

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

DATE OF LEASE: **NOVEMBER 14, 2011**

LEASE No. GS-09B-02790

THIS LEASE, made and entered into this date between THE REALTY ASSOCIATES FUND IX, LP

whose address is: 28 State Street
Boston, MA
02109-1775

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:
5,308 rentable square feet (r.s.f.), yielding approximately 4,533 ANSI/BOMA Office Area square feet and related space located on the 11th Floor (Suite 1160) at the Grand Avenue Courtyard, 1960 East Grand Ave El Segundo, CA, 90245, together with 22 reserved unsecured structured parking spaces, as depicted on the attached (Exhibit A) (the "Premises"), to be used for SUCH PURPOSES PERMITTED UNDER THIS LEASE.
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 eighth (8) year firm term 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.

(Continued on Page 2)

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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 to be identified prior to occupancy. 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. 0CA2562 and its attachments.
- C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph 8.14 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) Standard Form 2 Sheets No. 1-2 containing Paragraphs 9-24;
- b) Solicitation For Offers Number 0CA2562 (pages 1-46);
- c) Amendment No.1 to SFO 0CA2562 (pages 1-4);
- d) [REDACTED] Special Space Requirements (pages 1-36);
- e) GSA Form 3517B (pages 1-42);
- f) GSA Form 3518 (pages 1-7),
- g) Floor Plan (Exhibit "A")

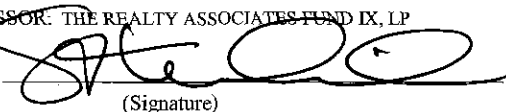
8. The following changes were made in this lease prior to its execution:

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.

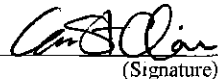
LESSOR: THE REALTY ASSOCIATES FUND IX, LP

BY


(Signature)

(Signature)

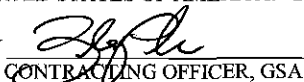
IN PRESENCE OF:


(Signature)

1301 Dove Street, #860 Newport Beach, CA 92660
(Address)

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

BY


CONTRACTING OFFICER, GSA

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, eight (8) years firm term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

- The annual rental rate includes the amortized tenant improvement allowance.

The Realty Associates Fund IX, LP
c/o Davis Partners LLC
1420 Bristol Street, North #100
Newport Beach, CA 92660

17. **TENANT IMPROVEMENT FEE SCHEDULE:** For pricing Tenant Improvement Costs are defined herein, the following rates shall apply for the build-out of the Space.

	BUILD-OUT
GENERAL CONDITIONS (% OF TOTAL CONSTRUCTION COST)	████
GENERAL CONTRACTORS FEE (% OF TOTAL CONSTRUCTION COST)	████
ARCHITECT/ENGINEER FEES (PER ABOA SQ. FT.)	████████████████
LESSOR'S PROJECT MANAGEMENT FEE (% OF TOTAL CONSTRUCTION COST)	████

Initials: [Signature] & [Signature]
Lessor Government

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02790

18. **DESIGN INTENT DRAWINGS:**

The following is made part of SFO Paragraph 5.9 (B), "Design Intent Drawings": Design intent drawings shall be due to the Lessor within 90 working days from award.

19. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**

- A. The price proposal required to be provided by Lessor in SFO Paragraph 5.9 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.1, 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 3517B 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 10 working days to review and resolve the difference.
- D. The construction schedule required in Paragraph 5.9 (F), "Construction of Tenant Improvements," of the SFO shall also include an additional review of 5 working days, if necessary, by the Government beyond the 10 working days stated in Paragraph 5.9 (C), "Working/Construction Drawings," for revised Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.9, "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 5.9, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final estimated total costs of the completed Tenant Improvements in CSI format 5 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs. If there are cost modifications Lessor shall provide to the Government the revised final total costs 5 working days after "Substantial Completion."

20. **ACCEPTANCE OF SPACE:**

- A. The following is added to Paragraph 5.9 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 10 working days following completion of the Tenant Improvements.
- 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.



21. **OCCUPANCY REPORTS:**

- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

22. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer, Geancarlo Pilco, located at 300 N. Los Angeles St. Suite 4100 Los Angeles, CA 90012. 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.**

23. 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".

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.

