



September 1, 2006

Jason B. Addlesperger
 David K. Lee
FREDERICK ROSS COMPANY
 717 Seventeenth Street, Suite 2000
 Denver, Colorado 80202-3323

RE: RESPONSE TO PROPOSAL/ARAPAHOE/PEORIA BUSINESS CENTER, CENTENNIAL, COLORADO

Gentlemen:

On behalf of our client, Southeast Metro Stormwater Authority ("Tenant"), Colliers Bennett & Kahnweiler, Inc. is pleased to submit the following response to Proposal to lease office space at Peoria Business Center, located at 12350 E. Arapahoe Road, Centennial, Colorado ("Building").

	Proposed	Response	Tenant's Response
LOCATION	12350 E Arapahoe Road, Centennial, Colorado	Agreed	Agreed
UNIT SIZE	Approximately 12 – 13,000 square feet (usable and rentable area with no common area factor).	Agreed	Agreed
LEASE TERM	Five (5) years	Eighty-Eight (88) Months	Agreed
BASE RENT	\$10.25 PSF NNN Year 1 \$10.75 PSF NNN Year 2 \$11.25 PSF NNN Year 3 \$11.75 PSF NNN Year 4 \$12.25 PSF NNN Year 5	\$10.00 PSF NNN Year 1 \$10.50 PSF NNN Year 2 \$11.00 PSF NNN Year 3 \$11.50 PSF NNN Year 4 \$12.00 PSF NNN Year 5 \$12.50 PSF NNN Year 6 \$13.00 PSF NNN Year 7 * Landlord shall abate base rent and operating expenses for the first four (4) months of Tenant's lease term.	\$10.00 PSF NNN Year 1 \$10.30 PSF NNN Year 2 \$10.61 PSF NNN Year 3 \$10.93 PSF NNN Year 4 \$11.26 PSF NNN Year 5 \$11.59 PSF NNN Year 6 \$11.94 PSF NNN Year 7 (3% annual increases) * Landlord shall abate base rent and operating expenses for the first four (4) months of Tenant's lease term.

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	Proposed	Response	Tenant's Response
<p>TENANT FINISH</p>	<p>Landlord agrees to complete the improvements within the premises per mutually agreed space plan. Landlord agrees to contribute up to an initial estimated amount of \$25.00 per square foot to the cost of the completion thereof, including architectural and engineering costs associated with the transaction. Additional tenant finish costs up to \$5.00/SF can be amortized over the lease term at 10% interest and added onto the rate. Landlord will make every effort to work with the Tenant to value engineer down the ultimate build out costs which will result in a reduced lease rate if the final Tenant Improvements are less than \$25.00 per square foot initial estimated allowance.</p> <p>The core and shell building includes 100% undistributed HVAC.</p> <p>All power will be brought to the northeast corner of the premises.</p>	<p>Landlord agrees to complete the improvements within the premises per mutually agreed space plan. Landlord agrees to contribute up to an initial estimated amount of \$30.00 per square foot to the cost of the completion thereof, including architectural and engineering costs associated with the transaction.</p> <p>The core and shell building includes 100% undistributed HVAC.</p> <p>All power will be brought to the northeast corner of the premises.</p>	<p>Agreed</p>

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	Proposed	Response	Tenant's Response
EXTERIOR IMPROVEMENTS	Not addressed	All costs associated with the installation of the drive in doors shall be a tenants expense from the Tenant Finish Allowance.	Agreed
LEASE COMMENCEMENT	Estimated to be approximately 90 -105 days following lease execution or signed letter of indemnification to commence construction drawings.	Agreed	Agreed
EARLY ACCESS	Tenant will be given early access to the premises (2 weeks prior to commencement to install equipment and furnishings).	Agreed	Agreed
SECURITY DEPOSIT	Tenant shall provide at lease signing a Security Deposit equal to the last months gross rent subject to review of Tenant's financial statements.	Tenant is a government entity and shall not be required to supply Landlord with a security deposit.	Agreed
OPERATING EXPENSES	Initially estimated to be approximately \$4.50 per square foot for Tenant's pro-rata share of real estate taxes, building insurance and common area maintenance. Tenant will also be responsible for trash removal, janitorial expense and will be separately metered for gas and electric expenses.	Agreed	Agreed
LOADING	One 8' X 10' DI loading door can be installed at the rear of the building as part of the core and shell cost to landlord (see site plan attached).	Two (2) 14' X 14' DI loading door shall be installed at the rear of the building as part of the tenant finish allowance.	Agreed; location of doors to be determined and approved by Landlord.

