

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: January 28, 2010

LEASE No. GS-09B-02504

THIS LEASE, made and entered into this date between Green Valley Building II, LLC

whose address is: 4820 Business Center Drive
Fairfield, CA 94534

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:
10,164 rentable square feet (r.s.f.), yielding approximately 8,838 ANSI/BOMA Office Area square feet and related space located on the 2nd Floor (Suite 250) at the Green Valley Corporate Park, 4830 Business Center Drive, Fairfield, CA as depicted on the attached Exhibit A, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. PARAGRAPH 2 IS INTENTIONALLY OMITTED.
3. PARAGRAPH 3 IS INTENTIONALLY OMITTED.
4. The Government may terminate this lease in whole or in part effective any time after the 10th year of this lease giving at least 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 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 5.1 of the attachment sheets in the amounts specified therein. Rent is subject to adjustment in accordance with Paragraph 3.3, "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. 9CA3080 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) The Solicitation For Offers Number 9CA3080 (pages 1-44) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Program of Requirements including Attachment A (pages 1-15);
- c) Amendment No. 1 (pgs 1-3);
- d) GSA Form 3517B (pages 1-33);
- e) GSA Form 3518 (pages 1-7);
- f) Sheets Nos. 1- 4 containing Paragraphs 9-24;
- g) Exhibit "A" to GS-09B-02504;

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

Paragraphs 2,3 ,and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 24 have been added.

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

LESSOR: **Green Valley Building II, LLC**

BY  _____
(Signature) (Signature)

IN PRESENCE OF:

(Signature) (Address)

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

BY  _____
CONTRACTING OFFICER, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02504

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following fifteen years term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

10. The Government shall pay the Lessor annual rent as follows:

For months: 1 through 3 – annual rent of \$0 (free rent).

For months 4 through 36, annual rent of \$271,988.64 (\$15.82/rsf for Shell; \$5.23/rsf for Operating; \$5.71/rsf for TI Ammortization) at a rate of \$22,665.72 per month in arrears.

For months 37 through 72, annual rent of \$284,185.44 (\$17.02/rsf for Shell; \$5.23/rsf for Operating; \$5.71/rsf for TI Ammortization) at a rate of \$23,682.12 per month in arrears.

For months 73 through 108, annual rent of \$302,480.64 (\$18.82/rsf for Shell; \$5.23/rsf for Operating; \$5.71/rsf for TI Ammortization) at a rate of \$25,206.72 per month in arrears.

For months 109 through 120, annual rent of \$326,874.24 (\$21.22/rsf for Shell; \$5.23/rsf for Operating; \$5.71/rsf for TI Ammortization) at a rate of \$27,239.52 per month in arrears.

For months 121 through 144, annual rent of \$326,874.24 (\$26.93/rsf for Shell; \$5.23/rsf for Operating) at a rate of \$27,239.52 per month in arrears.

For months 145 through 180, annual rent of \$351,267.84 (\$29.33/rsf for Shell; \$5.23/rsf for Operating) at a rate of \$29,272.32 per month in arrears.

- Rent for a lesser period shall be prorated. Rent shall be payable to:
Green Valley Building II, LLC
C/O H.J. Shein, Inc.
4820 Business Center Drive
Fairfield, CA 94534

11. The Lessor shall have 36 working days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.13, "Tax Adjustment," for purposes of tax escalation, the Government occupies 10,164/56,646 rentable square feet (17.94 %).
13. **OPERATING COST:** Pursuant to Paragraph 4.2, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$5.23 per rentable square foot per annum.
14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.3, "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 \$1.59 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.2, "Operating Costs."
15. **OVERTIME USAGE:** Pursuant to Paragraph 4.5, "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 (6:00 a.m. – 8:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$25.00 per hour. This rate shall be escalated annually based upon Paragraph 4.2, "Operating Costs." 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 1301 Clay Street, Oakland, CA 94612, to receive payment.
16. **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 server room shall be separately metered for after "Normal Hours" use and cost paid by the Government directly to PG&E or Lessor.
17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the 10 year firm term of the lease agreement at an interest rate (amortization rate) of 7 % per year.

