

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41CFR) 1D16.601

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: 1/9/2012

LEASE No. GS-09B-02805

THIS LEASE, made and entered into this date between Meyers and Roy, LLC

whose address is: 3 Searidge
Laguna Niguel, CA 92677-9222

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:
21,450 rentable square feet (r.s.f.), yielding approximately 19,894 ANSI/BOMA Office Area square feet and related space located at 201 Avenida Fabricante San Clemente, California 92672, together with 18 reserved parking space and 74 unreserved onsite parking spaces at no additional charge to the Government. To be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. PARAGRAPH 2 HAS BEEN INTENTIONALLY OMITTED.
3. PARAGRAPH 3 HAS BEEN INTENTIONALLY OMITTED.
4. The Government may terminate this lease in whole or in part effective any time after the tenth year of this lease giving at least 120 days' prior notice in writing. No rental shall accrue after the effective date of termination, or the date building is vacated, whichever is later. Said notice shall be computed commencing with the day after the date of mailing.
5. PARAGRAPH 5 HAS BEEN 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 and the Government's approved Design Intent Drawings; provided that the Government shall make payments for lump sum items identified in SFO Paragraph 3.3 of the attachment sheets in the amounts specified therein. Rent is subject to adjustment in accordance with SFO 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. 0CA2595 and its attachments unless this Lease, SFO or Special Requirements specifically provides otherwise.
 - 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) Sheet no. 1-3 containing Paragraphs 9-30;
- b) The Solicitation For Offers Number 0CA2595 (pages 1-48) (all references to SFO shall also refer to any Special Requirements and Amendments);
- c) GSA Form 3517 (pages 1-29);
- d) GSA Form 3518 (pages 1-7);
- e) Special Requirements (Exhibits "A and B", pages 1-13)
- f) Site Plan (Exhibit "C", page 1 of 2)
- g) Amendment #1 (pages 1-3)

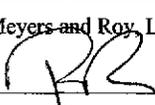
8. The following changes were made in this lease prior to its execution:

Paragraphs 2, 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 29 have been added.

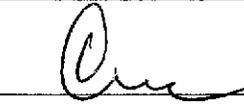
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: Meyers and Roy, LLC

BY


(Signature)

10.26.11


(Signature)

10/27/11

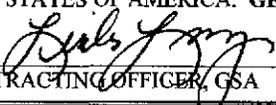
IN PRESENCE OF:

(Signature)

(Address)

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

BY



CONTRACTING OFFICER, GSA

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SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02805

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 fifteen (15) year, ten (10) year firm term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

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

Months 1 through 6, annual rent of \$0.00 at a rate of \$0.00 per month in arrears
Months 7 through 60, annual rent of \$645,777.58 at the rate of \$53,814.80 per month in arrears.
Months 61 through 120, annual rent of \$721,067.08 at the rate of \$60,088.92 per month in arrears.
Month 121 through 180, annual rent of \$659,694.75 at the rate of \$54,974.56 per month in arrears

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

Meyers and Roy, LLC
3 Searidge Laguna Niguel, CA 92677-9222

11. **OCCUPANCY DATE:** Pursuant to Paragraph SFO 1.9, "Occupancy Date", The Lessor shall have 120 calendar days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. **OPERATING COST:** The base operating rate is subject to adjustments Pursuant to SFO Paragraph 4.2, "Operating Costs". The base rate for purposes of operating cost adjustments is established at \$5.255 per rentable square foot per annum.
13. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to SFO Paragraph 4.3, "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 \$4.00 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon SFO Paragraph 4.2, "Operating Costs."
14. **OVERTIME USAGE:** Pursuant to SFO Paragraph 4.5, "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. – 6:30 p.m., Monday through Friday, Saturday 9:00 am – 1:00 pm and except Federal Holidays ("Normal Hours")), at a rate of \$0.00 per hour. If substantial change in the use of the overtime utilities occurs the Lessor can file a claim to re-establish a rate for "Normal Hours". "Substantial change" shall mean an increase in 50% or more per kilowatt-hour (kWh) based on the monthly utility bill established from the date occupancy occurs.
15. **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 separately metered and charged as a direct pass through to the agency. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 24000 Avila Rd., Ste 4100 Laguna Niguel, CA 92677, to receive payment.
16. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by SFO Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the 10 year firm term of the lease agreement at an interest rate (amortization rate) of 6.5% per year.
17. **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 5.2, 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 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 SFO 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 SFO 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 SFO 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

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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.

18. **ACCEPTANCE OF SPACE:**

- A. The following is added to SFO 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.
- 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.

19. **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.**

20. 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".

21. **UNIT COSTS FOR ADJUSTMENTS:** Pursuant to SFO Paragraph 5.1, "Unit Costs for Adjustments", the following negotiated amounts may be used, as a guideline not to exceed 5% of the original quoted cost during the first year of the lease to price alterations costing \$100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government.

ITEM	UNIT COST
The cost per linear foot of office subdividing ceiling-high partitioning	[REDACTED]
The cost per floor-mounted duplex electrical outlet	
The cost per wall-mounted duplex electrical outlet	
The cost per floor-mounted fourplex (double duplex) electrical outlet	
The cost per wall-mounted fourplex (double duplex) electrical outlet	
The cost per dedicated clean electrical computer receptacle	
The cost per floor-mounted telephone outlet	
The cost per wall-mounted telephone outlet	
The cost per interior door	

22. **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.

23. The Government occupies 21,450/ 21,450 rentable square feet or 100% of the leased premise. No annual Real Estate Tax required.

24. **RECARPETING:** The Lessor as part of its offer shall provide new carpet to all areas and surfaces designated by the Government, in colors acceptable to the Government. The Lessor must consult with the Contracting Officer prior to developing a minimum of 3 finish options to include coordinated samples of finishes for all interior elements such as wall coverings, base coving, carpet, laminates and flooring. The finish options must be approved by GSA in writing prior to installation. The Lessor may not make any substitutions after the finish option is selected. All work must be performed after working hours **at the Lessors expense**. These costs, including the moving and returning of furnishings, as well as disassembly and reassembly of systems furniture, will be borne by the Lessor and completed prior to occupancy.

25. **FENCING:** Pursuant to SFO Paragraph 11.1, "Exhibit A: FDA Facility Security Requirements; Section I.1 SOLE OCUPANT PERIMETER FENCING", the Lessor is exempt from providing perimeter fencing as the agency has waived this requirement.

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- 26. **ELEVATORS:** Pursuant to SFO Paragraph 8.18, "Elevators", a freight elevator is not required by the Government for this location.
- 27. **WINDOW GLAZING:** Pursuant to SFO Paragraph 10.13, [REDACTED], if additional window glazing is required, the costs associated with the materials and installation of any window glazing will be a tenant improvement cost. These costs can then be amortized into the rent as a tenant improvement under the tenant improvement allowance.
- 28. **WILLFUL OR NEGLIGENT ACTS:** Whenever the Lease or its attachments require that the Lessor take action at its expenses, but such actions are required because of the Government's willful acts or negligent acts or omissions, such actions will be at the Government's expense, not Lessor's.
- 29. Where any of the language referred to in the Solicitation For Offers Number OCA2595, and Special Requirements Exhibits "A and B" conflict with the provisions of Standard Form 2, the provisions of Standard Form 2 will control.

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