Initials:  & 
Lessor Government

U.S. General Services Administration
Real Estate Division
300 N. Los Angeles Street, Suite 4100
Los Angeles, CA 90012

Amendment No. 1 to
Solicitation No. 0CA2562

Amendment No. 1 to Solicitation No. 0CA2562 is hereby amended as follows:

Paragraph 3.7 is deleted in its entirety and replaced with the following:

3.7 GREEN LEASE SUBMITTALS (SEP 2010)

A. NO LATER THAN THE DUE DATE FOR FINAL PROPOSAL REVISIONS, THE OFFEROR SHALL SUBMIT TO THE CONTRACTING OFFICER:

1. If this SFO requires a LEED® Certification, the name of the proposed LEED® Accredited Professional (AP) team member and qualifications document for integrative design practice.
2. Proof of the Energy Star label from EPA for the most recent year. For new construction, a Statement of Projected Energy Performance reflecting an Energy Star benchmark score of 75 or higher. Refer to "Energy Efficiency and Conservation" in the MECHANICAL, ELECTRICAL, PLUMBING section of this SFO.
3. If the offered building will not have an Energy Star label in accordance with one of the statutory exceptions listed in the "Energy Efficiency and Conservation" paragraph in the MECHANICAL, ELECTRICAL, PLUMBING section of this SFO, a written statement addressing which energy efficiency and conservation improvements can be made to the building must be submitted. If no improvements can be made, the offeror must demonstrate to the Government using the Energy Star Online Tools in the SFO paragraph, entitled "Energy Efficiency and Conservation," why no energy efficiency and conservation improvements are cost effective. This explanation will be subject to review by the contracting officer. If the explanation is considered unreasonable, the offer may be considered technically unacceptable.

B. AFTER AWARD, THE LESSOR SHALL SUBMIT TO THE CONTRACTING OFFICER:

1. Product Data sheets for floor coverings, paints and wall coverings, ceiling materials, all adhesives, wood products, suite and interior doors, subdividing partitions, wall base, door hardware finishes, window coverings, millwork substrate and millwork finishes, lighting and lighting controls, and insulation to be used within the leased space. This information must be submitted NO LATER THAN the submission of the Design Intent Drawings for the leased space, as outlined in the "Construction Schedule and Acceptance of Tenant Improvements" paragraph of the DESIGN, CONSTRUCTION, AND OTHER POST AWARD ACTIVITIES section of this SFO.
2. Material Safety Data Sheets (MSDS) or other appropriate documents upon request for products listed in the Indoor Air Quality During Construction paragraph.
3. Reuse Plan required in accordance with the "Existing Fit-out, Salvaged, or Re-used Building Material" paragraph in the DESIGN, CONSTRUCTION, AND OTHER POST AWARD ACTIVITIES section of this SFO.
4. Any waiver needed when not using materials from the CPG and RMAN lists of acceptable products in accordance with the "Recycled Content Products" paragraph in the ARCHITECTURAL FINISHES section of the SFO.
5. Radon test results as may be required by the "Radon in Air" and "Radon in Water" paragraphs in the FIRE PROTECTION, LIFE SAFETY, AND ENVIRONMENTAL ISSUES section of the SFO.
6. Construction Waste Management Plan:
Prior to construction commencement, a proposed plan following industry standards to recycle construction waste. The construction waste management plan shall quantify material diversion goals and maximize the materials to be recycled and/or salvaged (at least 50 percent) from construction, demolition, and packaging debris. Where the small quantity of material, the extraordinarily complex

nature of the waste disposal method, or prohibitive expense for recycling would represent a genuine hardship, the Government, upon written request of the Lessor and approval of the contracting officer, may permit alternative means of disposal.

7. Building Recycling Service Plan:
A building recycling service plan with floor plans annotating recycling area(s) as part of Design Intent Drawings to be reflected on the Construction Drawing submission.
8. A signed statement provided to the contracting officer, completed by the Lessor for the leased space, explaining how all HVAC systems serving the leased space will achieve the desired ventilation of the space during the flush-out period called for in the "Indoor Air Quality During Construction" paragraph in the DESIGN, CONSTRUCTION, AND OTHER POST AWARD ACTIVITIES section of this SFO.
9. In accordance with the incorporation of commissioning requirements called for in the "Mechanical, Electrical, Plumbing: General" paragraph in the MECHANICAL, ELECTRICAL, PLUMBING section of this SFO, a written commissioning plan submitted to the contracting officer prior to the completion of Design Intent Drawings that includes:
 - a. A schedule of systems commissioning (revised as needed during all construction phases of the project, with such revisions provided to the contracting officer immediately); and
 - b. A description of how commissioning requirements will be met and confirmed.

Paragraph 8.3 is deleted in its entirety and replaced with the following:

