

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41CFR) 1D16.601

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

8/17/2010

LEASE No. GS-09B-02280

THIS LEASE, made and entered into this date between: **Jefferson Freeway Investors, L.P.**

whose address is: Jefferson Office Center
27708 Jefferson Avenue, Suite 200
Temecula, CA 92590

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:
6,571 rentable square feet (r.s.f.) of office and related space, which yields 5,800/ ANSI/BOMA Office Area square feet of space and additional 142 rentable square feet (r.s.f.) (yielding 125 ANSI/BOMA Office Area SF) of free space (for which the Government will not be charged rent, including real estate taxes and operating cost escalations) in excess of the total 6,571 rentable/5,800 ANSI/BOMA square footage indicated above, for a total of 6,713 rentable square feet, (yielding 5,925 ANSI/BOMA Office Area SF) under lease, on the **second (2nd) Floor (Suites 202 and 204)** at the **Jefferson Office Center, 27708 Jefferson Avenue, Temecula, California 92590-2641**, together with **nineteen (19)** reserved, surface parking spaces as depicted on the attached Exhibit A (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. **TO HAVE AND TO HOLD** the said Premises with their appurtenances for the term beginning on August 19, 2010 through August 18, 2020, subject to termination and renewal rights as may be hereinafter set forth.
3. PARAGRAPH 3 IS INTENTIONALLY OMITTED.
4. The Government may terminate this lease in whole or in part effective at any time on or after August 19, 2015, by giving at least **one hundred-twenty (120) days'** prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. PARAGRAPH 5 IS INTENTIONALLY OMITTED.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The nineteen (19) reserved, surface parking space(s) described in Paragraph 1 and parking spaces required by local code.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings; provided that the Government shall make payments for lump sum items identified in Paragraph 5.4 of the attachment sheets in the amounts specified therein. Rent is subject to adjustment in accordance with Paragraph 5.4, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 8CA2758 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

7. The following are attached and made a part hereof:
- All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:
- A. Sheets no. 1-2 containing Paragraphs 9-20;
 - B. Amendment No. 1 for SFO# 8CA2758 dated 04/06/2009 (pages 1-2);
 - C. Amendment No. 2 for SFO# 8CA2758 dated 04/06/2009 (page 1);
 - D. Amendment No. 3 for SFO# 8CA2758 dated 04/06/2009 (pages 1-2);
 - E. Amendment No. 4 for SFO# 8CA2758 dated 04/06/2009 (page 1);
 - F. Amendment No. 5 for SFO# 8CA2758 dated 04/06/2009 (page 1);
 - G. The Solicitation For Offers Number 8CA2758 dated 04/06/2009 (pages 1-50) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - H. GSA Form 3517 (pages 1-2);
 - I. GSA Form 3518 (pages 1-7);
 - J. Site Plan (Exhibit "A").

8. The following changes were made in this lease prior to its execution:
 Paragraphs 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 23 have been added.

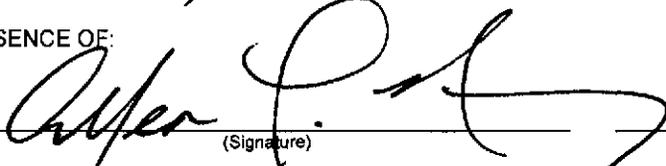
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

Lessor: Jefferson Freeway Investors, L.P.

By: 
 (Signature)

 (Signature)

IN PRESENCE OF:


 (Signature)

 (Signature)

UNITED STATES OF AMERICA: **GENERAL SERVICES ADMINISTRATION, Public Buildings Service.**

By: 
 CONTRACTING OFFICER, GSA

 (Signature)

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02280

9. PARAGRAPH 9 IS INTENTIONALLY OMITTED
10. The Government shall pay the Lessor annual rent as follows:

	Shell Rental Rate	Operating Expenses	Full Service Rate per Annum	Full Service Rate per Month	Full Service Rate per RSF
Years 1-5	\$ 106,318.78	\$ 31,015.12	\$ 137,333.90	\$ 11,444.49	\$ 20.90
Years 6-10	\$ 130,960.03	\$ 31,015.12	\$ 161,975.15	\$ 13,497.93	\$ 24.65

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

Jefferson Freeway Investors, L.P.
 Jefferson Office Center
 27708 Jefferson Avenue, Suite 200
 Temecula, CA 92590

11. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies **6,571/ 27,708** rentable square feet (**23.72%**).
12. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs," the base rate for purposes of operating cost escalation is established at **\$31,015.12** per annum (**\$4.72** per rentable square foot per annum).
13. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4, "Adjustment for Vacant Premises," in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by **\$0.12** per ANSI/BOMA Office area (ABOA) usable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs."
14. **OVERTIME USAGE:** Pursuant to Paragraph 4.6, "Overtime Usage," upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (**7:00 a.m. – 5:00 p.m.**, Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of **\$25.00** per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at U.S. General Services Administration, 300 North Los Angeles Street, Suite 2300, Los Angeles, CA 90012 to receive payment.
15. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be \$0.00.
16. **TENANT IMPROVEMENT ALLOWANCE:** The Lessor hereby provides as a condition of this lease Tenant Improvement Concessions in the amount of **\$273,354.00** at rate of **\$47.13** per ANSI/BOMA Office Area usable square foot effective for the five (5) year firm term of the lease.
17. **ACCEPTANCE OF SPACE:**
- A. The following is added to Paragraph 5.12 G (1), "Acceptance of Space and Certificate of Occupancy." Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
 - B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
 - C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

Initials: &
 Lessor Gov't

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02280

18. UNAUTHORIZED IMPROVEMENTS: All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.

19. Wherever the words "Offeror," "Lessor" or "Successful Offeror," appear in this Lease, they shall be deemed to mean "Lessor," wherever the words "solicitation," "Solicitation for Offers," or "SFO" appear in this Lease, they shall be deemed to mean "this Lease," wherever the words "space offered for lease" appears in this Lease, they shall be deemed to mean "Premises."

20. COMMISSION AND COMMISSION CREDIT:

The Lessor and the Broker have agreed to a cooperating lease commission of [redacted] of the firm term value of this lease. The total amount of the commission [redacted] ([redacted] x 6,571 RSF x 5-years x 4.00%). The Lessor shall pay the Broker no additional commissions associated with this lease transaction. 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] ([redacted] x 6,571 RSF x 5-years x [redacted] x [redacted]). The Lessor agrees 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 10 of this 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 and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment ~~\$11,445.49~~ minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's rent. *\$11,444.79 JV RUS*

Second Month's Rental Payment ~~\$11,445.49~~ minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's rent. *\$11,444.79 JV RUS*

Initials WLS & JG
Lessor & Govt