall be referred to the Contracting Officer of General Services Administration (GSA) or their designee. The Government occupant **is not** authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized **in writing** by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to: repairs, alterations and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.

23. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new leases/contracts not later than January 1, 1998. An enrollment form is attached to be completed and returned with this contract.

INITIALS	
GOV'T	LESSOR
KH	

Sheet 6, Attached to and made part of Lease No. GS-07B-16654
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24. The Lessor shall represent and warrant that the building and premises meet the required NFPA 101A Life Safety Code as described in the SFO. Should a GSA representative discover discrepancies pursuant to a physical inspection, Lessor agrees to remedy any deficiencies as required.

25. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the Government during the term of this lease or any extensions. Alterations completed by either the Government or Lessor including initial build out of the lease space and / or any subsequent modifications required during the lease period. At the Government's sole discretion alterations will remain in the leased space after termination of the lease contract will become property of the Lessor.

INITIALS	
GOV'T	LESSOR
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