

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE: 3/11/2010

LEASE No. **GS-09B-02390**

THIS LEASE, made and entered into this date between

SACRAMENTO INTERNATIONAL JET CENTER, INC.

whose address is:

**6133 FREEPORT BLVD.,
SACRAMENTO CA, 95822**

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:
6,134 rentable square feet (r.s.f.), yielding approximately 5,381 ANSI/BOMA Office Area square feet and related space located on the entirety of the second (2nd) Floor at the SACRAMENTO INTERNATIONAL JET CENTER, 5885 FLIGHTLINE CIRCLE, SACRAMENTO, CA 95837-1111 together with two (2) reserved onsite surface parking spaces, as depicted on the attached master site plan (Exhibit "A") and second floor plan (Exhibit "B"), 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 acceptance of the space by the Government and continuing through eight (8) years inclusive NOT subject to termination rights. The actual dates will be established by a Supplemental Lease Agreement upon delivery of the space and the Government's acceptance for beneficial occupancy.
3. The Government shall pay the Lessor annual rent of \$ 215,610.10 (\$35.15 per rentable square foot per annum) at the rate of \$17,967.51 per month in arrears. The rent breakdown is as follows:

	Years 1 - 8	
	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$ 146,970.64	\$ 23.96
T.I Rental Rate	\$ 42,631.30	\$ 6.95
Operating Cost	\$ 26,008.16	\$ 4.24
Full Service Rate	\$ 215,610.10	\$ 35.15

The actual rent will be established by a Supplemental Lease Agreement upon delivery of the space and the Government's acceptance of beneficial occupancy. Rent for a lesser period shall be prorated. Rent checks shall be payable to:

**SACRAMENTO INTERNATIONAL JET CENTER, INC.
6133 FREEPORT BLVD., SACRAMENTO, CA 95822**

Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. As of January 1, 1999, all rental payments MUST be made by Electronic Funds Deposit.

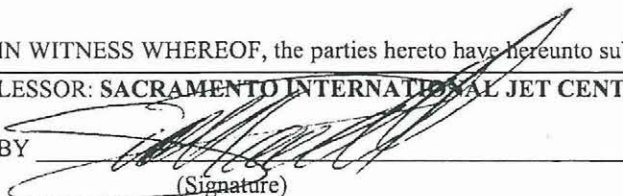
4. PARAGRAPH 4 IS INTENTIONALLY OMITED.
5. PARAGRAPH 5 IS INTENTIONALLY OMITED.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- The parking space(s) described in Paragraph 1 and parking spaces required by local code.
 - 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. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the Solicitation For Offers (SFO). All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 9CA2485 and its attachments.
 - 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:
- The Solicitation For Offers No. 9CA2485 (pages 1-47) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - Amendment Number 1 (pages 1-3);
 - GSA Form 3517A (pages 1-2);
 - GSA Form 3518 (pages 1-7);
 - Sheet No. 1-2 containing Paragraphs 9-21;
 - Master Plan (Exhibit "A")
 - Second Floor Plan (Exhibit "B")
8. The following changes were made in this lease prior to its execution:
- Paragraphs 4and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 21 have been added.
9. The space shall be constructed, altered, and ready for occupancy in accordance with the SFO No. 9CA2485 dated 8/06/2009 within 180 calendar days from receipt of the Government's Notice to Proceed. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor. Lessor waives any restoration in connection with the work. Lessor shall remain responsible for maintenance, repair and replacement of all items provided by the lessor under this lease.
10. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," of the SFO under the above referenced Lease, for purposes of tax escalation, the Government's percentage of occupancy is established at 42% of the building (6,134 SF/14,588 SF). Actual square footage will be established by Supplemental Lease Agreement No. 1 for beneficial occupancy.

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

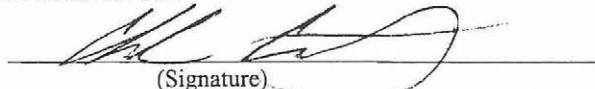
LESSOR: SACRAMENTO INTERNATIONAL JET CENTER, INC.

BY


(Signature)

SCOTT POWELL
(Signature)

IN PRESENCE OF:


(Signature)

CHAD CRUCHLEY
(Address)

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

BY


REGINA L. NICKERSON, CONTRACTING OFFICER, GSA

11. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", of the SFO, beginning with the second year of the Lease and each year after, the Government shall pay adjusted rent for changes in costs, based on the percent of change in the Cost of Living Index. For purposes of operating cost escalation the base rent is established at \$4.24 per rentable square foot per annum.
12. **ADJUSTMENT FOR VACANT PREMISES:** No adjustment for vacant premises rate applies.
13. **OVERTIME USAGE:** The Government shall have access to the leased space at all times, including the use of toilets, lights and small business machines without additional payment. 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 (6 a.m. - 10p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$20.00 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 located at 650 Capitol Mall, Room 8-100, Sacramento CA to receive payment.
14. **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 provided at no additional cost to the Government.
15. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance of \$46.71 per usable square foot has been established by Paragraph 3.2, "Tenant Improvements Included in Offer" of the SFO. The Tenant Improvement Allowance shall be amortized over the 8 year firm term of the lease agreement at an interest rate (amortization rate) of 8 % per year. Actual allowance will be established by Supplemental Lease Agreement No. 1 for beneficial occupancy.
16. Paragraph 3.3 A (3), "Tenant Improvement Rental Adjustment" of the SFO is amended to include: if it is anticipated that the Government will spend more than the allowance provided on Paragraph 3.2 "Tenant Improvements Included in Offer" of the SFO the Lessor will amortize additional improvements ONLY up to \$10.00 per usable square foot and increase the rent according to the negotiated amortization rate. In such case, Paragraph 3 of the SF2 will be modified accordingly.
17. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
 - A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.12 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
 - B. The price proposal required to be provided by Lessor in SFO Paragraph 5.12 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.4, B (1) through (9), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
 - C. Failure to submit the budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
 - D. The construction schedule required in Paragraph 5.12 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.12, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
 - E. In addition to the submission requirements specified under Paragraph 5.12, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO, Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 15 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.
18. **ACCEPTANCE OF SPACE:**

INITIALS:  & 
LESSOR GOVERNMENT

- A. The following is added to Paragraph 5. 12 G (1), "Acceptance of Space and Certificate of Occupancy" of the SFO: 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.
19. **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.**
20. 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" appear in this Lease, they shall be deemed to mean "Premises".
21. This lease upon execution contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of this lease.

INITIALS:

LESSOR

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GOVERNMENT