

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: **SEP 07 2010**

LEASE No. GS-09B-02651

THIS LEASE, made and entered into this date between Sierra Pacific Properties, Inc

whose address is: 1800 Willow Pass Court
Concord, CA 94520-2523

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:

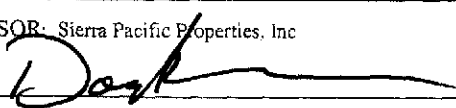
1. The Lessor hereby leases to the Government the following described premises:
8,814 rentable square feet (r.s.f.), yielding approximately 7,800 ANSI/BOMA Office Area square feet and related space located on the 5th Floor (Suite 585) at the Concord Gateway Two, 1855 Gateway Blvd, Concord, CA 94520-3200, together with 23 onsite reserved 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. PARAGRAPH 2 IS INTENTIONALLY OMITTED, PLEASE REFER INSTEAD TO PARAGRAPH 9.
3. PARAGRAPH 3 IS INTENTIONALLY OMITTED, PLEASE REFER INSTEAD TO PARAGRAPH 10.
4. The Government may terminate this lease in whole or in part effective any time after the fifth (5th) year of this lease by giving at least 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.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The 23 reserved 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 final construction drawings. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 9CA2291 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devises in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.
 - D. All move costs associated with the relocation of the agency to the 5th floor including the physical move, telecommunication and tenant improvements (including revision for bullet proofing walls in reception area) except as identified in paragraph 23.
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 9CA2291 (pages 1- 50) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - b) Security Requirements for [REDACTED] Offices (Pages 1-5);
 - c) GSA Form 3517 (pages 1-2);
 - d) GSA Form 3518 (pages 1-7;
 - e) Design Intent Drawing Floorplans (Exhibit "B");
 - f) Site Plan (Exhibit "A");
 - g) Attachment "1" - Unit Costs;
 - h) GSA Form 12001- PRELEASE FIRE PROTECTION AND LIFESAFETY EVALUATION FOR A HIGH-RISE OFFICE BUILDING;
 - i) Sheets 1, 2, and 3 containing paragraphs 9-23.
 - j) Above Standard Cost Item List (Exhibits "C" and "D")
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 23 have been added.

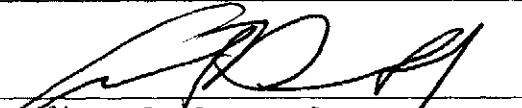
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: Sierra Pacific Properties, Inc

BY



Douglas Messner



Albert D. Seeno, Jr.

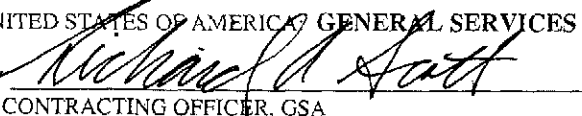
IN PRESENCE OF:


(Signature)

4021 PORT CHICAGO HWY, OAKCROFT, CA 94520
(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-02651

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 ten (10) years term in accordance with the SFO 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 years 1 through 5 of the lease term a total annual rental of **\$253,843.20** at the rate of \$21,153.60 per month in arrears, subject to CPI Increase as specified in the SFO (*).

For years 6 through 10 of the lease term a total annual rental of **\$215,766.72** at a rate of \$17,980.56 per month in arrears, subject to CPI Increase as specified in the SFO (*).

The above rental includes unlimited use of twenty-three (23) on-site reserved parking spaces for the term of the lease at no charge. Parking rates to remain unchanged the entire term.

Rent for a lesser period shall be prorated.

