

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

November 24, 2010

LEASE NO.

GS-08P-14172

THIS LEASE, made and entered into this date by and between

KDC MLH SLC VENTURE, LLC  
Whose address is 8115 PRESTON ROAD, SUITE 700  
DALLAS, TX 75225-6344

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 162,874 rentable square feet (RSF) of office and related space, which yields approximately 142,531 ANSI/BOMA Office Area square feet (ABOA) of space in a building to be constructed at 5425 West Amelia Earhart Drive, Salt Lake City, Utah 84116 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 205 structured parking spaces and 59 surface 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 on May 26, 2012, and continuing through May 25, 2032, subject to termination and renewal rights as may be hereinafter set forth. The actual lease term dates will be adjusted via Supplemental Lease Agreement at the time of space acceptance.

3. The Government shall pay the Lessor annual rent of \$6,303,224.00 at the rate of \$525,268.67 per month in arrears

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

KDC MLH SLC VENTURE, LLC  
8115 PRESTON ROAD, SUITE 700  
DALLAS, TX 75225-6344

4. Neither the Government nor the Lessor retains any termination rights under this lease.

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

LESSOR

(Signature)

*Vice President*

*8115 Preston Road # 700*

*Dallas, TX 75225*

(Address)

UNITED

BY

Contracting Officer, General Services Administration

5. There are no renewal options related to this lease.

6. 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 6UT0033 dated May 26, 2010, as amended.

B. Build out in accordance with standards set forth in SFO 6UT0033 dated May 26, 2010, as amended, 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 will 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 6UT0033 dated May 26, 2010, and Amendments 1 through 5.

B. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05])

C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])

D. [REDACTED] Program of Requirements (POR)

E. [REDACTED] Field Office Design Guide (DG)

F. POR Room Data Matrix

G. Unit costs accepted as part of the offer

H. Site plans and elevations

I. Land purchase option

J. Additional pages, as necessary

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the amount of \$6,835,604.00 shall be amortized through the rent for 20 years at the rate of 6.75% over 25 years. The total annual cost of Tenant Improvements for the amortization period shall be \$566,735.71.

9. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 100%.

10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$944,393.00 per annum.

11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 14.2727% (142,531 ABOA/162,874 RSF).

12. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.35/ABOA for vacant space (rental reduction).

13. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$0.0007 per ABOA per hour. An annual charge of \$55,910.00 shall be paid for the 24/7 and on demand areas as specified in the Program of Requirements. This amount will be paid by the tenant agency as an annual reimbursement (outside of the lease agreement) per the GSA Pricing Policy. The payment may not be reduced during the term of the lease without the consent of the Lessor.

14. Security costs in the total amount of \$2,444,482.00 shall be amortized through the rent for 20 years at the rate of 6.75% over 25 years. The total annual cost of Security for the amortization period shall be \$202,670.49.

15. In accordance with the SFO paragraph entitled *Tax Adjustment*, the real estate tax base is established as \$564,000.00.

16. The land purchase option, executed between the landowner and the Lessor, shall be executed at the time of award. Following closing, the fully executed land purchase option will be made part of the lease. No material changes to the term of the land purchase option shall be made without the consent of the Contracting Officer.

LESSOR

BY \_\_\_\_\_

17. Rental Schedule\*

Year	Shell Rate	TI's	Taxes	Security	Operating	Annual Rental
	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
1	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
2	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
3	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
4	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
5	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
6	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
7	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
8	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
9	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
10	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
11	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
12	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
13	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
14	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
15	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
16	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
17	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
18	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
19	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00
20	\$4,025,424.80	\$566,735.71	\$564,000.00	\$202,670.49	\$944,393.00	\$6,303,224.00

\*Base rates are indicated for illustrative/evaluation purposes only  
 \*CAF will be used to convert from RSF to USF  
 \*Annual escalation will be applied to operating costs and taxes per SFO paragraphs

18. Detailed design intent drawings will be completed after award at no additional cost to the Government.

19. All Tenant Improvements (TI's) required by the Government for occupancy will be provided as part of the rental consideration. Should the tenant agency determine additional TI's at an amount above the current TI rate noted in this lease are necessary, all items will be paid via lump sum at the time of occupancy.


20. The constructed building will meet LEED Silver Certification, at a minimum, as required in the SFO. However, a Gold Certification will be pursued as noted in the offer.

21. If, during the course of space design or construction there is a conflict related to, including but not limited to, site plans, floor plans, finish materials and plans, layout design plans, etc., the Contracting Officer shall hold the Lessor and the tenant agency to the most recently accepted item.

Initials   
 Govm't Lessor

22. Variance Log: Beginning with the 35% DID submission, the Offeror shall also provide a log noting all variances from the base requirements, along with the associated cost differentials. The log must be updated with each DID submission and must correspond directly to the annotated plans. Any variances the Lessor believes are not within the scope of the contract must also be identified. At the time of 100% DID submission, the Variance Log shall serve as a complete record of any approved changes and cost increases/decreases.

23. The Lessor and the tenant agency will coordinate the placement of any antennas or satellite dishes during design to facilitate the installation of necessary infrastructure by the Lessor.

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Govm't Lessor