

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

LCO14489

THIS LEASE, made and entered into this date by and between **LBA Realty Fund III - Company III, LLC**

whose address is 17901 Von Karmen Ave., Suite 950
Irvine, CA 92614-6333

and whose interest in the property hereinafter described is that of **LESSOR**

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 81,609 rentable square feet (RSF) of office and related space, which yields 71,031 ANSI/BOMA Office Area square feet (USF) of space on a portion of the 4th floor South Tower, South Terrace and North Terrace; a portion of the 3rd floor South Terrace and North Tower and a portion on the 13th floor South Tower of the building at Denver Place, 999 18th Street, Denver Colorado, 80202 to be used for such purposes as determined by the General Services Administration. The distribution of space shall be as follows:

AGENCY	SPACE LOCATION	RSF	ABOA
	4 th Floor South Tower	12,251	10,653
	4 th Floor South Terrace	18,813	16,723
	4 th Floor North Terrace	18,606	16,539
Total		49,670	43,915
	3 rd Floor South Terrace	17,957	15,006
	3 rd Floor North Tower	12,498	10,868
Total		30,455	25,874
Total	13 th Floor South Tower	1,484	1,242
Total Lease Space		81,609	71,031

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

LESSOR

SIGNATURE

LBA REALTY FUND III-COMPANY III, LLC,
a Delaware limited liability company

By: LBA Realty Fund III, L.P.,
a Delaware limited partnership,
its sole Member and Manager

By: LBA Management Company III, LLC,
a Delaware limited liability company,
its General Partner

By: LBA Realty LLC,
a Delaware limited liability company,
its Manager

By: LBA Inc.,
a California corporation,
its Managing Member

By: 
Name: **Phil A. Bell**
Title: **Authorized Signatory**

NAME OF SIGNER

ADDRESS

17901 VON KARMAN #950 IRVINE, CA 92614

IN THE PRESENCE OF (SIGNATURE)



NAME OF SIGNER

FRANK PARIS

UNITED STATES OF AMERICA

SIGNATURE



NAME OF SIGNER

Kristin Galt Leasing Contracting Officer
OFFICIAL TITLE OF SIGNER

Included in the rent at no additional cost to the Government are 17 on-site structured parking spaces consisting of: ten (10) on-site reserved structured and secured parking spaces, one (1) handicapped van accessible space (wheelchair van space with appropriate clearances for a side lift extension), one (1) reserved structured and secured parking space for an ASPR (emergency) vehicle (vehicle specifications are 2005 Chevy Suburban 1500 – 4WD – length 220 inches, width 80 inches, height 84 inches, curb weight 5,286 lbs.) and five (5) non-reserved structured spaces for the exclusive use of Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning September 15, 2010 through September 14, 2013, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor monthly in arrears in accordance with the following table:

<i>Months</i>	<i>Shell</i>	<i>Cost of Services</i>	<i>Tenant Improvement Allowance</i>	<i>Total Annual Rent</i>	<i>Total Monthly Rent</i>
9/15/10 - 9/14/13	\$1,073,974.44	\$416,205.90	\$0.00	\$1,490,180.34	\$124,181.70

Rent shall be adjusted in accordance with the provisions of the Solicitation For Offers and General Clauses. Rent for a lesser period shall be prorated. Rent shall be made payable to:

LBA Realty Fund III, Company III, LLC
17901 Von Karmen Ave., Suite 950
Irvine, CA 92614-6333

4. INTENTIONALLY DELETED

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

A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9CO2249 dated 12/14/2009.

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

- A. Solicitation for Offers 9CO2249 dated 12/14/2009;
- B. SFO Amendment No. 1 dated 12/21/2009;
- C. SFO Amendment No. 2 dated 1/4/2010;
- D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05)
- E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
- F. Attachment A – Legal Description (1 page)
- G. Attachment B – Base Plans (3 pages)

7. The Lessor agrees to provide up to \$40.40 per ANSI/BOMA Office Area square foot ($\$40.40 \times 71,031 = \$2,869,652.40$) toward the cost of tenant improvements, which shall be paid by lump sum payment upon acceptance by the Government and submission of invoice.

8. In accordance with SFO paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.148920894 (81,609 RSF / 71,031 ABOA SF).

INITIALS: PB & KG
LESSOR GOVT

9. In accordance with provisions of Paragraphs 4.2 *Tax Adjustment*, 4.3 *Operating Costs*, and 4.4 *Adjustment for Vacant Premises* of the Solicitation for Offers 9CO2249, the following parameters are established:
- (a) The lease is not subject to operating cost escalation.
 - (b) The lease is not subject to real estate tax escalation.
 - (c) The Adjustment for Vacant space is \$1.00 per ANSI/BOMA Office Area square foot.
10. In accordance with SFO Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$135.00 per hour for the entire space or any portion thereof.
11. All information submitted by the Lessor during negotiations, including but not limited to plans renderings, specifications, etc. are incorporated by reference.
12. 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.
13. 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.
14. In accordance with Paragraph 2.5 (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] per rentable square foot per year of firm term ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) 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 2.5, only [REDACTED], which is [REDACTED] of the Commission, will be payable to Studley when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing shall be reduced to fully recapture this Commission Credit. Notwithstanding Paragraph 3 of the 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 as indicated in this schedule for adjusted Monthly Rent:
- First Month's Shell is \$89,497.87 minus the Commission Credit of [REDACTED]. First Month's adjusted Gross Monthly Rental Payment is [REDACTED].
- Second Month's Shell is \$89,497.87 minus the Commission Credit of [REDACTED]. Second Month's adjusted Gross Monthly Rental Payment is [REDACTED].
15. The Lessor shall represent and warrant that the building and premises meet the required NFPA 101A Life Safety Code. Should a GSA representative discover discrepancies pursuant to a physical inspection, Lessor agrees to remedy any deficiencies as required.

INITIALS:

PB
LESSOR

&

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16. 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.
17. Ceilings & Lights: CEILINGS: The building standard ceiling tiles (NRC .50) are an acceptable alternative to the standards specified in the SFO. The existing clear ceiling height of 8 feet 6 inches is acceptable. LIGHTS: The building standard light fixtures Columbia Stratus 2' X 4' STR24-254g-MPO-EPU with T5HO lamps are acceptable.
18. Restroom Ceilings: Existing restroom ceilings are acceptable.
19. Lessor has acknowledged they are a Large Business on the GSA Form 3518, Representations and Certifications. Lessor agrees to furnish an acceptable subcontracting plan to GSA after award.
20. Section 1.1, *Amount and Type of Space*, subparagraph A. of the SFO shall be deleted in it's entirety and replaced with the following:

"1.1 AMOUNT AND TYPE OF SPACE (AUG 2008)

- A. The General Services Administration (GSA) is interested in leasing approximately 81,773 rentable square feet of space. The rentable space shall yield a minimum of 71,107 ANSI/BOMA Office Area (ABOA) square feet to a maximum of 74,713 ANSI/BOMA Office Area square feet, available for use by tenant for personnel, furnishings, and equipment. The approximate square footage distribution for each agency shall be as follows: ■ 43,426 ABOA, ■ 26,421 ABOA, and ■ 1,260 ABOA. Refer to the "Measurement of Space" paragraph in the UTILITIES, SERVICES AND LEASE ADMINISTRATION section of this Solicitation for Offers (SFO)."

The purpose of this change is to remove the ■ required square footage from the requirement.

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INITIALS: JB & KG
LESSOR GOVT