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18. **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 5.11 (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 5.11 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.2, B (1) through (10), 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 these 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 5.11 (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 5.11, "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 5.11, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 10 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

19. **ACCEPTANCE OF SPACE:**

- A. The following is added to Paragraph 5.11 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 10 working 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.

20. **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.**

21. 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".

22. **WAIVER OF RESTORATION:** The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

23. **CONSTRUCTION MANAGEMENT FEE:** The Lessor shall charge a construction management fee of [REDACTED] for the project management of Tennat Improvements.

24. **DAMAGE BY FIRE OR OTHER CASUALTY**

- (1) In the event the premises, buildings or other facilities required to use the premises for the Government's business (collectively, "Facilities") are damaged or destroyed by fire or other casualty, in whole or in part, the Lessor shall give the Government, within sixty (60) days after the

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casualty, notice of the Lessor's reasonable estimate of the time required to restore the Facilities to the condition that existed immediately prior to the casualty (the "Restoration Period"). If Lessor does not deliver the notice within the required time, Government may terminate the lease by giving written notice at any time after expiration of the time for delivery until receipt of the notice.

(2) If restoration cannot reasonably be substantially completed within one hundred and eighty (180) days after the date of the casualty, the Government or Lessor may terminate this lease by giving written notice. The Lessor must give such notice with its notice of estimated time required for restoration of the Facilities. The Government must give its termination notice within fifteen (15) days after receipt of the Lessor's estimate of time required for restoration. If the Government or Lessor gives notice of election to terminate pursuant to subparagraph (a) or (b) of this paragraph, this Lease shall terminate effective as of the date of the casualty and neither party hereto shall thereafter have an obligation to the other under this Lease, excepting only obligations theretofore accrued and then remaining outstanding or unpaid.

(3) Unless terminated pursuant to subparagraph (a) or (b) of this paragraph, this Lease shall not terminate, Lessor shall proceed with reasonable diligence to and shall restore the Facilities within the Restoration Period to substantially the condition that existed immediately prior to the casualty. Should Lessor fail to substantially complete the restoration within the Restoration Period (as it may be extended pursuant to Paragraph 11(c) of the General Clauses), or fail to demonstrate reasonably diligent progress towards substantially completing the restoration within such time, the Government may, by written notice to Lessor, terminate this Lease pursuant to Paragraph 11 of the General Clauses. Absent Lessor's negligence, the Lessor shall not be obligated to repair or replace any of the Government's movable furniture, movable equipment, trade fixtures, and other similar unaffixed personal property, nor any alterations installed in the Premises by the Government (but not those installed by the Lessor); the Government shall have the right, but not the obligation, to repair and replace such items. In connection with its acceptance of the restored Facilities, the Government may require (1) a certification from a reputable licensed structural engineer as to the structural integrity of the space and its conformance with the requirements of this Lease, as amended, and (2) evidence of any governmental approvals relevant to the safety and suitability of the Facilities for occupancy.

(4) If there is a substantial interference with the Government's use of the premises, or any part thereof, as a result of the casualty or restoration, such that the Government cannot reasonably conduct its business in the premises or such part, then the rent shall abate, either in its entirety or, if only a part of the premises is so affected, to that proportion which the square footage of the affected part bears to the square footage of the premises. Any such abatement shall commence upon and include the day on which the damage occurred and shall continue to and include the date of substantial completion of the restoration.

(5) The Government shall in all cases be provided reasonable access to the Facilities to retrieve its belongings and relocate its employees and agents and a reasonable period of time in which to effectuate such relocation and retrieval. The Government and the Lessor shall coordinate regarding any space plans and other plans for restoration of the Facilities to conform to this Lease, as amended, and all applicable laws; provided, however, that the Government shall have final approval rights to all such plans. The Government shall have the right, but not the obligation, to conduct inspections in order to determine the extent of damage or destruction and observe the repairs and reconstruction.

(6) Nothing in this Lease shall be construed as relieving Lessor from liability for damage to or

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destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

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