

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: *September 1, 2011*

LEASE No. GS-09B-02727

THIS LEASE, made and entered into this date between **MCLELLAN PROPERTIES, LLC**

whose address is: 216 Park Road
Burlingame, CA 94010-4206

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:
6,766 rentable square feet (r.s.f.), yielding approximately 6,014 ANSI/BOMA Office Area square feet and related space located at the American Center, 10365 Old Placerville Road, Suite 210, Sacramento, CA 95827-2537, together with six (6) surface parking spaces to be used for **SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.**
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 at any time after the sixth (6th) year of this lease by giving at least one-hundred-eighty (180) 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.

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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; provided that the Government shall make payments for lump sum items identified in Paragraph 3.3 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. 9CA2411 and its attachments.
 - 1) Installation of new carpet in the Government demised area. To be completed within sixty (60) calendar days from the Notice to Proceed (NTP).
 - 2) Application of new paint in the Government-demised area in colors acceptable to the GSA. To be completed within sixty (60) calendar days from the Notice to Proceed (NTP).
 - 3) Installation of three (3) 4"x4" interior office windows in private officers as depicted in the drawing entitled *Office Emergency Plan*. To be completed within sixty (60) calendar days from the Notice to Proceed (NTP).
 - 4) Removal of one (1) interior door as depicted in the drawing entitled *Office Emergency Plan*. To be completed within sixty (60) calendar days from the Notice to Proceed (NTP).

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:

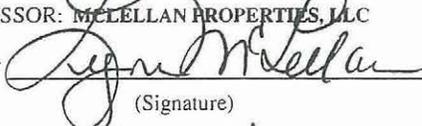
- A. Sheets No. 1-3 containing paragraphs 9-21;
- B. The Solicitation For Offers Number 9CA2411 dated 06/14/2010 (pages 1-46) (all references to SFO shall also refer to any Special Requirements and Amendments);
- C. Amendment Number 1 to SFO 9CA2411 dated 06/14/2010 (page 1);
- D. Amendment Number 2 to SFO 9CA2411 dated 05/11/2011 (pages 1-2);
- E. GSA Form 3517 (pages 1-2);
- F. GSA Form 3518 (pages 1-7).

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 21 have been added.

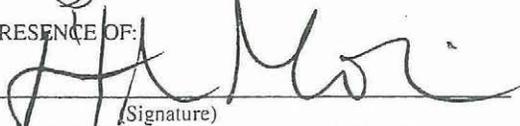
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: MCLELLAN PROPERTIES, LLC

BY 
(Signature)

9/1/2011
(Signature)

IN PRESENCE OF:


(Signature)

[REDACTED ADDRESS]
(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-02727

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on November 30, 2010 through November 30, 2020 subject to termination and renewal rights as may be hereinafter set forth.
10. The Government shall pay the Lessor annual rent as follows:

11/30/2010 through 7/31/2011 Firm	Annual Rent	Monthly Rent
Shell	\$101,354.68	\$8,446.223
Operating Cost	\$ 34,991.71	\$2,915.976
Total Annual	\$136,346.39	\$11,362.199
8/1/2011 through 11/30/2015 Firm	Annual Rent	Monthly Rent
Shell	\$101,354.68	\$8,446.223
Operating Cost	\$ 34,991.71	\$2,915.976
Tenant Improvement	\$ 15,148.04	\$1,262.34
Total Annual	\$151,494.43	\$12,624.5358
12/1/2015 through 11/30/2016 Firm	Annual Rent	Monthly Rent
Shell	\$114,142.42	\$9,511.868
Operating Cost	\$ 34,991.71	\$2,915.976
Tenant Improvement	\$ 15,148.04	\$1,262.34
Total Annual	\$164,282.17	\$13,690.181

12/1/2016 through 11/30/2020	Annual Rent	Monthly Rent
Shell	\$114,142.42	\$9,511.868
Operating Cost	\$ 34,991.71	\$2,915.976
Tenant Improvement	\$ 0	\$ 0
Total Annual	\$149,134.13	\$12,427.844

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

McLellan Properties, LLC c/o Bouldin and English
 10411 Old Placerville Road, Suite 215
 Sacramento, CA 95827-2537

11. The Lessor shall have sixty (60) calendar days from the Government's execution of the lease (Government's Notice to Proceed of Tenant Improvements) to complete the build-out of the entire space.
12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 6,766/44,067 rentable square feet (15.35 %).
13. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs," the base rate for purposes of operating cost escalation is established at \$34,991.71 (\$5.171698 per rentable square foot per annum).
14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4, "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 **\$2.84** per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs."

Initials: LS & CS
 Lessor Government
 9/1/2011

15. **OVERTIME USAGE:** Pursuant to Paragraph 4.6, "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 (7:00 a.m. – 6:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$15.00 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 U.S. General Services Administration, Sacramento Field Office, Attn: Vandricia Razo, Building Manager, 650 Capital Mall, Sacramento, CA 95814-2510, to receive payment.
16. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$4.00 per rentable square foot after "Normal Hours."
17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance of \$67,261.00 has been established by Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over five (5) years and four (4) months (during the firm term) of the lease agreement at an interest rate (amortization rate) of 7.00% per year.
18. **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.**
19. 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."
20. **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]. The Lessor agrees to pay the Commission 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 10 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 Payment \$11,362.199 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent
- Second Month's Rental Payment \$11,362.199 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent
21. **Tax ID No.** [REDACTED];
DUNS No. 062953950.

Initials: [Signature] & [Signature]
9/11/2011
Lessor Government

September 17, 2010

Amendment Number 1
to SFO# 9CA2441
dated 06/14/2010

for The

in Sacramento, California

The purpose of this Amendment to SFO# 9CA2441 is to modify language contained within the body of the SFO.

Paragraph 1.1A is deleted in its entirety and replaced with the following:

- A. The General Services Administration (GSA) is interested in leasing approximately 6,766 rentable square feet of space. The rentable space shall yield a minimum of 6,014 ANSI/BOMA Office Area (ABOA) square feet to a maximum of 6,014 ANSI/BOMA Office Area square feet, available for use by tenant for personnel, furnishings, and equipment. Refer to the "Measurement of Space" paragraph in the UTILITIES, SERVICES AND LEASE ADMINISTRATION section of this Solicitation for Offers (SFO).

All respondents to this Solicitation for Offers to lease shall acknowledge receipt of this Amendment by signature on one copy in the space provided below. The acknowledged copy of this Amendment must be received by 4:00PM on Friday, October 1, 2010. You may fax this Amendment to Ms. Shannon C. Mohler of the CBRE Real Estate Services, Inc. at (703) 852-6210. A hard copy of the Amendment must be mailed to the following (can be included with submitted offer):

Shannon C. Mohler | Transaction Specialist
GSA - National Broker Contract
CBRE Real Estate Services, Inc.
8270 Greensboro Drive, Suite 620, McLean, VA 22102
T 703 852 6211 | F 703 852 6210
shannon.mohler@cbre.com

RECEIPT OF AMENDMENT NO. 1
IS HEREBY ACKNOWLEDGED:

McLellan Properties, LLC

OFFEROR'S NAME:



OFFEROR'S SIGNATURE:

12/22/2010

DATE: