

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

May 12, 2010

LEASE NO.

GS8PC LCO 14488

THIS LEASE, made and entered into this date by and between SCMC LLC, as LESSOR whose interest in the property hereinafter described is that of Owner and whose address is: **SCMC, LLC, C/O Nor'wood, 111 South Tejon St., Suite 222, Colorado Springs, CO 80903 - 2246** 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 12,500 rentable square feet (RSF) of office and related space, which yields 10,330.58 ANSI/BOMA Office Area square feet (OASF) of space at The Plaza of the Rockies, Suite 401/407/410, 111 So. Tejon St., Colorado Springs, Colorado 80903-2246 hereinafter referred to as the Premises, to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 10 non reserved spaces in the Plaza of the Rockies Garage, 8 non reserved spaces in the City Garage adjacent to the Building and 23 surface non reserved stalls within a 3 block radius of the building, all for exclusive use by Government employees and visitors.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on October 1, 2010 and continuing through September 30, 2025, except that the Government may terminate this lease for any reason after first giving a 120 day notice after September 30, 2015.
3. The Government shall pay the Lessor annual rent of \$27.19 PRSF in the annual amount of \$339,875.04 to be paid in arrears for years 1 - 10. Should this Lease not be terminated at the beginning of the 6th year, the full service rental rate shall be increased to \$30.49 p.r.s.f. in the annual amount of \$381,125.00 payable in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **SCMC, LLC, C/O Nor'wood, 111 South Tejon St., Suite 222, Colorado Springs, Colorado 80903-2246**
4. The following are attached hereto and made a part hereof:
 - A. Solicitation for Offers CO 2312 dated December 11, 2009.
 - B. GSA Form 3517B entitled GENERAL CLAUSES
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS
 - D. Special Requirements
 - E. Exhibit A, Addendum to Lease.
 - F. Exhibit B Antenna Requirements
5. The Lessor shall furnish to the Government, as part to the rental consideration, the following: Those facilities, services, supplies, utilities, and maintenance in accordance with SFO CO 2256, dated May 31, 2009 as follows:

LESSOR
SCMC, LLC

BY


Christopher S. Jenkins, Manager

(Signature)

MANAGER

111 SOUTH TEJON STREET, SUITE 222, COLORADO SPRINGS,
COLORADO 80903

IN PRESENCE OF


Kori Green

UNITED STATES OF AMERICA

BY


(Signature)

Leasing Contracting Officer, General Services
Administration

- A. Build out the Premises in accordance with standards set forth in SFO CO2312, dated December 11, 2009, as follows:

The Lessor shall prepare, with the assistance from the Government, Design Intent Drawings, (DID's) and shall submit same to the Government for its approval not later than 15 days of the date of this lease. The Lessor shall complete the Construction Drawings, (CD's) not later than twenty, (20) working days from the time of Government approval of the DID's. The CD's shall be furnished to the Government and be priced 15 working days after receipt of the Government's approval of the CD's by three, (3), qualified tenant improvement contractors as defined within the SFO. The Government shall notify the Lessor of any changes to the CD's and deliver same to the Lessor not later than 10 working days after receipt of same. If there are no changes required, then a "Notice To Proceed" from the Government shall be delivered to the Lessor within 5 working days. The space must be substantially complete and ready for occupancy not later than 60 working days after final approval by the Government of the CD's. The Lessor shall provide to the Government within 30 days of the acceptance of the premises, a full accounting of the Tenant Improvement Costs and differentiate between the Warm Lit Shell Costs and the Tenant Improvement Costs, as defined in the SFO. The Lessor, or its architect or it's contractor, shall furnish the CD's as part of its TI contribution as stated hereinabove, and shall conduct weekly construction meetings and shall produce minutes of each meeting. The Lease term shall commence on the date of substantial completion, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.

- B. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
- C. In addition to the remedies as specified in SFO, in the event of failure by the Lessor to provide the space alterations under this lease in an expeditious and business like manner, the Government may, by contract or otherwise, provide the items/alterations and charge to the Lessor any cost incurred by the Government that is related to the provision of such, including any administrative costs; and deduct such costs from the rental payments.

6. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy for this Lease is established as 6.58%.
7. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$7.22 PRSF.
8. In accordance with paragraph 4.2 of the SFO, titled "Tax Adjustment", the tax base for adjustment \$2.22 per rentable square foot. The Government shall pay its pro rata share of any increase in the property taxes as defined when such increases are not caused by the owner.
9. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 21%.
10. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.00 RSF for vacant space (rental reduction).
11. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$75.00 per hour for the AC system for the premises or any part of the building.
12. The Lessor shall allow the Government access for the installation of Information Technology, telephones and wiring of furniture for 30 days prior to occupancy.
13. The Lessor shall make available to the Government \$424,875.00.00, (\$33.99 PRSF) as its contribution toward the Tenant Improvements, (TI's) for the Premises. This contribution is in addition to the Lessor's costs to complete the warm lit shell portion of the Premises, estimated to be \$7.90 PRSF. Should the costs of the TI's exceed \$424,875.00, the Lessor shall amortize the excess improvements over the firm term of the lease at an interest rate not to exceed 10%.

LESSOR

UNITED STATES OF AMERICA

BY

CHRISTOPHER S. JENKINS, MANAGER

BY