

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE
7/29/2010

LEASE NO.
GS-09-02544

THIS LEASE, made and entered into this date by and between PARK PLACE VENTURE (A CALIFORNIA PARTNERSHIP)

Whose address is 777 NORTH FIRST STREET; SUITE 600
SAN JOSE, CA 95112-6340

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:

A total of 4,859 rentable square feet (RSF) of office and related space, which yields 4,276 ANSI/BOMA Office Area square feet (USF) of space at 96 NORTH THIRD STREET, SAN JOSE CA 95112-6340 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are twenty-two (22) parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on October 30th, 2010 and continuing through October 29th, 2020, subject to termination and renewal rights as may be hereinafter set forth.

3. The rental costs have been broken down as follows: Annual rent for the period of October 30th, 2010 through October 29th 2015 will be set at \$101,212.97 (consisting of \$ 8.65 per RSF in shell rent, \$12.18 per RSF in operating costs, and \$ 13.56 per RSF in tenant improvement amortized costs) and will be paid at the rate of \$8,434.41 per month in arrears. Annual rent for the period of October 30th, 2015 through October 29th, 2020 will be set at \$ 67,345.74 (consisting of \$ 13.86 per RSF in shell rent, and \$ 12.18 per RSF in operating costs) and will be paid at the rate of \$5,612.14 per month in arrears.

	Per Annum (10/30/2010 - 10/29/2015)	Per Annum (10/30/2015-10/29/2020)
Shell Rental Rate	\$ 8 . 6 5	\$ 1 3 . 8 6
TI Rental Rate	\$ 1 3 . 5 6	
Operating Cost Rate	\$ 1 2 . 1 8	\$ 1 2 . 1 8
Full Service Rate	\$ 3 4 . 3 9	\$ 2 6 . 0 4

unto subscribed their names as of the date first above written.

IN P

777 N. 1st Street, #600
San Jose, CA 95112

(Address)

UNITED STATES OF AMERICA

B

Contracting Officer, General Services Administration

(Official Title)

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The Lessor shall amortize the tenant improvement costs over the firm term of the lease. The actual tenant improvement costs will be established by a supplemental lease agreement upon delivery of the space and the Government's acceptance.

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

PARK PLACE VENTURE
777 NORTH FIRST STREET SUITE 600
SAN JOSE, CA 95112-6340

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

A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9CA3026 dated March 23rd, 2010, as amended.

B. Build out in accordance with standards set forth in SFO 9CA3026 dated March 23rd, 2010 as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.

C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

6. The following are attached and made a part hereof:

A. Solicitation for Offers 9CA3026 dated March 23rd, 2010 and the Special Requirements Questionnaire, Physical Security Requirements for [REDACTED] Facilities, and Appendix G: Sustainability Checklist for Leased Properties, dated March 23rd, 2010

B. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05])

C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])

D. Floor Plan documents entitled FOURTH FLOOR PLAN; 96 NORTH 3RD STREET, SAN JOSE, CA dated 5 March 2010 and FIRST FLOOR EXIT STAIR DISCHARGE

E. SFO modifications entitled AMENDMENT NO. 1 TO SOLICITATION FOR OFFERS (SFO) NO. 9CA3026 and AMENDMENT NO. 2 TO SOLICITATION FOR OFFERS (SFO) NO. 9CA3026

7. In accordance with the Section 3.3 SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$266,138.24 (4,276 USF x \$62.24) shall be amortized through the rent for five (5) years at the rate of 8.75%. The total annual cost of Tenant Improvements for the amortization period shall be \$65,908.28 and is pursuant to Section 3.3 of the SFO.

8. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 7.68%.

9. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$12.18/RSF (\$59,182.62/annum).

10. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 13% (4,859 RSF/4,276 USF).

11. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.50/USF for vacant space (rental reduction).

12. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$45.00 per hour for the entire building or any portion thereof.

The Lessor hereby waives restoration.

UNITED STATES OF AMERICA

BY



(Initial)