

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE: 27 May 2010

LEASE No. GS-09B-02551

THIS LEASE, made and entered into this date between MANTECA IMPERIAL LLC, a California limited liability company

whose address is: 7825 Fay Avenue, Suite 250  
La Jolla, CA 92037-4259

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:  
8,959 rentable square feet (r.s.f.), yielding approximately 8,610 ANSI/BOMA Office Area square feet and related space located on the 1ST Floor at the Manteca, 510 Commerce Court, Manteca, California 95336, together with 2 onsite reserved, surface parking, as depicted on the attached site plan (Exhibit A) (the "Premises"), 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 at any time after the 10th year of this lease by giving at least ninety (90) 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

Initials: DE & SR  
Lessor Government

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6. The Lessor shall furnish to the Government as part of the rental consideration, the following:

- A. The 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. 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. 8CA2756 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) Sheet No. 1 to 3 containing Paragraphs 9-27.
- b) Amendment Number 1 (page 1), Amendment Number 2 (Page 1);
- c) Site Plan (Exhibit "A", 1 page);
- d) The Solicitation For Offers Number 8CA2756(pages 1-48) (all references to SFO shall also refer to any Special Requirements and Amendments);
- e) Special Requirements (pages 1-36);
- f) GSA Form 3517 (pages 1-33, General Clauses);
- g) GSA Form 3518 (pages 1-8, representations and Certifications);

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

Paragraph 2, 3 and 5 of this STANDARD FORM 2 was deleted in its entirety.

LESSOR: Manteca Imperial LLC

BY \_\_\_\_\_ (Signature) \_\_\_\_\_ (Signature)

IN PRESENCE OF: [Signature] 7825 Fay Avenue, Suite 250  
(Signature) (Address) La Jolla, CA 92037

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

BY [Signature]  
CONTRACTING OFFICER, GSA



**SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02551**

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 (15) years term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination and renewal rights as may be hereinafter set forth.
10. The Government shall pay the Lessor annual rent as follows:
- For years 1 through 10 annual rent of \$389,729.54 (consisting of \$278,562.19 (\$31.0930 rsf) shell rent, operating costs \$50,134.56 (\$5.5960 rsf) and amortized tenant improvements \$61,032.79 (\$6.8124 rsf) at the rate of \$32,477.46 per month in arrears.
  - For years 11 through 15, annual rent of \$416,557.66 (consisting of \$366,423.10 (\$40.90 rsf) shell rent and operating costs \$50,134.56 (\$5.5960 rsf) at the rate of \$34,713.14 per month in arrears.
11. The Lessor shall have 120 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 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 8,959/8,959 rentable square feet (100.00%).
13. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$5.596 per rentable square foot per annum.
14. **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 \$4.00 per rentable square foot per annum for operating expenses.
15. **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. – 5:30 p.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 or designee located at 650 Capitol Mall, Room 8-100, Sacramento, California 95814-4708, 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 charges for heating and cooling of these areas shall be provided at the rate of \$1,500.00 per year. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 650 Capitol Mall, Room 8-100, Sacramento, California 95814-4708, to receive payment.
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 8.75 % per year.
18. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- A. 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.

**SHEET NUMBER 3 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02551**

("Commission Credit"). The Commission Credit is [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 \$32,477.46 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent

Second Month's Rental Payment \$32,477.46 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent

Third Month's Rental Payment \$32,477.46 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent

For the remainder of the lease term, the amount of the rent shall be in accordance with paragraph 10 of this Standard Form 2.

**24. OFFEROR'S TENANT IMPROVEMENT FEE SCHEDULE:**

General Conditions will be 4.304 percent of Total Subcontractor Costs estimated to be \$405,789. General Contractor's fee will be 6.00 percent of Total Subcontractors Costs estimated to be \$405,789. Architectural/Engineering fees will be a flat fee of \$36,000.00. Lessor's Project Management fees will be 5.00 percent of Total Subcontractors Costs estimated to be \$405,789.

This fee schedule will be applicable for Tenant Improvements, Building-Specific Security, and change orders during initial construction.

**25. ESTIMATED DELAY COSTS:**

In case of failure on the part of the Government to complete the work within the time fixed in the lease contract, the Government shall pay the Lessor as fixed and agreed liquidated damages, pursuant to this paragraph the sum of \$500.00 a day for each and every calendar day that the delivery is delayed beyond the date specified for delivery of all the space ready for occupancy by the Lessor. This remedy is not exclusive and is in addition to any other remedies which may be available under this lease or at law. This liquidated sum is not meant as a penalty, but as an approximation of actual damages that would be suffered by the Lessor as a result of the Government's delay.

26. The successful offeror shall provide the Government evidence of the purchase of the site by July 14, 2010.

27. The successful offeror shall provide to the Government a report of physical survey of the site to be performed by a qualified archaeologist. The qualified archaeologist shall also provide an analysis of the CHRIS report. This information shall be provided to the Contracting Officer within sixty (60) calendar days after award.

Initials: AL & SS  
Lessor Government