Rent Schedule

Rent Schedule						
Building Size:	8,814 Rentable Square Feet (RSF)					
Year	Shell	Operating Expenses**	Parking	Annual Rent per RSF	Monthly Total Rent***	Annual Total Rent
1	\$20.15	\$8.65	\$0.00	\$28.80	\$21,153.60	\$253,843.20
2	\$20.15	\$8.65*	\$0.00	\$28.80*	\$21,153.60*	\$253,843.20*
3	\$20.15	\$8.65*	\$0.00	\$28.80*	\$21,153.60*	\$253,843.20*
4	\$20.15	\$8.65*	\$0.00	\$28.80*	\$21,153.60*	\$253,843.20*
5	\$20.15	\$8.65*	\$0.00	\$28.80*	\$21,153.60*	\$253,843.20*
6	\$15.83	\$8.65*	\$0.00	\$24.48*	\$17,980.56*	\$215,766.72*
7	\$15.83	\$8.65*	\$0.00	\$24.48*	\$17,980.56*	\$215,766.72*
8	\$15.83	\$8.65*	\$0.00	\$24.48*	\$17,980.56*	\$215,766.72*
9	\$15.83	\$8.65*	\$0.00	\$24.48*	\$17,980.56*	\$215,766.72*
10	\$15.83	\$8.65*	\$0.00	\$24.48*	\$17,980.56*	\$215,766.72*

* subject to CPI Increase as specified in the SFO

** Includes daytime cleaning and all service and maintenance of equipment to be installed by Lessor. But does not include annual operating cost escalations per SFO Paragraph 4.3 "Operating Costs"

*** See Sheet , Paragraph 21 of this Standard Form 2 for the "Commission Rent Credit" per SFO Paragraph 2.5

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

Sierra Pacific Properties, Inc.
1800 Willow Pass Court
Concord, CA 94520

11. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, of the SFO, for purposes of tax escalation, the Government occupies 8,814/305,039 rentable square feet (2.9%).

12. **OPERATING COST:** Pursuant to Paragraph 4.4 of the SFO, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$8.65 per rentable square foot per annum.

13. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.5 of the SFO "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 an agreed upon amount per rentable

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Lessor Government

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02651

square foot per annum for non-fixed operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.4 of the SFO, "Operating Costs."

14. **OVERTIME USAGE:** Pursuant to Paragraph 4.7 of the SFO, "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. – 6:00 p.m., Monday through Friday and except Federal Holidays ("Normal Hours"), at a rate of \$50.00 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 GSA East Bay Field Office Located at 1301 Clay Street, San Francisco, 94612-5217, to receive payment.
15. **SUBCONTRACTING PLAN:** The Lessor shall submit an acceptable small business subcontracting plan to the GSA Contracting Officer within 30 days after lease award.
16. **FIRESAFETY:**
 1. The Lessor is to provide the corrective measures recommended by Schirmer Engineering as described on page 9 of the submitted 12001.
 2. The following Fire Protection Notes are to be added as part of the TI construction documents:
 - a) Retrofit the fire sprinkler and fire alarm systems to fit the proposed leased spaces. The retrofit design and installation of the fire sprinkler and fire alarm systems shall be done in accordance with the NFPA 13, 70, 72 Codes and Standards, the Americans with Disability Act (ADA) and the state and local regulations. The fire sprinkler and fire alarm shop drawings shall be reviewed and approved by the local building authorities prior to installation. For the purpose of determining placement of fire alarm strobes, the term "common areas" per ADA is defined to include (but not limited to) the following: conference rooms, work rooms, break rooms, lobbies, reception rooms, open office spaces, corridors, hallways, aisles, and restrooms.
 - b) All interior finishes (wall covering, ceiling tile, etc.) shall comply with GSA criteria for flame spread and smoke development ratings and shall meet GSA requirements or the IBC's Interior Finishes requirements.
 - c) All special locking hardware (cipher, key card, etc.) must comply with NFPA 101, 5-2.1.6 and be operable with no more than one releasing operation from the direction of egress. Product data and catalog cut sheets of the special locking hardware shall be submitted to GSA's, Safety and Environmental Management Branch (9PMSF) for review and approval prior to installation.
 - d) All equipment and wiring (communication, power, fire alarm, etc.) installed in a plenum shall be listed for installation in such areas.
 - e) All flexible air ducts in a plenum shall meet the requirements of NFPA 90A, 2-3.2 in construction and installation.
17. **INSPECTION OF PREMISES:**
 - A. The Lessor shall notify the Government 14 days in advance of the anticipated substantial completion date as defined in Paragraph 1 of the GSA Form 3517. Within 5 business days after the date the Lessor notifies the Government that the space is "substantially complete," the Government shall inspect the Premises and appurtenances. Within five (5) business days after the inspection, the Government shall notify the Lessor of any deficiencies in the Premises and appurtenances and the Lessor shall thereafter diligently pursue remedying any defects. If any subsequent Government inspection is required to confirm conformance with the results of a prior inspection, any such subsequent inspection and notification of the results of such inspection shall be made in accordance with the foregoing procedure and the time frames.
 - B. The period during which rent shall be deemed to have commenced for the Premises shall be the date that the entire space is accepted for occupancy by the Government (or the date accepted for occupancy, subject to completion of a written punchlist of items not materially affecting beneficial occupancy which are yet to be finished.) The space will not be considered acceptable for occupancy until the Government receives the final tenant improvement cost. Any items to be completed or corrected that have been identified at the acceptance of the space as a punchlist item 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.
18. **OCCUPANCY REPORTS:**
 - A. **Building Systems:** In accordance with Paragraph 8.2 "Building Systems," of the Solicitation For Offers No. 9CA2291, the Lessor shall furnish at no cost to the Government the required building system reports prior to the Government's occupancy of the Premises.