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	Proposed	Response	Tenant's Response
SPRINKLER	The premises is 100% sprinklered.	Agreed	Agreed
PARKING	The project parking ratio is 5/1000. All parking will be at no cost to Tenant.	Agreed	Agreed
RENEWAL OPTION	Landlord grants Tenant one (1) five (5) year option to extend the lease at the then current market rate provided Tenant gives Landlord nine (9) months prior written notice.	Landlord grants Tenant two (2) five (5) year option to extend the lease at the then current market rate provided Tenant gives Landlord six (6) months prior written notice.	Agreed
BUILDING AND AREA	Arapahoe/Peoria Business Center is one of the newest, high-AMENITIES: image office / flex developments in the Southeast market. The project offers quality concrete tilt up construction with extensive landscaping surrounding the premises. This well-located project offers extensive use of glass on all sides of the buildings, monument signage, and building fascia signage capability and exceptional flexibility. Area services include multiple hotels, restaurants and service stations within close proximity to the property.	Agreed	Agreed
ACCESS	Arapahoe/Peoria Business Center is the one of the most easily accessible project of its kind along the south I-25 corridor with direct access from I-25 via Arapahoe Road; access to E-470 via S. Peoria Street and the newly completed Chambers Interchange.	Agreed	Agreed

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	Proposed	Response	Tenant's Response
HAZARDOUS MATERIAL	Landlord warrants to Tenant that to its knowledge, there exist no hazardous substances, located in, on, or under the premises.	Agreed	Agreed
BUILDING CODES	Landlord warrants to Tenant that the premises, at the time of delivery, will be in compliance with all governmental regulatory building codes, including the Americans with Disabilities Act.	Agreed	Agreed
SUBLEASE	<p>Tenant shall be permitted to assign the lease or sublease all or any portion of the premises to an affiliate without Landlord's consent.</p> <p>However, Tenant shall be permitted to assign or sublease to unaffiliated third parties, subject to Landlord's consent, which shall not be unreasonably withheld or delayed.</p>	Agreed	Agreed
FIBER OPTIC SERVICE	Multiple fiber optic providers are in place adjacent to the property with service capability to the premises.	Agreed	Agreed
SIGNAGE	Tenant will be given the right to install signage within building standard guidelines at the premises.	Tenant will be given the right to install signage on the exterior of the building within building standard guidelines at Tenant's Premises.	Agreed

	Proposed	Response	Tenant's Response
CONTINGENCIES	This proposal will be subject to any prior leasing, mutual approval of the final space plan, Landlord's review of Tenant's financial statement and negotiation and execution of the lease agreement.	Accepted; however, Tenant is a governmental agency and will not be providing financial statements.	Agreed
AGENCY DISCLOSURE	Pursuant to Colorado Real Estate Commission Rules, this confirms that Frederick Reiss Company represents the Tenant, and Frederick Reiss Company represents the Landlord in this transaction. The cooperating brokerage commission paid by the Landlord shall be \$1.00 SF per year of lease space. This fee shall be payable 50% upon lease execution and 50% upon Tenant occupancy and rent commencement. It is recommended that all parties consult with competent legal and tax counsel in regard to this real estate transaction.	Agreed	Agreed; however, Colliers Bennett & Kahnweiler, Inc. represents the Tenant.

Landlord and Tenant acknowledge that this Response to Proposal is not a lease. It is neither an offer nor a contract. Tenant reserves the right to negotiate with other Parties. Landlord has the right to approve Tenant's financial condition. Brokers make no warranty or representation to Landlord or Tenant the acceptance of this proposal will guarantee the execution of a lease for the premises. No Party shall have any legal right or obligations with respect to any other Party because of the existence of this Letter. No party shall fail to take any action in detrimental reliance on this Letter.

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If I can be of assistance or answer any questions, please do not hesitate to contact me at 303.745.5800.

Sincerely,

COLLIERS INTERNATIONAL
CORPORATE SOLUTIONS GROUP


Jason M. Sheehy

Accepted by Southeast Metro Stormwater Authority this 1st day of SEPTEMBER, 2006
SOUTHEAST METRO STORMWATER AUTHORITY

By: Steven L. Gardner

Print Name: Steven L. Gardner

Title: Technical Operations Manager

Accepted by SVN Equities, LLC this _____ day of _____, 2006
SVN EQUITIES, LLC

By: _____

Print Name: _____

Title: _____