

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

2/23/10

LEASE NO. GS-07B-16697

THIS LEASE, made and entered into this date by and between HERTZ LAKE CHARLES ONE, LLC

Whose address is 1522 2ND STREET
SANTA MONICA, CA 90401-2303

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 4,538 rentable square feet (RSF) of office and related space, which yields 3,946 ANSI/BOMA Office Area square feet (USF) of space at Capital One Tower located on the 11th floor at One Lakeshore Drive in Lake Charles, Louisiana 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 8 reserved structured 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 that will be determined by supplemental lease agreement upon completion and acceptance of the work required by this lease and continuing for a period of fifteen (15) years, with a firm term of ten (10) years subject to termination and renewal rights as may be hereinafter set forth. The actual Lease commencement will be established in a Supplemental Lease Agreement at a later date.
3. The Government shall pay the Lessor annual rent of \$98,689.46 at the rate of \$8,224.12 per month in arrears for years 1 - 5, which consists of annual shell rent of \$49,922.79; annual operating costs of \$24,517.00 and annual amortized tenant improvements of \$24,249.67.

Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the 4,538 RSF. This date for acceptance and establishment of occupancy date will be established via a Supplemental Lease Agreement. The firm term of this lease will also begin on this date established for acceptance of all tenant improvements and occupancy of the total 4,538 RSF.

For years 6-10 the Government shall pay the Lessor annual rent of \$108,909.60 at the rate of \$9,075.80 per month in arrears for years 6 - 10, which consists of annual shell rent of \$60,142.93; annual operating costs of \$24,517.00 and annual amortized tenant improvements of \$24,249.67.

For years 11-15 the Government shall pay the Lessor annual rent of \$84,641.70 at the rate of \$7,053.47 per month in arrears for years 11 - 15, which consists of annual shell rent of \$60,124.70; annual operating costs of \$24,517.00.

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

HERTZ LAKE CHARLES ONE, LLC
ONE LAKESHORE DRIVE, SUITE 560
LAKE CHARLES, LOUISIANA 70629

4. The Government may terminate this lease in whole or in part at any time on or after the tenth (10th) year, the date at which the firm term starts is established in Paragraph 2., 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. The date upon which the entire 4,538 RSF is accepted for occupancy after completion of all Tenant Improvements will be the date used to begin timing for the ten year firm term.

~~5. This lease may be renewed at the option of the Government for the following rentals:~~

~~Provided notice is 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 computer commencing with the first day after the date of mailing.~~

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 8LA2154 dated April 8, 2009, as amended May 11, 2009 and September 24, 2009.
- B. Build out in accordance with standards set forth in SFO 8LA2154 dated April 8, 2009, as amended June 24, 2009, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations 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 and shall be established by a Supplemental Lease Agreement (SLA). 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. Rider to the Lease consisting of 2 pages (sheet 4 and 5) and paragraphs 18 through 22.
- B. Solicitation for Offers 8LA2154 dated April 8, 2009, and Amendment #1 dated May 11, 2009 and Amendment #2 dated September 24, 2009.
- C. [REDACTED] Lake Charles Resident Agency Special Requirements (38 pages)
- D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05])
- E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])
- F. Legal Description - Exhibit A-C (8 pages).
- G.
 - 1) Engineered Fire Protection Report from David Miller the State of Louisiana's licensed Fire Life Safety Engineer report dated January 29, 2009.
 - 2) Eric G. Longman, GSA Fire Life Safety Engineer's recommendations dated 7/22/09.
 - 3) [REDACTED] Fire and Life Safety Findings dated February 7, 2008 which were included as an attachment in Eric Longman's e-mail dated 7/22/09.

8. The following changes were made in this lease prior to its execution:

Paragraph 5. is deleted. Paragraphs nine (9) through seventeen (17) are added.

- 9. In accordance with Paragraph 4.2 of the SFO, the lease is subject to Real Estate Tax adjustments. For tax adjustments, the percentage of occupancy is 1.3025%. The base tax year statement will be submitted within 60 calendar days after Lessor's payment of taxes to establish the base tax year. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the Government shall occupy 1.3025 % of the building. This is based on a rentable area of the demised premises of 4,538 SF divided by an entire building size of 348,402 SF.
- 10. In accordance with the SFO paragraph 4.3 entitled *Operating Costs*, the base for operating adjustment is established as \$5.402600/RSF (\$24,517.00 /annum).
- 11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.150025 (4,538RSF/3,946 USF).
- 12. Should the Government fail to utilize or occupy the facility, the Government shall remain responsible for the payment of the rental, subject to an Adjustment For Vacant Space. In accordance with paragraph 4.4 of the Solicitation, the Adjustment for Vacant Space is established at \$1.98 per rentable square foot of space.
- 13. In accordance with the SFO Paragraph 4.5 entitled *Normal Hours; Services, utilities, and maintenance shall be provided daily, extending 7:00 a.m. to 6:00 p.m. except Saturdays, Sundays, and federal holidays*. The Lessor will not charge overtime on those days during those hours. In accordance with the SFO Paragraph 4.6 entitled *Overtime Usage*, the rate for overtime usage is established as \$45.00 per hour for the entire premises.
- 14. Per Debt Collection Improvement ACT, effective July 27, 1996 Electronic Funds Transfer (EFT) (See Attachment "F") shall be required on all existing and new leases/contract not later than January 1, 1998. An enrollment form is attached to be completed and returned with this contract.