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SHEET NUMBER 3 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02651

B. Acoustical Requirements: In accordance with Paragraph 6.8 "Acoustical Requirements" of the Solicitation For Offers No. 9CA2291, the Lessor shall furnish at no cost to the Government the required acoustical reports prior to the Government's occupancy of the Premises.

19. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Service 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 term 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 if the improvements remain in place after the Government's acceptance of the space.**
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. Pursuant to Paragraph 5.2 of the SFO, "Unit Costs for Adjustment", the following negotiated amounts may be used, during the first year of the lease to price alterations costing \$100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government. The Unit Costs are itemized on Attachment I to this Lease.

22. 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 is [REDACTED]. 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]. Plus, an Additional Commission Credit of [REDACTED] will be paid as a result of the lowering of the cooperating lease commission from [REDACTED] to be consistent with the market. The Lessor agrees to pay the Commission(s) 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 3 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 \$21,153.60 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent
Second Month's Rental \$21,153.60 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent
Third Month's Rental \$21,153.60 minus Additional Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent. This ends the adjustments, and all future payments will be per the Rent Schedule as noted in Paragraph 10 of this Lease.

23. ABOVE STANDARD COST:

TOTAL ABOVE STANDARD COST

A. The Government shall make a "LUMP SUM" payment within 30 days upon receipt of an invoice after completion and acceptance of the space by the Government. Payment will be due only for the items which are listed in this paragraph. Said amount will not exceed \$100,823.74 and will be itemized and subject to Government review and acceptance.

B. Invoices for Above Standard Items: The invoice should annotate the name and address of the submitter (the submitter must match the name and address in the Government's vendor file), an invoice number and PDN# (to be provided at a later date). The Lessor shall submit an original and one copy of the invoice for the Above Standard Items. The Original Invoice shall be submitted either electronically (strongly advised) to the Finance Website at <http://www.finance.gsa.gov> or mailed to:

GSA, Greater Southwest Finance Center (7BCP)
P.O. Box 17181
Fort Worth, Texas 76102

With a copy to the Contracting Officer.

C. Title to items for which the Government makes a "LUMP SUM" payment shall vest in the Government. These items can be removed in a commercially reasonable fashion by the Government at any time. The Lessor waives any restoration in connection with these items. Unless the Government has removed these items from the Premises, the Lessor shall remain responsible for maintenance and repair of all items provided by the Lessor under the lease. If, after the lease term or any extensions, or succeeding the lease term, the Government elects to abandon any items in place, title shall pass to the Lessor. This paragraph shall also apply throughout the term of the lease to any work requested by the Government after occupancy.

D. Building Standard vs Upgrade Costs List (Above Standard Costs) attached as Exhibit "C" and Ballistic/Sound Control Requirements attached as Exhibit "D".

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