8.3 ENERGY EFFICIENCY AND CONSERVATION (SEP 2010)

- A. Existing buildings must have earned the Energy Star label in the most recent year or will have obtained it prior to lease award, unless the offered space meets one of the statutory exceptions listed below. All new construction shall achieve an Energy Star label within 18 months after occupancy by the Government. The Offeror is encouraged to include shared savings in the offer as a result of energy upgrades where applicable. ENERGY STAR tools and resources can be found at the <http://www.energystar.gov> Web site. The term "most recent year" means that the date of award of the Energy Star label by EPA must not be more than 1 year prior to the lease award date. For example, an Energy Star label awarded by EPA on October 1, 2010 is valid for all lease awards made on or before September 30, 2011.
- B. To earn the Energy Star label, a building owner or representative must follow the instructions on the Energy Star Web site at <http://www.energystar.gov/eslabel>.
- C. EXCEPTIONS. The Energy Independence and Security Act of 2007 (EISA) allows a Federal agency to lease space in a building that does not have an Energy Star label if:
 1. No space is offered in a building with an Energy Star label in the delineated area that meets the functional requirements of an agency, including location needs;
 2. The agency will remain in a building they currently occupy;
 3. The lease will be in a building of historical, architectural, or cultural significance listed or eligible to be listed on the National Register of Historic Places; or
 4. The lease is for 10,000 rentable square feet or less.
- D. REQUIREMENTS FOR ALL BUILDINGS EXCEPTED FROM AN ENERGY STAR LABEL.
 1. If an Energy Star label building is not offered or an exception is met in accordance with subparagraph "C" above, the successful Offeror must, nevertheless, agree to renovate the space for all energy efficiency and conservation improvements that would be cost effective over the firm term of the lease.
 2. Such improvements may consist of, but are not limited to, the following:
 - a. Heating, Ventilating, and Air Conditioning (HVAC).
 - b. Lighting Improvements.
 - c. Building Envelope Modifications.

Additional information can be found on www.gsa.gov/leasing under "Green Leasing."

3. The term "cost effective" means an improvement that will result in substantial operational cost savings to the landlord by reducing electricity or fossil fuel consumption, water, or other utility costs. The term "operational cost savings" means a reduction in operational costs to the landlord through the application of building improvements that achieve cost savings over the firm term of the lease sufficient to pay the incremental additional costs of making the building improvements.
 4. If the offered space meets one of the statutory exceptions identified above, but the successful Offeror obtains the Energy Star label prior to occupancy (or no later than one (1) year after signing the lease for succeeding and superseding leases), the lessor is not required to renovate such space for the energy efficiency and conservation improvements that may have been agreed to in the lease.
- E. **IMPROVEMENTS SCHEDULE.** All improvements must be accomplished according to the following schedule:
1. With the exception of succeeding or superseding leases, the improvements must be completed **prior to occupancy.**
 2. For succeeding and superseding leases, the improvements must be completed **no later than one (1) year after signing the lease.**
- F. **ENERGY STAR ONLINE TOOLS.** To earn the ENERGY STAR label, a building owner or representative must follow the instructions on the Energy Star Web site at <http://www.energystar.gov/eslabel>. The ENERGY STAR® Building Upgrade Manual and Building Upgrade Value Calculator are tools which can be helpful in considering energy efficiency and conservation improvements to buildings.
1. **ENERGY STAR® BUILDING UPGRADE MANUAL.** This manual provides information on planning and implementing profitable energy saving building upgrades. The ENERGY STAR® Building Upgrade Manual is available at: <http://www.energystar.gov/bldgmanual>.
 2. **BUILDING UPGRADE VALUE CALCULATOR.** The Building Upgrade Value Calculator, developed by the U.S. Environmental Protection Agency (EPA), is a product of the partnership between Energy Star, BOMA International, and the BOMA Foundation. This calculator was developed as part of BOMA's Energy Efficiency Program (BEEP), a series of courses designed to help commercial real estate practitioners improve their buildings' energy efficiency performance. The calculator tool was developed to help property professionals assess the financial value of investments in a property's energy performance. The Building Upgrade Value Calculator estimates the financial impact of proposed investments in energy efficiency in office properties. The calculations are based on data input by the user, representing scenarios and conditions present at their properties. The Building Upgrade Value Calculator is available on the Energy Star Web site at <http://www.energystar.gov/financialevaluation>.
- G. The Offeror may obtain a list of energy service companies qualified under the Energy Policy Act to perform Energy Savings Performance Contracts (ESPC), as well as additional information on cost effective energy efficiency, renewables, and water conservation. For the ESPC qualified list, refer to the www.eere.energy.gov/femp Web site, or call the Federal Energy Management Program (FEMP) Help Desk at 1-877-337-3463.
- H. The Offeror is encouraged to include shared savings in the offer as a result of energy upgrades where applicable.
- F. The Offeror is encouraged to purchase at least 50 percent of the Government tenant's electricity from renewable sources.

All respondents to Solicitation No. OCA2562 to lease shall acknowledge receipt of this Amendment by returning a signed copy via email or mail. The acknowledged copy must be submitted to Geancarlo Pilco, Lease Contracting Officer by May 31, 2011 at 5:30 p.m. PST.

Geancarlo Pilco
Leasing Contracting Officer
Real Estate Division
Public Building Service

RECEIPT OF AMENDMENT NO. 1
IS HEREBY ACKNOWLEDGED:

BY: 

DATE: 7-2-11