

GSA FORM L201C (09/14)

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: A total of ~~40,604~~ ^{4,100} rentable square feet (RSF), yielding 5,899 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space, and ~~2,900~~ ^{10,704} useable square feet (USF) of warehouse space, all located on the 1st floor and known as Suite B, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. Common Area Factor: The Common Area Factor (CAF) for the total area is established as 1.0974444 percent. The CAF for the office area is established as 1.1195117, and for the warehouse, 1.0. These factors, which represent the conversion from ABOA to rentable square feet, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: 29 parking spaces as depicted on the plan attached hereto as Exhibit B, are reserved for the exclusive use of the Government, of which 29 shall be secured, surface, outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

C. Wareyard: Occupancy and use of 44,036 SF of outside wareyard space is included in the rent. The wareyard is shown on Exhibit B, attached hereto and made a part hereof.

D. Free Space: Occupancy and use of an additional 200 USF of warehouse space is included at no additional cost to the Government, and is shown on Exhibit A, attached hereto and made a part hereof. The total amount of warehouse spaced occupied under this lease is 4,100 USF.

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	ANNUAL RENT
SHELL RENT	\$275,519.92
SHELL	\$286,023.92
SHELL RENT	\$296,527.92
SHELL RENT	\$307,031.92
TENANT IMPROVEMENT RENT	
	\$ 32,772.48
OPERATING COSTS	\$ 61,973.60
TOTAL ANNUAL RENT	\$370,266.00
TOTAL ANNUAL RENT	\$380,770.00
TOTAL ANNUAL RENT	\$392,274.00
TOTAL ANNUAL RENT	\$401,778.00

In instances where the Lessor amortizes either the TI or BSAC for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. DELETED

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."
2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, maintenance required for the proper operation of the Property, the Building, and the Leased Premises, in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements and improvements required to be made thereto to meet the requirements of this Lease.

H. DELETED

1.04 DELETED

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than ninety (90) calendar days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
PARKING PLAN(S)	1	B
AGENCY SPACE REQUIREMENTS (SHELL)	30	C
AGENCY SPACE REQUIREMENTS (TENANT IMPROVEMENTS)		D
SECURITY REQUIREMENTS LEVEL II	6	E
GSA FORM 3517B GENERAL CLAUSES	47	F
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	G
SEISMIC FORM C, BUILDING RETROFIT COMMITMENT	1	H
LEASE AMENDMENT(S) ISSUED UNDER RLP AMENDMENT NO. 1	4	I

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$55.19 per ABOA SF for the office space, and \$8.49 per USF for the warehouse space. The TIA does not apply to the 200 USF of free warehouse space. The total amount of the TIA is \$358,676.81. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the ENTIRE Term of this Lease at an annual interest rate of 7 percent.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to:

1. Reduce the TI requirements;

2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (FLAT FEE)	\$62,250.00
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	0%
GENERAL CONDITIONS (% OF \$358,677.00 SUBCONTRACTOR COSTS)	3%
GENERAL CONTRACTOR FEE (% OF \$358,677.00 SUBCONTRACTOR COSTS)	7%
DEVELOPER PROFIT/OH (% OF \$358,677.00 SUBCONTRACTOR COSTS)	5%

1.11 DELETED

1.12 DELETED

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 49%. The Percentage of Occupancy is derived by dividing the total Government Space of 10,604 RSF by the total Building space of 22,000 RSF.

The Assessor's Parcel Number (APN) for the property, building(s) and parking areas(s) occupied under this lease is APN 169-200-1200.

1.14 DELETED

1.15 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$5.90 per RSF (\$61,973.60/annum).

1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$4.00 per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$20.00 per hour for the entire Space.

1.18 DELETED

1.19 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements:

- A. Fire Protection and Life Safety Upgrades
- B. ABAAS upgrades
- C. The Lessor has committed on Seismic Form C (Exhibit G to this Lease) to do a seismic retrofit, and to meet all of the seismic requirements in this lease
- D. Energy efficiency upgrades for actions exempted from Energy Star label requirements

1.20 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.