

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: 9/20/2011

LEASE No. GS-09B-02777

THIS LEASE, made and entered into this date between **MIREF MISSION HERITAGE, LLC**

whose address is: **1 Front Street Ste 500**
San Francisco, CA 94111

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:

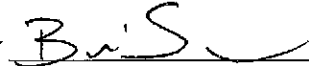
1. The Lessor hereby leases to the Government the following described premises:
12,044 rentable square feet (r.s.f.), yielding approximately **10,644** ANSI/BOMA Office Area square feet and related space located Floors 2 and 3 at **24701 Los Altos, Mission Viejo, CA** together with 28 onsite reserved 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. TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on **October 20, 2011** through **October 19, 2021** subject to termination and renewal rights as may be hereinafter set forth.
3. THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.
4. The Government may terminate this lease in whole or in part effective any time after the **October 19, 2016** by giving at least 365 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. THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.

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 identified in Paragraph ___ 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. 0CA2605 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 0CA2605 (pages 1-55) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - b) GSA Form 3517 (pages 1-7);
 - c) GSA Form 3518 (pages 1-33);
 - d) Sheet no. 1-2 containing Paragraphs 9-24;
 - e) First generation Blue-Line Plan (Exhibit "A", pages 1-2);
8. The following changes were made in this lease prior to its execution:
- Paragraphs 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 25 have been added.

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

LESSOR: MIREF MISSION HERITAGE, LLC By: Mc Morgan & Company LLC Its: Manager

BY



(Signature)

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(Signature)

IN PRESENCE OF:

(Signature)

One Front Street, #500 San Francisco, CA
(Address) 94111

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

BY


Christina Dolon, CONTRACTING OFFICER, GSA

9. THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.

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

	Shell Rent per RSF	Op Ex per RSF	Total Annual Rent	Rent per Month
Months 1-30	\$17.81	\$6.19	\$289,056.00	\$24,088.00
Months 31-60	\$19.61	\$6.19	\$310,735.20	\$25,894.60
Months 61-90	\$20.81	\$6.19	\$325,188.00	\$27,099.00
Months 91-120	\$22.61	\$6.19	\$346,867.20	\$28,905.60

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

MIREF MISSION HERITAGE, LLC
1 Front Street Ste 500
San Francisco, CA 94111

11. THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.

12. **OPERATING COST:** Pursuant to Paragraph 4.2, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$6.19 per rentable square foot per annum.

13. **TENANT IMPROVEMENT ALLOWANCE:** Pursuant to Paragraph 3.3 "Tenant Improvement Rental Adjustment", the Government has elected to return all of the Tenant Improvement Allowance established in Paragraph 3.2 "Tenant Improvements Included in Offer" in exchange for a decrease in rent. There shall be no Tenant Improvements amortized in the Lease.

14. **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 5.10 (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 5.10 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.10, 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 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 5.10 (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 5.10, "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 5.10, "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 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.

15. **ACCEPTANCE OF SPACE:**

- A. The following is added to Paragraph 5.10 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 30 calendar days of acceptance.

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- 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.

16. **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.

17. **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.**

18. 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".

19. **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.

20. Upon Lease award, Lessor shall hire a seismic engineer to perform a Tier 1, 2, or 3 Evaluation to demonstrate that the building substantially meets the Government's "RP 6" Seismic Safety Standards as specified in Paragraph 2.2 "Seismic Safety for Existing Construction". Lessor shall perform the seismic evaluation and provide a Seismic Certificate to the Government prior to **October 20, 2011**. If the building needs upgrades in order to meet the Government's RP 6 Seismic Safety standards, such upgrades shall be performed at no additional cost to the Government.

21. The Lessor shall re-paint and re-carpet the tenant's leased space within 60 days after lease award at no additional cost to the Government. The Government shall not request any Tenant Improvements beyond re-painting and re-carpeting.

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