

1245 CHAMPA STREET- LEASE TERMS

Lessor: City and County of Denver.

Lessee: Downtown Denver Events, Inc.

Premises: Approximately 27,000 square feet of space located at 1245 Champa Street, comprised of Basement, First and Second Floors.

Rent: One Dollar (\$1.00) Per Year.

Funding for Capital Improvements:

Upon Lease commencement, Lessee shall deposit Twenty-Five Thousand Dollars (\$25,000) with the City, as a Reserve Deposit to be used for capital maintenance expenses necessary to maintain the Premises. Thereafter, on an annual basis, Lessee shall contribute an additional Twenty-Five Thousand Dollars (\$25,000) as needed to fund and maintain a set balance in a Reserve Deposit Account.

Use: Premises are to be used and occupied by Lessee primarily as office or retail space.

Right of First Offer: Lessee shall have an ongoing right of first offer to lease all of the third and/or fourth floor of the Building in the event such space becomes available. This right is subject to the Lessor's priority right to use the fourth floor for a public purpose of the City. It is currently contemplated that AVD may temporarily occupy the fourth floor as part of its transitional relocation to the McNichols Building.

Term: Ten (10) year term with three (3) options to renew for five (5) years each, subject to mutual agreement on terms.

Termination Option: Lessee shall have the right to terminate the Lease by giving not less than 90-days' prior written notice thereof to Lessor.

Renewal Options: Lessor and Lessee may, upon mutual agreement, extend the Term of the Lease for up to three (3) additional terms of five (5) years each.

- Operating Expenses:** Lessee shall pay for all operating expenses applicable to their Premises including utilities and janitorial, based on an initial estimate with a yearly reconciliation.
- “AS IS” Condition:** Lessee accepts the Premises in an “AS IS, WHERE IS” condition.
- Tenant Improvement:** All tenant improvement costs shall be the expense of the Lessee.
- City Council Approval:** Lease is subject to City Council approval.