INITIALS
LESSOR GOVT

15. The Lessor and Avant Properties as co-broker with The Crown Partnership, Inc. 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]. 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 first [REDACTED] of the entire commission shall be due upon Lease award and the remaining [REDACTED] less the commission credit shall be due upon acceptance of the space by the Government. The Lessor agree 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 due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted monthly rent:

- a. First month's rental payment \$8,224.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent.
 - b. Second month's rental payment \$8,224.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent.
 - c. Third month's rental payment \$8,224.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted third month's rent.
 - d. Fourth month's rental payment \$8,224.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted fourth month's rent.
16. Fifth month's rental payment \$8,224.12 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted fifth month's rent. All questions pertaining to this lease shall be referred to the Contracting Officer of the General Service Administration (GSA) of his or her designees. The Government occupancy 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 any other cost authorized in writing by the GSA Contracting Officer. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to: repairs, changes in scope of work, alterations and overtime services with out the written authorization of a Contracting Officer. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
17. In accordance with the SFO paragraph 3.2 A The tenant improvement allowance is \$38.75234 per ANSI/BOMA Office Area square feet. Tenant Improvements in the total amount of \$152,916.73 (3,946 USF x \$38.75234) shall be amortized through the rent for 10 years at the rate of 10.00%. The total annual cost of Tenant Improvements for the amortization period shall be \$24,249.67. Annual tenant improvements amortized payments will begin upon completion of all tenant improvements to 4,538 RSF.

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

LESSOR
HERTZ LAK

BY _____

IN PRESENCE OF _____

WA

(Signature)

John D. Forbess
Executive VP & General Counsel

(Title)

1522 2nd Street
Santa Monica, CA 90401-2303

(Address)

UN

Contracting Officer, General Services Administration
(Official Title)

18. It is mutually agreed to between the parties that the Lessor shall build out the space in accordance with the Solicitation for Offers and the Government approved Design Document. All questions concerning this lease shall be referred to the Contracting Officer of the General Services Administration (GSA) or his designee. The Government occupant is not authorized to administer the 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 the Contracting Officer or his designee.
19. The Lessor shall not be reimbursed for any services not provided for in the lease, including but not limited to repairs, alterations, or overtime services, nor will any rental be paid for occupancy, in whole, or in part, except as provided for in this lease.
20. The Government reserves the right to install and maintain its own security system. The system shall remain the property of the Government and the Lessor shall waive all rights of restoration as it pertains to the system.
21. At no additional cost or expense to the Government, Lessor agrees that all deficiencies listed in:
- 1) Engineered Fire Protection Report from David Miller the State of Louisiana's licensed Fire Life Safety Engineer report dated January 29, 2009.
 - 2) Eric G. Longman, GSA Fire Life Safety Engineer's recommendations dated 7/22/09.
 - 3) █ Fire and Life Safety Findings dated February 7, 2008 which were included as an attachment in Eric Longman's e-mail dated 7/22/09.

will be corrected including or in addition to implementing the following corrective actions.

All conduit penetrations through the existing floor slabs in the electrical rooms must be sealed with a listed through-penetration firestop assembly to maintain the required floor separation(s). A two-hour exit passageway on the First Floor is required. At a minimum one of the stairwells is required to discharge directly to the outside, which can only be accomplished with a two-hour separated passageway. The passageway MAY NOT discharge into the loading dock. The

INITIALS JE JL
LESSOR GOV'T

passageway must discharge to an approved discharge area that leads to the safe public way (street, sidewalk, etc.). All penetrations within the exit stairwells must be sealed with a listed through-penetration assembly.

All stairwell doors must be adjusted properly to ensure that all exit stair doors completely close and positive latch as required.

Sprinklers must be added in all required areas outlined in the evaluation report to comply with NFPA 13 requirements (elevator shafts, under stair landings, etc.)

The existing fire pump must have a dedicated transfer switch as required by NFPA 20.

The existing █ space on the 11th floor has no speakers. All spaces must have notification appliance coverage in accordance with NFPA 72, including the spaces offered to the Government.

Fire alarm system heat detectors must be provided within 2 feet of all sprinklers installed in the Elevator Machine Rooms for shunt trip operation as required by ANSI A17.1 and NFPA 72. The report indicates that no heat detection is provided; additional duct detection will be installed to comply with NFPA 90A and NFPA 72 requirements. The report indicates that only two existing duct detectors are installed. Where the cfm of any equipment exceeds 2,000 cfm, duct detection is required and will be installed.

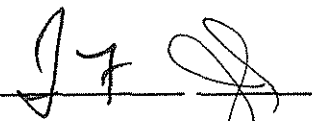
Lessor will provide shunt trip functionality for the elevators. The report not only discusses the lack of heat detection, but also that the elevators are not even equipped with shunt trip capability. This is required to comply with the elevator code(s), ANSI A17.1 as well as NFPA 72.

All other recommendations outlined in the Engineered Fire Protection, LLC report must be completed, in addition to the items noted above.

SUCH REPAIR AND CORRECTION OF THE DEFICIENCIES SHALL BE COMPLETED AT THE SAME TIME AND NO LATER THAN THE COMPLETION OF THE ALTERATIONS OF THE DEMISED PREMISES.

22. Lessor represents that all items listed in the Special Requirements and referred to as Building Specific Security Requirements are already in place, or will be installed, and fully meet the requirements. The cost of these items are already included in the rent, therefore there will be no amortization for these items and no additional charge or cost to the Government.

INITIALS



LESSOR GOVT